

PAYMENT IN LIEU OF TAXES AGREEMENT

This **Payment in Lieu of Taxes Agreement** (“**PILOT Agreement**”) is made this ____ day of _____, 202_, pursuant to New Hampshire Revised Statutes Annotated (NH RSA) §72:74, by and between the Town of Sanbornton, a New Hampshire municipal corporation with an address of 17 Meetinghouse Hill Rd, Sanbornton, NH 03269 (“**Town**”) and Sanbornton 127 Solar LLC, a New Hampshire limited liability company with an address of 15 Railroad Row, Suite 101, White River Junction, Vermont 05001 (“**System Owner**”).

Recitals

WHEREAS System Owner seeks to develop a solar electric generating system (the “**System**”) on a portion of real property located in Sanbornton, New Hampshire and identified in the Town’s records as Map 21, Lot 88-1 (the “**Property**”); and

WHEREAS System Owner expects the installed Nameplate Capacity for the System to be approximately 0.999 MW (AC); and

WHEREAS System Owner will be responsible for the payment of local *ad valorem* real estate taxes on the System and other improvements under NH RSA Chapter 72; and

WHEREAS the System will be a "renewable generation facility," as defined in NH RSA §72:73; and

WHEREAS under NH RSA §72:74, the owner of a renewable generation facility and the governing body of the municipality in which the facility is located may, after a public hearing, enter into a voluntary agreement to make payments in lieu of taxes; and

WHEREAS System Owner and Town have determined that a long-term agreement providing predictability of tax revenues and expenses is advantageous to both the Town and System Owner; and

WHEREAS System Owner and Town desire to enter into such a PILOT Agreement under NH RSA §72:74.

NOW THEREFORE, for good and valuable consideration, the sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Payments in Lieu of Taxes. System Owner will make voluntary payments in lieu of taxes to the Town for each tax year (April 1 to March 31) during the term of this PILOT Agreement, in accordance with Sections 3 below (“PILOT Payments”). These PILOT Payments will constitute payment for any sums due to or collected by the Town Pursuant to NH RSA Chapter 72 for the taxable value of real and personal property interests of System Owner related to use of the Property and the System erected thereon.

2. Term. Mindful of NH RSA 72:74, VI and VII, the parties have determined that a long-term agreement providing predictability of tax revenues and expenses is advantageous to both the Town and System Owner. Accordingly, the term of this PILOT Agreement (the “**Operating Term**”) shall be twenty-five (25) years, commencing on the commercial operation date of the System (the “**Commercial Operation Date**”). The Commercial Operation Date is defined as the date that all of the following conditions occur: (1) the System has been commissioned and accepted by System Owner in accordance with applicable commissioning and inspection procedures; (2) the System has been interconnected to the utility’s electric grid; AND (3) System Owner has commenced the sale of energy from the System on a commercial (rather than test) basis to one or more Purchasers. System Owner shall give the Town written notice of said Commercial Operation Date within seven (7) days after it occurs, together with a letter confirming the System's actual Nameplate Capacity. For the purposes of this PILOT Agreement, the term "Nameplate Capacity" shall mean the sum of all of the AC nameplate capacities for all inverters installed and operating at the System.

3. PILOT Payments for the Operating Term. Subject to possible adjustments under Section 4 below, Annual PILOT Payments to the Town for the Operating Term shall begin at the rate of Three-Thousand and 00/100 Dollars (\$3,000.00) per megawatt/AC of nameplate capacity per year in the tax year that begins April 1 following the Commercial Operations Date. The rate for annual PILOT payments will increase 2% (two percent) cumulatively in each successive year of the Operating Term.

4. Potential Adjustment of PILOT Payments.

(a) Increase in Capacity: In the event that some or all of the Facility increased in the nameplate capacity during the term of the Agreement in such a way as to increase the Facility’s total capacity, then PILOT payments beginning in the next tax year will be adjusted upwards by mutual agreement of the parties.

(b) Reduction in Capacity: If the Facility’s installed and operating capacity as of April 1 in any tax year is materially reduced (due to causes beyond System Owner’s control) from the previous tax year due to: (i) damage caused by natural forces, (ii) operational restrictions caused by a change in law, regulation, ordinance, or industry management standards, (iii) decommissioning and removal of inverters, or (iv) the permanent cessation of the Facility’s operations, then the PILOT payment will be adjusted downward by mutual agreement of the parties based in part on the total actual installed and operating Nameplate Capacity after the reduction in capacity, or in the case of clause (iv) above, this Agreement will terminate.

5. Other Taxes Not Covered. This PILOT Agreement covers only *ad valorem* real estate taxes payable under NH RSA Chapter 72. It does not include or cover other local, state, or federal taxes which may be payable by System Owner on account of System revenues or activities, including the Land Use Change Tax, Timber Tax, State Utility Property Tax, Business Enterprise Tax, or Federal Income Tax, or for any taxes related to other property interests, if any, owned now or in the future by System Owner in the Town.

6. Notices. Any notice to be provided under this PILOT Agreement shall be in writing and shall be deemed to have been given when delivered personally or by certified mail at the following addresses:

For the Town: Town of Sanbornton
 17 Meetinghouse Hill Rd
 Sanbornton, NH 03269

For the System Owner: Sanbornton 127 Solar LLC
 c/o Norwich Technologies, Inc.
 15 Railroad Row, Suite 101
 White River Junction, VT 05001

In the event of a change in the address of either party listed above, the responsible signatory shall give the other party prompt written notice of such change of address, which shall be effective upon receipt.

7. Payment & Enforcement. The Town shall present to System Owner a statement of the PILOT Payments due in accord with its final annual property tax billing cycle of each year, which shall be due and payable to the Town within thirty (30) days of the date of said statement. Failure to pay any portion of the PILOT Payments by the due date may be deemed a breach of this PILOT Agreement. In the event that System Owner fails to make any payments as required herein, the Town shall be entitled to all rights and remedies available to the Town in the collection of property taxes pursuant to NH RSA Chapter 80, as amended, and such failure shall be subject to the statutory interest lien process. System Owner hereby waives any remedies and/or tax exemptions that may be applicable to the Property or the System during the effective period of this PILOT Agreement.

8. Changes in Use. This PILOT Agreement shall not apply to the use and occupation of the Property prior to the Commercial Operation Date of the System. In the event that the System owned and operated by System Owner no longer qualifies as a "Renewable Generation Facility" under NH RSA § 72:73, this PILOT Agreement shall no longer apply as of the date of the change in use. In the event the System, or any portion thereof, is used, occupied, leased, sold, assigned, or otherwise transferred to a third party that is not engaged in operating the System as a Renewable Generation Facility, this PILOT Agreement shall no longer apply and the Property and the System erected thereon shall be subject to *ad valorem* taxation as of the date of the change in use of the System and thereafter. Taxes shall become due to the Town for the remainder of the tax year in which there is a change in use on a proportional basis, based on the number of months then remaining in the tax year.

9. Miscellaneous.

(a) This PILOT Agreement shall be construed and interpreted in accordance with the laws of the State of New Hampshire. In the event any term of this PILOT Agreement or the application of any such term shall be held invalid or unenforceable by any court having jurisdiction, the remaining terms of this PILOT Agreement and their application shall not be affected thereby and shall remain in full force and effect, provided that the remaining terms continue to preserve the essential economic terms of this PILOT Agreement.

(b) The terms and provisions contained in this PILOT Agreement constitute the final agreement between the parties with respect to this PILOT Agreement and supersede all previous communications, representations or agreements, either verbal or written. No modification or amendment to this PILOT Agreement shall be valid unless it is in writing and signed by both parties hereto.

(c) System Owner shall have the right, in its sole discretion, to assign this PILOT Agreement to any bona fide purchaser, transferee, or assignee; provided that said purchaser, transferee or assignee has the financial, managerial, and technical capacity to construct and operate the System as contemplated by the parties hereto. All covenants, agreements, terms and conditions contained in this PILOT Agreement shall apply to and be binding upon the parties, their assigns and successors. System Owner shall provide written notice to the Town of any sale, transfer, or assignment.

(d) Section titles or subject headings in this PILOT Agreement are provided for the purpose of reference and convenience only and are not intended to affect the meaning of the contents or scope of this PILOT Agreement.

(e) This PILOT Agreement may be executed in multiple counterparts, each of which shall be deemed an original instrument, but all of such counterparts together will constitute but one PILOT Agreement.

(f) The Town represents and warrants that it has all the requisite statutory power and authority to enter into this PILOT Agreement and the signatories hereto represent and warrant that they have all the requisite power and authority to bind the respective Parties to the terms of this PILOT Agreement.

[Signature page follows.]

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

Town

Town of Sanbornton, a New Hampshire municipal corporation

By: _____

Date: _____

Name: _____

Title: _____

SYSTEM OWNER

Sanbornton 127 Solar LLC, a New Hampshire manager-managed limited liability company

By: Norwich Technologies, Inc., its Manager

By: _____

Date: _____

Its duly authorized officer

Name: _____

Title: _____