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October 13, 2014

Her Excellency Governor Margaret Wood Hassan
and
The Honorable Council

Dear Governor and Councilors:

REQUESTED ACTION

Holding of a public hearing and passage of a Resolution entitled: A RESOLUTION UNDER RSA 162-I:9 WITH RESPECT TO THE FINANCING OF FIVE MEGA-WATT UTILITY GRADE WIND TURBINES BY THE BUSINESS FINANCE AUTHORITY FOR JERICO POWER LLC ON JERICO MOUNTAIN IN BERLIN. (For the text of the requested Resolution see Tab #1 below this letter of transmittal.)

The Authority respectfully requests that you hold a hearing, and, if you consider such action appropriate, make the statutory findings under RSA 162-I:9 with respect to the proposed issuance of up to \$4,095,300 Revenue Bonds by the Authority and the loan of the proceeds of the Bonds to Jericho Power LLC (the "Borrower") to finance the construction of five (5) 2.85 megawatt utility grade wind turbines, including hard and soft construction costs, on Jericho Mountain, in Berlin, New Hampshire. The Authority recommends your favorable action and submits in support thereof the following materials with item numbers the same as the tab numbers for the attached documents.

1. A suggested form of resolution for adoption by the Governor and Council.
2. A letter from Edwards Wildman Palmer LLP, bond counsel, explaining this transaction.
3. Materials with respect to the Borrower and the project, consisting of the Application for Official Intent (Form BFA-1), dated February 7, 2012.
4. The proposed LOAN AND SECURITY AGREEMENT.
5. The commitment letter dated August 26, 2014 from Cambridge Savings Bank, as purchaser of the bonds, to the Borrower.
6. Information from the New Hampshire Employment Security, Economic and Labor Market Information Bureau as to unemployment in Berlin, New Hampshire and surrounding communities.
7. The resolution adopted by the Authority.

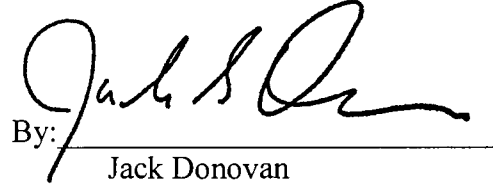
Her Excellency Governor Margaret Wood Hassan
and
The Honorable Council
October 13, 2014
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8. A summary of required statutory findings of the Governor and Council with reference to materials supporting each finding.

The Authority will be glad to furnish any additional documentation and information which you may request.

Respectfully submitted,

BUSINESS FINANCE AUTHORITY OF
THE STATE OF NEW HAMPSHIRE

By: 

Jack Donovan
Executive Director

A RESOLUTION UNDER RSA 162-I:9 WITH RESPECT TO THE FINANCING
OF FIVE MEGA-WATT UTILITY GRADE WIND TURBINES BY THE BUSINESS
FINANCE AUTHORITY FOR JERICHO POWER LLP IN BERLIN, NEW HAMPSHIRE

WHEREAS, the Governor and Council have received from the Business Finance Authority (the "Authority") its written recommendation that the Governor and Council make certain findings and a determination pursuant to RSA 162-I:9 with respect to the financing of five (5) 2.85 mega-watt utility grade wind turbines for Jericho Power LLC (the "Borrower") in Berlin by the Authority's issue of up to \$4,095,300 of Revenue Bonds under RSA 162-I (the "Act");

WHEREAS, the Governor and Council have received all the documentation and information with respect to the transaction that they have requested; and

WHEREAS, further action by the Authority with respect to the transaction is subject to the passage of this resolution and cannot be taken until after its passage;

IT IS HEREBY RESOLVED THAT:

Section 1. Findings. On the basis of the Authority's recommendation and the documentation and information received by the Governor and Council, and after a public hearing, the Governor and Council find:

(a) Special findings:

(1) The Project (which constitutes the "Facility") consists of the construction of five (5) 2.85 mega-watt utility grade wind turbines, including hard and soft construction costs at certain real property leased by the Borrower and located at Jericho Mountain in Berlin, New Hampshire. The Project is within the definition of "Commercial Facility" in the Act and may be financed under the Act.

(2) The establishment and operation of the Facility has created or preserved employment opportunities directly or indirectly within the State of New Hampshire, helps to protect and enhance the State's physical environment and is of a general benefit to the community as a whole.

(b) General findings:

(1) The Project and the proposed financing of the Project are feasible;

(2) The Borrower has the skills and financial resources necessary to operate the Facility successfully;

(3) The LOAN AND SECURITY AGREEMENT (which is a combined financing document and security document, hereinafter called an “Agreement”) contains provisions so that under no circumstances will the Authority be obligated directly or indirectly to pay project costs, debt service or expenses of operation, maintenance and upkeep of the Facility except from Bond proceeds or from funds received under the Agreement, exclusive of funds received thereunder by the Authority for its own use;

(4) The Agreement does not purport to create any debt of the State with respect to the Facility, other than a special obligation of the Authority acting on behalf of the State under the Act; and

(5) The proposed financing of the Project by the Authority and the proposed operation and use of the Facilities will serve one or more needs and implement one or more purposes set forth in RSA 162-I:1, will preserve or increase the social or economic prosperity of the State and one or more of its political subdivisions, and will promote the general welfare of the State’s citizens.

Section 2. Ultimate Finding and Determination. The Governor and Council find that the proposed financing, operation and use of the Facility will serve a public use and provide a public benefit; and the Governor and Council determine that the Authority’s financing of the Project will be within the policy of, and the authority conferred by, the Act.

Section 3. Approval. The Governor and Council approve the Authority’s taking such further action under the Act with respect to the transaction as may be required.

Section 4. Effective Date. This resolution shall take effect upon its passage.

Passed and Agreed to October 29, 2014.

Governor Margaret Wood Hassan

Councilor Joseph D. Kenney

Councilor Colin Van Ostern

Councilor Christopher T. Sununu

Councilor Christopher C. Pappas

Councilor Debora B. Pignatelli

October 13, 2014

Her Excellency Governor Margaret Wood Hassan
and
The Honorable Council

Dear Governor and Councilors:

(BFA – Jericho Power LLC)

In this transaction the Authority will lend up to \$4,095,300 of federally taxable qualified energy conservation bond proceeds to Jericho Power LLC (together with any subsidiaries or affiliates, including Palmer Management Corporation, the “Borrower”), for the purpose of financing the Borrower’s construction of five (5) 2.85 mega-watt utility grade wind turbines, including hard and soft construction costs, on Jericho Mountain in Berlin, New Hampshire.

The Bonds will be issued and the loan will be made pursuant to a LOAN AND SECURITY AGREEMENT (the “Agreement”). Porter Securities, Inc. II, the investment subsidiary of Cambridge Savings Bank (the “Purchaser”), is prepared to purchase the Bonds on the terms set forth in the commitment letter. The term of Bonds will be up to 17 years. The Bonds shall bear interest (i) initially at a fixed rate equal to the Federal Home Loan Bank Classic Rate (as in effect three days prior to the date of issuance of the Bonds) plus 2.50%, for the first 5.5 years, and (ii) thereafter at a subsequent fixed rate equal to the Federal Home Loan Bank Classic Rate plus 2.50%, subject to adjustment every 5.5 years until the earlier of the maturity date or the date of redemption of full of the Bonds. The Borrower may prepay principal of the Bonds at its option at a prepayment price of par plus accrued interest to the prepayment date, plus a yield maintenance fee.

The Authority’s obligation to pay the Bonds is actually to be performed by the Borrower, which is unconditionally responsible for that performance. As in all transactions under RSA 162-I, neither the Authority’s money nor other public funds will or can be used to pay the Bonds. Provisions appropriate for achieving this result, as required by RSA 162-I, are contained in the Agreement.

In summary, the details of this transaction are essentially the same as in many prior bond issues, and there is nothing new or unusual involved.


EDWARDS WILDMAN PALMER LLP

Jericho Power LLC

Application: Jericho Power LLC

Name of Applicant: Jericho Power LLC
 Address: c/o Palmer Management Corporation, 13 Elm Street, Suite 200
 City/Town: Cohasset State: Massachusetts Zip: 02025

Contact: Gordon Deane
 Title: President, Palmer Management Corporation and Manager, Jericho Power LLC
 Phone: 781-383-3200

Name and address of owner of project (if different): N/A

Names and addresses of lessees of project (if any): N/A

Amount of bond issue: \$4,095,300 of private activity Qualified Energy Conservation Bonds

Address of project site: Jericho Mountain, Berlin, New Hampshire

Briefly describe the project:

Jericho Power LLC ("Jericho Power") is developing a wind power project on Jericho Mountain near the city of Berlin in Coos County, New Hampshire. The project is expected to consist of two wind turbines (the "Facilities") that will produce approximately three megawatts of power. The estimated capital cost of the Jericho Power project is approximately \$9 million (see Estimated Cost below). Project participant David Brooks has executed a 20-year Power Purchase Agreement ("PPA") to sell 100% of the power generated to New Hampshire Electric Cooperative ("NHEC"), which will also purchase up to 100% of the Renewable Energy Certificates generated by the project. The PPA, which is attached with this application, will be assigned to Jericho Power. The project will interconnect with Public Service of New Hampshire ("PSNH"). The Berlin Planning Board, the Berlin Zoning Board of Adjustment and the Federal Aviation Administration have approved permits for the Facilities. In December 2011 Jericho Power started construction on roads that will be necessary to transport the turbines up the mountain. Jericho Power's development team expects to commission the Facilities in 2012.

	<u>Estimated Cost</u>	<u>Size</u>
Land Acquisition	<u>N/A</u>	_____ acres
Building Acquisition	<u>N/A</u>	_____ sq. ft.
Erection and Construction	<u>\$3,388,625</u>	_____ sq. ft.
Development Costs	<u>\$705,750</u>	_____ sq. ft.
Turbine Acquisition	<u>\$4,260,000</u>	_____
Cost of Bond Issuance	<u>\$180,000</u>	
Reserves and Working Capital	<u>\$542,880</u>	
Total Capital Cost	<u>\$9,077,255</u>	

Jericho Power LLC

If you are acquiring equipment, do you anticipate acquiring any used equipment?

Jericho Power anticipates installing only new equipment, which is required by the federal tax code for the Facilities to qualify for the federal Business Energy Investment Tax Credit.

Describe the effect of the project on the environment:

Jericho Power will generate clean, renewable power that will benefit both the environment and regional public health. According to its latest environmental disclosure in 2010, NHEC served approximately 94% of its members' demand with "System Power" resources from the regional grid (http://www.nhec.com/pdf/mix2010_web.pdf):

Power Source	NHEC's Co-Op Power		
	Known Resources	System Power	Total
Biomass	0	0.18%	0.18%
Coal	0	9.27%	9.27%
Hydro	1.15%	1.63%	2.78%
Imported Power	0	9.99%	9.99%
Landfill Gas	4.27%	0.03%	4.30%
Municipal Trash	0	1.23%	1.23%
Natural Gas	0.00%	35.26%	35.26%
Nuclear	0	29.65%	29.65%
Oil	0.00%	6.56%	6.56%
Other Renewable	0	0.00%	0.00%
Solar	0.04%	0.00%	0.04%
Wind	0.71%	0.03%	0.74%
Total	6.17%	93.83%	100.00%

A majority of NHEC's System Power is sourced from Natural Gas, Coal and Oil. These fossil fuels emit carbon dioxide, which is a greenhouse gas that is acknowledged to cause global climate change. Jericho Power's wind energy will be a "Known Resource" under long-term contract with NHEC, which will reduce NHEC's use of System Power from the grid. Consequently the Facilities will lower NHEC's greenhouse gas footprint and will offset the release of criteria pollutants by grid power sources, including nitrogen oxides, sulfur dioxide and other air emissions that are harmful to regional public health.

When do you expect the project to begin? In December 2011 Jericho Power started construction on roads that will be necessary to transport the turbines up the mountain. Jericho Power's development team expects to order the turbines and to construct the foundations during the 2nd quarter of 2012.

When do you expect the project to be completed? In order to qualify for the federal Section 1603 cash grant, the project must be commissioned before January 1, 2013.

How many jobs will be created or preserved by the facility?

Created: Jericho Wind will create an estimated 10 full-time equivalent (FTE) jobs for union workers for 6 months and will create an estimated 1.5 FTE jobs to manage the 20-year operation of the Facilities.

Preserved: N/A

Describe the types of jobs created or preserved, their wage and salary levels and, if applicable, when the jobs will be created: Construction is projected to require approximately 10 FTE union workers for 6 months. The following estimate is based on installation of a similar project.

Jericho Power LLC

- Field Construction Hours per Turbine: 3,859.0 hours
- FTE for 6 months to Install and Commission 1 Turbine: 3.86 union workers
- FTE for 6 months to Install and Commission 2 Turbines: 7.72 union workers
- FTE for General Contractor and Subcontractor Management: 2 workers
- **Total FTE for Jericho Power Construction: 9.72 workers for 6 months**

In addition, Jericho Power's operation and maintenance is anticipated to require 1.5 FTE workers annually throughout the 20-year operational life of the Facilities. However, these wind turbines will not need 1.5 people to operate them full-time. Instead the Facilities will require operators, engineers, bookkeepers, accountants and managers who may be assigned to them from time to time over the life of the Facilities as required. So we have conservatively estimated that the total annual workload will be 1.5 FTEs for the operation and maintenance of Jericho Power's turbines.

Names and addresses of contractors and subcontractors for the project: Jericho Power has hired contractors to begin construction and will hire a final list of subcontractors after the close of financing. Jericho Power's contractors currently include the following firms.

- A.D. Construction LLC: Berlin, New Hampshire
- Beaver Tracks, LLC: Swanzey, New Hampshire
- York Land Services LLC: Berlin, New Hampshire
- Atlantic Design Engineers, LLC: Sandwich, Massachusetts
- J.K. Scanlan Company, Inc: East Falmouth, Massachusetts
- PLACES Site Consultants, Inc.: Holden, Massachusetts
- Solaya Energy LLC: Wilmington, Massachusetts

Describe the Applicant (and if applicable the owner and the lessees). Include a brief history of the Applicant, its principal products, and its customers:

Jericho Power LLC is a Special Purpose Entity ("SPE"). The purpose of this SPE is to develop approximately three megawatts of wind power that will supply clean, renewable energy to NHEC for 20 years. The SPE is an affiliate of Palmer Capital Corporation (and its affiliate Palmer Management Corporation, collectively "Palmer"). Palmer is a privately-held firm that develops and finances energy projects. Since 1982 Palmer has closed approximately \$2.2 billion of energy project financings. In 2011 Palmer developed and financed two community-based wind projects in Massachusetts that placed more than \$6 million of Qualified Energy Conservation Bonds with Cambridge Savings Bank (<http://www.foleyhoag.com/NewsCenter/PressCenter/2011/11/Foley-Hoag-Community-Wind-Project-Financing.aspx>).

The project team also includes Solaya Energy LLC ("Solaya") and J.K. Scanlan Company, Inc. ("Scanlan"). Solaya is an affiliate of Lumus Construction, Inc., which is a general contractor that has extensive experience with wind turbine construction and operation. Solaya will be the Owner's Engineer for Jericho Power, and will oversee the design, construction and commissioning of the Facilities on behalf of the SPE. Solaya is both Palmer's partner and the Owner's Engineer for the aforementioned community-based wind projects in Massachusetts. In addition, Jericho Power has executed a turnkey Engineering, Procurement and Construction ("EPC") Agreement with Scanlan, which is a general contractor that is both financially strong and highly experienced with installing wind power projects. Scanlan is also the EPC contractor for Palmer's two community-based wind projects in Massachusetts.

Briefly describe the background of the Applicant's (and if applicable the owner's and lessees') key management personnel: Please see Appendix A for resumes of key management personnel.

Is the Applicant an equal opportunity employer? Yes. The owner? Yes. The lessee? N/A.

Jericho Power LLC

Please provide any other information of which you believe the BFA should be aware in considering this application: In addition to creating local jobs, Jericho Power anticipates paying approximately \$22,000 in property taxes annually.

The Applicant will promptly advise the BFA of any change in the foregoing information, or of any additional information that may become available as plans for the project progress.

Date: 02/07/2012



Authorized Officer of Applicant
Gordon L. Deane
President
Palmer Management Corporation
Manager, Jericho Power LLC

Jericho Power LLC

GORDON L. DEANE
13 Elm Street, Suite 200, Cohasset, MA 02025-1828
Tel: 781-383-3200 // Fax: 781-383-3205 // Email: gdeane@palmcap.com

PROFESSIONAL EXPERIENCE

Current *Palmer Capital Corporation*, Cohasset, MA -- President of a Chicago-based investment banking firm whose principal clients are privately held companies. Responsible for developing and financing alternative energy projects which also provide tax credits for investors; completed over \$2 billion in financings to date. Owner, officer, and director of most of Palmer's affiliates established to finance such projects.

Palmer Management Corporation, Cohasset, MA -- Co-founder, Owner and President of a management company responsible for the financial and operational management of Palmer Capital's energy projects which collectively had over \$540 million in total sales in 2007.

Renewable Investment Corporation, Cohasset, MA -- Founder, Owner and President of a consulting service to provide and structure financing for different renewable energy ventures.

DRV Investment, LLC, Cohasset, MA -- Founder, Owner and Director of an investment vehicle which has provided over \$3.75 million in start-up financing for *Passkey International*, an internet-based reservation and e-commerce system (passkey.com) serving the convention and hotel industry.

1977-81 *New England Regional Commission*, Boston, MA -- Program Manager for Alternative Energy for 6-state regional economic development agency. Developed national pilot program for US Department of Energy to assist industries analyzing alternative wood fuel choices.

1973-77 *GCA/Technology Division*, Bedford, MA -- Senior Scientist managing varied national and state environmental studies.

EDUCATION

Massachusetts Institute of Technology, Special Graduate Student in Energy Policy, 1976
Harvard University, School of Public Health, M.S. in Environmental Science, 1973
Oberlin College, A.B. with Honors in Physics, 1971

DIRECTORSHIPS & PROFESSIONAL MEMBERSHIPS

National Tropical Botanical Garden (ntbg.org) -- Trustee
Institute for Ethno-Medicine (ethnomedicine.org) -- Founding Fellow & Trustee
Passkey International, Inc. (passkey.com) -- Angel Investor and Director
South Shore Conservatory of Music (southshoreconservatory.org) -- Overseer
Atlantic Symphony Orchestra (hinghamssymphony.org) -- Trustee
Solid Waste Association of North America (swana.org) -- LFG Division Hall of Flame
Oberlin College President's Advisory Council
Federation of American Scientists (fas.org)
Sigma Xi (sigmaxi.org)

Jericho Power LLC

SETH K. JACOBSON

818 S. Grand Avenue, #306, Los Angeles, CA 90017

Tel: 213/622-9628 // Fax: 213/403-5792 // Email: sjacobson@palmcap.com

PROFESSIONAL EXPERIENCE

Current Palmer Capital Corporation, Cohasset, MA -- Senior Vice President of investment banking firm specializing in alternative energy projects with associated tax benefits. Responsible for business development efforts for energy projects, including opportunities in wind power, photovoltaic solar power, waste-to-energy, refined coal and energy storage.

Scituate Wind, LLC, Cohasset, MA -- 1.5 MW community-based wind power project

- Identified and led successful efforts to obtain awards of federal bonds, including \$3MM of Qualified Energy Conservation Bonds and \$1.7MM of Recovery Zone Facility Bonds.
- Originated relationship and obtained term sheet for debt financing from Cambridge Savings Bank (CSB); and managed negotiations with CSB and other key parties to close financing.
- Managed bid process for Engineering, Procurement and Construction (EPC) contractor; managed negotiations with J.K. Scanlan Company, Inc. (Scanlan) for EPC contract; and managing business relationship with Scanlan, including weekly construction meetings.
- Managing business relationship with Chinese wind turbine supplier Sinovel Wind Group Co., Ltd. (Sinovel); negotiated Turbine Supply Agreement and Maintenance Service Agreement; traveled to China to meet at Sinovel's Beijing headquarters and to participate in inspections of Scituate Wind's turbine at their factory in Dalian; and managing ongoing communication.

Fairhaven Wind LLC, Cohasset, MA -- 3.0 MW community-based wind power project

- Identified and led successful efforts to obtain awards of federal bonds, including \$3MM of Qualified Energy Conservation Bonds and \$6.5MM of Recovery Zone Facility Bonds.
- Obtained term sheet for debt financing from CSB and managed negotiations with CSB and other key parties to close financing.
- Managed bid process for EPC contractor and negotiations with Scanlan for EPC contract; and managing ongoing business relationship with Scanlan.
- Managing business relationship with Chinese wind turbine supplier Sinovel.

2005-2007 Green Coast Foundation, Los Angeles, CA -- Co-Founder and Executive Director of nonprofit organization promoting renewable energy in California. Led market assessment of demand for alternative fuels in Southern California, funded by BP, Plc.

1993-2005 Other Work Experience -- Prior to graduate school, I worked in management positions at leading software and media companies. After graduate school, I was a partner in the launch of a profitable Internet venture.

EDUCATION

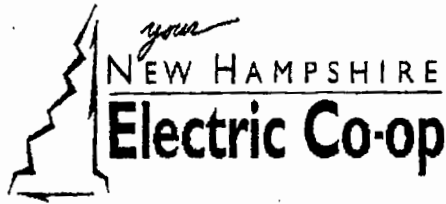
University of California at Los Angeles, Anderson School of Management, Master of Business Administration, concentration in Corporate Environmental Management -- 2005.

University of California at Los Angeles, Luskin School of Public Affairs, Master of Public Policy, Highest Honors, concentration in Energy & Security -- 2003.

Harvard College, Cambridge, MA -- AB in Astronomy & Astrophysics -- 1992.

PROFESSIONAL MEMBERSHIPS & ASSOCIATIONS

American Wind Energy Association, Community Wind Working Group
Pacific Council on International Policy, Member
Center for Advanced Studies on Terrorism, Senior Research Fellow
UCLA Department of Public Policy, Alumni Advisory Council



New Hampshire Electric Cooperative, Inc.
579 Tenney Mountain Highway
Plymouth, NH 03264

Stephen E. Kaminski
VP, Power Resources and Access
Direct Dial Phone: (603) 536-8655
Fax: (603) 536-8682
e-mail: kaminski@nhec.com

April 6, 2011

David Brooks
11 Island View Road
East Weymouth MA. 02189

CONFIDENTIAL

Dear Mr. Brooks,

This is to follow up and document our recent discussions regarding a possible arrangement for the purchase by New Hampshire Electric Cooperative, Inc. (NHEC) of electricity and related products from a small wind power project consisting of no more than two wind turbines of approximately 1.5 MW each, to be located on Jericho Mountain in Berlin, New Hampshire ("the Project").

Based on our discussions and our understanding of the project NHEC is prepared to enter into negotiations on a Power Purchase Agreement (PPA), which will be subject to final approval of NHEC's board of directors, to reflect the following terms:

- a base contract term of 20 years, effective from the date of first production and delivery to NHEC, with possible options for extension beyond the base term to be negotiated;
- a base price of \$75 for each MWh delivered and credited to NHEC's ISO-New England settlement account, fixed for the term;
- the base price to include all Energy delivered and credited to NHEC;
- owners to obtain and maintain qualification for Renewable Energy Certificates (RECs) for which the project is eligible under the Renewable Portfolio Standards of all New England states, and, similar federal requirements if enacted;
- NHEC to be entitled to purchase a minimum annual portion of the Renewable Energy Certificates (RECs) produced in conjunction with the Energy for the term, with the minimum annual portion and pricing to be negotiated;
- possible purchases by NHEC of additional RECS above the minimum annual portion, if any, to be negotiated and arranged for outside the PPA;
- NHEC not to be responsible for ISO -New England "Lead Participant" responsibilities;
- developers/owners to retain all rights to all Capacity the project may produce;
- developers/owners to be solely responsible for all interconnection arrangements, operational requirements and costs, and for the costs of transmission service and losses up to the delivery point.

We look forward to working with you towards finalizing these terms in a PPA and seeing the output of this new renewable resource in the near future.

Sincerely,

Stephen E. Kaminski
VP, Power Resources and Access

LOAN AND SECURITY AGREEMENT

among

BUSINESS FINANCE AUTHORITY OF THE STATE OF NEW HAMPSHIRE, as Issuer

and

JERICO POWER LLC

and

CAMBRIDGE SAVINGS BANK, as Disbursing Agent

and

PORTER SECURITIES, INC. II, as Bondowner

Dated as of October 1, 2014

\$4,095,300
Business Finance Authority of the State of New Hampshire
Revenue Bonds,
Jericho Power LLC Issue, Series 2014
(Federally Taxable – Qualified Energy Conservation Bonds – Direct Payment)

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ARTICLE I

INTRODUCTION AND DEFINITIONS

Section 1.01 Description of the Agreement and the Parties. This Loan and Security Agreement (this “Agreement”) dated as of October 1, 2014 is among the BUSINESS FINANCE AUTHORITY OF THE STATE OF NEW HAMPSHIRE (with its successors, the “Issuer”), a body corporate and politic created under New Hampshire RSA 162-A:3, JERICHO POWER LLC, a Massachusetts limited liability company (with its successors, the “Borrower”), CAMBRIDGE SAVINGS BANK, a Massachusetts chartered bank (with its successors, the “Disbursing Agent”), and PORTER SECURITIES, INC. II (with its successors, the “Bondowner”). This Agreement is a financing document combined with a trust agreement under the Act and provides for the following transactions:

- (a) the Issuer’s issue of the Bonds;
- (b) the Issuer’s loan of the proceeds of the Bonds to the Borrower for the purpose of financing the Project;
- (c) the Borrower’s repayment of the loan of Bond proceeds from the Issuer through payment to the Bondowner of all amounts necessary to pay the Bonds issued by the Issuer; and
- (d) the Issuer’s assignment to the Bondowner of the Issuer’s rights under this Agreement and the revenues to be received from the Borrower, except as otherwise provided herein.

In consideration of the mutual agreements contained in this Agreement and other good and valuable consideration, the receipt of which is hereby acknowledged, the Borrower, the Issuer, the Disbursing Agent and the Bondowner agree as set forth herein, provided that any financial obligation of the Issuer hereunder shall not be a general obligation of the Issuer nor a debt or pledge of the faith and credit of the State of New Hampshire, but shall be payable solely from the revenues and funds pledged under this Agreement.

Section 1.02 Definitions. In addition to terms defined elsewhere herein, the following terms have the following meanings in this Agreement, unless the context otherwise requires:

- (a) “Act” means New Hampshire Revised Statutes Annotated Chapter 162-I, as amended from time to time.
- (b) “Adjustment Date” shall have the meaning ascribed to such term in the form of Bond set forth in Section 3.01(b) hereof.
- (c) “Advance” has the meaning set forth in Section 4.02.
- (d) “ARRA” means the American Recovery and Reinvestment Act of 2009.

(e) “Authorized Officer” means (i) in the case of the Issuer, the Chairman and the Executive Director or any other official of the Issuer so designated by a resolution of the Issuer, and (ii) in the case of the Borrower, the President of the manager of the Borrower, and when used with reference to an act or document of the Borrower, also means any other person or persons authorized to perform the act or execute the document.

(f) “Banks” means, collectively, (i) Cambridge Savings Bank, a Massachusetts chartered bank and (ii) Webster Bank National Association, a national banking association, and their respective successors and assigns.

(g) “Bank Obligations” means the obligations of the Borrower to the Banks under the Related Documents.

(h) “Bond Counsel” means an attorney at law or a firm of attorneys, selected by Borrower and acceptable to the Issuer and the Bondowner, of nationally recognized standing in matters pertaining to the validity of and the tax exempt and taxable nature of interest on bonds issued by states and their political subdivisions, duly admitted to the practice of law before the highest court of any state of the United States of America.

(i) “Bond Documents” means this Agreement, the Bonds and the Bond Purchase Agreement.

(j) “Bond Purchase Agreement” means the Bond Purchase Agreement, dated as of October __, 2014, by and between the Borrower and the Bondowner, as initial purchaser of the Bonds, as in effect from time to time.

(k) “Bond Year” means each one year period (or shorter period from the date of issue of the Bonds) ending on _____.

(l) “Bondowner” means the registered owner or owners of the Bonds from time to time as shown in the bond register kept by the Disbursing Agent; initially the Bondowner shall be Porter Securities, Inc. II.

(m) “Bonds” means the \$4,095,300 Business Finance Authority of the State of New Hampshire Revenue Bonds, Jericho Power LLC Issue, Series 2014 (Federally Taxable – Qualified Energy Conservation Bonds – Direct Payment), dated the date of original delivery thereof, and any bond or bonds duly issued in exchange or replacement therefor.

(n) “Business Day” means a day on which banks in Boston, Massachusetts are not required or authorized to remain closed and on which the New York Stock Exchange is not closed.

(o) “Debt Service Fund” means the fund so designated and established pursuant to Section 3.04.

(p) “Default Rate” means an interest rate per annum equal to the interest rate per annum in effect on the Bonds immediately preceding the Event of Default to which the Default

Rate relates, plus five percent (5%) per annum, provided that such rate shall not exceed the maximum rate permitted by law.

(q) “Direct Subsidy Payments” means the refundable tax credits paid to the Issuer or the Borrower by the federal government equal to lesser of: (1) the amount of interest payable under such bond on such date, or (2) 70% of the amount of interest that would have been payable under such bond on such date if such interest were determined at the applicable credit rate determined under section 54A(b)(3) of the IRC.

(r) “Disbursing Agent” means Cambridge Savings Bank, and any successor or assigns.

(s) “Event of Default” has the meaning stated in Section 6.01, and “default” means any Event of Default hereunder or under the Bond Purchase Agreement without regard to any lapse of time or notice.

(t) “Fund” means the Debt Service Fund, the Project Fund, or any other fund established with the Disbursing Agent pursuant to this Agreement.

(u) “Initial Fixed Rate Period” shall have the meaning ascribed to such term in the form of Bond set forth in Section 3.01(b) hereof.

(v) “IRC” means the Internal Revenue Code of 1986, as amended from time to time, and United States Treasury Regulations promulgated thereunder.

(w) “Leasehold Mortgage” means that certain Leasehold Mortgage and Security Agreement from the Borrower to the Banks, including any amendments or supplements thereto.

(x) “Legal Requirements” means all federal, state and local statutes, laws, regulations, ordinances, rules, judgments, orders, decrees.

(y) “Loan Agreement” means that certain Loan Agreement dated as of October __, 2014 among the Borrower and the Banks, relating to the bridge loans and the term loans thereunder, including any amendments or supplements thereto.

(z) “Loans” means, collectively, the bridge loans in the aggregate principal amount of \$13,800,000.00 and the term loans in the aggregate principal amount of \$13,000,000.00, each granted by the Banks in favor of the Borrower under the Loan Agreement.

(aa) “Person” means any natural person, corporation, partnership, trust, unincorporated association, joint stock company, limited liability company or other legal entity or organization or agency or political subdivision thereof.

(bb) “Project” means the development and construction of five (5) wind turbines on certain real property leased by the Borrower located on Jericho Mountain in Berlin, New Hampshire. The word “Project” also refers to the structures that result or have resulted from the foregoing activities.

(cc) "Project Costs" means the costs of issuing the Bonds (not in excess of 2% of the initial principal amount of the Bonds) and acquiring and carrying out the Project, including repayment of external loans and reimbursement to the Borrower of costs incurred for the Project and paid by the Borrower prior to the date of issuance of the Bonds ("internal advances") to the extent permitted by this Agreement and the Tax Certificate, capital expenditures directly related to the Project to the extent permitted by the IRC, and interest prior to, during and for up to one year after construction is substantially complete, but excluding general administrative expenses, overhead of the Borrower and interest on internal advances.

(dd) "Project Fund" means the fund so designated established pursuant to Section 3.03 hereof.

(ee) "Related Documents" means the Loan Agreement, Guaranty (as defined in the Loan Agreement), and the Security Documents each dated as of October __, 2014, between the Borrower and the Banks, and any other agreements, documents or instruments executed in connection with the Loans.

(ff) "Revenues" means and includes, regardless of the source, all income, revenues, receipts, third-party payments, Direct Subsidy Payments and other moneys derived by the Borrower from its ownership and operation of the Project, and including proceeds derived from any security provided hereunder, payable to the Issuer under this Agreement, excluding administrative fees of the Issuer, reimbursements to the Issuer for expenses incurred by the Issuer, and indemnification of the Issuer or the Trustee.

(gg) "Security Documents" means those of the Related Documents that are intended to be security for the Borrower's obligations under the Loans and the Bond Documents, including, without limitation, the Leasehold Mortgage.

(hh) "State" means the State of New Hampshire.

(ii) "Subsequent Fixed Rate Period" shall have the meaning ascribed to such term in the form of Bond set forth in Section 3.01(b) hereof.

(jj) "Tax Certificate" means the Tax Certificate and Agreement executed by the Borrower and the Issuer in connection with the original issuance of the Bonds.

(kk) "UCC" means the Massachusetts Uniform Commercial Code, as amended from time to time.

Words importing persons include firms, associations and corporations, and the singular and plural form of words shall be deemed interchangeable wherever appropriate.

ARTICLE II

ASSIGNMENT OF ISSUER; CERTAIN COVENANTS OF THE BORROWER

Section 2.01 Assignment and Pledge of the Issuer. The Issuer assigns and pledges to the Disbursing Agent for the benefit of the Bondowner upon the terms hereof (a) all Revenues to

be received from the Borrower or derived from any security provided hereunder and under the Related Documents, (b) all rights to receive such Revenues and the proceeds of such rights, (c) all funds and investments held from time to time in the funds established under this Agreement, and (d) all of its right, title and interest in this Agreement, including enforcement rights and remedies but excluding certain rights of indemnification and to reimbursement of certain expenses as set forth herein. This assignment and pledge does not include: (i) the rights of the Issuer pursuant to provisions for consent, concurrence, approval or other action by the Issuer, notice to the Issuer or the filing of reports, certificates or other documents with the Issuer; (ii) the right of the Issuer to any payment or reimbursement pursuant to Subsection 3.06(b), Section 3.11, Section 8.02 and Section 8.03, or (iii) the powers of the Issuer as stated herein to enforce the rights set forth in subclauses (i) and (ii) of this sentence. As additional security for its obligation to make debt service payments on the Bonds, and for its other payment obligations under this Agreement, the Borrower grants to the Disbursing Agent a security interest in its interest in the moneys and other investments held from time to time in the funds established under this Agreement.

Section 2.02 Further Assurance. The Borrower, the Disbursing Agent and the Issuer will from time to time execute, deliver and record and file such instruments as the Disbursing Agent may reasonably require to confirm, perfect or maintain the security created hereby and the transfer, assignment and grant of the rights hereunder.

Section 2.03 Defeasance. When the Bonds have been paid or prepaid under Section 3.08 in full, all the rights hereunder and under the other Bond Documents of the Issuer, if any, the Disbursing Agent, and the Bondowner have been provided for, and all obligations of the Borrower under the other Bond Documents and the Related Documents have been satisfied and the rebate, if any, due to the United States under IRC § 148 has been paid in full, the Disbursing Agent and the Issuer shall cease to be entitled to any benefit or security under this Agreement except the right of the Bondowner to receive the payments required under Section 3.06 and other rights whereby their nature cannot be satisfied prior to or simultaneously with termination of the lien hereof, the security interests created by this Agreement shall terminate, and the Disbursing Agent and the Issuer, upon the request of the Borrower, will execute and deliver such instruments as may be necessary to discharge the lien and security interests created hereunder. Any moneys or property held by the Disbursing Agent and not required for payment or prepayment of the Bonds and the satisfaction of the Borrower's obligations under the other Bond Documents in full shall, after satisfaction of all the rights of the Issuer and the Bondowner, be distributed to the Borrower upon such indemnification, if any, as the Issuer or the Bondowner may reasonably require.

ARTICLE III

THE BORROWING

Section 3.01 The Bonds.

(a) Details of the Bonds. The Bonds shall be issued in fully registered form and shall be numbered R-1, or in any other manner deemed appropriate by the Issuer and the Bondowner. The Bonds shall be issued in the original aggregate principal amount of \$4,095,300

and shall mature on April __, 2031 (the "Maturity Date"). The Bonds shall be dated the date of delivery thereof, and interest shall accrue from that date.

The Bonds shall be signed on behalf of the Issuer by the manual or facsimile signature of the Chairman and the Executive Director, and the corporate seal of the Issuer or a facsimile thereof shall be engraved or otherwise reproduced thereon. The certificate of authentication on the Bonds shall be manually signed on behalf of the Disbursing Agent.

In case any officer of the Issuer whose manual or facsimile signature shall appear on the Bonds shall cease to be an officer before the delivery thereof, such manual or facsimile signature shall nevertheless be valid and sufficient for all purposes as if he or she had remained in office until after such delivery.

Principal and interest on the Bonds shall be payable in accordance with, and shall bear interest at the rates per annum as set forth in the form of Bond set forth in Section 3.01(b) below.

The Bonds are subject to prepayment as described in Section 3.08 and in the Bond form.

(b) Issue, Authentication and Form of Bond. Upon execution and delivery of this Agreement, the Issuer will issue and upon direction of the Issuer, the Disbursing Agent will authenticate and deliver, the Bonds in substantially the following form:

[Beginning of Bond Form]

\$4,095,300

No. R-1

UNITED STATES OF AMERICA
THE STATE OF NEW HAMPSHIRE
BUSINESS FINANCE AUTHORITY
OF THE STATE OF NEW HAMPSHIRE

Revenue Bond
Jericho Power LLC Issue, Series 2014
(Federally Taxable – Qualified Energy Conservation Bonds – Direct Payment)

DATE OF THIS BOND: October __, 2014
(Date as of which the Bonds were initially issued)

MATURITY DATE: April __, 2031

PAYMENT DATES: November __, 2014 and the ____ (__th) day of each month thereafter to the MATURITY DATE or earlier prepayment in full.

REGISTERED OWNER: Porter Securities, Inc. II

DATE OF REGISTRATION: October __, 2014

PRINCIPAL AMOUNT: FOUR MILLION NINETY-FIVE THOUSAND THREE
HUNDRED DOLLARS

THIS BOND DOES NOT CONSTITUTE AN INDEBTEDNESS OF THE STATE OF NEW HAMPSHIRE OR OF THE ISSUER EXCEPT TO THE EXTENT PERMITTED BY NEW HAMPSHIRE RSA CHAPTER 162-I. ALL AMOUNTS OWED HEREUNDER ARE PAYABLE ONLY FROM THE SOURCES PROVIDED IN THE AGREEMENT DESCRIBED BELOW, AND NO PUBLIC FUNDS MAY BE USED FOR THAT PURPOSE.

The Business Finance Authority of the State of New Hampshire (the "Issuer"), for value received promises to pay to the REGISTERED OWNER of this bond, or registered assigns, but solely from the moneys to be provided under the Agreement mentioned below, in lawful money of the United States of America, up to the PRINCIPAL AMOUNT:

(a) on each Payment Date during the Interest Period, installments of interest only (computed on the basis of a 360-day year based on twelve 30-day months, but accruing and payable on the actual number of days elapsed) on the unpaid principal balance from the date of original issuance of this bond, at the Initial Fixed Rate per annum during the Initial Fixed Rate Period, unless paid earlier as provided below;

(b) on each Payment Date during the Amortization Period, through and including the Maturity Date, unless paid earlier as provided below, installments of principal, with interest (computed on the basis of a 360-day year based on twelve 30-day months, but accruing and payable on the actual number of days elapsed) on the unpaid principal balance from the most recent Payment Date to which interest has been paid or duly provided for, at the Initial Fixed Rate per annum during the Initial Fixed Rate Period, and thereafter at the Subsequent Fixed Rate per annum, as determined below for each Subsequent Fixed Rate Period; payable in arrears on each Payment Date, in amounts sufficient to fully amortize the outstanding principal amount over fifteen (15) years, with a final principal payment on the MATURITY DATE in the amount of the unamortized principal amount.

Payments prior to the final payment of this bond, including partial prepayments of principal, shall be made for the account of the Issuer by check delivered or mailed by Jericho Power LLC, a Massachusetts limited liability company (the "Borrower") to the registered owner at its address as appearing in the registration book kept by the Disbursing Agent or in such other manner as the Disbursing Agent and the registered owner hereof may determine from time to time. Final payment of this bond shall be made upon presentation and surrender hereof for cancellation at the corporate trust office of the Disbursing Agent.

Unless otherwise defined herein, capitalized terms used in this bond shall have the same meanings assigned to them in the Loan and Security Agreement (the "Agreement"), dated as of October 1, 2014, by and among the Issuer, the Borrower, Cambridge Savings Bank, as

Disbursing Agent (the “Disbursing Agent”) and Porter Securities, Inc. II, as Bondowner (the “Bondowner”). As used in this bond, the following terms shall have the following meanings, except as otherwise set forth herein:

“Adjustment Date” means each of April __, 2020 and October __, 2025.

“Amortization Period” means the period from expiration of the Interest Period and continuing until the Maturity Date.

“Default Rate” means an interest rate per annum equal to the interest rate per annum in effect on the Bonds immediately preceding the Event of Default to which the Default Rate relates, plus five percent (5%) per annum, provided that such rate shall not exceed the maximum rate permitted by law.

“Federal Home Loan Bank Classic Rate” means the interest rate per annum designated and announced by the Federal Home Loan Bank of Boston from time to time as the “Classic 5.5-Year Advance Rate.”

“Initial Fixed Rate” means a rate equal to _____ percent (____%) per annum.

“Initial Fixed Rate Period” means the approximate five and one-half (5½) year period commencing on the date of issue of the Bonds through and including April __, 2020.

“Interest Period” means the period commencing on the date of issue of the Bonds and continuing until April __, 2016.

“Payment Date” means November __, 2014, and the _____ (____th) day of each month thereafter until maturity or earlier prepayment in full.

“Subsequent Fixed Rate” means a per annum rate equal to the sum of (i) the Federal Home Loan Bank Classic Rate in effect as of the applicable Adjustment Date, plus (ii) 250 basis points (2.50%).

“Subsequent Fixed Rate Period” means each five and one-half (5½) year period commencing on an Adjustment Date and ending on the earlier of (i) the date immediately preceding the next Adjustment Date, (ii) the Maturity Date, or (iii) the date of prepayment in full of this bond.

Each Subsequent Fixed Rate shall be calculated and effective as of the applicable Adjustment Date for the applicable Subsequent Fixed Rate Period. The Disbursing Agent shall provide written notice to the Borrower, within a reasonable time after each Adjustment Date, of the Subsequent Fixed Rate to be effective as of such Adjustment Date.

During the Initial Fixed Rate Period (i) monthly payments of interest shall be calculated by the Disbursing Agent for each Payment Date during the Interest Period, based upon the Initial Fixed Rate and the principal amount of this bond then outstanding; and (ii) monthly payments of principal and interest shall be calculated by the Bondowner for each Payment Date during the

Amortization Period, based upon the Initial Fixed Rate and the principal amount of this bond then outstanding and based upon the number of months remaining to the Maturity Date and an assumed fifteen (15) year amortization schedule that commences with the Amortization Period. During each Subsequent Fixed Rate Period, monthly payments of principal and interest shall be calculated by the Bondowner for each Payment Date as of the applicable Adjustment Date, based upon the Subsequent Fixed Rate then in effect and the principal amount of this bond then outstanding and based upon the number of months remaining to the Maturity Date and the same fifteen (15) year amortization schedule that commenced with the Amortization Period.

The amortization schedule for the Initial Fixed Rate Period, as prepared by the Disbursing Agent, is set forth on Schedule I hereto. The monthly payments of principal and interest on the Bonds and the Direct Subsidy Payments for the term of the Bonds reflected in Schedule I have been calculated on the basis of a 360-day year of twelve 30-day months for the actual number of days elapsed. During each Subsequent Fixed Rate Period, a new Schedule I shall be prepared by the Disbursing Agent as of the applicable Adjustment Date.

The record date for payment of interest is the fifteenth (15th) day of the month preceding the date on which the interest is to be paid (the "Record Date"); provided that, with respect to overdue interest or interest payable on prepayment of this bond other than on a PAYMENT DATE or interest on any overdue amount, the Disbursing Agent may establish a special record date. The special record date may not be more than fifteen (15) days before the date set for payment. The Disbursing Agent shall notify the Bondowner of any special record date at least ten (10) days before the special record date.

This bond is the only instrument representing a borrowing of \$4,095,300 under New Hampshire RSA Chapter 162-I (the "Act"). The Bonds are being issued pursuant to the Agreement and resolutions of the Issuer. Pursuant to the Agreement, the Issuer is loaning the proceeds of the Bonds to the Borrower for the purpose of financing the Project (as defined in the Agreement). The Borrower has agreed to repay such borrowing in the amounts and times necessary to enable the Issuer to pay the principal of, premium, if any, and interest on this bond and the Issuer has pledged such funds to the Disbursing Agent. Reference is hereby made to the Agreement for a description of the security for this bond and for the provisions thereof with respect to the rights, limitations of rights, duties, obligations and immunities of the Borrower, the Issuer and the registered owner hereof, including the order of payments in the event of insufficient funds and restrictions on the rights of the registered owner to bring suit. The Agreement may be amended to the extent and in the manner provided therein.

Upon the occurrence of an Event of Default as defined in the Agreement, (i) the then outstanding principal amount of this bond together with accrued interest thereon may be declared due and payable in the manner and with the effect provided in the Agreement, and (ii) at the option of the holder, the outstanding principal amount of this bond and accrued interest thereon shall bear interest at the Default Rate. If any payment due under this bond is unpaid for ten (10) days or more, the Borrower may be required to pay, at the option of the holder, in addition to any other sums due under this bond (and without limiting the Disbursing Agent's other remedies on account thereof), a late charge equal to five percent (5%) of such unpaid amount.

The Bonds are prepayable pursuant to the Agreement at any time in whole or in part, at the election of the Borrower at a prepayment price of par plus interest accrued to the prepayment date, plus a Yield Maintenance Fee (as defined below). The “Yield Maintenance Fee” shall be an amount calculated as follows:

- (a) First, the Bondowner shall determine the amount by which:
 - (i) The total amount of interest which would have otherwise accrued hereunder on the amount prepaid (the “Prepayment”) during (A) the period beginning on the date of the Prepayment and ending on the next applicable Adjustment Date if such prepayment occurs prior to the Adjustment Dates or (B) the period beginning on the date of the Prepayment and ending on the Maturity Date if such prepayment occurs after the Adjustment Dates (the applicable period, the “Reemployment Period”)

Shall exceed:

- (ii) The total amount of interest which would accrue, during the Reemployment Period, on the amount of the Prepayment assuming a fixed interest rate equal to the then current yield with reference to the Federal Home Loan Bank of Boston’s “Classic Advance Rate” with closest maturity to the Reemployment Period, plus 0.50% (the “FHLB Yield”).
- (b) Second, the Bondowner shall divide such excess by the number of payments of interest which the Borrower would have been required to make during the Reemployment Period, in accordance with the applicable provisions of this bond, in respect of the Prepayment (the resulting amount being referred to as the “Installment Amount”).
- (c) Third, an Installment Amount shall be treated as payable on each date on which interest would have been payable by the Borrower during the Reemployment Period had the Prepayment not been made.
- (d) Fourth, the amount to be paid on the date of the Prepayment shall be the sum of the present values of each Installment Amount, determined by discounting the amount of each Installment Amount from the date on which such Installment Amount is to be treated as payable, at the FHLB Yield.

Notwithstanding the foregoing, the Borrower shall not be obligated to pay a Yield Maintenance Fee for any prepayment made on an Adjustment Date.

The Bonds are subject to prepayment prior to maturity, as a whole or in part at any time, in inverse order of principal installments due, at their principal amounts, without premium or a Yield Maintenance Fee, plus accrued interest to the prepayment date, from excess moneys in the Project Fund established under the Agreement or in the event of substantial loss to the Borrower's property, from insurance or condemnation award proceeds allocable to the Bonds pursuant to the special prepayment provisions in the Agreement.

The Bonds are subject to extraordinary optional prepayment prior to maturity, at the option of the Borrower, upon the occurrence of an Extraordinary Event, at a prepayment price equal to the greater of: (i) [103%] of the principal amount of the Bonds to be prepaid; or (ii) the sum of the present values of the remaining scheduled payments of principal and interest to the Maturity Date of the Bonds, not including any portion of those payments of interest accrued and unpaid as of the date on which the Bonds are to be prepaid, discounted to the date on which the Bonds are to be prepaid on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate, plus [100] basis points; plus, in each case, accrued interest on the Bonds to be prepaid to the prepayment date. At the request of the Disbursing Agent, the prepayment price of the Bonds to be prepaid will be determined by an independent accounting firm, investment banking firm or financial advisor retained by the Borrower at the Borrower's expense to calculate such prepayment price. The Issuer, the Disbursing Agent and the Borrower may conclusively rely on the determination of such prepayment price by such independent accounting firm, investment banking firm or financial advisor and will not be liable for such reliance.

An "Extraordinary Event" will have occurred if the Borrower determines that a material adverse change has occurred to any of Sections 54A, 54AA, 54D or 6431 of the IRC (as such sections were added by ARRA, and to the extent pertaining to Qualified Energy Conservation Bonds), or there is any guidance published by the Internal Revenue Service or the Department of the Treasury with respect to such sections of the IRC or any other determination by the Internal Revenue Service or the Department of the United States Treasury, which determination is not the result of an act or omission by the Borrower to satisfy the requirements to receive the Direct Subsidy Payments, pursuant to which the Direct Subsidy Payments are reduced or eliminated.

"Treasury Rate" will be, as of the prepayment date, the yield to maturity as of such prepayment date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least five (5) Business Days prior to the prepayment date (excluding inflation indexed securities) (or, if such Statistical Release is no longer published, any publicly available source of similar market data) most nearly equal to the period from the prepayment date to the Maturity Date of the Bonds to be prepaid; provided, however, that if the period from the prepayment date to such maturity date is less than one (1) year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one (1) year will be used.

The Bonds are also subject to extraordinary optional prepayment prior to maturity, without a Yield Maintenance Fee, at the option of the Borrower, upon the occurrence of a Failure to Spend Event (defined below), in whole or in part, on any date that is on or before the date that

is ninety days after the third anniversary of the original issue date, at the price of [103%] of the principal amount to be prepaid plus accrued interest to the prepayment date.

A "Failure to Spend Event" will have occurred if the Borrower determines that 100% of the available Project proceeds of the Bonds are not spent, or are not expected to be spent, for the qualified purpose by the date that is three years after the original issue date, as required by Section 54A(d)(2)(b) of the IRC.

In addition, this bond is prepayable at par from certain funds upon the happening of certain other events, all as provided in the Agreement. The Borrower shall give the registered owner hereof notice of any prepayment of this bond, which notice may be conditional, at least thirty (30) days before the prepayment date in accordance with the Agreement. Notice of prepayment having been given as required by the Agreement and sufficient moneys having been deposited with the registered owner, interest on the principal to be prepaid shall cease to accrue on the date fixed for prepayment. By accepting this bond, the registered owner agrees, upon any partial prepayment, to complete the Notation of Prepayment of Principal hereon. In the event of the prepayment of less than all of the outstanding principal of this bond, the prepayment shall be applied against the outstanding principal installments due in inverse chronological order.

This bond may be transferred in the bond register kept by the Disbursing Agent only upon presentation hereof with a written instrument of transfer duly executed by the registered owner or its authorized representative, and no transfer hereof shall be effective as to the Issuer or the Borrower unless shown in such register and noted hereon with a record of payments, including any prepayments. The Issuer and the Borrower may treat the person in whose name this bond is registered as the absolute owner hereof for all purposes and shall not be affected by any notice to the contrary.

This bond may be subdivided into and exchanged at the expense of the registered owner for two (2) or more bonds of the same issue providing for such installment payments as the registered owner may request in the same aggregate amount as the installment payments of this bond, whereupon the Issuer and the Disbursing Agent shall cause new bonds to be issued. No bond shall be subdivided by any such exchange, however, so as to produce any bond having immediately after such exchange an outstanding principal amount of less than \$100,000.

The Disbursing Agent shall not be required to make an exchange or transfer of this bond during the period of ten (10) Business Days preceding any payment date.

Neither the members of the Issuer nor any Person executing this bond are liable personally hereon or subject to any personal liability or accountability by reason of the issuance hereof.

This bond shall not be valid until the certificate of authentication hereon shall have been signed by the Disbursing Agent.

IN WITNESS WHEREOF, the Business Finance Authority of the State of New Hampshire has caused its seal to be affixed hereto and this bond to be signed by its authorized officers.

(Seal or Facsimile)

BUSINESS FINANCE AUTHORITY
OF THE STATE OF NEW HAMPSHIRE

By: _____
Chairman

By: _____
Executive Director

Certificate of Authentication

This bond is the Bond described in the Agreement.

CAMBRIDGE SAVINGS BANK,
as Disbursing Agent

By: _____
Authorized Signature

ASSIGNMENT

For value received the undersigned sells, assigns and transfers this bond to

(Name and Address of Assignee)

Social Security or Other Identifying Number of Assignee

and irrevocably appoints _____ attorney-in-fact to transfer it on the books kept for registration of the bond, with full power of substitution.

NOTE: The signature to this assignment must correspond with the name as written on the face of

the bond without alteration or enlargement or other change.

Dated:

Signature Guaranteed:

Participant in a Recognized
Signature Guarantee Medallion
Program

By: _____
Authorized Signature

Schedule I

[to be prepared by the Disbursing Agent]

Certificate of Registration

<u>Name of Subsequent Registered Owner</u>	<u>Date of Registration</u>	<u>Date to Which Interest Paid</u>	<u>Aggregate Principal Paid (Including Previously Prepaid Principal)</u>	<u>Balance of Principal Due</u>	<u>Signature of Registered Owner</u>
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

Notation of Prepayment of Principal

<u>Date of Prepayment</u>	<u>Amount Prepaid</u>	<u>Balance of Principal Due</u>	<u>Date of Final Payment of Principal and Amount Thereof</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Dated: _____

CAMBRIDGE SAVINGS BANK,
as Disbursing Agent

By: _____
Authorized Signer

[End of Bond Form]

(c) Exchange and Replacement Bonds. The Bonds may be exchanged as provided in the form of the Bonds set forth in Subsection 3.01(b), and the exchanged Bonds shall be issued in fully registered form substantially as set forth therein with appropriate modifications as reasonably determined by the Disbursing Agent in order to state the principal amount, the amount of installments and the date of final payment. Replacement Bonds shall be issued pursuant to applicable law as a result of the destruction, loss, wrongful taking or mutilation of the Bonds. The costs of a replacement shall be paid or reimbursed by the registered owner of the replacement Bonds, who shall indemnify the Issuer, the Disbursing Agent and the Borrower in such manner as they may require against all liability and expense in connection therewith.

Section 3.02 Application of Bond Proceeds. Upon the receipt of the proceeds of the Bonds, such proceeds in the amount of \$4,095,300 shall be deposited in the Project Fund and used to pay Project Costs.

Section 3.03 Project Fund. A Project Fund is hereby established with the Disbursing Agent for the account of the Borrower. The proceeds of the sale of the Bonds shall be deposited in the Project Fund, constituting the loan of the proceeds of the Bonds by the Issuer to the Borrower. The moneys in the Project Fund and any investments held as part of such Fund shall be held in trust and, except as otherwise provided in this Agreement, shall be applied by the Disbursing Agent solely to the payment or reimbursement of Project Costs in accordance with Article IV.

Section 3.04 Debt Service Fund.

(a) General. A Debt Service Fund is hereby established with the Disbursing Agent, and moneys shall be deposited therein as provided in this Agreement. The moneys in the Debt Service Fund and any investments held as part of such Fund shall be held in trust and, except as otherwise provided, shall be applied solely to the payment of the principal, prepayment premium, if any, and interest on the Bonds. The Disbursing Agent shall apply moneys in the Debt Service Fund to the payment of Bonds on each date on which a payment is to be made.

(b) Debt Service Deposit. On the Closing Date the Borrower shall deposit from its own funds into the Debt Service Fund an amount not less than one (1) year of interest to be paid on the Bonds (\$ _____), as calculated by the Disbursing Agent, which amount shall be reduced to \$0 to pay debt service on the Bonds on or before October __, 2015. On each annual anniversary of the Closing Date, the Borrower shall deposit from its own funds into the Debt Service Fund an amount equal to the aggregate of principal and interest payments to be made on the Bonds for a six-month period, as calculated by the Disbursing Agent (the "Debt Service Deposit"). During the Initial Fixed Rate Period, the Debt Service Deposit shall be an amount equal to \$ _____. On each Adjustment Date, the Debt Service Deposit shall be recalculated by the Disbursing Agent based on the Subsequent Fixed Rate. The Disbursing Agent shall provide written notice of the new Debt Service Deposit, to be effective as of the applicable Adjustment Date. The Debt Service Deposit shall be applied to the payment of principal, prepayment premium, if any, and interest on the Bonds as provided in Section 3.01(a) above. The Debt Service Fund shall be the same fund as the "Bond Fund Account" which the Borrower is required to maintain under the Loan Agreement.

Section 3.05 Application of Moneys. If moneys provided by the Borrower, including any available moneys in the Debt Service Fund, are not sufficient on any day to pay all principal and interest on the Bonds then due or overdue, such moneys (other than any sum in the Debt Service Fund irrevocably set aside for the prepayment of particular Bonds) shall, after payment of all other amounts owing to the Issuer under this Agreement and the Bond Purchase Agreement, be applied first to the payment of interest, including interest on overdue principal, in the order in which the same became due, and second to the payment of principal without regard to the order in which the same became due.

Section 3.06 Loan of Proceeds; Payments by the Borrower.

(a) Debt Service. (i) The Issuer shall loan the proceeds of the Bonds to the Borrower for the purposes of financing Project Costs, in accordance with the provisions of this Agreement and the Loan Agreement. The Borrower shall pay to the Disbursing Agent on or before each Payment Date, either directly to the Bondowner in accordance with the provisions of Section 3.04, or to the Disbursing Agent for deposit in the Debt Service Fund, a sum equal to all payments due on the Bonds on each such Payment Date, less amounts already on deposit in the Debt Service Fund, if any, and available for that purpose. The Borrower may make payments to the Disbursing Agent earlier than required by this Section 3.06, but such payments shall not affect the accrual of interest except to the extent the Bonds are prepaid. If any payment due under the Bonds is unpaid for ten (10) days or more, the Borrower may be required to pay, at the option of the

holder, in addition to any other sums due under the Bonds (and without limiting the Disbursing Agent's other remedies on account thereof), a late charge equal to five percent (5.0%) of such unpaid amount. All payments made by the Borrower under this Agreement shall be made in lawful money of the United States of America, in immediately available funds.

(ii) The payments to be made under the foregoing subsection shall be appropriately adjusted to reflect any earnings on amounts in the Debt Service Fund, and any prepayment of Bonds.

(iii) At any time when any principal of the Bonds is overdue, the Borrower also shall have a continuing obligation to pay an amount equal to interest on the overdue principal, as set forth in the form of Bond in Section 3.01(b).

(iv) Any payments by the Borrower to the Disbursing Agent for deposit in the Debt Service Fund under this Agreement shall discharge the obligation of the Borrower to the extent of such payments; provided, that if any moneys are invested in accordance with this Agreement and a loss results therefrom so that there are insufficient funds to pay principal and interest on the Bonds when due, the Borrower shall supply the deficiency.

(b) Additional Payments. In addition to the payments required under subsection (a), within fifteen (15) days after written notice thereof, the Borrower will pay to the Issuer, the Disbursing Agent and the Bondowner when due all amounts owing to them respectively under this Agreement or the Bond Purchase Agreement.

Section 3.07 Unconditional Obligation. The obligations of the Borrower hereunder, including the obligation of the Borrower to make all payments under Section 3.06, shall be absolute and unconditional and shall be binding and enforceable in all circumstances whatsoever as provided in the Act and shall not be subject to setoff, recoupment or counterclaim. The Borrower shall be obligated to make the payments under Section 3.06 whether or not the Project has come into existence or become functional and whether or not the Project has ceased to exist or to be functional to any extent and from any cause whatsoever. The Borrower shall be obligated to make such payments regardless of whether the Borrower is in possession or is entitled to be in possession of the Project or any part thereof.

Section 3.08 Prepayment of the Bonds.

(a) Optional Prepayment. The Bonds are prepayable at any time in whole or in part, at the election of the Borrower at a prepayment price of par plus interest accrued to the prepayment date, plus a Yield Maintenance Fee (as defined below). The "Yield Maintenance Fee" shall be an amount calculated as follows:

(i) First, the Bondowner shall determine the amount by which:

(A) The total amount of interest that would have otherwise accrued hereunder on the amount prepaid (the "Prepayment") during (1) the period beginning

on the date of the Prepayment and ending on the next applicable Adjustment Date if such prepayment occurs prior to the Adjustment Dates or (2) the period beginning on the date of the Prepayment and ending on the Maturity Date if such prepayment occurs after the Adjustment Dates (the applicable period, the “Reemployment Period”)

Shall exceed:

- (B) The total amount of interest which would accrue, during the Reemployment Period, on the amount of the Prepayment assuming a fixed interest rate equal to the then current yield with reference to the Federal Home Loan Bank of Boston’s “Classic Advance Rate” with the closest maturity to the Reemployment Period, plus 0.50% (the “FHLB Yield”).
- (ii) Second, the Bondowner shall divide such excess by the number of payments of interest that the Borrower would have been required to make during the Reemployment Period, in accordance with the applicable provisions of the Bonds, in respect of the Prepayment (the resulting amount being referred to as the “Installment Amount”).
- (iii) Third, an Installment Amount shall be treated as payable on each date on which interest would have been payable by the Borrower during the Reemployment Period had the Prepayment not been made.
- (iv) Fourth, the amount to be paid on the date of the Prepayment shall be the sum of the present values of each Installment Amount, determined by discounting the amount of each Installment Amount from the date on which such Installment Amount is to be treated as payable, at the FHLB Yield.

Notwithstanding the foregoing, the Borrower shall not be obligated to pay a Yield Maintenance Fee for any prepayment made on an Adjustment Date.

(b) Special Prepayment. If moneys are available to prepay Bonds pursuant to Section 5.06, such moneys (and earnings thereon) shall be used to prepay principal of the Bonds within sixty (60) days. The Bonds are subject to prepayment prior to maturity pursuant to this subsection, as a whole or in part at any time, in inverse order of principal installments due, at their principal amounts, without premium or a Yield Maintenance Fee, plus accrued interest to the prepayment date.

(c) Extraordinary Optional Prepayment – Extraordinary Event. The Bonds are subject to extraordinary optional prepayment prior to maturity, at the option of the Borrower, upon the occurrence of an Extraordinary Event, at a prepayment price equal to the greater of: (i) [103%] of the principal amount of the Bonds to be prepaid; or (ii) the sum of the present values of the remaining scheduled payments of principal and interest to the Maturity Date of the Bonds, not including any portion of those payments of interest accrued and unpaid as of the date on which the Bonds are to be prepaid, discounted to the date on which the Bonds are to be prepaid on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate,

plus [100] basis points; plus, in each case, accrued interest on the Bonds to be prepaid to the prepayment date. At the request of the Disbursing Agent, the prepayment price of the Bonds to be prepaid will be determined by an independent accounting firm, investment banking firm or financial advisor retained by the Borrower at the Borrower's expense to calculate such prepayment price. The Issuer, the Disbursing Agent and the Borrower may conclusively rely on the determination of such prepayment price by such independent accounting firm, investment banking firm or financial advisor and will not be liable for such reliance.

An "Extraordinary Event" will have occurred if the Borrower determines that a material adverse change has occurred to any of Sections 54A, 54AA, 54D or 6431 of the IRC (as such sections were added by ARRA, pertaining to Build America Bonds and Qualified Energy Conservation Bonds), or there is any guidance published by the Internal Revenue Service or the Department of the Treasury with respect to such sections of the IRC or any other determination by the Internal Revenue Service or the Department of the United States Treasury, which determination is not the result of an act or omission by the Borrower to satisfy the requirements to receive the Direct Subsidy Payments, pursuant to which the Direct Subsidy Payments are reduced or eliminated.

"Treasury Rate" will be, as of the prepayment date, the yield to maturity as of such prepayment date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least five (5) Business Days prior to the prepayment date (excluding inflation indexed securities) (or, if such Statistical Release is no longer published, any publicly available source of similar market data) most nearly equal to the period from the prepayment date to the Maturity Date of the Bonds to be prepaid; provided, however, that if the period from the prepayment date to such maturity date is less than one (1) year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one (1) year will be used.

(d) Extraordinary Mandatory Prepayment – Failure to Spend Event. The Bonds are also subject to extraordinary mandatory prepayment prior to maturity, without a Yield Maintenance Fee, upon the occurrence of a Failure to Spend Event, in whole or in part, on any date that is on or before the date that is ninety days after the third anniversary of the original issue date of the Bonds, at the price of [103%] of the principal amount to be prepaid plus accrued interest to the prepayment date.

A "Failure to Spend Event" will have occurred if the Borrower determines that 100% of the available Project proceeds of the Bonds are not spent, or are not expected to be spent, for the qualified purpose by the date that is three years after the original issue date of the Bonds, as required by Section 54A(d)(2)(b) of the IRC.

(e) Payment of Prepayment Price and Accrued Interest. Whenever principal is called for prepayment, the accrued interest on such principal shall become due on the prepayment date and shall be paid from the Debt Service Fund to the extent available therein. To the extent not otherwise provided, the Borrower shall pay the prepayment price.

(f) Notice of Prepayment. Whenever the Bonds are to be prepaid in whole or in part, the Borrower shall give the Bondowner notice of any prepayment of the Bonds, which notice may be conditional, at least thirty (30) days before the prepayment date specifying the date and amount of prepayment and the amount of accrued interest and premium, if any.

(g) Partial Prepayment. If less than all the principal of the Bonds are to be prepaid on any date, such prepayment shall be applied against the outstanding principal installments due on the Bonds in inverse chronological order. Upon any subsequent transfer or exchange of a Bonds upon which a prepayment is made, the Bondowner will make an appropriate notation on such Bonds showing the prepaid installment or installments.

(h) Sale of Bond to Third Party Identified by Borrower. No later than forty-five (45) days before any Adjustment Date, the Borrower may deliver written notice to the Bondowner and the Issuer that an Eligible Third Party Purchaser (defined below) has agreed to purchase the Bonds from the Bondowner in consideration of such Eligible Third Party's payment to the Bondowner of the principal amount of Bonds outstanding as of such Adjustment Date. The Borrower's written notice shall identify such Eligible Third Party Purchaser and the principal amount of Bonds outstanding as of such Adjustment Date. Provided that (i) such Eligible Third Party Purchaser has paid or agreed in writing to pay to the Bondowner one hundred percent (100%) of the principal amount, effective as of the Adjustment Date for which Borrower has delivered such written notice, (ii) the Bondowner has paid all outstanding interest and other fees and expenses due under the Bonds and the other Bond Documents as of such Adjustment Date, including any Yield Maintenance Fee, if applicable, (iii) the Borrower and such Eligible Third Party Purchaser have identified and agreed upon a successor "Disbursing Agent" under this Agreement, (iv) the Borrower or such Eligible Third Party Purchaser has repaid in full all other principal, interest, and other fees and expenses due under the Loans, and (v) the Borrower has paid all costs and expenses incurred by the Bondowner in connection with the transfer to the Third Party Purchaser, including, without limitation, the Bondowner's reasonable attorneys' fees and expenses, (a) the Bondowner shall sell, transfer and assign to such Eligible Third Party Purchaser all of its right title and interest in and to the Bonds, (b) after such sale, transfer, and assignment, the monthly payments of principal and interest shall be recalculated by the Eligible Third Party Purchaser or successor Disbursing Agent as of the Adjustment Date based on (i) the Subsequent Fixed Rate as prescribed in the form of Bond set forth in Section 3.01(b) hereof, or (ii) a new rate (or rates) of interest mutually agreed upon in writing by the Borrower, the Issuer, the Disbursing Agent and the Eligible Third Party Purchaser, in either case, there shall be delivered to the Issuer an approving opinion of Bond Counsel that the status of the Bonds as "qualified energy conservation bonds" under Sections 54A and 54D of the IRC will not be adversely affected, and (c) after such sale, transfer, and assignment, the Disbursing Agent shall be deemed to have lawfully and effectively resigned as "Disbursing Agent" hereunder, notwithstanding any terms and conditions of Section 7.03 to the contrary. For purposes of this Section 3.08(h), the term "Eligible Third Party Purchaser" means any bank, financial institution or other third party reasonably acceptable to the Issuer; provided, however, that in the event the Eligible Third Party Purchaser is not a bank or a financial institution, such other third party shall execute and deliver to the Issuer an investment letter with respect to the Bonds in form and substance satisfactory to the Issuer.

Section 3.09 Investment of Moneys in Funds.

(a) Pending their use under this Agreement, moneys in the Debt Service Fund and the Project Fund shall be invested by the Disbursing Agent at the written direction of the Borrower (if no Event of Default known to the Disbursing Agent then exists) in the permitted investments described in subsection (b), with maturities or subject to prepayment or put at the option of the Disbursing Agent at or before the time when such moneys are required to be available. If an Event of Default known to the Disbursing Agent exists, the Disbursing Agent shall use its own discretion as to such investment from within the types of investments set forth in subsection (b). Any investments of moneys pursuant to this subsection shall be held by the Disbursing Agent as a part of the applicable Fund. Any interest realized on investments in any Fund and any profit realized upon the sale or other disposition thereof shall be credited to the Fund with respect to which they were earned and any loss shall be charged thereto. Earnings (which for this purpose include net profit and are after deduction of net loss) on amounts deposited in the Debt Service Fund shall be retained therein.

(b) Permitted Investments. Permitted investments are:

(i) obligations issued or guaranteed by the United States, or any agency of the United States;

(ii) certificates of deposit of, banker's acceptances drawn on and accepted by, and interest bearing deposit accounts of, a bank or trust company organized in the United States that has a combined capital and surplus of not less than \$50,000,000;

(iii) repurchase agreements with any bank or trust company described in clause (ii) with respect to obligations issued or guaranteed by the United States or any agency thereof, or repurchase agreements with other persons with respect to such obligations provided that the Bondowner has a perfected security interest in such obligations;

(iv) commercial paper rated at least A-1, P-1 or the equivalent by any nationally recognized rating agency at the time of the acquisition thereof and maturing within ninety (90) days after the acquisition thereof;

(v) shares of any so-called money market fund that has at least 85% of its assets invested in investments described in clauses (i) to (iv), inclusive;

(vi) obligations described in IRC §103(a) rated at least A or the equivalent by any nationally recognized rating agency at the time of acquisition thereof or shares of a so-called money market fund that has all of its assets invested in such obligations or such obligations not so rated if the fund has comparable credit worthiness through insurance or otherwise; and

(vii) any other investment approved by the Bondowner.

(c) The Disbursing Agent shall acquire and sell all investments hereunder at the fair market value within the meaning of Treas. Reg. §1.148-5(d)(6). Any investment may be purchased from or through the Disbursing Agent or the Bondowner or any affiliate of either of them.

Section 3.10 Rebate.

(a) Payment of Rebate to the United States.

(1) No later than sixty (60) days after the close of the fifth Bond Year following the date of issue of the Bonds (or any earlier date that may be required) and the close of each fifth Bond Year thereafter, the Borrower shall pay to the United States on behalf of the Issuer the full amount of rebate then required to be paid under IRC §148(f) and the regulations thereunder (the “Rebate Provision”). Within sixty (60) days after the Bonds have been paid in full, the Borrower shall pay to the United States on behalf of the Issuer the full amount of rebate then required to be paid under the Rebate Provision. Each such payment shall be made to the Internal Revenue Service Center, Ogden, Utah 84201 or any successor location specified by the Internal Revenue Service, accompanied by a Form 8038-T (or other similar information reporting form) prepared by the Borrower.

(2) No later than fifteen (15) days prior to each date on which a payment could become due under Paragraph 3.10(a)(1) (a “Rebate Payment Date”), the Borrower shall deliver to the Issuer a certificate either summarizing the determination that no amount is required to be paid or specifying the amount then required to be paid pursuant to Paragraph 3.01(a)(1). If the certificate specifies an amount to be paid, (A) such certificate shall be accompanied by a completed Form 8038-T, which is to be signed by an officer of the Issuer, and shall include a certification stating that the Form 8038-T is accurate and complete, and (B) no later than ten (10) days after the Rebate Payment Date the Borrower shall furnish to the Issuer a certificate stating that such amount has been timely paid.

(b) Records. The Borrower, the Issuer and the Disbursing Agent shall keep such records as will enable the Borrower to fulfill its responsibilities under this section and IRC §148(f) and shall retain such records for at least six years following final payment of the Bonds. For purposes of the computations required by subsection (a), the Disbursing Agent shall upon request furnish to the Borrower and the Issuer all information in its respective control that is necessary for such computations.

(c) Interpretation of this Section. The purpose of this Section 3.10 is to satisfy the requirements of the Rebate Provision. Accordingly, this section shall be construed so as to meet such requirements. The Borrower covenants that all action taken under this section shall be taken in a manner that complies with the Rebate Provision and that it shall neither take any action nor omit to take any action that would cause the Bonds to be arbitrage bonds by reason of the failure to comply with the Rebate Provision. To the extent any payment of rebatable arbitrage or penalty in lieu of rebate is not timely made to the United States, the

Borrower shall pay to the United States on behalf of the Issuer any interest, penalty, or other amount necessary to prevent the Bonds from becoming arbitrage bonds within the meaning of IRC Section 148. The Borrower covenants that to the extent necessary it shall obtain the advice and assistance of experts to aid it in complying with the Rebate Provision.

(d) Construction. The provisions of this Section 3.10 are intended to be interpreted in a manner consistent with the provisions of the Tax Certificate relating to the Rebate Requirement (as such term is defined therein). To the extent any provision of this Section 3.10 cannot be interpreted in a manner that is consistent with such provisions of the Tax Certificate, such provisions of the Tax Certificate shall supersede and take precedence over the inconsistent provisions of this Section 3.10.

Section 3.11 Federal Subsidy Payments.

(a) Not later than forty-five (45) days after the last Payment Date within the quarterly period ending March __, 2015, and each June __, September __, December __ and March __ thereafter until the Bonds are paid in full (each, a "Filing Date"), the Issuer shall file or cause to be filed a Form 8038-CP with the Internal Revenue Service Center, Ogden, Utah 84201, or any successor location specified by the Internal Revenue Service, or take such other or additional actions as may be required from time to time under the IRC, to request the Direct Subsidy Payment for the aggregate amount of interest due on the Payment Dates falling within the applicable quarterly period (the "Filing Period"), and shall deliver a copy of such form to the Borrower, the Disbursing Agent and the Bondowner upon such filing.

(b) The Issuer shall authorize the Direct Subsidy Payment requested in accordance with Section 3.11(a) to be paid to the Disbursing Agent. Upon receipt of any Direct Subsidy Payment, the Disbursing Agent shall promptly deposit such payment in the Debt Service Fund as a credit against the next payment required to be made under Section 3.04(a).

(c) At least forty-five (45) days prior to each Filing Date, the Disbursing Agent shall deliver to the Borrower, with a copy to the Issuer and the Bondowner, a notice indicating the amount of interest payable on the Bonds for such Filing Period and indicating that the Borrower is required to deliver a completed Form 8038-CP to the Issuer at least thirty (30) days prior to the Filing Date, as provided in Section 3.11(d). Failure by the Disbursing Agent to provide such notice shall not affect the responsibilities of the Issuer or the Borrower under this Section 3.11.

(d) At least thirty (30) days prior to each Filing Date, the Borrower shall deliver to the Issuer by a delivery method which provides the Borrower with evidence of delivery (i) a completed Form 8038-CP, to be signed by an Authorized Officer of the Issuer, and (ii) a certification by an Authorized Officer of the Borrower stating that the Form 8038-CP is accurate and complete. The form and certification shall be sent to the attention of the [Executive Director] (or such other individual which Issuer may designate) [with a copy to _____]. The Issuer shall not be required to take any actions under Subsection 3.11(a) in the absence of the written certification of the Borrower required by this Subsection 3.11(d). The Issuer may hire an independent consultant at the Borrower's expense to review the Form 8038-CP and supporting documentation, if any. The Issuer shall not be liable for any Direct

Subsidy Payment or penalty related thereto in the event a filing required by Subsection 3.11(a) is not timely made or for which the Issuer did not receive the documentation required by this Subsection 3.11(d).

(e) The Issuer shall charge a fee, initially [\$500] per filing, based on a schedule it will establish from time to time for performing its responsibilities under this Section 3.11, which fee will be paid by the Borrower at the time the Borrower submits the Form 8038-CP to the Issuer in accordance with Subsection 3.11(d), and may also require reimbursement of any additional expenses incurred by the Issuer in connection with the filing required by Subsection 3.11(a).

(f) The Issuer and the Disbursing Agent hereby agree that the amortization schedule for the Initial Fixed Rate Period prepared by the Disbursing Agent and included as Schedule I to the form of Bond in Section 3.01(b), accurately reflects the monthly payments of principal and interest on the Bonds based on the Initial Fixed Rate and the Direct Subsidy Payments for the term of the Bonds, as calculated on the basis of a 360-day year of twelve 30-day months for the actual number of days elapsed. Upon the commencement of each Subsequent Fixed Rate Period and/or any prepayment of the Bonds, the Disbursing Agent shall prepare and deliver to the Bondowner and the Issuer a new Schedule I as of the applicable Adjustment Date and/or reflecting any prepayment of the Bonds, as the case may be, which Schedule I shall be mutually agreed upon by the Bondowner, the Issuer and the Disbursing Agent within thirty (30) days after delivery thereof. The Issuer may rely on the information provided in Schedule I for purposes of completing Form 8038-CP. The parties hereto acknowledge that the amount of the Direct Subsidy Payment may decrease as a result of a change in the interest rate on the Bonds or any prepayment of the Bonds.

Section 3.12 Paying Agent; Bond Registrar and Transfer Agent. The Disbursing Agent is hereby appointed as paying agent, bond registrar and transfer agent for the Bonds and accepts such appointment.

ARTICLE IV

PAYMENT OF PROJECT COSTS

Section 4.01 Disbursements. The Disbursing Agent will pay without requisition as the Borrower shall direct the Disbursing Agent in writing the costs of issuing the Bonds including the fees and expenses of Bond Counsel and the Issuer and its counsel and any recording or similar fees incurred prior to the completion of the Project in accordance with this Agreement. Other disbursements from the Project Fund shall be made by the Disbursing Agent to pay directly or to reimburse the Borrower for Project Costs or indebtedness incurred to pay Project Costs, after satisfaction by Borrower of the requirements of Section 4.02, as directed by requisitions signed on behalf of the Borrower by the Authorized Officer in the form attached as Exhibit A setting forth the amount of the payment or reimbursement due, the nature of the goods or other property or services received in reasonable detail, and the name and address of the person to whom payment or reimbursement is due. Each requisition shall include a certification, signed on behalf of the Borrower by the Authorized Officer and approved by the representative

of the Bondowner, that (i) after giving effect to the payment of the requisition, the use of all funds disbursed from the Project Fund complies with the limitations contained in the Tax Certificate; (ii) such payment or reimbursement is for Project Costs and the obligations have not been the basis for a prior requisition that has been paid; (iii) no Event of Default and no event or condition that, after notice or lapse of time or both, would become an Event of Default hereunder or under the Bond Purchase Agreement exists and the representations and warranties of the Borrower contained in the Bond Purchase Agreement are true and correct as of the date of the requisition (except to the extent such representations and warranties relate solely to an earlier date); (iv) the payment or reimbursement requested by the requisition is due for costs and expenses for labor, materials, property or services actually supplied to the Project prior to the date of the requisition, or for deposits on equipment not yet supplied to the Project; (v) the payment or reimbursement requested by the requisition will be disbursed in payment of, or is reimbursement for the Borrower's prior payment of, materials or property supplied for the Project by suppliers listed in the requisition; and (vi) all materials, equipment or other property included in the requisition have been supplied in accordance with the Project specifications.

Section 4.02 Conditions to Payment of Requisitions. The payment of each requisition from the Bond proceeds (an "Advance") shall be subject to receipt by the Bondowner and the Disbursing Agent of the documents and satisfaction of all other conditions set forth in Section [5] of each Loan Agreement, in form and substance satisfactory to the Disbursing Agent in its sole discretion.

Section 4.03 Completion Certificate. Completion of the Project shall be evidenced by the filing with the Bondowner of a certificate signed by the Authorized Officer of the Borrower stating that the Project has been completed substantially in accordance with the project specifications and paid for.

ARTICLE V

THE PROJECT AND THE PROPERTY

Section 5.01 Borrower's Obligations to Cause Completion of the Project.

(a) Proceeds of the Bonds on deposit in the Project Fund shall be used to pay Project Costs; provided, however, if the moneys in the Project Fund are not sufficient to pay in full all Project Costs, the Borrower agrees, in order to fulfill the purposes of the Act, to pay or cause to be paid any such excess Project Costs from funds of the Borrower, which may include the proceeds of the Loans under the Loan Agreement. The Issuer makes no warranty, express or implied, that moneys paid into the Project Fund or otherwise available to complete the Project will be sufficient to pay all Project Costs.

(b) The Borrower shall cause the Project to be completed diligently and continuously and with all reasonable dispatch in accordance with applicable laws, rules, regulations and requirements of all governmental authorities having jurisdiction with respect to the Project. The materials and workmanship shall be of high quality, and no materials, fixtures or equipment intended to become part of the Project shall be purchased by the Borrower subject to any lien, encumbrance or claim. The Borrower represents that contracts for carrying out the

Project and acquisitions in connection therewith have been and shall be made by the Borrower in its own name, except as otherwise disclosed and reasonably acceptable to the Issuer.

Section 5.02 Use of Project.

(a) Compliance with Law. In the acquisition, construction, maintenance, improvement and operation of the Project, the Borrower covenants that it has complied and will comply, in all material respects, with any provision of the Act applicable to the Borrower and all applicable building, zoning, land use, environmental protection, sanitary and safety laws, rules and regulations, and all applicable grant, reimbursement and insurance requirements, and will not permit an illegal nuisance thereon; but it shall not be a breach of this subsection if the Borrower fails to comply with such laws, rules, regulations and requirements during any period in which the Borrower is diligently and in good faith contesting the validity thereof or its compliance therewith, provided that the security created or intended to be created hereby is not, in the opinion of the Disbursing Agent, unreasonably jeopardized thereby.

(b) Payment of Lawful Charges. The Borrower shall make timely payment of all taxes and assessments and other municipal or governmental charges and all claims and demands for work, labor, services, materials or other objects that, if unpaid, might by law become a lien on the Project or any part thereof; but it shall not be a breach of this subsection if the Borrower fails to pay any such item during any period in which the Borrower is diligently and in good faith contesting the validity thereof, provided that the laws applicable to contesting its validity do not require payment thereof and proceedings for a refund and that the security created or intended to be created hereby is not, in the opinion of the Disbursing Agent, unreasonably jeopardized thereby.

(c) Use of Project; Permitted Purposes. The Borrower agrees that the Project shall be used only for the purposes described in the Act. The Borrower acknowledges that it is fully familiar with the physical condition of the Project and that it is not relying on any representation of any kind by the Issuer or the Bondowner concerning the nature or condition thereof. No other party hereto shall be liable to the Borrower or any other Person for any latent or patent defect in the Project.

Section 5.03 Reserved.

Section 5.04 Repair and Current Expenses.

(a) The Borrower agrees that it will maintain and repair the Project and keep the same in good and serviceable condition and in at least as good condition and repair (reasonable wear and tear and casualty loss excepted) as it was on the date the same was placed in service. In the event of damage to or destruction of all or any material part of the Project from any casualty, subject to Borrower's obligations under the Related Documents and other provisions of this Agreement, the Borrower shall repair, replace, restore or reconstruct the Project to the extent necessary to restore substantially its value and in a manner suitable for its continued use for the purpose for which it was provided; and this obligation shall not be limited by the amount of available insurance proceeds.

(b) The Borrower shall pay all costs of maintaining and operating the Project.

Section 5.05 Insurance.

(a) Coverage. The Borrower will keep the Project insured against fire, lightning and extended coverage perils, including loss or damage by vandalism or malicious mischief, and such other risks as are customarily insured against by similar businesses in the area, in the amount of the full insurable value (replacement cost to the extent available) of the Project, and amounts not less than the amount required to avoid coinsurance on any partial loss, effective no later than the completion of construction of the Project (which insurance shall be in builder's risk form during any construction of the Project). If the Project is located in an area of special flood hazard, the Borrower will maintain flood insurance to the extent required by the Flood Disaster Protection Act of 1973, as amended. Substitutions for or omissions from the required coverage may be made with the consent of the Disbursing Agent.

(b) Policies. All insurance policies required by subsection (a) and any policy providing public liability coverage for the Project shall name the Disbursing Agent as an additional insured (as to liability coverages) and as loss payee (as to property coverages), and, except for such public liability insurance, shall be made payable first to the Disbursing Agent. A duplicate copy or certificate of each policy of insurance shall be furnished to the Disbursing Agent and the Bondowner. All insurance carried under this section shall be in the appropriate New Hampshire standard form and shall be with responsible and reputable companies authorized to transact business in the State of New Hampshire reasonably satisfactory to the Disbursing Agent and the Bondowner. All policies of insurance shall contain a provision forbidding cancellation of such insurance by either the carrier or the insured until at least thirty (30) days after written notice of the proposed cancellation is given to the Disbursing Agent and the Bondowner. When any insurance is to expire other than by cancellation, the duplicate or certificate of the new policy shall be furnished to the Disbursing Agent and the Bondowner at least ten (10) days before such expiration date.

Section 5.06 Damage to or Destruction or Taking of the Project.

(a) Recovery of Insurance Proceeds. In the event of damage to or destruction of all or any part of the Project, the parties will cooperate in order to recover applicable proceeds of insurance. The Disbursing Agent shall have primary responsibility for the adjustment of any such proceeds, and any such proceeds shall be paid to the Disbursing Agent. From such proceeds the Disbursing Agent will provide for the payment or reimbursement of reasonable expenses of obtaining the recovery, as determined by the Disbursing Agent. The Disbursing Agent will give notice to the Borrower of such expenses and of the amount of the remaining proceeds (the "Net Proceeds").

(b) Use of Net Proceeds. [Subject to the Borrower's obligations under the Host Site Lease (as defined in each Loan Agreement), t][T]he Disbursing Agent may, in its sole discretion, either (i) apply any and all of the Net Proceeds to the payment of the Borrower's obligations under the Bond Documents or (ii) disburse any or all of the Net Proceeds to the Borrower for the repair and restoration of the Project in accordance with this Agreement. If the Disbursing Agent elects to make available to the Borrower any or all such Net Proceeds and if the amounts that the Disbursing Agent deems necessary for complete restoration of the Project exceed the amount of the Net Proceeds, the Borrower shall pay into escrow with the Disbursing

Agent the difference between such amounts to the release of any Net Proceeds to the Borrower for such restoration. If any Net Proceeds paid to or received by the Disbursing Agent are made available to the Borrower hereunder, such proceeds shall be payable in advances subject to the satisfaction of the conditions precedent set forth in Section 4.02 above, and the Borrower shall proceed immediately with the restoration and diligently prosecute the work of restoration to completion.

(c) Balance of Net Proceeds. If no repair or restoration is necessary, or when no further moneys are needed therefor, the Borrower will notify the Disbursing Agent and the Bondowner, and any remaining Net Proceeds shall be applied, in the discretion of the Disbursing Agent, to prepay the Bonds pursuant to Section 3.08(b) hereof, to prepay the Borrower's obligations under the Loans, or to prepay either the Bond or the Loans in any order or amount as determined by the Disbursing Agent.

(d) Option to Obtain Discharge. With the prior written consent of the Bondowner and the Disbursing Agent, the Borrower may at any time be relieved of its obligations to repair or restore by taking all action necessary to discharge the lien of this Agreement under Section 2.03. If the Borrower so elects to discharge the lien of this Agreement and the Bondowner and the Disbursing Agent grant their prior written consent thereto, all Net Proceeds held by the Disbursing Agent pursuant to subsections (a) or (e) shall be applied to the prepayment of the Bonds pursuant to Section 3.08(b). The Disbursing Agent may condition its consent hereunder on, among other terms, that such Net Proceeds also be used to prepay the Loans.

(e) Eminent Domain. In the event of a taking of all or any part of the Project by eminent domain, the parties will cooperate as in subsection (a) in order to recover any applicable proceeds. Such proceeds shall be paid to the Disbursing Agent. The Disbursing Agent will make appropriate deductions from such proceeds as in the case of insurance proceeds and will give notice to the Bondowner and the Borrower of such deductions and of the amount of the Net Proceeds. Subject to the provisions of subsection (f) below, the Borrower may give notice to the Disbursing Agent and the Bondowner of its election to repair, restore, or reconstruct the remaining property. In the event of such election and so long as no default known to the Disbursing Agent exists, the Disbursing Agent will treat the Net Proceeds as provided in subsection (b), and, if required or permitted by the Disbursing Agent, the Borrower will be obligated to repair, replace, restore or reconstruct the remaining property to the extent necessary to restore the economic and operational utility lost by the taking, which obligation shall not be limited by the amount of Net Proceeds available.

(f) Use of Proceeds of Condemnation Awards. Whenever the Net Proceeds of condemnation awards resulting from a taking of all or a portion of the Project exceed twenty-five percent (25%) of the then full insurable value of the Project, as determined by a consultant reasonably acceptable to the Disbursing Agent and the Disbursing Agent reasonably determines that the Project can be economically restored and operated in accordance with the Bond Documents, the Disbursing Agent may release such Net Proceeds (or a portion thereof exceeding twenty-five percent (25%) of such insurable value not used or to be used for partial repair, replacement, restoration, or reconstruction) to prepay the Bonds pursuant to the provisions of Section 3.08(b).

(g) During Default. If a default exists, the Disbursing Agent may take all action necessary to recover the proceeds of insurance and of a taking, including settling any claims with the insurers or taking authority. The Borrower irrevocably assigns such proceeds to the Disbursing Agent and irrevocably grants to the Disbursing Agent full power and authority, as its attorney, to take all action necessary to recover such proceeds and to settle such claims and collect and endorse any checks payable to the Borrower. The Disbursing Agent will give notice to the Bondowner and the Borrower of the amount of the Net Proceeds of any insurance recovery or of any eminent domain award so obtained, and the Disbursing Agent will apply the Net Proceeds to the prepayment of the Bonds pursuant to Section 3.08(b) and the payment of the Loans, in such order and amount as the Disbursing Agent may elect, unless the Disbursing Agent, within thirty (30) days after such notification, makes the Net Proceeds available to the Borrower pursuant to subsection (b) or (c) and the Borrower shall not have exercised its rights under subsection (d).

(h) Allocation of Proceeds. In the event of damage to or destruction or taking of all or any part of the Project together with other property of the Borrower, any reasonable allocation of insurance or eminent domain proceeds between the Project and such other property made or accepted by Borrower in good faith shall be binding on the Borrower, the Disbursing Agent and the Bondowner.

Section 5.07 Additions and Alterations. The Borrower may at its expense alter, remodel or otherwise improve the Project, provided that such improvement shall not damage the basic structure of any building, decrease the value of the Project, or cause the Project or any sale thereof to violate zoning or other land use restrictions. Such improvements shall be deemed part of the Project.

Section 5.08 Right of Access to the Project. The Issuer, the Disbursing Agent, the Bondowner and their respective duly authorized agents shall have the right at all reasonable times upon reasonable notice to enter upon the Project for the purpose of inspection or to carry out their powers hereunder.

ARTICLE VI

DEFAULT AND REMEDIES

Section 6.01 Events of Default. “Event of Default” in this Agreement means any one of the following events:

(a) Debt Service. Any principal of, premium, if any, or interest on the Bonds shall not be paid or the Borrower shall fail to make any payment or prepayment required under Subsection 3.06(a) when the same becomes due and payable whether at maturity, by acceleration or otherwise.

(b) Certain Obligations. The Borrower shall: (i) fail to make any other payment required hereunder or under the other Bond Documents or Related Documents to the Disbursing Agent or the Bondowner within ten (10) days of the due date thereof; (ii) the Borrower shall fail to maintain any insurance required by Section 5.05; (iii) the Borrower shall

fail to observe or perform any of its agreements or obligations under Sections 5.06 or 5.08 herein; or (iv) the Borrower shall fail to observe or perform any of its other agreements or obligations under this Agreement and such failure is not remedied within thirty (30) days after notice thereof is given by the Bondowner to the Borrower.

(c) Additional Documents. A default or Event of Default under any of the other Bond Documents or Related Documents shall exist and be continuing beyond any applicable cure period, or any other Bond Document or Related Documents shall be held to be illegal, invalid or unenforceable by a court of competent jurisdiction; provided that such Event of Default shall not be deemed to be in existence or to be continuing under this clause (c) if (A) the Borrower is in good faith contesting the existence of such breach or event and if such acceleration is being stayed by judicial proceedings or (B) such breach or event is remedied and any related acceleration is wholly annulled. The Borrower shall notify the Disbursing Agent in writing of any such breach or event immediately upon the Borrower's becoming aware of its occurrence and shall from time to time furnish such information as the Disbursing Agent may reasonably request for the purpose of determining whether a breach or event described in this clause (c) has occurred.

(d) Other Obligations. An event of default under any other obligation of the Borrower to the Disbursing Agent or the Bondowner shall occur and be continuing beyond any applicable cure period, including without limitation, any event of default under the Loan Agreement.

Section 6.02 Waiver. Any default and the consequences thereof, including any acceleration, may be waived by the Disbursing Agent with written notice to the Issuer and the Bondowner, provided that, no such waiver shall affect the right of the Issuer to enforce the payment of amounts owing to it.

Section 6.03 Remedies for Events of Default. If an Event of Default exists and is continuing beyond any applicable cure period, the Disbursing Agent, as the Bondowner's agent, may exercise any or all of the following remedies:

(a) Acceleration. The Disbursing Agent may by written notice to the Issuer, the Bondowner and the Borrower declare immediately due and payable the then outstanding principal amount of the Bonds and the payments to be made by the Borrower therefor, and accrued interest on the foregoing, whereupon the same shall become immediately due and payable without any further action or notice.

(b) Rights as a Secured Party. The Disbursing Agent may exercise all of the rights and remedies of a secured party under the UCC with respect to any property as to which a security interest has been granted hereunder which is or may be treated as collateral under the UCC. The Disbursing Agent may deal with such property as collateral under the UCC. Notice of any public sale under the UCC shall be given in accordance with the UCC or other applicable law then in effect. Notice sent by registered or certified mail, postage prepaid, or delivered during business hours, to the Borrower at least fifteen (15) days before an event shall constitute reasonable notification of such event under UCC §9-611.

(c) Court Proceedings. The Disbursing Agent may enforce the provisions of this Agreement by legal proceedings for the specific performance of any obligation contained herein or for the enforcement of any other appropriate legal or equitable remedy, and may recover damages caused by any breach by the Borrower of the provisions hereof, including court costs reasonable attorney's fees and other costs and expenses incurred in enforcing the obligations of the Borrower hereunder.

Section 6.04 Revenues after Default. The proceeds from operation or sale under Sections 6.03(b) (including any proceeds of insurance or eminent domain) of all or any part of the property pledged hereunder shall be held by the Disbursing Agent. After payment or reimbursement of the reasonable expenses of the Disbursing Agent, the Bondowner and the Issuer in connection therewith (including without limitation the expenses of insurance, ordinary or extraordinary repairs or alterations deemed advisable by the Disbursing Agent, and reserves for the foregoing to the extent deemed necessary by the Disbursing Agent), the same, together with any other funds held under this Agreement, shall be applied, first to the remaining obligations of the Borrower under the Bond Documents (other than obligations to make payments to the Issuer for its own use) in such order as may be determined by the Disbursing Agent in its sole discretion, second, to any unpaid sums due the Issuer for its own use, and (third, to the remaining obligations of the Borrower under the Loan Agreement. Any surplus thereof shall be paid to the Borrower so long as the Bonds and all Bank Obligations have been paid in full.

Section 6.05 Performance of the Borrower's Obligations. If the Borrower shall fail to pay or to perform in any material respect any obligation under this Agreement (including the insurance, maintenance or repair of the Project and the payment of taxes or other governmental charges), the Disbursing Agent or the Bondowner may pay or perform such obligation in its own name or in the Borrower's name and is hereby irrevocably appointed the Borrower's attorney-in-fact for such purpose. The reasonable cost of any such action by the Disbursing Agent or the Bondowner shall be paid or reimbursed by the Borrower with interest at the Default Rate.

Section 6.06 Remedies Cumulative. The rights and remedies under this Agreement shall be cumulative and shall not exclude any other rights and remedies allowed by law, provided there is no duplication of recovery. The failure to insist upon a strict performance of any obligation of the Borrower or to exercise any remedy for any violation thereof shall not be taken as a waiver for the future of the right to insist upon strict performance by the Borrower or of the right to exercise any remedy for the violation.

ARTICLE VII

THE DISBURSING AGENT

Section 7.01 Rights and Duties of the Disbursing Agent.

(a) Moneys to be Held by the Disbursing Agent. Any moneys deposited with the Disbursing Agent under this Agreement shall be held by the Disbursing Agent pursuant to

this Agreement and applied subject to the provisions of this Agreement, but need not be segregated from other funds except as required by law.

(b) Accounts. The Disbursing Agent will keep proper accounts of its transactions hereunder (separate from its other accounts), which shall be open to inspection by the Issuer, the Borrower, the Bondowner and their representatives duly authorized in writing.

(c) Responsibility. The Disbursing Agent shall be entitled to the advice of counsel (who may be counsel for any party or for the Bondowner) and shall be wholly protected as to any action taken or omitted to be taken in good faith in reliance on such advice. The Disbursing Agent may rely conclusively on any notice, certificate or other document furnished to it under this Agreement or the Bond Purchase Agreement and reasonably believed by it to be genuine. The Disbursing Agent shall not be liable for any action taken by it in good faith and reasonably believed by it to be within the discretion or power conferred upon it, or in good faith omitted to be taken by it and reasonably believed to be beyond such discretion or power, or taken by it pursuant to any direction or instruction by which it is governed under this Agreement or the Bond Purchase Agreement or omitted to be taken by it by reason of the lack of direction or instruction required for such action under this Agreement or the Bond Purchase Agreement, or be responsible for the consequences of any error of judgment reasonably made by it. When any payment or consent or other action by the Disbursing Agent is called for by this Agreement or the Bond Purchase Agreement, the Disbursing Agent may defer such action pending such investigation or inquiry or receipt of such evidence, if any, as it may require in support thereof. A permissive right or power to act shall not be construed as a requirement to act, and no delay in the exercise of a right or power shall affect the subsequent exercise thereof. The Disbursing Agent shall in no event be liable for the application or misapplication of funds, or for other acts or defaults, by any person or entity except by its own directors, officers and employees. No recourse shall be had by the Borrower, the Issuer or the Bondowner for any claim based on this Agreement, the Bond Purchase Agreement or the Bonds against any director, officer, employee or agent of the Disbursing Agent unless such claim is based upon the bad faith, fraud or deceit of such person.

(d) Ownership of Bond. The Disbursing Agent or any affiliate of the Disbursing Agent may be or become the owner of the Bonds with the same rights as if it were not Disbursing Agent.

(e) Surety Bond. The Disbursing Agent shall not be required to furnish any bond or surety.

Section 7.02 Fees and Expenses of the Disbursing Agent. The Borrower will pay to the Disbursing Agent reasonable compensation for its services and prepay or reimburse the Disbursing Agent for its reasonable expenses and disbursements, including attorney's fees, hereunder. Any fees, expenses, reimbursements or other charges which the Disbursing Agent may be entitled to receive from the Borrower hereunder, if not paid when due, shall bear interest at the Default Rate.

Section 7.03 Resignation or Removal of the Disbursing Agent. The Disbursing Agent may resign on not less than thirty (30) days' prior written notice to the Issuer, the Borrower and

the Bondowner, but such resignation shall not take effect until a successor has been appointed. If no successor is appointed within sixty (60) days after the date of notice of resignation, the Disbursing Agent may appoint its own successor with notice to the Issuer, the Bondowner and the Borrower, provided such successor meets the qualifications under Section 7.04. The Disbursing Agent may be removed by the Bondowner upon written notice to the Disbursing Agent, the Issuer and the Borrower.

Section 7.04 Successor Disbursing Agent. Any corporation or association which succeeds to the corporate trust business of the Disbursing Agent as a whole or substantially as a whole, whether by sale, merger, consolidation or otherwise, shall thereby become vested with all the property, rights and powers of the Disbursing Agent under this Agreement, without any further act or conveyance.

In the event of the resignation or removal of the Disbursing Agent or a vacancy from any other cause, a successor may be appointed by written notice from the Bondowner to the Issuer and the Borrower. Any successor Disbursing Agent appointed under this section shall be a bank or trust company, having a capital and surplus of not less than \$50,000,000. Any such successor Disbursing Agent shall notify the Issuer, the Borrower and the Bondowner of its acceptance of the appointment and, upon giving such notice, shall become Disbursing Agent, vested with all the property, rights and powers of the Disbursing Agent hereunder, without any further act or conveyance. Such successor Disbursing Agent shall execute, deliver, record and file such instruments as are required to confirm or perfect its succession hereunder, and any predecessor Disbursing Agent shall from time to time execute, deliver, record and file such instruments as the incumbent Disbursing Agent may reasonably require to confirm or perfect any succession hereunder.

Section 7.05 Collateral Agent. The Bondowner appoints and designates the Disbursing Agent as collateral agent hereunder to act on its behalf as holder of the Security Documents, and the Disbursing Agent hereby declares that it will hold the Security Documents for itself, as lender of the Loans, and for the benefit of the Bondowner. The Disbursing Agent may, and the Bondowner authorizes the Disbursing Agent to, enter into all Security Documents to which the Bondowner is intended to be a party and accept all Security Documents, for Disbursing Agent's and the Bondowner's mutual benefit. The Bondowner agrees that any action taken by the Disbursing Agent in accordance with the provisions of the Security Documents, and the exercise by the Disbursing Agent of any rights or remedies set forth therein, together with all other powers reasonably incidental thereto, shall be authorized by and binding upon the Bondowner. Without limiting the generality of the foregoing, the Disbursing Agent shall have the sole and exclusive authority to (a) act as collateral agent for the Bondowner for purposes of perfecting and administering the liens under the Security Documents, and for all other purposes stated therein; (b) manage, supervise or otherwise deal with the collateral under the Security Documents; and (c) take any enforcement action or otherwise exercise any rights or remedies with respect to any collateral under the Security Documents, applicable law, or otherwise. The Disbursing Agent and the Bondowner may enter into one or more separate agreements pursuant to which they may establish additional terms and conditions with respect to the collateral under the Security Documents and the Disbursing Agent's rights to act with respect thereto.

ARTICLE VIII

THE ISSUER

Section 8.01 Limited Obligation. Under no circumstances shall the Issuer be obligated directly or indirectly to pay Project Costs, principal of or premium, if any, and interest on the Bonds, or expenses of operation, maintenance and upkeep of the Project except from Bond proceeds or from funds received under this Agreement, exclusive of funds received hereunder by the Issuer for its own use. This Agreement does not create any debt of the State with respect to the Project other than a special obligation of the Issuer acting on behalf of the State pursuant to the Act. Nothing contained herein shall in any way obligate the State to raise any money by taxation or use other public funds for any purpose in relation to the Project. Neither the State nor the Issuer shall pay or promise to pay any debt or meet any financial obligation to any person at any time in relation to the Project except (i) from moneys received or to be received under the provisions hereof or derived from the exercise of the Issuer's rights hereunder, other than moneys received for its own purposes, or (ii) as may be required by law other than the provisions of the Act. Nothing contained in this Agreement shall be construed to require or authorize the Issuer to operate the Project itself or to conduct any business enterprise in connection therewith.

Section 8.02 Rights and Duties of the Issuer.

(a) Remedies of the Issuer. Notwithstanding any contrary provision in this Agreement, the Issuer shall have the right to take any action not prohibited by law or make any decision not prohibited by law with respect to proceedings for indemnity against the liability of the Issuer and its officers, directors, employees and agents and for collection or reimbursement from sources other than moneys or property held under this Agreement or subject to the lien hereof. The Issuer may enforce its rights under this Agreement which have not been assigned to the Bondowner by legal proceedings for the specific performance of any obligation contained herein or for the enforcement of any other appropriate legal or equitable remedy, and may recover damages caused by any breach by the Borrower of its obligations to the Issuer under this Agreement, including court costs, reasonable attorney's fees and other costs and expenses incurred in enforcing such obligations.

(b) Limitations on Actions. Without limiting the generality of Section 8.02(c), the Issuer shall not be required to monitor the financial condition of the Borrower, the investment or expenditure of Bond proceeds (and earnings thereon), or the physical condition or use of the Project and, unless otherwise expressly provided, shall not have any responsibility with respect to notices, certificates or other documents filed with it hereunder. The Issuer shall not be required to take notice of any breach or default except when given notice thereof by the Bondowner. The Issuer shall not be responsible for the payment of any rebate or yield reduction payments to the United States under Section 148 of the Code but the Issuer shall timely file any reporting forms provided to it by the Borrower pursuant to Sections 3.10 or 3.11. The Issuer shall not be liable to any party hereto, any Bondowner, or any other person for damages incurred by them as a consequence of the issuer's failure to pay any such rebate to the United States. The Issuer shall not be required to take any action unless indemnity reasonably satisfactory to it is furnished for expenses or liability to be incurred therein (other than the giving of notice). The Issuer, upon written request of the Bondowner or the Disbursing Agent, and upon receipt of

reasonable indemnity for expenses or liability, shall cooperate to the extent reasonably necessary to enable the Bondowner to exercise any power granted to the Bondowner by this Agreement. The Issuer shall be entitled to reimbursement pursuant to Section 8.03 to the extent that it acts without previously obtaining full indemnity

(c) Responsibility. The Issuer and its officers, directors, employees and agents shall be entitled to the advice of counsel (who may be counsel for any party) and shall be wholly protected as to any action taken or omitted to be taken in good faith in reliance on such advice. The Issuer may rely conclusively on any notice, certificate or other document furnished to it under this Agreement and reasonably believed by it to be genuine. Neither the Issuer nor any of its officers, directors, employees and agents shall be liable for any action: (i) taken by it in good faith and reasonably believed by it to be within the discretion or powers conferred upon it; (ii) in good faith omitted to be taken by it and reasonably believed to be beyond such discretion or power; (iii) taken by it pursuant to any direction or instruction by which it is governed under this Agreement; or (iv) omitted to be taken by it by reason of the lack of direction or instruction required for such action under this Agreement, nor shall it be responsible for the consequences of any error of judgment reasonably made by it. When any payment, consent or other action by the Issuer is called for by this Agreement, the Issuer may defer such action pending such investigation or inquiry or receipt of such evidence, if any, as it may require in support thereof. The Issuer shall not be required to take any remedial action (other than the giving of notice) unless reasonable indemnity is provided for any expense or liability to be incurred thereby. The Issuer shall be entitled to reimbursement for expenses reasonably incurred or advances reasonably made, with interest at the “prime rate” of the Banks, as announced from time to time (or, if none, the nearest equivalent), in the exercise of its rights or the performance of its obligations hereunder, to the extent that it acts without previously obtaining indemnity. A permissive right or power to act shall not be construed as a requirement to act, and no delay in the exercise of a right or power shall affect the subsequent exercise thereof. The Issuer shall not be required to take notice of any breach or default by the Borrower under this Agreement or the other Bond Documents except when given notice thereof by the Disbursing Agent. The Issuer shall in no event be liable for the application or misapplication of funds, or for other acts or defaults by any person or entity except by its own directors, officers, employees and agents. No recourse shall be had by the Borrower, the Disbursing Agent or the Bondowner for any claim based on this Agreement or the other Bond Documents, or any agreement securing the same against any director, officer, employee or agent of the Issuer unless such claim is based upon the bad faith, fraud or deceit of such person. No covenant, obligation or agreement of the Issuer contained in this Agreement shall be deemed to be a covenant, obligation or agreement of any present or future director, officer, employee or agent of the Issuer in his individual capacity, and no Person executing a Bond shall be liable personally thereon or be subject to any personal liability or accountability by reason of the issuance thereof.

Section 8.03 Expenses of the Issuer. Except to the extent paid or reimbursed from Bond proceeds, the Borrower shall prepay or reimburse the Issuer within thirty (30) days after notice for all administrative fees and expenses (including reasonable attorney’s fees) charged or incurred by the Issuer in connection with the issuance and carrying of the Bonds and all expenses reasonably incurred or advances reasonably made in the exercise of the Issuer’s rights or the performance of its obligations hereunder. Any fees, expenses, reimbursements or other charges which the Issuer may be entitled to receive from the Borrower hereunder, if not paid within ten

(10) days of when they are due, shall bear a late charge equal to 5% of the amount overdue, and if not paid within sixty (60) days, shall bear interest at 12% per annum.

Section 8.04 Matters to be Considered by Issuer. In approving, concurring in or consenting to action or in exercising any discretion or in making any determination under this Agreement, the Issuer may consider the interests of the public, which shall include the anticipated effect of any transaction on tax revenues and employment, as well as the interests of the other parties hereto; provided, however, nothing herein shall be construed as conferring on any person other than the other parties any right to notice, hearing or participation in the Issuer's consideration, and nothing in this section shall be construed as conferring on any of them any right additional to those conferred elsewhere herein. Subject to the foregoing, the Issuer will not unreasonably withhold any approval or consent to be given by it hereunder.

Section 8.05 Actions by Issuer. Any action which may be taken by the Issuer hereunder shall be deemed sufficiently taken if taken on its behalf by its Chairman, its Vice Chairman or its Executive Director or by any other director, officer or agent whom it may designate from time to time.

Section 8.06 Bondowner's Rights with Respect to the Bonds; Cooperation with Bondowner. The Issuer agrees that the Bondowner and the Disbursing Agent may enforce all rights of the Issuer (except those rights not assigned under this Agreement) and all obligations of the Borrower with respect to the Bonds for and on behalf of the Bondowner, whether or not the Issuer is in default hereunder. The Issuer agrees that, except as provided herein, it will not mortgage, encumber or alienate any part of the Revenues.

ARTICLE IX

THE BONDOWNER

Section 9.01 Expenses of Bondowner. The Borrower will prepay or reimburse the Bondowner within thirty (30) days after notice for any expenses and costs (including reasonable attorney's fees as agreed in the Borrower's fee agreement with Issuer's counsel) incurred by it in taking any action hereunder at the request of the Borrower or resulting from the failure of the Borrower to pay or perform any of its obligations hereunder or under the other Bond Documents, or incurred in the exercise of its rights while an Event of Default, exists. Any expenses and costs which the Bondowner may be entitled to receive from the Borrower hereunder, if not paid when due, shall bear interest at the Default Rate.

Section 9.02 Action by Bondowner. If at any time there is more than one Bondowner, any request, authorization, direction, notice, consent, waiver or other action provided by this Agreement to be given or taken by the Bondowner shall except as otherwise expressly provided require the concurrence of the registered owners of the Bonds representing more than fifty percent (50%) of the outstanding principal amount of the Bonds and may be contained in and evidenced by one or more writings of substantially the same tenor signed by such Bondowners or their authorized representatives. In taking or refraining from any such actions, the Bondowner may act in its sole discretion.

Section 9.03 Proceedings by Bondowner. Any Bondowner may by any available legal proceedings enforce and protect its rights hereunder and under the laws of the State.

ARTICLE X

THE BORROWER

Section 10.01 Corporate Organization, Authorization and Powers. The Borrower represents and warrants that it is a limited liability company duly organized and validly existing and in good standing under the laws of the Commonwealth of Massachusetts and qualified to do business in the State, with the power to enter into and perform this Agreement, that it is a “commercial facility” within the meaning of the Act, and that by proper limited liability company action it has duly authorized the execution and delivery of this Agreement. The Borrower further represents and warrants that the execution and delivery of this Agreement and the consummation of the transactions contemplated herein will not conflict with or constitute a breach of or default under any bond, indenture, note or other evidence of indebtedness of the Borrower, the formation documents or operating agreement of the Borrower, or any contract, lease or other instrument to which the Borrower is a party or by which it is bound or cause the Borrower to be in violation of any applicable statute or rule or regulation of any governmental authority.

Section 10.02 Tax Matters. The Borrower shall not take or omit to take any action if such action or omission would cause the Bonds to be “arbitrage bonds” under Section 148 of the IRC, including, without limitation, as a result of computing the yield on any investment acquired with Bond proceeds other than on the basis of the “fair market value” (within the meaning of Treas. Reg. §1.148-5(d)(6)) of such investment at the time of acquisition. Partly in furtherance of the foregoing, the Issuer and the Borrower are entering into the Tax Certificate with respect to matters of federal tax law pertaining to the Bonds. The Tax Certificate shall be deemed to be incorporated by reference herein and the Borrower shall comply with the covenants therein.

Section 10.03 Maintenance of Corporate Existence. The Borrower shall maintain its existence as a limited liability company qualified to do business in New Hampshire and shall not dissolve, transfer, dispose of or spin off all or substantially all of its assets, or consolidate with or merge into another entity or entities, or permit one or more other entities to consolidate with or merge into it, except that it may consolidate with or merge into one or more other entities or permit one or more other entities to consolidate with or merge into it, or transfer, dispose or spin-off all or substantially all of its assets to one or more other entities (and thereafter dissolve or not dissolve as it may elect), if (a) the transaction does not result in a conflict, breach or default referred to in Section 10.01 that has not been waived, (b) the surviving, resulting or transferee entity or entities each (i) assumes by written agreement with the Issuer, the Disbursing Agent and the Bondowner all the obligations of the Borrower hereunder, (ii) notifies the Issuer, the Disbursing Agent and the Bondowner of any change in the name of the Borrower, and (iii) executes, delivers, registers, records and files such other instruments as the Issuer, the Disbursing Agent or the Bondowner may reasonably require to confirm, perfect or maintain the security granted hereunder.

Section 10.04 Books and Accounts. The Borrower will keep proper accounts of its transactions hereunder (separate from its other accounts), which shall be open to inspection by the Issuer, the Disbursing Agent and the Bondowner and their representatives duly authorized in writing at reasonable times and upon reasonable notice.

Section 10.05 Indemnification by Borrower. The Borrower, regardless of any agreement to maintain insurance, will indemnify the Issuer, the Disbursing Agent and the Bondowner against: (a) any and all claims by any Person related to the participation of the Issuer, the Disbursing Agent or the Bondowner in the transactions contemplated by this Agreement, including without limitation claims arising out of: (i) any condition of the Project or the construction, use, occupancy or management thereof; (ii) any accident, injury or damage to any Person occurring in or about or as a result of the Project; (iii) any breach by the Borrower of its obligations under this Agreement or any other Bond Document; (iv) any act or omission of the Borrower or any of its agents, contractors, servants, employees or licensees; (v) the offering, issuance, sale or any resale of the Bonds to the extent permitted by law; or (vi) any loss or damage due to the presence, now or hereafter, of oil or other hazardous substances on or about the Project, and (b) all costs, counsel fees, expenses or liabilities reasonably incurred in connection with any such claim or any action or proceeding brought thereon. In case any action or proceeding is brought against the Issuer, the Disbursing Agent or the Bondowner by reason of any such claim, the Borrower will defend the same at its expense upon notice from the Issuer, the Disbursing Agent or the Bondowner, and the Issuer, the Disbursing Agent or the Bondowner, as the case may be, will cooperate with the Borrower, at the expense of the Borrower, in connection therewith. This indemnification shall survive the termination or defeasance of this Agreement.

Section 10.06 Additional Covenants. The covenants of the Borrower set forth in Section [6] of each Loan Agreement for the benefit of the applicable Bank, which may be amended by the parties to such Loan Agreement, are hereby incorporated by reference into this Agreement for the benefit of the Bondowner as if fully set forth herein.

ARTICLE XI

MISCELLANEOUS

Section 11.01 Amendment. This Agreement may be amended by the parties only with the written consent of the Bondowner.

Section 11.02 Successors and Assigns. The rights and obligations of the parties to this Agreement shall inure to and be binding upon their respective successors and assigns.

Section 11.03 Notices. Any request, authorization, direction, notice, consent, waiver or other document provided by this Agreement shall be in writing and shall be deemed sufficiently given when mailed by registered or certified mail, postage prepaid, or delivered during business hours as follows: (i) to the Issuer at 2 Pillsbury Street, Suite 201, Concord, New Hampshire, 03301, attention of Executive Director; (ii) to the Bondowner at [1374 Massachusetts Avenue, Cambridge, Massachusetts 02138, attention of Wayne Patenaude, Director, EVP, CFO, Treasurer & Assistant Clerk]; (iii) to the Disbursing Agent at 1374 Massachusetts Avenue, Cambridge,

Massachusetts 02138, attention of Michael R. Kuhn, Vice President, and (iv) to the Borrower at Palmer Management Corporation, 13 Elm Street, Suite 200, Cohasset, Massachusetts 02025, attention of President, or, as to all of the foregoing, to such other address as the addressee shall have given in writing to the one giving notice. Notice hereunder may be waived prospectively or retroactively by the Person entitled to the notice, but no waiver shall affect any notice requirement as to other Persons.

Section 11.04 Agreement Not for the Benefit of Other Parties. This Agreement is not intended for the benefit of and shall not be construed to create rights in parties other than the Issuer, the Borrower, the Disbursing Agent and the Bondowner.

Section 11.05 Severability. In case any provision of this Agreement or the Bonds shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 11.06 Counterparts. This Agreement may be executed and delivered in any number of counterparts, each of which shall be deemed to be an original, but such counterparts together shall constitute one and the same instrument.

Section 11.07 Captions. The captions and table of contents of this Agreement are for convenience only and shall not affect the construction hereof.

Section 11.08 Governing Law. This instrument shall be governed by the laws of the State.

Section 11.09 Cross-Default. An Event of Default by Borrower under this Agreement that has occurred and is continuing beyond any applicable cure period shall constitute an Event of Default under the Related Documents.

Section 11.10 Participations. The Bondowner may grant to other financial institutions participations in the Bonds under this Agreement.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as an instrument under seal, all as of the date first above written.

(SEAL)

BUSINESS FINANCE AUTHORITY OF THE
STATE OF NEW HAMPSHIRE

By: _____
Executive Director

JERICO POWER LLC,
By its Manager, Palmer Management Corporation

By: _____
President

CAMBRIDGE SAVINGS BANK,
as Disbursing Agent

By: _____
Title: Vice President

PORTER SECURITIES, INC. II,
as Bondowner

By: _____
Title: [Director, Executive Vice President, Chief
Financial Officer and Asst. Clerk]

EXHIBIT A
FORM OF REQUISITION

Requisition No. ____

Business Finance Authority of the State of New Hampshire
 Revenue Bonds, Jericho Power LLC Issue, Series 2014
 (Federally Taxable – Qualified Energy Conservation Bonds – Direct Payment)

REQUISITION FOR PAYMENT FROM PROJECT FUND

1. The following sums are requisitioned for payment to other than Jericho Power LLC (the “Borrower”). Please include copies of each invoice.

<u>Item</u> <u>No.</u>	<u>Amount</u>	<u>Payee’s</u> <u>Invoice No.</u>	<u>Payee</u>	<u>Purpose</u>	<u>Pymt</u> <u>Method</u> <u>Ck/Wire</u>
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TOTAL:

Please confirm that payment instructions for all of the above are included on the invoice(s), or provide separately.

2. The following sums are requisitioned for reimbursement to the Borrower. Please include either copies of invoices or a summary of expenditures.

<u>Item</u> <u>No.</u>	<u>Amount</u>	<u>Payee’s</u> <u>Invoice No.</u>	<u>Payee</u>	<u>Purpose</u>	<u>Pymt</u> <u>Method</u> <u>Ck/Wire</u>
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TOTAL:

Instructions for payments to be made by check: _____

Instructions for payments to be made by wire transfer:

Bank Name:	
Bank ABA Number:	
Bank Account Number:	
Bank Account Name:	
Additional instructions:	

3. In connection with this Requisition, the undersigned hereby certifies that (i) after giving effect to the payment of the requisition, the use of all funds disbursed from the Project Fund complies with the limitations contained in the Tax Certificate; (ii) such payment or reimbursement is for Project Costs and the obligations have not been the basis for a prior requisition that has been paid; (iii) no Event of Default and no event or condition that, after notice or lapse of time or both, would become an Event of Default hereunder or under the Bond Purchase Agreement exists and the representations and warranties of the Borrower contained in the Bond Purchase Agreement are true and correct as of the date of the requisition (except to the extent such representations and warranties relate solely to an earlier date); (iv) the payment or reimbursement requested by the requisition is due for costs and expenses for labor, materials, property or services actually supplied to the Project prior to the date of the requisition, or for deposits on equipment not yet supplied to the Project; (v) the payment or reimbursement requested by the requisition will be disbursed in payment of, or is reimbursement for the Borrower's prior payment of, materials or property supplied for the Project by suppliers listed in the requisition; and (vi) all materials, equipment or other property included in the requisition have been supplied in accordance with the Project specifications.

All capitalized terms used but undefined herein have the meanings assigned to them in the Loan and Security Agreement dated as of October 1, 2014 among the Business Finance Authority of the State of New Hampshire, the Borrower, Cambridge Savings Bank, as Disbursing Agent, and Porter Securities, Inc. II, as Bondowner.

Dated:

JERICO POWER LLC
By its Manager, Palmer Management Corporation

By: _____
Authorized Officer

Approved By Disbursing Agent

By: _____
Authorized Representative

Dated:



August 26, 2014

Jericho Power LLC
c/o Palmer Management Corporation
13 Elm Street, Suite 200
Cohasset, MA 02025
Attn: Gordon L. Deane

Re: Financing for Construction of Five (5) 2.85 Mega-Watt Wind Turbines in Berlin, NH

Dear Deane:

We are pleased to advise you that Cambridge Savings Bank (the "Lender") has approved (a) the Lender's (or its subsidiary's) purchase of a \$4,095,300.00 Qualified Energy Conservation Bond (the "Bond"), (b) a \$13,000,000.00 term loan facility (the "Term Loan"), and (c) a \$13,800,000.00 bridge loan facility (the "Bridge Loan," and, collectively, with the Term Loan, the "Loans" (the Loans and the Bond are collectively referred to herein as the "Credit Facilities")), each subject to the following terms and conditions:

I. General Terms of Bond.

Borrower: Jericho Power LLC, a Massachusetts limited liability company. The Borrower shall be a single purpose entity controlled by Palmer Management Corporation. In all respects, the ownership structure and governing organizational documents of the Borrower shall be subject to the review and approval of the Lender.

Bond Purchaser: The Lender, in its sole discretion, may elect to purchase the Bond through one or more subsidiaries of the Lender, in which case the Lender may elect to serve as disbursing and collateral agent for such subsidiaries.

Financing Type And Amount: This commitment is for the Lender's (or its subsidiaries') purchase of a taxable Qualified Energy Conservation Bond issued by New Hampshire Business Finance Authority (the "Issuer") on behalf of the Borrower in the amount of \$4,095,300.00.

Term of Bond: Sixteen and one-half (16.5) years.

Use of Bond Proceeds: Proceeds from the purchase of the Bond (in multiple draws from a project fund controlled by the Lender) shall be used by the Borrower for (a) the

payment of closing costs incurred by the Borrower and the Issuer of the Bond in connection with the closing of the Bond and (b) the construction of five (5) 2.85 mega-watt utility grade wind turbines, including “soft” and “hard” construction costs therefor (the “Project”), at certain real property leased by the Borrower and located at Jericho Mountain, Berlin, NH (the “Project Site”).

Interest Rate:

For the first five and one-half (5.5) years of the term of the Bond, the outstanding principal balance under the Bond shall accrue interest at a fixed per annum rate of interest equal to the 5.5-year Federal Home Loan Bank of Boston “Classic Advance Rate” in effect 3 days prior to closing, *plus* two hundred fifty (250) basis points. Upon the date that is five and one-half (5.5) years from the date of closing of the Credit Facilities (the “First Conversion Date”), the interest rate will be reset by the Lender, and from the First Conversion Date until the date that is five and one-half (5.5) years from the First Conversion Date, the outstanding principal balance under the Bond shall accrue interest at a fixed per annum rate of interest equal to the 5.5-year Federal Home Loan Bank of Boston “Classic Advance Rate” in effect on the First Conversion Date, *plus* two hundred fifty (250) basis points. Upon the date that is eleven (11) years from the date of closing of the Credit Facilities (the “Second Conversion Date”), the interest rate will be reset by the Lender, and from the Second Conversion Date until the date that all amounts owed under and in connection with the Bond have been paid and satisfied in full, the outstanding principal balance under the Bond shall accrue interest at a fixed per annum rate of interest equal to the 5.5-year Federal Home Loan Bank of Boston “Classic Advance Rate” in effect on the Second Conversion Date, *plus* two hundred fifty (250) basis points. Interest on the Bond shall at all times be calculated on a 360-day year of twelve 30-day months, but shall accrue and be payable on the actual number of days elapsed.

**Debt Service
Payments:**

Commencing on the date of closing of the Credit Facilities and continuing until the date that is the earlier to occur of (i) completion of the Project or (ii) eighteen (18) months from the closing on the Credit Facilities (the “Interest Period”), the Borrower shall be required to make monthly payments of accrued interest in arrears on the outstanding principal balance of the Bond. Commencing on the expiration of the Interest Period and continuing until the maturity date of the Bond, the Borrower shall be required to make monthly payments of accrued interest in arrears, *plus* monthly payments of principal based upon a fifteen (15) year straight line amortization schedule. All outstanding principal, together with accrued

and unpaid interest and all other charges under the Bond, shall be due and payable in full on the date that is sixteen and one-half (16.5) years from the date of closing.

Prepayment: The Borrower may prepay the outstanding principal indebtedness under the Bond in whole or in part at any time prior to the maturity date therefor, provided that the Borrower may also be liable, at the time of any such prepayment, for the payment of a yield maintenance fee, unless any such prepayment occurs on the First Conversion Date or the Second Conversion Date. If the Borrower has not used all of the proceeds of the Bond for qualified expenses by the date that is three (3) years from the issuance of the Bond, the Borrower shall be required to prepay outstanding principal under the Bond with such unused proceeds.

II. General Terms of Term Loan.

Borrower: The same entity as the Borrower of the Bond proceeds.

Loan Type and Amount: This commitment is for a term loan in the principal amount of \$13,000,000.00.

Term of Loan: Sixteen and one-half (16.5) years.

Use of Loan Proceeds: Proceeds of the Term Loan shall be used by the Borrower for (a) the payment of closing costs incurred by the Borrower and the Lender in connection with the closing of the Term Loan, and (b) the construction of the Project at the Project Site.

Interest Rate: For the first five and one-half (5.5) years of the term of the Term Loan, the outstanding principal balance under the Term Loan shall accrue interest at a fixed per annum rate of interest equal to the 5.5-year Federal Home Loan Bank of Boston “Classic Advance Rate” in effect 3 days prior to closing, *plus* two hundred fifty (250) basis points. Upon the First Conversion Date, the interest rate will be reset by the Lender, and from the First Conversion Date until the date that is five and one-half (5.5) years from the First Conversion Date, the outstanding principal balance under the Term Loan shall accrue interest at a fixed per annum rate of interest equal to the 5.5-year Federal Home Loan Bank of Boston “Classic Advance Rate” in effect on the First Conversion Date, *plus* two hundred fifty (250) basis points. Upon the Second Conversion Date, the interest rate will be reset by the Lender, and from the Second Conversion Date until the date

that all amounts owed under and in connection with the Term Loan have been paid and satisfied in full, the outstanding principal balance under the Term Loan shall accrue interest at a fixed per annum rate of interest equal to the 5.5-year Federal Home Loan Bank of Boston “Classic Advance Rate” in effect on the Second Conversion Date, *plus* two hundred fifty (250) basis points. Interest on the Term Loan shall at all times be calculated on a 360-day year of twelve 30-day months, but shall accrue and be payable on the actual number of days elapsed.

**Debt Service
Payments:**

During the Interest Period, the Borrower shall be required to make monthly payments of accrued interest in arrears on the outstanding principal balance of the Term Loan. Commencing on the expiration of the Interest Period and continuing until the maturity date of the Term Loan, the Borrower shall be required to make monthly payments of accrued interest in arrears, *plus* monthly payments of principal based upon a fifteen (15) year straight line amortization schedule. All outstanding principal, together with accrued and unpaid interest and all other charges under the Term Loan, shall be due and payable in full on the date that is sixteen and one-half (16.5) years from the date of closing.

Prepayment:

The Borrower may prepay the outstanding principal indebtedness under the Term Loan in whole or in part at any time prior to the maturity date therefor, provided that the Borrower may also be liable, at the time of any such prepayment, for the payment of a yield maintenance fee, unless any such prepayment occurs on one of the above referenced conversion dates mentioned in the Interest Rate section above.

III. General Terms of Bridge Loan.

Borrower:

The same entity as the Borrower of the Bond proceeds and the Term Loan proceeds.

**Loan Type
and Amount:**

This commitment is for a bridge loan in the principal amount of up to \$13,800,000.00. The amount of the bridge loan shall not exceed the sum of (a) eighty percent (80%) of the commitment from the Borrower’s tax credit investor(s) and (b) one hundred percent (100%) of the amount of the Utilities Grant (as defined below) which remains undrawn upon the date of closing.

Term of Loan:

The earlier to occur of (a) eighteen (18) months from closing or (b) the date that the Borrower has received both (i) the proceeds of the Utilities

Grant and (ii) the second installment of capital from the Borrower's tax credit investor member(s) (such earlier date being the "Bridge Loan Maturity Date").

**Use of Loan
Proceeds:**

Proceeds of the Bridge Loan shall be used by the Borrower for (a) the payment of closing costs incurred by the Borrower and the Lender in connection with the closing of the Bridge Loan, and (b) the construction of the Project at the Project Site.

Interest Rate:

The outstanding principal balance under the Bridge Loan shall accrue interest at a variable per annum rate of interest equal to the Prime Rate (as announced from time to time by the Wall Street Journal), *plus* one hundred (100) basis points. Interest on the Bridge Loan shall at all times be calculated on a 360-day year of twelve 30-day months, but shall accrue and be payable on the actual number of days elapsed.

**Debt Service
Payments:**

Commencing on the date that is one (1) month from the first advance of proceeds of the Bridge Loan and continuing until the maturity date therefor, the Borrower shall be required to make monthly payments of accrued interest in arrears on the outstanding principal balance of the Bridge Loan. All outstanding principal, together with accrued and unpaid interest and all other charges under the Bridge Loan, shall be due and payable in full on the Bridge Loan Maturity Date.

Prepayment:

The Borrower may prepay the outstanding principal indebtedness under the Bridge Loan in whole or in part at any time prior to the maturity date therefor without obligation to pay prepayment penalty or premium. The Borrower shall be required to prepay the Bridge Loan upon the date of its receipt and with the funds from each of (a) the proceeds of the Utilities Grant (to the extent the Bridge Loan was used to pay costs reimbursed by the Utilities Grant) and (b) the second installment of capital from the Borrower's tax credit investment member.

Guarantor:

Gordon L. Deane, an individual (the "Guarantor"), shall guaranty and be liable for the lien-free completion of the Project, *plus* the payment of all outstanding principal owed by the Borrower under the Bridge Loan, *plus* all accrued, outstanding, and unpaid interest due under the Bridge Loan, *plus* all expenses and costs of enforcement and collection incurred by the Lender in connection with its enforcement of its rights against the Guarantor under its guaranty, including, without limitation, reasonable attorneys' fees and expenses. Notwithstanding the foregoing, upon such

time as the Borrower (a) has completed the Project and has provided Lender with lien waivers with respect to all contractors and/or subcontractors for which a lien bond does not provide coverage, and (b) has repaid in full the Bridge Loan, and provided that, upon the satisfaction of the foregoing conditions, no event of default has occurred which has not been waived in writing by the Lender, the Lender agrees to release the guaranty of the Guarantor. Notwithstanding any limitation of the Guarantor's liability and prior to the release of the guaranty, the Guarantor shall, at all times, be liable for certain non-recourse carve outs consistent with the terms of any guaranties provided by the Guarantor to the Lender for other financing transactions.

IV. Terms Applicable to the Credit Facilities.

Collateral: The Credit Facilities shall each be secured by the following collateral:

(a) a first priority security interest in all assets of the Borrower, including, without limitation, the five (5) approximately 2.85 mega-watt wind turbine electricity generating facilities to be installed, operated, and maintained by the Borrower at the Project Site and any and all assets, goods, or equipment owned by the Borrower and used in conjunction with such facilities, including, but not limited to, mounting systems, tracking devices, inverters, integrators, controls, meters, switches, connections, conduits, wires and other related equipment and components installed by the Borrower at the Project Site, electric lines and conduits required to connect such facilities to any delivery point, protective and associated equipment, metering devices, and other tangible and intangible assets, permits, property rights and contract rights reasonably necessary for the construction, operation, and maintenance of such facilities (collectively, the "Wind Facilities");

(b) a first priority pledge of the Borrower's rights under the Power Purchase Agreements (as defined below), along with the consent to such pledge executed by any counterparties to the Power Purchase Agreements;

(c) to the extent allowed by law and consistent with the rights of the counterparties to the Power Purchase Agreements, a first priority pledge of any credit, benefit, reduction, offset, financial incentive, net metering credits, tax credit, payment, and other beneficial allowance arising as a result of the ownership and operation of the Wind Facilities, including, without limitation, (a)

the grant applied for and made available to the Borrower by the New Hampshire Public Utilities Commission as a result of the Borrower's installation, ownership, and operation of the Wind Facilities (the "Utilities Grant"), (b) greenhouse gas offsets under the Regional Greenhouse Gas Initiative, (c) the Renewable Energy Certificates or any similar credits under the laws of the applicable jurisdiction (the "RECs"), (d) the Investment Tax Credits or any other tax credits, incentives or depreciation allowances established under any federal or state law for which the Borrower and/or the Project may be eligible, and (e) other allowances howsoever named or referred to, with respect to any and all fuel, emissions, air quality, or other environmental characteristics, resulting from the use of wind electricity generation or the avoidance of the emission of any gas, chemical, or other substance into the air, soil or water attributable to the sale of electricity generated by the Wind Facilities;

(d) a first priority pledge of capital contributions to be made to the Borrower by its tax credit investor member(s), along with the consent of such investor member(s);

(e) first priority leasehold mortgages of the Borrower's rights as tenant under the Project Site Leases (as defined below) (which mortgages shall include the right to re-assign the Project Site Leases upon the Lender's exercise of its rights under such mortgages), along with the consent to such mortgages by the Fee Owners (as defined below) of the Project Site and any fee mortgagee;

(f) a first priority collateral assignment of all licenses, permits, and agreements relating to the construction and installation of the Wind Facilities, including, without limitation:

(i) all contracts and subcontracts, together with any and all extensions, modifications, amendments and renewals thereof, which are entered into by the Borrower or the contractor in connection with the performance of the work or the supply of labor, services or materials required for the construction of the Improvements;

(ii) all guarantees, warranties and other undertakings, whether written, oral or statutory, covering the quality or performance of the work or the quality of the

materials required by such contracts and subcontracts, together with any claims which may be asserted thereunder, including, without limitation, any warranty or maintenance or operation agreement by the manufacturer of the Wind Facilities;

(iii) all building permits, governmental permits, licenses, consents, approvals and authorizations now or hereafter granted or issued, and all trade names, trademarks and logos used, in connection with the construction, development or operation of the Wind Facilities;

(iv) all plans, specifications, drawings, surveys, renderings and models prepared for the construction of the Wind Facilities in existence from time to time, together with all revisions and modifications thereof and all sketches and notes related thereto; and

(v) all contracts and agreements, together with any and all extensions, modifications, amendments and renewals thereof, which are entered into by the Borrower in connection with the performance of services required for the operation of the Wind Facilities, including, without limitation, management, maintenance and service contracts, and utility agreements.

In connection with the collateral assignment of any contract or agreement relating to the construction of the Wind Facilities, the Borrower shall deliver to the Lender the consent to assignment executed by the counterparty to any such contract or agreement as may be reasonably requested by Lender;

(g) a first priority pledge of the Debt Service Reserve Account (as defined below) and the Bond Fund Account (as defined below); and

(h) a first priority pledge of the Borrower's rights, title, and interest in and right to receive the Utilities Grant.

The Borrower shall cooperate with the Lender and do all things necessary to ensure the attachment and perfection of any security interest to be granted to the Lender in connection with the Credit Facilities.

**Conditions to and
Order of Funding:**

The entire proceeds of the Bond shall be funded into a project account upon the closing of the Bond. Proceeds of the Credit Facilities (including proceeds of the Bond maintained in the foregoing project account) shall be funded in multiple advances as costs and expenses are incurred by the Borrower in connection with the completion of the Project. The Lender's agreement to fund proceeds of the Credit Facilities to the Borrower shall be conditioned upon the Lender's receipt of such information as is customary for the funding of advances under a construction loan facility, including, without limitation, (a) the submission by the Borrower of a requisition for funds, (b) the delivery to the Lender of evidence of the incurrence by the Borrower of the costs and expenses which are the basis for any requisition, (c) lien waivers by any contractor or subcontracts, and (d) review and inspection of any completed work on the Project by the Lender's Inspector (as defined below). The Lender shall determine, in its reasonable discretion and in consultation with the Issuer of the Bond, the order of the funding of proceeds among the Credit Facilities. Further, the Lender shall not be obligated to fund any proceeds of the Credit Facilities for any materials which are to be stored at a location other than the Project Site, unless satisfactory arrangements are made for the insuring of such materials and the recognition of the Lender's lien thereon.

**Financial
Covenants:**

The Borrower shall be required to maintain, at all times, a Debt Service Coverage Ratio (as defined below) of not less than 1.20 to 1.0, such covenant to be tested annually by the Lender commencing with the first fiscal year for which the Borrower has operated the Project for the entire year and continuing for each fiscal year thereafter. The term "Debt Service Coverage Ratio" means, for the applicable period tested, the ratio of (a) EBITDA, less unfinanced capital expenditures, to (b) the sum of (i) current portion of long term indebtedness and (ii) interest expense incurred under indebtedness. The Lender agrees to add back to the calculation of EBITDA any management fees, rent under the Project Site Leases, and distributions paid for the applicable period tested, so long as the Borrower's obligations to pay such fees, rent, and distributions are subordinated to the Borrower's obligations under the Credit Facilities, as more particularly provided herein.

The Borrower shall be required to maintain, at all times, working capital in its operating account maintained with the Lender in an amount not less than One Hundred Fifty Thousand Dollars (\$150,000.00), such covenant to be tested annually by the Lender commencing in the fiscal year in which the Borrower has completed the Project and continuing for each

fiscal year thereafter. Any cash maintained in the Debt Service Reserve Account and the Bond Fund Account (as such terms are defined below) shall not apply towards the Borrower's obligation to maintain such working capital.

Debt Service

Reserve Account:

The Borrower shall be required to establish and maintain with the Lender a debt service reserve account (the "Debt Service Reserve Account"), which shall be funded with Borrower equity upon the closing of the Loans in an amount not less than one (1) year of aggregate interest payments due under the Loans assuming full funding of the Loans. The Lender shall use the funds maintained in the Debt Service Reserve Account for the payment of accrued interest due under the Loans during the Interest Period. If funds in the Debt Service Reserve Account are depleted prior to the completion of the Project and repayment in full of all amounts due under the Bridge Loan, the Borrower shall promptly deposit additional funds from Borrower's equity in an amount equal to six (6) months of aggregate interest payments due under the Loans. Upon completion of the Project and repayment of the Bridge Loan, the Borrower shall thereafter maintain funds in the Debt Service Reserve Account in an amount not less than six (6) months of the debt service (both principal and interest) due under the Term Loan, and the Lender may, in its discretion, debit funds from the Debt Service Reserve Account to pay debt service due under the Term Loan. After the completion of the Project and reduction of the amount required to be maintained in the Debt Service Reserve Account to six (6) months of debt service, as aforesaid, the amount maintained in the Debt Service Reserve Account shall, at no time, be less than six (6) months of debt service under the Term Loan.

Capitalized

Bond Fund

Account:

The Borrower shall be required to establish and maintain with the Lender a capitalized reserve account with respect to the Bond (the "Bond Fund Account"), which shall be funded with Borrower equity upon the closing of the Bond in an amount not less than one (1) year of interest payments due under the Bond. The Lender shall use the funds maintained in the Bond Fund Account for the payment of accrued interest due under the Bond during the Interest Period and for the payment of principal and interest due under the Bond during the period of the amortization of the Bond. Upon each anniversary of the date of issuance of the Bond, the Borrower shall replenish the Bond Fund Account in an amount necessary to ensure that the Bond Fund Account maintains sufficient funds for the payment of six (6) months of principal and interest due under the Bond.

**Restriction on
Distributions &**

Management Fees: The Borrower shall not (a) make, or permit to be made, any distributions to its members or (b) make, or permit to be made, the payment of any management fee in connection with the management of the Project (whether pursuant to a separate management agreement or pursuant to the terms of the Borrower's organizational documents) if a default or event of default has occurred (unless any such default has been cured or any such event of default has been waived in writing by the Lender, as applicable) under the Credit Facilities. The Borrower's obligations to pay any distributions or management fees (along with any parties' rights to demand or receive any such distributions or fees) shall be expressly subordinated to the Borrower's obligations to pay any amounts due under the Credit Facilities and the Lender's rights and remedies under the Credit Facilities. Upon the occurrence of an event of default under the Credit Facilities (unless any such event of default has been waived in writing by the Lender), the Borrower shall not be permitted to make, and any third parties shall not be permitted to demand or receive, any distributions or management fees without the prior written consent of the Lender.

**Restriction on
Payment of
Developer Fee:**

The Borrower shall not be permitted to pay any developer fee owed in connection with the development of the Project if any event of default has occurred at the time of any such payment (unless any such event of default has been waived in writing by the Lender).

Financial Reporting: The Borrower shall be required to provide to the Lender (a) annually, within one hundred twenty (120) days of each fiscal year end, annual financial statements for the Borrower, including a balance sheet and an income statement, audited and expressing an unqualified opinion by a certified public accountant reasonably acceptable to the Lender, (b) annually, during the term of the guaranty, within one (1) year of the date of delivery in the prior year, an annual personal financial statement for the Guarantor on a form approved by the Lender, (c) annually, during the term of the guaranty, within one hundred twenty (120) days of each calendar year end, federal income tax returns, with all schedules attached, for the Guarantor; provided, however, if the Guarantor has lawfully filed for an extension to file federal income taxes, the Borrower shall (i) deliver a copy of such extension within such 120-day period and (ii) provide to the Lender a copy of such federal income tax return within thirty (30) days of filing, and (d) any other financial information regarding the Borrower, the

Guarantor, the Project, and any other collateral for the Credit Facilities as the Lender may reasonably request from time to time.

Loan Documents: The Loans (and, in part, the Bond) shall be evidenced by a loan agreement in form and substance satisfactory to the Lender describing in detail the terms of each of the Loans and containing provisions standard to the type of loan financing contemplated hereunder. The Borrower shall also execute certain other loan documents consistent with the type of loan financing contemplated hereunder, including, without limitation, those documents necessary to secure the Loans and the Bond. The loan documents will contain, among other terms, the terms and conditions set forth herein, certain representations and warranties of the Borrower, events of default which will permit the Lender to accelerate indebtedness and foreclose on collateral if such events occur, and conditions precedent for the funding of any advance of proceeds of the Loans. The form and substance of all documents to be executed by Borrower and delivered to the Lender at or prior to closing of the Loans shall in all respects be satisfactory to the Lender and its legal counsel.

Bond Documents: The Bond shall be evidenced by a bond loan and security agreement, a bond purchase agreement, and a bond instrument, each prepared by counsel to the Issuer of the Bond, but in form and substance satisfactory to the Lender, describing in detail the terms of the Bond and containing provisions standard to the type of bond financing contemplated hereunder. The Borrower shall also execute certain other bond documents consistent with the type of bond financing contemplated hereunder, including, without limitation, those documents necessary to secure the Bond. The bond documents will contain, among other terms, the terms and conditions set forth herein, certain representations and warranties of the Borrower, events of default which will permit the Lender to accelerate indebtedness and foreclose on collateral if such events occur, and conditions precedent for the funding of any advance of proceeds of the Bond. The form and substance of all documents to be executed by Borrower and delivered to the Lender at or prior to closing of the Bond shall in all respects be satisfactory to the Lender and its legal counsel.

Combined Offer: The Credit Facilities are not available independently but rather as a package offering; provided, however, if the Borrower no longer needs the proceeds of the Bridge Loan because of a commitment by the Borrower's tax credit investor member(s) to contribute capital prior to completion of the Project, the Lender would nevertheless purchase the proceeds of the

Bond and extend the proceeds of the Term Loan.

**Cross-Collateral &
Cross-Default:**

The Credit Facilities shall be cross-collateralized and cross-defaulted. If an event of default occurs prior to the Lender's disbursement of the entire amount of the proceeds of the Bond, the Lender agrees that such undisbursed proceeds may only be used to repay obligations under the Bond, not obligations under the Term Loan or the Bridge Loan.

Other Terms:

The terms and conditions outlined herein are not meant to be, nor shall they be construed as, an attempt to define all of the terms and conditions of the Credit Facilities. Rather, they are intended to set forth in abbreviated fashion certain basic points of business understanding around which the legal documentation is structured.

V. Conditions Precedent to Closing Credit Facilities.

Commitment Fee: The Borrower shall pay to the Lender a commitment in the amount of ¼% of the aggregate committed amount of the Credit Facilities. If the aggregate committed amount of the Credit Facilities decreases, then the amount of the Commitment Fee will decrease.

**Organizational
& Authority and
Investor
Member(s):**

The Lender shall receive copies of all organizational and other governing documents for the Borrower, as well as such information and certificates evidencing the Borrower's authority to enter into the Credit Facilities contemplated hereby. The organizational/capital structure, identity of holders of the ownership interests in the Borrower (including any holders of investor member interests), and the organizational documents of the Borrower shall be subject to the review and approval of the Lender. The Lender shall also receive such information regarding the Borrower and the Guarantor (and any signatory on behalf of and any members of the Borrower) as may be necessary for the Lender to comply with the so-called Patriot Act or similar state or federal laws and regulations.

The Lender shall review and approve the identity of any tax credit investor members to be admitted to the Borrower, such approval not to be unreasonably withheld, and the Borrower shall provide to the Lender, for its review and approval, the commitments by such investor members to become a member of the Borrower and contribute capital contributions in

exchange for receiving the benefit of the Investment Tax Credits and accelerated depreciation. The amount and the timing of the contribution of such capital contributions shall be approved by the Lender, and such contributions shall be in sufficient amounts, along with the amount of the Utilities Grant, to repay the Bridge Loan.

**Financial
Information:**

The Borrower shall deliver to the Lender such financial information regarding the Borrower, the Guarantor, and any other parties who may be obligated for payment or performance under the Credit Facilities, as may be reasonably requested by the Lender.

**Lease of Project
Site:**

The Borrower shall provide to the Lender, for its review and approval, the lease agreements entered into by the Borrower and the fee owners of the Project Site (the “Fee Owners”) with respect to the Project Site (the “Project Site Leases”). The Borrower and the Fee Owners shall execute and record in the applicable registry of deeds a notice of lease evidencing the Project Site Leases. The terms and conditions of the Project Site Leases and any notice of lease with respect thereto shall, in all respects, be satisfactory to the Lender and its legal counsel. The Fee Owners and any fee mortgagees shall acknowledge that the Borrower’s leasehold interest under the Project Site Leases has been mortgaged to the Lender (with re-assignment rights), shall waive any interest in the Wind Facilities and other collateral located or installed at the Project Site, and shall agree to provide to the Lender notices of default thereunder and a right to cure any such defaults.

The Borrower’s obligations to pay any rent or other amounts under the Project Site Lease entered into with an affiliate of the Borrower and such affiliated Fee Owner’s rights and remedies against the Borrower under such Project Site Lease shall be expressly subordinated to the Borrower’s obligations to pay any amounts due under the Credit Facilities and the Lender’s rights and remedies under the Credit Facilities. Upon the occurrence of an event of default under the Credit Facilities, the Borrower shall not be permitted to make, and such affiliated Fee Owner shall not be permitted to demand or receive, any amounts then due under such Project Site Lease without the prior written consent of the Lender.

**Fee Owner &
Fee Mortgage:**

The Lender shall receive and approve all loan and other credit documents evidencing, securing, and/or guarantying any indebtedness owed by any Fee Owner to any fee mortgagee. A Fee Owner and the holder of any

mortgage on the fee interest in the Project Site shall enter into a recognition agreement whereby, among other terms, they recognize the existing of the respective Project Site Lease and the leasehold mortgage granted to the Lender and agree that such Project Site Lease and leasehold mortgage shall not be disturbed by any foreclosure of the fee mortgage or other exercise of rights and remedies by the holder thereof. Also, given the affiliated nature of the Borrower and the holder of the fee mortgage for a portion of the Project Site, the holder of the fee mortgage shall enter into other agreements in favor of the Lender necessary to ensure that the existence of such fee mortgage and related credit arrangement shall, at no time, have an adverse effect on the Project, the Borrower, or the Lender, including any subordination of the lien of the fee mortgage to the lien of the leasehold mortgage granted to the Lender.

**Power Purchase Agreement/
Sale of RECs:**

The Borrower shall deliver to the Lender, for its review and approval, one or more power purchase agreements to be executed by the Borrower and third party purchasers approved by the Lender having a term of not less than twenty (20) years (collectively, the "Power Purchase Agreements"). Pursuant to the Power Purchase Agreements, the purchasers thereunder shall, in the aggregate, purchase (a) one hundred percent (100%) of the electricity generated from the Project for such 20-year term and (b) all of the RECs.

Availability of Other Project Sources:

The Borrower shall provide to the Lender evidence satisfactory to the Lender of (a) the availability of Borrower equity in the amount of \$5,349,256.00 (or such lesser or greater amount as reasonably determined by the Lender upon any decrease or increase in the Cost Breakdown (as defined below)), (b) the Borrower's eligibility to receive the Utilities Grant, and (c) the Borrower's eligibility to receive the Investment Tax Credits. The aggregate anticipated undrawn amount of the Utilities Grant and the capital contributions from the Borrower's tax credit investor(s) shall be sufficient to repay the Bridge Loan.

Project Budget:

The Borrower shall provide to the Lender, for its review and approval, (a) a detailed line-item breakdown of the cost of constructing, financing, and otherwise developing the Project (the "Cost Breakdown"), which Cost Breakdown shall include a hard cost contingency and a soft cost contingency, and (b) a detailed breakdown of the sources and uses of funds relating to the Project. The Cost Breakdown shall evidence that the

Borrower has contributed Borrower equity to the Project in the amount of \$5,349,256.00 (or such lesser or greater amount, as noted above).

Plans and Specifications:

The Borrower shall provide to the Lender, for its review and approval, final plans and specifications for the Project which, in the Lender's discretion, may also be reviewed by the Lender's Inspector (as defined below). The Borrower shall not materially change the plans and specifications approved by the Lender or permit any material deviation in construction of the Project, in each case, without Lender's prior written consent.

Permits:

The Borrower shall provide to the Lender evidence that (a) either all governmental and utility permits, licenses, and consents to construct the Project have been secured or (b) if any required permits cannot, by their nature, be secured prior to the closing of the Credit Facilities, including, without limitation, any permits necessary for the transportation of the Wind Facilities to the Project Site, evidence acceptable to Lender that such permits will be obtained for the Project. In no event will any proceeds of the Credit Facilities be advanced for construction of the Project or may construction work commence on the Project prior to the issuance of the permits required for such construction work.

Site Plan:

The Borrower shall furnish to Lender a site plan of the Project Site which shows the intended location of the improvements to be constructed on the Project Site in connection with the Project. The site plan or any survey delivered to the Lender shall clearly delineate the boundaries of the Borrower's leasehold estate, shall be sufficient to delete the so-called survey exception on any leasehold mortgagee's title insurance policy to be delivered hereunder, and shall show the locations of any existing structures located on the Project Site and any easements or restrictions of record affecting the Project Site.

Project Schedule:

The Borrower shall provide to the Lender a construction schedule and other evidence showing that (a) construction of the Project commenced prior to December 31, 2013 and, if construction is not on-going at the time of the closing of the Credit Facilities, can recommence no later than within thirty (30) days after the closing of the Credit Facilities, (b) construction of the Project can be substantially completed no later than fifteen (15) months after the closing of the Credit Facilities, and (c) construction of the Project will be completed at such times as is necessary to comply with any requirements to receive the Utilities Grant and any capital contributions to

be made in connection with the Investment Tax Credits, if applicable.

**Construction
Professionals:**

The Borrower shall provide to the Lender any information the Lender may reasonably request regarding the construction professionals to be retained by the Borrower for the Project, including but not limited to (a) any current and valid license, (b) resume, (c) current financial statements, and (d) builder's trade credit report. If requested by the Lender, the Borrower shall also deliver to the Lender a list of all contractors, subcontractors, and material suppliers to be employed in connection with the construction of the Project, setting forth (i) the nature of the work to be performed, (ii) the labor and materials to be supplied, and (iii) the dollar amount of the work and materials to be used in connection therewith. Further, if requested by the Lender, the Borrower shall provide to the Lender copies of all bids received for each item of work to be performed as well as copies of executed subcontracts. At the discretion of Lender, all contracts, subcontracts, contractors, and subcontractors shall be subject to the Lender's review and approval.

**Construction
Contract:**

The Borrower shall provide to the Lender, for its review and approval, the construction (or engineering, procurement, and construction) contract between Borrower and the general contractor retained by Borrower to construct the Project (the "Construction Contract"), which shall provide for a guaranteed maximum price or fixed price and include a provision for ten percent (10%) retention.

**Construction
Bonds:**

The Borrower shall provide to the Lender, for its review and approval, payment, performance, and lien bonds which are (a) in an amount not less than the guaranteed maximum price or fixed price set forth in the Construction Contract, (b) issued by a Treasury-listed surety licensed to do business in the State of New Hampshire, and (c) written in dual-obligee form naming the Lender as co-obligee.

Lender's Inspector: The Lender may, in its sole discretion, retain one or more construction professionals or other qualified third parties (collectively, the "Lender's Inspector") to assist the Lender in determining the Borrower's compliance with the terms and conditions of the Credit Facilities. Among other things, the Lender's Inspector shall be entitled to review all construction related materials to be delivered to the Lender, including any plans and specifications, construction budgets, construction schedules, and any proposed changes thereto, and to inspect all completed work on the Project

prior the Lender's having any obligation to fund proceeds of the Credit Facilities in response to any requisition submitted therefor. The fees and expenses of the Lender's Inspector shall be borne solely by the Borrower and paid upon demand.

Title Insurance: The Borrower shall deliver to the Lender one or more title insurance policies from a title insurance company approved by the Lender, written on the current form of ALTA Lender's Policy of Title Insurance insuring the leasehold mortgagee interests of Lender in the Project Site as of the date of the closing. The policies must state that (a) the Borrower is vested with a good, marketable, and indefeasible leasehold title in the Project Site, and (b) the Lender's mortgage constitutes valid first priority lien upon the leasehold title of the Borrower in the Project Site. The title insurance policy shall contain such affirmative coverage and endorsements as the Lender or its legal counsel may reasonably require.

Insurance: The Borrower shall provide to the Lender evidence of such insurance coverage and in such amounts as shall be reasonably requested by Lender, including liability, casualty (including builder's risk during any period of construction), business interruption, and theft insurance covering the Wind Facilities. Such insurance shall be in addition to any insurance maintained or required by the Fee Owners. The Lender shall be designated, where appropriate, as lender's loss payable, additional insured, and mortgagee on such insurance policies. All insurance required hereunder shall guaranty at least thirty (30) days' notice to the Lender of cancellation, non-renewal, or material change.

Legal Opinions: The Borrower shall deliver to the Lender such opinions of legal counsel as the Lender shall reasonably request, which shall be in form and content reasonably satisfactory to the Lender and its counsel, dated as of the date of closing, including, without limitation, opinions (a) regarding the legal existence of the Borrower, the authority of the Borrower to execute all documents as to which it is a party, the enforceability of all such documents against the Borrower and the Guarantor, and the existence of any pending or threatened litigation against the Borrower and the Guarantor and (b) that the Project and/or the Borrower possess all licenses, permits, and approvals from governmental authorities required by the construction, completion, and operation of the Project. In lieu of the opinion referenced in the foregoing subsection (b), the Lender agrees to accept a certification from a licensed professional acceptable to the Lender which has maintained involvement in the permitting of the Project.

Project

Management:

The Borrower shall provide to the Lender, for its review and approval, a management agreement between the Borrower and a manager reasonably acceptable to the Lender for the on-going management and administration of the Project. As noted above, the Borrower's obligations to pay any management fees (along with any parties' rights to demand or receive any such fees) shall be expressly subordinated to the Borrower's obligations to pay any amounts due under the Credit Facilities and the Lender's rights and remedies under the Credit Facilities. Upon the occurrence of an event of default under the Credit Facilities (unless any such event of default has been waived in writing), the Borrower shall not be permitted to make, and any third parties shall not be permitted to demand or receive, any management fees without the prior written consent of the Lender.

Depository

Relationship:

All operating accounts for the Borrower and the Project shall be established with the Lender prior to closing and shall be maintained with the Lender during the term of the Credit Facilities.

Additional

Due Diligence

Requirements:

The closing of the Credit Facilities shall also be subject to the Lender's receipt and approval of such other diligence materials which are customary for the type of such credit facilities.

Closing Costs:

All costs and expenses of the Lender associated with the due diligence, closing, and administration of the Credit Facilities shall be paid by the Borrower, whether or not the Credit Facilities close, including, but not limited to, the fees and expenses of the Lender's legal counsel and the Lender's Inspector.

Participation:

The closing of the Credit Facilities shall be subject to the Lender's entering into a loan syndication or participation with one or more financial institutions acceptable to the Lender pursuant to which such financial institution(s) agree to fund directly, or to participate with the Lender in the funding of, not less than \$6,000,000.00 of the proceeds of the Credit Facilities.

Other Terms:

The conditions precedent outlined herein are not meant to be, nor shall they be construed as an attempt to define, all of the conditions precedent

for the closing of the Credit Facilities.

VI. Terms of Commitment.

No Assignment: The Borrower shall not assign this commitment without the prior written consent of the Lender.

Cancellation of Commitment: The Lender reserves the right to cancel this commitment without notice upon the occurrence of any of the following:

- (a) The Borrower has failed to comply with any and all provisions of this commitment;
- (b) The financial condition of the Borrower or the Guarantor or the financial feasibility of the Project shall be changed in any material respect from the information submitted by the Borrower and the Guarantor in support of the loan request or obtained by the Lender prior to closing;
- (c) Filing by or against the Borrower or the Guarantor of a petition in bankruptcy or insolvency;
- (d) The occurrence of a default or event of default under any other credit arrangement between the Lender and any of the Borrower, the Guarantor, or any affiliate of the Borrower and Guarantor; or
- (e) The loan closing has not occurred before December 31, 2014.

Borrower's Representation: This commitment has been issued to the Borrower on the basis of certain information and materials provided by the Borrower to the Lender. Any misinformation, misrepresentation, or withholding of material information incident thereto shall, at the option of the Lender and without limitation to any other right or remedy of the Lender, void all of the Lender's commitments hereunder.

We are pleased to offer this financing commitment letter and hope that we have responded to all of the items that are of concern to you. At your request, we will gladly provide additional information on any topic contained herein. If this commitment meets your expectations, kindly indicate your acceptance to the terms contained herein by signing this letter where indicated

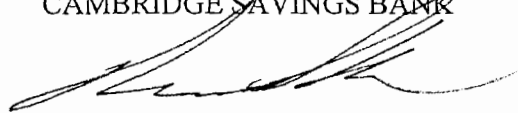
below and returning the same to my attention.

This commitment will be effective upon our receipt, before September 1, 2014, of one copy of this commitment bearing the Borrower's and the Guarantor's signed acceptance hereon. Upon Borrower's and Guarantor's acceptance of this commitment, this commitment shall remain in full force and effect until December 31, 2014. Also, upon the acceptance of this commitment, the Commitment Fee shall be deemed to be earned by the Lender and shall be consideration for its time and effort in underwriting and approving the Credit Facilities. If for any reason the Credit Facilities are not closed on or before said date, then, notwithstanding anything to the contrary contained herein, this commitment shall expire, the Lender's obligations hereunder with respect to the Credit Facilities shall be null, void and of no further force and effect, and the Commitment Fee shall be payable by the Borrower and Guarantor upon demand by the Lender.

The Lender acknowledges receipt from the Borrower of a non-refundable deposit in the amount of \$5,000.00 (the "Deposit"). The Deposit shall be applied towards any fees and expenses incurred by the Lender in connection with its underwriting and closing of the Credit Facilities. Any amount of the Deposit which is not applied towards the reimbursement of the fees and expenses of the Lender shall be applied towards the Commitment Fee, whether or not the Credit Facilities close.

Sincerely,

CAMBRIDGE SAVINGS BANK

A handwritten signature in black ink, appearing to read "Michael R. Kuhn", written over the printed name below.


Michael R. Kuhn, Vice President

Accepted and Agreed to this 26th day of August 2014:

BORROWER:

JERICO POWER LLC

By: Palmer Management Corporation, its Manager

By: 

Name: Gordon L. Deane

Title: President

GUARANTOR:



Gordon L. Deane, individually

Not Seasonally Adjusted Estimates by Place of Residence

Labor Force Estimates

New Hampshire	Jun-14	May-14	Jun-13
Total Civilian Labor Force	750,670	742,530	749,390
Employed	718,310	710,190	709,600
Unemployed	32,360	32,340	39,790
Unemployment Rate	4.3%	4.4%	5.3%

United States (# in thousands)	Jun-14	May-14	Jun-13
Total Civilian Labor Force	156,997	155,841	157,089
Employed	147,104	146,398	144,841
Unemployed	9,893	9,443	12,248
Unemployment Rate	6.3%	6.1%	7.8%

Unemployment Rates by Region

Not Seasonally Adjusted	Jun-14	May-14	Jun-13
United States	6.3%	6.1%	7.8%
Northeast	6.1%	6.1%	7.8%
New England	5.7%	5.7%	7.3%
Connecticut	6.4%	6.9%	8.1%
Maine	5.1%	5.8%	6.6%
Massachusetts	5.6%	5.2%	7.4%
New Hampshire	4.3%	4.4%	5.3%
Rhode Island	7.1%	8.2%	9.2%
Vermont	4.0%	3.2%	4.7%
Mid Atlantic	6.2%	6.2%	8.0%
New Jersey	6.4%	6.7%	8.6%
New York	6.5%	6.4%	7.8%
Pennsylvania	5.8%	5.7%	7.9%

Unemployment Rates by Area

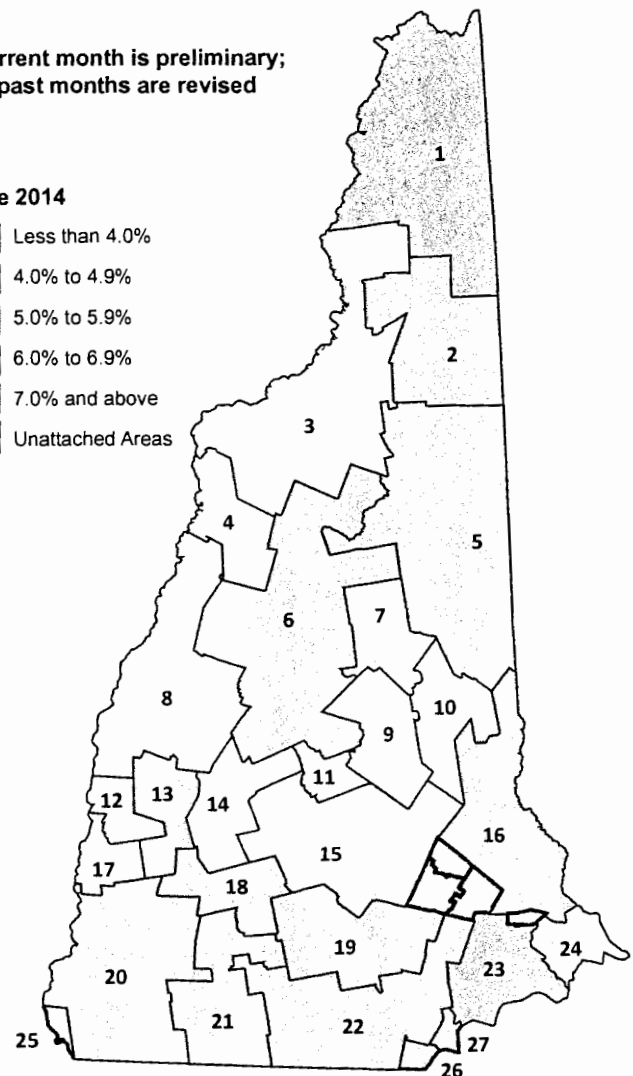
Counties	Jun-14	May-14	Jun-13
Belknap	3.8%	4.1%	4.8%
Carroll	3.8%	4.2%	4.7%
Cheshire	4.4%	4.4%	5.3%
Coos	5.5%	5.8%	5.9%
Grafton	3.4%	3.7%	4.6%
Hillsborough	4.4%	4.4%	5.5%
Merrimack	3.8%	3.9%	4.9%
Rockingham	4.8%	4.6%	5.7%
Strafford	4.3%	4.3%	5.3%
Sullivan	3.7%	3.8%	4.5%

Map Key	Labor Market Areas	Jun-14	May-14	Jun-13
1	Colebrook NH-VT LMA, NH Portion	5.6%	6.5%	6.7%
2	Berlin NH MicroNECTA	6.4%	6.4%	6.5%
3	Littleton NH-VT LMA, NH Portion	3.7%	4.1%	4.3%
4	Haverhill NH LMA	3.9%	4.1%	5.7%
5	Conway NH-ME LMA, NH Portion	4.1%	4.7%	5.2%
6	Plymouth NH LMA	4.0%	4.5%	5.4%
7	Moultonborough NH LMA	2.7%	3.1%	3.3%
8	Lebanon NH-VT MicroNECTA, NH Portion	3.1%	3.1%	3.9%
9	Laconia NH MicroNECTA	3.8%	4.0%	5.0%
10	Wolfeboro NH LMA	3.8%	4.0%	4.4%
11	Franklin NH MicroNECTA	3.9%	3.8%	5.0%
12	Claremont NH MicroNECTA	3.9%	3.8%	4.7%
13	Newport NH LMA	4.0%	4.3%	5.0%
14	New London NH LMA	3.6%	4.2%	4.6%
15	Concord NH MicroNECTA	3.8%	3.9%	4.9%
16	Rochester-Dover NH-ME MetroNECTA, NH Portion	4.2%	4.3%	5.2%
17	Charlestown NH LMA	3.1%	3.4%	4.6%
18	Hillsborough NH LMA	4.5%	4.5%	5.8%
19	Manchester NH MetroNECTA	4.2%	4.2%	5.2%
20	Keene NH MicroNECTA	4.2%	4.2%	5.0%
21	Peterborough NH LMA	4.5%	4.8%	5.7%
22	Nashua NH-MA NECTA Division, NH Portion	4.5%	4.5%	5.5%
23	Exeter Area, NH Portion, Haverhill-N. Andover-Amesbury MA-NH NECTA Division	5.5%	5.2%	6.4%
24	Portsmouth NH-ME MetroNECTA, NH Portion	3.7%	3.8%	4.7%
25	Hinsdale Town, NH Portion, Brattleboro VT-NH LMA	6.0%	5.3%	7.2%
26	Pelham Town, NH Portion, Lowell-Billerica-Chelmsford MA-NH NECTA Division	6.3%	6.0%	7.1%
27	Salem Town, NH Portion, Lawrence-Methuen-Salem MA-NH NECTA Division	6.5%	5.9%	7.6%

Current month is preliminary;
past months are revised

June 2014

- Less than 4.0%
- 4.0% to 4.9%
- 5.0% to 5.9%
- 6.0% to 6.9%
- 7.0% and above
- Unattached Areas



New Hampshire unemployment and labor force estimates are calculated using a regression model which depends on Current Population Survey (CPS) estimates. Labor Market Area estimates are calculated using the Bureau of Labor Statistics "Handbook Method" and then adjusted to the State levels.

A RESOLUTION AUTHORIZING \$4,095,300
QUALIFIED ENERGY CONSERVATION BONDS
FOR A PROJECT FOR
JERICHO POWER LLC IN BERLIN

WHEREAS, the State of New Hampshire Business Finance Authority (the "Authority") has been requested by Jericho Power LLC (or any subsidiary or affiliate thereof, including Palmer Management Corporation, the "Borrower") to finance the construction of five (5) 2.85 mega-watt utility grade wind turbines, including hard and soft construction costs therefor, on Jericho Mountain in Berlin, New Hampshire (the "Project") by issuing \$4,095,300 of revenue bonds (the "Bonds") under RSA 162-I (the "Act");

WHEREAS, Section 54D of the Internal Revenue Code of 1986 (the "Code") authorizes the issuance of "qualified energy conservation bonds" to finance certain qualified conservation purposes, as defined in Section 54D of the Code, and provides for the allocation of a portion of the national volume cap for qualified energy conservation bonds to the State of New Hampshire (the "State"), some or all of which is currently available to the Authority and remains unallocated to any issue of bonds; and the Authority intends that, subject to the satisfaction of the requirements set forth in Section 54D of the Code, the Bonds will constitute "qualified energy conservation bonds" within the meaning of Section 54D of the Code;

WHEREAS, the Authority took official action with respect to the Project by passing a resolution on February 24, 2012 approving the issue of up to \$4,095,300 of Bonds; and

WHEREAS, the Authority has been furnished with (a) information and materials about the Borrower, the Project and unemployment in the Berlin area, (b) evidence that Cambridge Savings Bank (the "Bank") is willing to purchase the Bonds, (c) the proposed LOAN AND SECURITY AGREEMENT dated as of October 1, 2014 (the "Agreement") among the Authority, the Borrower and a trustee or disbursing agent to be named therein, which is a combined financing and security document and which will secure the Bonds, and (d) other information, materials and assurances deemed relevant by the Authority;

IT IS HEREBY RESOLVED THAT:

Section 1. Findings. On the basis of the information, materials and assurances received by the Authority and considered by it at an open meeting, the Authority finds:

(a) Special Findings:

(1) The Project (which when completed will constitute, the "Facility") consists of the construction of five (5) 2.85 mega-watt utility grade wind turbines, including hard and soft

construction costs therefor, on Jericho Mountain in Berlin, New Hampshire. The Project is within the definition of “Commercial Facility” in the Act and may be financed under the Act; and

(2) The establishment and operation of the Facility will create and preserve employment opportunities directly and indirectly within the State and will be of a general benefit to the community as a whole.

(b) General Findings:

(1) The Project and the proposed financing of the Project are feasible;

(2) The Borrower has the skills and financial resources necessary to operate the Facility successfully;

(3) The Agreement contains provisions so that under no circumstances will the Authority be obligated directly or indirectly to pay Project costs, debt service or expenses of operation, maintenance and upkeep of the Facility except from Bond proceeds or from funds received under the Agreement, exclusive of funds received thereunder by the Authority for its own use;

(4) The Agreement does not purport to create any debt of the State with respect to the Facility, other than a special obligation of the Authority acting on behalf of the State under the Act; and

(5) The proposed financing of the Project by the Authority and the proposed operation and use of the Facility will serve one or more needs and implement one or more purposes set forth in RSA 162-I:1, will preserve or increase the social or economic prosperity of the State and one or more of its political subdivisions, and will promote the general welfare of the State’s citizens.

Section 2. Determination and Recommendation. The Authority finds that the proposed financing, operation and use of the Facility will serve a public use and provide a public benefit and determines that the Authority’s financing of the Project will be within the policy of, and the authority conferred by, the Act. The Authority recommends to Her Excellency, the Governor, and The Honorable Council that they make findings and a determination similar to those set forth above, and for that purpose the Executive Director is directed to transmit to the Governor and Council copies of this resolution, the materials received by the Authority with respect to the Project and any other documentation and information the Governor and Council may request.

Section 3. Authorization of the Agreement. The Authority shall be a party to the Agreement and the Chairman, Vice Chairman, Treasurer and Executive Director are each authorized to execute and deliver the Agreement on behalf of the Authority substantially in the form presented to this meeting but subject to such changes as the person so signing may approve, his or her signature being conclusive identification of the document as the Agreement (with approved changes, if any) authorized by this resolution.

Section 4. Authorization and Sale of the Bonds. The Authority shall issue the Bonds in the aggregate amount of up to \$4,095,300 as provided in the Agreement; the Chairman, or the Vice Chairman, or the Treasurer, and any other member of the Board or the Executive Director, are authorized to execute the Bonds; and the placement of the Bonds at the price of par and with a floating interest rate to the Bank is hereby authorized and approved.

Section 5. Actions Not to Be Taken Until After Approval by Governor and Council. The actions authorized by Sections 3 and 4 above (meaning specifically the execution of the Agreement and the issue of the Bonds) shall not be taken until such time as the Governor and Council have made the findings and determination required by Section 9 of the Act, it being the intent of the Authority that the various actions on its behalf which are authorized above are subject to the action of the Governor and Council as required by the Act.

Section 6. Bond Proceeds. The proceeds of the Bonds shall be deposited with the trustee or disbursing agent to be named in the Agreement; and checks, if any, for such Bond proceeds may be appropriately endorsed by the Chairman, Vice Chairman, Treasurer or the Executive Director.

Section 7. Approval of Project. The establishment of the Project, all in accordance with the provisions of the Agreement, is hereby approved for the purposes of, and to the extent required by, the Act.

Section 8. Allocation of Volume Cap. The Authority hereby allocates to the Bonds \$4,095,300 of the qualified energy conservation bond limit allocated to the State (which amount the State has previously allocated to the Authority) under Section 54D of the Code, provided that such allocation shall automatically expire on the last day of December 2014, unless on or before such date the Bonds are issued.

Section 9. Other Actions by Officers. The Chairman, Vice Chairman, Treasurer and the Executive Director are each authorized to take all other actions and execute, deliver or receive such instruments or certificates as they determine are necessary on behalf of the Authority in connection with the whole transaction authorized by the preceding sections of this resolution, but subject in all events to Section 5 hereof. Without limiting the generality of the foregoing, such officers may execute and deliver: receipts; financing statement forms under the Uniform Commercial Code; certificates as to facts, estimates and circumstances; information returns for governmental bond issues for the purposes of federal income taxes; and certificates as to proceedings taken, incumbency of officers or any other facts for any other purposes.

Section 10. Discharge of Lien. The Chairman, Vice Chairman, Treasurer or Executive Director, whenever requested by the owners of the Bonds, may join in the partial release or final discharge of the lien of the Agreement.

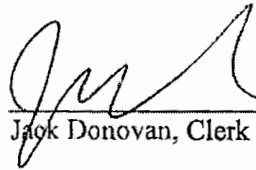
Section 11. Authorization of Change of Dates. Without limiting any other discretion conferred in this resolution, the date of the Agreement and the date of the Bonds as executed may

be any date or dates acceptable to the Borrower, the Bank and the officers of the Authority executing the Agreement and the Bonds.

Section 12. Effective Date. This resolution shall take effect upon its passage.

Passed: September 15, 2014

Attest:



Jack Donovan, Clerk

SUMMARY OF REQUIRED STATUTORY FINDINGS OF THE
GOVERNOR AND COUNCIL UNDER RSA 162-I.

(The materials appearing in quotations below are extracts from RSA 162-I:9. Ellipses indicate deleted provisions relating to pollution control projects or other matters that are not relevant to this transaction.)

* * *

Special Findings

“(1) For any project, the governor and council shall specify the type of facility and shall find that the project to be financed is within the definition of the (type of facility) and may be financed under this chapter;”

The Project consists of the financing of the construction of five (5) 2.85 mega-watt utility grade wind turbines, including hard and soft construction costs, located on Jericho Mountain in Berlin, New Hampshire, which will be owned and operated by Jericho Power LLC (or any subsidiary or affiliate thereof) (the “Borrower”) for the purpose of providing clean, renewable power within the State of New Hampshire. The Project is within the definition of “Commercial Facility” in the Act and may be financed under the Act; and

* * *

“(5) If the facility is a commercial facility, the governor and council shall find that the establishment and operation of the facility will either create or preserve employment opportunities directly or indirectly within the state and will likely be of general benefit to the community as a whole;”

The Borrower expects the Project to enable it (i) to create 10 full-time equivalent (FTE) jobs for six months and an estimated 1.5 FTE jobs to manage the 20-year operations of the Project and (ii) to create a general benefit to the community as a whole by providing clean, renewable power to the surrounding communities in New Hampshire. (BFA-1 under Tab #3) The information from the New Hampshire Employment Security, Economic and Labor Market Information Bureau (Tab #5) presents the current unemployment information for Berlin and surrounding communities. Furthermore, the Project will help to protect and enhance the State’s physical environment by providing a source of clean, renewable power to the surrounding communities in New Hampshire.

* * *

General Findings

“For any project, the governor and council shall find that:

(1) The project and the proposed financing of the project are feasible;”

Porter Securities, Inc. II, the investment subsidiary of Cambridge Savings Bank, has agreed to purchase the Bonds (Tab #5). (The application of the Borrower also supports the finding (Tab #3)).

* * *

“(2) The proposed user has the skills and financial resources necessary to operate the facility successfully;”

The materials relating to the Borrower under Tab #3 support this finding.

* * *

“(3) The financing and security documents contain provisions so that under no circumstances will the authority be obligated directly or indirectly to pay project costs, debt service or expenses of operation, maintenance and upkeep of the facility except from bond proceeds or from funds received under the financing or security documents, exclusive of funds received under the documents by the authority for its own use;”

The LOAN AND SECURITY AGREEMENT (the “Agreement”) (Tab #4) is a combined financing document and security document. Section 8.01 of the Agreement contains an express statement to the effect required; Section 3.07 of the Agreement obligates the Borrower to pay all debt service on the Bonds when due; and Sections 5.02 and 5.04 require the Borrower to pay taxes and costs of operation, maintenance and upkeep.

* * *

“(4) Neither the financing document nor the security document purports to create any debt of the state with respect to the facility, other than a special obligation of the authority acting on behalf of the state under this chapter; and”

Express language to this effect is found in the Agreement under Tab #4 in Section 8.01. Also, see the language in capital letters in the Bond form in Section 3.01(b).

* * *

“(5) The proposed financing of the project by the authority and the proposed operation and use of the facility will serve one or more needs and implement one or more purposes set forth in RSA 162-I:1, will preserve or increase the social or economic prosperity of the state and one or more of its political subdivisions, and will promote the general welfare of the state’s citizens.”

This finding can be based on all the materials as well as facts which are matters of general knowledge.

* * *

Ultimate Finding and Determination Required by the
First Paragraph of RSA 162-1:9

“. . . the proposed financing, operation and use of the facility will serve a public use and provide a public benefit and . . . the authority’s financing of the project will be within the policy of, and the authority conferred by, this chapter.”

The materials and information furnished and the preliminary findings described above support, and enable the making of, the ultimate finding and determination.