

DECOMMISSIONING AGREEMENT
BETWEEN
THE CITY OF BERLIN, NEW HAMPSHIRE
AND JERICO POWER LLC

This Decommissioning Agreement is entered into on the 1st day of December 2014 by and between the City of Berlin (“the City”), a city organized and existing under the laws of the State of New Hampshire, and Jericho Power LLC, including its successors and assigns, (collectively “Jericho Power”), a limited liability company formed under the laws of the Commonwealth of Massachusetts and licensed to do business in the State of New Hampshire as part of a Payment in Lieu of Taxes Agreement (“the PILOT Agreement”) entered into between the Parties contemporaneously herewith.

WHEREAS, Jericho Power has leased land on Jericho Mountain in the City of Berlin currently owned by Jericho Mountain Wind Company and Allen Bouthillier, and intends to construct, build, maintain and operate a wind powered electric generation plant on the site. The portions of the tracts or parcels of land, with buildings and improvements to be constructed thereon, located on Jericho Mountain on the South side of Route 110 to the east of Jericho Mountain State Park in Berlin, Coos County, State of New Hampshire, being shown on plan of land entitled “Site Plans for the Jericho Mountain Wind Phase II, Berlin, NH date: February 21, 2014” prepared by Atlantic Design Engineers, Inc. for Jericho Power, LLC (“the Plan”), on Tax Map 407, Lots 3.03 and 9.01, Tax Map 410, Lot 3, and Tax Map 411, Lots 1 and 2, including but not limited to up to five (5) GE Model 2.85-103-2.850 Turbines and Towers, all site support systems, service equipment and facilities, all controls and instrumentation, all secondary infrastructure such as roadways, warehouses, office buildings, garages, etc., land encompassed within this project and land improvements including site infrastructure associated with Jericho Power’s intended renewable generation facility is referred to in this Decommissioning Agreement as the Jericho Power Property. A true and correct copy of the Plan as approved by the City Planning Board on March 4, 2014, and delineating the extent of Jericho Power’s Facility made the basis of this PILOT Agreement is incorporated herein by reference as if fully set forth.

WHEREAS, Jericho Power owns and/or controls the Jericho Power Property as herein described.

WHEREAS, in connection with the decommissioning of wind turbines, power collection and communication systems, related roads, pad-mounted transformers, meteorological towers, O&M related facilities owned, used, or to be constructed and owned by Jericho Power on the Jericho Power Property (collectively referred to as the “Jericho Facility” or “Facility”) in the City of Berlin, Coos County, New Hampshire, Jericho Power shall perform the decommissioning activities of Facility constituents as outlined herein (collectively referred to as the “Components”) as also delineated on the Plan.

WHEREAS, per this Decommissioning Agreement and the PILOT Agreement, the City allows Jericho Power to decommission Components associated with the Facility upon termination of operations, in accordance with RSA 72:74 and subject to the provisions contained herein; and

WHEREAS, the terms of this Decommissioning Agreement are binding upon Jericho Power and the City, and any subsequent successors, assigns, or heirs.

NOW THEREFORE, the parties agree as follows:

1. Decommissioning Initiation: In accordance with RSA 72:74 and the terms of the PILOT Agreement, Facility Components shall be decommissioned within twelve (12) months of the Jericho Facility activity termination or abandonment.
2. Decommissioning Process:
 - a. Representation. Jericho Power and the City shall each appoint a single representative available on-site to serve as a direct point of contact for the Facility.
 - b. Decommissioning Works. In accordance with this Decommissioning Agreement and the terms of the PILOT Agreement, the decommissioning and restoration process includes removal of aboveground structures; restoration of topsoil; and re-vegetation and seeding to the extent required (collectively, the “Decommissioning Works”). Access roads, access gates, fencing, and other minor improvements made on behalf of the Facility shall not be removed unless the associated landowner requests removal. A full description of the actions associated with the decommissioning process is provided in Exhibit A.
 - c. Communication. If Jericho Power is contacted by the City regarding decommissioning concerns, Jericho Power shall attempt to respond to the City regarding such decommissioning concerns within two (2) business days and to remedy those concerns within thirty (30) days or as soon as commercially reasonable considering weather conditions; and Jericho Power shall in all cases maintain communication and consult with the City with respect to such decommissioning concerns.
3. Estimated Cost of Decommissioning: The estimated cost of decommissioning the Facility site at the end of its 50 year service life is \$8,789,542. This cost is calculated based on a current cost of \$2,621,180, adjusted by a rate of inflation of 2.50% per year.
4. Ensuring Decommissioning and Site Restoration Funds: In order to meet the financial obligations of decommissioning the Facility, Jericho Power, for itself, its successors and assigns, shall establish a Decommissioning Trust Fund (“the Fund”) with the City with an initial deposit of five hundred dollars (\$500.00) to be made upon commencement of Facility operations. Jericho Power is required to contribute annually to the City, on or before July 1st of each year, the “Owner Contributions” listed in the following Table :

A		B	C	D
Year		Owner Contribution	Interest of Fund Balance @ 5.19%	Balance
Beginning Balance - Commencement of		500	-	500
1	2016	18,575	26	19,101
2	2017	18,575	990	38,666
3	2018	18,575	2,005	59,246
4	2019	18,575	3,072	80,893
5	2020	18,575	4,194	103,662
6	2021	18,575	5,375	127,612
7	2022	18,575	6,617	152,804
8	2023	18,575	7,923	179,302
9	2024	18,575	9,297	207,174
10	2025	18,575	10,742	236,491
11	2026	18,575	12,262	267,328
12	2027	18,575	13,861	299,764
13	2028	18,575	15,543	333,882
14	2029	18,575	17,312	369,768
15	2030	812,118	19,173	1,201,059
16	2031	18,575	62,275	1,281,909
17	2032	18,575	66,467	1,366,951
18	2033	18,575	70,877	1,456,403
19	2034	18,575	75,515	1,550,493
20	2035	18,575	80,393	1,649,461
21	2036	18,575	85,525	1,753,561
22	2037	18,575	90,922	1,863,038
23	2038	18,575	96,600	1,978,233
24	2039	18,575	102,572	2,099,379
25	2040	18,575	108,853	2,226,808
26	2041	18,575	115,460	2,360,843
27	2042	18,575	122,410	2,501,828
28	2043	18,575	129,720	2,650,123
29	2044	18,575	137,409	2,806,107
30	2045	18,575	145,497	2,970,179
31	2046	18,575	154,004	3,142,759
32	2047	18,575	162,952	3,324,286
33	2048	18,575	172,365	3,515,226
34	2049	18,575	182,265	3,716,066
35	2050	18,575	192,679	3,927,319
36	2051	18,575	203,632	4,149,526
37	2052	18,575	215,154	4,383,255
38	2053	18,575	227,272	4,629,102
39	2054	18,575	240,020	4,887,697
40	2055	18,575	253,428	5,159,700
41	2056	18,575	267,531	5,445,806
42	2057	18,575	282,366	5,746,747
43	2058	18,575	297,970	6,063,292
44	2059	18,575	314,383	6,396,249
45	2060	18,575	331,646	6,746,471
46	2061	18,575	349,805	7,114,851
47	2062	18,575	368,906	7,502,332
48	2063	18,575	388,997	7,909,904
49	2064	18,575	410,130	8,338,609
49	2064	18,575	432,358	8,780,542

The City shall hold all such contributions together with all accrued interest in an actively managed Trust Fund held in the City's name by the City's Trustees of this Fund as designated and appointed by the City Council pursuant to City Code Sections 2-139 through 2-141. The Parties acknowledge and desire that the Fund shall be actively managed with reasonable prudence to seek to yield an average annual rate of return of at least 5.19%; and the Parties agree that Jericho Power shall pay (i) the active management fee of the third-party investment company actively managing the Trust Fund within thirty (30) days of any statement from such company reflecting such fee; and (ii) to the City an annual administration fee in the amount of 1.0% of the principal amount of the fund as of January 1 of any calendar year until such amount equals or exceeds \$6815.00 and thereafter the annual administration fee shall be equal to an annual payment amount of \$6,815.00, as adjusted for inflation on January 1 of each subsequent calendar year, to compensate the City for the administrative oversight of the Fund in accordance with the attached Exhibit B. The Parties further agree that the Fund balance and estimated cost of decommissioning will be subject to review and true-up every fifteen (15) years to ensure that funds are on schedule to meet the then-reasonably anticipated decommissioning costs plus a prudent contingency reserve

5. Insurance and Limitation of Liability: During decommissioning, Jericho Power shall maintain commercial general liability insurance covering property damage and personal injury arising from the Decommissioning Works performed on the Jericho Facility. Such insurance coverage shall be written with a primary limit of not less than \$2,000,000 per occurrence. Company shall maintain excess/umbrella liability insurance providing coverage limits in excess of the primary limits. Such insurance coverage shall have a limit of liability of not less than \$5,000,000 in aggregate.
6. Termination: This Decommissioning Agreement and the City's rights hereunder shall terminate upon the completion of the Jericho Facility Decommissioning Works by any party in accordance with the terms of this Decommissioning Agreement. In the event that Jericho Power successfully completes the Decommissioning Work set forth in Exhibit A to the reasonable approval of the City (which approval shall not be unreasonably withheld) and so long as Jericho Power, its successors and assigns are in full compliance with the PILOT Agreement, then the City shall transfer the Fund balance to Jericho Power, its successors or assigns. However, if Jericho Power does not complete the Decommissioning Works to the reasonable satisfaction of the City and/or is not in full compliance with the PILOT Agreement at the expiration of the full term of the PILOT Agreement as defined in Article 2 of that Agreement, then the City shall have the automatic right to apply any and all amounts in the Fund to correct/complete any Decommissioning Works and/or to correct any noncompliance with the terms of the PILOT Agreement. If any amounts remain in the Fund after such corrective acts are taken by the City, then and only then shall such remainder of the Fund be transferred to Jericho Power, its successor or assigns.
7. Notices: All notices, requests, and other communications provided for herein (including any modifications, waivers, or consents under this Decommissioning Agreement) shall be given or made in writing delivered to the intended recipient at the address set forth below or, as to any party, at such other address as shall be designated by such party in a timely notice to the other party.

IN WITNESS WHEREOF, THE PARTIES HERETO by their duly authorized officials have executed this Decommissioning Agreement as of the date first above written.

JERICHO POWER LLC.
by its Manager
Palmer Management Corporation

By 
Gordon Deane, Its President,

Duly Authorized

CITY OF BERLIN, NEW HAMPSHIRE

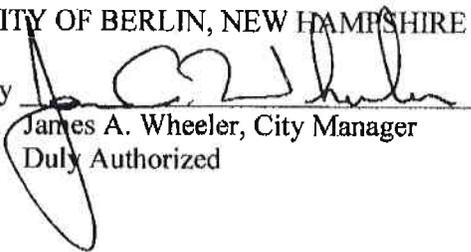
By 
James A. Wheeler, City Manager
Duly Authorized

EXHIBIT A DECOMMISSIONING PROCESS

Decommissioning Procedure

All decommissioning and restoration activities will adhere to all applicable local, state and federal regulations. In case of a conflict between this Decommissioning Agreement and any local, state or federal regulation, the relevant regulation shall control.

The decommissioning and restoration process includes removal of aboveground structures owned by Jericho Power; restoration of topsoil; and re-vegetation and seeding to the extent commercially reasonable and in accordance with Jericho Power or the landowners' agreements with the New Hampshire Department of Resources and Economic Development ("NHDRED"); and Jericho Power agrees to provide to the City true and correct copies of these Agreements prior to the execution of this Decommissioning Agreement and the PILOT Agreement. Access roads, fencing, and other minor improvements made on behalf of the Facility will not be removed unless agreed to with the associated landowner. A list of landowner owned improvements shall be compiled by Jericho Power and provided to the City within 30 days of the execution of this Agreement. Such list shall be updated by Jericho Power within 30 days of the commencement of construction of any additional improvements by Jericho Power and/or the associated landowners.

Above-ground structures may include the towers, turbines, blades, nacelle, transformers, overhead transmission lines, portions of the switchyard and interconnection facilities (if any and only to the extent owned by Jericho Power), meteorological towers, maintenance buildings, and access gates.

Soil erosion and sediment control measures and other best management practices in effect at the time of the commencement of the Decommissioning as approved by the New Hampshire Department of Environmental Services ("NHDES") shall be followed.

Prior to and during the Decommissioning Works, Jericho Power and the City may, by mutual agreement, conduct an assessment of existing items and conditions and establish a written list of Decommissioning Works which do not require action or removal. Any such list shall supersede the conditions outlined in this Decommissioning Agreement to the extent applicable.

Energy Conversion System Removal

High value components, such as hydraulic pumps, turbines or generator parts, may be stripped for re-sale and the remaining material will be reduced to shippable dimensions and transported off-site for reuse, recycling or disposal. Control cabinets, electronic components, and internal cables will be removed. The blades, hub, and nacelle will be lowered to grade for disassembly and removal for reuse, recycling or disposal. The tower sections will be lowered to the ground where they will be further disassembled or cut into transportable sections. All energy conversion system pieces will be disassembled or cut into sizes so that loads will comply with City and State weight limits. Oversized loads will not occur without prior authorization from the appropriate

authorities. All work will be done under environmental standards to protect recycling wastes from entering the soil, water, or air. The area will be cleaned and all debris removed. For the avoidance of doubt, so long as Jericho Power is in full compliance with the terms of this Decommissioning Agreement and the PILOT Agreement, then the City has no rights to the components of the Facility or to their salvage value, except for those components which cannot be removed pursuant to the Decommissioning Agreement, unless Jericho Power, its successors or assigns are not in compliance with the Decommissioning Agreement or the PILOT. In the event of such non-compliance, however, then the City shall have the right to salvage any and all components of the Facility and to apply the proceeds of such salvage to off-set Jericho Power's obligations under the Decommissioning Agreement and/or the PILOT Agreement.

Energy Conversion System Foundation Removal

To the extent required by NHDES, topsoil will be removed and an area surrounding the foundation and stored for later replacement. After removal of all necessary materials, the area of excavation will be refilled with clean sub-grade material of quality comparable to the immediate surrounding area. Where commercially feasible, the sub-grade material will be compacted to a density similar to the surrounding sub-grade material. The area will be cleaned and all debris removed.

Underground Electrical Distribution System

The cables and conduits contain no materials known to be harmful to the environment and will be cut back to a depth of 18 inches below the soil surface. All cables and conduits greater than 18 inches beneath the surface may be abandoned in place.

Overhead Electrical Distribution System

Conductors, switches and associated hardware will be removed and delivered to a recycling processing company. The supporting poles will be removed and the holes filled in with compatible sub-grade material. In areas where environmental damage from complete removal may outweigh the benefits, the poles will be sawed flush with the surrounding grade. The materials will be stored in a pre-approved location and later transported to appropriate facilities for reuse, recycling or disposal. The area will be cleaned and all debris removed.

Access Roads

During the decommissioning process, access roads to turbines may need to be temporarily widened in order to accommodate the transportation of appropriately sized cranes or other machinery required for the disassembly and removal of the turbines.

Unless otherwise agreed to with the underlying landowner or the NHDRED, permanent access roads constructed to accommodate the Facility will remain in place. Ditch crossings connecting access roads to public roads will be removed unless otherwise requested by the underlying landowner, NHDRED, or City. Improvements to City roads that were not removed after construction remain in place.

The aggregate base roads used for access will also remain at the Facility site unless otherwise agreed to with the underlying landowner.

Site Restoration

All disturbed sites within the Facility area will be restored to as near as practicable the original condition that existed prior to construction. To the extent necessary, topsoil will be removed from all work areas prior to component removal, and stored in a designated location separate from other excavated material. The topsoil will be replaced to original depth, and original surface contours reestablished where possible. Any topsoil deficiency and trench settling will be mitigated with imported topsoil consistent with the quality of the affected site.

City Road Reinstatement

All public roads damaged as a result of decommissioning activities will be repaired by Jericho Power or its contractors. Damage to City and State roads is expected to be minor or insignificant. There will be no oversized loads of energy conversion system parts or materials without prior approval from appropriate authorities. All recycling truck loads will comply with the City and State road weight limits. Road damage, if it occurs, would likely be limited to wear of the surface course in the turn locations of the haul trucks. Jericho Power will work with the City and State Highway Superintendents to inspect and document the condition of the road surfaces before and after decommissioning activities. In the case that decommissioning occurs during very hot summer periods, Jericho Power will work with the City and State Highway Superintendents to delay loads until advisable for passing without damage to the surface course.

EXHIBIT B to DECOMMISSIONING AGREEMENT					
Jericho - Projected Decommissioning Fund & Management Fee to City					
A	B	C	D	E	
Year	Owner Contribution	Interest on Fund Balance @ 5.19%	Projected Fund Balance	Projected Mgmt Fee to City	
				1% up to \$6815 then inflation	
Beginning Balance - Commencement of Operations	500	-	500	\$ 5	
1	2016	18,575	26	19,101	\$ 191
2	2017	18,575	990	38,666	\$ 387
3	2018	18,575	2,005	59,246	\$ 592
4	2019	18,575	3,072	80,893	\$ 809
5	2020	18,575	4,194	103,662	\$ 1,037
6	2021	18,575	5,375	127,612	\$ 1,276
7	2022	18,575	6,617	152,804	\$ 1,528
8	2023	18,575	7,923	179,302	\$ 1,793
9	2024	18,575	9,297	207,174	\$ 2,072
10	2025	18,575	10,742	236,491	\$ 2,365
11	2026	18,575	12,262	267,328	\$ 2,673
12	2027	18,575	13,861	299,764	\$ 2,998
13	2028	18,575	15,543	333,882	\$ 3,339
14	2029	18,575	17,312	369,768	\$ 3,698
15	2030	812,118	19,173	1,201,059	\$ 6,815
16	2031	18,575	62,275	1,281,909	\$ 6,985
17	2032	18,575	66,467	1,366,951	\$ 7,160
18	2033	18,575	70,877	1,456,403	\$ 7,339
19	2034	18,575	75,515	1,550,493	\$ 7,522
20	2035	18,575	80,393	1,649,461	\$ 7,710
21	2036	18,575	85,525	1,753,561	\$ 7,903
22	2037	18,575	90,922	1,863,058	\$ 8,100
23	2038	18,575	96,600	1,978,233	\$ 8,303
24	2039	18,575	102,572	2,099,379	\$ 8,510
25	2040	18,575	108,853	2,226,808	\$ 8,723
26	2041	18,575	115,460	2,360,843	\$ 8,941
27	2042	18,575	122,410	2,501,828	\$ 9,165
28	2043	18,575	129,720	2,650,123	\$ 9,394
29	2044	18,575	137,409	2,806,107	\$ 9,629
30	2045	18,575	145,497	2,970,179	\$ 9,870
31	2046	18,575	154,004	3,142,759	\$ 10,116
32	2047	18,575	162,952	3,324,286	\$ 10,369
33	2048	18,575	172,365	3,515,226	\$ 10,628
34	2049	18,575	182,265	3,716,066	\$ 10,894
35	2050	18,575	192,679	3,927,319	\$ 11,166
36	2051	18,575	203,632	4,149,526	\$ 11,446
37	2052	18,575	215,154	4,383,255	\$ 11,732
38	2053	18,575	227,272	4,629,102	\$ 12,025
39	2054	18,575	240,020	4,887,697	\$ 12,326
40	2055	18,575	253,428	5,159,700	\$ 12,634
41	2056	18,575	267,531	5,445,806	\$ 12,950
42	2057	18,575	282,366	5,746,747	\$ 13,273
43	2058	18,575	297,970	6,063,292	\$ 13,605
44	2059	18,575	314,383	6,396,249	\$ 13,945
45	2060	18,575	331,646	6,746,471	\$ 14,294
46	2061	18,575	349,805	7,114,851	\$ 14,651
47	2062	18,575	368,906	7,502,332	\$ 15,018
48	2063	18,575	388,997	7,909,904	\$ 15,393
49	2064	18,575	410,130	8,338,609	\$ 15,778
50	2064	18,575	432,358	\$ 8,789,542	\$ 16,172
	Projected Inflation Rate:	2.50%	Projected Total	\$ 415,248	
	Projected Avg. Annual Return:	5.19%			
	Annual Payment:	\$18,575.00			