

HARDSCRABBLE WIND FARM PROJECT

PILOT AGREEMENT

This **PAYMENT IN-LIEU OF TAX AGREEMENT**, dated as of the 27th day of May, 2010 (the “**Agreement**”), by and between the **Herkimer County Industrial Development Agency**, a corporate governmental agency constituting a body corporate and politic and a public benefit corporation of the State of New York, having its principal offices at 320 North Prospect Street, Herkimer, New York (the “**Agency**”), **Herkimer County**, a municipal corporation under the laws of the State of New York with an office at County Officer Building, 109 Mary Street, Herkimer, New York (the “**County**”), the **Town of Fairfield**, a municipal corporation under the laws of the State of New York with a mailing address of P.O. Box 409, Middleville, New York (“**Fairfield**”), the **Town of Norway**, a municipal corporation under the laws of the State of New York with an office at 3013 Military Road, Newport, New York (“**Norway**”), the **Town of Little Falls**, a municipal corporation under the laws of the State of New York with an office at 200 O’Hara Street, Little Falls, New York (“**Little Falls**”), the **West Canada Central School District**, a body corporate and politic under the laws of the State of New York with an office at 5447 State Route 28, Newport, New York (“**West Canada CSD**”), the **Little Falls City School District**, a body corporate and politic under the laws of the State of New York with an office at 15 Petrie Street, Little Falls, New York (“**Little Falls CSD**”), and **Atlantic Wind LLC**, a limited liability company organized under the laws of the State of Oregon having an office at 1125 NW Couch Street, Suite 700, Portland, Oregon (the “**Company**”),

W I T N E S S E T H :

THAT WHEREAS Title 1 of Article 18-A of the General Municipal Law of the State of New York (“**Enabling Act**”) was duly enacted into law as Chapter 1030 of the Laws of 1969 of the State of New York (“**State**”); and

WHEREAS the Enabling Act authorizes the creation of industrial development agencies for the benefit of the several counties, cities, villages and towns in the State and empowers such agencies, among other things, to acquire, construct, reconstruct, lease, improve, maintain, equip and sell land and any building or other improvement, and all real and personal properties, including, but not limited to, machinery and equipment deemed necessary in connection therewith, whether or not now in existence or under construction, which shall be suitable for manufacturing, warehousing, research, commercial or industrial facilities, in order to advance job opportunities, health, general prosperity and the economic welfare of the people of the State and to improve its standard of living; and

WHEREAS the Enabling Act further authorizes each such agency to lease any or all of its facilities at such rentals and on such other terms and conditions as it deems advisable; and

WHEREAS pursuant to and in connection with the provisions of the Enabling Act, Chapter 410 of the Laws of 1970 and Chapter 158 of the Laws of 1981 of the State (said chapters and the Enabling Act collectively referred to as the “**Act**”) created the Agency which is empowered under the Act to undertake the providing, financing and leasing of the facility

described below; and

WHEREAS the Company has submitted an application to the Agency requesting that the Agency undertake a project (the “**Project**”) consisting of: (A)(1) the acquisition of an interest in certain parcels of land located in the Towns of Fairfield, Norway and Little Falls, Herkimer County, New York and more particularly described in the Lease Agreement defined below (collectively, the “**Land**”), (2) the acquisition and installation of approximately 74.0 megawatts (“**MW**”) of wind turbine generators and meteorological towers and construction of an operations and maintenance building (collectively, the “**Facility**”) on the Land, (3) the construction of associated access roads and electrical power collection infrastructure (collectively, the “**Infrastructure**”) on and under the Land, and (4) the acquisition and installation of certain machinery and equipment therein and thereon (collectively, the “**Equipment**”), all of the foregoing to constitute a wind energy facility (collectively, the “**Project Facility**”); (B) the granting of certain “financial assistance” (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including exemption from certain sales and use taxes, real property taxes, real property transfer taxes, and mortgage recording taxes; and (C) the lease (with an obligation to purchase) or sale of the Project Facility to the Company; and

WHEREAS in order to induce the Company to develop the Project Facility, the Agency is willing to take a leasehold interest in the Project Facility pursuant to that certain Lease Agreement of even date herewith (“**Lease Agreement**”) and sublease the Project Facility back to the Company pursuant to the terms and conditions of that certain Leaseback Agreement of even date herewith (“**Leaseback Agreement**”); and

WHEREAS pursuant to Section 874(1) of the Act, the Agency is exempt from the payment of taxes imposed upon real property and improvements owned by it or under its jurisdiction, control or supervision, other than special *ad valorem* levies, special assessments and service charges against real property which are or may be imposed for special improvements or special district improvements; and

WHEREAS the County, Fairfield, Norway, Little Falls (Fairfield, Norway and Little Falls are referred to herein as the “**Towns**”), West Canada CSD, Little Falls CSD (West Canada CSD and Little Falls CSD are referred to herein as the “**School Districts**”), the County (the County, the Towns and the School Districts are referred to herein as the “**Tax Jurisdictions**”), the Agency, and the Company (sometimes referred to herein individually as a “**Party**” and collectively as the “**Parties**”) deem it necessary and proper to execute and deliver this Agreement making provision for payments in lieu of taxes by the Company for the benefit of the Tax Jurisdictions; and

WHEREAS the Tax Jurisdictions constitute all of the Affected Tax Jurisdictions (as such term is defined in the Act) with respect to the Project; and

WHEREAS the Parties desire to enter into an agreement concerning the obligation of the Company to make payments in-lieu of taxes (“**PILOT**”) in relation to the Project;

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual terms, conditions, limitations and agreements set forth herein, and for other good and valuable

consideration, the receipt and sufficiency of which is hereby acknowledged, it is mutually agreed as follows:

Section 1. Representations and Covenants.

Each of the Parties, each solely for itself, hereby represents and covenants that, as of the date of this Agreement:

a. It is duly organized, validly existing, and in good standing under the laws of New York State (the “**State**”) or the state in which it is organized and has full legal right, power, and authority to execute, deliver, and perform all applicable terms and provisions of this Agreement.

b. All necessary action has been taken to authorize its execution, delivery, and performance of this Agreement, and this Agreement constitutes its legal, valid, and binding obligation enforceable against it in accordance with the terms of this Agreement and applicable law.

c. No governmental approval by or with any government authority is required for the valid execution, delivery, and performance under this Agreement by it except such as have been duly obtained or made.

d. To the best of its knowledge, none of the execution or delivery of this Agreement, the performance of the obligations in connection with the transaction contemplated hereby, or the fulfillment of the terms and conditions hereof will (i) conflict with or violate any of its resolutions, or any of its formation documents, as amended, or of any restriction or any agreement or instrument to which it is a party and by which it is bound; (ii) conflict with, violate, or result in a breach of any applicable law, rule, regulation, or order of any court or other agency or authority of government or ordinance of the State or any political subdivision thereof; or (iii) conflict with, violate, or result in a breach of or constitute a default under or result in the imposition or creation of any mortgage, pledge, lien, security interest, or other encumbrance under this Agreement or under any term or condition of any bond, indenture, or any other agreement or instrument to which it is a party or by which it or any of its properties or assets is bound.

e. To the best of its knowledge, there is no action, suit, or proceeding, at law or in equity, or official investigation before or by any government authority pending or, to its knowledge, threatened against it, wherein an anticipated decision, ruling, or finding would result in a material adverse effect on its ability to perform its obligations under this Agreement or on the validity or enforceability of this Agreement.

f. To the best of its knowledge, the conduct of its business is in compliance with all applicable governmental approvals with respect to which a failure to comply, in any case or in the aggregate, would result in a material adverse effect on its ability to perform its obligations under this Agreement or on the validity or enforceability of this Agreement.

g. With respect to the Company only, except as provided on Exhibit "A", the Company has no payment obligations greater than \$5,000 to the Tax Jurisdictions or the Agency, individually, other than those set forth herein.

Section 2.1. Exemption From General Ad Valorem Property Taxes.

Subject to the completion and filing with all appropriate assessors by March 1, 2011 ("**Taxable Status Date**") of the New York State Form RP-412-a Application For Real Property Tax Exemption ("**Exemption Application**") under Section 412-a of the New York State Real Property Tax Law and Section 874 of the Act, the Facility shall be exempt from Real Property Taxes commencing with the 2012 County and Town tax year and the 2011-2012 School year. For the purposes of the foregoing "**Real Property Taxes**" shall mean all general *ad valorem* real property taxes levied against the Project Facility by the Tax Jurisdictions. The Company shall provide the Agency the information necessary for the completion and filing of the Exemption Application and the Agency shall file the Exemption Application within thirty (30) days of execution of this Agreement but in no event later than March 1, 2011. Notwithstanding anything contained herein or in the Lease Agreement and the Leaseback Agreement, in the event the Exemption Application is denied for any reason, the Company shall pay (and hereby agrees to pay, subject to the Company's right to challenge the underlying assessments on the Project Facility pursuant to Section 8(k) hereof) all Real Property Taxes levied upon the Facility as they become due. After giving written notice to the Agency, the Company may in good faith contest the denial of the Exemption Application, provided that (i) the Project Facility continues to qualify as a "project" under the Act; (ii) neither the Project Facility nor any part of or interest in it would be in any danger of being sold, forfeited or lost; or (iii) neither the Company nor the Agency, as a result of such contest, shall be in any danger of any civil or criminal liability. The Company hereby waives any claim or cause of action against the Agency, and releases the Agency from any liability to the Company, arising from the denial of an exemption from Real Property Taxes except to the extent that such denial results solely from the failure of the Agency to timely file the Exemption Application with the appropriate assessors or Boards of Assessment Review by the Taxable Status Date.

Section 2.2. Project Property.

This Agreement shall cover the Company's interest in the Project Facility (collectively, "**Project Property**"). The Company will work with each town assessor to separately identify Project Property using sub-parcels or separate parcels under each such town's tax parcel identification system.

Section 2.3. Term, Due Dates, Invoices, PILOT Years, and Tax Years.

a. PILOT and Tax Years. This Agreement shall provide for payments in-lieu of general *ad valorem* taxes that would otherwise be due ("**PILOT Payments**") with respect to the tax years associated with the 2011 through 2030 assessments as more fully set forth on the schedule below. Actual annual PILOT Payments shall be calculated pursuant to Section 2.4 hereof. The Company shall not be obligated to make PILOT Payments during construction of the Project and in no event prior to the date on which the Project becomes commercially

operational, as evidenced by its notice to the New York Independent System Operator (the “**Commercial Operation Date**”).

PILOT Year	Commercial Operation Date Year	Town Roll Year	Town / County Tax Year	Town / County Payment Due Date	School District Tax Year	School Payment Due Date	Minimum PILOT Payment ¹
1	2010	2011	2012	January 31, 2012	2011-2012	September 30, 2011	\$ 621,970
2	2011	2012	2013	January 31, 2013	2012-2013	September 30, 2012	\$ 637,519
3	2012	2013	2014	January 31, 2014	2013-2014	September 30, 2013	\$ 653,457
4	2013	2014	2015	January 31, 2015	2014-2015	September 30, 2014	\$ 669,794
5	2014	2015	2016	January 31, 2016	2015-2016	September 30, 2015	\$ 686,539
6	2015	2016	2017	January 31, 2017	2016-2017	September 30, 2016	\$ 703,702
7	2016	2017	2018	January 31, 2018	2017-2018	September 30, 2017	\$ 721,295
8	2017	2018	2019	January 31, 2019	2018-2019	September 30, 2018	\$ 739,327
9	2018	2019	2020	January 31, 2020	2019-2020	September 30, 2019	\$ 757,810
10	2019	2020	2021	January 31, 2021	2020-2021	September 30, 2020	\$ 776,755
11	2020	2021	2022	January 31, 2022	2021-2022	September 30, 2021	\$ 796,174
12	2021	2022	2023	January 31, 2023	2022-2023	September 30, 2022	\$ 816,079
13	2022	2023	2024	January 31, 2024	2023-2024	September 30, 2023	\$ 836,481
14	2023	2024	2025	January 31, 2025	2024-2025	September 30, 2024	\$ 857,393
15	2024	2025	2026	January 31, 2026	2025-2026	September 30, 2025	\$ 878,827
16	2025	2026	2027	January 31, 2027	2026-2027	September 30, 2026	\$ 900,798
17	2026	2027	2028	January 31, 2028	2027-2028	September 30, 2027	\$ 923,318
18	2027	2028	2029	January 31, 2029	2028-2029	September 30, 2028	\$ 946,401
19	2028	2029	2030	January 31, 2030	2029-2030	September 30, 2029	\$ 970,061
20	2029	2030	2031	January 31, 2031	2030-2031	September 30, 2030	\$ 994,312

b. Due Dates. As scheduled in Section 2.3(a) hereof, PILOT Payments to the School Districts shall be made on or before September 30 of the applicable tax year, and PILOT Payments to the Towns and County shall be made on or before January 31 of the applicable tax year.

c. Invoices. At least thirty (30) days prior to its respective due date for an applicable tax year, each of the Tax Jurisdictions shall present an invoice to the Company stating the amount of the respective PILOT Payment and the date when due. PILOT Payments shall be paid by the Company directly to each respective Tax Jurisdiction.

Section 2.4. PILOT Payments.

a. PILOT Payments. The Company shall make annual PILOT Payments to the Tax Jurisdictions (“**Total Annual PILOT Payments**”) in an aggregate amount equal to the product of (a) \$8,000 per MW of Installed Capacity (as defined below), subject to annual escalation provided for herein (the “**Payment Rate**”), times (b) the actual nameplate electric generating capability of all turbines installed as part of the Project Facility (“**Project Turbines**”), expressed in MW, calculated on September 1 during each year hereof (the “**Installed Capacity**”).

¹ The “Minimum PILOT Payment” schedule assumes the Project has an Installed Capacity (as defined in Section 2.4 hereof) of at least 74 MW during each PILOT Year.

b. Adjustments to Payment Rate.

i. Annual Adjustments. The Payment Rate shall be increased annually on a compounded basis, calculated each March 1 for the ensuing tax year, at the rate of the percentage change in the Bureau of Labor Statistics Consumer Price Index for the Northeast Region (“**CPI**”) for the preceding calendar year (the “**Adjustment Factor**”), *provided, however*, that the Adjustment Factor shall not be greater than five percent (5%) or less than two and one-half percent (2.5%) in any one year.

ii. Initial Adjustment. The Payment Rate shall first be adjusted by the Adjustment Factor calculated as of March 1, 2010 (as adjusted annually, the “**Adjusted Payment Rate**”), even though the first PILOT Payments under this Agreement would not be due to the School Districts until September 2011 and to the Towns and the County until January 2012.

c. Certification of Project Installed Capacity. No less than thirty (30) days prior to the initial PILOT Payment due pursuant to the provisions of this Section, the Company shall certify to the Tax Jurisdictions the Installed Capacity of the Project Turbine(s) located in each Tax Jurisdiction. Thereafter, the Company shall certify to the Tax Jurisdictions any change in the Installed Capacity of the Turbines located within each Tax Jurisdiction within thirty (30) days of any such change. A form of such certification is attached hereto as Exhibit “B”.

d. Allocation of PILOT Payments. The Tax Jurisdictions have agreed and informed the Agency that annual PILOT Payments shall be allocated as follows.

i. Project Property Located Within Little Falls. No Project Turbines are located in Little Falls. In consideration of Project Property located in Little Falls, one percent (1%) of the total annual PILOT Payment shall be allocated to Little Falls, the County and the Little Falls CSD. Accordingly, the PILOT Payment allocation for such property shall equal the product of (aa) the Payment Rate times (bb) the total Installed Capacity of the Project Facility times (cc) one percent (1%) (the “**Little Falls Portion**”). The Little Falls Portion shall be allocated among Little Falls, the County and the Little Falls CSD in the following shares.

<u>Tax Jurisdiction</u>	<u>Share</u>
Little Falls	42.096%
Little Falls CSD	42.096%
County	15.808%

ii. Project Property Located Outside Little Falls. For Project Property located outside Little Falls, ninety-nine percent (99%) of the total annual PILOT Payment shall be allocated to Fairfield, Norway, the County, the West Canada CSD and the Little Falls CSD based on the location of Project Turbines. Accordingly, the PILOT Payment allocation for such property shall equal the product of (aa) the Payment Rate times (bb) the Installed Capacity of all Project Turbines in a particular group of affected Tax Jurisdictions times (cc) ninety-nine percent (99%) (the “**Project Turbine Portion**”). Currently, the Company plans to construct twenty-five (25) Project Turbines in Fairfield and twelve (12) Project Turbines in Norway, and of the Project

Turbines to be located in Fairfield and Norway, two (2) are planned for the Little Falls CSD and thirty-five (35) are planned for the West Canada CSD. The Project Turbine Portion shall be allocated by Project Turbine among Fairfield, Norway, the County, the West Canada CSD and the Little Falls CSD in the following shares for the three (3) groups of affected Tax Jurisdictions in which Project Turbines are located.

<u>For Project Turbines Located in Fairfield and West Canada CSD</u>	
<u>Tax Jurisdiction</u>	<u>Share</u>
Fairfield	39.837%
West Canada CSD	39.837%
County	20.326%

<u>For Project Turbines Located in Fairfield and Little Falls CSD</u>	
<u>Tax Jurisdiction</u>	<u>Share</u>
Fairfield	42.398%
Little Falls CSD	42.398%
County	15.206%

<u>For Project Turbines Located in Norway and West Canada CSD</u>	
<u>Tax Jurisdiction</u>	<u>Share</u>
Norway	40.294%
West Canada CSD	40.294%
County	19.412%

Section 2.5. PILOT Payment Security for Tax Jurisdictions.

a. On or before April 1, 2011 and each April 1 thereafter during the term hereof, the Company shall post an irrevocable letter of credit (“**Letter of Credit**”) in an amount equal to one hundred five percent (105%) of the “Minimum PILOT Payment” for the next following PILOT Year (as shown in the chart at Section 2.3(a) hereof). The Letter of Credit shall be automatically extended on an annual basis without amendment; *provided, however*, that in the event the Letter of Credit expires during the term hereof and is not replaced as provided herein, the Company shall be in Default of this Agreement. The Letter of Credit shall require the issuing bank to provide notice to the Company and each of the Taxing Jurisdictions of its election not to extend the Letter of Credit beyond its annual expiration date (“**Expiration Notice**”) at least sixty (60) days prior such expiration date. The Company shall provide the Tax Jurisdictions a copy of the Expiration Notice at least forty-five (45) days prior to the expiration date of the Letter of Credit. Failure of the Company to provide a replacement Letter of Credit to the Taxing Jurisdictions at least thirty (30) days prior to expiration of the existing Letter of Credit shall constitute a Default under this Agreement. Such Default shall allow the Taxing Jurisdictions to immediately draw

upon the Letter of Credit and shall give rise to all remedies afforded the Parties under Section 5(b) of this Agreement including termination of this Agreement and placement of the Project onto assessment roll section one as taxable real property. The Letter of Credit shall be security solely for the benefit of the Tax Jurisdictions in the event of a complete or partial Default by the Company in its PILOT Payment obligations hereunder. Upon the occurrence of a total or partial Default by the Company in its PILOT Payment obligations hereunder, the Tax Jurisdictions shall be paid in full by and with monies provided by, and pursuant to, the Letter of Credit. The Company shall provide a copy of the Letter of Credit to each of the Tax Jurisdictions. Failure on the part of the Company to post the Letter of Credit by the date required shall constitute a Default under this Agreement.

b. If (i) the Company Defaults under Section 2.5(a), (ii) the Tax Jurisdictions draw upon the Letter of Credit as outlined in Section 2.5(a) (the “**LC Draw**”), (iii) this Agreement is terminated, (iv) the Project Facility is transferred to the taxable section of the assessment roll, and (v) the Company timely pays any real property taxes due with respect to the Project Facility for the period of time up through and including the next occurring full fiscal year of each of the Tax Jurisdictions (“**Post-PILOT Taxes**”), the Tax Jurisdictions shall immediately refund to the Company the LC Draw (without interest) in an amount equal to the lesser of the LC Draw and the Post-PILOT Taxes. Notwithstanding anything herein to the contrary, this section shall survive this Agreement.

Section 2.6. Credits for Real Property Tax Payments.

Any general *ad valorem* real property tax payments made by the Company to the Tax Jurisdictions with respect to the Project or any portion thereof, during a tax year to which this Agreement applies, will be applied as a credit against the payments due under this Agreement in that tax year. No credit under this Section shall be given for any Special District Taxes paid by the Company, except as provided in Section 4 hereof. Should the Company, under any subsequently adopted State or local law, pay to any of the Tax Jurisdictions in any tax year any amounts in the nature of general *ad valorem* taxes levied and/or assessed upon the Project or the interest therein of the Company or the occupancy thereof by the Company, then the Company’s obligation hereunder to make PILOT Payments in such tax year shall be reduced by the amounts which the Company shall have so paid or be obligated to pay to such Tax Jurisdiction in such tax year. If the Company desires to claim a credit against any particular PILOT Payment due hereunder, the Company shall give the respective Tax Jurisdiction prior written notice of its intention to claim any credit pursuant to the provisions of this Section, such notice to be given by the Company at least ten (10) days prior to the final date on which such PILOT Payment is due pursuant to the provisions of Section 2.3 hereof. Notwithstanding anything to the contrary herein, for any tax year during which this Agreement applies, the sum of general *ad valorem* taxes paid or owed and the PILOT Payments paid or owed (after application of the credit/reduction for general *ad valorem* taxes) shall in no event be less than the Total Annual PILOT Payments for such tax year calculated pursuant to Section 2.4 of this Agreement.

Section 2.7. Late Payments.

Pursuant to Section 874(5) of the Act, if the Company shall fail to make any PILOT Payment when due, the Company shall pay the same to the affected Tax Jurisdiction(s), together

with a late payment penalty equal to five percent (5%) of the amount due (excluding interest) for the first month of such delinquency, an additional penalty of one percent (1%) of the amount due (excluding interest) for each month or fraction thereof that the PILOT Payment remains delinquent beyond the first month, and interest on the delinquent PILOT Payment (excluding penalties) equal to one percent (1%) per month or fraction thereof until the PILOT Payment, penalties and interest are paid in full.

Section 2.8. Effect of Decommissioning.

In the event any portion of the Project is Decommissioned (as defined below), the Company's obligation to make PILOT Payments hereunder shall terminate only with respect to Decommissioned Project Turbines and the Company's obligation to make PILOT Payments hereunder shall continue with respect to any remaining Project Turbines. A Project Turbine shall be deemed "**Decommissioned**" upon permanent removal of such Project Turbine from the Project Facility in compliance with the standards established by the decommissioning agreements by and between the Company and the Towns.

Section 2.9. Transfer of Substation or Release of Project Property.

a. Substation. The Company shall have the option to sell or transfer the substation and/or switchyard associated with the Project at any time. In the event the substation and/or switchyard associated with the Project is sold or transferred to an electric transmission utility or any other entity, this Agreement and the underlying exemption shall terminate with respect to such transferred substation and/or switchyard property; *provided, however*, such transfer shall not reduce the Company's PILOT Payment obligations hereunder.

b. Release of Project Property. In the event a portion or portions of the Project Property are no longer necessary for the Project or the operation thereof, the Company may elect to release such property from this Agreement and this Agreement and the underlying exemption shall terminate with respect to such property.

Section 2.10. Additional Improvements.

Any new construction, reconstruction, renovation, re-powering (including Project Turbine substitution), maintenance, modernization and/or upgrading of any existing Project Property that does not add generating capacity beyond the Project's Installed Capacity as certified pursuant to Section 2.4, shall be covered by this Agreement and shall not cause any increase in PILOT Payments payable hereunder. Future improvements that do not become part of the Project Facility or are not directly and solely related to the operation of the Project shall not be covered by this Agreement.

Section 3. Construction Year Payments.

In addition to its obligation to make PILOT Payments hereunder, the Company shall make host community payments during construction to the Tax Jurisdictions ("**Construction Year Payments**") in the amounts scheduled below. Construction Year Payments shall be due within sixty (60) days following the date on which commencement of construction of the Project

occurs (commencement of construction of the Project shall be deemed to occur on the date on which earthmoving equipment is placed on any part of the Project for the purpose of constructing the Project). The Towns shall process each building permit application and issue building permits relating to the Project without undue delay, and in no event later than ten (10) business days following the date on which each building permit application is filed.

<u>Tax Jurisdiction</u>	<u>Construction Year Payment</u>
Fairfield	\$100,000
Norway	\$100,000
Little Falls	\$8,000
West Canada CSD	\$233,000
Little Falls CSD	\$21,000
County	\$400,000

Section 4. Special District Taxes.

a. No Exemption. The Parties hereto understand that the tax exemption extended to the Agency by Section 874 of the Act and Section 412-a of the Real Property Tax Law does not entitle the Agency to an exemption from special assessments and special *ad valorem* taxes (“**Special District Taxes**”). Pursuant to the Leaseback Agreement, the Company will be required to pay all Special District Taxes lawfully levied and/or assessed against the Project Facility. The Company shall pay all special assessment and special *ad valorem* levies lawfully levied and/or assessed against the Project Facility for any special improvement districts or special districts.

b. Offset for Taxes Paid to New Special Districts. In the event any of the Tax Jurisdictions creates a new special district in addition to the special districts having jurisdiction over the Project Facility as of the date hereof (the “**Existing Special Districts**”) or otherwise expands the jurisdiction of any Existing Special District to cover any portion of the Project (“**New Special Districts**”), the PILOT Payment owed to the Tax Jurisdiction responsible for forming such New Special District shall be reduced in each tax year by an amount equal to tax payments made with respect to such New Special District.

Section 5. Default.

a. Event of Default. Any one or more of the following events shall constitute an event of default under this Agreement, and the terms “**Event of Default**” or “**Default**” shall mean, whenever they are used in this Agreement, any one or more of the following events:

i. Failure of the Company to make PILOT Payments by the due date; *provided, however*, that the Company, its affiliates and/or its lender(s) shall have an opportunity to cure such non-payment by paying the full amount of the PILOT Payment, together with any penalties and interest thereon, within thirty (30) days of written demand for such payment;

ii. Failure of any Party, or in the case of the Company, the Company, its affiliates and/or its lender(s), to perform its obligations under this Agreement, other than the payment of PILOT Payments, for a period of sixty (60) days after written notice from another Party to the defaulting Party specifying the nature of such default and requesting that it be remedied; *provided, however*, that if such failure is not feasibly capable of cure within sixty (60) days, the defaulting Party, or in the case of the Company, the Company, its affiliates and/or its lender(s), may request additional time (not to exceed an additional sixty (60) days) to effect cure, which extension shall be granted by the non-defaulting Parties; or

iii. Any material warranty, representation or other statement made by or on behalf of any Party contained in this Agreement shall prove to have been false or incorrect in any material respect on the date when made or on the effective date of this Agreement and, in each case, any material adverse effect of such false or incorrect representation or warranty is not eliminated or addressed to the reasonable satisfaction of the non-defaulting Party within a period of sixty (60) days after receipt of notice by the defaulting Party. If such false or incorrect representation or warranty is not feasibly capable of cure within sixty (60) days, the defaulting Party, or in the case of the Company, the Company, its affiliates and/or its lender(s), may request additional time (not to exceed an additional sixty (60) days) to effect cure, which extension shall be granted by the non-defaulting Parties.

b. Remedies Upon Default. Upon the occurrence of an uncured Event of Default as specified under this Agreement, the non-defaulting Party may, at its sole discretion, elect to bring an action or proceeding in New York State Supreme Court, County of Herkimer, seeking such remedy or remedies as the defaulting Party may elect, including, but not limited to, an Order directing specific performance of any obligation which the non-defaulting Party has failed to discharge, including but not limited to the basis for the declaration of default. The Parties agree that each of the Tax Jurisdictions is an interested party and may, upon the occurrence of an uncured Event of Default, and in its sole and independent discretion, elect to bring an action or proceeding in the New York State Supreme Court, County of Herkimer, or may intervene in any proceeding brought by any Party seeking such remedy or remedies as the involved Tax Jurisdiction may elect and be entitled to under law.

c. No Acceleration. Upon the occurrence and during the continuation of an Event of Default hereunder, the Tax Jurisdictions shall not have the right to accelerate future PILOT Payments not yet due and payable as of the date of such exercise of remedies.

Section 6. Notices.

All notices, demands, requests, consents, or other communications provided for or permitted to be given pursuant to this Agreement shall be in writing and shall be mailed, telecopied, or delivered (or transmitted by electronic mail, with permission) to the Parties at the respective addresses set forth below:

a. If to the Agency:

Herkimer County Industrial Development Agency
P.O. Box 390
320 N. Prospect Street
Herkimer, New York 13350
Attention: Executive Director

with a copy to:

Michael H. Stephens, Esq.
Kernan & Kernan, P.C.
258 Genesee Street, Suite 600
Utica, New York 13502

b. If to the Company:

Atlantic Wind LLC
c/o Iberdrola Renewables, Inc.
1125 NW Couch Street, Suite 700
Portland, Oregon 97209

with a copy to:

Swartz Moses PLLC 1583 East Genesee Street Skaneateles, New York 13152 Attention: Peter H. Swartz Telephone No.: (315) 412-2978	Matthew S. Moses (315) 412-9042
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c. If to any of the Tax Jurisdictions:

Herkimer County County Office Building 109 Mary Street Herkimer, New York 13350 Attn: County Administrator	Town of Fairfield P.O. Box 409 Middleville, New York 13406 Attn: Supervisor
Town of Norway 3013 Military Road Newport, New York 13416 Attn: Supervisor	Town of Little Falls 200 O'Hara Street Little Falls, New York 13365 Attn: Supervisor

West Canada CSD 5447 State Route 28 Newport, New York 13416 Attn: Superintendent	Little Falls CSD 15 Petrie Street Little Falls, New York 13365 Attn: Superintendent
---	--

All such notices, demands, requests, consents, or other communications shall be deemed to have been duly given when transmitted by telecopy or electronic mail with an Adobe portable document format attachment or personally delivered or, in the case of a mailed notice, upon receipt, in each case addressed as aforesaid. Each of the Parties may from time to time change its address for notices by written notice of such change to the other Parties given in accordance with this Section.

Section 7. Most Favored Project.

a. Most Favored Project Status. In the event that: (a) the Company or its affiliates develops another wind-powered electric generating facility to be located in Herkimer County, Lewis County, or Jefferson County, (b) the Company and its affiliates have an ownership interest in such project of greater than fifty percent (50%) (an “**Affiliate Project**”), and (c) a payment in-lieu of taxes agreement is entered into with respect to such Affiliate Project (an “**Affiliate Project PILOT**”), the PILOT Payment obligations to the Tax Jurisdictions hereunder will be modified as set forth in Section 7(b) to reflect economic consistency between the remaining PILOT Payments due or to become due under this Agreement and the payments in-lieu of taxes required by the Affiliate Project PILOT. This provision shall only apply to Affiliate Project PILOTs executed on or before the third anniversary of the date first written above.

b. Adjustment to Payment Rate. On a year-by-year basis during the term hereof, if total annual payments in-lieu of taxes paid by an Affiliate Project to which this Section 7 applies, divided by the total installed capacity measured in MW of such Affiliate Project (the “**Affiliate Payment Rate**”), exceeds the Payment Rate under this Agreement for the involved tax year, the Company shall by January 31 of the involved tax year make a supplemental PILOT Payment (an “**MFP Payment**”) to the Tax Jurisdictions in a total amount equal to (a) any difference between the Payment Rate and the Affiliate Payment Rate for such tax year times (b) the Installed Capacity of all Project Turbines, calculated on the preceding September 1. Each MFP Payment shall be allocated to the affected Tax Jurisdictions pursuant to Section 2.4(d) hereof.

Section 8. Miscellaneous.

a. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State without giving effect to the conflict of laws principles thereof. All disputes arising out of or in connection with this Agreement shall be decided in the first instance by the New York State Supreme Court, County of Herkimer, to the exclusion of all other courts, except that the Parties shall have all appeal rights allowed by State law. The Parties executing this Agreement hereby submit to the jurisdiction of the New York State Supreme Court, County of Herkimer, for purposes of all such suits.

b. Severability. In the event that any of the provisions of this Agreement are held to be unenforceable or invalid by any court or regulatory authority of competent jurisdiction, the validity and enforceability of the remaining provisions shall not be affected so long as the Parties renegotiate the unenforceable or invalid provision(s) in order to accomplish the goal and intent of this Agreement.

c. No Recourse. All obligations of the Parties contained in this Agreement shall be deemed to be the corporate obligations of the respective Parties and not obligations of any member, officer, official, agent, servant, employee, or affiliate of the Parties. No recourse upon any obligation contained in this Agreement, or otherwise based on or in respect of this Agreement, shall be had against any past, present, or future member, officer, official, agent, servant, employee, or affiliate of the Parties.

d. Entire Agreement; Amendment. This Agreement constitutes the entire agreement and understanding of the Parties with respect to the settlement and releases contemplated herein and it supersedes all prior agreements and understandings, written or oral, between the Parties. This Agreement may not be amended except by an instrument in writing signed by the Parties hereto. The Tax Jurisdictions shall be entitled to thirty (30) days' advance written notice (pursuant to the provisions of Section 6 hereof) of any amendments to this Agreement.

e. Assignment. The Company may, without the consent of the Agency, (i) assign this Agreement to any (x) purchaser of the Project or (y) affiliate (as such term is defined in Rule 12b-2 of the General Rules and Regulations under the Securities Exchange Act of 1934) of the Company that is controlled by, controlling or under common control with the Company (such purchaser or affiliate are defined as a "**Successor**") provided such Successor assumes and agrees to be bound by this Agreement and the Project permits issued by the Towns, and (ii) pledge, mortgage, grant a security interest in and collaterally assign this Agreement to any persons or entities, including a collateral agent acting on behalf of lenders providing financing for the Project (collectively, the "**Financing Parties**"). The Agency shall cooperate with the Company, its affiliates, any Successor, and any Financing Parties from time to time, including, without limitation, by entering into a consent and assignment or other agreements with such Financing Parties and the Company in connection with any collateral assignment on such terms as may be customary under the circumstances and shall reasonably be required by such Financing Parties. In the event this Agreement is assigned to a Successor, the Company shall have no further obligations hereunder.

f. Binding Effect. This Agreement shall inure to the benefit of and shall be binding upon each of the Parties and, as permitted by this Agreement, by their respective successors and permitted assigns.

g. Termination. The Company shall have the option to terminate this Agreement and the Leaseback Agreement at any time during the term hereof, provided that the Company has made payment of all sums then due and payable to the Agency and Tax Jurisdictions (without acceleration) pursuant to this Agreement and the Leaseback Agreement. In the event the Company elects to terminate this Agreement and such termination is effective during a tax fiscal year (as shown in the schedule set out in Section 2.3(a)) of any Tax Jurisdiction, the Company shall make a partial PILOT Payment for the portion of each such tax fiscal year not covered by

(a) the last PILOT Payment made by the Company to such Tax Jurisdiction and (b) general *ad valorem* taxes owed by the Company for such period.

h. Execution in Counterpart. This Agreement may be executed by the Parties hereto in several counterparts, and each such counterpart shall be deemed to be an original and all of which constitute together but one and the same agreement. This Agreement may be executed by a signature delivered electronically by facsimile or by the use of Adobe portable document format, which shall be deemed the same as an original signature.

i. Section Headings Not Controlling. The section headings in this Agreement have been prepared for convenience of reference only and shall not control, affect the meaning of, or be taken as an interpretation of any provision of this Agreement.

j. Effective Date. This Agreement shall be effective as of the date first written above.

k. Right to Contest Assessments. In the event that, during the term hereof, an assessment shall be placed on any portion of the Project by any town, the Company shall have the rights of an owner of taxable property to challenge any such assessment, including seeking judicial review of an assessment pursuant to Article 7 of the RPTL. The Company shall provide the affected school district and the County with written notice of any such challenge. The parties agree that the affected school district and the Company are interested parties and may participate in any negotiations of the assessments or any proceedings before the involved Board of Assessment Review and any RPTL Article 7 challenge.

l. Change in Identification Numbers. The change, amendment, increase, or decrease of the tax identification or parcel numbers currently used by the Towns to identify or classify all or any part of the Project shall not cause this Agreement to change.

m. Indemnification. The Company shall indemnify, defend and hold the Agency (and its directors, officers, members, agents (except the Company), employees, servants and their successors, representative and assigns) harmless from all claims and liabilities for loss or damage to property or any injury to or death of any person that may be occasioned by any cause whatsoever in relation to the Project, including expenses incurred by the Agency (and its directors, officers, members, agents (except the Company), employees, servants and their successors, representatives and assigns) in defending any claim, suit or action which may result as a result of the foregoing.

Section 9. Indemnification of County for Sales and Use Tax and Mortgage Recording Tax Exemptions.

By virtue of the Agency's involvement in the Project, the Project is exempt from sales and use tax and mortgage recording tax. The Company shall make payments in lieu of such taxes to the County in amounts equal to the County's share of such taxes that would otherwise be owed on the taxable portion of the Project if the Project were not exempt from such taxes. The Project shall have no obligation to make payments in lieu of the New York State portion of such taxes. The Company shall make such payments to the County within thirty (30) days after the

Commercial Operation Date, or within thirty (30) days after the completion of any activity occurring after the Commercial Operation Date which would otherwise obligate the Company to pay sales and use tax or mortgage recording tax to the County if the Project were not exempt from such taxes.

Section 10. Indemnification of County for Adverse Impacts on its Emergency 911 System.

The Company shall indemnify the County throughout the life of the Project with respect to damage to the County's Emergency 911 System (the "**E-911 System**"), interference with the E-911 System transmissions, or interference with reception of E-911 System signals, caused by the Project or its construction.

Section 11. Mortgagee Right to Cure.

a. Whenever any Event of Default hereof shall have occurred and be continuing with respect to this Agreement, the remedies of the Agency shall be limited to the rights hereunder, subject to the rights of Mortgagees (as defined in Section 11(b) hereof) to cure any such Event of Default as set forth below.

b. For the purposes of this Agreement, the terms "**Mortgage**" or "**Mortgages**" shall include any mortgage, leasehold mortgage, purchase money mortgage or other security instrument or instruments secured by the Project Facility and used in the jurisdiction in which the Project Facility is located, such as, without limitation, mortgages, deeds of trust, financing statements, assignments of leases, rents and/or profits, security agreements and other documentation which a lender may require, and the term "**Mortgagee**" shall mean the secured party under any of the foregoing instruments.

c. If the Company ("**Mortgagor**") and/or its successors and assigns, shall mortgage or grant a security interest in its interest in the Project Facility, or a portion thereof, the Agency agrees to join in such Mortgage with respect to the Agency's interest in the Project Facility. ANY SUCH MORTGAGE SHALL BE A LIMITED, NON-RECOURSE OBLIGATION OF THE AGENCY AND SHALL IN NO EVENT REQUIRE THE PAYMENT BY THE AGENCY TO ANY PARTY OF ANY AMOUNT INCLUDING, BUT NOT LIMITED TO, PRINCIPAL, INTEREST OR ANY OTHER AMOUNT SECURED BY ANY SUCH MORTGAGE. With respect to any such Mortgage, so long as such Mortgage shall remain unsatisfied of record or until written notice of satisfaction is given by the Mortgagee to the Agency, the following provisions shall, subject to and unless otherwise prohibited by all applicable law including, but not limited to, the Act, apply (in respect of such Mortgage and of any other Mortgages which also comply with the above):

i. The Agency shall simultaneously serve a copy of any communications declaring an Event of Default upon the Mortgagee in the manner set for in Section 5 hereof, and no such notice or other communication to the Company shall be deemed received unless a copy is so served upon the Mortgagee in the manner provided in Section 6 of this Agreement for the giving of notice.

ii. In the event of a Default, the Mortgagee shall have thirty (30) days after notice to the Mortgagee of such default (which notice shall be given in the manner set forth in Section 6 hereof), to cure or to cause to be cured the Default complained of and the Agency shall accept such performance by or at the instigation of such Mortgagee as if same had been done by the Company. Each notice of Default given by the Agency will state the amounts of any payments herein provided that are then claimed to be in default.

iii. If, before the expiration of Mortgagee's cure period as provided in Section 11(c)(ii) hereof, Mortgagee shall have paid or caused to be paid to the Agency, all payments provided for and then in Default, and/or in the case of non-monetary Defaults, shall have commenced or caused to be commenced the cure of such non-monetary Defaults, if any are then in Default, and shall prosecute or cause the prosecution of same to completion with reasonable diligence (collectively, the "**Extended Cure Period**"), then the Agency shall not exercise any of its rights and remedies hereunder until expiration of the Extended Cure Period.

iv. The Company (and not the Agency) shall give the Mortgagee notice of any arbitration or other proceeding or dispute by or between the parties hereto, and the Mortgagee shall have the right to intervene therein and be made a party to any such arbitration or other proceeding.

EXECUTION COPY

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed as of the day and year first above written.

**HERKIMER COUNTY INDUSTRIAL
DEVELOPMENT AGENCY**

ATLANTIC WIND LLC

By: _____
Name: _____
Title: _____

LEGAL
COUNSEL

By: _____
Name: Martin Miguera
Title: Authorized Representative

Name: Pablo Canales
Title: Authorized Representative

TOWN OF FAIRFIELD

TOWN OF NORWAY

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

TOWN OF LITTLE FALLS

HERKIMER COUNTY

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

**WEST CANADA CENTRAL SCHOOL
DISTRICT**

**LITTLE FALLS CITY SCHOOL
DISTRICT**

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

OREGON
 STATE OF NEW YORK)
) ss.:
 COUNTY OF)



*Pablo Canales and
 Martin Múgica*

On the 27th day of May, 2010, before me, personally appeared [____],
 personally known to me or proved to me on the basis of satisfactory evidence to be the individual^s
 whose name^s is subscribed in the within instrument and acknowledged to me that ^{each} he executed the
 same in his capacity, and that by his signature on the instrument, the individual, or the person
 upon behalf of which the individual acted, executed the instrument.

Jane L. Harding
 Notary Public

STATE OF NEW YORK)
) ss.:
 COUNTY OF)

On the ___ day of May, 2010, before me, personally appeared [____],
 personally known to me or proved to me on the basis of satisfactory evidence to be the individual
 whose name is subscribed in the within instrument and acknowledged to me that he executed the
 same in his capacity, and that by his signature on the instrument, the individual, or the person
 upon behalf of which the individual acted, executed the instrument.

 Notary Public

STATE OF NEW YORK)
) ss.:
 COUNTY OF)


On the ___ day of May, 2010, before me, personally appeared [____],
 personally known to me or proved to me on the basis of satisfactory evidence to be the individual
 whose name is subscribed in the within instrument and acknowledged to me that he executed the
 same in his capacity, and that by his signature on the instrument, the individual, or the person
 upon behalf of which the individual acted, executed the instrument.

 Notary Public

EXECUTION COPY

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed as of the day and year first above written.

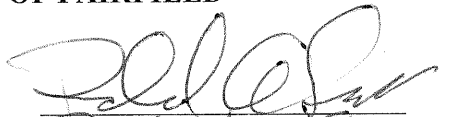
**HERKIMER COUNTY INDUSTRIAL
DEVELOPMENT AGENCY**

By: 
Name: JOHN J. PISCO
Title: Commissioner

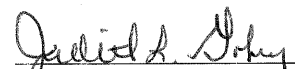
ATLANTIC WIND LLC

By: _____
Name: _____
Title: _____

TOWN OF FAIRFIELD

By: 
Name: RICHARD A. SOUZA
Title: SUPERVISOR

TOWN OF NORWAY

By: 
Name: JUDITH A. GOKEN
Title: Town Supervisor

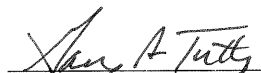
TOWN OF LITTLE FALLS

By: _____
Name: _____
Title: _____

HERKIMER COUNTY

By: _____
Name: _____
Title: _____

**WEST CANADA CENTRAL SCHOOL
DISTRICT**

By: 
Name: GARY TULLY
Title: Superintendent of Schools

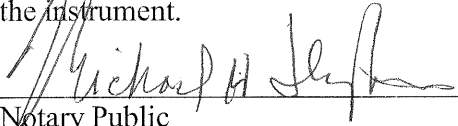
**LITTLE FALLS CITY SCHOOL
DISTRICT**

By: _____
Name: _____
Title: _____

EXECUTION COPY

STATE OF NEW YORK)
) ss.:
COUNTY OF HERKIMER)

On the 27th day of May, 2010, before me, personally appeared [John Piseck], personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed in the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.



Notary Public

MICHAEL H. STEPHENS
Notary Public in the State of New York
Appointed in Oneida County
My Comm. Expires 4-19-2012

STATE OF NEW YORK)
) ss.:
COUNTY OF HERKIMER)

On the 27th day of May, 2010, before me, personally appeared [RICHARD SOUZA], personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed in the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.



Notary Public

MATTHEW S. MOSES
Notary Public in the State of New York
Qualified in Onondaga Co. No. 02MO6020566
My Commission Expires March 2, 2012

STATE OF NEW YORK)
) ss.:
COUNTY OF HERKIMER)

On the 27th day of May, 2010, before me, personally appeared [JUDITH GOKEY], personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed in the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.



Notary Public

MATTHEW S. MOSES
Notary Public in the State of New York
Qualified in Onondaga Co. No. 02MO6020566
My Commission Expires March 2, 2012

EXECUTION COPY

STATE OF NEW YORK)
) ss.:
COUNTY OF HERKIMER)

On the 27th day of May, 2010, before me, personally appeared [GARY TUTTY], personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed in the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.



Notary Public

MATTHEW S. MOSES
Notary Public in the State of New York
Qualified in Onondaga Co. No. 02MO6020566
My Commission Expires March 2, 2011

STATE OF NEW YORK)
) ss.:
COUNTY OF)

On the ___ day of May, 2010, before me, personally appeared [____], personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed in the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Notary Public

STATE OF NEW YORK)
) ss.:
COUNTY OF)

On the ___ day of May, 2010, before me, personally appeared [____], personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed in the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Notary Public

EXECUTION COPY

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed as of the day and year first above written.

HERKIMER COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

ATLANTIC WIND LLC

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

TOWN OF FAIRFIELD

TOWN OF NORWAY

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

TOWN OF LITTLE FALLS

HERKIMER COUNTY

By: Robert B. Gardiner
Name: ROBERT B. GARDINER
Title: Town Supervisor

By: _____
Name: _____
Title: _____

WEST CANADA CENTRAL SCHOOL
DISTRICT

LITTLE FALLS CITY SCHOOL
DISTRICT

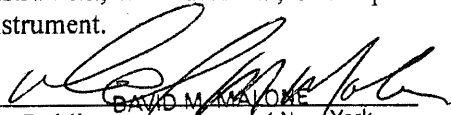
By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

EXECUTION COPY

STATE OF NEW YORK)
) ss.:
COUNTY OF HERKIMER)

On the 16 day of ~~May~~ ^{June}, 2010, before me, personally appeared Robert B GARDNER, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed in the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.



Notary Public, State of New York
Registered in Herkimer County
No. 2491750
Term Expires 12/31/13

STATE OF NEW YORK)
) ss.:
COUNTY OF)

On the ___ day of May, 2010, before me, personally appeared [____], personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed in the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Notary Public

STATE OF NEW YORK)
) ss.:
COUNTY OF)

On the ___ day of May, 2010, before me, personally appeared [____], personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed in the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Notary Public

EXECUTION COPY

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed as of the day and year first above written.

**HERKIMER COUNTY INDUSTRIAL
DEVELOPMENT AGENCY**

By: _____
Name: _____
Title: _____

ATLANTIC WIND LLC

By: _____
Name: _____
Title: _____

TOWN OF FAIRFIELD

By: _____
Name: _____
Title: _____

TOWN OF NORWAY

By: _____
Name: _____
Title: _____

TOWN OF LITTLE FALLS

By: _____
Name: _____
Title: _____

HERKIMER COUNTY

By: Raymond Smith
Name: Raymond Smith
Title: Chairman, Herkimer County Legislature

**WEST CANADA CENTRAL SCHOOL
DISTRICT**

By: _____
Name: _____
Title: _____

**LITTLE FALLS CITY SCHOOL
DISTRICT**

By: _____
Name: _____
Title: _____

EXECUTION COPY

STATE OF NEW YORK)
) ss.:
COUNTY OF)

On the ___ day of May, 2010, before me, personally appeared [____], personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed in the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Notary Public

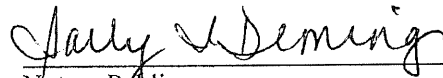
STATE OF NEW YORK)
) ss.:
COUNTY OF)

On the ___ day of May, 2010, before me, personally appeared [____], personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed in the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Notary Public

STATE OF NEW YORK)
) ss.:
COUNTY OF HERKIMER)

On the ~~10th~~ ^{June} day of ~~May~~, 2010, before me, personally appeared Raymond Smith, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed in the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.



Notary Public

SALLY I. DEMING
Notary Public, State of New York
Qualified in Herkimer County
Commission Expires 2/28/2011

EXECUTION COPY

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed as of the day and year first above written.

**HERKIMER COUNTY INDUSTRIAL
DEVELOPMENT AGENCY**

ATLANTIC WIND LLC

By: _____
Name: _____
Title: _____

By: M. Higgins
Name: Martin Higgins
Title: Authorized Representative
By: _____
Name: Pablo Canales
Title: Authorized Representative

LEG 1
UBR

TOWN OF FAIRFIELD

TOWN OF NORWAY

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

TOWN OF LITTLE FALLS

HERKIMER COUNTY

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

**WEST CANADA CENTRAL SCHOOL
DISTRICT**

**LITTLE FALLS CITY SCHOOL
DISTRICT**

By: _____
Name: _____
Title: _____

By: [Signature]
Name: Louis J. Latour
Title: Superintendent

EXHIBIT "A"

OTHER OBLIGATIONS

Historic Mitigation Payments

Fairfield	\$100,000
Norway	\$50,000

Building Permit Fees

Fairfield	\$8,000 per Project Turbine \$2,000 plus \$20 per foot in height for each meteorological tower
Norway	\$8,000 per Project Turbine \$2,000 plus \$20 per foot in height for each meteorological tower
Little Falls	Standard Construction

Sales Tax Indemnification Payments

County	TBD
--------	-----

Mortgage Recording Tax Indemnification Payments

County	TBD
--------	-----

Agency Fee

Agency	\$500,000
--------	-----------

EXHIBIT “B”

FORM OF INSTALLED CAPACITY CERTIFICATION

Atlantic Wind LLC hereby certifies that as of [date], the Hardscrabble wind-powered electric generating facility (the “**Project**”) has an installed nameplate electric generating capability (“**Installed Capacity**”), measured in megawatts (“**MW**”), in each of the tax jurisdictions having jurisdiction over a portion of the Project, as follows:

<u>Tax Jurisdiction</u>	<u>Number of Turbines</u>	<u>Total Installed Capacity (MW)</u>
Town of Fairfield	[]	[]
Town of Norway	[]	[]
Town of Little Falls	[]	[]
West Canada CSD	[]	[]
Little Falls CSD	[]	[]
Herkimer County	[]	[]

Total Installed Capacity of the Project in all Tax Jurisdictions: [] MW