

CHARLESTOWN RENEWABLE ENERGY PARTNERSHIP AGREEMENT
Town of Charlestown and Whalerock Renewable
Energy, LLC and
LL Properties, LLC

Agreement made July __, 2010 between the Town of Charlestown, Rhode Island (“Charlestown”), Whalerock Renewable Energy, LLC (“Whalerock”) and LL Properties, LLC.

1. Parties Charlestown is a municipal corporation of the State of Rhode Island with jurisdiction over the construction and operation of wind power facilities in the Town.

Whalerock is a Limited Liability Company in the State of Rhode Island formed to construct and operate wind power facilities.

LL Properties, LLC is the owner of the proposed site for the wind power facility situated northerly of Post Road, U.S. Route 1 and consisting of 81 acres, more or less, of undeveloped land, designated as Assessor’s Plat 17 Lot 186. A copy of the site plan is annexed.

2. Partnership. Charlestown, Whalerock and LL Properties enter into this Partnership Agreement in accordance with the terms set forth herein in order to provide electricity produced by wind power in Charlestown. This partnership will provide that electrical energy produced in Charlestown will be environmentally benign and non-polluting; that Charlestown will benefit by participating in the production of “green energy” and by Whalerock sharing engineering data with the Town; that Whalerock will be enabled to construct, finance and operate the project on favorable terms; and that LL Properties, LLC will benefit by productive and environmentally sound use of its land. Provided always, however that this is not a “partnership” as defined in RIGL Chapter 7-12 or a “limited partnership” as defined in RIGL Chapter 7-13. It is a “Partnership Agreement” as provided in the Charlestown Ordinance regulating wind power facilities and the duties, powers, obligations and liabilities of the parties are as set forth herein. In particular, construction and operation of the wind power facility shall be entirely under the control and management of Whalerock. Charlestown shall have no obligations, debts

or liabilities in connection with the facility; its sole obligation shall be to permit the facility in accordance with its Ordinance.

3. Purpose It is the purpose of this Partnership Agreement to provide for the construction and operation of wind power facilities by Whalerock upon land presently owned by LL Properties, LLC in conformance with the Charlestown Ordinance regulating windpower facilities adopted by the Town Council on _____ 2010. It is intended that this Partnership Agreement shall comply with the provisions of said Ordinance as an “approved partnership agreement” as delineated in Section 3 in the “General Requirements” article of the Ordinance which provides as follows:

Any proposed wind facility that has entered into an approved partnership agreement with the Town for the use of the facilities energy production, may be exempted by Town Council approval, from the process requirements for Site Plan Review and Special Use Permit. The applicant must still comply with the sections of this ordinance but the review and approval of such project will be handled by the Town Council. The Town Council may request advisory opinions from the Zoning Board and the Planning Commission, but the Town Council will act as the permitting authority. The Town Council will be required to hold a minimum of one (1) public hearing on the application prior to issuing a decision.

4. Project Whalerock will construct and operate two wind turbines for production and sale of electricity upon LL Properties, LLC’s land. The turbines erected will be in the range of 1.5 MW to 2.5 MW as determined by Whalerock. Siting of the turbines will be in compliance with the parameters described in the Charlestown Ordinance. Construction will commence up receipt of all necessary permits, upon negotiation of a power purchase Agreement with National Grid satisfactory to Whalerock and LL Properties, LLC and upon the securing of necessary financing by Whalerock and LL Properties. Whalerock shall pursue the project with due diligence. The parties agree that after the expiration of 180 days from the date of this agreement, if Whalerock makes a showing that it has in fact pursued the project with due diligence, this agreement shall remain in effect for a period of twenty years.

5. Charlestown agrees that it will seek the necessary authorization to enter into a tax stabilization agreement to the end that the property tax assessment on the project and the site (AP 17 lot 186) will be stabilized at the present site assessment plus an assessment on the wind turbines and related equipment and facilities to be negotiated

in an amount and for a time (not to exceed 20 years) satisfactory to the parties. Further, no building permit fees or other fees of any nature shall be assessed on account of the project.

6. Agreement The parties agree, that upon completion of the Project (#3, #4 and #5 above), and commencement of the sale of electricity their obligations will be as follows:

- a) Whalerock shall pay Charlestown a royalty of 2% (two percent) of the amount received under Whalerock's PPA with National Grid, or its successor. Such payment to be made annually in the month of March of each year, to be based on Whalerock's receipts during the preceding calendar year. Such payment not to exceed \$50,000.00. During the twenty year term of this agreement, the parties are obligated to meet once every five years, if requested by either party, to discuss and negotiate adjustment, if any be appropriate, of the royalty.
- b) Whalerock agrees to share with Charlestown engineering and other data it has developed for the project.
- c) This Agreement will be effective from the date approved by the Charlestown Council until this wind project is discontinued, or for the 20 year period specified in paragraph 4, whichever shall occur first.
- d) Whalerock and LL Properties, LLC agree to indemnify and save harmless Charlestown from any loss, cost, damages or claims that may arise on account of this Partnership Agreement or the construction or operation of the wind power facility during the term of this Agreement.
- e) There will be a 60-day curing period for all parties to this agreement in the case of any default or claim of default. All parties shall be notified by certified mail of any default or claim of default.
- f) This Agreement shall be binding upon the parties hereto and their heirs, estates, successors and assigns. No amendments or additions to this Agreement shall be effective unless and until in writing and executed by the parties hereto. This Agreement fully sets forth the agreement of the parties and is not subject to any other or further terms not stated herein. This agreement is subject to ratification by the Town Council immediately following the public hearing set forth in section 7c of the Ordinance. This is a Rhode Island Agreement and is subject to and to be interpreted under Rhode Island law.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the dates set opposite of their signatures.

Date: _____ Town of Charlestown

By: _____

Date: _____

Whalerock Renewable Energy, LLC

By: _____

LL Properties, LLC

Date: _____

By: _____

By: _____

LL Properties, LLC

Date: _____

By: _____