

EXECUTION VERSION

**RENEWABLE ENERGY CERTIFICATE OPTION AGREEMENT**

This **RENEWABLE ENERGY CERTIFICATE OPTION AGREEMENT** (hereinafter referred to as the “Agreement”) is made and entered into as of January 2, 2008 (the “Effective Date”) by and between **LEMPSTER WIND, LLC**, or its assignee or designee (hereinafter referred to as “Lempster Wind”), and **PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE**, a New Hampshire corporation having its principal place of business in Manchester, New Hampshire (hereinafter referred to as “PSNH”). For the purposes of this Agreement, Lempster Wind and PSNH shall be referred to individually as a “Party”, and shall be referred to collectively as the “Parties”.

**RECITALS**

- A. Lempster Wind proposes to construct, own and operate a wind energy electric generating facility, known as Lempster Mountain Wind Power (the “Facility”) as described in Appendix A, for the generation of electricity and transfer of electricity to PSNH’s electric distribution system;
- B. Simultaneous with the execution of this Agreement, PSNH and Lempster Wind shall enter into a Power Purchase Agreement, dated as of the date hereof, for the purchase and sale of certain of the output from the Facility (“PPA”), and pursuant to the provisions of the PPA, PSNH has agreed, for a period commencing with the In-Service Date as therein defined, to purchase the entire output of Products and one hundred percent (100%) of the Renewable Energy Certificates (“RECs”), as Products and RECs are therein defined, for fifteen years;
- C. The Parties are entering into this Agreement concurrently with, and in consideration of, the execution and delivery by the Parties of the PPA; and

- D. Pursuant to this Agreement, PSNH has agreed with Lempster Wind that Lempster Wind shall have the exclusive option, as and to the extent set forth in this Agreement, to repurchase from PSNH a certain portion of the RECs acquired by PSNH under the PPA.

#### AGREEMENT

NOW, THEREFORE, in consideration of the above-stated premises, which are incorporated into and made a part of this Agreement as if set forth fully in the body below, and in further consideration of their mutual promises and other good and valuable consideration, the receipt and sufficiency of which is acknowledged by the parties hereto (each a "Party and collectively the "Parties"), agree as follows.

1. Definitions. All capitalized terms used herein which are not otherwise defined herein shall, where applicable, have the meanings given such terms in the PPA.
2. RECs under the PPA. Reference is hereby made to the PPA, wherein PSNH shall acquire certain RECs from the Facility. The option set forth herein shall relate only to the RECs so acquired by PSNH and all references to RECs during any period of time under this Agreement shall refer to the applicable calendar quarters or years or other period(s) of time under the PPA.
3. Term. The Term of this Agreement shall commence as of the Effective Date and shall continue co-extensively with that part of the Term of the PPA during which PSNH purchases RECs from the Facility. Without limiting the foregoing, upon the expiration or termination of the PPA for any reason, this Agreement shall immediately and automatically terminate and be of no further force and effect and the Parties shall have no obligations to one another except (i) for PSNH's obligation to deliver RECs purchased hereunder and relating to Energy produced and delivered to PSNH under the PPA prior to termination of this Agreement, (ii) for Lempster Wind's obligation to pay for all such RECs as a condition to such delivery and (iii) as provided in Section 20.1.
4. Option of Lempster Wind. Lempster Wind shall have the exclusive option set forth in this Agreement on a quarterly basis to repurchase from PSNH:
  - (a) up to [REDACTED] of the RECs generated by the Facility and sold to PSNH during the period commencing on the date Energy is first sold to PSNH

pursuant to the PPA and ending on the last day of the tenth (10<sup>th</sup>) Project Year under the PPA, and

(b) up to [REDACTED] of the RECs generated by the Facility and sold to PSNH during the period commencing on the first day of the eleventh (11<sup>th</sup>) Project Year under the PPA and ending at the end of the Term of the PPA.

5. Repurchase Price. The option price at which Lempster Wind may repurchase RECs under this Agreement shall include a [REDACTED] over, and in addition to, the REC Price paid by PSNH to Lempster Wind under the PPA, which repurchase price shall accordingly be:

(a) [REDACTED] during the period commencing on the date Energy is first sold to PSNH pursuant to the PPA and ending on the last day of the fifth (5<sup>th</sup>) Project Year under the PPA,

(b) [REDACTED] during the period commencing on the first day of the sixth (6<sup>th</sup>) Project Year under the PPA and ending on the last day of the tenth (10<sup>th</sup>) Project Year under the PPA, and

(c) [REDACTED] during the period commencing on the first day of the eleventh (11<sup>th</sup>) Project Year under the PPA and ending at the end of the Term of the PPA.

6. Exercise of Option. Lempster Wind shall exercise its option, on a calendar quarter by calendar quarter basis, to repurchase RECs associated with the Energy generated within any given calendar quarter by providing written notice to PSNH at any time not later than thirty (30) days after the end of that calendar quarter. Lempster Wind may also elect, by written notice, to exercise its option to repurchase RECs for any future periods during the term of the PPA. Any such advance notice shall specify the calendar quarter(s) to which the notice of exercise applies and the corresponding quantity of RECs, expressed as a percentage of the total RECs that will be associated with that future period. Further, any such notice, either for a prior quarter or advance notice for a future quarter, shall be binding and irrevocable on Lempster Wind.

7. Quarterly Billing Procedure.

7.1 Within sixty (60) days from the provision of its written exercise of option in accordance with Section 6, Lempster Wind shall make payment to PSNH for

RECs repurchased thereunder. No RECs shall be transferred to Lempster Wind until PSNH is paid in full for such RECs as exercised and provided under this Agreement. If Lempster Wind does not render payment for the repurchased RECs in accordance with the provisions of this Section 7.1, then the repurchase option with respect to the RECs not paid for by Lempster Wind shall terminate three (3) Business Days following notification by PSNH of such non-payment unless the payment is made for such RECs within such three (3) Business Day period.

- 7.2 Payment for the RECs repurchased by Lempster Wind shall be the product of the REC Repurchase Price multiplied by the quantity of RECs being repurchased. Payments made by Lempster Wind for any RECs pursuant to this Section, which RECs are not subsequently delivered, shall be credited to Lempster Wind on the next quarterly payment following the date on which such RECs should have been delivered.
- 7.3 Except as otherwise provided in this Agreement, all payments hereunder shall be made without set-off or deduction.
- 7.4 Not later than ten (10) days following the latter of (i) receipt by PSNH of payment for repurchased RECs for a quarterly period or (ii) the date on which the repurchased RECs are credited to PSNH's GIS Account (the "REC Re-Delivery Date"), PSNH shall deliver to Lempster Wind the repurchased RECs.
- 7.5 For purposes of this Agreement, unless otherwise mutually agreed by the Parties, a REC shall be deemed to have been delivered to Lempster Wind when an electronic certificate has been produced in the GIS for a megawatt hour of Energy resulting from the generation of Energy from the Facility and such certificate has been credited to Lempster Wind's account in the GIS; provided, however, that if (i) at any time during the Term when Energy is being generated from the Facility Lempster Wind fails to maintain an account in the GIS or (ii) if the GIS does not at any time hereafter continue to exist as a method for tracking the ownership of

RECs, then a REC shall be deemed to have been delivered to Lempster Wind upon delivery of a REC Attestation and Bill of Sale in the form attached as Appendix B by PSNH to Lempster Wind evidencing the transfer of ownership of such REC from PSNH to Lempster Wind.

7.6 No later than thirty (30) days following the REC Re-Delivery Date, PSNH shall deliver to Lempster Wind a REC Attestation and Bill of Sale in the form attached as Appendix B with respect to the repurchased RECs purchased during such quarter; *provided* that PSNH shall have the right to utilize instead such other forms of documents or instruments as PSNH may propose, subject to Lempster Wind's approval (such approval not to be unreasonably withheld and such approval or rejection not to be unreasonably delayed) and PSNH may propose less frequent deliveries of such REC Attestation and Bill of Sale (but not less frequently than once every twelve (12) months, subject to Lempster Wind's approval (such approval not to be unreasonably withheld and such approval or rejection not to be unreasonably delayed).

7.7 If the NEPOOL GIS rules require that all REC transfers for the applicable quarter shall be completed prior to the payment deadline referenced in Section 7.1, then the payment deadline shall be revised to be at least ten (10) Business Days prior to the REC transfer deadline imposed by the NEPOOL GIS rules and the deadline for delivery by PSNH of the invoice for the applicable quarter shall be changed to a date that provides a reasonable time frame for payment.

8. Representations and Warranties.

8.1 PSNH's Representations and Warranties. PSNH hereby represents and warrants that, as of the date of this Agreement:

8.1.1 PSNH is a corporation duly incorporated, validly existing and in good standing under the laws of the State of New Hampshire; and PSNH has all requisite power and authority under such laws to conduct its business, to own its properties and to

execute, deliver and perform its obligations under this Agreement.

8.1.2 The execution, delivery, and performance of its obligations under this Agreement by PSNH have been duly authorized by all necessary action under the laws of the State of New Hampshire, and do not and will not:

- (i) as to execution, delivery and performance, require any consent, authorization, approval or other action of, or notice to, any entity, agency, Governmental Authority or other authority, or other legal or voting body which has not been duly obtained and remains in full force and effect,
- (ii) violate any provision of any law, rule, regulation, order, writ, judgment, injunction, decree, determination or award having applicability to PSNH, the violation of which could reasonably be expected to have a material adverse effect on the ability of PSNH to perform its obligations under this Agreement,
- (iii) result in a breach of or constitute a default under any agreement relating to the management or affairs of PSNH or any indenture or loan or credit agreement or any other agreement, lease or instrument to which PSNH is a party or by which PSNH or its properties or assets may be bound or affected, the breach or default of which could reasonably be expected to have a material adverse effect on the ability of PSNH to perform its obligations under this Agreement, or
- (iv) result in, or require the creation or imposition of any mortgage, deed of trust, pledge, lien, security interest, or other charge or encumbrance of any nature upon or with respect to any of the assets or properties of PSNH now owned or hereafter acquired, the creation or imposition of which could reasonably be expected to have a material adverse effect on the ability of PSNH to perform its obligations under this Agreement.

8.1.3 This Agreement is the valid and binding obligation of PSNH, enforceable against PSNH in accordance with its terms, subject to general principles of equity.

8.1.4 The execution and performance of this Agreement will not conflict with or constitute a breach or default under any contract or agreement of any kind to which PSNH is a party that could reasonably be expected to have a material adverse effect on the ability of PSNH to perform its obligations under this Agreement or any judgment, order, statute or regulation that is applicable to PSNH.

8.1.5 To PSNH's knowledge following diligent investigation, there are no suits, proceedings, judgments, rulings or orders by or before any court or any Governmental Authority that materially adversely affect PSNH's ability to perform under this Agreement.

8.2 Lempster Wind's Representations and Warranties. Lempster Wind hereby represents and warrants that, as of the date of this Agreement:

8.2.1 Lempster Wind is a limited liability company duly organized and validly existing under the laws of the State of Delaware. Lempster Wind has all requisite power and authority to conduct its business, to own its properties and to execute, deliver and perform its obligations under this Agreement.

8.2.2 The execution, delivery, and performance of its obligations under this Agreement by Lempster Wind have been duly authorized by all necessary action, and do not and will not:

- (i) violate any provision of any law, rule, regulation, ordinance, charter, order, writ, judgment, injunction, decree, determination or award having applicability to Lempster Wind the violation of which could reasonably be expected to have a material adverse effect on the ability of Lempster Wind to perform its obligations under this Agreement,
- (ii) result in a breach of or constitute a default under any provision of the charter and ordinances of Lempster Wind,

- (iii) result in a breach of or constitute a default under any agreement relating to the management or affairs of Lempster Wind or any indenture or loan or credit agreement or any other agreement, lease or instrument to which Lempster Wind is a party or by which Lempster Wind or its properties or assets may be bound or affected, the breach or default of which could reasonably be expected to have a material adverse effect on the ability of Lempster Wind to perform its obligations under this Agreement, or
- (iv) result in, or require, the creation or imposition of any mortgage, deed of trust, pledge, lien, security interest or other charge or encumbrance of any nature upon or with respect to any of the assets or properties of Lempster Wind now owned or hereafter acquired, the creation or imposition of which could reasonably be expected to have a material adverse effect on the ability of Lempster Wind to perform its obligations under this Agreement.

8.2.3 This Agreement is a valid and binding obligation of Lempster Wind, enforceable against Lempster Wind in accordance with its terms, subject to general principles of equity.

8.2.4 The execution and performance of this Agreement will not conflict with or constitute a breach or default under any contract or agreement of any kind to which it is a party that could reasonably be expected to have a material adverse effect on the ability of Lempster Wind to perform its obligations under this Agreement or any judgment, order, statute, or regulation that is applicable to Lempster Wind.

8.2.5 To Lempster Wind's knowledge, as of the date of this Agreement, there are no approvals, authorizations, consents or other actions required by any other Governmental Authority to authorize Lempster Wind's execution, delivery and performance under this Agreement which have not already been obtained or which are not reasonably expected to be obtained in due course.

8.2.6 To Lempster Wind's knowledge following diligent investigation there are no suits, proceedings, judgments, rulings or orders by or before any court or any Governmental Authority that materially adversely affect Lempster Wind's ability to perform under this Agreement.

9. Disclaimer and Limitation of Liabilities.

9.1 **NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR REVENUES OR OTHER BUSINESS INTERRUPTION DAMAGES, WHETHER OR NOT SUCH LIABILITY IS CLAIMED IN CONTRACT, EQUITY, TORT, STRICT LIABILITY OR INDEMNITY, BY STATUTE, UNDER ANY INDEMNITY OR OTHER PROVISION OF THIS AGREEMENT OR OTHERWISE.**

10. Dispute Resolution.

10.1 **Negotiation Between Executives.** The Parties shall attempt in good faith to resolve any dispute arising out of or relating to this Agreement promptly by negotiation between executives who have authority to settle the controversy and who are at a higher level of management than the persons with direct responsibility for administration of this Agreement. Any Party may give the other Party written notice of any dispute not resolved in the normal course of business. Such notice shall include: (a) a statement of that Party's position and a summary of arguments supporting that position; and (b) the name and title of the executive who will be representing that Party and of any other person who will accompany the executive ("Initial Notice"). Within five (5) Business Days after delivery of the Initial Notice, the receiving Party shall respond with: (a) a statement of that Party's position and a summary of arguments supporting that position; and (b) the name and title of the executive who will represent that Party and of any other person who will accompany the executive. Within fifteen (15) Business Days after delivery of the Initial Notice, the executives of both Parties shall meet at a mutually acceptable time and place, and thereafter as often as they reasonably deem necessary, to

attempt to resolve the dispute. All reasonable requests for information made by one Party to the other will be honored. All negotiations pursuant to this clause are confidential and shall be treated as compromise and settlement negotiations for purposes of applicable rules of evidence.

- 10.2 **Mediation.** If the dispute has not been resolved by negotiation within thirty (30) Business Days of the disputing Party's Initial Notice, or if the Parties failed to meet within fifteen (15) Business Days of the delivery of the Initial Notice, the Parties shall endeavor to settle the dispute by mediation under the then current CPR Mediation Procedure as posted on the CPR website at <http://www.cpradr.org/>; provided, however, that if one Party fails to participate in the negotiation as provided in Section 10.1, the other Party can initiate mediation prior to the expiration of the thirty (30) Business Days. Unless otherwise agreed, the Parties will select a mediator from the CPR Panels of Distinguished Neutrals.
- 10.3 **Arbitration.** Any dispute arising out of or relating to this Agreement, including the breach, termination or validity thereof, which has not been resolved by one of the non-binding procedures as set forth in Sections 10.1 and 10.2 within fifty (50) Business Days of the delivery of the Initial Notice, shall be finally resolved by arbitration in accordance with the then current CPR Rules for Non-Administered Arbitration by a sole arbitrator, for disputes involving amounts in the aggregate under three million dollars (\$3,000,000), or three arbitrators, for disputes involving amounts in the aggregate equal to or greater than three million dollars (\$3,000,000), of whom each Party shall designate one in accordance with the "screened" appointment procedure provided in Rule 5.4; provided, however, that if either Party will not participate in a non-binding procedure, the other may initiate arbitration before expiration of the above period. A decision and award of the arbitrator(s) made under the CPR Rules and within the scope of jurisdiction of such arbitrator(s) shall be exclusive, final, and binding on the Parties, their successors, and assigns. The arbitration shall be governed by the Federal Arbitration Act, 9 U.S.C. §§ 1-16, and judgment upon the award rendered by the arbitrator(s) may be entered by any court having jurisdiction thereof. The place of arbitration shall be Hartford, Connecticut. The arbitrator(s) are not empowered to award damages in excess of compensatory

damages and each Party expressly waives and foregoes any right to punitive, exemplary or similar damages unless a statute requires that compensatory damages be increased in a specified manner.

10.4 The fees and expenses associated with mediation and arbitration, including the costs of arbitrators, shall be divided equally between the Parties. Each Party shall be responsible for its own legal fees, including but not limited to attorney fees. The Parties may, by written agreement signed by both Parties, alter any time deadline, location(s) for meeting(s), or procedure outlined herein or in the CPR Rules. The procedure specified herein shall be the sole and exclusive procedure for the resolution of disputes arising out of or related to this Agreement. To the fullest extent permitted by law, any mediation or arbitration proceeding and the settlement or arbitrator's award shall be maintained in confidence by the Parties.

10.5 **WAIVER OF JURY TRIAL.** EACH PARTY WAIVES TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF, RESULTING FROM OR IN ANY WAY RELATING TO THIS AGREEMENT.

11. Confidentiality.

11.1 The existence and terms of this Agreement, and any other information exchanged by the PSNH and Lempster Wind relating to this Agreement, shall not be disclosed to any person not employed or retained by the PSNH or Lempster Wind or their Affiliates, except to the extent disclosure is (1) required by law, required to be made to any Governmental Authority for obtaining any approval, permits, licenses and other actions by Lempster Wind, or making any filing in connection therewith, required by the Interconnection Agreement or delivered by Lempster Wind to ISO-NE or to any Person exercising authority over Lempster Wind or the Facility for the purpose of maintaining the safety or reliability of the electric system into which the Energy output is delivered, (2) reasonably deemed by the disclosing Party to be required to be disclosed in connection with a dispute between or among the Parties, or the defense of any litigation or dispute, (3) otherwise permitted by consent of the other Party, which consent shall not be unreasonably withheld, (4) required to be made in

connection with regulatory proceedings (including proceedings relating to FERC, the United States Securities and Exchange Commission or any other federal, state or provincial regulatory agency), (5) to any actual or potential Lender, to any actual or potential investor in Lempster Wind or to any other potential acquiror of any direct or indirect ownership interest in Lempster Wind or to any advisor providing professional advise to Lempster Wind or to any such actual or potential Lender, investor or acquirer, and (6) to any purchasers or potential purchasers of RECs acquired or to be acquired by Lempster Wind under this Agreement. In the event disclosure is made pursuant to this provision, the Parties shall use reasonable efforts to minimize the scope of any disclosure and have the recipients maintain the confidentiality of any documents or confidential information covered by this provision, including, if appropriate, seeking a protective order or similar mechanism in connection with any disclosure. This provision shall not apply to any information that was or is hereafter in the public domain (except as a result of a breach of this provision). The Parties specifically agree that any press release or other public statement that addresses specific commercial terms of this Agreement shall be mutually agreed upon by the Parties.

11.2 The obligations of the Parties under this Section 11 shall remain in full force and effect for three (3) years following the expiration or termination of this Agreement

12. Modification of Agreement.

12.1 In order for any modification to this Agreement to be binding upon the Parties, said modification must be in writing and signed by both Parties.

13. Prior Agreements Superseded.

13.1 Once effective, this Agreement represents the entire agreement between the Parties with respect to the option to purchase RECs from the Facility and, as between Lempster Wind and PSNH, all previous agreements including previous discussion, communications and correspondence related thereto are superseded by the execution of this Agreement.

14. Waiver of Terms or Conditions.

14.1 The failure of either Party to enforce or insist upon compliance with any of the terms or conditions of this Agreement shall not constitute a general waiver or relinquishment of any such terms or conditions, but the same shall remain at all times in full force and effect. Any waiver is only effective if given to the other Party in writing.

15. Applicable Law.

15.1 This Agreement is made under the laws of the State of New Hampshire, and the interpretation and performance hereof shall be in accordance with and controlled by such laws, excluding any conflicts of law provisions of the State of New Hampshire that could require application of the laws of any other jurisdiction.

16. Headings.

16.1 Captions and headings in the Agreement are for ease of reference and shall not be used to and do not affect the meaning of this Agreement.

17. Notices and Service.

17.1 All notices, including communications and statements which are required or permitted under the terms of this Agreement, shall be in writing, except as otherwise provided or as reasonable under the circumstances. Service of a notice may be accomplished and will be deemed to have been received by the recipient Party on the day of delivery if delivered by personal service, on the day of confirmed receipt if delivered by telegram, registered or certified commercial overnight courier, or registered or certified mail or on the day of transmission if sent by telecopy or email with evidence of receipt obtained, and in each case addressed as follows:

Lempster Wind: Lempster Wind, LLC  
c/o Iberdrola Renewable Energies USA, Ltd.  
201 King of Prussia Road, Suite 500  
Radnor, PA 19087  
Attention: Eduardo Brunet and Pablo Canales  
Telephone No.: 610.254.9800  
Fax No. 610.254.9781  
Email: ebrunet@iberdrolausa.com and pcanales@iberdrolausa.com

PSNH: Public Service Company of New Hampshire  
780 North Commercial Street  
P. O. Box 330  
Manchester, NH 03105-0330  
Attn.: Manager, Supplemental Energy Sources Department  
Telephone No. (603) 634-2312  
Fax No. (603) 634-2449  
Email: psnhsesd@psnh.com

18. Successors and Assigns; Assignment

18.1 This Agreement shall inure to the benefit of and shall be binding upon the Parties and their respective successors and assigns. Except as provided in Section 18.2, this Agreement shall not be assigned or transferred by either Party without the prior written consent of the other Party, which consent shall not be unreasonably withheld, delayed or conditioned; provided, however, that no assignment authorized pursuant to this Section 18.1 or Section 18.2 shall release the Assigning Party from any of its obligations under this Agreement except as expressly provided in Section 18.3 or unless a written release is executed by the non-assigning Party in the non-assigning Party's sole discretion.

18.2 Notwithstanding the foregoing, no consent shall be required for:

(i) Any assignment or transfer of this Agreement by Lempster Wind to an Affiliate of Lempster Wind;

(ii) Any assignment or transfer of this Agreement by Lempster Wind to any Lenders as collateral security for obligations under the financing documents entered into with such Lenders; or

(iii) Any assignment or transfer by the Lenders to a third party after the Lenders have exercised their foreclosure rights with respect to this Agreement or the Facility; provided, that any such third party agrees in writing to be bound by and to assume, the terms and conditions hereof and each such obligation hereunder applicable to Lempster Wind from and after the date of such assignment or transfer.

18.3 If the rights and interests of Lempster Wind in this Agreement shall be assumed, sold or transferred as herein provided, and the assuming party shall agree in writing to be bound by and to assume, the terms and conditions hereof and any and all obligations to PSNH arising or accruing hereunder from and after the date of such assumption, then Lempster Wind shall be released and discharged from the terms and conditions hereof and each such obligation hereunder from and after such date, and PSNH shall continue this Agreement with the assuming party as if such Person had been named as Lempster Wind under this Agreement; provided, however, that if the assignment or transfer is made without the consent of PSNH pursuant to Section 18.2(i), Lempster Wind shall not be released from its obligations hereunder unless either the Affillate assuming the obligations of Lempster Wind as provided in this Section 18.3 has an Investment Grade Rating at the time of such assumption or there has been delivered to PSNH as security for the obligations of the assignee assuming the obligations of Lempster Wind under this Agreement either (i) a cash deposit in an amount equal to the Security Amount (as hereinafter defined) with PSNH to be held in escrow by PSNH until used to pay amounts due and owing by such assignee to PSNH under this Agreement, (ii) a guaranty of payment of amounts due and owing by such assignee to PSNH under this Agreement up to the Security Amount executed by a Person that has an Investment Grade Rating, which guaranty shall be in form and substance reasonably satisfactory to PSNH and Lempster Wind, or (iii) an irrevocable, transferable standby letter of credit issued by a U.S. commercial bank or foreign bank with a U.S. branch with (a) a Credit Rating of at least (1) "A" by S&P and "A2" by Moody's, if such entity is rated by both S&P and Moody's or (2) "A" by S&P or "A2" by Moody's, if such entity is rated by either S&P or Moody's but not both, and (b) having a capital surplus of at least \$10,000,000,000, in a form reasonably acceptable to PSNH and in a face amount at least equal to the Security Amount that is available for drawings to pay amounts due and owing by such assignee

to PSNH under this Agreement. The “Security Amount” shall be Four Hundred Eighty-Six Thousand Dollars (\$486,000).

- 18.4 The provisions of this Section 18 are for the benefit of the Lenders as well as the Parties hereto, and shall be enforceable by the Lenders as express third-party beneficiaries hereof. PSNH hereby agrees that none of the Lenders, nor any bondholder or participant for whom they may act or any trustee acting on their behalf, shall be obligated to perform any obligation or be deemed to incur any liability or obligation provided in this Agreement on the part of Lempster Wind or shall have any obligation or liability to PSNH with respect to this Agreement except to the extent any of them becomes a party hereto pursuant to this Section 18.
- 18.5 Any purported assignment not in compliance with this Article 18 shall be null and void.
- 18.6 If one or more Institutional Investors makes an investment in Lempster Wind or any of Lempster Wind’s Affiliates or any successor or permitted assignee of Lempster Wind or any of Lempster Wind’s Affiliates for purposes of financing the construction, installation or operation of the Facility and Lempster Wind or any of Lempster Wind’s Affiliates or any such successor or permitted assignee has notified PSNH in writing of the existence of such Institutional Investor(s), which notice includes the information required to be provided by Lempster Wind to PSNH pursuant to Section 19.2 with respect to Lenders, then PSNH agrees that (i) in the case of any breach by Lempster Wind of this Agreement, PSNH shall provide the Institutional Investor if only one exists or, if more than one Institutional Investor exists, the Lead Institutional Investor with notice of any such breach by Lempster Wind of this Agreement and (ii) upon the receipt of a written request from Lempster Wind or any the Institutional Investor if only one exists or, if more than one Institutional Investor exists, the Lead Institutional Investor, PSNH shall execute, or arrange for the delivery of, such certificates, opinions and other documents as may be reasonably necessary in order for Lempster Wind to consummate any investment in Lempster Wind or any of Lempster Wind’s Affiliates or any successor or permitted assignee of Lempster Wind or any of Lempster Wind’s Affiliates.

19. Financings

19.1 Lempster Wind, upon prior notice to PSNH but not subject to approval of PSNH, may, by security, charge or otherwise encumber its interest under this Agreement for the purposes of financing the development, construction and/or operation of the Facility.

19.2 Promptly after making such encumbrance, Lempster Wind shall notify PSNH in writing of the name, address, and telephone and facsimile numbers of each Lender (including, if more than one Lender exists, the Lead Lender) to which Lempster Wind's interest under this Agreement has been encumbered. Such notice shall include the names of the account managers or other representatives of the Lenders (including, if more than one Lender exists, the Lead Lender) to whom all written and telephonic communications may be addressed; provided, if there is more than one Lender to which Lempster Wind's interest under this Agreement has been encumbered, PSNH shall not have any obligations to provide written or telephonic communications hereunder to any Lender other than the Lead Lender.

19.3 After giving PSNH such initial notice, Lempster Wind shall promptly give PSNH notice of any change in the information provided in the initial notice or any revised notice.

19.4 If Lempster Wind encumbers its interest under this Agreement as permitted by this Section 19, the following provisions shall apply:

(i) The Parties, except as provided by the terms of this Agreement, shall not modify or cancel this Agreement without the prior written consent of the Lender if only one Lender exists or, if more than one Lender exists, the Lead Lender, such consent not to be unreasonably withheld, conditioned, or delayed;

(ii) The Lender if only one Lender exists or, if more than one Lender exists, the Lead Lender, or their respective designees shall have the right, but not the obligation, to perform any act required to be performed by Lempster Wind under this Agreement to prevent or cure any breach by Lempster Wind of this Agreement and such act performed by the Lenders, the Lead Lender or their respective designees shall be as effective to prevent or cure any such breach of this Agreement as if done by Lempster Wind;

(iii) PSNH shall upon request by Lempster Wind execute statements certifying

that this Agreement is unmodified (or, modified and stating the nature of the modification), in full force and effect and the absence or existence (and the nature thereof) of any breaches hereunder by Lempster Wind and documents of consent to such assignment to the encumbrance and any assignment to the Lender if only one Lender exists or, if more than one Lender exists, the Lead Lender for the benefit of the Lenders; and

(iv) Upon the receipt of a written request from Lempster Wind or from any Lender if only one Lender exists or, if more than one Lender exists, from the Lead Lender, PSNH shall execute, or arrange for the delivery of, such certificates, opinions and other documents as may be reasonably necessary in order for Lempster Wind to consummate any financing or refinancing of, or secured in whole or in part by, the Facility or any part thereof and will enter into reasonable agreements with such Lender if only one Lender exists or, if more than one Lender exists, with the Lead Lender for the benefit of the Lenders, which agreements will grant certain rights to the Lender as more fully developed and described in such documents, including the following: (a) this Agreement shall not be terminated (except for termination pursuant to the terms of this Agreement) without the consent of Lender if only one Lender exists or, if more than one Lender exists, the consent of the Lead Lender, which consent is not to be unreasonably withheld, conditioned or delayed; (b) that Lender if only one Lender exists or, if more than one Lender exists, the Lead Lender shall be given notice of, and the opportunity to cure any breach or default of this Agreement by Lempster Wind to the same extent as provided in Section 8.2.2 of the PPA; (c) that if any one or more of the Lenders forecloses, takes a deed in lieu of foreclosure or otherwise exercises its remedies pursuant to any security documents, then (1) PSNH shall, at the request of the Lender if only one Lender exists or, if more than one Lender exists, at the request of the Lead Lender, continue to perform all of its obligations hereunder, and Lender if only one Lender exists or, if more than one Lender exists, the Lead Lender or its nominee may perform in the place of Lempster Wind, (2) Lenders shall have no liability under this Agreement except during the period of such Lender's ownership or operation of the Facility and (3) PSNH shall accept performance in accordance with this Agreement by Lender if only one

Lender exists or, if more than one Lender exists, the Lead Lender or its nominee; and (d) that PSNH shall make representations and warranties to Lender if only one Lender exists or, if more than one Lender exists, the Lead Lender for the benefit of the Lenders as may be reasonably requested with regard to (A) PSNH's existence, (B) PSNH's authority to execute, deliver and perform this Agreement, (C) the binding nature of the document evidencing PSNH's consent to assignment to Lender and this Agreement on PSNH and (D) receipt of regulatory approvals by PSNH with respect to its execution and performance under this Agreement.

20. Survivability.

20.1 This Agreement shall survive termination, expiration, cancellation, suspension, or completion of the agreements set forth herein to the extent necessary to allow for final accounting, final billing, billing adjustments, resolution of any billing dispute, resolution of any court or administrative proceeding and final payments. All indemnity defense and hold harmless obligations and billing verification rights shall survive for two (2) years beyond the applicable terms and confidentiality obligations shall survive as provided in Section 11.2.

**[This space has been intentionally left blank. The next page is the signature page.]**

IN WITNESS WHEREOF, the Parties, each by its duly authorized representative, have hereunto caused their names to be subscribed, as of the day and year first above written.

LEMPSTER WIND, LLC

*Eric Blank*  
*Eric Blank*

By: \_\_\_\_\_

Name: Eric Blank

Title: Manager

 IBERDROLA

DEC 20 2007

VISADO LEGAL

By: \_\_\_\_\_

*Pablo Canales Abaitua*

Name: Pablo Canales Abaitua

Title: Manager

Each Duly Authorized

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

By: \_\_\_\_\_ *Gary A. Long*

Name: ~~John M. MacDonell~~ Gary A. Long

Title: ~~Vice President - Energy Delivery and Generation~~  
President and Chief Operating Officer  
Duly Authorized

## Appendix A

### **Description of Facility**

The Facility is located on Lempster Mountain in Lempster, New Hampshire. The Facility is expected to have twelve (12) Gamesa G87 wind turbine generators, each rated 2.0 MW for a total installed capacity of 24 MW. The Facility is being developed by Lempster Wind and is expected to achieve commercial operation in 2008. The interconnection is with PSNH and consists of an approximately 10.5 mile dedicated 34.5 kV line built over an existing distribution circuit from the Facility's site to PSNH's Newport Substation in Newport, New Hampshire.

Appendix B

**Form of REC Attestation and Bill of Sale**

Public Service Company of New Hampshire (“PSNH”) hereby sells, transfers and delivers to Lempster Wind, LLC (“Lempster Wind”) the RECs associated with the Energy from the Facility delivered to Lempster Wind (as such terms are defined in the Power Purchase Agreement for Lempster Mountain Wind Power dated as of January 2, 2008 between Lempster Wind and PSNH) arising from the generation of the Energy by the Facility described below and sold by PSNH to Lempster Wind:

Facility name and location: Lempster Mountain Wind Power, Lempster,  
New Hampshire  
Fuel Type: Wind  
Capacity (MW): 24 MW  
First Date of Operation: [ \_\_\_\_\_ ]

[US DOE/EIA ID No.: \_\_\_\_\_]

Metered Output:  
Dates MWhrs generated

in the amount of one REC or its equivalent for each megawatt hour generated.

PSNH further represents and warrants as follows:

- i) to the best of its knowledge, the information provided herein is true and correct;
- ii) its sale to Lempster Wind is its one and only sale of the RECs referenced herein;
- iii) the Facility generated and delivered to the transmission grid the Energy in the amount indicated as undifferentiated energy; and
- iv) to the best of PSNH's knowledge, after due inquiry, each of the RECs associated with the generation of the Energy and the delivery thereof to the transmission grid have been generated and sold by PSNH once and only once in the above-referenced sale and transfer to Lempster Wind.

This REC Attestation and Bill of Sale serves as a bill of sale, transferring from PSNH to Lempster Wind all of PSNH's right, title and interest in and to the RECs associated with the Energy from the Facility delivered to PSNH as set forth above and the delivery thereof to the transmission grid.

Contact Person: [ ]  
Telephone: [ ]  
Fax: [ ]

PUBLIC SERVICE COMPANY OF NEW  
HAMPSHIRE  
a New Hampshire corporation

By \_\_\_\_\_  
Its \_\_\_\_\_  
Date \_\_\_\_\_

**This Attestation may be disclosed by PSNH and Lempster Wind to others to substantiate and verify the accuracy of PSNH's and Lempster Wind's advertising and public communications.**