

GRANITE RELIABLE POWER, LLC

AND

COÖS COUNTY, NEW HAMPSHIRE

AGREEMENT

FOR PAYMENTS IN LIEU OF TAXES

AGREEMENT
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This agreement for payments in lieu of taxes (hereinafter "PILOT Agreement" or "AGREEMENT"), dated this 14th day of March, 2008, is by and between Granite Reliable Power, LLC (hereinafter "GRP"), and the County of Coös, New Hampshire, a body corporate pursuant to RSA 23:1 (hereinafter "COUNTY").

RECITALS

WITNESSETH:

WHEREAS, GRP is the lessee of certain parcels of land situated in the unincorporated places of Dixville, Ervings Location, Millsfield and Odell, all of which are located in Coös County, New Hampshire, (hereinafter "Premises") on which it intends to construct an electric generating facility powered by wind; and

WHEREAS, GRP intends to erect certain structures, buildings, machinery and associated and necessary equipment and appurtenances used for the purpose of generating electrical power for sale by the use of windpower (hereinafter "Facility" or "Project"), (the Premises and Facility hereinafter referred to as the "Granite Reliable Power Windpark") ; and

WHEREAS, GRP intends to seek a certificate of site and facility from the New Hampshire Site Evaluation Committee pursuant to RSA 162-H:1 et seq. to be authorized to own and operate the Granite Reliable Power Windpark as a renewable energy facility; and

WHEREAS, GRP will be responsible for property taxes on the Facility; and

WHEREAS, the Granite Reliable Power Windpark qualifies as a renewable generation facility under RSA 72:74 of the New Hampshire Revised Statutes Annotated; and

WHEREAS, pursuant to RSA 72:74, the owner of a renewable generation facility and the municipality wherein the renewable generation facility is situated may enter into an agreement to make payments in lieu of property taxes; and

WHEREAS, in unincorporated areas of the State, the COUNTY has the powers of a municipality, including the power to assess and collect property taxes and the power to enter into an agreement to make payments in lieu of property taxes; and

WHEREAS, GRP and the COUNTY have agreed to make and receive, respectively, payments in lieu of property taxes for the Facility; and

WHEREAS, the COUNTY held public hearings on December 8, 2007 and March 8, 2008 as required by RSA 72:74, and these hearings were duly noticed by postings in two public places and publication in newspapers of general circulation in Coös County; and

WHEREAS, the Coös County Commissioners have voted to enter into this PILOT Agreement, and the members of the Coös County delegation have resolved to support this PILOT Agreement; and

WHEREAS, GRP has sent written notice by certified mail to the lessors of the property on which the Premises are located of this AGREEMENT and the lessors' liability under RSA 80 should the lessee fail to make the payments required by this AGREEMENT, in accordance with RSA 72:74.

NOW THEREFORE, in consideration of the promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, GRP and the COUNTY do hereby agree as follows:

ARTICLE I

REPRESENTATIONS AND WARRANTIES

Section 1.1 Representations and Warranties

- (a) The COUNTY represents and warrants as follows:
 - (i) It is a body corporate pursuant to RSA 23:1, duly established under the laws of the State, and it has the power to enter into this PILOT Agreement and the transactions contemplated hereby and to carry out its obligations hereunder.
 - (ii) This PILOT Agreement constitutes a valid and legally binding obligation of the COUNTY, enforceable in accordance with its terms, except as may be limited by applicable bankruptcy, insolvency, moratorium, reorganization or similar laws affecting the enforcement of creditors' rights and subject to general equitable principles.
 - (iii) It has duly authorized the execution, delivery and performance of this PILOT Agreement and the consummation of the transactions herein contemplated.
 - (iv) Neither the execution and delivery of this PILOT Agreement, the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the provisions of this PILOT Agreement will conflict with or result in a breach by the COUNTY of any of the terms, conditions or provisions of any law or any order, judgment, agreement or instrument to which it is a party or by which it is bound, or will constitute a default by it under any of the foregoing.
 - (v) It is not prohibited from entering into this PILOT Agreement and performing all covenants and obligations on its part to be performed under

and pursuant to this PILOT Agreement by terms, conditions, or provisions of any law, order, judgment, agreement or instrument to which it is a party or by which it is bound.

- (vi) No consent, approval, or authorization of, or filing, registration, or qualification with, any governmental or public authority on the part of it (which has not been obtained or completed) is required as a condition to the execution, delivery, or performance of this PILOT Agreement by it.
- (b) GRP hereby represents and warrants as follows:
- (i) It is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware and is qualified and authorized to do business in New Hampshire, and has the power to enter into this PILOT Agreement and to carry out its obligations hereunder. This PILOT Agreement and the transactions contemplated hereby have been duly authorized by all necessary action on the part of GRP or its successor.
 - (ii) Neither the execution and delivery of this PILOT Agreement, the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the provisions of this PILOT Agreement will require consent (which has not been heretofore received or which is not likely to be obtained in the ordinary course of business) under any restriction, agreement or instrument to which it is a party or by which it or any of its property may be bound or affected, or to the best of its knowledge, require consent (which has not been heretofore received or which is not likely to be obtained in the ordinary course of business) under, conflict with or violate any applicable law
 - (iii) This PILOT Agreement constitutes a valid and legally binding obligation of GRP, enforceable in accordance with its terms, except as may be limited by applicable bankruptcy, insolvency, moratorium, reorganization or similar laws affecting the enforcement of creditors' rights and subject to general equitable principles.
 - (iv) GRP is not prohibited from entering into and discharging and performing all covenants and obligations on its part to be performed under this PILOT Agreement by (and the execution, delivery, and performance of this PILOT Agreement, the consummation of the transactions contemplated hereby and the fulfillment of and compliance with the provisions of this PILOT Agreement will not conflict with or violate or constitute a breach of or a default under) the terms, conditions, or provisions of its organizational documents or agreements or any other restriction of law, rule, regulation, or order of any court or other agency or authority of government, or any contractual limitation or restriction or outstanding indenture, deed of trust, mortgage, loan agreement, or other evidence of indebtedness or any other

agreement or instrument to which it is a party or by which it or any of its property is bound.

- (v) GRP has a good and valid fee simple interest, leasehold interest, and/or leasehold or easement right, as applicable, in the Premises and good and valid title to the remainder of the Facility that exists on the effective date of this AGREEMENT, free and clear from all liens.

ARTICLE II

COVENANTS AND AGREEMENTS

Section 2.1 Payment; Notice and Method

- (a) Payment in Lieu of Taxes. During the term of this AGREEMENT, GRP will not be subject to ad valorem real estate taxes or assessments of any kind which would have or could be levied and assessed against the Facility (collectively or separately) by the COUNTY under any law, regulation or ordinance. Instead, GRP, its successors and assigns, shall make payments to the COUNTY in lieu of taxes annually on or before February 1 following the date of first commercial operation (which shall be defined as the first day on which the Project produces electricity that is sold to a third party) of the Facility, , and each February 1 thereafter for the term of this Agreement, in an amount totaling \$5,000 per each megawatt of installed capacity, which shall mean the maximum capacity, in megawatts, of the wind turbine generators constituting the Facility that are actually installed and either (i) generating energy, or (ii) capable of generating energy and permitted to generate energy as required by applicable law. A description of the Granite Reliable Power Windpark is attached as Exhibit A hereto, and will be revised by GRP, its successors or assigns, as necessary to conform to the actual Granite Reliable Power Windpark as built.
- (b) Notice of PILOTS. By no later than December 1 of each year, GRP shall provide a statement to the COUNTY setting forth the estimated amount of the PILOT to be made on the following January 1 calculated in accordance with Section 2.1(a) together with a statement setting forth such calculation. In the event that the COUNTY disputes the estimated amount of the PILOT set forth in such notice, GRP and the COUNTY shall meet within fifteen (15) business days of receipt of such notice by the COUNTY to attempt in good faith to resolve such dispute. In the event that the parties cannot resolve the dispute by January 1, GRP shall make the PILOT in accordance with the procedure set forth herein in the amount that GRP believes to be due and payable hereunder and the parties shall be entitled to pursue all available remedies in order to resolve the dispute. In the event that COUNTY disputes the estimated amount of the PILOT, the COUNTY shall be entitled to inspect the premises of the Project and the records of GRP related to the operating nameplate capacity of the Project, at the COUNTY'S own expense.

- (c) Method of Payment. All payments hereunder shall be paid by check made payable to the COUNTY or in immediately available funds, in each case in then lawful money of the United States of America.
- (d) One Time Payment. GRP agrees to make a one time payment of \$75,000.00 to the COUNTY within 15 days of the effective date of this Agreement (“One Time Payment”).
- (e) First Payment. The first payment GRP makes under paragraph (a) of this section shall be reduced by \$75,000.

Section 2.2 Term of Agreement; Extension of Term

- (a) Term. The term of this Agreement shall commence on the Effective Date hereof and shall terminate on the tenth (10th) anniversary of the first payment under Section 2.1 of this Agreement, provided, however, that the parties may extend this Agreement in accordance with paragraph (b) of this section. This Agreement shall be effective as of the date first written above and shall not be terminated except as otherwise set forth herein or upon mutual written agreement of the Parties. Per N.H. RSA 72:74, VII, GRP represents, and COUNTY acknowledges, that this term exceeds five (5) years, and is necessary for the financing of the Project.
- (b) Extension. The Parties may agree to extend this Agreement for an additional ten (10) years beyond the termination date provided in paragraph (a) of this section, such extension to begin immediately after the term described in paragraph (a) of this section, upon the same terms and conditions of this Agreement, except that the term shall be modified as provided in this paragraph. Further, the amount of the PILOT may be further negotiated at that time. GRP shall give written notice to the COUNTY of its desire to extend this Agreement at least on hundred eighty (180) days prior to the expiration of the term described in paragraph (a) of this section. The COUNTY shall respond in writing to GRP’s written notice within 30 days of receiving such notice indicating whether it agrees to extend the term. In the event the Parties agree to extend the term as provided in this paragraph, the Parties shall sign an amendment in accordance with Section 5.1 making such change.

Section 2.3 Scope of Agreement as to Timber Tax

Notwithstanding any other language in this AGREEMENT to the contrary, nothing herein shall preclude the COUNTY from assessing and collecting any and all timber tax due and owing to the COUNTY pursuant to RSA 79:3 as a result of timber harvesting that occurs in connection with or as a result of this Project.

Section 2.4 Scope of Agreement as to Land Use Change Tax

Notwithstanding any other language in this AGREEMENT to the contrary, nothing herein shall preclude the COUNTY from assessing and collecting any and all land use change tax due and owing to the COUNTY pursuant to RSA 79-A:7 arising out of the actions of GRP, as described in Exhibit A, which the parties agree creates the imposition of land use change taxes.

Section 2.5 Site Evaluation Committee Process

Notwithstanding the COUNTY'S support, in general terms, of the project described in Exhibit A hereto, nothing herein shall be interpreted to be a waiver of the COUNTY'S rights to participate in, and if dissatisfied to object to, any part of GRP'S application to the State of New Hampshire Site Evaluation Committee, and the process for approval of said application, pursuant to N.H. RSA Chapter 162-H.

ARTICLE III

NATURE OF OBLIGATIONS OF THE PARTIES

Section 3.1 Obligations of GRP

- (a) General Obligations; No Right to Set-Off. The obligations of GRP to make the payments required under this PILOT Agreement and to perform and observe any and all of the other covenants and agreements on its part contained herein shall be general obligations of GRP and shall be absolute and unconditional irrespective of any right of set-off, recoupment, counterclaim, or abatement that GRP may otherwise have against the COUNTY.
- (b) Authority to Cancel. GRP may elect to voluntarily cancel this PILOT Agreement upon thirty (30) days written notice to the COUNTY upon the occurrence of which the Facility will no longer be exempt from Real Estate Taxes. If the gross revenues of the Facility decrease due to: (a) operational restrictions arising from changes in law, regulation or ordinance; (b) the technical obsolescence of the Facility, or (c) GRP permanently ceasing its operation of the Facility, then GRP may terminate this Agreement or seek renegotiation of the payments to be made hereunder upon 60 days prior written notice to the COUNTY. If this Agreement is terminated during any calendar year of the term hereof, then the payment due for that calendar year as set forth in Section 1 and 3 of this Agreement shall be the entire obligation of GRP to the COUNTY for that calendar year and tax year.
- (c) No Recourse. All covenants, stipulations, promises, agreements and obligations of GRP contained in this PILOT Agreement shall be deemed to be the covenants, stipulations, promises, agreements and obligations of GRP, not of any parent, officer,

agent, servant or employee of GRP, and no recourse under or upon any obligation, covenant or agreement contained in this PILOT Agreement, or otherwise based or in respect of this PILOT Agreement, or for any claim based thereon or otherwise in respect thereof, shall be had against any past, present or future parent, officer, agent, servant or employee, as such of GRP or any successor thereto. It is expressly understood that no such personal liability whatever shall attach to, or is or shall be incurred by, any such parent, officer, agent, servant or employee by reason of the obligations, covenants or agreements contained in this PILOT Agreement or implied therefrom. Any and all such liability of, and any and all such rights and claims against, every such parent, officer, agent, servant or employee under or by reason of the obligations, covenants or agreements contained in this PILOT Agreement or implied therefrom are, to the extent permitted by law, expressly waived and released as a condition of, and as a consideration for, the execution of this PILOT Agreement.

- (d) Decommissioning. GRP agrees to discuss with the COUNTY, and other parties as necessary, a proposal for establishing a decommissioning fund sufficient to decommission the Facility at the end of its useful life and to establish such a decommissioning fund as part of the New Hampshire Site Evaluation Committee process.

Section 3.2 Obligations of the COUNTY

- (a) Nature of Obligations. The obligations of the COUNTY under this PILOT Agreement shall be absolute, unconditional, and irrevocable, provided that nothing in this Section shall be construed to constitute a waiver by the COUNTY of any of its rights under this PILOT Agreement arising from the occurrence and continuance of a default hereunder.
- (b) No Recourse. All covenants, stipulations, promises, agreements and obligations of the COUNTY contained in this PILOT Agreement shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the COUNTY and not of any member, officer, agent, servant or employee of the COUNTY in his or her individual capacity, and no recourse under or upon any obligations, covenant or agreement contained in this PILOT Agreement, or otherwise based or in respect of this PILOT Agreement, or for any claim based thereon or otherwise in respect thereof, shall be had against any past, present or future member, officer, agent, servant or employee, as such, of the COUNTY, or any successor public benefit corporation. It is expressly understood that this PILOT Agreement is a corporate obligation, and that no such personal liability whatever shall attach to, or is or shall be incurred by, any such member, officer, agent, servant or employee of the COUNTY or of any successor public benefit corporation. Any and all such personal liability of, and any and all such rights and claims against, every such member, officer, agent, servant or employee under or by reason of the obligations, covenants or agreements contained in this PILOT Agreement or implied therefrom are, to the extent permitted by law, expressly waived and released as a condition of, and as a consideration for, the execution of this PILOT Agreement.

- (c) Consent to Assignment. The County agrees to enter into a Consent to Assignment in substantially the same form as included in Exhibit B to this Agreement whenever GRP or its transferee assigns this Agreement.

ARTICLE IV

EVENTS OF DEFAULT

Section 4.1 Nature of Events

The occurrence of any one or more of the following events shall constitute a default or event of default under this PILOT Agreement and a “Default” or “Event of Default” shall mean, whenever and wherever used in this PILOT Agreement, any one or more of the following events:

- (a) Payment Defaults. GRP fails to pay when due any amount due and payable by GRP pursuant to this PILOT Agreement, and such failure continues for a period of sixty (60) days.
- (b) Covenant Defaults. GRP fails to perform or observe any covenant, condition, or agreement (other than the agreement to make any payments under this PILOT Agreement) contained in this PILOT Agreement and such failure continues for more than one hundred eighty (180) days after written notice of such failure has been given to GRP by the COUNTY; provided, however, that if such default is capable of cure but cannot be cured within such one hundred eighty (180) day period, the failure of GRP to cure within such one hundred eighty (180) day period shall not constitute an Event of Default if GRP institutes corrective action within such one hundred eighty (180) day period and thereafter prosecutes the same with due diligence and, in any event cures such default within one hundred eighty (180) days after such written notice is given; provided further, that, in the event the default cannot be cured within such 180-day period for reasons not within GRP’s control, GRP shall be granted such additional time as may reasonably be required to cure the default without any such delay constituting an Event of Default.
- (c) Warranties or Representations. Any warranty, representation or other statement by GRP contained in this PILOT Agreement is false or misleading in any material respect and it is not corrected for a period of sixty (60) days after written notice of such failure has been given to GRP by the COUNTY; provided, that if by reason of the nature of such default the same cannot be cured within sixty (60) days, GRP fails to proceed promptly to cure the same and prosecutes the curing of any such default with due diligence and, in any event cures such default within one hundred eighty (180) days after such written notice is given; provided further, that, in the event the default cannot be cured within such 180-day period for reasons not within GRP’s control, GRP shall be granted such additional time as may reasonably be required to cure the default without any such delay constituting an Event of Default.

Section 4.2 Force Majeure.

Notwithstanding the provisions of Section 4.1 hereof, if by reason of force majeure (as hereinafter defined), the delayed party shall be unable, in whole or in part, to carry out its obligations under this PILOT Agreement and if the delayed party shall give notice and full particulars of such force majeure in writing to the other party within a reasonable time after the occurrence of the event or cause relied upon, the delayed party's obligations under this PILOT Agreement so far as they are affected by such force majeure shall be suspended during the continuance of the inability, which shall include a reasonable time for the removal of the effect thereof. The suspension of such obligations for such period pursuant to this Section 4.2 shall not be deemed an Event of Default under Section 4.1.

The term "force majeure" as used herein shall include acts outside of the control of the delayed party, including but not limited to acts of God, strikes, lockouts or other industrial disturbances, acts of public enemies, orders of any kind of any Governmental Authority or any civil or military authority, insurrections, riots, epidemics, landslides, lightning, earthquakes, fire, hurricanes, storms, floods, washouts, droughts, or other weather related events, or arrests, restraint of government and people, civil disturbances, explosions, breakage or accident to machinery, transmission lines, partial or entire failure of utilities, or any other cause or event not reasonably within the control of the party claiming such inability. It is agreed that the settlement of strikes, lockouts and other industrial disturbances shall be entirely within the discretion of the party having difficulty, and the party having difficulty shall not be required to settle any strike, lockout or other industrial disturbances by acceding to the demands of the opposing party or parties.

In the event that GRP invokes or otherwise relies upon the language in this Section as a result of the effect of a force majeure, GRP agrees that, in addition to the initial notification to the COUNTY as described above, GRP will update the COUNTY, in writing, every thirty (30) days after the date of the initial notification, as to the steps that GRP has taken and will be taking in order to remedy the effect of the force majeure, in order to accomplish the removal of said effect, and to discontinue the suspension of the obligations of GRP hereunder.

Section 4.3 Default Remedies

If an Event of Default exists, the COUNTY may proceed, to the extent permitted by law, to enforce the provisions hereof available for its benefit and to exercise any and all rights, powers and remedies available to the COUNTY at law or in equity, hereunder. Nothing herein shall abrogate or diminish the COUNTY'S rights pursuant to N.H. RSA 72:74, IV and N.H. RSA Chapter 80.

Section 4.4 Remedies; Waiver and Notice

- (a) No remedy herein conferred upon or reserved to the COUNTY is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this PILOT Agreement or now or hereafter existing at law or in equity or by statute.

- (b) No delay or omission to exercise any right or power accruing upon the occurrence of any Event of Default hereunder shall impair any such right or power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient.
- (c) In the event any provision contained in this PILOT Agreement should be breached by GRP and thereafter duly waived by the COUNTY, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.
- (d) No waiver, amendment, release or modification of this PILOT Agreement shall be established by conduct, custom or course of dealing.
- (e) No payment by GRP of a lesser amount than the correct amount or in a manner of payment different from the manner of payment due hereunder shall be deemed to be other than a payment on account, nor shall any endorsement or statement on any check or any letter accompanying any check or payment be deemed to effect or evidence an accord and satisfaction, and any checks or payments may be accepted as made without prejudice to the right to recover the balance or pursue any other remedy in this PILOT Agreement or otherwise at law or equity.

ARTICLE V

MISCELLANEOUS

Section 5.1 Amendment of PILOT Agreement

This PILOT Agreement may not be amended, changed, modified, altered or terminated, unless such amendment, change, modification, alteration or termination is in writing and signed by the COUNTY and GRP.

Section 5.2 Assignment

GRP may assign this Agreement without consent. GRP will provide COUNTY with fifteen (15) days notice of any such assignment. Notwithstanding the foregoing, upon request by GRP, its successor in interest, or its assignee, COUNTY shall provide a Consent to Assignment substantially in the form attached as Exhibit B hereof whenever GRP or its transferee assigns this Agreement.

Section 5.3 Notices

All notices, certificates or other communications hereunder shall be in writing and shall be sufficiently given and shall be deemed received, served or noticed, as applicable, when delivered or when mailed by United States registered or certified mail, postage prepaid, return receipt requested, to the COUNTY and GRP, as the case may be, addressed as follows:

To GRP: Granite Reliable Power, LLC
8 Railroad Avenue, Suite 8
Essex, Connecticut 06426
Attention: General Counsel

To the COUNTY: Coös County
County Government Offices
136 County Farm Rd., P.O. Box 10
W. Stewartstown, NH 03597-0010

GRP and the COUNTY may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates and other communications shall be sent.

Section 5.4 Binding Effect

This PILOT Agreement shall inure to the benefit of the COUNTY and GRP, and shall be binding upon the COUNTY and GRP, and their respective successors and assigns.

Section 5.5 Severability

If any article, section, subdivision, paragraph, sentence, clause, phrase, provision or portion of this PILOT Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction, such article, section, subdivision, paragraph, sentence, clause, phrase, provision or portion so adjudged invalid, illegal or unenforceable shall be deemed separate, distinct and independent and the remainder of this PILOT Agreement shall be and remain in full force and effect and shall not be invalidated or rendered illegal or unenforceable or otherwise affected by such holding or adjudication.

Section 5.6 Counterparts

This PILOT Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 5.7 Applicable Law

This PILOT Agreement shall be governed by and construed in accordance with the laws of the State of New Hampshire.

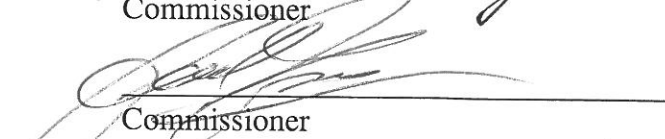
Section 5.8 General

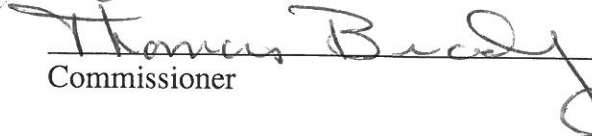
All titles, subject headings and similar titles are provided for the purpose of reference and convenience and are not intended to be inclusive, definitive or to affect the meaning of the contents or scope of this AGREEMENT. The terms and provisions contained in this AGREEMENT constitute the entire AGREEMENT and shall supersede all previous communications, representations or agreements, either verbal or written, between the parties with respect to this AGREEMENT.

IN WITNESS WHEREOF, the parties have caused this AGREEMENT to be executed
as of the date first above written.


COÖS COUNTY, NEW HAMPSHIRE


Commissioner


Commissioner


Commissioner

GRANITE RELIABLE POWER, LLC

BY: 

Title: VICE PRESIDENT

EXHIBIT "A"

The Granite Reliable Power Windpark ("Windpark") to be constructed by Granite Reliable Power, LLC, is proposed to be installed on private land in the central portion of Coös County in northern New Hampshire. Project components, including wind turbines, access roads, and electrical interconnection facilities, will be located in the unincorporated places of Dixville, Ervings Location, Millsfield, and Odell, and the incorporated town of Dummer. Geographically, the northernmost point of the project, the Wind Turbine String on Dixville Peak, is located approximately 1.6 miles south of NH Route 26 where the highway courses northwesterly from Errol through the Dixville Notch (including the Dixville Notch State Park and the Balsams Resort) to NH Route 3 in Colebrook.

The Windpark is primarily a linear project with wind turbines installed along the north-south oriented ridges in the region; geographic groups of the wind turbines are referred to as "Wind Turbine String(s)". To electrically connect these turbines to the grid, a substation will be constructed near the southernmost Wind Turbine String along the high point of Dummer Pond Road. A new maintenance building and lay down area will be constructed in the vicinity of the substation as part of the Windpark.

In its longest dimension the Project components will span a number of miles from the northernmost Wind Turbine String to the existing transmission line located in the south. The northern extent of the Project Site includes the upper reaches of Dixville Peak. Extending south from Dixville Peak, the Wind Turbine Strings will be constructed on the named summits of Mount Kelsey, Owlhead Mountain, and unnamed lower elevation ridges that terminate to the north of Dummer Ponds.

All of the Project components are located on two privately-owned land tracts. Granite Reliable Power has entered into long-term land use agreements with the landowners that will allow the Windpark to be constructed and operated over the long-term. The two parcels are often referred to as the Phillips Brook Tract, and the Bayroot Parcel. These two properties share a common boundary that roughly forms the height of land south of Dixville Peak along which the Wind Turbine Strings are located.

The Granite Reliable Power Windpark will be powered by an expected 33 wind powered turbines, along approximately 6.5 miles of ridgeline. Each turbine will have a rated nameplate capacity of approximately 3.0 megawatts, for a total installed nameplate capacity of approximately 99 megawatts. Power from the wind is transferred from the rotor blades through a main shaft into a gearbox, with

increased rotational speed to the connected asynchronous generator to produce electricity.

The Project also includes the construction of substation and switchyard facilities; a lay-down area and a number of miles of electrical collection lines, as well as a new 115 kilovolt (KV) power line to serve as a generator lead to the existing transmission line that runs between Milan and Groveton. Where possible, the Project will utilize existing roads, upgrading these roads as necessary. The existing roads that will be used in this project include a number of miles of the Dummer Ponds Road to provide access from Route 16 in the southeast of the Project Site, and the Phillips Brook Road to provide access to the northern end of the Project Site from Route 26. The Project will also involve constructing new service roads to gain access to the Wind Turbine Strings and other facilities.

The wind turbines will be located within the boundaries of the unincorporated places of Dixville and Millsfield. The remaining plant, including the new electric power line, and electrical interconnection facilities, will be located in the town of Dummer. There is an extensive network of all-season logging roads extending throughout the properties that will be used to gain access to areas where the Project will be built. New service roads will be constructed in Erving's Location and Dummer.

The wind turbines proposed for the Granite Reliable Power Windpark are the "V90" series or a model of similar design. Each wind turbine is comprised of three major components: the tower, the nacelle (the housing for the generating components), and the rotor blades. A similarly designed turbine may be used depending on final siting requirements.

The turbines are supported by a conical steel tower, which is widest at the base, approximately 16 feet in diameter, and tapers to approximately 9 ft. in diameter just below the nacelle. The tower's top will be high enough to position the center of the rotor blades 262 ft. above the ground. The foundation provides the tower with a firm anchor to the ground. During geotechnical testing early in the construction phase, appropriate foundations will be engineered depending on the soil type found at each wind turbine site. A working assumption is that the underlying rock does not have the integrity to support the wind turbine and that spread concrete foundations will be used. Typically, these foundations are almost completely buried with a small concrete pedestal protruding from the ground where the tower base is attached.

The nacelle is fixed to the top of the tower and houses the main mechanical components of the wind turbine, including a variable speed generator, transmission, and yaw drive. The nacelle is approximately 16 feet high, by 16 feet wide by 22 feet long. The rotor hub connects to the transmission through one end of the nacelle, and the rotor is then connected to the hub. The V-90 uses a three-bladed rotor in an upwind configuration with an active yaw system in the nacelle to keep the wind turbine facing into the wind.

Power will be generated by the wind turbines, then converted using an onboard transformer to 34.5 KV AC. It will then be delivered to the collection system at the base of each turbine. Power from all turbines will be collected by the underground collection circuit which will be buried under the new service road in the vicinity of the wind turbines, then will run atop roadside poles to the substation. The collection circuit will run to a new fenced and gated substation that will contain 34.5 KV circuit breakers, a 34.5 to 115 KV power transformer, and associated safety and switch gear. A new 115 KV interconnection power line will be constructed to run between the substation and the existing Public Service Company of New Hampshire transmission line at the southern end of the Project Site. The interconnecting power line will run through a cleared corridor, approximately 100 feet wide. Where practical, it will follow the existing Dummer Pond Road, approximate 6 miles to the switchyard location near the junctions of Dummer Pond Road and NH Route 16. Access to the substation and switchyard will be from Dummer Pond Road.

The Project will include an operation and maintenance building that will be used to store tools and associated materials necessary for the maintenance of the Project, project vehicles, and spare parts for the wind turbines and associated equipment. The building will function as an office for the Project's operational management.

Granite Reliable Power, LLC
and Coös County - Agreement
for Payments in Lieu of Taxes

EXHIBIT "B"

CONSENT TO ASSIGNMENT

This Consent to Assignment (this "Consent") is entered into as of _____, by the County of Coös, a body corporate in the State of New Hampshire, (the "Consenting Party"), Granite Reliable Power, LLC (the "Assignor"), and _____, as administrative agent (hereinafter in such capacity, together with any successors thereto in such capacity referred to as ("Administrative Agent") pursuant to the Financing Agreement, dated as of ____, 200 among Granite Reliable Power, LLC, the Administrative Agent, the financial institutions from time to time parties thereto, _____ as Lead Arranger, Co-Lead Underwriter, Technical and Documentation Agent, Co-Syndication Agent, and _____ as Co-Lead Arranger, Co-Lead Underwriter, Technical and Documentation Agent, Co-Syndication Agent (as the same may be amended, modified or supplemented from time to time, the "Financing Agreement").

RECITALS

WHEREAS, the Consenting Party and Assignor have entered into the Payment in Lieu of Tax Agreement, dated as of _____ (as the same may be amended, modified or supplemented from time to time, the "Assigned Agreement") and

WHEREAS, Assignor has assigned or will assign to Administrative Agent for the benefit of the Secured Parties (as defined in the Financing Agreement and referred to herein as "Assignee") all of its rights, title and interest in, to and under the Assigned Agreements as a condition precedent to and security for Assignor's obligations under the Financing Agreement; and

WHEREAS, the Consenting Party is willing to consent to such assignment and the grant of a security interest by Assignor in favor of Assignee as described above.

NOW THEREFORE, in consideration of the premises and other valuable consideration, the parties hereto agree as follows:

1. Assignment and Security Interest.

As security for the performance and payment of all of Assignor's obligations under the Financing Agreement, Assignor has assigned or will assign to Assignee as collateral security, all of Assignor's rights in, to and under the Assigned Agreement upon the terms set forth in the Security Agreement (as defined in the Financing Agreement).

2. Consent.

The Consenting Party hereby (i) irrevocably consents to the assignment specified in paragraph 1 of this Consent and to any subsequent assignments by Assignee upon and after Assignee's exercise of its rights and remedies under the Security Agreement upon the occurrence and during the continuance of any Event of Default (as defined in the Financing Agreement) and (ii) agrees that, following the assumption of the Assigned Agreement by Assignee or its nominee, designee or assignee, all representations, warranties, indemnities and agreements (other than those representations and warranties expressly made only as of an earlier date) made by the Consenting Party under or pursuant to the Assigned Agreement shall inure to the benefit of such party and shall be enforceable by such party to the same extent as if such party were originally named in the Assigned Agreement. The Assignee shall provide to the Consenting Party and the Assignor notice of any such assumption.

3. Default and Cure.

(a) If Assignor defaults under any of the terms of the Assigned Agreement, the Consenting Party shall, before terminating the Assigned Agreement or exercising any other remedy, give written notice to Assignee specifying the default and the steps necessary to cure the same and Assignee shall have one hundred and twenty (120) days (thirty (30) days in the case of a default in payment by Assignor) after the receipt of such notice to cure such default or to cause it to be cured. If Assignee fails to cure, or cause to be cured, any such default within the appropriate period set forth above, the Consent Party shall have all of its rights and remedies with respect to such default as set forth in the Assigned Agreement and at law or in equity.

(b) In the event that the Assigned Agreement is terminated by rejection, or otherwise, during a case in which the Assignor is the debtor under Title 11, United States Code, or other similar federal or state statute, then the Consenting Party shall, at the option of Assignee and so long as all existing payment defaults by Assignor under the Assigned Agreement are cured by Assignee or its nominee or designee, enter into a new agreement with Assignee or (at the direction of Assignee) its nominee or designee having terms substantially identical to the Assigned Agreement, pursuant to which Assignee or its nominee or designee shall have all of the rights and obligations of Assignor under the Assigned Agreement.

(c) If Assignee notified the Consenting Party in writing that an Event of Default has occurred and is continuing under the Financing Agreement and requests that the Consenting Party continue performance under the Assigned Agreement, the Consenting party shall thereafter perform under the Assigned Agreement in accordance with its terms, so long as all existing defaults by Assignor under the Assigned Agreement that are susceptible to cure are cured by Assignee or its nominee or designee within the time periods prescribed in Section 3(a) above and the obligations of Assignor thereunder shall continue to be paid and performed by Assignor, Assignee or its nominee or designee.

4. Delivery of Notices.

The Consenting Party agrees that it will promptly notify Assignee of any event of default or material default under the Assigned Agreement and will deliver to Assignee simultaneously with the delivery thereof to Assignor (i) any notices regarding any default or event of default under the Assigned Agreement delivered to Assignor pursuant to the Assigned Agreement or otherwise and (ii) all material invoices, budgets, plans and reports delivered to Assignor pursuant to the Assigned Agreement.

5. Liability of Assignee.

The Consenting Party acknowledges and agrees that Assignee has not assumed and does not have any obligation or liability under or pursuant to the Assigned Agreement, and that the exercise by Assignee of its rights and remedies under the Security Agreement shall not constitute an assumption of Assignor's obligations under the Assigned Agreement (except to the extent any such obligations shall be expressly assumed by an instrument in writing executed by the Assignee).

6. Amendment or Termination of Assigned Agreements.

The Consenting Party covenants and agrees with Assignee that without the prior written consent of Assignee (i) the Consenting Party will not (A) amend, modify or terminate (prior to the expiration of the applicable cure periods in Section 3 hereof) the Assigned Agreement, except as permitted by the Assigned Agreement, and any purported disposition without such consent shall be void, and (ii) not waiver by Assignor of any of the obligations of the Consenting Party under the Assigned Agreement, and no consent, approval or election made by Assignor in connection with the Assigned Agreements shall be effective as against Assignee, except as permitted by the Financing Agreement.

8. Representations and Warranties.

As of the date hereof, the Consenting Party hereby represents and warrants to Assignee as follows:

(a) The Consenting Party is a duly formed and validly existing body corporate of the State of New Hampshire. The Consenting Party has the requisite power, authority and legal right necessary to incur the obligations provided for in this Consent and the Assigned Agreement.

(b) The execution, delivery and performance by the Consenting Party of this Consent and the Assigned Agreement have been duly authorized by all necessary action on its part.

(c) The Assigned Agreement is in full force and effect and has not been amended except as permitted by the Financing Agreement, and neither Consenting Party, nor to the knowledge of Consenting Party, Assignor, is in default in any material respect under the Assigned Agreement and no event or condition exists and is continuing which with the lapse of time, the giving of notice, or both would constitute such a default under the Assigned Agreement.

(d) Each of this Consent and the Assigned Agreement constitutes the legal, valid and binding obligations of the Consenting Party enforceable against the Consenting Party in accordance with its terms, except as enforceability may be limited by general principles of equity (regardless of whether enforceability is considered in a proceeding in equity or at law) and by applicable bankruptcy, insolvency, moratorium or similar laws affecting creditor's rights generally.

(e) All representations and warranties made by the Consenting Party in the Assigned Agreement were true and correct in all material respects on and as of the date when made and, except for those that by their terms speak as of a specific date, are true and correct in all material respects on and as of the date of this Consent.

(f) No material consent, approval, order or authorization of or registration, declaration of a filing with, or giving of notice to, obtaining of any license or permit from, or taking any other action with respect to, any federal, state or local government or public body, authority or agency is required in connection with the valid authorization, execution, delivery and performance of this Consent or the Assigned Agreements by the Consenting Party which has not been obtained or which could not reasonably be expected to be timely obtained in the ordinary course.

(g) There is no litigation, action, suit, investigation or proceeding pending, or to the knowledge of the Consenting Party, threatened against the Consenting Party, before or by any court, administrative agency, arbitrator or governmental authority, body or agency, which could materially and adversely affect the performance by the Consenting Party of its obligations hereunder or under the Assigned Agreement or which questions the validity, binding effect or enforceability hereof or thereof or any of the transactions contemplated hereby or thereby.

(h) The Consenting Party is not in material violation of its constitutive documents. The execution, delivery, and performance by the Consenting Party of this Consent and the Assigned Agreement, and the consummation of the transactions contemplated hereby and thereby, does not result in (i) any violation of any term of its constitutive documents or of any material contract or agreement applicable to it (ii) any violation of any license, permit, franchise, decree, writ, injunction, order, charter, law, ordinance, rule or regulation applicable to it or any of its properties or to its knowledge any obligations incurred by it or by which it or any of its properties may be bound or affected, or of any determination or award of any arbitrator applicable to it, or (iii) the creation of any lien upon any of its properties or assets, that in each of the circumstances and scenarios described in clauses (i), (ii), and (iii), could have a material adverse effect on the Consenting Party's ability to perform under this Consent or under the Assigned Agreement.

(i) The Consenting Party has not received notice of, or consented to the assignment of, any of the Assignor's right, title, or interest in the Assigned Agreement, to any person or entity other than Assignee.

9. Notices.

Any communications between the parties hereto or notices provided herein to be given may be given to the following addresses:

If to Assignee:

Telephone:

Facsimile:

Attn:

If to Assignor:

Granite Reliable Power, LLC

Telephone:

Facsimile:

If to the Consenting Party, as appropriate:

All notices or other communications required or permitted to be given hereunder shall be in writing and shall be considered as properly given (a) if delivered in person; (b) is sent by reputable overnight delivery service (including Federal Express, ETA, Emery, DHL, Air Borne and other similar overnight delivery services); (c) in the event overnight delivery services are not readily available, if mailed by first class mail, postage prepaid, registered or certified mail with return receipt requested; or (d) if sent by telecopy confirmed by telephone. Notice so given shall be effective upon receipt by the addressee, except that communication or notice so transmitted by telecopy shall be deemed to have been validly and effectively given on the day (if a Banking Day and, if not, on the next following Banking Day) on which it is transmitted if transmitted before 4 p.m. recipient's time, and if transmitted after that time, on the next following Banking Day; provided, however, that if any notice is tendered to an addressee and the delivery thereof is refused by such addressee, such notice shall be effective upon such tender. Any party shall have the right to change its address for notice hereunder to any other location within the United States by giving of thirty (30) days written notice to the other parties in the manner set forth herein above.

10. Governing Law.

This Consent shall be governed by, and construed under, the laws of the state of New Hampshire, applicable to contracts made and to be performed in such state and without reference to conflicts of laws.

11. Successors and Assigns.

This Consent shall be binding upon and inure to the benefit of the parties and their respective successors and assigns (which assigns, in the case of Assignee, shall include, without limitation, any nominee or designee of Assignee and any purchaser of all or any portion of its

rights under the Assigned Agreement in connection with the enforcement of remedies upon the occurrence and during the continuance of an Event of Default under the Financing Agreement).

12. Waiver.

No amendment or waiver of any provision of this Consent shall be effective unless the same shall be in writing and signed by each of the parties hereto, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

13. Counterparts.

This Consent may be executed in one or more counterparts and by facsimile and when signed by all of the parties listed below shall constitute a single binding agreement.

14. Further Assurances.

The Consenting Party will, upon reasonable written request of Assignee, execute and deliver such further documents and do such other acts and things necessary to effectuate the purposes of this Consent.

15. Conflicts.

In the event of a conflict between any provision of this Consent and the provisions of the Assigned Agreement, the provisions of this Consent shall prevail.

16. Termination.

This Consent and the rights of the Assignee hereunder shall terminate upon the payment in full of the obligations under the Financing Agreement. The Assignee shall notify promptly the Consenting Party and the Assignor upon termination of this Consent.

IN WITNESS WHEREOF, each of the undersigned has duly executed this Consent as of the date first above written.

COÖS COUNTY

By: _____
Name:
Title:

GRANITE RELIABLE POWER, LLC

By: _____
Name:
Title:

Accepted:

_____, as Administrative Agent

By: _____
Name:
Title:

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