UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended February 28, 2010

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from __________ to __________

COMMISSION FILE NUMBER: 001-33292

TORTOISE CAPITAL RESOURCES CORPORATION

(Exact name of registrant as specified in its charter)

MARYLAND	**20-3431375**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

11550 ASH STREET, SUITE 300
LEAWOOD, KANSAS 66211
(Address of principal executive office) (Zip Code)

(913) 981-1020
(Registrant's telephone number, including area code)

Not Applicable
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☐ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer", "accelerated filer", and "smaller reporting company" in Rule 12b-2 of the Exchange Act (Check one):

Large accelerated filer ☐	Accelerated filer ☐	Non-accelerated filer ☑ (Do not check if a smaller reporting company)	Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☑

The number of shares of the issuer's Common Stock, $0.001 par value, outstanding as of March 31, 2010 was 9,099,037.

Tortoise Capital Resources Corporation

FORM 10-Q

FOR THE QUARTERLY PERIOD ENDED FEBRUARY 28, 2010

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SIGNATURES

STATEMENTS OF ASSETS & LIABILITIES

	February 28, 2010 (Unaudited)	November 30, 2009
Assets		
Investments at fair value, control (cost $20,952,193 and $28,180,070, respectively)	$ 27,765,626	$ 33,458,046
Investments at fair value, affiliated (cost $51,439,159 and $52,676,299, respectively)	41,629,781	41,658,847
Investments at fair value, non-affiliated (cost $15,139,576 and $9,568,566, respectively)	14,633,831	8,865,047
Total investments (cost $87,530,928 and $90,424,935, respectively)	84,029,238	83,981,940
Receivable for Adviser expense reimbursement	51,654	49,843
Interest receivable from control investments	55,031	—
Dividends receivable	103	87
Deferred tax asset	4,703,740	5,429,391
Prepaid expenses and other assets	18,460	16,792
Total assets	88,858,226	89,478,053
Liabilities		
Base management fees payable to Adviser	309,922	299,060
Distribution payable to common stockholders	1,180,152	—
Accrued expenses and other liabilities	234,196	282,408
Short-term borrowings	—	4,600,000
Total liabilities	1,724,270	5,181,468
Net assets applicable to common stockholders	$ 87,133,956	$ 84,296,585
Net Assets Applicable to Common Stockholders Consist of:		
Warrants, no par value; 945,594 issued and outstanding at February 28, 2010 and November 30, 2009 (5,000,000 authorized)	$ 1,370,700	$ 1,370,700
Capital stock, $0.001 par value; 9,078,090 shares issued and outstanding at February 28, 2010 and November 30, 2009 (100,000,000 shares authorized)	9,078	9,078
Additional paid-in capital	100,749,155	101,929,307
Accumulated net investment loss, net of income taxes	(3,123,409)	(3,304,416)
Accumulated realized loss, net of income taxes	(12,696,417)	(14,041,614)
Net unrealized appreciation (depreciation) of investments, net of income taxes	824,849	(1,666,470)
Net assets applicable to common stockholders	$ 87,133,956	$ 84,296,585
Net Asset Value per common share outstanding (net assets applicable to common stock, divided by common shares outstanding)	$ 9.60	$ 9.29

See accompanying Notes to Financial Statements.

SCHEDULE OF INVESTMENTS
February 28, 2010
(Unaudited)

Company	Energy Infrastructure Segment	Type of Investment	Cost	Fair Value
Control Investments[1]				
Mowood, LLC	Midstream/Downstream	Equity Interest (100%)[2]	$ 793,000	$ 5,847,523
		Subordinated Debt (14.0% Due 12/31/10)[2]	5,300,000	5,300,000
VantaCore Partners LP	Aggregates	Common Units (933,430)[2]	14,715,251	16,409,700
		Incentive Distribution Rights (988)[2][5]	143,941	208,403
Total Control Investments — 31.8%[3]			20,952,193	27,765,626
Affiliated Investments[4]				
High Sierra Energy, LP	Midstream	Common Units (1,042,685)[2]	20,413,947	24,325,831
International Resource Partners LP	Coal	Class A Units (500,000)[2]	9,233,333	10,520,000
LONESTAR Midstream Partners, LP	Midstream	Class A Units (1,327,900)[2][5][6]	2,149,269	376,000
LSMP GP, LP	Midstream	GP LP Units (180)[2][5][6]	120,046	68,000
Quest Midstream Partners, L.P.	Midstream	Common Units (1,216,881)[2][5]	19,522,564	6,339,950
Total Affiliated Investments — 47.8%[3]			51,439,159	41,629,781
Non-affiliated Investments				
Abraxas Petroleum Corporation	Upstream	Unregistered Common Units (1,946,376)[2][5][7]	2,895,234	3,406,158
Eagle Rock Energy Partners, L.P.	Midstream/Upstream	Unregistered Common Units (53,951)[2][7][8]	715,042	302,665
EV Energy Partners, L.P.	Upstream	Common Units (78,900)[7]	2,423,724	2,437,221
High Sierra Energy GP, LLC	Midstream	Equity Interest (2.37%)[2]	2,001,076	1,383,286
Fidelity Institutional Government Portfolio	Short-term investment	Class I Shares	7,104,501	7,104,501
Total Non-affiliated Investments — 16.8%[3]			15,139,576	14,633,831
Total Investments — 96.4%[3]			$ 87,530,928	$ 84,029,238

(1) Control investments are generally defined under the Investment Company Act of 1940 as companies in which at least 25% of the voting securities are owned; see Note 8 to the financial statements for further disclosure.
(2) Restricted securities have been fair valued in accordance with procedures approved by the Board of Directors and have a total fair value of $74,487,516, which represents 85.5% of net assets applicable to common stockholders; see Note 7 to the financial statements for further disclosure.
(3) Calculated as a percentage of net assets applicable to common stockholders.
(4) Affiliated investments are generally defined under the Investment Company Act of 1940 as companies in which at least 5% of the voting securities are owned. Affiliated investments in which at least 25% of the voting securities are owned are generally defined as control investments as described in footnote 1; see Note 8 to the financial statements for further disclosure.
(5) Currently non-income producing.
(6) In July 2008, LONESTAR Midstream Partners, LP sold its assets to Penn Virginia Resource Partners, L.P. (PVR). LONESTAR has no continuing operations, but currently holds certain rights to receive future payments from PVR relative to the sale. LSMP GP, LP indirectly owns the general partner of LONESTAR Midstream Partners, LP. See Note 9 to the financial statements for additional information.
(7) Publicly-traded company.
(8) Units are held in an escrow account to satisfy any potential claims from the purchaser of Millennium Midstream Partners, L.P. The escrow agreement terminates April 1, 2010. See Note 9 to the financial statements for additional information.

See accompanying Notes to Financial Statements.

SCHEDULE OF INVESTMENTS
November 30, 2009

Company	Energy Infrastructure Segment	Type of Investment	Cost	Fair Value
Control Investments[1]				
Mowood, LLC	Midstream/Downstream	Equity Interest (99.5%)[2]	$ 4,077,499	$ 8,253,910
		Subordinated Debt (9% Due 12/31/09)[2]	8,800,000	8,800,000
VantaCore Partners LP	Aggregates	Common Units (933,430)[2]	15,158,630	16,256,482
		Incentive Distribution Rights (988)[2][5]	143,941	147,654
Total Control Investments — 39.7%[3]			28,180,070	33,458,046
Affiliated Investments[4]				
High Sierra Energy, LP	Midstream	Common Units (1,042,685)[2]	20,729,255	24,461,390
International Resource Partners LP	Coal	Class A Units (500,000)[2]	9,333,333	9,984,402
LONESTAR Midstream Partners, LP	Midstream	Class A Units (1,327,900)[2][5][6]	2,952,626	1,102,000
LSMP GP, LP	Midstream	GP LP Units (180)[2][5][6]	138,521	124,000
Quest Midstream Partners, L.P.	Midstream	Common Units (1,216,881)[2][5]	19,522,564	5,987,055
Total Affiliated Investments — 49.4%[3]			52,676,299	41,658,847
Non-affiliated Investments				
Abraxas Petroleum Corporation	Upstream	Unregistered Common Units (1,946,376)[2][5][7]	2,895,234	3,297,009
Eagle Rock Energy Partners, L.P.	Midstream/Upstream	Unregistered Common Units (54,474)[2][7][8]	723,447	253,559
EV Energy Partners, L.P.	Upstream	Common Units (78,900)[7]	2,447,552	2,039,565
High Sierra Energy GP, LLC	Midstream	Equity Interest (2.37%)[2]	2,003,487	1,776,068
Fidelity Institutional Government Portfolio	Short-term investment	Class I Shares	1,498,846	1,498,846
Total Non-affiliated Investments — 10.5%[3]			9,568,566	8,865,047
Total Investments — 99.6%[3]			$90,424,935	$83,981,940

(1) Control investments are generally defined under the Investment Company Act of 1940 as companies in which at least 25% of the voting securities are owned; see Note 8 to the financial statements for further disclosure.
(2) Restricted securities have been fair valued in accordance with procedures approved by the Board of Directors and have a total fair value of $80,443,529, which represents 95.4% of net assets applicable to common stockholders; see Note 7 to the financial statements for further disclosure.
(3) Calculated as a percentage of net assets applicable to common stockholders.
(4) Affiliated investments are generally defined under the Investment Company Act of 1940 as companies in which at least 5% of the voting securities are owned. Affiliated investments in which at least 25% of the voting securities are owned are generally defined as control investments as described in footnote 1; see Note 8 to the financial statements for further disclosure.
(5) Currently non-income producing.
(6) In July 2008, LONESTAR Midstream Partners, LP sold its assets to Penn Virginia Resource Partners, L.P. (PVR). LONESTAR has no continuing operations, but currently holds certain rights to receive future payments from PVR relative to the sale. LSMP GP, LP indirectly owns the general partner of LONESTAR Midstream Partners, LP. See Note 9 to the financial statements for additional information.
(7) Publicly-traded company.
(8) Units are held in an escrow account to satisfy any potential claims from the purchaser of Millennium Midstream Partners, L.P. The escrow agreement terminates April 1, 2010. See Note 9 to the financial statements for additional information.

See accompanying Notes to Financial Statements.

Tortoise Capital Resources Corporation

STATEMENTS OF OPERATIONS *(Unaudited)*

	For the three months ended February 28, 2010	For the three months ended February 28, 2009
Investment Income		
Distributions from investments		
Control investments	$ 555,879	$ 579,215
Affiliated investments	856,892	829,338
Non-affiliated investments	75,985	1,311,218
Total distributions from investments	1,488,756	2,719,771
Less return of capital on distributions	(998,640)	(1,853,248)
Net distributions from investments	490,116	866,523
Interest income from control investments	191,431	201,598
Dividends from money market mutual funds	217	725
Fee income	10,392	15,000
Total Investment Income	692,156	1,083,846
Operating Expenses		
Base management fees	309,922	392,769
Professional fees	85,162	129,092
Directors' fees	26,161	21,657
Reports to stockholders	15,703	15,073
Administrator fees	14,460	18,329
Fund accounting fees	6,972	8,005
Registration fees	6,355	7,719
Stock transfer agent fees	3,130	3,181
Franchise tax expense	2,572	—
Custodian fees and expenses	1,575	3,087
Other expenses	12,478	11,439
Total Operating Expenses	484,490	610,351
Interest expense	45,619	171,116
Total Expenses	530,109	781,467
Less expense reimbursement by Adviser	(51,654)	(65,461)
Net Expenses	478,455	716,006
Net Investment Income, before Income Taxes	213,701	367,840
Deferred tax expense	(32,694)	(101,183)
Net Investment Income	181,007	266,657

STATEMENTS OF OPERATIONS *(Unaudited)*
(Continued)

	For the three months ended February 28, 2010	For the three months ended February 28, 2009
Realized and Unrealized Gain (Loss) on Investments		
Net realized gain on control investments	$ 1,578,001	$ —
Net realized loss on affiliated investments	(17,445)	(499,818)
Net realized gain on non-affiliated investments	27,612	—
Net realized gain (loss), before income taxes	1,588,168	(499,818)
Deferred tax benefit (expense)	(242,971)	137,487
Net realized gain (loss) on investments	1,345,197	(362,331)
Net unrealized appreciation of control investments	1,535,457	127,710
Net unrealized appreciation (depreciation) of affiliated investments	1,208,074	(8,278,048)
Net unrealized appreciation (depreciation) of non-affiliated investments	197,774	(4,783,720)
Net unrealized appreciation (depreciation), before income taxes	2,941,305	(12,934,058)
Deferred tax benefit (expense)	(449,986)	3,557,817
Net unrealized appreciation (depreciation) of investments	2,491,319	(9,376,241)
Net Realized and Unrealized Gain (Loss) on Investments	3,836,516	(9,738,572)
Net Increase (Decrease) in Net Assets Applicable to Common Stockholders Resulting from Operations	$ 4,017,523	$ (9,471,915)
Net Increase (Decrease) in Net Assets Applicable to Common Stockholders Resulting from Operations Per Common Share:		
Basic and Diluted	$ 0.44	$ (1.06)
Weighted Average Shares of Common Stock Outstanding:		
Basic and Diluted	9,078,090	8,962,147

See accompanying Notes to Financial Statements.

STATEMENTS OF CHANGES IN NET ASSETS

	For the three months ended February 28, 2010 *(Unaudited)*	For the three months ended February 28, 2009 *(Unaudited)*	Year ended November 30, 2009
Operations			
Net investment income (loss)	$ 181,007	$ 266,657	$ (760,149)
Net realized gain (loss) on investments	1,345,197	(362,331)	(20,405,876)
Net unrealized appreciation (depreciation) of investments	2,491,319	(9,376,241)	21,177,019
Net increase (decrease) in net assets applicable to common stockholders resulting from operations	4,017,523	(9,471,915)	10,994
Distributions to Common Stockholders			
Return of capital	(1,180,152)	(2,061,293)	(5,582,473)
Total distributions to common stockholders	(1,180,152)	(2,061,293)	(5,582,473)
Capital Stock Transactions			
Issuance of 115,943 common shares from reinvestment of distributions to stockholders	—	—	642,764
Net increase in net assets, applicable to common stockholders, from capital stock transactions	—	—	642,764
Total increase (decrease) in net assets applicable to common stockholders	2,837,371	(11,533,208)	(4,928,715)
Net Assets			
Beginning of period	84,296,585	89,225,300	89,225,300
End of period	$ 87,133,956	$ 77,692,092	$ 84,296,585
Accumulated net investment loss, net of income taxes, at the end of period	$ (3,123,409)	$ (2,277,610)	$ (3,304,416)

See accompanying Notes to Financial Statements.

STATEMENT OF CASH FLOWS *(Unaudited)*

	For the three months ended February 28, 2010	For the three months ended February 28, 2009
Cash Flows From Operating Activities		
Distributions received from investments	$ 1,488,756	$ 2,691,635
Interest and dividend income received	136,600	217,683
Fee income received	10,392	—
Purchases of long-term investments	(750,000)	(515,000)
Proceeds from sales of long-term investments	9,839,190	—
Purchases of short-term investments, net	(5,605,655)	(2,588,988)
Interest expense paid	(66,703)	(184,976)
Operating expenses paid	(452,580)	(520,354)
Net cash provided by (used in) operating activities	4,600,000	(900,000)
Cash Flows from Financing Activities		
Advances from revolving line of credit	—	900,000
Repayments on revolving line of credit	(4,600,000)	—
Net cash provided by (used in) financing activities	(4,600,000)	900,000
Net change in cash	—	—
Cash — beginning of period	—	—
Cash — end of period	$ —	$ —
Reconciliation of net increase (decrease) in net assets applicable to common stockholders resulting from operations to net cash provided by (used in) operating activities		
Net increase (decrease) in net assets applicable to common stockholders resulting from operations	$ 4,017,523	$ (9,471,915)
Adjustments to reconcile net increase (decrease) in net assets applicable to common stockholders resulting from operations to net cash provided by (used in) operating activities:		
Purchases of long-term investments	(750,000)	(1,131,168)
Return of capital on distributions received	998,640	1,853,248
Proceeds from sales of long-term investments	9,839,190	588,032
Purchases of short-term investments, net	(5,605,655)	(2,588,988)
Deferred income taxes, net	725,651	(3,594,121)
Realized (gain) loss on investments	(1,588,168)	499,818
Net unrealized (appreciation) depreciation of investments	(2,941,305)	12,934,058
Changes in operating assets and liabilities:		
(Increase) decrease in interest, dividend and distribution receivable	(55,047)	15,360
Decrease in income tax receivable	—	212,054
Increase in prepaid expenses and other assets	(1,668)	(8,743)
Increase (decrease) in base management fees payable to Adviser, net of expense reimbursement	9,051	(117,319)
Decrease in accrued expenses and other liabilities	(48,212)	(90,316)
Total adjustments	582,477	8,571,915
Net cash provided by (used in) operating activities	$ 4,600,000	$ (900,000)

See accompanying Notes to Financial Statements.

FINANCIAL HIGHLIGHTS

	For the three months ended February 28, 2010 (Unaudited)	For the three months ended February 28, 2009 (Unaudited)	Year ended November 30, 2009
Per Common Share Data(1)			
Net Asset Value, beginning of period	$ 9.29	$ 9.96	$ 9.96
Income (loss) from Investment Operations:			
Net investment income (loss)(2)	0.02	0.03	(0.08)
Net realized and unrealized gain (loss) on investments(2)	0.42	(1.09)	0.03
Total increase (decrease) from investment operations	0.44	(1.06)	(0.05)
Less Distributions to Common Stockholders:			
Return of capital	(0.13)	(0.23)	(0.62)
Total distributions to common stockholders	(0.13)	(0.23)	(0.62)
Net Asset Value, end of period	$ 9.60	$ 8.67	$ 9.29
Per common share market value, end of period	$ 6.85	$ 6.43	$ 6.23
Total Investment Return, based on net asset value(3)	5.28%	(9.51)%	4.19%
Total Investment Return, based on market value(4)	12.02%	28.29%	33.57%
Supplemental Data and Ratios			
Net assets applicable to common stockholders, end of period (000's)	$ 87,134	$ 77,692	$ 84,297
Ratio of expenses (including current and deferred income tax expense (benefit)) to average net assets(5)(6)	5.69%	(12.47)%	3.48%
Ratio of expenses (excluding current and deferred income tax expense (benefit)) to average net assets(5)(7)	2.26%	3.10%	3.18%
Ratio of net investment income (loss) to average net assets before current and deferred income tax expense (benefit)(5)(7)	(1.01)%	1.59%	(1.03)%
Ratio of net investment income (loss) to average net assets after current and deferred income tax expense (benefit)(5)(6)	(2.42)%	17.16%	(1.33)%
Portfolio turnover rate(5)	3.82%	0.43%	7.43%
Short-term borrowings, end of period (000's)	—	$ 23,100	$ 4,600
Asset coverage, per $1,000 of short-term borrowings(8)	—	$ 4,363	$ 19,325
Asset coverage ratio of short-term borrowings(8)	—	436%	1933%

(1) Information presented relates to a share of common stock outstanding for the entire period.
(2) The per common share data for the three months ended February 28, 2009 does not reflect the change in estimate of investment income and return of capital, as described in Note 2D.
(3) Not annualized. Total investment return is calculated assuming a purchase of common stock at the net asset value per share as of the beginning of the period, reinvestment of distributions at actual prices pursuant to the Company's dividend reinvestment plan and a sale at net asset value at the end of the period.
(4) Not annualized. Total investment return is calculated assuming a purchase of common stock at the market value at the beginning of the period, reinvestment of distributions at actual prices pursuant to the Company's dividend reinvestment plan and a sale at the current market price on the last day of the period (excluding brokerage commissions).
(5) Annualized for periods less than one full year.
(6) For the three months ended February 28, 2010, the Company accrued $725,651 in deferred income tax expense, net. For the three months ended February 28, 2009, the Company accrued $3,594,121 in deferred income tax benefit, net. For the year ended November 30, 2009, the Company accrued $254,356 in deferred income tax expense, net.
(7) The ratio excludes the impact of current and deferred income taxes.
(8) Represents value of total assets less all liabilities and indebtedness not represented by short-term borrowings at the end of the period divided by short-term borrowings outstanding at the end of the period.

See accompanying Notes to Financial Statements.

NOTES TO FINANCIAL STATEMENTS
(Unaudited)
February 28, 2010

1. Organization
Tortoise Capital Resources Corporation (the “Company”) was organized as a Maryland corporation on September 8, 2005, and is a non-diversified closed-end management investment company focused on the U.S. energy infrastructure sector. The Company invests primarily in privately held and micro-cap public companies operating in the midstream and downstream segments, and to a lesser extent the upstream and coal/aggregates segments, of the energy infrastructure sector. The Company is regulated as a business development company (“BDC”) under the Investment Company Act of 1940, as amended (the “1940 Act”). The Company does not report results of operations internally on an operating segment basis. The Company is externally managed by Tortoise Capital Advisors, L.L.C. (the “Adviser”), an investment adviser specializing in the energy sector. The Company’s shares are listed on the New York Stock Exchange under the symbol “TTO.”

2. Significant Accounting Policies
A. Use of Estimates — The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, recognition of distribution income and disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

B. Investment Valuation — The Company invests primarily in illiquid securities including debt and equity securities of privately-held companies. These investments generally are subject to restrictions on resale, have no established trading market and are fair valued on a quarterly basis. Because of the inherent uncertainty of valuation, the fair values of such investments, which are determined in accordance with procedures approved by the Company’s Board of Directors, may differ materially from the values that would have been used had a ready market existed for the investments. The Company’s Board of Directors may consider other methods of valuing investments as appropriate and in conformity with U.S. generally accepted accounting principles.

Consistent with ASC 820 *Fair Value Measurements,* the Company determines fair value to be the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Also, in accordance with ASC 820, the Company has determined the principal market, or the market in which the Company exits its private portfolio investments with the greatest volume and level of activity, to be the private secondary market. Typically, private companies are bought and sold based on multiples of EBITDA, cash flows, net income, revenues, or in limited cases, book value.

For private company investments, value is often realized through a liquidity event of the entire company. Therefore, the value of the company as a whole (enterprise value) at the reporting date often provides the best evidence of the value of the investment and is the initial step for valuing the Company’s privately issued securities. For any one company, enterprise value may best be expressed as a range of fair values, from which a single estimate of fair value will be derived. In determining the enterprise value of a portfolio company, the Company prepares an analysis consisting of traditional valuation methodologies including market and income approaches. The Company considers some or all of the traditional valuation methods based on the individual circumstances of the portfolio company in order to derive its estimate of enterprise value.

The fair value of investments in private portfolio companies is determined based on various factors, including enterprise value, observable market transactions, such as recent offers to purchase a company, recent transactions involving the purchase or sale of the equity securities of the company, or other liquidation events. The determined equity values will generally be discounted when the Company has a minority position, is subject to restrictions on resale, has specific concerns about the receptivity of the capital markets to a specific company at a certain time, or other comparable factors exist.

For equity and equity-related securities that are freely tradable and listed on a securities exchange or over-the-counter market, the Company fair values those securities at their last sale price on that exchange or over-the-counter market on the valuation date. If the security is listed on more than one exchange, the Company will use the price from the exchange that it considers to be the principal exchange on which the security is traded. Securities listed on the NASDAQ will be valued at the NASDAQ Official Closing Price, which may not necessarily represent the last sale price. If there has been no sale on such exchange or over-the-counter market on such day, the security will be valued at the mean between the last bid price and last ask price on such day.

An equity security of a publicly traded company acquired in a private placement transaction without registration is subject to restrictions on resale that can affect the security’s liquidity and fair value. Such securities that are convertible into or otherwise

will become freely tradable will be valued based on the market value of the freely tradable security less an applicable discount. Generally, the discount will initially be equal to the discount at which the Company purchased the securities. To the extent that such securities are convertible or otherwise become freely tradable within a time frame that may be reasonably determined, an amortization schedule may be used to determine the discount.

The Board of Directors undertakes a multi-step valuation process each quarter in connection with determining the fair value of private investments:

- An independent valuation firm engaged by the Board of Directors to provide independent, third-party valuation consulting services performs certain procedures that the Board of Directors has identified and asked it to perform on a selection of private investments as determined by the Board of Directors. For the period ended February 28, 2010, the independent valuation firm performed positive assurance valuation procedures on six portfolio companies comprising approximately 94 percent of the total restricted investments at fair value as of February 28, 2010;

- The preliminary valuations and supporting analyses are initially reviewed by the investment professionals of the Adviser;

- The Investment Committee of the Adviser reviews the preliminary valuations, and considers and assesses, as appropriate, any changes that may be required to the preliminary valuations;

- The Board of Directors assesses the valuations and ultimately determines the fair value of each investment in the Company's portfolio in good faith.

C. Interest and Fee Income — Interest income is recorded on the accrual basis to the extent that such amounts are expected to be collected. When investing in instruments with an original issue discount or payment-in-kind interest (in which case the Company chooses payment-in-kind in lieu of cash), the Company will accrue interest income during the life of the investment, even though the Company will not necessarily be receiving cash as the interest is accrued. Fee income will include fees, if any, for due diligence, structuring, commitment and facility fees, transaction services, consulting services and management services rendered to portfolio companies and other third parties. Commitment and facility fees generally are recognized as income over the life of the underlying loan, whereas due diligence, structuring, transaction service, consulting and management service fees generally are recognized as income when services are rendered. For the three months ended February 28, 2010 and February 28, 2009, the Company received $10,392 and $15,000 in fee income, respectively.

D. Security Transactions and Investment Income — Security transactions are accounted for on the date the securities are purchased or sold (trade date). Realized gains and losses are reported on an identified cost basis. Distributions received from the Company's investments in limited partnerships and limited liability companies generally are comprised of ordinary income, capital gains and return of capital. The Company records investment income, capital gains and return of capital based on estimates made at the time such distributions are received. Such estimates are based on information available from each company and/or other industry sources. These estimates may subsequently be revised based on information received from the entities after their tax reporting periods are concluded, as the actual character of these distributions is not known until after the fiscal year end of the Company.

For the period from December 1, 2009 through February 28, 2010, the Company estimated the allocation of investment income and return of capital for the distributions received from its portfolio companies within the Statement of Operations. For this period, the Company has estimated approximately 33 percent as investment income and approximately 67 percent as return of capital.

E. Distributions to Stockholders — The amount of any quarterly distributions will be determined by the Board of Directors. Distributions to stockholders are recorded on the ex-dividend date. If the Company has outstanding leverage, it may not declare or pay distributions to its common stockholders if it does not meet asset coverage ratios required under the 1940 Act. The character of distributions made during the year may differ from their ultimate characterization for federal income tax purposes. For the year ended November 30, 2009 and the period ended February 28, 2010, the Company's distributions for book purposes were comprised of 100 percent return of capital. For the year ended November 30, 2009, the Company's distributions for tax purposes were comprised of 100 percent return of capital. The tax character of distributions paid to common stockholders in the current year will be determined subsequent to November 30, 2010.

F. Federal and State Income Taxation — The Company, as a corporation, is obligated to pay federal and state income tax on its taxable income. Currently, the highest regular marginal federal income tax rate for a corporation is 35 percent; however, the Company anticipates a marginal effective tax rate of 34 percent due to expectations of the level of taxable income relative to the federal graduated tax rates, including the tax rate anticipated when temporary differences reverse. The Company may be subject to a 20 percent federal alternative minimum tax on its federal alternative minimum taxable income to the extent that its alternative minimum tax exceeds its regular federal income tax.

The Company invests its assets primarily in limited partnerships or limited liability companies which are treated as partnerships for federal and state income tax purposes. As a limited partner, the Company reports its allocable share of taxable income in

computing its own taxable income. The Company's tax expense or benefit is included in the Statement of Operations based on the component of income or gains (losses) to which such expense or benefit relates. Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. A valuation allowance is recognized, if based on the weight of available evidence, it is more likely than not that some portion or all of the deferred income tax asset will not be realized.

G. Organization Expenses and Offering Costs — The Company was responsible for paying all organization expenses, which were expensed as incurred. Offering costs related to the issuance of common stock are charged to additional paid-in capital when the stock is issued.

H. Indemnifications — Under the Company's organizational documents, its officers and directors are indemnified against certain liabilities arising out of the performance of their duties to the Company. In addition, in the normal course of business, the Company may enter into contracts that provide general indemnification to other parties. The Company's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Company that have not yet occurred, and may not occur. However, the Company has not had prior claims or losses pursuant to these contracts and expects the risk of loss to be remote.

I. Recent Accounting Pronouncement

Standard on Fair Value Measurement
On January 21, 2010, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update No. 2010-06, *Improving Disclosures about Fair Value Measurements,* which amends FASB Accounting Standards Codification Topic 820, *Fair Value Measurements and Disclosures*, and requires additional disclosures regarding fair value measurements. Specifically, the amendment requires reporting entities to disclose (i) the input and valuation techniques used to measure fair value for both recurring and nonrecurring fair value measurements, for Level 2 or Level 3 positions, (ii) transfers between all levels (including Level 1 and Level 2) will be required to be disclosed on a gross basis (i.e. transfers out must be disclosed separately from transfers in) as well as the reason(s) for the transfer, and (iii) purchases, sales, issuances, and settlements must be shown on a gross basis in the Level 3 rollforward rather than as one net number. The effective date of the amendment is for interim and annual periods beginning after December 15, 2009; however, the requirement to provide the Level 3 activity for purchases, sales, issuances, and settlements on a gross basis will be effective for interim and annual periods beginning after December 15, 2010. At this time, the Company is evaluating the impact of the amendment to the financial statements.

3. Concentration of Risk
The Company invests primarily in privately-held and micro-cap public companies focused on the midstream and downstream segments, and to a lesser extent the upstream segment and coal/aggregate segments, of the U.S. energy infrastructure sector. The Company may, for defensive purposes, temporarily invest all or a significant portion of its assets in investment grade securities, short-term debt securities and cash or cash equivalents. To the extent the Company uses this strategy it may not achieve its investment objective.

4. Agreements
For the period from December 1, 2008 through September 14, 2009, the Company had an Investment Advisory Agreement with Tortoise Capital Advisors, L.L.C. On September 15, 2009, the Company entered into a new Investment Advisory Agreement with the Adviser as a result of a change in control of the Adviser and the previous Investment Advisory Agreement with the Adviser automatically terminated. The terms of the new Investment Advisory Agreement are substantially identical to the terms of the previous Investment Advisory Agreement, except for the effective and termination dates, and simply continue the relationship between the Company and the Adviser.

Under the terms of the Investment Advisory Agreement, the Adviser is paid a fee consisting of a base management fee and an incentive fee. The base management fee is 0.375 percent (1.5 percent annualized) of the Company's average monthly Managed Assets, calculated and paid quarterly in arrears within thirty days of the end of each fiscal quarter. The term "Managed Assets" as used in the calculation of the management fee means total assets (including any assets purchased with or attributable to borrowed funds but excluding any net deferred tax asset) minus accrued liabilities other than (1) net deferred tax liabilities, (2) debt entered into for the purpose of leverage and (3) the aggregate liquidation preference of any outstanding preferred shares. The base management fee for any partial quarter is appropriately prorated.

On November 30, 2007, the Company entered into an Expense Reimbursement and Partial Fee Waiver Agreement with the Adviser. Under the terms of the agreement, the Adviser reimbursed the Company for certain expenses incurred beginning September 1, 2007 and ending December 31, 2008 in an amount equal to an annual rate of 0.25 percent of the Company's average monthly Managed Assets. On November 11, 2008, the Company entered into an Expense Reimbursement Agreement with the Adviser, for which the Adviser reimbursed the Company for certain expenses incurred beginning January 1, 2009 and ending December 31, 2009 in an amount equal to an annual rate of 0.25 percent of the Company's average monthly Managed Assets. On February 17,

2010, the Company entered into an Expense Reimbursement Agreement with the Adviser under which the Adviser will reimburse the Company for certain expenses incurred beginning January 1, 2010 and ending December 31, 2010 in an amount equal to an annual rate of 0.25 percent of the Company's average monthly Managed Assets. During the three months ended February 28, 2010 and February 28, 2009, the Adviser reimbursed the Company $51,564 and $65,461, respectively.

The incentive fee consists of two parts. The first part, the investment income fee, is equal to 15 percent of the excess, if any, of the Company's Net Investment Income for the fiscal quarter over a quarterly hurdle rate equal to 2 percent (8 percent annualized), and multiplied, in either case, by the Company's average monthly Net Assets for the quarter. "Net Assets" means the Managed Assets less deferred taxes, debt entered into for the purposes of leverage and the aggregate liquidation preference of any outstanding preferred shares. "Net Investment Income" means interest income (including accrued interest that we have not yet received in cash), dividend and distribution income from equity investments (but excluding that portion of cash distributions that are treated as a return of capital), and any other income (including any fees such as commitment, origination, syndication, structuring, diligence, monitoring, and consulting fees or other fees that the Company is entitled to receive from portfolio companies) accrued during the fiscal quarter, minus the Company's operating expenses for such quarter (including the base management fee, expense reimbursements payable pursuant to the Investment Advisory Agreement, any interest expense, any accrued income taxes related to net investment income, and distributions paid on issued and outstanding preferred stock, if any, but excluding the incentive fee payable). Net Investment Income also includes, in the case of investments with a deferred interest or income feature (such as original issue discount, debt or equity instruments with a payment-in-kind feature, and zero coupon securities), accrued income that the Company has not yet received in cash. Net Investment Income does not include any realized capital gains, realized capital losses, or unrealized capital appreciation or depreciation. The investment income fee is calculated and payable quarterly in arrears within thirty (30) days of the end of each fiscal quarter. The investment income fee calculation is adjusted appropriately on the basis of the number of calendar days in the first fiscal quarter the fee accrues or the fiscal quarter during which the Agreement is in effect in the event of termination of the Agreement during any fiscal quarter. During the three months ended February 28, 2010 and February 28, 2009, the Company accrued no investment income fees.

The second part of the incentive fee payable to the Adviser, the capital gain incentive fee, is equal to: (A) 15 percent of (i) the Company's net realized capital gains (realized capital gains less realized capital losses) on a cumulative basis from inception to the end of each fiscal year, less (ii) any unrealized capital depreciation at the end of such fiscal year, less (B) the aggregate amount of all capital gain fees paid to the Adviser in prior fiscal years. The capital gain incentive fee is calculated and payable annually within thirty (30) days of the end of each fiscal year. In the event the Investment Advisory Agreement is terminated, the capital gain incentive fee calculation shall be undertaken as of, and any resulting capital gain incentive fee shall be paid within thirty (30) days of the date of termination. The Adviser may, from time to time, waive or defer all or any part of the compensation described in the Investment Advisory Agreement.

The calculation of the capital gain incentive fee does not include any capital gains that result from that portion of any scheduled periodic distributions made possible by the normally recurring cash flow from the operations of portfolio companies ("Expected Distributions") that are characterized by the Company as return of capital for U.S. generally accepted accounting principles purposes. In that regard, any such return of capital will not be treated as a decrease in the cost basis of an investment for purposes of calculating the capital gain incentive fee. This does not apply to any portion of any distribution from a portfolio company that is not an Expected Distribution. Realized capital gains on a security will be calculated as the excess of the net amount realized from the sale or other disposition of such security over the adjusted cost basis for the security. Realized capital losses on a security will be calculated as the amount by which the net amount realized from the sale or other disposition of such security is less than the adjusted cost basis of such security. Unrealized capital depreciation on a security will be calculated as the amount by which the Company's adjusted cost basis of such security exceeds the fair value of such security at the end of a fiscal year.

The payable for capital gain incentive fees is a result of the increase or decrease in the fair value of investments and realized gains or losses from investments. For the three months ended February 28, 2010 and February 28, 2009, the Company accrued no capital gain incentive fees. Pursuant to the Investment Advisory Agreement, the capital gain incentive fee is paid annually only if there are realization events and only if the calculation defined in the agreement results in an amount due. No capital gain incentive fees have been paid to date.

The Company has engaged U.S. Bancorp Fund Services, LLC to serve as the Company's fund accounting services provider. The Company pays the provider a monthly fee computed at an annual rate of $24,000 on the first $50,000,000 of the Company's Net Assets, 0.0125 percent on the next $200,000,000 of Net Assets and 0.0075 percent on the balance of the Company's Net Assets.

The Adviser has been engaged as the Company's administrator. The Company pays the administrator a fee equal to an annual rate of 0.07 percent of aggregate average daily Managed Assets up to and including $150,000,000, 0.06 percent of aggregate average daily Managed Assets on the next $100,000,000, 0.05 percent of aggregate average daily Managed Assets on the next $250,000,000, and 0.02 percent on the balance. This fee is calculated and accrued daily and paid quarterly in arrears.

Computershare Trust Company, N.A. serves as the Company's transfer agent, dividend paying agent, and agent for the automatic dividend reinvestment plan.

U.S. Bank, N.A. serves as the Company's custodian. The Company pays the custodian a monthly fee computed at an annual rate of 0.015 percent on the first $200,000,000 of the Company's portfolio assets and 0.01 percent on the balance of the Company's portfolio assets, subject to a minimum annual fee of $4,800.

5. Income Taxes

Deferred income taxes reflect the net tax effect of temporary differences between the carrying amount of assets and liabilities for financial reporting and tax purposes. Components of the Company's deferred tax assets and liabilities as of February 28, 2010 and November 30, 2009 are as follows:

	February 28, 2010	November 30, 2009
Deferred tax assets:		
Organization costs	$ (23,900)	$ (24,456)
Net unrealized loss on investment securities	(1,313,484)	(2,416,767)
Capital loss carryforwards	(4,237,706)	(6,084,585)
Net operating loss carryforwards	(4,353,419)	(5,112,040)
AMT and State of Kansas credit	(5,039)	(5,039)
Valuation allowance	1,984,576	3,038,089
	(7,948,972)	(10,604,798)
Deferred tax liabilities:		
Basis reduction of investment in partnerships	3,245,232	5,175,407
Total net deferred tax asset	$ (4,703,740)	$ (5,429,391)

At February 28, 2010, the Company has recorded a valuation allowance in the amount of $1,984,576 for a portion of its deferred tax asset which it does not believe will, more likely than not, be realized. The Company estimates, based on existence of sufficient evidence, primarily regarding the amount and timing of distributions to be received from portfolio companies, the ability to realize the remainder of its deferred tax assets. Any adjustments to such estimates will be made in the period such determination is made. The Company's policy is to record interest and penalties on uncertain tax positions as part of tax expense. As of February 28, 2010, the Company had no uncertain tax positions. No interest or penalties were accrued at February 28, 2010. All tax years since inception remain open to examination by federal and state tax authorities.

Total income tax benefit differs from the amount computed by applying the federal statutory income tax rate of 34 percent to net investment income and realized and unrealized gains (losses) on investments before taxes as follows:

	For the three months ended February 28, 2010	For the three months ended February 28, 2009
Application of statutory income tax rate	$ 1,612,679	$ (4,442,452)
State income taxes, net of federal taxes	166,485	(363,236)
Change in deferred tax valuation allowance	(1,053,513)	1,211,567
Total income tax expense (benefit)	$ 725,651	$ (3,594,121)

The provision for income taxes is computed by applying the federal statutory rate plus a blended state income tax rate. The components of income tax include the following for the periods presented:

	For the three months ended February 28, 2010	For the three months ended February 28, 2009
Deferred tax expense (benefit)		
Federal	$ 657,748	$ (3,322,461)
State	67,903	(271,660)
Total deferred expense (benefit)	$ 725,651	$ (3,594,121)

The deferred income tax expense (benefit) for the three months ended February 28, 2010 and February 28, 2009 includes the impact of the change in valuation allowance for such respective periods.

As of November 30, 2009, the Company had a net operating loss for federal income tax purposes of approximately $14,025,000. The net operating loss may be carried forward for 20 years. If not utilized, this net operating loss will expire as follows: $3,911,000, $3,369,000 and $6,745,000 in the years 2027, 2028 and 2029, respectively. As of November 30, 2009, the Company had a capital

loss carryforward of approximately $16,000,000 which may be carried forward for 5 years. If not utilized, this capital loss will expire in the year ending November 30, 2014. The amount of the deferred tax asset for these items at February 28, 2010 also includes amounts for the period from December 1, 2009 through February 28, 2010. For corporations, capital losses can only be used to offset capital gains and cannot be used to offset ordinary income. As of November 30, 2009, an alternative minimum tax credit of $3,109 was available, which may be credited in the future against regular income tax. This credit may be carried forward indefinitely.

The aggregate cost of securities for federal income tax purposes and securities with unrealized appreciation and depreciation, were as follows:

	February 28, 2010	November 30, 2009
Aggregate cost for federal income tax purposes	$ 78,879,283	$ 76,627,528
Gross unrealized appreciation	14,615,760	15,304,091
Gross unrealized depreciation	(9,465,805)	(7,949,679)
Net unrealized appreciation	$ 5,149,955	$ 7,354,412

6. Fair Value of Financial Instruments

Various inputs are used in determining the fair value of the Company's investments. These inputs are summarized in the three broad levels listed below:

- Level 1 — quoted prices in active markets for identical investments
- Level 2 — other significant observable inputs (including quoted prices for similar investments, market corroborated inputs, etc.)
- Level 3 — significant unobservable inputs (including the Company's own assumptions in determining the fair value of investments)

Valuation Techniques

In general, and where applicable, the Company uses readily available market quotations based upon the last updated sales price from the principal market to determine fair value. This pricing methodology applies to the Company's Level 1 investments.

An equity security of a publicly traded company acquired in a private placement transaction without registration under the Securities Act of 1933, as amended (the "1933 Act"), is subject to restrictions on resale that can affect the security's fair value. If such a security is convertible into publicly-traded common shares, the security generally will be valued at the common share market price adjusted by a percentage discount due to the restrictions. This pricing methodology applies to the Company's Level 2 investments.

For private company investments, value is often realized through a liquidity event of the entire company. Therefore, the value of the company as a whole (enterprise value) at the reporting date often provides the best evidence of the value of the investment and is the initial step for valuing the Company's privately issued securities. For any one company, enterprise value may best be expressed as a range of fair values, from which a single estimate of fair value will be derived. In determining the enterprise value of a portfolio company, the Company prepares an analysis consisting of traditional valuation methodologies including market and income approaches. The Company considers some or all of the traditional valuation methods based on the individual circumstances of the portfolio company in order to derive its estimate of enterprise value. This pricing methodology applies to the Company's Level 3 investments.

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The following tables provide the fair value measurements of applicable Company assets and liabilities by level within the fair value hierarchy as of February 28, 2010 and November 30, 2009. These assets are measured on a recurring basis.

February 28, 2010

		Fair Value Measurements at Reporting Date Using		
Description	Fair Value at February 28, 2010	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Equity Investments	$ 71,624,737	$ 2,437,221	$ 3,406,158	$ 65,781,358
Debt Investments	5,300,000	—	—	5,300,000
Short-Term Investments	7,104,501	7,104,501	—	—
Total Investments	$ 84,029,238	$ 9,541,722	$ 3,406,158	$ 71,081,358

November 30, 2009

Description	Fair Value at November 30, 2009	Fair Value Measurements at Reporting Date Using: Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Equity Investments	$ 73,683,094	$ 2,039,565	$ 3,297,009	$ 68,346,520
Debt Investments	8,800,000	—	—	8,800,000
Short-Term Investments	1,498,846	1,498,846	—	—
Total Investments	$ 83,981,940	$ 3,538,411	$ 3,297,009	$ 77,146,520

The changes for all Level 3 assets measured at fair value on a recurring basis using significant unobservable inputs for the three months ended February 28, 2010 and the year ended November 30, 2009, are as follows:

	Three months ended February 28, 2010	Three months ended February 28, 2009
Fair value beginning balance	$ 77,146,520	$ 85,728,339
Total realized and unrealized gains (losses) included in net increase (decrease) in net assets applicable to common stockholders	3,998,840	(11,494,308)
Purchases	750,000	543,136
Sales	(9,839,190)	—
Return of capital adjustments impacting cost basis of securities	(974,812)	(1,088,167)
Transfers into (out of) Level 3	—	—
Fair value ending balance	$ 71,081,358	$ 73,689,000
The amount of total gains (losses) for the period included in net increase (decrease) in net assets applicable to common stockholders attributable to the change in unrealized gains (losses) relating to assets still held at the reporting date	$ 3,981,482	$ (11,321,163)

7. Restricted Securities

Certain of the Company's investments are restricted and are valued as determined in accordance with procedures established by the Board of Directors and more fully described in Note 2. The following tables show the equity interest, number of units or principal amount, the acquisition date(s), acquisition cost (excluding return of capital adjustments), fair value, fair value per unit of such securities and fair value as percent of net assets applicable to common stockholders as of February 28, 2010 and November 30, 2009.

February 28, 2010

	Investment Security	Equity Interest, Units or Principal Amount	Acquisition Date(s)	Acquisition Cost	Fair Value	Fair Value Per Unit	Fair Value as Percent of Net Assets
Abraxas Petroleum Corporation	Common Units	1,946,376	10/5/09	$ 2,895,234	$ 3,406,158	$ 1.75	3.9%
Eagle Rock Energy Partners, L.P.(1)	Unregistered Common Units	53,951	10/1/08	741,826	302,665	5.61	0.4
High Sierra Energy, LP	Common Units	1,042,685	11/2/06-11/15/08	24,828,836	24,325,831	23.33	27.9
High Sierra Energy GP, LLC	Equity Interest	2.37%	11/2/06-5/1/07	2,015,969	1,383,286	N/A	1.6
International Resource Partners LP	Class A Units	500,000	6/12/07	10,000,000	10,520,000	21.04	12.1
LONESTAR Midstream Partners, LP(2)	Class A Units	1,327,900	7/27/07-4/2/08	2,149,269	376,000	0.28	0.4
LSMP GP, LP(2)	GP LP Units	180	7/27/07-4/2/08	120,046	68,000	377.78	0.1
Mowood, LLC(2)	Equity Interest	100%	6/5/06-8/4/08	1,000,000	5,847,523	N/A	6.7
	Subordinated Debt	$ 5,300,000	6/5/06-2/22/10	5,300,000	5,300,000	N/A	6.1

	Investment Security	Equity Interest, Units or Principal Amount	Acquisition Date(s)	Acquisition Cost	Fair Value	Fair Value Per Unit	Fair Value as Percent of Net Assets
Quest Midstream Partners, L.P.	Common Units	1,216,881	12/22/06-10/1/09	$22,200,001	$ 6,339,950	$ 5.21	7.3%
VantaCore Partners LP	Common Units	933,430	5/21/07-8/4/08	18,270,449	16,409,700	17.58	18.8
	Incentive Distribution Rights	988	5/21/07-8/4/08	143,936	208,403	210.93	0.2
				$89,665,566	$74,487,516		85.5%

(1) Units are held in an escrow account to satisfy any potential claims from the purchaser of Millennium Midstream Partners, L.P. The escrow agreement terminates April 1, 2010. See Note 9 — Investment Transactions for additional information.
(2) See Note 9 — Investment Transactions for additional information.

November 30, 2009

	Investment Security	Equity Interest, Units or Principal Amount	Acquisition Date(s)	Acquisition Cost	Fair Value	Fair Value Per Unit	Fair Value as Percent of Net Assets
Abraxas Petroleum Corporation	Unregistered Common Units	1,946,376	10/5/09	$ 2,895,234	$ 3,297,009	$ 1.69	3.9%
Eagle Rock Energy Partners, L.P.(1)	Unregistered Common Units	54,474	10/1/08	749,018	253,559	4.65	0.3
High Sierra Energy, LP	Common Units	1,042,685	11/2/06-11/15/08	24,828,836	24,461,390	23.46	29.0
High Sierra Energy GP, LLC	Equity Interest	2.37%	11/2/06-5/1/07	2,015,969	1,776,068	N/A	2.1
International Resource Partners LP	Class A Units	500,000	6/12/07	10,000,000	9,984,402	19.97	11.8
LONESTAR Midstream Partners, LP(2)	Class A Units	1,327,900	7/27/07-4/2/08	2,952,626	1,102,000	0.83	1.3
LSMP GP, LP(2)	GP LP Units	180	7/27/07-4/2/08	138,521	124,000	688.89	0.2
Mowood, LLC	Equity Interest	99.5%	6/5/06-8/4/08	5,000,000	8,253,910	N/A	9.8
	Subordinated Debt	$ 8,800,000	6/5/06-12/8/08	8,800,000	8,800,000	N/A	10.4
Quest Midstream Partners, L.P.	Common Units	1,180,946	12/22/06-11/1/07	22,200,001	5,987,055	4.92	7.1
VantaCore Partners LP	Common Units	933,430	5/21/07-8/4/08	18,270,449	16,256,482	17.42	19.3
	Incentive Distribution Rights	988	5/21/07-8/4/08	143,936	147,654	149.45	0.2
				$97,994,590	$80,443,529		95.4%

(1) Units are held in an escrow account to satisfy any potential claims from the purchaser of Millennium Midstream Partners, L.P. The escrow agreement terminates April 1, 2010. See Note 9 — Investment Transactions for additional information.
(2) See Note 9 — Investment Transactions for additional information.

8. Investments in Affiliates and Control Entities

Investments representing 5 percent or more of the outstanding voting securities of a portfolio company result in that company being considered an affiliated company, as defined in the 1940 Act. Investments representing 25 percent or more of the outstanding voting securities of a portfolio company result in that company being considered a control company, as defined in the 1940 Act. The aggregate fair value of all securities of affiliates and controlled entities held by the Company as of February 28, 2010 amounted to $69,395,407, representing 79.6 percent of net assets applicable to common stockholders. The aggregate fair value of all securities of affiliates and controlled entities held by the Company as of November 30, 2009 amounted to $75,116,893, representing 89.1 percent of net assets applicable to common stockholders. A summary of affiliated transactions for each company which is or was an affiliate or controlled entity at February 28, 2010 or during the three months then ended and at November 30, 2009 or during the year then ended is as follows:

February 28, 2010

	Units/ Equity Interest/ Principal Balance 11/30/09	Gross Additions	Gross Reductions	Realized Gain (Loss)	Gross Distributions or Interest Received	Units/ Equity Interest/ Principal Balance 2/28/10	Fair Value 2/28/10
High Sierra Energy, LP	1,042,685	$ —	$ —	$ —	$ 656,892	1,042,685	$ 24,325,831
International Resource Partners LP	500,000	—	—	—	200,000	500,000	10,520,000
LONESTAR Midstream Partners, LP(1)(2)	1,327,900	—	(787,133)	(16,224)	—	1,327,900	376,000
LSMP GP, LP(1)(2)	180	—	(17,254)	(1,221)	—	180	68,000
Mowood, LLC Subordinated Debt	$ 8,800,000	750,000	(4,250,000)	—	191,431	$ 5,300,000	5,300,000
Mowood, LLC Equity Interest	99.5%	—	(4,750,000)	1,578,001	112,500	100%	5,847,523
Quest Midstream Partners, L.P.(2)	1,216,881	—	—	—	—	1,216,881	6,339,950
VantaCore Partners LP Common Units	933,430	—	—	—	443,379	933,430	16,409,700
VantaCore Partners LP Incentive Distribution Rights(2)	988	—	—	—	—	988	208,403
		$ 750,000	$ (9,804,387)	$ 1,560,556	$ 1,604,202		$ 69,395,407

(1) See Note 9 — Investment Transactions for additional information.
(2) Currently non-income producing.

November 30, 2009

	Units/ Equity Interest/ Principal Balance 11/30/08	Gross Additions	Gross Reductions	Realized Gain (Loss)	Gross Distributions or Interest Received	Units/ Equity Interest/ Principal Balance 11/30/09	Fair Value 11/30/09
High Sierra Energy, LP	1,042,685	$ —	$ —	$ —	$ 2,579,159	1,042,685	$ 24,461,390
International Resource Partners LP	500,000	—	—	—	800,000	500,000	9,984,402
LONESTAR Midstream Partners, LP(1)(2)	1,327,900	—	(1,128,428)	(363,932)	—	1,327,900	1,102,000
LSMP GP, LP(1)(2)	180	—	(55,353)	25,360	—	180	124,000
Mowood, LLC Subordinated Debt	$ 7,050,000	1,750,000	—	—	807,848	$ 8,800,000	8,800,000
Mowood, LLC Promissory Notes	$ 1,235,000	—	(1,235,000)	—	—	—	—
Mowood, LLC Equity Interest	99.6%	—	—	—	450,000	99.5%	8,253,910
Quest Midstream Partners, L.P.(2)	1,180,946	—	—	—	—	1,216,881	5,987,055
VantaCore Partners LP Common Units	933,430	—	—	—	1,820,189	933,430	16,256,482
VantaCore Partners LP Incentive Distribution Rights(2)	988	—	—	—	—	988	147,654
		$ 1,750,000	$ (2,418,781)	$ (338,572)	$ 6,457,196		$ 75,116,893

(1) See Note 9 — Investment Transactions for additional information.
(2) Currently non-income producing. Additional units held at 11/30/09 resulted from paid-in-kind distribution to private investors in October 2009.

9. Investment Transactions

For the three months ended February 28, 2010, the Company purchased (at cost) securities in the amount of $750,000 and sold securities (at proceeds) in the amount of $9,839,190 (excluding short-term debt securities). For the three months ended February 28, 2009, the Company purchased (at cost) securities in the amount of $1,131,168 and sold securities (at proceeds) in the amount of $588,032 (excluding short-term debt securities).

On February 9, 2010, Mowood, LLC closed the sale of its wholly owned subsidiary, Timberline Energy, LLC, to Landfill Energy Systems, LLC. Timberline is an owner and developer of projects that convert landfill gas to energy. Mowood will continue its ownership and operation of Omega Pipeline Company, LLC ("Omega"), a local distribution company which serves the natural gas and propane needs of Fort Leonard Wood and other customers in south central Missouri. The Company received proceeds from the sale of $9,000,000, which were used to pay off the outstanding balance on its credit facility and to fund an additional investment of $750,000 in Omega to facilitate growth. The Company intends to invest the remaining proceeds according to its stated investment policies, which may include investments in publicly-traded securities. Over the next two years, the Company could receive additional proceeds of up to $2.4 million, based on contingent and escrow terms. In connection with the transaction, the Company entered into a guarantee agreement with the purchaser to unconditionally guarantee the sellers performance under the sale agreement, including certain related seller obligations in the Purchase Agreement.

On July 17, 2008, LONESTAR Midstream Partners LP ("LONESTAR") closed a transaction with Penn Virginia Resource Partners, L.P. (NYSE: PVR) for the sale of its gas gathering and transportation assets. LONESTAR distributed substantially all of the initial sales proceeds to its limited partners but did not redeem partnership interests. On July 24, 2008, the Company received a distribution of $10,476,511 in cash, 468,001 newly issued unregistered common units of PVR, and 59,503 unregistered common

units of Penn Virginia GP Holdings, L.P. (NYSE: PVG). On July 24, 2008, the Company recorded the cash and the unregistered PVR and PVG common units it received at a cost basis equal to the fair value on the date of receipt, less a discount for illiquidity. The Company reduced its basis in LONESTAR by $20,427,674, approximately 82 percent of the respective relative value of the entire transaction, resulting in a realized gain of $1,104,244. The Company also reduced its basis in LSMP GP, LP by $403,488, approximately 71 percent of the respective relative value of the entire transaction, resulting in a realized gain of $1,007,962.

On February 3, 2009, the Company received a distribution of 37,305 freely tradable common units of PVR and 4,743 freely tradable common units of PVG. The Company recorded the PVR and PVG common units it received at a cost basis equal to the fair value on the date of receipt. The Company reduced its basis in LONESTAR by $746,180, approximately 3 percent of the respective relative value of the entire transaction, resulting in a realized loss of $184,201. The Company also reduced its basis in LSMP GP, LP by $14,996, approximately 3 percent of the respective relative value of the entire transaction, resulting in a realized gain of $11,057.

On July 17, 2009, the Company received a distribution of 37,304 freely tradable common units of PVR and 4,744 freely tradable common units of PVG. The Company recorded the PVR and PVG common units it received at a cost basis equal to the fair value on the date of receipt. The Company reduced its basis in LONESTAR by $746,180, approximately 3 percent of the respective relative value of the entire transaction, resulting in a realized loss of $179,731. The Company also reduced its basis in LSMP GP, LP by $14,996, approximately 3 percent of the respective relative value of the entire transaction, resulting in a realized gain of $14,303.

On December 31, 2009, the Company received a cash distribution from LONESTAR of $804,387. The Company reduced its basis in LONESTAR by $803,357, approximately 3 percent of the respective relative value of the entire transaction, resulting in a realized loss of $16,224. The Company also reduced its basis in LSMP GP, LP by $18,475, approximately 3 percent of the respective relative value of the entire transaction, resulting in a realized loss of $1,221.

There are also two future contingent payments due from LONESTAR which are based on the achievement of specific revenue targets by or before June 30, 2013. No payments are due if these revenue targets are not achieved. If received, the Company's expected portion would total approximately $9,638,829, payable in cash or common units of PVR (at PVR's election). The fair value of the LONESTAR and LSMP GP, LP units as of February 28, 2010 is based on unobservable inputs related to the potential receipt of these future payments relative to the sales transaction.

On October 1, 2008, Millennium sold its partnership interests to Eagle Rock Energy Partners, L.P. ("EROC") for approximately $181,000,000 in cash and approximately four million EROC unregistered common units. In exchange for its Millennium partnership interests, the Company received $13,687,081 in cash and 373,224 EROC unregistered common units with an aggregate basis of $5,044,980 for a total implied value at closing of approximately $18,732,061. In addition, approximately 212,404 units with an aggregate cost basis of 2,920,555 were placed in escrow for 18 months from the date of the transaction. This includes a reserve the Company placed against the units held in the escrow for estimated post-closing adjustments. The Company originally invested $17,500,000 in Millennium (including common units and incentive distribution rights), and had an adjusted cost basis at closing of $15,161,125 (after reducing its basis for cash distributions received since investment that were treated as return of capital). At the transaction closing, the Company recorded a realized gain for book purposes of $6,491,491, including a reserve the Company placed against the restricted cash and units held in the escrow for estimated post-closing adjustments. Subsequent to November 30, 2008, the Company increased the reserve against the units held in escrow for additional post-closing adjustments and a realized loss related to the reclassification of investment income and return of capital recognized based on the 2008 tax reporting information received from Millennium resulting in a revised cumulative realized gain for book purposes of $5,661,808. Of this amount, a realized loss for book purposes of $7,191 was recorded for the three months ended February 28, 2010. For purposes of the capital gain incentive fee, the realized gain totals $3,600,657, which excludes that portion of the fee that would be due as a result of cash distributions which were characterized as return of capital. Pursuant to the Investment Advisory Agreement, the capital gain incentive fee is paid annually only if there are realization events and only if the calculation defined in the agreement results in an amount due. No capital gain incentive fees have been paid to date.

10. Credit Facility

On December 1, 2008, the Company had a $50,000,000 committed credit facility with U.S. Bank, N.A., who served as a lender, agent and lead arranger. The revolving credit facility had a variable annual interest rate equal to the one-month LIBOR plus 1.75 percent and a non-usage fee equal to an annual rate of 0.375 percent of the difference between the total credit facility commitment and the average outstanding balance at the end of each day for the preceding fiscal quarter. The credit facility contained a covenant precluding the Company from incurring additional debt.

On March 20, 2009, the Company entered into a 90-day extension of its amended credit facility. Terms of the extension provided for a secured revolving credit facility of up to $25,000,000. Effective June 20, 2009, the Company entered into a 60-day extension of its amended credit facility. The terms of the extension provided for a secured revolving credit facility of up to $11,700,000.

The credit agreement, as extended, had a termination date of August 20, 2009. Terms of these extensions required the Company to apply 100 percent of the proceeds from any private investment liquidation and 50 percent of the proceeds from the sale of any publicly traded portfolio assets to the outstanding balance of the facility. In addition, each prepayment of principal of the loans under the amended credit facility would permanently reduce the maximum amount of the loans under the amended credit agreement to an amount equal to the outstanding principal balance of the loans under the amended credit agreement immediately following the prepayment. During these extensions, outstanding loan balances accrued interest at a variable rate equal to the greater of (i) one-month LIBOR plus 3.00 percent, and (ii) 5.50 percent.

On August 20, 2009, the Company entered into a six-month extension of its amended credit facility through February 20, 2010. Terms of the extension provided for a secured revolving facility of up to $5,000,000. The amended credit facility required the Company to apply 100 percent of the proceeds from the sale of any investment to the outstanding balance of the facility. In addition, each prepayment of principal of the loans under the amended credit facility permanently reduced the maximum amount of the loans under the amended credit agreement to an amount equal to the outstanding principal balance of the loans under the amended credit agreement immediately following the prepayment. During this extension, outstanding loan balances accrued interest at a variable rate equal to the greater of (i) one-month LIBOR plus 3.00 percent, and (ii) 5.50 percent. On February 10, 2010, the Company paid off the remaining balance under the credit facility with proceeds from the sale of investments and the credit facility was terminated.

For the three months ended February 28, 2010, the average principal balance and interest rate for the period during which the credit facility was utilized were $4,205,634 and 5.50 percent, respectively.

11. Common Stock

The Company has 100,000,000 shares authorized and 9,078,090 shares outstanding at February 28, 2010 and November 30, 2009.

Shares at November 30, 2008	8,962,147
Shares issued through reinvestment of distributions	115,943
Shares at November 30, 2009 and February 28, 2010	9,078,090

12. Warrants

At February 28, 2010, the Company had 945,594 warrants issued and outstanding. The warrants became exercisable on February 7, 2007 (the closing date of the Company's initial public offering of common shares), subject to a lock-up period with respect to the underlying common shares. Each warrant entitles the holder to purchase one common share at the exercise price of $15.00 per common share. Warrants were issued as separate instruments from the common shares and are permitted to be transferred independently from the common shares. The warrants have no voting rights and the common shares underlying the unexercised warrants will have no voting rights until such common shares are received upon exercise of the warrants. All warrants will expire on February 6, 2013.

Warrants outstanding at November 30, 2009 and February 28, 2010	945,594

13. Earnings Per Share

The following table sets forth the computation of basic and diluted earnings per share:

	For the three months ended February 28, 2010	For the three months ended February 28, 2009
Net increase (decrease) in net assets applicable to common stockholders resulting from operations	$ 4,017,523	$ (9,471,915)
Basic weighted average shares	9,078,090	8,962,147
Average warrants outstanding(1)	—	—
Diluted weighted average shares	9,078,090	8,962,147
Basic and diluted net increase (decrease) in net assets applicable to common stockholders resulting from operations per common share	$ 0.44	$ (1.06)

(1) Warrants to purchase shares of common stock at $15.00 per share were outstanding during the periods reflected in the table above, but were not included in the computation of diluted earnings per share because the warrants' exercise price was greater than the average market value of the common shares and, therefore, the effect would be anti-dilutive.

14. Subsequent Events

The Company has performed an evaluation of subsequent events through April 8, 2010, which is the date the financial statements were issued.

On March 1, 2010, the Company paid a distribution in the amount of $0.13 per common share, for a total of $1,180,152. Of this total, the dividend reinvestment amounted to $144,744.

ADDITIONAL INFORMATION *(Unaudited)*

Director and Officer Compensation
The Company does not compensate any of its directors who are “interested persons” (as defined in Section 2 (a) (19) of the 1940 Act) or any of its officers. For the three months ended February 28, 2010, the aggregate compensation paid by the Company to the independent directors was $34,500. The Company did not pay any special compensation to any of its directors or officers.

Forward-Looking Statements
This report contains “forward-looking statements.” By their nature, all forward-looking statements involve risk and uncertainties, and actual results could differ materially from those contemplated by the forward-looking statements.

Certifications
The Company’s Chief Executive Officer submitted to the New York Stock Exchange in 2009 the annual CEO certification as required by Section 303A.12(a) of the NYSE Listed Company Manual.

The Company has filed with the SEC the certification of its Chief Executive Officer and Chief Financial Officer required by Section 302 of the Sarbanes-Oxley Act.

Proxy Voting Policies
A description of the policies and procedures that the Company uses to determine how to vote proxies relating to portfolio securities owned by the Company is available to stockholders (i) without charge, upon request by calling the Company at (913) 981-1020 or toll-free at (866) 362-9331 and on the Company’s Web site at www.tortoiseadvisors.com/tto.cfm; and (ii) on the SEC’s Web site at www.sec.gov.

Privacy Policy
The Company is committed to maintaining the privacy of its stockholders and safeguarding their non-public personal information. The following information is provided to help you understand what personal information the Company collects, how the Company protects that information and why, in certain cases, the Company may share information with select other parties.

Generally, the Company does not receive any non-public personal information relating to its stockholders, although certain non-public personal information of its stockholders may become available to the Company. The Company does not disclose any non-public personal information about its stockholders or a former stockholder to anyone, except as required by law or as is necessary in order to service stockholder accounts (for example, to a transfer agent).

The Company restricts access to non-public personal information about its stockholders to employees of its Adviser with a legitimate business need for the information. The Company maintains physical, electronic and procedural safeguards designed to protect the non-public personal information of its stockholders.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Statements contained herein, other than historical facts, may constitute "forward-looking statements." These statements may relate to, among other things, future events or our future performance or financial condition. In some cases, you can identify forward-looking statements by terminology such as "may," "might," "believe," "will," "provided," "anticipate," "future," "could," "growth," "plan," "intend," "expect," "should," "would," "if," "seek," "possible," "potential," "likely" or the negative of such terms or comparable terminology. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to be materially different from any anticipated results, levels of activity, performance or achievements expressed or implied by such forward-looking statements. For a discussion of factors that could cause our actual results to differ from forward-looking statements contained herein, please see the discussion under the heading "Risk Factors" in Part I, Item 1A. of our most recent Annual Report filed on Form 10-K.

We may experience fluctuations in our operating results due to a number of factors, including the return on our equity investments, the interest rates payable on our debt investments, the default rates on such investments, the level of our expenses, variations in and the timing of the recognition of realized and unrealized gains or losses, the degree to which we encounter competition in our markets and general economic conditions. As a result of these factors, results for any period should not be relied upon as being indicative of performance in future periods.

Overview

We have elected to be regulated as a business development company ("BDC") and we are classified as a non-diversified closed-end management investment company under the Investment Company Act of 1940. As a BDC, we are subject to numerous regulations and restrictions. Unlike most investment companies, we are, and intend to continue to be, taxed as a general business corporation under the Internal Revenue Code of 1986.

We seek to invest in companies operating in the U.S. energy infrastructure sector, primarily in privately-held and micro-cap public companies focused on the midstream and downstream segments, and to a lesser extent the upstream and coal and aggregates segments. Companies in the midstream segment of the energy infrastructure sector engage in the business of transporting, processing or storing natural gas, natural gas liquids, crude oil, refined petroleum products and renewable energy resources. Companies in the downstream segment of the energy infrastructure sector engage in distributing or marketing such commodities, and companies in the upstream segment of the energy infrastructure sector engage in exploring, developing, managing or producing such commodities. The energy infrastructure sector also includes producers and processors of coal and aggregates, two business segments that also are eligible for master limited partnership ("MLP") status. We seek to invest in companies in the energy infrastructure sector that generally produce stable cash flows as a result of their fee-based revenues and proactive hedging programs which help to limit direct commodity price risk.

Performance Review and Investment Outlook

Our first quarter resulted in a significant improvement of both our net asset value and our stock price. Net asset value as of February 28, 2010 was $9.60 per share, as compared to $9.29 at November 30, 2009. The increase in net asset value is largely attributable to an increase in our private company valuations, most notably International Resource Partners LP and Mowood (which continues to own and operate Omega Pipeline Company). Total investment return, based on net asset value and assuming reinvestment of distributions, was 5.28 percent for the quarter ending February 28, 2010. In the first quarter, we saw continued investor interest in the BDC sector with improved trading relative to net asset value and over $500 million of equity raised in the sector in January and February. Our stock price as of February 28, 2010 was $6.85, compared to $6.23 as of November 30, 2009. Our total investment return, based on market value and assuming reinvestment of distributions, was 12.02 percent for the three months ended February 28, 2010.

As previously reported, Mowood closed the sale of its wholly owned subsidiary, Timberline Energy, LLC, to Landfill Energy Systems in February 2010. We received $9.0 million in cash distributions from Mowood. We used a portion of the proceeds to pay off our credit facility, which had an outstanding balance of $4.6 million as of November 30, 2009. We also invested $750,000 this quarter in Mowood, in the form of subordinated debt, to facilitate growth projects at Omega. The remainder of the proceeds received from the sale of Timberline were invested in publicly-traded securities after our quarter-end. Over the next two years, we could receive additional proceeds of up to $2.4 million based on the contingent and escrow terms contained in the sale agreement.

Another positive development in our portfolio was Quest Midstream Partners completing its transformation into a publicly traded C-corp, PostRock Energy Corp. (NASDAQ: PSTR). PSTR is the new corporation formed for the purpose of wholly owning all three Quest entities. PostRock announced on March 5, 2010 that shareholders of Quest Resource Corporation ("QRCP") and Quest Energy Partners, L.P. ("QELP") and unitholders of Quest Midstream Partners approved the merger and PostRock began trading on March 8, 2010. Upon closing of the merger, we received 490,769 freely tradable common units of PSTR in exchange for our 1,216,881 common units of Quest Midstream.

As of February 28, 2010, the value of our investment portfolio (excluding short-term investments) was $76.9 million, including equity investments of $71.6 million and debt investments of $5.3 million. Our portfolio is diversified among approximately 57 percent midstream and downstream investments, 8 percent upstream, and 35 percent in aggregates and coal. The weighted average yield (to cost) on our investment portfolio (excluding short-term investments) as of February 28, 2010 was 6.9 percent. A summary of our investments follows:

Name of Portfolio Company (Segment)	Nature of its Principal Business	Securities Held by Us	Amount Invested (in millions)	Fair Value (in millions)(1)	Current Yield on Amount Invested(2)
Abraxas Petroleum Corporation (Upstream)(3)	Acquisition, development, exploration, and production of oil and gas principally in the Rocky Mountain, Mid-Continent, Permian Basin, and Gulf Coast regions of the United States	Common Units	$ 2.9	$ 3.4	0.0%
Eagle Rock Energy Partners, L.P. (Upstream/Midstream)	Gatherer and processor of natural gas in north, south and east Texas and Louisiana and producer and developer of upstream and mineral assets located in 17 states	Unregistered Common Units (held in escrow)	0.7	0.3	0.7
EV Energy Partners, L.P. (Upstream)	Acquirer, producer and developer of oil and gas properties in the Appalachian Basin, the Monroe field in Louisiana, Michigan, the Austin Chalk, South Central Texas, the Permian Basin, the San Juan Basin and the Mid-continent area	Common Units	2.7	2.4	8.8
High Sierra Energy, LP (Midstream)	Marketing, processing, storage and transportation of hydrocarbons and processing and disposal of oilfield produced water with operations primarily in Colorado, Wyoming, Oklahoma, Florida and Mississippi	Common Units	24.8	24.3	10.6
High Sierra Energy GP, LLC (Midstream)(4)	General Partner of High Sierra Energy, LP	Equity Interest	2.0	1.4	3.0
International Resource Partners LP (Coal)	Operator of both metallurgical and steam coal mines and related assets in Central Appalachia	Class A Units	10.0	10.5	8.0
LONESTAR Midstream Partners, LP (Midstream)(5)	LONESTAR Midstream Partners, LP sold its assets to Penn Virginia Resource Partners, L.P (PVR) in July 2008. LONESTAR has no continuing operations, but currently holds rights to receive future payments from PVR relative to the sale	Class A Units	2.2	0.4	N/A
LSMP GP, LP (Midstream)(5)	Indirectly owns General Partner of LONESTAR Midstream Partners, LP	GP LP Units	0.1	0.1	N/A
Mowood, LLC (Midstream/ Downstream)(6)	Natural gas distribution and gas marketing in central Missouri	Equity interest	1.0	5.9	9.0
		Subordinated Debt	5.3	5.3	14.0
Quest Midstream Partners, L.P. (Midstream)(3)	Operator of natural gas gathering pipelines in the Cherokee Basin and interstate natural gas transmission pipelines in Oklahoma, Kansas and Missouri	Common Units	22.2	6.3	0.0

Name of Portfolio Company (Segment)	Nature of its Principal Business	Securities Held by Us	Amount Invested (in millions)	Fair Value (in millions)(1)	Current Yield on Amount Invested(2)
VantaCore Partners LP (Aggregates)	Acquirer and operator of aggregate companies, with quarry and asphalt operations in Clarksville, Tennessee and sand and gravel operations located near Baton Rouge, Louisiana	Common Units and Incentive Distribution Rights	$ 18.4	$ 16.6	9.6%
			$ 92.3	**$ 76.9**	

(1) Fair value as of February 28, 2010.

(2) The current yield has been calculated by annualizing the most recent distribution during the period and dividing by the amount invested in the underlying security. Actual distributions to us are based on each company's available cash flow and are subject to change.

(3) Currently non-income producing.

(4) Includes original purchase of 3 percent equity interest, sale of 0.6274 percent equity interest in July 2007 and subsequent capital calls.

(5) LONESTAR Midstream Partners, LP sold its assets to Penn Virginia Resource Partners, L.P in July 2008. LONESTAR has no continuing operations, but currently holds rights to receive future payments from PVR relative to the sale. The cost basis and the fair value of the LONESTAR and LSMP GP, LP units as of February 28, 2010 are related to the potential receipt of those future payments. Since this investment is not deemed to be "active", the yield is not meaningful and we have excluded it from our weighted average yield to cost on investments as described below in Results of Operations.

(6) Current yield on our equity interest represents an equity distribution on our invested capital. We expect that, pending cash availability, such equity distributions will recur on a quarterly basis at or above such yield.

Portfolio Company Monitoring

Our Adviser monitors each portfolio company to determine progress relative to meeting the company's business plan and to assess the company's strategic and tactical courses of action. This monitoring may be accomplished by attendance at Board of Directors meetings, ad hoc communications with company management, the review of periodic operating and financial reports, an analysis of relevant reserve information and capital expenditure plans, and periodic consultations with engineers, geologists, and other experts. The performance of each private portfolio company is also periodically compared to performance of similarly sized companies with comparable assets and businesses to assess performance relative to peers. Our Adviser's monitoring activities are expected to provide it with information that will enable us to monitor compliance with existing covenants, to enhance our ability to make qualified valuation decisions, and to assist our evaluation of the nature of the risks involved in each individual investment. In addition, these monitoring activities should enable our Adviser to diagnose and manage the common risk factors held by our total portfolio, such as sector concentration, exposure to a single financial sponsor, or sensitivity to a particular geography.

As part of the monitoring process, our Adviser continually assesses the risk profile of each of our private investments. We intend to disclose, as appropriate, those risk factors that we deem most relevant in assessing the risk of any particular investment. Such factors may include, but are not limited to, the investment's current cash distribution status, compliance with loan covenants, operating and financial performance, changes in the regulatory environment or other factors that we believe are useful in determining overall investment risk.

High Sierra Energy, LP ("High Sierra")

High Sierra is a holding company with diversified midstream energy assets focused on the transportation, storage and marketing of hydrocarbons. The company's businesses include a natural gas liquids logistics, transportation and marketing business operating throughout the lower 48 states, a natural gas storage facility in Mississippi, an ethanol terminal in Nevada, crude oil and natural gas liquids trucking businesses in Kansas and Colorado, crude oil gathering, transportation and marketing services, primarily focused in the Mid-Continent, Western and Gulf Coast regions, water treatment, transportation and disposal businesses serving oil and gas producers in Wyoming and Oklahoma, and two asphalt processing, packaging and distribution terminals in Florida. We hold board of directors' observation rights for High Sierra.

During our first fiscal quarter, High Sierra maintained its quarterly cash distribution of $0.63 per unit, which was paid in February 2010. For the year ended December 31, 2009, the company reported aggregate, unaudited EBITDA results, before mark-to-market adjustments and minority interests, and excluding results of unconsolidated entities, approximately at budget. Results within the various business units were mixed, with favorable results at the company's Anticline water treatment facility in Pinedale, Wyoming, and Centennial Energy (natural gas liquids marketing) units generally offsetting weaker-than-budgeted performance from several other business units. National Coal County, an Oklahoma based water transportation and disposal service company acquired in 2007, continued to struggle with reported results significantly below expectations, driven in part by a reduction in drilling activities in its service territory. At High Sierra Crude Oil & Marketing, favorable gross margins were offset by higher-than-budgeted delivery expenses. The prolonged downturn of construction in Florida continues to produce lower results in High Sierra's asphalt business. Monroe Gas Storage ("MGS"), an underground natural gas storage joint venture, began commercial operations in 2009. MGS was not consolidated by High Sierra during 2009. On March 1, 2010, High Sierra assumed the role of operator of the facility. It is expected that the change will result in consolidation of MGS's financial results by High Sierra going forward.

High Sierra continues to work on refinancing its bank credit facilities. Subsequent to February 28, 2010, the terms of the working capital facility were amended and it was also extended to May 31, 2010. The frequency and amount of High Sierra's distribution payments are subject to both operating performance and terms of financing arrangements.

International Resource Partners LP ("IRP")
IRP's surface and underground coal mine operations in southern West Virginia are comprised of metallurgical and steam coal reserves, a coal washing and preparation plant, rail load-out facilities and a sales and marketing subsidiary. We hold board of director's observation rights for IRP.

For the year ended December 31, 2009, IRP reported EBITDA results well in excess of its budget. In January 2010, IRP purchased certain assets of Miller Brothers Coal, LLC in eastern Kentucky for approximately $22.7 million net cash and a 1.0 percent royalty on future sales from the property. Lightfoot Capital Partners purchased 980,000 new Class A units in IRP to finance the majority of the transaction. The assets include both leased and owned properties with capacity for seven surface and three underground mines. The acquisition is not expected to significantly contribute to IRP's EBITDA until 2011. With this transaction, IRP's existing reserves will be approximately 82.4 million tons.

Mowood, LLC ("Mowood")
Mowood is the holding company of Omega Pipeline, LLC ("Omega"). We hold 100 percent of the equity interests in Mowood and currently hold a seat on its board of directors. In February 2010, Mowood sold its wholly owned subsidiary, Timberline Energy, LLC, to Landfill Energy Systems, LLC.

Omega is a natural gas local distribution company located on the Fort Leonard Wood military installation in south central Missouri. Omega serves the natural gas and propane needs of Fort Leonard Wood and other customers in the surrounding area. Omega was slightly behind budget through January 2010. Omega's performance is expected to be at or above budget in the following months as construction and growth projects at the Fort make larger contributions to profitability. Following the sale of Timberline, we made an additional investment of $750,000 in Omega to facilitate growth.

Quest Midstream Partners, L.P. ("Quest Midstream")
Quest Midstream was formed by the spin-off of QRCP's midstream coal bed methane natural gas gathering assets in the Cherokee Basin. Quest Midstream owns more than 2,000 miles of natural gas gathering pipelines (primarily serving QELP, an affiliate) and over 1,100 miles of interstate natural gas transmission pipelines in Oklahoma, Kansas and Missouri.

On February 8, 2010, QRCP and QELP announced that the Securities and Exchange Commission declared effective the Registration Statement of PostRock Energy Corporation ("PostRock") on Form S-4. PostRock is a new corporation formed for the purpose of wholly owning all three Quest entities. The Form S-4 registered with the SEC PostRock's common stock to be issued in connection with the merger of QRCP, QELP, and Quest Midstream.

PostRock announced on March 5, 2010 that shareholders of QRCP and QELP and unitholders of Quest Midstream approved the merger and PostRock began trading on the NASDAQ under the symbol "PSTR" on March 8, 2010. Upon closing of the merger, we received 490,769 freely tradable common units of PostRock in exchange for our 1,216,881 common units of Quest Midstream. PostRock is not expected to pay cash dividends. The merger changes the risk profile of our investment from primarily a gathering company to an integrated company that has increased drilling risk and commodity exposure.

VantaCore Partners LP ("VantaCore")
VantaCore was formed to acquire companies in the aggregate industry and currently owns a quarry and asphalt plant in Clarksville, Tennessee and sand and gravel operations located near Baton Rouge, Louisiana. We hold a seat on VantaCore's board of directors.

VantaCore paid a quarterly cash distribution for their fourth quarter of $0.475 per unit, the minimum quarterly distribution, in February 2010. The operating results at VantaCore's Clarksville facility continue to exceed budget, supported by two large projects and activity at the Fort Campbell military base. Overall construction activity in the area is down, but signs of improvement are becoming apparent with jobs for bid steadily increasing. Southern Aggregates continues to report disappointing results with volumes well below historical numbers. VantaCore has made significant changes to Southern Aggregates' operations to reflect the lower volumes seen and VantaCore believes that 2010 will yield improved construction spending in the area.

Results of Operations

Comparison of the Three Months Ended February 28, 2010 and February 28, 2009
Investment Income: Investment income decreased $391,690 for the three months ended February 28, 2010 compared to the three months ended February 28, 2009. The decrease in investment income is primarily due to the sale of portfolio investments to pay down outstanding leverage. The weighted average yield to cost on our investment portfolio (excluding short-term investments) as of February 28, 2010 was 6.9 percent, as compared to 7.8 percent at February 28, 2009. The decrease in the weighted average yield to cost is primarily related to the sale of higher yielding publicly traded securities to pay down outstanding leverage.

Net Expenses: Net expenses decreased $237,551 during the three months ended February 28, 2010 as compared to the three months ended February 28, 2009. The decrease is primarily related to a reduction in base management fees payable to the Adviser and a decrease in interest expense resulting from the paydown of our outstanding leverage.

Distributable Cash Flow: Our portfolio generates cash flow to us from which we pay distributions to stockholders. When our Board of Directors determines the amount of any distribution we expect to pay our stockholders, it reviews distributable cash flow ("DCF"). DCF is distributions received from investments less our total expenses. The total distributions received from our investments include the amount received by us as cash distributions from equity investments, paid-in-kind distributions, and dividend and interest payments. Total expenses include current or anticipated operating expenses, leverage costs and current income taxes on our operating income. Total expenses do not include deferred income taxes or accrued capital gain incentive fees. We do not include in distributable cash flow the value of distributions received from portfolio companies which are paid in stock as a result of credit constraints, market dislocation or other similar issues.

We disclose DCF in order to provide supplemental information regarding our results of operations and to enhance our investors' overall understanding of our core financial performance and our prospects for the future. We believe that our investors benefit from seeing the results of DCF in addition to GAAP information. This non-GAAP information facilitates management's comparison of current results with historical results of operations and with those of our peers. This information is not in accordance with, or an alternative to, GAAP and may not be comparable to similarly titled measures reported by other companies.

The following table represents DCF for the three months ended February 28, 2010 as compared to the three months ended February 28, 2009:

Distributable Cash Flow	**For the three months ended February 28, 2010**	**For the three months ended February 28, 2009**
Total from Investments		
Distributions from investments	$ 1,488,756	$ 2,691,635
Interest income from investments	191,431	201,598
Dividends from money market mutual funds	217	725
Other income	10,392	15,000
Total from Investments	1,690,796	2,908,958
Operating Expenses Before Leverage Costs		
Advisory fees (net of expense reimbursement by Adviser)	258,268	327,308
Other operating expenses	174,568	217,582
Total Operating Expenses, before Leverage Costs	432,836	544,890
Distributable cash flow before leverage costs	1,257,960	2,364,068
Leverage Costs	45,619	171,116
Distributable Cash Flow	$ 1,212,341	$ 2,192,952
Distributions paid on common stock	$ 1,180,152	$ 2,061,294
Payout percentage for period(1)	97%	94%
DCF/GAAP Reconciliation		
Distributable Cash Flow	$ 1,212,341	$ 2,192,952
Adjustments to reconcile to Net Investment Income, before Income Taxes:		
Distributions paid in stock(2)	—	28,136
Return of capital on distributions received from equity investments	(998,640)	(1,853,248)
Net Investment Income, before Income Taxes	$ 213,701	$ 367,840

(1) Distributions paid as a percentage of Distributable Cash Flow.

(2) The only distributions paid in stock for the three months ended February 28, 2009 were from Abraxas Energy Partners, L.P. which were paid in stock as a result of credit constraints and therefore were not included in DCF.

Distributions: The following table sets forth distributions for the three months ended February 28, 2010 as compared to the three months ended February 28, 2009.

Record Date	Payment Date	Amount
February 19, 2010	March 1, 2010	$0.1300
February 23, 2009	March 2, 2009	$0.2300

Net Investment Income: Net investment income for the three months ended February 28, 2010 was $181,007 after deferred tax expense as compared to $266,657 after deferred tax expense for the three months ended February 28, 2009. The variance in net investment income is primarily related to a decrease in investment income and corresponding decreases in net expenses during the current fiscal periods as described above.

Net Realized and Unrealized Gain (Loss): We had net unrealized appreciation of $2,491,319 (after deferred taxes) for the three months ended February 28, 2010 as compared to net unrealized depreciation of $9,376,241 (after deferred taxes) for the three months ended February 28, 2009. We had net realized gains for the three months ended February 28, 2010 of $1,345,197 (after deferred taxes) as compared to net realized losses for the three months ended February 28, 2009 of $362,331 (after deferred taxes). The net realized gains for the current period are primarily attributable to the sale of Mowood's subsidiary, Timberline, as described in the Portfolio Company Monitoring section above.

Liquidity and Capital Resources

We may raise additional capital to support our future growth through equity offerings, rights offerings, and issuances of senior securities to the extent permitted by the 1940 Act and subject to market conditions. We generally may not issue additional common shares at a price below our net asset value (net of any sales load (underwriting discount)) without first obtaining approval of our stockholders and Board of Directors.

Contractual Obligations

We do not have any significant contractual payment obligations as of February 28, 2010.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures, or capital resources.

Borrowings

For the three months ended February 28, 2010, the average principal balance and interest rate for the period during which the credit facility was utilized were $4,205,634 and 5.50 percent, respectively. We used proceeds from the sale of portfolio investments to pay off and terminate the credit facility on February 10, 2010.

Recent Developments

On March 1, 2010, the Company paid a distribution in the amount of $0.13 per common share, for a total of $1,180,152. Of this total, the dividend reinvestment amounted to $144,744.

On February 8, 2010, QRCP and QELP announced that the Securities and Exchange Commission declared effective the Registration Statement of PostRock on Form S-4. PostRock is a new corporation formed for the purpose of wholly owning all three Quest entities. The Form S-4 registered with the SEC PostRock's common stock to be issued in connection with the merger of QRCP, QELP, and Quest Midstream.

PostRock announced on March 5, 2010 that shareholders of QRCP and QELP and unitholders of Quest Midstream approved the merger and PostRock began trading on the NASDAQ under the symbol "PSTR" on March 8, 2010. Upon closing of the merger, we received 490,769 freely tradable common units of PSTR in exchange for our 1,216,881 common units of Quest Midstream. PostRock is not expected to pay cash dividends. The merger changes the risk profile of our investment from primarily a gathering company to an integrated company that has increased drilling risk and commodity exposure.

Critical Accounting Policies

The financial statements included in this report are based on the selection and application of critical accounting policies, which require management to make significant estimates and assumptions. Critical accounting policies are those that are both important to the presentation of our financial condition and results of operations and require management's most difficult, complex or subjective judgments. While our critical accounting policies are discussed below, Note 2 in the Notes to Financial Statements included in this report provides more detailed disclosure of all of our significant accounting policies.

Valuation of Portfolio Investments
We invest primarily in illiquid securities including debt and equity securities of privately-held companies. These investments generally are subject to restrictions on resale, have no established trading market and are fair valued on a quarterly basis. Because of the inherent uncertainty of valuation, the fair values of such investments, which are determined in accordance with procedures approved by our Board of Directors, may differ materially from the values that would have been used had a ready market existed for the investments.

Securities Transactions and Investment Income Recognition
Securities transactions are accounted for on the date the securities are purchased or sold (trade date). Realized gains and losses are reported on an identified cost basis. Distributions received from our equity investments generally are comprised of ordinary income, capital gains and return of capital from the portfolio company. We record investment income and returns of capital based on estimates made at the time such distributions are received. Such estimates are based on information available from each portfolio company and/or other industry sources. These estimates may subsequently be revised based on information received from the portfolio companies after their tax reporting periods are concluded, as the actual character of these distributions are not known until after our fiscal year end.

Federal and State Income Taxation
We, as a corporation, are obligated to pay federal and state income tax on our taxable income. Our tax expense or benefit is included in the Statement of Operations based on the component of income or gains (losses) to which such expense or benefit relates. Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our business activities contain elements of market risk. We consider fluctuations in the value of our equity securities and the cost of capital under our credit facility to be our principal market risk.

We carry our investments at fair value, as determined by our Board of Directors. The fair value of securities is determined using readily available market quotations from the principal market if available. The fair value of securities that are not publicly traded or whose market price is not readily available is determined in good faith by our Board of Directors. Because there are no readily available market quotations for most of the investments in our portfolio, we value substantially all of our portfolio investments at fair value as determined in good faith by our Board of Directors under a valuation policy and a consistently applied valuation process. Due to the inherent uncertainty of determining the fair value of investments that do not have readily available market quotations, the fair value of our investments may differ significantly from the fair values that would have been used had a ready market quotation existed for such investments, and these differences could be material.

As of February 28, 2010, the fair value of our investment portfolio (excluding short-term investments) totaled $76,924,737. We estimate that the impact of a 10 percent increase or decrease in the fair value of these investments, net of capital gain incentive fees and related deferred taxes, would increase or decrease net assets applicable to common stockholders by approximately $4,807,027.

Debt investments in our portfolio may be based on floating or fixed rates. Loans bearing a floating interest rate are usually based on LIBOR and, in most cases, a spread consisting of additional basis points. The interest rates for these debt instruments typically have one to six-month durations and reset at the current market interest rates. As of February 28, 2010, we had no floating rate debt investments outstanding.

We consider the management of risk essential to conducting our businesses. Accordingly, our risk management systems and procedures are designed to identify and analyze our risks, to set appropriate policies and limits and to continually monitor these risks and limits by means of reliable administrative and information systems and other policies and programs.

ITEM 4. CONTROLS AND PROCEDURES

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) or 15d-15(e) of the Securities Exchange Act of 1934) as of the end of the period covered by this report. Based upon such evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective and provided reasonable assurance that information required to be disclosed by us in the reports we file or submit under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

There have been no changes in our internal control over financial reporting (identified in connection with the evaluation required by Rules 13a-15(d) or 15d-15 of the Securities Exchange Act of 1934) during the fiscal quarter ended February 28, 2010, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II — OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

We are not currently subject to any material legal proceeding, nor, to our knowledge, is any material legal proceeding threatened against us.

ITEM 1A. RISK FACTORS

In addition to the other information set forth in this report, you should carefully consider the factors discussed in Part I, "Item 1A. Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended November 30, 2009, which could materially affect our business, financial condition or operating results. The risks described in our Annual Report on Form 10-K are not the only risks facing our Company. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition and/or operating results.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

We did not sell any securities during the three months ended February 28, 2010 that were not registered under the Securities Act of 1933.

We did not repurchase any of our common shares during the three months ended February 28, 2010.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

Not applicable.

ITEM 4. OTHER INFORMATION

Not applicable

ITEM 5. EXHIBITS

Exhibit	Description
10.1	Expense Reimbursement Agreement dated as of February 17, 2010 by and between Tortoise Capital Resources Corporation and Tortoise Capital Advisors, LLC.(1)
10.2	Membership Interest Purchase Agreement, dated as of December 31, 2009, by and between Landfill Energy Systems LLC and Mowood, LLC, as amended by the First Amendment to Membership Interest Purchase Agreement, dated as of February 9, 2010, by and between Landfill Energy Systems, LLC and Mowood, LLC. Portions of this exhibit have been omitted subject to a pending request for confidential treatment under Rule 24b-2 of the Securities Exchange Act of 1934, and in connection with that request an unredacted copy of this exhibit has been filed with the SEC.
31.1	Certification by Chief Executive Officer pursuant to Exchange Act Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, is filed herewith.
31.2	Certification by Chief Financial Officer pursuant to Exchange Act Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, is filed herewith.
32.1	Certification by Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, is furnished herewith.

(1) Incorporated by reference to Exhibit 10.1 to the Company's current report on Form 8-K, filed March 26, 2010.

All other exhibits for which provision is made in the applicable regulations of the Securities and Exchange Commission are not required under the related instruction or are inapplicable and therefore have been omitted.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

TORTOISE CAPITAL RESOURCES CORPORATION

Date: April 8, 2010	By:	/s/ Terry Matlack
		Terry Matlack Chief Financial Officer (Principal Financial Officer)

Exhibit 10.2

Execution Version

MEMBERSHIP INTEREST PURCHASE AGREEMENT

by and between:

Landfill Energy Systems LLC,
a Delaware limited liability company

and

MOWOOD, LLC,
a Delaware limited liability company

Dated as of December 31, 2009

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MEMBERSHIP INTEREST PURCHASE AGREEMENT

THIS MEMBERSHIP INTEREST PURCHASE AGREEMENT (the "Agreement"), dated as of December 31, 2009 (the "Effective Date"), is by and between Landfill Energy Systems LLC, a Delaware limited liability company (the "Purchaser"), and Mowood, LLC, a Delaware limited liability company (the "Seller"). Certain capitalized terms used in this Agreement are defined on **Exhibit A** attached hereto.

PRELIMINARY STATEMENTS

A. The Seller owns all of the issued and outstanding membership interests (the "Interests") of Timberline Energy, LLC, a Delaware limited liability company (the "Company"); and

B. The Seller desires to sell the Interests to the Purchaser, and the Purchaser desires to purchase the Interests from the Seller, on the terms and conditions set forth in this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing and the respective representations, warranties, covenants and agreements set forth herein and subject to the conditions and other terms set forth herein, the parties hereto, desiring to be bound by the terms hereof, hereby agree as follows:

SECTION 1. SALE AND PURCHASE OF INTERESTS; RELATED TRANSACTIONS.

Section 1.1. **SALE AND PURCHASE OF INTERESTS**. At the closing of the transaction contemplated by this Agreement (the "Closing"), the Seller shall sell, transfer and deliver to the Purchaser, and the Purchaser shall purchase, acquire and accept from the Seller, all of the Seller's right, title and interest in and to the Interests, free and clear of all Encumbrances, on the terms and subject to the conditions set forth in this Agreement.

Section 1.2. **CLOSING PAYMENT**. The aggregate purchase price to be paid by the Purchaser for the Interests at the Closing shall be $XXXXXXX (as adjusted pursuant to the following sentence, the "Closing Payment," and together with any Contingent Payments made pursuant to Section 1.8, the "Purchase Price").

Section 1.3. **PAYMENT OF THE CLOSING PAYMENT**. The Purchaser shall pay the Closing Payment to the Seller for the Interests on the Closing Date. In order to implement such payment for the Interests, the Purchaser shall make the following direct payments in immediately available funds at the Closing pursuant to wire instructions set forth in Schedule 1.3 or delivered by the Seller not later than two (2) business days prior to the Closing Date:

(a) *first*, the Purchaser shall transfer to the Escrow Agent an amount equal to the Indemnity Escrow Amount;

(b) *second*, the Purchaser shall transfer an amount equal to the Payoff Amount to the Seller (or to the appropriate lender at the Seller's request); and

(c) *third*, the Purchaser shall pay all amounts remaining with respect to the Closing Payment to the Seller.

The payments described above shall be treated for all purposes as follows: (i) all payments by the Purchaser made pursuant to this Section 1.3 shall be treated as payment by the Purchaser to the Seller for the Interests; and (ii) the Purchaser's payment to the Seller (or to the appropriate lender at the Seller's request) of the Payoff Amount shall be treated as a capital contribution by the Seller to the Company immediately prior to or coincident with the Closing.

Section 1.4. **CLOSING; USE OF PROCEEDS**. The Closing shall take place at the offices of HUSCH BLACKWELL SANDERS LLP, 4801 MAIN STREET, SUITE 1000, KANSAS CITY, MISSOURI 64112 AT 10:00 A.M. (KANSAS CITY TIME) on a date to be specified by the parties hereto, which shall be no later than the third business day after satisfaction or waiver of the conditions set forth in Sections 6 and 7 (the "Closing Date") but in no event earlier than fifteen (15) business days following the Effective Date. The transfer of the Interests by the Seller to the Purchaser shall be deemed to occur at 12:01 a.m., Kansas City time, on the Closing Date.

Section 1.5. **ACTIONS AT THE CLOSING**. At the Closing, the Seller and the Purchaser (as applicable) shall take or cause to be taken the following actions (the "Closing Actions"):

(a) **TRANSFER OF INTEREST**. Upon receipt of the Closing Payment by the Seller, (i) the Seller shall execute and deliver to the Purchaser, and the Purchaser shall execute and deliver to the Seller, the LLC Interest Assignment Agreement, and (ii) the Seller and the Purchaser shall cause the Purchaser to be admitted as a member of the Company.

(b) **INDEMNITY ESCROW AGREEMENT**. Each of the Seller and the Purchaser shall execute and deliver the Indemnity Escrow Agreement.

(c) **MANAGEMENT SERVICES AGREEMENT**. The Seller shall cause Mowood Services Corp. to, and the Purchaser shall, execute and deliver the Management Services Agreement; provided, that Purchaser acknowledges and agrees that Seller intends, in conjunction with the Closing, to transfer 100% of its ownership in Mowood Services Corp. to Tilden, Joseph Hopper and Joseph Pirozzoli or an entity controlled by them.

(d) **NON-FOREIGN CERTIFICATE**. The Seller shall furnish the Purchaser with a non-foreign affidavit dated as of the Closing Date, sworn under penalty of perjury and in form and substance required under Treasury regulations issued pursuant to Section 1445 of the Code stating that the Seller is not a "foreign person" as defined in Section 1445 of the Code, substantially in the form of **Exhibit F** hereto (the "Non-Foreign Certificate").

(e) **ADDITIONAL ACTIONS**. The parties shall execute and deliver, or cause to be executed and delivered, all other documents, and take such other actions, in each case as shall be necessary or appropriate to consummate the transactions contemplated hereby, all in accordance with the provisions of this Agreement.

Section 1.6. **Adjustment Procedure**.

(a) **Working Cash at Closing**. At the Closing, the Seller shall cause the Company and the Subsidiary to have Working Cash in its accounts in an amount that is no less than the greater of either: (a) Current Liabilities minus Current Receivables of the Company and the Subsidiary as of the Closing Date and (b) $200,000. At the Closing, the Seller shall provide evidence satisfactory to the Purchaser of the Seller's satisfaction of this Section 1.6(a).

(b) **The Closing Financial Statements**. The Purchaser will cause a certified public accountant to prepare consolidated financial statements (the "Closing Financial Statements") of the Company and the Subsidiary as of the Closing Date and for the period from the Interim Balance Sheet Date through the Closing Date, including a computation of Working Cash, Current Liabilities and Current Receivables as of the Closing Date. The Purchaser will deliver the Closing Financial Statements to the Seller within sixty days after the Closing Date. If within thirty days following delivery of the Closing Financial Statements, the Seller has not given the Purchaser notice of its objection to the Closing Financial Statements (such notice must contain a statement of the basis of the Seller's objection), then the Closing Financial Statements will be conclusive and binding upon the parties hereto. If the Seller gives a timely notice of any objection to the Closing Financial Statements, then the Purchaser and the Seller will negotiate in good faith to resolve any such objection. If the parties are unable to resolve all such objections on or prior to the 30th day after the Seller's notice is given, then, at either party's option in writing, the Buyer or the Seller may submit the dispute to a national and reputable accounting firm that is mutually selected by the parties (the "Accountants") for resolution. If issues in dispute are submitted to the Accountants for resolution, (i) the parties will furnish to the Accountants such workpapers and other documents and information relating to the disputed issues as the Accountants may request and are available to the relevant party (or its independent public accountants), and will be afforded the opportunity to present to the Accountants any material relating to the determination and to discuss the determination with the Accountants, (ii) the determination by the Accountants, as set forth in a notice delivered to the parties by the Accountants, will be binding and conclusive on the parties, and (iii) the Purchaser and Seller will each bear 50% of the fees of the Accountants for such determination.

(c) **Working Cash Adjustment Payments**. On the tenth business day following the day the Closing Financial Statements become final and binding, (i) if such Closing Financial Statements indicate that at Closing, the Company and the Subsidiary had Working Cash in its accounts in amounts that exceed an amount equal to the Current Liabilities minus the Current Receivables of the Company and the Subsidiary on the Closing Date, then the Purchaser shall pay to the Seller such excess in immediately available funds pursuant to the wire instructions set forth in Schedule 1.3, and (ii) if such Closing Financial Statements indicate that at Closing, the Company and the Subsidiary did not have Working Cash in its accounts in amounts that equaled or exceeded the Current Liabilities minus the Current Receivables of the Company and the Subsidiary on the Closing Date, then the Seller shall pay to Purchaser such shortfall within thirty days after demand by the Purchaser therefor.

Section 1.7. **Guaranty**. As of the Effective Date, the parties acknowledge and agree that TTO has executed and delivered to the Purchaser the TTO Guaranty and that EIF Renewable Holdings has executed and delivered to the Seller the EIFREH Guaranty.

Section 1.8. **Contingent Payments**. Subject to the conditions set forth below, the Purchaser shall make the following Contingent Payments to the Seller:

(a) **Butler Contingent Payment.**

(i) **Payment**. Within thirty (30) days following the Butler Contingent Payment Date, the Purchaser shall pay, or cause to be paid, to the Seller the sum of $XXXXXXX (the "Butler Contingent Payment") pursuant to the wire instructions set forth in Schedule 1.3.

(ii) **Conditions**. The "Butler Contingent Payment Date" shall be the date no later than December 31, 2011, on which the Purchaser has received evidence reasonably satisfactory to it that Butler County Landfill, Inc. either has received the following Governmental Authorizations with respect to an 130 acre expansion or is not required to obtain such Governmental Authorizations for the construction, ownership or operation of such expanded landfill area:

(A) a Conditional Use Permit for such expanded landfill area issued by the Butler County Zoning Administrator following approval of the resolution for the expanded Conditional Use Permit by the Butler County Board of Supervisors, with reference to parcels 120035917 and 120035918;

(B) a Municipal Solid Waste Disposal Area Permit issued by the Nebraska Department of Environmental Quality Integrated Waste Management Program;

(C) a National Pollution Discharge Elimination System Industrial Storm Water Permit for stormwater discharge issued by the Nebraska Department of Environmental Quality Water Quality Division;

(D) an Air Construction Permit issued by the Nebraska Department of Environmental Quality Air Quality Division; and

(E) an Air Operating Permit issued by the Nebraska Department of Environmental Quality Air Quality Division.

(b) **Sarasota Contingent Payment.**

(i) **Payment**. Within thirty (30) days following the Sarasota Contingent Payment Date, the Purchaser shall pay, or cause to be paid, to the Seller the sum of $XXXXXXX (the "Sarasota Contingent Payment") pursuant to the wire instructions set forth in Schedule 1.3.

(ii) **Conditions**. The "Sarasota Contingent Payment Date" shall be the date no later than April 30, 2010, on which all of the following conditions have been satisfied with respect to the Sarasota Project:

(A) The Purchaser shall have received an executed waiver from Seminole Electric Cooperative, Inc., in the form of **Exhibit I**; and

(B) The Purchaser shall have received an executed waiver from Sarasota County, in the form of **Exhibit J**.

(c) **Erie Contingent Payment.**

(i) **Payment**. On or before the Erie Contingent Payment Date, the Purchaser shall pay, or cause to be paid, to the Seller the sum of $XXXXXXX (the "Erie Contingent Payment") pursuant to the wire instructions set forth on Schedule 1.3. The "Erie Contingent Payment Date" shall be the date no later than sixty (60) days following the Closing Date on which the Purchaser decides, in its sole discretion, to pursue development of the Erie Project.

(ii) **Conditions**. If the Purchaser decides, in its sole discretion, not to pursue development of the Erie Project, at Seller's request, the Purchaser shall cause the Company to quitclaim all of the Assets related to the Erie Project (the "Erie Assets") to the Seller for consideration of $1.00 so long as: (A) such transfer complies with applicable Legal Requirements and any applicable Material Contract, (B) the Seller accepts and assumes all of the Company's obligations with respect to the Erie Assets (including under any Contract related to the Erie Project); provided that the Seller shall not accept or assume any obligations with respect to the Erie Assets to the extent such obligation is incurred or arises out of events occurring after the Closing Date, (C) the Seller releases and covenants not to sue the Purchaser or any of its Affiliates with respect to any claim or loss attributable or related to the Erie Assets assumed by Seller, (D) the Seller agrees to indemnify any Purchaser Indemnitee from any Damages incurred by such Purchaser Indemnitee with respect to the Erie Assets assumed by Seller, and (E) neither the Company nor the Purchaser has any on-going Liability with respect to the Erie Assets assumed by Seller. In connection with such transfer and assignment of the Erie Assets, the Purchaser, at no cost to it, the Company or its or their Affiliates, shall cooperate with all reasonable requests to assist the Seller with the consummation of such transfer after the Closing.

(d) **Right of Set-off.** Without limiting any of the Purchaser's rights or remedies available hereunder or at law or in equity, at the Purchaser's election, the Purchaser or any Purchaser Indemnitee may offset against Contingent Payments due the Seller hereunder any amount remaining owed the Purchaser or any Purchaser Indemnitee hereunder. Amounts set off under this Section 1.8(d) shall be treated for all purposes as payment by the Purchaser hereunder in the amount of such set-off.

SECTION 2. Representations and Warranties of the Seller Regarding the Interests. The Seller represents and warrants as of the Effective Date and as of the Closing, to and for the benefit of the Purchaser as follows:

Section 2.1. **Title**. The Seller is the record and beneficial owner of the Interests and has good, valid and marketable title to the Interests and owns such Interests free and clear of any and all Encumbrances. The Interests constitute 100% of the issued and outstanding limited liability company membership interests in the Company. At the Closing, the Seller will transfer to the Purchaser good, valid and marketable title of the Interests free and clear of all Encumbrances.

Section 2.2. **No Agreements**. Except for this Agreement, the Seller is not a party or subject to any outstanding options, warrants, contracts, calls, puts, rights to subscribe, conversion or preemptive rights or other agreements or rights providing for the issuance, disposition or acquisition of any of the Company's securities, including the Interests, or any rights or interests exercisable therefor. Other than the operating agreement of the Company, the Seller is not party to any Contract limiting the transfer of the Interests or otherwise affecting the voting rights or other rights related to the Interests. The Seller has not granted any Person any proxy or other right with respect to the Interests.

Section 2.3. **Power and Authority**. The Seller is a limited liability company, duly formed and validly existing in good standing under the laws of the State of Delaware. The Seller is qualified to do business in all jurisdictions where the failure to qualify would materially and adversely affect its ability to execute, deliver or perform its obligations under this Agreement and the Transaction Documents to which it is or may become a party. The Seller has the full right, power and authority to enter into and to perform its obligations under this Agreement and each Transaction Document to which it is or may become a party. All limited liability company action on the part of the Seller necessary for the authorization, execution and delivery of, and performance under, this Agreement and the Transaction Documents to which it is or may become a party have been taken.

Section 2.4. **Enforceability**. This Agreement and each Transaction Document to which the Seller is or may become a party, when executed by the Seller, constitutes the legal, valid and binding obligation of the Seller, enforceable against the Seller in accordance with its terms, except as the same may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting generally the enforcement of creditors' rights and by general principles of equity.

Section 2.5. **Non-Contravention**. The execution and delivery by the Seller of this Agreement and any of the Transaction Documents to which it is or may become a party, and the consummation and performance of any of the Transactions, will not directly or indirectly (with or without notice or lapse of time): (a) contravene, conflict with or result in a violation of (i) any of the provisions of the Seller's certificate of formation or operating agreement, or (ii) any resolution adopted by the Seller's members and the Seller's Management Committee; (b) contravene, conflict with or result in a violation of, or give any Governmental Body or other Person the right to challenge any of the Transactions or to exercise any remedy or obtain any relief under, any Legal Requirement or any Order to which the Seller is subject; or (c) contravene, conflict with or result in a violation of, any Contract to which the Seller is a party or by which any of the Seller's properties or assets are or may be bound.

Section 2.6. **Consents**. The execution and delivery by the Seller of this Agreement and each of the Transaction Documents to which the Seller is or may become a party and the consummation and performance of the Transactions do not and will not require the Seller to make any filing with or give any notice to, or obtain any Consent from any Person.

Section 2.7. **Brokers**. The Seller has not agreed or become obligated to pay, or has taken any action that might result in any Person claiming to be entitled to receive, any brokerage commission, finder's fee or similar commission or fee from the Purchaser, any of its Affiliates, the Company or the Subsidiary in connection with any of the Transactions, other than the Seller has engaged Ewing Bemiss & Co. ("Ewing Bemiss") as its financial advisor in connection with the Transactions and is solely responsible to pay Ewing Bemiss for such services.

SECTION 3. Representations and Warranties of the Seller Regarding the Company and the Subsidiary. The Seller represents and warrants, to and for the benefit of the Purchaser, on the Effective Date and as of the Closing, as follows:

Section 3.1. **Subsidiaries**. Except for the Company's ownership of 50% of the outstanding equity interests (the "Larimer Interests") of Larimer Energy, LLC, a Delaware limited liability company (the "Subsidiary"), the Company does not have any subsidiaries and has never owned, beneficially or otherwise, any shares or other securities of, or any direct or indirect interest of any nature in, any Entity.

Section 3.2. **Organization**. The Company and the Subsidiary are each limited liability companies duly formed and validly existing in good standing under the laws of the State of Delaware. The Company and the Subsidiary are each qualified to do business in each jurisdiction in which the nature of the Business or the character or location of the Assets owned, leased or operated by it makes such qualification necessary, except where the failure to so qualify is not reasonably likely to have a Material Adverse Effect. Schedule 3.2 contains a complete and accurate list of the jurisdictions in which the Company and the Subsidiary are qualified to do business as foreign entities.

Section 3.3. **Authority; Binding Nature of Agreements**.

(a) **Authority**. Each of the Company and the Subsidiary has the requisite limited liability company power and authority to conduct its Business in the manner in which its Business is currently being conducted and to own, lease and operate its Assets in the manner in which its Assets are currently owned and used.

(b) **Organizational Documents**. The Seller has delivered to the Purchaser accurate and complete copies of each of the Company's and the Subsidiary's certificates of formation and operating agreements, each as amended as of the Effective Date, and no amendments have been made thereto or have been authorized since the Effective Date.

Section 3.4. **Non-Contravention; Consents**.

(a) **Non-Contravention**. Except as set forth in Schedule 3.4(a), neither the execution and delivery of this Agreement or any of the Transaction Documents, nor the consummation or performance of any of the Transactions, will directly or indirectly (with or without notice or lapse of time):

(i) contravene, conflict with or result in a violation of any Legal Requirement or any Order to which the Company or the Subsidiary, or any of the Assets of the Company or the Subsidiary, is subject;

(ii) contravene, conflict with or result in a violation of any of the terms or requirements of, or give any Governmental Body the right to revoke, withdraw, suspend, cancel, terminate or modify, any Governmental Authorization that is held by the Company or the Subsidiary or that otherwise relates to the Business or to the Assets of the Company or the Subsidiary;

(iii) contravene, conflict with or result in a violation or breach of, or result in a default under, any provision of any Contract to which the Company or the Subsidiary is a party or by which any of their Assets are bound;

(iv) give any Person the right to (A) declare a default or exercise any remedy under any Contract to which the Company or the Subsidiary is a party or by which any of their Assets are bound, (B) accelerate the maturity or performance of any Contract to which the Company or the Subsidiary is a party or by which any of their Assets are bound or (C) cancel, terminate, modify or otherwise affect any rights of the Company under any Contract to which the Company or the Subsidiary is a party or by which any of their Assets are bound; or

(v) result in the imposition or creation of any Encumbrance upon the Interests or any of the Assets of the Company or the Subsidiary.

(b) **Consents**. Except as set forth in Schedule 3.4(b), neither the Company nor the Subsidiary was, is or will be required to make any filing with or give any notice to, or to obtain any Consent from, any Person in connection with the execution and delivery of any of the Transaction Documents or the consummation or performance of any of the Transactions.

Section 3.5. **Capitalization**. Part I of Schedule 3.5 sets forth a complete and correct list of all of the holders of any equity interest in the Company and the Subsidiary and the percentage interests of each such equity holder. The Interests and the Larimer Interests have been duly authorized and are validly issued and outstanding in compliance with all applicable Legal Requirements, fully paid and nonassessable. Except for this Agreement and as set forth on Part II of Schedule 3.5, there is no: (i) outstanding subscription, option, call, warrant or right (whether or not currently exercisable) to acquire any Interests or the Larimer Interests; (ii) outstanding security, instrument or obligation that is or may become convertible into or exchangeable for any Interests or the Larimer Interests; (iii) Contract under which the Company or the Subsidiary is or may become obligated to sell or otherwise issue any Interests or the Larimer Interests; or (iv) condition or circumstance that may directly or indirectly give rise to or provide a basis for the assertion of a claim by any Person to the effect that such Person is entitled to acquire or receive any Interests or the Larimer Interests. Other than the operating agreement of the Subsidiary, the Company is not party to any Contract limiting the transfer of, or otherwise affecting the voting rights or other rights related to, the Larimer Interests. The Company has not granted any Person any proxy or other right with respect to the Larimer Interests.

Section 3.6. **Books and Records; Bank Accounts**.

(a) **Books and Records**. Accurate and complete copies of the contents of the minute books of the Company and the Subsidiary have been delivered to the Purchaser. The Books and Records of the Company and the Subsidiary are complete and correct in all material respects and have been maintained in accordance with sound business practices. Schedule 3.6(a) accurately lists each current officer, director and manager of the Company and the Subsidiary.

(b) **Accounts**. Part I of Schedule 3.6(b) contains an accurate and complete list of: (i) the name of each bank or other financial institution in which the Company and the Subsidiary has an account (including any certificates of deposit) or safe deposit box, (ii) the recent balances of the accounts held in such banks, (iii) the names of all Persons authorized to draw thereon or to have access thereto, and (iv) the names of all Persons other than the officers of the Company and the Subsidiary who are authorized to incur Liabilities on behalf of the Company or the Subsidiary for borrowed funds. At the Closing, copies of all material records in the Seller's, the Company's or the Subsidiary's possession, including all signature and authorization cards, pertaining to such accounts and safe deposit boxes will be delivered or made available to the Purchaser. Part II of Schedule 3.6(b) is an accurate and complete list of any Persons who have been issued a company credit card, including the type of card and account number.

Section 3.7. **Financial Statements**.

(a) **Company Financial Statements**. The Seller has delivered to the Purchaser accurate and complete copies of the following financial statements and notes (collectively, the "Company Financial Statements"):

(i) the balance sheet of the Company as of November 30, 2008, and the related statements of earnings, members' equity and cash flows of the Company for the fiscal year then ended, together with the notes thereto and the unqualified report and certification of Stone Carlie & Company, L.L.C. relating thereto; and

(ii) the unaudited balance sheet of the Company (the "Interim Balance Sheet") as of the Interim Balance Sheet Date, and the related unaudited income statement, changes in members' equity and cash flows of the Company for the nine months then ended, together with the notes thereto, accurate and complete copies of which are attached as Schedule 3.7(a)(ii).

(b) **Preparation of Company Financial Statements**. The Company Financial Statements (i) have been prepared in accordance with GAAP consistently applied, subject, in the case of the Interim Balance Sheet, to the lack of all required footnotes, (ii) are accurate and complete in all material respects, and (iii) fairly present in all material respects the financial condition, changes in members' equity, results of operations and cash flows as of the respective dates and for the respective periods covered thereby.

Section 3.8. **Absence of Changes**. Except as set forth in Schedule 3.8, since November 30, 2008:

(a) to the Knowledge of the Seller, there has not been any change and no event has occurred that could reasonably be expected to have a Material Adverse Effect, and there has been no adverse change in the financial performance of the Company or the Subsidiary that could reasonably be expected to have a Material Adverse Effect;

(b) there has not been any material loss, damage or destruction to, or any interruption in the use of, any of the Assets of the Company or the Subsidiary (whether or not covered by insurance);

(c) neither the Seller, the Company nor the Subsidiary has sold or otherwise issued or pledged, hypothecated or granted any Encumbrance in, any Interests, the Larimer Interests, membership interests or any other securities;

(d) neither the Company nor the Subsidiary has amended its certificate of formation or operating agreement;

(e) neither the Company nor the Subsidiary has effected, or been party to, any merger, consolidation, recapitalization or reclassification of membership interests;

(f) neither the Company nor the Subsidiary has leased, licensed, sold or abandoned or otherwise disposed of any Asset, other than sales of landfill gas (or electricity or environmental attributes generated from sales of landfill gas) in the Ordinary Course of Business;

(g) neither the Company nor the Subsidiary has incurred or committed for any capital expenditure;

(h) neither the Company nor the Subsidiary has written off as uncollectible, or established any extraordinary reserve with respect to, any Receivable or other Indebtedness;

(i) neither the Company nor the Subsidiary has pledged or hypothecated any of its Assets or otherwise permitted any of its Assets to become subject to any Encumbrance;

(j) neither the Company nor the Subsidiary has made any loan or advance to any other Person;

(k) neither the Company nor the Subsidiary has (i) established, adopted, amended or terminated any Plan (including any amendment with a future effective date), or (ii) hired any employees;

(l) neither the Company nor the Subsidiary has incurred, assumed, guaranteed or otherwise become subject to any Liability, other than accounts payable incurred by the Company in the Ordinary Course of Business;

(m) neither the Company nor the Subsidiary has discharged any Encumbrance or discharged or paid any Indebtedness or other Liability, except for accounts payable and accrued Liabilities that have been discharged or paid in the Ordinary Course of Business;

(n) neither the Company nor the Subsidiary has forgiven any Indebtedness or otherwise released or waived any right or claim;

(o) neither the Company nor the Subsidiary has changed any of its accounting practices in any material respect;

(p) neither the Company nor the Subsidiary has entered into any material transaction or taken any other action outside the Ordinary Course of Business; and

(q) neither the Company nor the Subsidiary has agreed or committed (in writing or otherwise) to take any of the actions referred to in clauses (c) through (p) above.

Section 3.9. **Title to Assets**.

(a) **Title to the Equity Interests in the Subsidiary**. Except as set forth in Schedule 3.9(a), the Company is the record and beneficial owner of the Larimer Interests and has good, valid and marketable title to the Larimer Interests, free and clear of any and all Encumbrances.

(b) **Sufficiency of Assets**. No assets other than the Assets of the Company and the Subsidiary are necessary to conduct or operate, or have been material to the conduct or the operation of, the Business of the Company and the Subsidiary.

(c) **Title to Assets**. The Company and the Subsidiary each has good and marketable title to, or in the case of leased property has a valid leasehold interest in, all of its Assets free and clear of any Encumbrances, except as set forth in Schedule 3.9(c) (the "Permitted Encumbrances"). Notwithstanding the foregoing, the Seller shall not be deemed to have made representations regarding any landlord's interest in, or title to, any real estate leased pursuant to the Real Property Leases.

(d) **Third Party Rights**. Except as set forth in Schedule 3.9(d), no Person (other than the Purchaser by reason of this Agreement) has any contractual or other right of first refusal or any other right or option to acquire the Assets of the Company or the Subsidiary or any portion thereof.

(e) **Condition of Assets**. Except as set forth in Schedule 3.9(e), all of the Tangible Property (i) is located at the Company's and the Subsidiary's respective offices or facilities, (ii) is in good operating condition and repair (taking account the age of any such item), ordinary wear and tear excepted, (iii) is adequate for the purposes for which it is being used, and (iv) has been maintained in accordance with commercially reasonable practices.

Section 3.10. **Liabilities and Indebtedness; Accounts Payable; Receivables.**

(a) **Liabilities and Indebtedness.**

(i) Neither the Company nor the Subsidiary has any Liabilities, except for (i) Liabilities identified as such in the "liabilities" column of the Interim Balance Sheet; (ii) the Payoff Debt listed on Schedule 3.10(a), (iii) Liabilities incurred by the Company in the Ordinary Course of Business since the Interim Balance Sheet Date and not incurred in breach of this Agreement, including the representations and warranties contained in Section 3.8 hereof; and (iv) the Company's and the Subsidiary's obligations under the Contracts disclosed on the Disclosure Schedules, provided that no such Liability consisted of or resulted from a default under or violation of any such Contract.

(ii) As of the Closing, the Company shall have no Indebtedness.

(b) **Accounts Payable**. Schedule 3.10(b) provides an accurate and complete aging of the Company's and the Subsidiary's accounts payable as of the Effective Date or the Closing Date, as applicable. Except as set forth in Schedule 3.10(b), there are no unpaid invoices or bills which the Company or the Subsidiary, as applicable, has disputed or determined to dispute or refused to pay. All payables of the Company and the Subsidiary arose in bona fide arm's length transactions in the Ordinary Course of Business and no such payable is delinquent in its payment.

(c) **Accounts Receivable**. Schedule 3.10(c) provides an accurate and complete aging of Receivables of the Company and the Subsidiary as of the Effective Date or the Closing Date, as applicable. All of the Receivables of the Company and the Subsidiary (i) arose from bona fide transactions entered into in the ordinary course of business and are not subject to any counterclaim or setoff, and (ii) are current, subject to the reserves shown on the accounting records of the Company and the Subsidiary as of the Closing Date, which have been determined consistent with GAAP.

Section 3.11. **Compliance With Legal Requirements**.

(a) **Legal Requirements**. Except as set forth inSchedule 3.11(a), each of the Company and the Subsidiary is, and at all times has been, in material compliance with each Legal Requirement that is applicable to it, or to the conduct of its Business or the ownership or use of its Assets and no event has occurred, and no condition or circumstance exists, that is reasonably likely to constitute or result in a material violation by the Company or the Subsidiary of, or a failure on the part of the Company or the Subsidiary to materially comply with, any Legal Requirement applicable to it.

(b) **Notice of Non-Compliance**. None of the Seller, the Company or the Subsidiary has received, at any time, any written notice or, to the Knowledge of the Seller, any other communication from any Governmental Body or any other Person regarding any actual or alleged violation of, or failure to comply with, any Legal Requirement applicable to it which has not been fully resolved without any continuing effect on the Company or on the Subsidiary.

Section 3.12. **Governmental Authorizations**.

(a) **Ownership**. Schedule 3.12(a) lists all Governmental Authorizations by which the Company and the Subsidiary or their Assets are bound, accurate and complete copies of which have been delivered to the Purchaser. The Governmental Authorizations identified in Schedule 3.12(a) constitute all of the Governmental Authorizations necessary (i) to enable each of the Company and the Subsidiary to conduct its respective Business in the manner in which it is currently being conducted, and (ii) to permit each of the Company and the Subsidiary to construct, own and operate its Assets in the manner in which they are currently operated. Each Governmental Authorization identified or required to be identified in Schedule 3.12(a) is valid, in full force and effect and held in the name of the Company or the Subsidiary required to construct, own and operate the Assets as currently operated.

(b) **Compliance**. Except as set forth in Schedule 3.12(b):

(i) each of the Company and the Subsidiary is in material compliance with all of the terms and requirements of each Governmental Authorization identified or required to be identified in Schedule 3.12(a);

(ii) no event has occurred, and no condition or circumstance exists, that (with or without notice or lapse of time) (A) constitutes or results in or is reasonably likely to constitute or result in a violation of or a failure to comply with any term or requirement of any Governmental Authorization identified in Schedule 3.12(a), or (B) would result in the revocation, withdrawal, suspension, cancellation, termination or modification of any Governmental Authorization identified in Schedule 3.12(a);

(iii) none of the Seller, the Company or the Subsidiary has received any written notice or, to the Knowledge of the Seller, any other communication from any Governmental Body or any other Person regarding, and, to the Knowledge of the Seller, there is no basis for (A) any actual or alleged violation of or failure to comply with any term or requirement of any Governmental Authorization, or (B) any actual, proposed, possible or potential revocation, withdrawal, suspension, cancellation, termination or modification of any Governmental Authorization identified in Schedule 3.12(a); and

(iv) all applications required to have been filed for the renewal of the Governmental Authorizations identified or required to be identified in Schedule 3.12(a) have been duly filed on a timely basis with the appropriate Governmental Bodies in order to maintain in effect any applicable Governmental Authorization during the review of such application, and each other notice or filing required to have been given or made with respect to such Governmental Authorizations has been duly given or made on a timely basis with the appropriate Governmental Bodies.

Section 3.13. **Inventory**. All of the Company's and the Subsidiary's existing inventory is of such quality as to be usable by the Company and the Subsidiary in the Ordinary Course of Business and the inventory levels maintained by the Company and the Subsidiary are adequate for the conduct of the Company's and the Subsidiary's operations as currently conducted.

Section 3.14. **Real Property**.

(a) **Real Property Leases**. Schedule 3.14(a) accurately identifies all real property leases, easements, licenses, rights of way, and other Contracts pursuant to which the Company or the Subsidiary has any real property rights to which the Company or the Subsidiary is a party (the "Real Property Leases"), accurate and complete copies of which have been delivered to the Purchaser. Except for the leaseholds and other real property interests created under the Real Property Leases, there is no real property or any interest in real property used or utilized in connection with the Assets or Business of the Company or the Subsidiary. Neither the Company nor the Subsidiary owns any real property.

(b) **Enforceability**. The Real Property Leases are valid and in full force and effect and constitute valid, binding and enforceable obligations of the Company and the Subsidiary, respectively, and to the Knowledge of the Seller, the other parties thereto.

(c) **No Defaults**. Neither the Company nor the Subsidiary, or to the Seller's Knowledge the other parties thereto, is in breach or default of any Real Property Lease. Neither the Company nor the Subsidiary has received or given any notice or threat claiming any violation of, or breach, default or liability under any Real Property Lease or Legal Requirement applicable to it, or requiring or calling attention to the need for material work, repairs, construction, alteration or installments to the real property under the Real Property Leases.

(d) **Sufficiency of Real Property Leases**. All plants, facilities, structures and other improvements are generally suitable for the purposes used and are generally adequate and sufficient for all current operations of the Business of the Company and the Subsidiary, and are generally in good operating condition and repair (taking into account the age of any such item), ordinary wear and tear excepted.

(e) **Utilities**. The real property occupied by the Company and the Subsidiary pursuant to the Real Property Leases is serviced by adequate and sufficient water, sewer and utility service in connection with the current use thereof, at, to the Knowledge of the Seller, normal and customary rates.

(f) **Other Real Property Agreements**. Other than the Real Property Leases, there are no leases, subleases, licenses, concessions, or other agreements, written or oral, granting to any Person other than the Company or the Subsidiary the right of use or occupancy of any real property.

(g) **Condemnation**. (i) Neither the Company nor the Subsidiary has received written notice or, to the Seller's Knowledge, any oral communication, of, (ii) there are no existing, and (iii) the Seller has no Knowledge of, in each case, any proposed or contemplated, condemnation or eminent domain actions of any type, or special assessments of any type affecting any portion of any of the Projects and/or any real property which is the subject of the Real Property Leases.

Section 3.15. **Contracts**.

(a) **Material Contracts**. The Seller has delivered to the Purchaser accurate and complete copies of all Material Contracts to which the Company or the Subsidiary is bound (or in the case of oral contracts, accurate and complete written summaries thereof), and each such Contract is listed in Schedule 3.15(a). The Contracts listed in Schedule 3.15(a) constitute all of the Contracts necessary to operate, or material to the operation of, the Business of the Company and the Subsidiary. Each Contract listed in Schedule 3.15(a) is valid and in full force and effect and constitutes a valid, binding and enforceable obligation of the Company or the Subsidiary, respectively, and, to the Knowledge of the Seller, the other parties thereto.

(b) **No Defaults**. Except as set forth in Schedule 3.15(b), with respect to the Contracts listed in Schedule 3.15(a): (i) neither the Company nor the Subsidiary has violated or breached, or declared or committed any default under, any Material Contract and, to the Knowledge of the Seller, no other Person has violated, breached, or declared or committed any default under, any Material Contract; (ii) no event has occurred, and no circumstance or condition exists, that is reasonably likely to (with or without notice or lapse of time) (A) result in a violation or breach of any of the provisions of any Material Contract by the Company or the Subsidiary or, to the Knowledge of the Seller, by any other parties thereto, (B) give any Person the right to declare a default or exercise any remedy under any Material Contract, (C) give any Person the right to accelerate the maturity or performance of any Material Contract, or (D) give any Person the right to cancel, terminate or modify any Material Contract; (iii) neither the Company nor the Subsidiary has received any notice or other communication (in writing or otherwise) regarding any actual or alleged violation or breach of, or default under, any Material Contract; (iv) neither the Company nor the Subsidiary has waived any of its rights under any Material Contract; and (v) no Person is renegotiating or, to the Knowledge of the Seller, has the right to renegotiate, any amount paid or payable to the Company or any Subsidiary under any Material Contract or any other term or provision of any Material Contract.

(c) **CONTINGENT PAYMENTS**. Schedule 3.15(c) lists all contingent or other conditional payment obligations of the Company or the Subsidiary under any Material Contract.

Section 3.16. **TAX MATTERS**.

(a) **TAX RETURNS**. Except as set forth in Schedule 3.16(a), the Company and the Subsidiary have properly and timely filed all Tax Returns that they were required to file, all of which were accurately prepared and completed in full compliance with all applicable Legal Requirements. All Taxes due and owing by the Company and the Subsidiary (whether or not shown on any Tax Return) have been timely paid, and each of the Company and the Subsidiary have withheld and paid all Taxes required to have been withheld and paid in connection with any amounts paid or owing to any employee, independent contractor, creditor, member, or other third party. No extension or waiver of the limitation period applicable to any of the Tax Returns of the Company or the Subsidiary has been granted. The Seller has delivered to the Purchaser accurate and complete copies of all income Tax Returns filed by the Company since November 9, 2006. The Subsidiary has never filed any Tax Return.

(b) **DISCLOSURE OF TAXES**. The Company Financial Statements properly accrue all actual and contingent Liabilities for Taxes required to be accrued with respect to all periods through the dates thereof in accordance with GAAP. Since November 30, 2008, neither the Company nor the Subsidiary has incurred any Liabilities for Taxes (including Liabilities for interest, additions to tax and penalties thereon and related expenses) except in the Ordinary Course of Business. Any Taxes of the Company or the Subsidiary relating or attributable to any Tax period or portion thereof through and including the Closing Date (the "Pre-Closing Tax Period" that are not yet due and payable as of the Closing Date will be reflected as Liabilities on the Closing Financial Statements, whether or not required to be reflected on a balance sheet in accordance with GAAP.

(c) **TAX DEFICIENCIES**. Except as set forth in Schedule 3.16(c), neither the Company nor the Subsidiary has received any written notice or, to the Knowledge of the Seller, any other communication of any Tax deficiency, adjustment or similar document and there is no reasonable basis for any Tax deficiency or adjustment to be assessed against the Company.

(d) **Tax Audits**. Schedule 3.16(d) identifies each examination or audit of any Tax Return of the Company that has been conducted since November 9, 2006. No audit has been threatened or initiated with respect to the Larimer Project. No audit of the Company or the Subsidiary by any Governmental Body is currently pending or, to the Knowledge of the Seller, threatened.

(e) **Tax Encumbrances**. Except as set forth in Schedule 3.16(e), no claim or other Proceeding is pending or, to the Knowledge of the Seller, has been threatened in writing against or with respect to the Company or the Subsidiary in respect of any Tax.

(f) **Tax Sharing Agreements**. Neither the Company nor the Subsidiary is, or has ever been, a party to or bound by any tax indemnity agreement, tax sharing agreement, tax allocation agreement or similar agreement.

(g) **Disregarded Entity**. The Company is and has been disregarded as a separate entity and treated as part of the Seller for all relevant income tax purposes, and will continue to be so classified up to the Closing.

(h) **Golden Parachute Arrangements**. Neither the Company nor the Subsidiary is a party to any agreement, contract, arrangement or plan that has resulted or could result, separately or in the aggregate, in the payment of any "excess parachute payment" within the meaning of Section 280G of the Code (or any corresponding provision of state, local, or non-U.S. Tax law).

(i) **Non-Qualified Deferred Compensation Plans**. Each "nonqualified deferred compensation plan" (as defined in Section 409A(d)(1) of the Code) of the Company and the Subsidiary has been operated in compliance in all material respects with Section 409A of the Code.

(j) **Foreign Person**. The Seller is not a "foreign person" as defined in Section 1445 of the Code.

(k) **Tax-Exempt Financing; Subsidies**. None of the Projects have benefited from any grant, tax-exempt bonds (or similar tax-exempt financing), subsidized energy financing or other credits, in each case within the meaning of Section 45(b)(3) of the Code. There are no contracts originally entered into before January 1, 1987 under which electricity produced by the Projects will be sold to a utility. None of the Projects is a facility that is excluded from the definition of "qualified facility" by reason of Section 45(e)(9) of the Code as in effect as of the date of this Agreement or Section 45(e)(9) of the Code as in effect immediately prior to the amendment thereof by Public Law 109-58 (Energy Tax Incentives Act of 2005).

(l) **Alternate Depreciation System**. None of the Assets of the Company or the Subsidiary are subject to the Alternative Depreciation System within the meaning of Section 168(g) of the Code (or equivalent provision of state or local law) or constitute tax-exempt bond financed property or tax-exempt use property within the meaning of Section 168 of the Code, and none of such Assets is subject to a lease, safe-harbor lease, or other arrangement as a result of which the Company or the Subsidiary, as applicable, will not be treated as the owner for federal income tax purposes following the Closing.

(m) **Reportable Transactions**. None of the Seller, the Company or the Subsidiary is or has been a party to any "reportable transaction," as defined in Section 6707A(c)(1) of the Code and Section 1.6011-4(b) of the Treasury regulations.

Section 3.17. **EMPLOYEE AND LABOR MATTERS**. Except with respect to Mark Oliger pursuant to the Employment Agreement dated June 11, 2007, neither the Company nor the Subsidiary employs any employees nor has the Company or the Subsidiary ever employed any employees, either as a regular employer, primary employer, special employer or joint employer (in each case, whether or not properly classified by the Company or the Subsidiary). Neither the Company nor the Subsidiary (a) has retained or employed any individual Persons as "independent contractors" (in each case, whether or not properly classified by the Company or the Subsidiary), except as set forth in Schedule 3.17; (b) controls the method, manner or means by which any individual Person performs work at the Company, the Subsidiary or any Project; (c) establishes or controls the terms and conditions of any employee's employment at the Company, the Subsidiary or any Project; (d) is a party to, a guarantor of, or bound by, any collective bargaining agreement with any labor union or labor organization, nor is aware of any organizational effort made or threatened, currently or within the past two (2) years, by or on behalf of any labor union with respect to the Company or the Subsidiary; (e) is a party to, or a guarantor of, any contract of employment with any individual Person; (f) has, or can reasonably be expected to have, any Liability with respect to any employee of any Person or any individual independent contractor retained by any Person, whether under any Legal Requirement or Contract or otherwise; (g) is a party to, or has been, has been, in the last two (2) years, a party to any lawsuit or administrative action, or has been the recipient of any formal or informal complaint, in which any Person has asserted that such Person is an employee or independent contractor of the Company or the Subsidiary, or that the Company or the Subsidiary has employment Liability to such Person; or (h) is a party to, or has been, in the last two (2) years, a party to any proceeding asserting that the Company or the Subsidiary has committed an unfair labor practice, or seeking to compel the Company or the Subsidiary to bargain with any labor union or labor organization.

Section 3.18. **EMPLOYEE BENEFIT PLANS; ERISA**. Neither the Company nor the Subsidiary: (a) maintains, sponsors, contributes to or participates in (nor has the Company or the Subsidiary ever maintained, sponsored, contributed to or participated in) any Plan; or (b) has incurred or is reasonably expected to incur any Liability to or in respect of any Plan of any ERISA Affiliate. No ERISA Affiliate has ever maintained, established, sponsored, participated in, contributed to or otherwise incurred any Liability (including without limitation, contingent Liability) under any Plan that is subject to Section 412 of the Code or Title IV of ERISA. None of the Company, the Subsidiary or any ERISA Affiliate of the Company has ever had or can be reasonably expected to have any Liability to the Pension Benefit Guaranty Corporation (PBGC).

Section 3.19. **PROCEEDINGS; ORDERS**.

(a) **PROCEEDINGS**. Except as set forth inSchedule 3.19(a), there is no pending Proceeding, and, to the Knowledge of the Seller, no Person has threatened to commence any Proceeding against the Company or the Subsidiary or against any other Person that otherwise relates to or is reasonably likely to result in a Material Adverse Effect on the Business of the Company or the Subsidiary or any of the Assets of the Company or the Subsidiary; or that challenges, or that is reasonably likely to have the effect of preventing, delaying or making illegal any of the Transactions. Except as set forth in Schedule 3.19(a), to the Knowledge of the Seller, no event has occurred, and no claim, dispute or other condition or circumstance exists, that is reasonably likely to give rise to or serve as a basis for the commencement of any such Proceeding. The Seller has delivered to the Purchaser accurate and complete copies of all pleadings, correspondence and other written materials that relate to the Proceedings identified in Schedule 3.19(a).

(b) **Orders**. There is no Order to which the Company or the Subsidiary, the Business or any of the Company's or the Subsidiary's Assets is subject.

(c) **Orders Affecting Directors, Officers or Employees**. To the Knowledge of the Seller, no director, officer or employee of the Company or the Subsidiary is subject to any Order that prohibits such director, officer or employee from engaging in or continuing any conduct, activity or practice relating to the Business.

(d) **Proposed Orders**. To the Knowledge of the Seller, there is no proposed Order that, if issued or otherwise put into effect, would have a Material Adverse Effect or may have the effect of preventing, delaying or making illegal any of the Transactions.

Section 3.20. **Insurance**.

(a) **Policies**. Schedule 3.20(a) contains an accurate and complete list and description (including the numbers, for the terms, with the companies and the amounts) of each insurance policy maintained by the Company or the Subsidiary with respect to the Assets or Business of the Company or the Subsidiary. The Seller has delivered to the Purchaser copies of each of the insurance policies identified in Schedule 3.20(a) (including all renewals thereof and endorsements thereto). The premiums on such insurance policies have been currently paid, and such policies are valid, enforceable and in full force and effect, and neither the Company nor the Subsidiary is in default under any such insurance policy.

(b) **Communications with Carriers**. All claims under the insurance policies identified in Schedule 3.20(a) (including all incidents or occurrences that are defined as "claims" under the policies) have been properly reported (including by providing all notices and information without inaccuracies or errors) to the insurance carriers, and no reservation of rights has been issued that may jeopardize such coverage. Neither the Company nor the Subsidiary has received written notice (i) of cancellation of any such insurance policies, (ii) regarding any actual or possible adjustments in the amount of the premiums payable with respect to the insurance policies identified in Schedule 3.20(a), or (iii) of any actual or possible refusal of coverage, or any actual or possible rejection of any claim, under any of the insurance policies identified in Schedule 3.20(a). The consummation of the Transactions will not result in the termination of any insurance policy identified in Schedule 3.20(a).

(c) **Pending Claims**. Except as set forth in Schedule 3.20(c), there is no pending claim under or based upon any of the insurance policies identified in Schedule 3.20(a).

Section 3.21. **Intellectual Property**.

(a) **Company Intellectual Property Rights**. Schedule 3.21(a) contains an accurate and complete list of all applications and registrations included in the Company Intellectual Property Rights and all material unregistered trademarks included in the Company Intellectual Property Rights.

(b) **Ownership**. The Company Intellectual Property Rights consist solely of items and rights that are: (i) owned by the Company or (ii) rightfully used by the Company pursuant to a valid license or similar agreement (the "Licensed Intellectual Property"). Either the Company or the Subsidiary, as applicable, has (whether by virtue of ownership, license or otherwise) all rights in the Company Intellectual Property Rights necessary to carry out their Business as currently conducted or contemplated to be conducted.

(c) **No Infringement**. The conduct of the Business of the Company and the Subsidiary as currently conducted or contemplated to be conducted does not, to the Knowledge of the Seller, infringe (either directly or indirectly, such as through contributory infringement) any Intellectual Property Rights owned or controlled by any third party. There is no pending or, to the Knowledge of the Seller, threatened claim or Proceeding in any jurisdiction, whether against the Company or the Subsidiary or any third party, (i) involving any Company Intellectual Property Rights, or involving any Licensed Intellectual Property; (ii) alleging that the activities or the conduct of the Business, or the possession or use of any Company Intellectual Property Rights by any customer or other licensee of the Company or the Subsidiary, does or will infringe upon, violate or constitute the unauthorized use of the Intellectual Property Rights of any third party; or (iii) challenging the ownership, use, validity, enforceability or registrability of any Company Intellectual Property Rights, nor, to the Knowledge of the Seller, is there any reasonable basis for any such claim or Proceeding. To the Knowledge of the Seller, there is no unauthorized use, infringement or misappropriation of any of the Company Intellectual Property Rights by any third party, including any current or former employee or contractor of the Company or the Subsidiary (or its Affiliates or predecessors in interest). The Company and the Subsidiary have taken all necessary measures to protect the proprietary nature of the Company Intellectual Property Rights that are material to the Business as currently conducted or contemplated to be conducted.

(d) **Royalties**. There are no royalties, fees, honoraria or other payments payable by the Company or the Subsidiary to any Person or Entity by reason of the ownership, development, use, license, sale or disposition of any Company Intellectual Property Rights, other than license fees owed pursuant to those written agreements listed in Schedule 3.21(d).

(e) **No Conflicts**. Neither the Company nor the Subsidiary is, and as a result of the execution or delivery of this Agreement or any of the other Transaction Documents, or the consummation or performance of any of the Transactions, will be, in violation of any Contract relating to Company Intellectual Property Rights, cause the diminution, termination, transfer or forfeiture of any of the Company's rights in any Company Intellectual Property Rights or require the consent of any Governmental Body or third party in respect of any such Company Intellectual Property Rights. To the Knowledge of the Seller, each Contract relating to Company Intellectual Property constitutes the valid and binding obligation of all parties thereto, enforceable in accordance with its terms, and there exists no breach and no event or circumstance which will result in a violation or breach of, or constitute (with or without due notice or lapse of time or both) a default by the Company or the Subsidiary thereunder, or to the Knowledge of the Seller, any other party thereto.

Section 3.22. **ENVIRONMENTAL MATTERS**.

(a) **COMPLIANCE WITH ENVIRONMENTAL LAW**. Except as disclosed in Schedule 3.22(a), the Company and the Subsidiary are in compliance with all applicable Environmental Laws, and there are no non-compliance orders, warning letters, notices of violation, claims, suits, actions, judgments, penalties, fines, or administrative or judicial investigations or Proceedings pending or, to the Knowledge of the Seller, threatened against the Company or the Subsidiary or any of the real property which is the subject of the Real Property Leases, issued by any Governmental Body or third party with respect to any Environmental Laws or Environmental Permits.

(b) **ENVIRONMENTAL PERMITS**. Schedule 3.22(b) discloses all Governmental Authorizations required by any applicable Environmental Law (collectively, "Environmental Permits") necessary to construct, own and operate the Assets as presently operated and to conduct the Business of the Company and the Subsidiary. Each such Environmental Permit is valid, in full force and effect and issued in the name of the Company or the Subsidiary required to hold such Environmental Permit in order to operate the Assets as presently operated, and neither the Company nor the Subsidiary is in breach or default of any material terms or conditions contained in such Environmental Permits.

(c) **UNDERGROUND STORAGE TANKS**. Except as disclosed in Schedule 3.22(c), neither the Company nor the Subsidiary uses, nor has it used, any aboveground or underground storage tanks, and, to the Knowledge of the Seller, there are not now nor have there ever been any such tanks beneath any of the real property which is the subject of any of the Real Property Leases. Except as set forth in Schedule 3.22(c), to the Knowledge of the Seller, those tanks disclosed in Schedule 3.22(c) have been operated at all times in compliance with Environmental Laws and there have been no Releases from them.

(d) **RELEASES**. Except as disclosed in Schedule 3.22(d), there has not occurred, nor is there presently occurring, a Release, or threatened Release, by the Company or the Subsidiary, nor, to the Knowledge of the Seller, by any other Person, of any Hazardous Material on, into or beneath the surface of any of the real property which is the subject of any of the Real Property Leases or on, into or under any other real property to which Hazardous Materials originating from or on the real property leased pursuant to the Real Property Lease have been transported, in either case, in (i) an amount requiring a notice or report to be made to a Governmental Body, or (ii) in such a manner as to give rise to any Liability for the Company or the Subsidiary under Environmental Laws.

Section 3.23. **CUSTOMERS; SUPPLIERS**.

(a) **MAJOR CUSTOMERS**. Schedule 3.23(a) accurately identifies, and provides an accurate and complete breakdown of the revenues generated from, each customer or other Person who accounted for revenues of the Company or the Subsidiary in excess of $100,000 in the aggregate in the twelve (12) month period ended as of the Effective Date (each a "Major Customer").

(b) **Major Suppliers**. Schedule 3.23(b) accurately identifies, and provides an accurate and complete breakdown of the amounts paid to, each supplier that was paid more than $100,000 in the aggregate from the Company or the Subsidiary in the twelve (12) month period ended as of the Effective Date (each a "Major Supplier").

(c) **Changes to Existing Relationships**. Except as set forth in Schedule 3.23(c), neither the Company nor the Subsidiary has received any notice or other communication (in writing or otherwise) indicating that, and neither the Company nor the Subsidiary has any reason to believe that, any Major Customer or any significant end user that places orders through any Major Customer (i) intends to, or has threatened to, cease dealing with the Company or the Subsidiary, respectively, or (ii) is, or may become, unable to satisfy all of such Person's current and future monetary and other obligations to the Company or the Subsidiary, respectively.

(d) **Changes to Supply Terms**. Except as set forth in Schedule 3.23(d), no Major Supplier has changed any significant supply terms since November 30, 2008, and neither the Company nor the Subsidiary has received any notice or other communication (in writing or otherwise) indicating that such Supplier may change any significant supply terms after the Closing Date.

(e) **Adverse Effect on Relationships**. To the Knowledge of the Seller, the Transactions will not adversely affect the Company's or the Subsidiary's relations with any of their respective customers or suppliers.

Section 3.24. **Brokers**. Neither the Company nor the Subsidiary has agreed or become obligated to pay, or has taken any action that might result in any Person claiming to be entitled to receive, any brokerage commission, finder's fee or similar commission or fee in connection with any of the Transactions and/or in connection with any of the Real Property Leases.

Section 3.25. **Status**. The Company (a) owns no other assets and has no Liabilities of any kind except for Liabilities related to the Projects and obligations under the Material Contracts; and (b) does not engage, and has never engaged, in any business other than development and ownership of the Projects. The Subsidiary was (a) owns no other assets and has no Liabilities of any kind except for Liabilities related to the Larimer Project and obligations under the Material Contracts relating to the Larimer Project; and (b) does not engage, and has never engaged, in any business other than development and ownership of the Larimer Project.

Section 3.26. **Regulatory Status**.

(a) **Regulatory Status**. The Company and the Subsidiary either are not subject to or are exempt from regulation under the Public Utility Holding Company Act of 2005 ("PUHCA"). Neither the Company nor the Subsidiary is subject to rate, financial or corporate regulation of utilities under the Federal Power Act ("FPA") or the laws of any state, except as a "qualifying small power production facility" within the meaning of the FPA.

(b) **Qualifying Facilities**. The following Projects are duly certified as and meet the requirements for status as a "qualifying small power production facility" within the meaning of the FPA: (i) the Operating Project located in Hernando, Florida; (ii) the Development Project located in Sarasota, Florida; and (iii) the Development Project located in Weld County, Colorado.

(c) **Pipeline Regulatory Compliance**. The Company and the Subsidiary are in compliance in all material respects with the requirements of 49 U.S.C. 60101*et seq.* and the regulations issued by the United States Department of Transportation pursuant thereto with respect to all pipelines owned or operated by the Company or the Subsidiary, as applicable, which are used in connection with the collection, treatment, processing or delivery of landfill gas by the Operating Projects or the Larimer Project, as applicable (the "Pipelines"), to the extent such laws and regulations are applicable thereto. None of the Pipelines, and neither the Company's nor the Subsidiary's ownership or operation thereof, as applicable, are subject to regulation (i) under the Natural Gas Act of 1938, as amended, (ii) under the Natural Gas Policy Act of 1978, as amended, or (iii) as a public utility or utility under the laws, rules or regulations of any state.

Section 3.27. **Certain Related Party Transactions**. Except as set forth onSchedule 3.27, neither the Company nor the Subsidiary is indebted, either directly or indirectly, to any Related Party; no Related Party is indebted to either the Company or the Subsidiary or, to the Seller's knowledge, has any direct or indirect ownership interest in any Person with which the Company or the Subsidiary is affiliated or with which the Company or the Subsidiary has a business relationship, or any Person which competes with the Company or the Subsidiary. No Related Party has a direct or indirect interest in any Contract with the Company or the Subsidiary. All Related Party transactions listed on Schedule 3.27 will be terminated at or prior to the Closing.

Section 3.28. **Absence of Certain Business Practices**.

(a) **Generally**. None of the Seller, the Company, the Subsidiary or any Representative of any such Person, nor any other Person acting on their behalf, has, directly or indirectly, given or agreed to give any payment (in kind or in cash), gift or similar benefit to any customer, supplier, governmental employee, lobbyist, labor union, political action committee, candidate for public office or other Person who is or may be in a position to help or hinder the business of such Person (or assist any of them in connection with any actual or proposed transaction) which (a) might subject the Purchaser to any damage or penalty in any civil, criminal or governmental Proceeding, (b) if not given in the past, might have materially and adversely affected the assets, business or operations of any Project, or (c) if not continued in the future, might adversely affect the business of any Project or the Purchaser, or might subject the Purchaser to any Proceeding.

(b) **Antitrust Matters**. No Representative of the Company or the Subsidiary has violated any state or federal antitrust law (the "Antitrust Laws") during the past five (5) years. Each of the Company and the Subsidiary is currently in compliance with all Antitrust Laws. Neither the Company, the Subsidiary nor any of its Representatives has received a grand jury subpoena, trial subpoena, summons, civil investigative demand or other request for disclosure of any documents or information relating to any alleged violation of the Antitrust Laws. No facts or circumstances exist which, to the Seller's Knowledge, would reasonably be expected to form the basis for any such violation or noncompliance.

Section 3.29. **Disclosure**. No material report, financial statement, certificate or other written information furnished by or on behalf of the Seller to the Purchaser, any of its Affiliates or its or their Representatives in connection with this Agreement and the Transactions or delivered hereunder when taken as a whole contains any material misstatement of fact or omits to state any material fact necessary to make the statements therein (taken as a whole), in light of the circumstances under which they were made, not materially misleading. Except for specific events or circumstances that would not cause a Material Adverse Effect, the Seller has no Knowledge of any specific events or circumstances involving the Company, the Subsidiary or any Project that would, in the reasonable opinion of Seller, individually or in the aggregate, be considered material by a reasonable investor in making an investment decision regarding the Company, except for any such events or circumstances which have been disclosed in this Agreement or the other Transaction Documents.

Section 3.30. **Knowledge of The Seller**. With respect to the Seller, no individuals associated with the Seller, the Company or the Subsidiary, or its Affiliates, other than the individuals listed in the definition of "Knowledge" with respect to the Seller, could reasonably be expected to be more knowledgeable about the subject matters covered in the Seller's representations in this Agreement than such listed individuals.

Section 3.31. **Ownership of Environmental Attributes**. After taking into account the Environmental Attributes Agreement, the Company and the Subsidiary, as applicable, has good and marketable title to all Environmental Attributes accrued by or otherwise attributable to its Assets, and except as set forth on Schedule 3.31, the Environmental Attributes are owned by the Company or the Subsidiary, as applicable, free and clear of any Encumbrance.

SECTION 4. Representations and Warranties of the Purchaser.

The Purchaser represents and warrants, to and for the benefit of the Seller as follows:

Section 4.1. **Due Organization and Existence**. The Purchaser is a limited liability company duly formed and validly existing in good standing under the laws of the State of Delaware. The Purchaser is qualified to do business in all jurisdictions where the failure to qualify would materially and adversely affect its ability to execute, deliver or perform its obligations under this Agreement and the Transaction Documents to which it is or may become a party.

Section 4.2. **Power and Authority**. The Purchaser has the full right, power and authority to enter into and perform its obligations under this Agreement and each Transaction Document to which the Purchaser is or may become a party. The execution, delivery and performance of this Agreement and each Transaction Document to which the Purchaser is or may become a party have been duly authorized by all necessary action on the part of the Purchaser.

Section 4.3. **Enforceability**. This Agreement and each Transaction Document to which the Purchaser is or may become a party, when executed by the Purchaser, constitutes the legal, valid and binding obligation of the Purchaser, enforceable against the Purchaser in accordance with its terms, except as the same may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting generally the enforcement of creditors' rights and by general principles of equity.

Section 4.4. **Non-Contravention**. The execution and delivery by Purchaser of this Agreement and any of the Transaction Documents to which Purchaser is or may become a party, and the consummation and performance of any of the Transactions, will not directly or indirectly (with or without notice or lapse of time): (a) contravene, conflict with or result in a violation of (i) any of the provisions of the Purchaser's certificate of formation or operating agreement, or (ii) any resolution adopted by the Purchaser's members; or (b) contravene, conflict with or result in a violation of, or give any Governmental Body or other Person the right to challenge any of the Transactions or to exercise any remedy or obtain any relief under, any Legal Requirement or any Order to which the Purchaser is subject; or (c) contravene, conflict with or result in a violation of, any Contract to which the Purchaser is a party or by which any of the Purchaser's properties or assets are or may be bound.

Section 4.5. **Consents**. The execution, delivery and performance by the Purchaser of this Agreement and each of the Transaction Documents to which the Purchaser is or may become a party, require no notice to, filing with, or Consent of any Governmental Body or other Person.

Section 4.6. **Proceedings**. There are no Proceedings pending, or to the Purchaser's Knowledge, threatened to which the Purchaser is a party in any case at law or in equity before any Governmental Body against or affecting the Purchaser or its properties or assets, which would reasonably be expected to materially and adversely affect (a) the ability of the Purchaser to perform its obligations under this Agreement or any of the Transaction Documents to which the Purchaser is or may become a party, or (b) the financial condition of the Purchaser.

Section 4.7. **Brokers**. The Purchaser has not agreed or become obligated to pay, and has not taken any action that might result in any Person claiming to be entitled to receive, any brokerage commission, finder's fee or similar commission or fee from the Seller in connection with any of the Transactions.

Section 4.8. **Experienced and Knowledgeable Purchaser**. The Purchaser is, or is being advised by, an experienced and knowledgeable investor in the power generation and development business. Prior to entering into this Agreement, the Purchaser was advised by its counsel, accountants, financial advisors, and such other Persons it has deemed appropriate concerning this Agreement and has relied solely (except for the representations and warranties of the Seller set forth in Section 3) on an independent investigation and evaluation of, and appraisal and judgment with respect to, the Company and the Subsidiary, the Business, the Assets (including the Projects), Liabilities, results of operations, condition (financial or otherwise) and prospects of the Company and the Subsidiary, and the revenue, price, and expense assumptions applicable thereto.

SECTION 5. CONFIDENTIALITY. Each party agrees that neither it nor its Affiliates or its or their Representatives shall reveal to any other Person (a) the terms of this Agreement or the Transaction Documents and (b) any financial, commercial or technical information relating to the Purchaser, the Seller, the Company or the Subsidiary (collectively, the "Information"). Except to the extent otherwise required by law, the Information will be used solely for the purposes of evaluating the Transactions and will be kept confidential by the receiving party, its Affiliates and its and their Representatives; provided, however, that the obligations set forth in the preceding text of this Section 5 shall not apply to the disclosure of any Information:

(a) to any of the Representatives of the receiving party as necessary for the consummation of the Agreement and the Transactions;

(b) as to which the disclosing party consents in writing;

(c) to auditors, rating agencies, attorneys and financing parties of the receiving party;

(d) to any Person in connection with the financing, disposition of Assets in, or Assets of, the receiving party, the Company or the Subsidiary, or any direct or indirect owner of any of the forgoing;

(e) to the extent required to be disclosed by any applicable Legal Requirement; and

(f) in connection with (i) any Proceeding by a party to enforce its rights under this Agreement or any of the documents to be executed pursuant hereto or (ii) the defense of any Proceeding against a party, any of its Affiliates or any Representatives of the foregoing;

Notwithstanding the foregoing, "Information" shall not include information that (i) is publicly known at the time of its disclosure, (ii) is lawfully received from a third party not subject to any confidentiality agreement, or (iii) is published or otherwise made known to the public by a Person other than a party to this Agreement through no breach by a party hereto of its obligations hereunder. Each party shall take all steps necessary or appropriate to maintain the strict confidentiality of the Information and to assure compliance with this Agreement. If this Agreement terminates pursuant to Section 10 hereof, the receiving party will promptly return to the disclosing party all material containing or reflecting the Information. Each party agrees that the remedy at law for any breach of this Section 5 would be inadequate and that either party shall be entitled to seek injunctive relief in addition to any other remedy it may have upon breach of any provision of this Section 5.

SECTION 6. CONDITIONS PRECEDENT TO THE PURCHASER'S OBLIGATION TO CLOSE.

The obligation of the Purchaser to purchase the Interests and to take the other actions required to be taken by the Purchaser at the Closing are subject to the satisfaction, on and as of the Closing, of each of the following conditions:

Section 6.1. **ACCURACY OF REPRESENTATIONS**. All of the representations and warranties made by the Seller in this Agreement (considered individually and in the aggregate) shall be true and correct on and as of the Closing Date (except for representations and warranties which address matters only as of a particular date, which need only be true and correct as of such date).

Section 6.2. **APPROVAL OF TRANSACTIONS; CONSENTS**.

(a) The Purchaser's sole member shall have authorized the execution and delivery of this Agreement by the Purchaser and shall have authorized the consummation of the Transactions.

(b) Each of the Consents identified in Schedule 3.4(b) shall have been obtained and shall be in full force and effect.

Section 6.3. **NO PROHIBITION**. Neither the consummation nor the performance of any of the Transactions will, directly or indirectly (with or without notice or lapse of time), contravene or conflict with or result in a violation of, or cause the Purchaser or any Affiliate of the Purchaser to suffer any adverse consequence under (a) any applicable Legal Requirement or Order, (b) any Legal Requirement or Order that has been proposed by or before any Governmental Body and would be applicable to the Purchaser or any Affiliate of the Purchaser, or any of the Projects, or (c) any Contract to which the Company and/or the Subsidiary is a party.

Section 6.4. **PERFORMANCE OF OBLIGATIONS**.

(a) The Seller shall have delivered to the Purchaser the following:

(i) possession and control of the Interests and of the Company and the Subsidiary, including all of the Company's and the Subsidiary's Assets, Tangible Property and Books and Records;

(ii) a copy of (A) the certificate of formation of the Company and the Subsidiary, certified by the Secretary of the State of Delaware within five (5) days prior to the Closing Date, and certified by a manager of the Company and of the Subsidiary to be true, complete and correct as of the Closing Date, (B) the operating agreement of the Company and of the Subsidiary (as amended through the Closing Date), certified by a manager or officer of the Company and of the Subsidiary, as applicable, to be true, complete and correct as of the Closing Date, and (C) a list of the incumbent officers and specimen signatures of the Company and of the Subsidiary, dated as of the Closing Date, and certified by a manager of the Company and the Subsidiary, as applicable, to be true, complete and correct as of the Closing Date;

(iii) good standing certificates issued by the Secretary of the State of Delaware and by the Secretary of State of all jurisdictions in which the Company and the Subsidiary are qualified to do business and tax clearance certificates issued by the department of revenue or other appropriate Governmental Body in all jurisdictions in which the Company and the Subsidiary are required to pay taxes showing that all taxes due and owing have been paid in full, each dated within five (5) days of the Closing Date;

(iv) certificates of a manager of the Seller evidencing satisfaction of the conditions specified in this Section 6 as reasonably requested by the Purchaser;

(v) pay-off letters and UCC termination statements showing the release of all Encumbrances affecting the Interests, the Company or the Subsidiary or any of their Assets;

(vi) evidence of resignation or removal as of the Closing of all officers and directors of the Company and the Subsidiary listed on Schedule 3.6(a);

(vii) the Non-Foreign Certificate; and

(viii) evidence satisfactory to the Purchaser that CD #0089467167, on deposit with Regions Bank to secure the Letter of Credit issued to the City of David City, Nebraska (Reference Number 55102915), has been transferred to, and is listed in the name of, the Company.

(b) Each of the Transaction Documents shall have been duly authorized, executed and delivered by the parties thereto, shall be in full force and effect, and the Seller or any Affiliate of Seller shall not be in breach or default of any provision thereof, and the Seller shall have tendered its Closing Actions.

(c) All of the other covenants and obligations that the Seller is required to comply with or to perform at or prior to the Closing and each of said covenants and obligations shall have been duly complied with and performed in all material respects.

Section 6.5. **No Injunction**. There shall not be in effect any injunction that shall have been entered by a court of competent jurisdiction that prohibits the sale of the Interests by the Seller to the Purchaser.

Section 6.6. **No Material Adverse Effect**. No Material Adverse Effect shall have occurred and be continuing.

Section 6.7. **Title Insurance and Surveys**. The Purchaser shall have received 2006 ALTA extended coverage leasehold owner's title insurance policies, purchased by the Purchaser at its sole expense, in the name of the Company, insuring the Purchaser for the full value of the real estate rights associated with each of the Operating Projects, and an ALTA survey showing ownership of all rights and interests in and to the real property of the Operating Projects, in each case subject only to the Permitted Encumbrances.

Section 6.8. **Estoppel Certificates**. The Purchaser shall have received written estoppel and non-disturbance certificates from those Persons listed on Schedule 6.8 under any Material Contract.

Section 6.9. **Proceedings**. No Proceedings shall have been initiated, or to the Purchaser's Knowledge, threatened by any Governmental Body, which in any case would prohibit the Transactions or the ability of the Purchaser or the Seller to consummate any of such Transactions.

Section 6.10. **Opinions**. The Seller shall have delivered an opinion from counsel to the Seller addressed to Purchaser in form and substance acceptable to the Purchaser.

Section 6.11. **Engineering Reports**. The Purchaser shall have received Phase I environmental assessments with respect to the Operating Projects, in form and substance acceptable to the Purchaser in its sole discretion and paid for by the Purchaser at its sole expense.

Section 6.12. **Management Services Agreement**. Each of the Company and Mowood Services Corp. have entered into a management services agreement for the provision by Mowood Services Corp. of certain management services to the Company (the "Management Services Agreement") in form and substance satisfactory to the Purchaser.

Section 6.13. **Termination of Management Services Agreement**. The Seller shall have provided to the Purchaser evidence that the Management Services Agreement, dated as of March 3, 2008, between Mowood Services Corp. and the Company shall have been terminated with no liability to the Company.

Section 6.14. **Larimer Actions**. If applicable pursuant to Section 9.10, the Larimer Actions shall have been satisfied.

Section 6.15. **Documentation of Material Contracts**. All Material Contracts described on Schedule 3.15 as being oral (or otherwise not reduced to writing) shall have been documented in a writing signed by the parties thereto in form and substance acceptable to Purchaser.

Section 6.16. **Environmental Attributes Agreement**. The Purchaser shall have received evidence satisfactory to it that the conditions precedent referenced in the Environmental Attributes Agreement (other than the Closing) have been satisfied.

Section 6.17. **Sublease**. The Seller and the Purchaser shall have entered into a sublease for that certain office space commonly known as Orchard Town Center, Building A, Suite 200, in Westminster Colorado (the "Office Space"), for a term of one year and an annual rent of $1.00, in form and substance satisfactory to the Purchaser, which such sublease shall have been approved by the landlord pursuant to Article 16 of that certain Office Lease, by and between FC Orchard Town Center, Inc., a Colorado corporation and the Seller, dated as of November 13, 2007. Notwithstanding the foregoing, the Seller and the Purchaser agree that if during the term of the sublease the Purchaser (or its designee) does not occupy the Office Space for a period of 90 consecutive days, the sublease shall automatically terminate.

SECTION 7. CONDITIONS PRECEDENT TO THE SELLER'S OBLIGATION TO CLOSE.

The Seller's obligation to sell the Interests and to take the other actions required to be taken by the Seller, at the Closing is subject to the satisfaction, at or prior to the Closing, of each of the following conditions:

Section 7.1. **ACCURACY OF REPRESENTATIONS**. All of the representations and warranties made by the Purchaser in this Agreement (considered individually and in the aggregate) shall be true and correct on and as of the Closing Date as if made on the Closing Date (except for representations and warranties which address matters only as of a particular date, which need only be true and correct as of such date).

Section 7.2. **PERFORMANCE OF OBLIGATIONS**.

(a) The Purchaser shall have delivered to the Seller the following:

(i) the Closing Payment in accordance withSection 1.3 hereof;

(ii) a copy of (A) the certificate of formation of the Purchaser, certified by the Secretary of the State of Delaware within five (5) days prior to the Closing Date, and certified by an officer of the Purchaser to be true, complete and correct as of the Closing Date, (B) the operating agreement of the Purchaser (as amended through the Closing Date), certified by an officer of the Purchaser to be true, complete and correct as of the Closing Date, and (C) a list of the incumbent officers and specimen signatures of the Purchaser, dated as of the Closing Date, and certified by an officer of the Purchaser to be true, complete and correct as of the Closing Date;

(iii) good standing certificates issued by the Secretary of the State of Delawareand by the Secretary of State of all jurisdictions in which the Purchaser is qualified to do business, dated within five (5) days prior to the Closing Date;

(iv) certificates of an officer of Purchaser evidencing satisfaction of the conditions specified in thisSection 7 as reasonably requested by the Seller;

(b) Each of the Transaction Documents, including the EIFREH Guaranty, shall have been duly authorized, executed and delivered by the parties thereto, shall be in full force and effect, and the Purchaser shall not be in breach or default of any provision thereof, and the Purchaser shall have tendered its Closing Actions;

(c) Each of the Company and Mowood Services Corp. have entered into the Management Services Agreement in form and substance satisfactory to the Seller;

(d) All of the other covenants and obligations that the Purchaser is required to comply with or to perform pursuant to this Agreement at or prior to the Closing, shall have been complied with and performed in all material respects; and

(e) The Seller shall have received evidence satisfactory to it that the conditions precedent referenced in the Environmental Attributes Agreement (other than theClosing) have been satisfied.

SECTION 8. INDEMNIFICATION.

Section 8.1. **SURVIVAL OF REPRESENTATIONS**. The representations and warranties contained in this Agreement and the Transaction Documents shall survive (regardless of any investigation at any time made by or on behalf of the beneficiary of any such representation or warranty) until the date that is eighteen (18) months after the Closing Date; provided, however, notwithstanding the foregoing, (i) the representations and warranties given or made in Sections 2.1, 3.5, 3.9 (a), 3.9(c) and 3.9(d) shall survive the Closing and continue in full force and effect without limitation; and (ii) the representations and warranties given or made in Sections 3.16, 3.17, 3.18 and 3.22 shall survive until ninety (90) days after the expiration of the applicable statute of limitations. No claim shall be made with respect to any representation or warranty after it ceases to survive in accordance with this Section 8.1. The expiration of any representation or warranty shall not affect the Seller's obligations under this Section 8 if the Purchaser Indemnitee provided the Seller with proper notice of the claim or event for which indemnification is sought prior to such expiration.

Section 8.2. **INDEMNIFICATION.** The Seller (the "Indemnifying Party"), to the fullest extent permitted by applicable law, shall defend, hold harmless and indemnify each of the Purchaser Indemnitees from and against, and shall compensate and reimburse each of the Purchaser Indemnitees for, any Damages which are suffered or incurred by any of the Purchaser Indemnitees or to which any of the Purchaser Indemnitees may otherwise become subject at any time (regardless of whether or not such Damages relate to any third party claim) and which arise directly or indirectly from or as a direct or indirect result of, or are directly or indirectly connected with:

(a) any Breach of any representation or warranty made by the Seller or TTO in this Agreement or the Transaction Documents; and

(b) any Breach of any covenant or other obligation of the Seller or TTO contained in this Agreement or the Transaction Documents.

Section 8.3. **LIMITATIONS ON INDEMNIFICATION LIABILITY**.

(a) **OVERALL LIMITATION ON LIABILITY**. Notwithstanding anything to the contrary contained in this Agreement (other than Section 8.7):

(i) The Indemnifying Party shall not be required to make any indemnification payment pursuant to Section 8.2(a) hereof for any Damages until such time as the total amount of all Damages that have been directly or indirectly suffered or incurred by any one or more of the Purchaser Indemnitees, or to which any one or more of the Purchaser Indemnitees has or have otherwise become subject, exceeds $100,000 in the aggregate. In the event the aggregate amount of all such Damages exceeds $100,000, the Purchaser shall be entitled to indemnification for the amount of all such Damages (i.e. including the initial $100,000);

(ii) except as set forth in Section 8.3(a)(iii), the aggregate amount to be paid by the Indemnifying Party under Section 8.2(a) hereof shall be limited to an amount equal to twenty percent (20%) of the Purchase Price; and

(iii) the aggregate amount to be paid by the Indemnifying Party under Section 8.2(a) hereof arising from a Breach of the representations contained in Sections 3.16 and 3.17 shall be limited to an amount equal to the Purchase Price;

provided, however, that the limitations contained in this Section 8.3(a) shall not apply to Damages arising from a Breach of the representations contained in Sections 2.1, 2.3, 2.4, 3.5, or 3.9(a), (c) or (d).

(b) **Waiver**. Each party waives any provision of law to the extent that it would limit or restrict the agreements contained in this Section 8. Nothing herein shall prevent either party from terminating this Agreement in accordance with Section 10.

Section 8.4. **Indemnification Procedures**.

(a) **Notice of Third Party Claims**. In the event of the assertion or commencement by any Person of any claim or Proceeding with respect to which the Indemnifying Party may become obligated to indemnify, hold harmless, compensate or reimburse any Purchaser Indemnitee pursuant to this Section 8, the Purchaser agrees to give reasonably prompt notice to the Indemnifying Party specifying in reasonable detail the assertion of any claim, or the commencement of any Proceeding in respect of which indemnity may be sought under this Section 8. However, the failure to give or delay in giving notice to the Indemnifying Party in a timely fashion shall not result in a waiver of a right to indemnification hereunder except to the extent the Indemnifying Party is prejudiced thereby and only to the extent of such prejudice. Thereafter, the Indemnifying Party shall deliver to the Purchaser Indemnitee, within five (5) business days after receipt thereof, copies of all notices and documents (including court papers) relating to such claim or Proceeding.

(b) **Defense of Third Party Claims**.

(i) **By the Indemnifying Party**. In the event of the assertion or commencement by any Person of any claim or Proceeding with respect to which the Indemnifying Party may become obligated to indemnify, hold harmless, compensate or reimburse any Purchaser Indemnitee pursuant to this Section 8, the Indemnifying Party may, at its election, assume the defense of such claim or Proceeding at its sole expense. If the Indemnifying Party so elects to assume the defense of any such claim or Proceeding:

(A) the Indemnifying Party shall proceed to defend such claim or Proceeding in a diligent manner with counsel reasonably satisfactory to the Purchaser Indemnitee;

(B) the Purchaser Indemnitee shall make available to the Indemnifying Party any non-privileged documents and materials in the possession or control of the Purchaser Indemnitee that may be necessary to the defense of such claim or Proceeding;

(C) the Indemnifying Party shall keep the Purchaser Indemnitee informed of all material developments and events relating to such claim or Proceeding;

(D) the Purchaser Indemnitee shall have the right to participate in the defense of such claim or Proceeding with counsel of its choice if (i) the Indemnifying Party chooses counsel not reasonably acceptable to the Purchaser Indemnitee, (ii) the Indemnifying Party does not pursue with reasonable diligence such defense, negotiation or settlement, or (iii) in the reasonable opinion of such Purchaser Indemnitee and its counsel, such claim or Proceeding involves the potential imposition of criminal liability upon such Purchaser Indemnitee or a conflict of interest between such Indemnified Party and the Purchaser Indemnitee; provided, that such participation shall be at the Purchaser Indemnitee's own expense.

(E) the Indemnifying Party shall not settle, adjust or compromise such claim or Proceeding without the prior written consent of the Purchaser Indemnitee, which shall not be unreasonably withheld; provided, however, that no consent shall be required if any such settlement, adjustment or compromise (i) relates solely to the payment of money Damages, all of which shall by paid by the Indemnifying Party, and (ii) includes as an unconditional term thereof the giving of a release from all liability with respect to such claim by each claimant or plaintiff to each Purchaser Indemnitee that is or may be subject to the third party claim.

(F) the Purchaser Indemnitee may at any time (notwithstanding the prior designation of the Indemnifying Party to assume the defense of such claim or Proceeding) assume the defense of such claim or Proceeding at its own expense; provided, however, that the Purchaser Indemnitee may not settle, adjust or compromise such claim or Proceeding without the prior written consent of the Indemnifying Party, which consent shall not be unreasonably withheld.

(ii) **By the Purchaser Indemnitee**. If the Indemnifying Party does not elect to assume the defense of any such claim or Proceeding, the Purchaser shall have the right to proceed with the defense of such claim or Proceeding on its own. If the Purchaser Indemnitee so proceeds with the defense of any such claim or Proceeding on its own:

(A) all expenses relating to the defense of such claim or Proceeding (whether or not incurred by the Purchaser Indemnitee) shall be borne and paid exclusively by the Indemnifying Party;

(B) the Indemnifying Party shall make available to the Purchaser Indemnitee any documents and materials in the possession or control of the Indemnifying Party that may be necessary to the defense of such claim or Proceeding;

(C) the Purchaser Indemnitee shall keep the Indemnifying Party informed of all material developments and events relating to such claim or Proceeding; and

(D) the Purchaser Indemnitee shall not settle, adjust or compromise such claim or Proceeding without the prior written consent of the Indemnifying Party, which shall not be unreasonably withheld.

(c) **Satisfaction of Indemnification Obligations**. In the event a Purchaser Indemnitee is entitled to indemnification under this Section 8, in any amount, from the Indemnifying Party under this Agreement, such indemnification obligation shall be satisfied directly by the Indemnifying Party, subject to the limitations set forth in Section 8.3 hereof.

(d) **Payment of Indemnification Obligations**. Without limiting the generality of this Section 8 and subject to Sections 8.3 and 8.4(c) above, after any final judgment or award shall have been rendered by a court, arbitration board or administrative agency of competent jurisdiction and the expiration of the time in which to appeal therefrom, or a settlement shall have been consummated, or the Purchaser Indemnitee or the Indemnifying Party shall have arrived at a mutually binding agreement with respect to a claim hereunder, the Purchaser Indemnitee shall forward to the Indemnifying Party notice of any sums due and owing (collectively, the "Amount Due") pursuant to this Agreement and the final judgment or award or the settlement with respect to such matter and the Amount Due shall be promptly paid or reimbursed to the Purchaser Indemnitee pursuant to the terms of this Agreement, by the delivery by wire transfer of immediately available funds within twenty (20) business days after the date such notice is sent.

Section 8.5. **Set-off**. The rights and obligations of indemnification under this Section 8 shall not be limited or subject to set-off based on any violation or alleged violation of any obligation under this Agreement or otherwise, including breach or alleged breach by the Purchaser Indemnitee of any representation, warranty, covenant or agreement contained in this Agreement.

Section 8.6. **Indemnity Escrow Agreement**. Subject to the Indemnity Escrow Agreement, for payment of any indemnification to be made by the Indemnifying Party to a Purchaser Indemnitee hereunder, such Purchaser Indemnitee shall be entitled to draw the amount of such indemnification payment directly from the Indemnity Escrow Fund to the extent the any funds remain in the Indemnity Escrow Fund. Subject to the Indemnity Escrow Agreement, on the eighteen month anniversary of the Closing Date, the Indemnifying Party shall be entitled to draw all amounts of the Indemnity Escrow Fund in excess of an amount sufficient in the Purchaser's reasonable judgment to cover all then-pending claims for indemnification against the Indemnifying Party.

Section 8.7. **Exclusive Remedy.** Except for actions grounded in fraud or willful, knowing or intentional misrepresentation, from and after the Closing, the indemnities provided in this Article 8 shall constitute the sole and exclusive remedy of a Purchaser Indemnitee for Damages arising out of, resulting from or incurred in connection with any claims related to or arising out of a Breach of the representations and warranties in this Agreement; provided, however, that this exclusive remedy for Damages does not preclude a party from bringing an action for specific performance or other equitable remedy to require a party to perform its obligations under this Agreement, including an intentional failure to consummate the Closing hereunder when and if required to do so.

SECTION 9. OTHER AGREEMENTS.

Section 9.1. **CONSUMMATION OF TRANSACTIONS AND OBTAINING APPROVALS**. Each party hereto shall (a) as promptly as is reasonably practicable, diligently and in good faith use all commercially reasonable efforts to cause the Closing conditions in this Agreement to be satisfied as soon as possible, and (b) coordinate and cooperate with the other party hereto in providing such information and supplying such assistance as may be reasonably requested by such other party hereto in connection with the foregoing. Without limiting the generality of the foregoing, each party hereto shall use all commercially reasonable efforts to obtain all Consents of, and to give all notices to and make all filings with, all Governmental Bodies (including those pertaining to the Governmental Authorizations) and third parties that may be or become necessary for its performance of its obligations under this Agreement and shall cooperate fully with the other party in promptly seeking to obtain all such Consents, giving such notices, and making such filings.

Section 9.2. **PRE-CLOSING PERIOD ACTIONS**. Except as otherwise contemplated herein, during the Pre-Closing Period, the Seller shall (to the extent applicable to the Interests, the Company, the Subsidiary and the Business and Assets of the Company and the Subsidiary), and shall cause the Company and the Subsidiary to, operate in the Ordinary Course of Business and:

(a) maintain in full force and effect, and continuously perform its obligations under, all Material Contracts;

(b) not amend, modify or terminate any Material Contract;

(c) not enter into any Contract, agreement, commitment or other arrangement with any Person;

(d) use commercially reasonable efforts to preserve the Company's and the Subsidiary's business organization intent and preserve its relationships with customers, suppliers and others with whom it deals;

(e) maintain in full force and effect insurance policies and programs reflecting coverage that is reasonably consistent with prudent industry practice;

(f) not lease, license, sell, encumber, pledge, hypothecate, abandon or otherwise dispose of any Asset, other than sales of landfill gas (or electricity or environmental attributes generated from sales of landfill gas) in the Ordinary Course of Business;

(g) make or commit to make any capital expenditure, with the exception of immaterial capital expenditures for the Operating Projects;

(h) not amend its certificate of formation or operating agreement or recapitalize or reclassify any of the ownership interests in the Company or the Subsidiary;

(i) not redeem or otherwise acquire any ownership interests or issue any ownership interests or any option, warrant or right relating thereto;

(j) maintain its corporate existence and not merge or consolidate with any other Entity;

(k) not lend, advance or borrow any money or become contingently liable for any obligation or liability of others;

(l) not sell, pledge or otherwise encumber, in whole or in part, any of the Interest or the Larimer Interest;

(m) give the Purchaser reasonable notice of any material event concerning the Company or the Subsidiary or of any negotiation of a Material Contract, consult with the Purchaser regarding such event or contract negotiation, and consider reasonable requests of the Purchaser regarding such event or contract negotiation;

(n) not make new elections with respect to income taxes or revoke or change any current elections with respect to income taxes;

(o) not change any tax accounting practices, procedures or methods relating to any material amount of Taxes of the Company or the Subsidiary or settle or compromise any Tax Proceeding or other controversy relating to any material increase or decrease in the amount of Taxes of the Company or the Subsidiary, or enter into any other agreement to do any of the foregoing;

(p) not prepare or file any Tax Return in a manner inconsistent with past practice and custom;

(q) not settle any claim or Proceeding that results in an unfunded or unpaid liability of the Company or the Subsidiary that will not be paid or discharged in full prior to the Closing;

(r) pay any invoices that are due and payable in the Ordinary Course of Business and in a manner consistent with past practice and custom;

(s) forgive any Indebtedness owed to the Company or the Subsidiary or release or waive any right or claim;

(t) hire any employee or establish or adopt any Plan;

(u) not incur any additional obligations or advance, change, withdraw, amend or terminate any Contract or other obligation with respect to the Development Projects or the Larimer Project; and

(v) not commit, authorize or agree to take any of the actions set forth in the preceding subsections of this Section 9.2.

Section 9.3. **Access to Information**. During the Pre-Closing Period, the Seller shall, during ordinary business hours and upon reasonable notice, and consistent with the policies, rules and procedures followed at the Project sites, (a) give the Purchaser and the Purchaser's authorized representatives (or obtain for the Purchaser and the Purchaser's authorized representatives) reasonable access to (i) all Books and Records of the Company and the Subsidiary, (ii) all safety and maintenance manuals, engineering design plans, blueprints and as-built plans, compliance plans, environmental procedures, surveys, permit applications, permits and similar records relating to the development, construction, ownership, operation, maintenance and management of the Projects, and (iii) the Projects and each of the Project sites; (b) permit the Purchaser and its consultants, including engineering consultants and environmental consultants, to make such reasonable inspections and investigations of the Projects and the Project sites as the Purchaser may reasonably request (and the Purchaser shall indemnify, defend and hold the Seller harmless from and against any and all claims, damages and causes of action relating directly or indirectly to the Purchaser or its agents' or authorized representatives' inspections of the Projects or the Project sites); (c) furnish the Purchaser with such other information in the Seller's possession with respect to the Projects and the Project sites as the Purchaser may from time to time reasonably request; and (d) furnish the Purchaser a copy of each material report, schedule, permit, license or other document filed or received by the Seller with respect to the Project and the Project sites; provided, however, that (x) the Seller shall not be required to take any action that would constitute a waiver of the attorney-client privilege, (y) the Seller shall not be required to supply the Purchaser with any information that Seller is under a legal or contractual obligation not to supply, and (z) the Seller's obligation to furnish information shall be limited to information in its possession at the time of such request for information by the Purchaser. Notwithstanding the foregoing, the Seller shall use commercially reasonable efforts to seek permission to disclose the information, documents and other materials which have been withheld for confidentiality reasons under clause (y) of the immediately preceding sentence.

Section 9.4. **Further Actions**.

(a) **Further Assurances**. From and after the Closing Date, the Seller shall fully cooperate with the Purchaser, and shall promptly execute and deliver such documents and take such other actions as the Purchaser may reasonably request, for the purpose of evidencing the Transactions and putting the Purchaser in possession and control of all of the Interests and the Assets and Business of the Company and of the Subsidiary and shall not take any action, directly or indirectly, alone or together with others, which obstructs or impairs the smooth assumption by the Purchaser of the Business and Assets of the Company and of the Subsidiary or the Interests.

(b) **Tax Matters**.

(i) The Seller and the Purchaser will cooperate in good faith in connection with the filing of Tax Returns, any audit or Proceeding with respect to Taxes and in connection with any other Proceeding in each case relating to the Interests, the Assets or the Business of the Company and of the Subsidiary, as and to the extent reasonably requested by the Purchaser or the Seller. Such cooperation shall include (A) the retention and (upon a party's request) the provision of records and information which are reasonably relevant to the preparation of Tax Returns or to any such Proceeding, and (B) making relevant employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder. The Seller and the Purchaser shall (x) retain all Books and Records with respect to Tax matters pertinent to the Business relating to any period beginning before the Closing Date until the expiration of all relevant statutes of limitations (and, to the extent notified by the Seller or the Purchaser, any extensions thereof), and abide by all record retention agreements entered into with any Governmental Body with respect to Taxes (with respect to agreements of another party, to the extent notified thereof), and (y) give the other parties to this Agreement reasonable written notice prior to transferring, destroying or discarding any such Books and Records.

(ii) The Purchaser shall prepare an allocation of the Purchase Price (and all other capitalized costs) among the Assets of the Company in accordance with Section 1060 of the Code and the Treasury regulations thereunder (and any similar provision of state, local, or non-U.S. law, as appropriate), which allocation shall be binding upon the Seller. The Purchaser shall deliver such allocation to the Seller within sixty (60) days after the Closing Date. The Purchaser and the Seller and their Affiliates shall report, act and file Tax Returns (including, but not limited to Internal Revenue Service Form 8594) in all respects and for all purposes consistent with such allocation prepared by the Purchaser. The Seller shall timely and properly prepare, execute, file and deliver all such documents, forms and other information as the Purchaser may reasonably request to prepare such allocation. Neither the Purchaser nor the Seller shall take any position (whether in audits, tax returns or otherwise) that is inconsistent with such allocation unless required to do so by applicable law.

(iii) The Seller shall not make an election to treat the Company as a corporation for income tax purposes during the Pre-Closing Period or thereafter.

(iv) Except to the extent reflected as a Liability on the Closing Financial Statements, the Seller shall defend, hold harmless and indemnify each of the Purchaser Indemnitees from and against any Taxes of the Company or the Subsidiary relating or attributable to the Pre-Closing Tax Period; provided, that any real, personal and intangible property taxes for any Tax period that includes but does not end on the Closing Date (each, a "Straddle Period") shall be allocated to the portion of the Straddle Period ending on the Closing Date on a per diem basis, and all other Taxes for any Straddle Period shall be allocated as if such Straddle Period ended on the Closing Date, except that exemptions, allowances or deductions that are calculated on an annual basis, other than with respect to property placed in service after the Closing, shall be allocated on a per diem basis.

Section 9.5. **Employees**. The Purchaser and the Seller agree to cooperate reasonably with each other on all transition matters relating to the employees of Mowood Services, Inc.

Section 9.6. **Transfer and Sales Tax**. Notwithstanding any provisions of law imposing the burden of such Taxes on the Seller or the Purchaser, as the case may be, the Seller shall be responsible for and shall pay (a) all sales, stamp, document, use and transfer taxes and (b) all governmental charges, if any, upon the Transactions, including the sale and transfer of the Interests and/or any deemed sale or transfer of any Assets arising from the Transactions. If the Seller shall fail to pay such amounts on a timely basis, the Purchaser may pay such amounts to the appropriate Governmental Authority or Governmental Authorities, and the Seller shall promptly reimburse the Purchaser for any amounts so paid by the Purchaser.

Section 9.7. **Update of Disclosure Schedules**. Each party hereto has the continuing right and obligation (a) to supplement, modify or amend, during the Pre-Closing Period, the information required to be set forth on the Disclosure Schedules applicable in each case to representations made by such party with respect to any matter hereafter arising or discovered which, if existing or known on the Effective Date, would have been required to have been set forth on such Disclosure Schedules and (b) if necessary or appropriate to correct any inaccuracy in a representation made by such party, to add a schedule to the Disclosure Schedules, with a corresponding reference in this Agreement (such information and additional schedules collectively being called the "Updating Information"). The delivery of any Updating Information pursuant to this Section 9.7 shall not be deemed to amend or supplement the Disclosure Schedules or to prevent or cure any misrepresentation, breach of warranty or breach of covenant or other agreement, except updates to Sections 3.10(b) and 3.10(c) to the extent of changes in the Ordinary Course of Business or Tilden Receivables and not in breach of this Agreement.

Section 9.8. **No Interference**. With respect to each Project, from and after the Closing Date, neither the Seller nor any of its Affiliates or its or their Representatives shall develop, co-develop, acquire or otherwise participate in, except as explicitly contemplated by the Management Services Agreement, perform or agree to perform any work or services with respect to such Project or with any third party host, power purchaser or site owner for or with respect to such Project (whether located at the Project site or otherwise).

Section 9.9. **Tilden Receivable**. From and after the Closing, the Purchaser shall cause the Company to pay to the Seller any Tilden Receivable actually received by the Company net of all reasonable expenses, including royalties, incurred by the Company in collecting such Tilden Receivable. For purposes of this Agreement, "Tilden Receivable" shall mean those Receivables designated as such by the Seller on Schedule 3.10(c), which result from the documented sale, transfer, optioning or other disposition of any the sale of carbon and methane credits that are attributed to, result from or generated prior to the Closing Date by or at the projects located in Hernando, Florida, Butler County, Nebraska, Oklahoma City, Oklahoma and the Denver Regional North and South and the Front Range Landfill.

Section 9.10. **Larimer Actions**.

(a) **Generally**. The parties hereto have agreed that, subject to this Section 9.10, the Company may quitclaim the Larimer Interests to Tilden for consideration of $1.00 (the "Larimer Sale"). The Larimer Sale shall be subject to the following conditions:

(i) the Larimer Sale shall be documented and consummated at no cost to the Company, the Purchaser or Purchaser's Affiliates, and the Seller shall reimburse such Persons for any costs incurred by them in connection with the Larimer Sale;

(ii) the documentation for such sale shall be in form and substance acceptable to the Purchaser and at a minimum: (x) shall not require the Company to make any representations (including as to good title) to Tilden, or otherwise require the Company to indemnify Tilden, with respect to the Larimer Interests or the Business or Assets of the Subsidiary; (y) shall contain a release of, and a covenant not to sue from Tilden, with respect to any claim or loss attributable or related to the Larimer Interests or the Business or Assets of the Subsidiary; and (z) shall contain an indemnity from Tilden with respect to any Damages incurred by the Purchaser Indemnitees with respect to the Larimer Interests or the Business or Assets of the Subsidiary.

(iii) Tilden shall have entered into an agreement not to compete with the Company in form and substance acceptable to the Purchaser;

(iv) BEF Renewable Incorporated shall have approved the Larimer Sale on terms that impose no liability or obligations on the Company or require other consideration by the Company, including compensation or the surrender or waiver of any rights; and

(v) The Management Agreement, dated as of July 16, 2009, by and between Larimer Energy, LLC and the Company either shall have been (x) terminated without any liability to the Company or (y) assigned to, and assumed by, Tilden or other Person acceptable to the Purchaser and Larimer shall have released the Company from all obligations of the Company thereunder.

(b) **Timing of Larimer Sale**. The parties hereto agree that the consummation of the Larimer Sale shall not be a condition to the Closing; provided, that if the Larimer Sale does close prior to the Closing, the satisfaction of the requirements set forth in Sections 9.10(a) (the "Larimer Actions") shall be conditions precedent to the Purchaser's obligation to consummate the Closing.

(c) **Effect on this Agreement**. Subject to this Section 9.10, nothing in this Agreement shall prevent the Seller from causing the Company to consummate the Larimer Sale prior to the Closing, and if the Larimer Sale is completed prior to the Closing, the terms and conditions of this Agreement shall not apply solely with respect to the Subsidiary, and the Seller shall not be deemed to have made any representation or warranty about the Larimer Interests or the Business or Assets of the Subsidiary, and the Seller shall be permitted to update its Disclosure Schedules to reflect changes resulting from such sale.

(d) **Failure to Consummate the Larimer Sale**.

(i) **Company Obligations**. If the Larimer Sale is not consummated prior to the Closing, then the Purchaser, at no cost to it, the Company or its or their Affiliates, shall cooperate with all reasonable requests to assist with the consummation of the Larimer Sale after the Closing. For the avoidance of doubt, following the Closing, the Purchaser and the Company shall not be obligated to consummate the Larimer Sale if any of the Larimer Actions have not been satisfied.

(ii) **Outside Date**. If the Larimer Sale has not been consummated by June 30, 2010, then notwithstanding any provision in any documentation with respect to the Larimer Sale to the contrary, neither the Purchaser nor the Company shall have any obligation to cause the Larimer Sale to occur.

(e) **Indemnification, Release and Covenant Not to Sue**. The Indemnifying Party shall to the fullest extent permitted by applicable law defend, hold harmless and indemnify each of the Purchaser Indemnitees from and against, and shall compensate and reimburse each of the Purchaser Indemnitees for, any Damages which are suffered or incurred by any of the Purchaser Indemnitees or to which any of the Purchaser Indemnitees may otherwise become subject at any time (regardless of whether or not such Damages relate to any third party claim) and which arise directly or indirectly from or as a direct or indirect result of, or are directly or indirectly connected with the Larimer Interests or the Assets or the Business of the Subsidiary; provided, that the Indemnifying Party shall have no obligation to indemnify or defend under this Section 9.10(e) for any claim arising out of events occurring during such time the Purchaser is the indirect owner of the Subsidiary. The Seller, on behalf of it and its Affiliates, hereby releases and forever discharges, and covenants not to sue, each of the Purchaser Indemnitees from, and with respect to, any event, omission or circumstance arising from or related to the Larimer Interests or the Assets or the Business of the Subsidiary.

SECTION 10. Termination.

Section 10.1. **Reasons for Termination.** This Agreement may be terminated at any time prior to the Closing, only in the following manner:

(a) By mutual written agreement of the Seller and the Purchaser;

(b) By the Purchaser or the Seller by written notice if the Closing shall not have occurred on or before February 28, 2010; provided, that such date may be extended by the Purchaser or the Seller by written notice to other party to any date not later than the date that is sixty (60) days after the Effective Date, if the reason for such extension is the failure to satisfy one or more conditions to the Closing and the party requesting the extension reasonably believes that the condition(s) to the Closing can be satisfied by the new termination deadline. Notwithstanding the foregoing, termination under this provision shall not be available to a party if the Closing has not occurred solely by reason of any breach by such party under this Agreement;

(c) By the Seller upon written notice to the Purchaser if the Purchaser shall have breached in any material respect any of its covenants contained in this Agreement, but only if (i) the Seller shall have first given written notice to the Purchaser identifying such breach, and (ii) the Purchaser has not cured or remedied such breach (including, where payment of compensation would reasonably be considered an adequate remedy, the payment of such adequate compensation) within thirty (30) days of receipt of such notice; or

(d) By the Purchaser upon written notice to the Seller if the Seller shall have breached in any material respect any of its covenants contained in this Agreement, but only if (i) the Purchaser shall have first given notice to the Seller identifying such breach, and (ii) the Seller has not cured or remedied such breach (including, where payment of compensation would reasonably be considered an adequate remedy, the payment of such adequate compensation) within thirty (30) days of receipt of such notice.

Section 10.2. **Effect of Termination**. In the event of a termination of this Agreement as permitted by Section 10.1, this Agreement shall cease to have force and effect, and there shall be no further liability or obligation on the part of the Seller or the Purchaser, except that (a) the provisions of Sections 5, 10 and 11 shall continue to apply following any such termination, and (b) if this Agreement is terminated pursuant to paragraphs (c) or (d) of Section 10.1, the Seller or the Purchaser, as the case may be, shall be entitled to all remedies the Seller or the Purchaser, as applicable, and subject to Section 8.7, may have arising out of or relating to such termination and the circumstances giving rise thereto.

SECTION 11. Miscellaneous Provisions.

Section 11.1. **Fees and Expenses**. Except as otherwise expressly set forth herein, each party to this Agreement shall bear and pay all fees, costs and expenses (including all legal fees and expenses) that have been incurred or that are in the future incurred by, on behalf of or for the benefit of such party in connection with (a) the negotiation, preparation and review of any term sheet or similar document relating to any of the Transactions, (b) the investigation and review conducted by such party and its Representatives with respect to the Transactions, (c) the negotiation, preparation and review of this Agreement (including the Disclosure Schedules), the other Transaction Documents, certificates, opinions and other instruments and documents delivered or to be delivered in connection with the Transactions, (d) the preparation and submission of any filing or notice required to be made or given in connection with any of the Transactions, and the obtaining of any Consent required to be obtained in connection with any of the Transactions, and (e) the consummation and performance of the Transactions.

Section 11.2. **Attorneys' Fees**. If any legal action or other Proceeding relating to any of the Transaction Documents or the enforcement of any provision of any of the Transaction Documents is brought against any party hereto, the prevailing party shall be entitled to recover reasonable attorneys' fees, costs and disbursements (in addition to any other relief to which the prevailing party may be entitled).

Section 11.3. **Notices**. Any notice or other communication required or permitted to be delivered to any party under this Agreement shall be in writing and shall be deemed properly delivered, given and received when delivered (by hand, by registered mail, by courier or express delivery service or by facsimile) to the address or facsimile number set forth beneath the name of such party below (or to such other address or facsimile number as such party shall have specified in a written notice given to the other party hereto):

(1) if to the Seller or the Company:

Tortoise Capital Resources Corporation
11550 Ash Street, Suite 300
Leawood, Kansas 66211
Attention: Ed Russell
Facsimile: 913-981-1021

with a copy to:

(2) Husch Blackwell Sanders LLP

4800 Main Street, Suite 1000
Kansas City, Missouri 64112
Attention: Eric J. Gervais, Esq.
Facsimile: 816-983-8080

(3) if to the Purchaser:

c/o EIF Renewable Energy Holdings LLC
591 Redwood Hwy, Ste 3100
Mill Valley, CA 94941
Attention: Scott Parkes
Facsimile: (415) 380-0527

c/o Energy Investors Funds
Three Charles River Place
63 Kendrick Street, Suite 101
Needham, MA 02494
Attention: General Counsel
Telephone: (781) 292-7000

and:

c/o LES Project Holdings LLC
29261 Wall Street
Wixom, MI 48393
Attention: Scott Salisbury
Facsimile: (248) 380-2038

Section 11.4. **Time of the Essence**. Time is of the essence with respect to this Agreement.

Section 11.5. **Headings**. The headings of each section in this Agreement are for convenience of reference only, shall not be deemed to be a part of this Agreement and shall not be referred to in connection with the construction or interpretation of this Agreement.

Section 11.6. **Counterparts**. This Agreement may be executed in several counterparts (including via facsimile or similar electronic transmission), each of which shall constitute an original and all of which, when taken together, shall constitute one agreement.

Section 11.7. **Governing Law; Consent to Jurisdiction**.

(a) **Applicable Law**. This Agreement, and any instrument or agreement required hereunder (to the extent not otherwise expressly provided for therein), shall be governed by, and construed under, the laws of the State of New York, without reference to conflicts of laws rules (other than Section 5-1401 of the New York General Obligations Law).

(b) **Consent to Jurisdiction**. The parties agree that any Proceeding by or against any party (or its Affiliates or designees) with respect to or arising out of this Agreement or any other Transaction Document shall be brought exclusively in the United States District Court for the Southern District of New York or the courts of the State of New York, in the City of New York, as the party instituting such Proceeding may elect. By execution and delivery of this Agreement, each party (for itself, its Affiliates and its designees):

(i) expressly and irrevocably consents and submits to the jurisdiction of each state and federal court located in the Southern District of New York (and each appellate court located in the State of New York) in connection with any such Proceeding;

(ii) agrees that each state and federal court located in the Southern District of New York shall be deemed to be a convenient forum; and

(iii) agrees not to assert (by way of motion, as a defense or otherwise), in any such Proceeding commenced in any state or federal court located in the Southern District of New York, any claim that such party is not subject personally to the jurisdiction of such court, that such Proceeding has been brought in an inconvenient forum, that the venue of such Proceeding is improper or that this Agreement or the subject matter of this Agreement may not be enforced in or by such court and waives any right it may have to assert the doctrine of forum non conveniens or similar doctrine or to object to venue with respect to any Proceeding.

(c) Each party to this Agreement irrevocably waives the right to a jury trial in connection with any Proceeding relating to this Agreement or the enforcement of any provision to this Agreement.

(d) **Consent to Service of Process**. The parties irrevocably consent to the service of process in any such Proceeding by the mailing of copies thereof by registered or certified mail, first class postage prepaid to the addresses set forth in Section 11.3.

Section 11.8. **Successors and Assigns**. This Agreement shall be binding upon: the Seller and its successors and assigns (if any) and the Purchaser and its successors and assigns (if any). This Agreement shall inure to the benefit of the Seller, the Purchaser, the Purchaser Indemnitees, and the respective successors and assigns (if any) of the foregoing. The Seller may not assign this Agreement without the prior written consent of the Purchaser. The Purchaser may not assign this Agreement without the prior written consent of the Seller, provided, however, that the Purchaser may freely assign any or all of its rights under this Agreement (including its indemnification rights under Section 8 hereof), in whole or in part, without obtaining the consent or approval of the Seller (a) to any Affiliate or Person providing debt, equity or other financing of the Purchaser or its Affiliates, at any time and (b) to any Person after the Closing.

Section 11.9. **Remedies Cumulative**. The rights and remedies of the parties hereto shall be cumulative (and not alternative).

Section 11.10. **NO WAIVER**.

(a) No failure on the part of any Person to exercise any power, right, privilege or remedy under this Agreement, and no delay on the part of any Person in exercising any power, right, privilege or remedy under this Agreement, shall operate as a waiver of such power, right, privilege or remedy; and no single or partial exercise of any such power, right, privilege or remedy shall preclude any other or further exercise thereof or of any other power, right, privilege or remedy.

(b) No Person shall be deemed to have waived any claim arising out of this Agreement, or any power, right, privilege or remedy under this Agreement, unless the waiver of such claim, power, right, privilege or remedy is expressly set forth in a written instrument duly executed and delivered on behalf of such Person; and any such waiver shall not be applicable or have any effect except in the specific instance in which it is given.

Section 11.11. **AMENDMENTS**. This Agreement may not be amended, modified, altered or supplemented other than by means of a written instrument duly executed by each of the parties hereto.

Section 11.12. **SEVERABILITY**. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law, then such invalidity, illegality or unenforceability shall not affect any other provision, and such provision or portion thereof shall be struck from the remainder of this Agreement, which shall remain in full force and effect. In such case, this Agreement shall be reformed, construed and enforced in such jurisdiction so as to best give effect to the intent of the parties under this Agreement. The invalidity or unenforceability of any provision hereof in any jurisdiction shall not affect the validity or enforceability of such provision in any other jurisdiction.

Section 11.13. **PARTIES IN INTEREST**. Except as expressly set forth in Section 11.8 hereof, none of the provisions of this Agreement is intended to provide any rights or remedies to any Person other than the parties hereto and their respective successors and assigns (if any).

Section 11.14. **ENTIRE AGREEMENT**. This Agreement (together with the Schedules attached hereto) and the other Transaction Documents set forth the entire understanding of the parties relating to the subject matter hereof and thereof and supersede any and all prior agreements, understandings, negotiations, discussions, undertakings, arrangements or contracts, oral or written, between the parties with respect to the subject matter of the Transaction Documents.

Section 11.15. **CONSTRUCTION**.

(a) **INTERPRETATION**. Except where otherwise expressly provided or unless the context otherwise necessarily requires, in this Agreement (including in the preliminary statements hereto):

(i) For purposes of this Agreement, whenever the context requires: the singular number shall include the plural, and vice versa; the masculine gender shall include the feminine and neuter genders; the feminine gender shall include the masculine and neuter genders; and the neuter gender shall include the masculine and feminine genders.

(ii) The parties hereto agree that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be applied in the construction or interpretation of this Agreement.

(iii) The words "include" and "including," and variations thereof, shall not be deemed to be terms of limitation, but rather shall be deemed to be followed by the words "without limitation," whether or not in fact followed by such words or words of like import.

(iv) All references in this Agreement to "Sections" and "Exhibits" are intended to refer to Sections of this Agreement and Exhibits to this Agreement.

(v) A reference to any Legal Requirement or any Contract includes any amendment, modification or successor thereto.

(vi) A reference to a Person includes its predecessors, successors and permitted assigns.

(vii) Accounting terms not otherwise defined have the meanings assigned to them by GAAP.

(viii) All references to "dollars" and "$"refer to U.S. Dollars.

(b) **Joint Effort**. The parties hereto agree that preparation of this Agreement has been a joint effort of the parties and that the resulting document shall not be construed more severely against one party than against the other party.

[Signature Page Follows]

The parties hereto have caused this Agreement to be executed and delivered as of the date first written above.

"Purchaser":

LANDFILL ENERGY SYSTEMS LLC,
a Delaware limited liability company

By: /s/ Scott C. Parkes
Name: Scott C. Parkes
Title: Vice President

"Seller":

MOWOOD, LLC,
a Delaware limited liability company

By: /s/ Ed Russell
Name: Ed Russell
Title: Tortoise Capital Resources Corp.,
its Majority Member

EXHIBIT A

CAPITALIZED TERMS

For purposes of the Agreement (including this **Exhibit A**), the following capitalized terms shall have the respective meanings set forth below:

"Accountants" shall have the meaning specified in Section 1.6(a) of this Agreement.

"Affiliate" shall mean with respect to any Person, any other Person controlling or controlled by or within common control with such Person.

"Agreement" shall mean the Membership Interest Purchase Agreement to which this **Exhibit A** is attached (including the Disclosure Schedules and Exhibits attached hereto), as it may be amended or supplemented from time to time.

"Amount Due" shall have the meaning specified in Section 8.4(d) of this Agreement.

"Antitrust Laws" shall have the meaning specified in Section 3.28(b) of this Agreement.

"Asset" shall mean any real, personal, mixed, tangible or intangible property of any nature including cash, readily marketable securities, cash-equivalent liquid assets, prepayments, deposits, security deposits under any leases, escrows, Receivables, Tangible Property, Real Property Leases, Contracts, Intangibles, Intellectual Property Rights, goodwill and other intangibles, and claims, causes of action and other legal rights and remedies.

"Books and Records" shall mean all books, records, original documents, files and papers of the Company and the Subsidiary, whether in hard copy or electronic format, in the possession or control of the Company or the Subsidiary as of the Closing Date, including all customer files, customer account records, equipment maintenance data, inventory records, sales and sales promotional data, advertising materials, customer lists, cost and pricing information, supplier lists, business plans, reference catalogs and any other similar records.

"Breach" of a representation, warranty, covenant, obligation or other provision shall be deemed to have occurred if there is or has been any inaccuracy in or breach of, or any failure to comply with or perform, such representation, warranty, covenant, obligation or other provision; and the term "Breach" shall be deemed to refer to any such inaccuracy, breach, failure, claim or circumstance.

"Business" shall mean with respect to the Company and the Subsidiary, the development, ownership, and operation of landfill gas to energy Assets.

"Butler Contingent Payment" shall have the meaning specified in Section 1.8(a)(i) of this Agreement.

"Butler Contingent Payment Date" shall have the meaning specified in Section 1.8(a)(ii) of this Agreement.

"Closing Actions" shall have the meaning specified in Section 1.5 of this Agreement.

"Closing" shall have the meaning specified in Section 1.1 of this Agreement.

"Closing Date" shall have the meaning specified in Section 1.4 of this Agreement.

"Closing Financial Statements" shall have the meaning specified in Section 1.6(a) of this Agreement.

"Closing Payment" shall have the meaning specified in Section 1.2 of this Agreement.

"Code" shall mean the Internal Revenue Code of 1986, as amended, and the rules and regulations promulgated thereunder, all as the same shall be in effect from time to time.

"Company" shall have the meaning specified in the preliminary statements of this Agreement.

"Company Financial Statements" shall have the meaning specified in Section 3.7(a) of this Agreement.

"Company Intellectual Property Rights" means all Intellectual Property Rights used, held for use, developed, licensed or required at any time by the Company or the Subsidiary in the conduct of their Business as presently conducted or contemplated to be conducted.

"Consent" shall mean any registration, qualification, approval, consent, ratification, permission, waiver or authorization (including any Governmental Authorization).

"Contingent Payments" shall mean, collectively, the Butler Contingent Payment, the Sarasota Contingent Payment and the Erie Contingent Payment.

"Contract" shall mean any written, oral, implied or other agreement, contract, understanding, arrangement, instrument, note, guaranty, indemnity, representation, warranty, deed, lease, assignment, power of attorney, certificate, license, sublicense, purchase order, work order, insurance policy, benefit plan, commitment, covenant, assurance or undertaking of any nature. For the avoidance of doubt, Real Property Leases and Material Contracts shall for all purposes be deemed "Contracts."

"Current Liability" shall mean any current Liability of the Company or the Subsidiary having a positive value as determined in accordance with GAAP in a manner consistent with the Interim Balance Sheet, excluding any Liability associated with the Development Project located in Sarasota, Florida or the Development Project to be located at the Denver Regional Landfill North and South and the Front Range Landfill commonly known as the Erie Project as shown on Schedule 3.8 as of the Agreement Date.

"Current Receivable" shall mean any Receivable due within thirty days after the Closing Date, other than any Tilden Receivable.

"Damages" shall include any loss, damage, injury, decline in value, lost opportunity, Liability, claim, demand, obligation, settlement, judgment, award, proceeding, fine, penalty, Tax, fee (including any legal fee, expert fee, accounting fee or advisory fee), charge, cost (including any cost of investigation or cost incurred in connection with the commencement and conduct of any Proceeding to enforce any rights granted under this Agreement) or expense of any nature, but excluding all consequential, incidental and punitive damages of any kind.

"Development Projects" shall mean the projects described on **Exhibit B** attached hereto as the "Development Projects."

"Disclosure Schedules" shall mean the schedules (dated as of the date of this Agreement) delivered to the Purchaser on behalf of the Seller, a copy of which is attached to this Agreement and incorporated in this Agreement by reference.

"Effective Date" shall have the meaning specified in the preamble to this Agreement.

"EIF Renewable Holdings" means EIF Renewable Energy Holdings LLC, a Delaware limited liability company.

"EIFREH Guaranty" means that certain Guaranty by EIF Renewable Holdings, substantially in the form attached hereto as **Exhibit E**.

"Encumbrance" shall mean any lien, pledge, hypothecation, charge, mortgage, security interest, encumbrance, equity, trust, equitable interest, claim, preference, right of possession, lease, tenancy, license, encroachment, covenant, infringement, interference, Order, proxy, option, right of first refusal, preemptive right, community property interest, legend, defect, impediment, exception, reservation, limitation, impairment, imperfection of title, condition or restriction of any nature (including any restriction on the voting of any security, any restriction on the transfer of any security or other asset, any restriction on the receipt of any income derived from any asset, any restriction on the use of any asset and any restriction on the possession, exercise or transfer of any other attribute of ownership of any asset) but shall not include any restrictions or transfer imposed by federal or state securities laws.

"Entity" shall mean any corporation (including any non-profit corporation), general partnership, limited partnership, limited liability partnership, joint venture, estate, trust, cooperative, foundation, society, political party, union, company (including any limited liability company or joint stock company), firm or other enterprise, association, organization or entity.

"Environmental Attributes" shall mean any and all credits, benefits, emissions, reductions, offsets, allowances, incentives, rebates or grants, howsoever entitled, that exist before, on or after the Effective Date including: (a) any federal or state tax credits associated with the collection, production, transfer or sale of landfill gas; (b) any non-greenhouse gas emission reduction allowance or credit required by law or regulation to be held, purchased, retired or submitted by a landfill gas processing facility; (c) any premium in gas or electricity payments attributable to environmental attributes; (d) any renewable energy credits, certificates, green tags, or other aspect, claim, characteristic, right or benefit associated with the generation of electricity from a renewable source, including landfill gas, whether existing or created pursuant to contract, voluntary standard or program or international, federal, regional, state or local law, regulation, order, ordinance or judicial decree; (e) any emission reductions, emission reduction credits, benefits, offsets, allowances, incentives, rebates or grants linked to the reduction, avoidance, mitigation, removal, sequestration, flaring, emission or destruction of methane (CH_4), carbon dioxide (CO_2) or any other greenhouse gas, whether existing or created pursuant to contract, voluntary standard or program or international, federal, regional, state or local law, regulation, order, ordinance or judicial decree; and (f) any other benefit attributable to or in connection with any renewable energy production or emission, avoidance or displacement.

"Environmental Attributes Agreement" shall mean that certain Environmental Attributes Agreement, dated as of December 31, 2009, by and among TTO, the Seller, Mowood Services Corp., the Purchaser, the Company, Tilden and Joseph Hopper.

"Environmental Laws" mean any and all federal, state and local laws, statutes, ordinances, judgments, orders, decrees, licenses, permits, rules and regulations, or other binding requirement relating to pollution or protection of human health and the environment, or to worker health and safety, including laws, statutes, ordinances, judgments, orders, decrees, licenses, permits, rules and regulations or other binding requirements relating to renewable energy credits, carbon credits, emission reduction credits, or other green attributes, emissions, discharges, releases or threatened releases of any Hazardous Material, or otherwise relating to the use, treatment, storage, disposal, transport or handling of any Hazardous Material.

"Environmental Permits" shall have the meaning specified in Section 3.22(b) of this Agreement.

"Erie Assets" shall have the meaning specified in Section 1.7(c)(ii) of this Agreement.

"Erie Contingent Payment" shall have the meaning specified in Section 1.8(c)(i) of this Agreement.

"Erie Contingent Payment Date" shall have the meaning specified in Section 1.8(c)(i) of this Agreement.

"Erie Project" shall mean the Development Project described on **Exhibit B** attached hereto as the "Erie Project."

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended, and the rules and regulations promulgated thereunder, all as the same shall be in effect from time to time.

"ERISA Affiliate" shall mean any Entity under "common control" with the Company under Code Sections 414(b), 414(c), 414(m) or 414(o) or ERISA Section 4001(a)(14)(B).

"Escrow Agent" shall mean the financial institution that is mutually acceptable to the Seller and the Purchaser, as escrow agent under the Indemnity Escrow Agreement.

"Ewing Bemiss" shall have the meaning specified in Section 2.7 of this Agreement.

"FPA" shall have the meaning specified in Section 3.26(a) of this Agreement.

"GAAP" shall mean generally accepted accounting principles, applied on a basis consistent with the basis on which the Company Financial Statements were prepared.

"Governmental Authorization" shall mean any: (a) permit, license, certificate, franchise, concession, approval, consent, ratification, permission, clearance, confirmation, endorsement, waiver, certification, designation, rating, registration, qualification or authorization issued, granted, given or otherwise made available by or under the authority of any Governmental Body or pursuant to any Legal Requirement; or (b) right under any Contract with any Governmental Body.

"Governmental Body" shall mean any: (a) nation, principality, state, commonwealth, province, territory, county, municipality, district or other jurisdiction of any nature; (b) federal, state, local, municipal, foreign or other government; (c) governmental or quasi-governmental authority of any nature (including any governmental division, subdivision, department, agency, registering authority, bureau, branch, office, commission, council, board, instrumentality, officer, official, representative, organization, unit, body or Entity and any court or other tribunal); (d) multi-national organization or body; or (e) individual, Entity or body exercising, or entitled to exercise, any executive, legislative, judicial, administrative, regulatory, police, military or taxing authority or power of any nature.

"Hazardous Material" shall mean any pollutant or contaminant, or hazardous or toxic substance, constituent, waste or material, including petroleum products and their derivatives, natural gas and natural gas liquids, or other substances regulated under or pursuant to Environmental Laws.

"Indebtedness" shall mean with respect to a Person, without duplication, (a) all obligations of such Person for borrowed money, (b) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments, (c) all obligations of such Person to pay the deferred purchase price of property or services, except trade accounts payable arising in the Ordinary Course of Business, (d) all obligations of such Person under leases which are or should be, in accordance with GAAP, recorded as capital leases in respect of which such Person is liable, (e) all obligations of such Person to purchase securities (or other property) which arise out of or in connection with the sale of the same or substantially similar securities (or property), (f) all deferred obligations of such Person to reimburse any bank or other Person in respect of amounts paid or advanced under a letter of credit or other instrument, (g) all Indebtedness of others secured by an Encumbrance on any asset of such Person, whether or not such Indebtedness is assumed by such Person, and (h) all Indebtedness of others guaranteed directly or indirectly by such person or as to which such Person has an obligation substantially the economic equivalent of a guarantee.

"Indemnifying Party" shall have the meaning specified in Section 8.2 of this Agreement.

"Indemnity Escrow Agreement" shall mean the Indemnity Escrow Agreement, dated as of the Effective Date, by and between the Seller and the Purchaser substantially in the form attached hereto as **Exhibit D**.

"Indemnity Escrow Amount" shall mean the sum of XXXXXXX Dollars ($XXXXXXX), delivered to the Escrow Agent.

"Indemnity Escrow Fund" shall mean, at any time, the remaining portion of the Indemnity Escrow Payment held under the Indemnity Escrow Agreement.

"Information" shall have the meaning specified in Section 5.1 of this Agreement.

"Intangibles" shall mean any and all rights in, arising out of or associated with any of the foregoing: goodwill; Internet web sites and web-site designs; databases and data collections and all rights therein throughout the world; Company Intellectual Property Rights; and all similar or equivalent rights to any of the foregoing throughout the world, whether in use, under development or design, or inactive.

"Intellectual Property Rights" means all (i) patents, patent applications, patent disclosures and inventions, (ii) trademarks, service marks, trade dress, trade names, logos and corporate names and registrations and applications for registration thereof together with all of the goodwill associated therewith, (iii) copyrights (registered or unregistered) and copyrightable works and registrations and applications for registration thereof, (iv) mask works and registrations and applications for registration thereof, (v) computer software programs, applications, data, data bases and related technical documentation, (vi) trade secrets (including, without limitation, ideas, formulas, compositions, inventions (whether patentable or unpatentable and whether or not reduced to practice), know-how, manufacturing and production processes and techniques, research and development information, drawings, specifications, designs, plans, proposals, technical data, copyrightable works, financial and marketing plans and customer and supplier lists and information), (vii) Internet domain names and Internet domain name applications, (viii) other intellectual property rights and (ix) copies and tangible embodiments thereof (in whatever form or medium), excluding shrink wrapped, off-the-shelf licenses.

"Interests" shall have the meaning specified in the preliminary statements of this Agreement.

"Interim Balance Sheet" shall have the meaning specified in Section 3.7(a)(ii) of this Agreement.

"Interim Balance Sheet Date" shall mean November 30, 2009.

"IRS" shall mean the United States Internal Revenue Service.

"Knowledge" of a particular fact or other matter shall be deemed to be possessed by an individual if such individual is actually aware of, or if such individual in the reasonable exercise of his position with the Company or the Subsidiary should know of, such fact or other matter after due inquiry. The Seller shall be deemed to have "Knowledge" of a particular fact or other matter if Tilden, Joseph Hopper or Joseph Pirozzoli has Knowledge of such fact or other matter. The Purchaser shall be deemed to have "Knowledge" of a particular matter if Scott Parkes, Scott Salisbury or Jose Torres-Monllor has Knowledge of such fact or other matter.

"Landfill Gas" shall have the meaning given such term in the California Energy Commission's Renewable Energy Program Overall Program Guidebook (January 2008).

"Larimer Actions" shall have the meaning specified in Section 9.10(b) of this Agreement.

"Larimer Interests" shall have the meaning specified in Section 3.1 of this Agreement.

"Larimer Project" shall mean the project described on **Exhibit B** attached hereto as the "Larimer Project."

"Larimer Sale" shall have the meaning specified in Section 9.10(a) of this Agreement.

"Legal Requirement" shall mean any federal, state, local, municipal, foreign or other law, statute, legislation, constitution, principle of common law, resolution, ordinance, code, edict, decree, proclamation, treaty, convention, rule, regulation, ruling, directive, pronouncement, requirement, specification, determination, decision, opinion or interpretation that is or has been issued, enacted, adopted, passed, approved, promulgated, made, implemented or otherwise put into effect by or under the authority of any Governmental Body and shall specifically include with respect to TTO, all obligations of TTO resulting from the registration of its common stock pursuant to Section 12(b) of the Securities Exchange Act of 1934, as amended.

"Liability" shall mean any Indebtedness, obligation, duty or liability of any nature (including any unknown, undisclosed, unmatured, unaccrued, unasserted, contingent, indirect, conditional, implied, vicarious, derivative, joint, several or secondary liability), regardless of whether such Indebtedness, obligation, duty or liability would be required to be disclosed on a balance sheet prepared in accordance with GAAP and regardless of whether such Indebtedness, obligation, duty or liability is immediately due and payable.

"Licensed Intellectual Property" shall have the meaning specified in Section 3.21(b) of this Agreement.

"LLC Interest Assignment Agreement" shall mean the assignment and assumption agreement in the form attached hereto as**Exhibit C**.

"Major Customer" shall have the meaning specified in Section 3.23(a) of this Agreement.

"Major Supplier" shall have the meaning specified in Section 3.23(b) of this Agreement.

"Management Services Agreement" shall have the meaning specified in Section 6.12 of this Agreement.

"Material Adverse Effect" means any change, effect, event, occurrence, state of facts or developments that, individually or, together with any related change, effect, event or circumstance in the aggregate, could reasonably be expected to be materially adverse to the Business, Assets, Liabilities, results of operations, condition (financial or otherwise), properties or prospects of the Company and the Subsidiary taken as a whole or a material impairment or delay in the ability of the Seller to perform its obligations hereunder and consummate the Transactions.

"Material Contracts" shall mean means each of the following Contracts (whether written or oral) to which the Company or the Subsidiary is a party: (a) any Real Property Lease, (b) any gas rights agreement, gas sales agreement, power purchase agreement, operation and maintenance agreement, interconnection agreement, transmission agreement, energy or environmental attribute sales agreement, commodity hedge agreement or similar project agreement related to the sale of gas, electricity, transmission services or Environmental Attributes of any Project, (c) any services agreement involving annual payments by or to the Company or the Subsidiary, (d) any Contract relating to Indebtedness or any material performance obligation of the Company or the Subsidiary, including any leases, guarantees, letter of credit arrangements or bonding arrangements, (e) any Contract creating or relating to Encumbrances on any Assets of the Company or the Subsidiary securing any obligation created under an agreement specified in clause (d) above, (f) any engineering, construction, procurement, construction management or similar Contract, (g) any product warranty or repair Contract by or with a manufacturer or vendor of equipment owned or leased by the Company or the Subsidiary, (h) any Contract for the sale or purchase of any Entity, or of business assets, (i) any settlement agreement, (j) any Contract between Mowood, any Affiliate thereof (other than the Company or the Subsidiary), or any Related Party and either the Company or the Subsidiary, (k) any agreement regarding the sharing or allocation of Taxes, (l) any Contract with payments based on the net profits of the Company or the Subsidiary (such as a royalty fee contract), and (n) any other Contract that is expected to require payments by or to the Company or the Subsidiary of more than $100,000 in any calendar year.

"Non-Foreign Certificate" shall have the meaning specified in Section 1.5(d) of this Agreement.

"Office Space" shall have the meaning specified in Section 6.17 of this Agreement.

"Order" shall mean any: (a) order, judgment, injunction, edict, decree, ruling, pronouncement, determination, decision, opinion, verdict, sentence, subpoena, writ or award that is or has been issued, made, entered, rendered or otherwise put into effect by or under the authority of any court, administrative agency or other Governmental Body or any arbitrator or arbitration panel; or (b) Contract with any Governmental Body that is or has been entered into in connection with any Proceeding.

"Operating Projects" shall mean the projects described on **Exhibit B** attached hereto as the "Operating Projects."

"Ordinary Course of Business" means the normal and ordinary conduct of the Business, pursuant to and in accordance with prudent industry practices, all applicable Contracts, Legal Requirements and consistent with the applicable provisions of this Agreement.

"Payoff Amount" shall mean the amount required to fully repay and discharge all obligations of the Company and the Subsidiary with respect to the Payoff Debt.

"Payoff Debt" shall mean all outstanding Indebtedness of the Company and the Subsidiary, which is listed on Schedule 3.10(a) and is to be repaid at or prior to the Closing.

"Permitted Encumbrances" shall have the meaning specified in Section 3.9(c) of this Agreement.

"Person" shall mean any individual, Entity or Governmental Body.

"Pipelines" shall have the meaning specified in Section 3.26(c) of this Agreement.

"Plan" shall mean any plan, program, policy, practice, Contract, agreement or other arrangement providing for compensation, fees, commissions or bonuses; loans; severance or termination pay; pension benefits; deferred compensation; performance awards; stock or stock-related awards; fringe benefits; health, dental, vision, life, disability, sabbatical, accidental death and dismemberment benefits; or other compensation, benefits or remuneration of any kind, whether written, unwritten or otherwise, funded or unfunded, including each "employee benefit plan," within the meaning of Section 3(3) of ERISA (whether or not ERISA is applicable to such plan), that has ever been sponsored, maintained, contributed to, or required to be contributed to, by the Company, the Subsidiary or any ERISA Affiliate for the benefit of any current or former employee, director, or officer, or any independent contractor or under which the Company has or may have any Liability.

"Pre-Closing Period" shall mean the period commencing on the execution and delivery of this Agreement on the Effective Date and ending upon the consummation of the Closing.

"Pre-Closing Tax Period" shall have the meaning specified in Section 3.16(b) of this Agreement.

"Proceeding" shall mean any action, suit, litigation, arbitration, proceeding (including any civil, criminal, administrative, investigative or appellate proceeding and any informal proceeding), prosecution, contest, hearing, inquiry, inquest, audit, examination or investigation that is or has been commenced, brought, conducted or heard by or before, or that otherwise has involved or may involve, any Governmental Body or any arbitrator or arbitration panel.

"Projects" shall mean individually and collectively, the Operating Projects, the Larimer Project and the Development Projects.

"PUHCA" shall have the meaning specified in Section 3.26(a) of this Agreement.

"Purchase Price" shall have the meaning specified in Section 1.2 of this Agreement.

"Purchaser" shall have the meaning specified in the introductory paragraph of this Agreement.

"Purchaser Indemnitees" shall mean the following Persons: (a) the Purchaser and its Affiliates; (b) the respective Representatives of the Persons described in clause (a); and (c) the respective successors and assigns of the Persons referred to in clauses (a) and (b) above; provided, however, that the Seller shall not be deemed to be a "Purchaser Indemnitee."

"Real Property Leases" shall have the meaning specified in Section 3.14(a) of this Agreement.

"Receivables" shall mean any receivable determined in accordance with GAAP in a manner consistent with the Interim Balance Sheet.

"Related Party" shall include each of the following (a) any of the Seller, (b) each individual who is, or who has at any time been, an officer, director or Employee of the Company or the Subsidiary, (c) each member of the family of each of the individuals referred to in clauses (a) and (b) above, and (d) any Entity (other than the Company) in which any one of the individuals referred to in clauses (a), (b) and (c) above holds (or in which more than one of such individuals collectively hold), beneficially or otherwise, a material voting, proprietary or equity interest.

"Release" means any release, spill, emission, leaking, pumping, injection, deposit, disposal, discharge, dispersal, leaching or migration into the indoor or outdoor environment, including, without limitation, the movement of Hazardous Material through ambient air, soil, subsurface water, groundwater, wetlands, lands, or subsurface strata.

"Representatives" shall mean officers, directors, members, managers, partners, shareholders, employees, agents, attorneys, accountants, advisors, agents and representatives. All Related Parties shall be deemed to be "Representatives" of the Seller and the Company.

"Sarasota Contingent Payment" shall have the meaning specified in Section 1.8(b)(i) of this Agreement.

"Sarasota Contingent Payment Date" shall have the meaning specified in Section 1.8(b)(ii) of this Agreement.

"Seller" shall have the meaning specified in the introductory paragraph of this Agreement.

"Straddle Period" shall have the meaning specified in Section 9.4(b)(iv) of this Agreement.

"Subsidiary" shall have the meaning specified in Section 3.1 of this Agreement.

"Tangible Property" shall mean all equipment, leaselines, materials, prototypes, tools, supplies, furniture, fixtures, improvements and all other tangible Assets of the Company or the Subsidiary, as applicable.

"Tax" shall mean any tax (including any income tax, franchise tax, capital gains tax, estimated tax, gross receipts tax, value-added tax, surtax, excise tax, ad valorem tax, transfer tax, stamp tax, sales tax, use tax, property tax, business tax, occupation tax, inventory tax, occupancy tax, withholding tax or payroll tax), levy, assessment, tariff, impost, imposition, toll, duty (including any customs duty), and any related charge or amount (including any fine, penalty or interest), that is or has been imposed, assessed or collected by or under the authority of any Governmental Body.

"Tax Return" shall mean any return (including any information return), report, statement, declaration, estimate, schedule, notice, notification, form, election, certificate or other document or information that is, has been or may in the future be filed with or submitted to, or required to be filed with or submitted to, any Governmental Body in connection with the determination, assessment, collection or payment of any Tax or in connection with the administration, implementation or enforcement of or compliance with any Legal Requirement relating to any Tax.

"Tilden" shall mean Greg Tilden, an individual.

"Tilden Receivable" shall have the meaning given in Section 9.9.

"Transaction Documents" shall mean all agreements and instruments delivered in connection with the Transactions, including: (i) this Agreement, (ii) the TTO Guaranty and the EIFREH Guaranty, (iii) the Management Services Agreement, (iv) the Indemnity Escrow Agreement, (v) the LLC Interest Assignment Agreement, (vi) the Environmental Attributes Agreement, and (vii) each other agreement, instrument or certificate issued in connection with any of the foregoing.

"Transactions" shall mean (a) the execution and delivery of this Agreement and the respective Transaction Documents and (b) all of the transactions contemplated by this Agreement and the respective Transaction Documents, including, but not limited to: (i) the sale of the Interests by the Seller to the Purchaser in accordance with this Agreement; (ii) the performance by the Seller and the Purchaser of their respective obligations under this Agreement and the Transaction Documents; and (iii) the exercise by the Seller and the Purchaser of their respective rights under this Agreement and the Transaction Documents.

"TTO" shall mean Tortoise Capital Resources Corporation, a Maryland corporation.

"TTO Guaranty" shall mean the guaranty of the Seller's obligations under the Transaction Documents, substantially in the form attached hereto as **Exhibit G**.

"Updating Information" shall have the meaning specified in Section 9.7 of this Agreement.

"Working Cash" shall mean cash or cash equivalents held by the Company or the Subsidiary but excluding cash or cash equivalents (a) that are legally or contractually restricted from distribution or use and (b) to the extent arising from a prepayment for which the Closing Financial Statements do not show a corresponding Current Liability.

Execution Version

FIRST AMENDMENT
to
MEMBERSHIP INTEREST PURCHASE AGREEMENT

This First Amendment to Membership Interest Purchase Agreement (the "First Amendment"), dated as of February 9, 2010, is entered into by and between Mowood, LLC, a Delaware limited liability company (the "Seller"), and Landfill Energy Systems LLC, a Delaware limited liability company (the "Purchaser").

RECITALS

A. The Seller and the Purchaser have entered into a Membership Interest Purchase Agreement, dated as of December 31, 2009 (the "Purchase Agreement"), whereby the Purchaser agreed to purchase from the Seller all of the issued and outstanding membership interests of Timberline Energy, LLC, a Delaware limited liability company (the "Company") on the terms and conditions set forth in the Purchase Agreement.

B. The parties desire to amend the Purchase Agreement in order to reflect certain changes in the agreements between them.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing premises and for other good and valuable consideration, and pursuant to Section 11.11 of the Purchase Agreement, the Seller and the Purchaser, intending to be legally bound, hereby agree as follows:

1. Definitions. Initially capitalized terms used herein and not otherwise defined herein shall have the meanings given such terms in the Purchase Agreement, and the rules of interpretation set forth therein shall apply hereto.

2. Section 1.5(c). Section 1.5(c) of the Purchase Agreement is hereby deleted in its entirety and replaced with the phrase "Intentionally omitted."

3. Section 1.8(b). Section 1.8(b) of the Purchase Agreement is hereby deleted in its entirety and replaced with the phrase "Intentionally omitted."

4. Section 6. Section 6 of the Purchase Agreement is hereby amended as follows:

4.1 Section 6.4(a)(v). Section 6.4(a)(v) is hereby amended and restated in its entirety as follows:

"(v) pay-off letters and UCC termination statements showing the release of all Encumbrances affecting the Interests, the Company or the Subsidiary or any of their Assets, except for those Encumbrances affecting the Assets of the Company specified on Schedule I hereto."

4.2 Section 6.7. Section 6.7 of the Purchase Agreement is hereby deleted in its entirety and replaced with the phrase "Intentionally omitted."

4.3 Section 6.8. Section 6.8 is hereby amended and restated in its entirety as follows:

"Section 6.8. **Estoppel Certificates**. The Seller shall use good faith efforts to obtain written estoppel and non-disturbance certificates from those Persons listed on Schedule 6.8 under any Material Contract; except that (a) it shall not be a condition to Closing that an estoppel certificate be obtained from any affiliate of Waste Connections, Inc.; and (b) the Purchaser agrees to waive this condition to the extent that, notwithstanding the Seller's good faith efforts, the Seller has not obtained an estoppel certificate from any Person listed in Schedule 6.8 at the time that all of the other conditions in thisSection 6 have been met."

4.4 Section 6.12. Section 6.12 of the Purchase Agreement is hereby amended and restated in its entirety as follows:

"Section 6.12. **Management Services Agreement**. Each of the Company and an entity controlled by Tilden, Joseph Hopper and Joseph Pirozzoli ('New Management Co.") shall have entered into a management services agreement for the provision by New Management Co. of certain management services to the Company (the "Management Services Agreement") in form and substance satisfactory to the Purchaser."

5. Section 7.2. Section 7.2(c) of the Purchase Agreement is hereby amended and restated in its entirety as follows:

"(c) Each of the Company and New Management Co. have entered into the Management Services Agreement in form and substance satisfactory to the Seller;"

6. Section 9.2(c). The Purchaser acknowledges and agrees that the Seller has amended or entered into the following contracts since the Effective Date, that the entry by the Seller into such contracts does not constitute a violation of Section 9.2(b) or (c) of the Purchase Agreement, and that pursuant to Section 9.7, the addition of such agreements to the appropriate Disclosure Schedule shall for all purposes be deemed to have been approved by the Purchaser:

6.1 Small Generator Interconnection Agreement, dated February 12, 2010, between the Company and Florida Power & Light Company.

6.2 Confirmation Letter #2, dated February 4, 2010, with reference to the Carbon Offsets Purchase and Sale Agreement, dated January 14, 2009, between the Company and Bonneville Environmental Foundation.

6.3 Confirmation Letter #2, dated February 4, 2010, with respect to the Renewable Energy Certificate Purchase and Sale Agreement, dated July 21, 2008, between the Company and Bonneville Environmental Foundation.

6.4 Pledge and Control Agreement, dated February 4, 2010, between the Company and Regions Bank with respect to Certificate of Deposit Account No. 0114406918.

6.5 Pledge and Control Agreement, dated February 4, 2010, between the Company and Regions Bank with respect to Certificate of Deposit Account No. 0089467299.

7. Section 11.16. A new Section 11.16 is hereby added to read as follows:

"Section 11.16. **SELLER CLOSING PAYMENT**. At the Closing, the Seller shall pay $200,000 to the Purchaser in immediately available funds pursuant to the wire instructions for Purchaser set forth in Schedule 1.3."

8. Exhibit A. Exhibit A of the Purchase Agreement is hereby amended as follows:

8.1 The definition of "Contingent Payments" is hereby amended and restated in its entirety as follows:

" 'Contingent Payments' shall mean, collectively, the Butler Contingent Payment and the Erie Contingent Payment."

8.2 A new definition "New Management Co." is inserted after the definition of "Material Contracts" as follows:

" 'New Management Co.' shall have the meaning given in Section 6.12."

8.3 The definition of "Sarasota Contingent Payment" is deleted in its entirety and replaced with the phrase "Intentionally omitted."

8.4 The definition of "Sarasota Contingent Payment Date" is deleted in its entirety and replaced with the phrase "Intentionally omitted."

8.5 The definition of "Transaction Documents" is hereby amended and restated in its entirety as follows:

" 'Transaction Documents' shall mean all agreements and instruments delivered in connection with the Transactions, including: (i) this Agreement, (ii) the TTO Guaranty and the EIFREH Guaranty, (iii) the Management Services Agreement, (iv) the Indemnity Escrow Agreement, (v) the LLC Interest Assignment and Assumption Agreement, (vi) the Environmental Attributes Agreement, (vii) the Sublease, dated as of February 9, 2010, between the Seller and the Company; and (viii) each other agreement, instrument or certificate issued in connection with any of the foregoing."

9. Exhibit I. Exhibit I of the Purchase Agreement is hereby deleted in its entirety and replaced with the phrase "Intentionally omitted."

10. Exhibit J. Exhibit J of the Purchase Agreement is hereby deleted in its entirety and replaced with the phrase "Intentionally omitted."

11. Schedule 1.3. Schedule 1.3 of the Purchase Agreement (Wire Instructions) is hereby amended and restated in its entirety as attached in Schedule II.

12. Benefit of Agreement. This First Amendment is solely for the benefit of the signatories hereto (and their respective successors and assigns), and no other Person shall have any rights under, or because of the existence of, this First Amendment.

13. Governing Law. This First Amendment shall be governed by and construed in accordance with the laws of the State of New York, without reference to conflict of laws rules (other than Section 5-1401 of the New York General Obligations Law).

14. Captions. The headings of the several sections and subsections of this First Amendment are inserted for convenience only and shall not in any way affect the meaning or construction of any provision of this First Amendment.

15. Reference to the Purchase Agreement. Any and all notices, requests, certificates and other documents or instruments executed and delivered concurrently with or after the execution and delivery of this First Amendment may refer to the Purchase Agreement without making specific reference to this First Amendment, but all such references shall be deemed to include this First Amendment, unless the context shall otherwise require.

16. Effectiveness of the Purchase Agreement. This First Amendment shall be effective upon the execution and delivery hereof by the Seller and the Purchaser. Except as expressly provided herein, nothing in this First Amendment shall be deemed to waive or modify any of the provisions of the Purchase Agreement and the parties hereby ratify and confirm the provisions of the Purchase Agreement, except as amended hereby. In the event of any conflict between the Purchase Agreement and this First Amendment, this First Amendment shall prevail.

17. Entire Agreement. This First Amendment sets forth the entire understanding of the parties in connection with the subject matter hereof. There are no agreements between the parties related to the Purchase Agreement other than those set forth in writing and signed by the parties. Neither party hereto has relied on any understanding, representation or warranty not set forth herein, either oral or written, as an inducement to enter into this First Amendment.

18. Counterparts. This First Amendment may be executed in several counterparts (including via facsimile or similar electronic transmission), each of which shall constitute an original and all of which, when taken together, shall constitute one agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have caused this First Amendment to be duly executed and delivered as of the date first written above.

Purchaser:

Landfill Energy Systems LLC,
a Delaware limited liability company

By: /s/ Scott C. Parkes
Name: Scott C. Parkes
Title: Vice President

Seller:

Mowood, LLC,
a Delaware limited liability company

By: /s/ Ed Russell
Name: Ed Russell
Title: Manager

Exhibit 31.1

CERTIFICATIONS

I, David J. Schulte, certify that:

1. I have reviewed this report on Form 10-Q of Tortoise Capital Resources Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 8, 2010

By: /s/ David J. Schulte
David J. Schulte
Chief Executive Officer

Exhibit 31.2

CERTIFICATIONS

I, Terry Matlack, certify that:

1. I have reviewed this report on Form 10-Q of Tortoise Capital Resources Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 8, 2010

By: /s/ Terry Matlack
Terry Matlack
Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Tortoise Capital Resources Corporation (the "Company") on Form 10-Q for the period ended February 28, 2010 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), we, David J. Schulte, Chief Executive Officer of the Company and Terry Matlack, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that: (1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: /s/ David J. Schulte
David J. Schulte
Chief Executive Officer

By: /s/ Terry Matlack
Terry Matlack
Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

TORTOISE CAPITAL RESOURCES CORPORATION