Nova Scotia Utility and Review Board

IN THE MATTER OF Section 35 of *The Public Utilities Act*, R.S.N.S. 1989, c.380, as amended

- and -

IN THE MATTER OF An Application by Nova Scotia Power Inc. for Approval of Capital Work Orders:

CI 39323, Digby Wind Project
CI 39626, Digby Wind Project Substation
CI 39627, Digby Wind Project Network Upgrades
CI 39628, Digby Wind Project Interconnection

Application

REDACTED
(Certain Appendices Only)

July 23, 2010

REDACTED
(Certain Appendices Only)

Table of Contents

1.0 EXECUTIVE SUMMARY 3
2.0 PROJECT BACKGROUND 5
3.0 COMMERCIAL TRANSACTION 10
4.0 CODE OF CONDUCT COMPLIANCE 12
5.0 TECHNICAL OVERVIEW....15
6.0 EQUIPMENT AND SERVICES SELECTION 17
7.0 PROJECT DEVELOPMENT ACTIVITIES TO DATE 19
8.0 PROJECT COST 21
9.0 PROJECT SCHEDULE....23
10.0 PROJECT JUSTIFICATION....24
11.0 CONCLUSION....26

Appendices

Appendix 1 ecoENERGY Contribution Agreement
Appendix 2 Capital Application Approval Sheet
Appendix 3 Letters between NSPI and UARB
Appendix 4 Asset Purchase Agreement
Appendix 5 Power Purchase Agreement
Appendix 6 License to Use Assets and Option Agreement
Appendix 7 General Conveyance
Appendix 8 Assignment and Assumption of Leases Agreement
Appendix 9 Promissory Note
Appendix 10 Digby Wind Farm Construction Contract
Appendix 11 Garrad Hassan Report – Assessment of Energy Production
Appendix 12 Generation Interconnection Agreement
Appendix 13 Assignment and Assumption of Contracts Agreement
Appendix 14 Digby Wind Project Site Map
Appendix 15 Digby Wind Project Schedule
Appendix 16 Discounted Cash Flow EAM Analysis
Appendix 17 Levelized Cost Analysis

1.0 EXECUTIVE SUMMARY

Nova Scotia Power Inc. (NSPI, the Company) has purchased the assets and development rights associated with the Digby Wind Project (the Project) located near Gulliver's Cove at the northeast end of the Digby Neck peninsula, approximately 15 kilometers southwest of the town of Digby. The investment allows for construction and interconnection of a 30 megawatt (MW) wind energy project, capable of generating an average of 110 gigawatt hours (GWh) of renewable energy annually.

Pursuant to s.35 of T*he Public Utilities Act*, NSPI seeks Nova Scotia Utility and Review Board (Board, UARB) approval of the four enclosed capital work orders which constitute this project at a forecast cost of $82.8 million. The Company is pursuing this project to secure a low cost Renewable Energy Standard (RES) compliant project for customers, including retention of the Federal Government ecoENERGY incentive which has been approved for the Project.

NSPI originally selected the Project as part of its 2007 Renewables Request for Proposals (RFP) process. The process, including the selection of the Digby Wind Project, was reviewed and endorsed by the UARB in 2007.

In August 2009, as a result of the financial downturn, the original site developer, Skypower Corporation, sought and obtained court ordered protection under the Companies' Creditors Arrangement Act, R.S. c. C-25. Following this development, NSPI affiliate 3240384 Nova Scotia Limited (324 NSL) purchased all of Skypower's assets and rights in the Digby project, as well as the outstanding development rights held by Scotian Windfields Partners Corporation and proceeded to continue development of the Project.

Through this Application, NSPI seeks Board approval to include this project in the Company's rate base thereby preserving the renewable energy from the Project for customers.

NSPI's completion of the Digby project will mean that all but one of the projects selected in the 2007 renewables energy solicitation are targeted to be in-service by the end of 2010. This is a significant achievement given the substantial challenges which have arisen over the past three years. Of the 216.1 MW constructed from this RFP, 141.1 MW are owned by Independent Power Producers (IPPs) (including NSPI's 49 percent investment in the Point Tupper Wind Project) and 75 MW are owned by NSPI.

The current application by the Company to acquire and develop this project means this low cost renewable energy generation opportunity will proceed in a timely manner. Provided the Project is in service as contemplated before March 31, 2011, the ecoENERGY benefit approved for the site will be retained for the benefit of NSPI customers.

The Project will qualify for inclusion in the Company's 2013 RES portfolio. The project economic analysis confirms that NSPI's plan for the Project will provide a reduction in costs, compared to the original contract – this translates to a positive net present value to customers of $4.9 million.

NSPI respectfully requests the Board issue a Decision on this Application by December 20, 2010.

2.0 PROJECT BACKGROUND

In 2007, NSPI conducted a market solicitation for renewable energy. The Company's renewable energy procurement process was reviewed by the Board which offered the following conclusions in a letter to the Minister of Energy dated December 14, 2007:

> Based on the investigations of Board Staff and Board Counsel, the Board is of the view that the process followed to date by NSPI is suitable to meet the RES set out in the Regulations. The reasons for this conclusion are:
>
> 1. NSPI has significantly oversubscribed the amount of new PPA capacity required to meet the 2010 RES. Also, in addition to the announced amount of new PPA capacity, NSPI has a project waiting list.
>
> 2. NSPI has used "Threshold Considerations" (as described in the Board Staff memo) to ensure that only viable project proposals were received. In Board Staff's opinion, this has worked quite well in this process.
>
> 3. NSPI has done an in-depth evaluation of the projects received.
>
> 4. In Board Staff's opinion, the quality of the proposals included in the recommended Group is excellent. The developers have invested considerable time, effort and money in preparing the proposals.
>
> 5. NSPI's PPA includes performance security that is in effect (in varying amounts) throughout the PPA term.
>
> 6. The PPA includes various performance measures and payments by the developer to NSPI if these measures are not met.
>
> Board Counsel advises that while individual PPA's are still under negotiation with the successful proponents, the template PPA included in the March 12, 2007 RFP was suitable and represented a reasonable allocation of risk between NSPI and the project proponents.

NSPI signed Power Purchase Agreements (PPAs) with the seven lowest-cost renewable energy projects from this RFP. The current status of the selected projects is summarized in the following table:

Project / PPA	Capacity (MW)	Status	Owned By	RES Compliance Period
Dalhousie Mountain	51	In-service.	RMS Energy	2011
Maryvale	6	In-service.	Horizon Energy	2011
Point Tupper	22	Under construction. Nine turbines in-service, with the remainder in service July 2010.	49% NSPI, 51% RESL	2011
Nuttby Mountain	45	Under construction. In-service Q4 2010.	NSPI	2013
Digby	30	Under construction. In-service Q4 2010.	NSPI	2013
Glen Dhu	62.1	Under construction. In-service Q4 2010.	Shear Wind	2011
Amherst	30	Delayed.	Acciona	n/a

In 2009 the Board approved NSPI's acquisition of the Nuttby Mountain project and the associated development costs. On June 14, 2010, the Board approved NSPI's investment of up to 49 percent of capital costs in the Point Tupper Wind Project. In this Application, NSPI is seeking approval for the purchase and development costs associated with the Digby Wind Project to be added to the Company's rate base.

An important element of the cost competitiveness of these projects was the projects' access to the Federal ecoENERGY incentive program. This program provides an incentive of $10/MWh of eligible low-impact renewable electricity for the first 10 years of operation. Projects must be in-service by March 31, 2011 to be eligible for the incentive. Approval of this credit for this project was received in March 2010. This contribution agreement is provided in Appendix 1.

The funds allocated for the ecoENERGY program are almost fully subscribed and future funding under this program is no longer available. NSPI recognizes the value of ecoENERGY to its customers and has endeavoured to maintain this value with the acquisition of Nuttby Mountain, 49 percent investment in the Point Tupper Wind project and now the Digby Wind Project.

ecoENERGY, coupled with a strong wind regime and favorable project economics, allows NSPI to complete the Project on terms that are favorable for customers. The Project is expected to be in-service by year end 2010. NSPI ownership and control of the project means that the generation from the site will qualify for inclusion in the 2013 RES.

NSPI has developed the capital estimates for this project. The complete project plan submitted herein includes four capital applications for the construction and interconnection of this facility, totaling $82.8 million.

In support of this application, NSPI provides the following for the Board's consideration:

- Commercial Transaction Details
- Code of Conduct Compliance Review
- Technical Overview
- Equipment Solicitation Process Summary
- Project Development Activities to Date
- Project Cost and Schedule Overview
- Project Justification
- Economic Analysis Summary

On April 16, 2010, NSPI requested the Board confirm it had no objection to NSPI proceeding with the construction in advance of the work order approval (Appendix 3). Included in this letter was a synopsis of the project background.

Following the 2007 competitive solicitation for renewable energy projects, NSPI entered into a 20 year Power Purchase Agreement with Skypower on March 31, 2008 (the "PPA"). The PPA provided for the purchase of power from a 30 MW wind farm to be developed at Digby, Nova Scotia.

At the time that the PPA was negotiated and executed, Skypower was controlled (80% ownership) by Lehman Bros., one of the world's largest investment banks. In September 2008, Lehman Bros. filed for bankruptcy, in one of the triggering events for the global financial crisis which ensued. For several months that followed, Skypower attempted to recapitalize itself, and to sell assets, including the Digby project. In August 2009, Skypower sought and obtained court ordered protection under the Companies Creditors Arrangement Act ("CCAA").

At this time it became clear that the Digby project as structured was not going to be developed by Skypower or another Independent Power Producer and the energy would not have been delivered pursuant to the PPA.

Skypower commenced a formal process to sell its assets under the CCAA protection. Under that process, NSPI affiliate 3240384 Nova Scotia Limited (324 NSL) purchased all of Skypower's assets and rights in the Digby project (including an assumption of rights under a wind turbine supply agreement) on December 23, 2009. Scotian Windfields held a half interest in certain of the assets comprising the development rights for the Digby project. Concurrently with the purchase from Skypower, NSPI's affiliate reached agreement with Scotian to purchase its interest if Scotian was unable to secure sufficient funding for its share of the project. This purchase was subsequently completed and the NSPI affiliate holds all of the development rights to the Digby project, and has proceeded to develop the project.

Absent the involvement of NSPI's affiliate, the development rights for the Digby project as presently configured may have become unavailable, as it is likely that the PPA would have been terminated as a consequence of the CCAA proceedings. The Digby site is a favourable location for wind farm development, and if the PPA had been terminated it is likely that a future competitive solicitation for renewable energy would have included this site at a higher cost to customers.

The Board, in its response dated April 23, 2010, provided the following:

> The Board notes that this request is similar to one involving the Nuttby Mountain Wind Project. In that case, the Board determined, in part, as follows:
>
> > The Board has no objection to Nova Scotia Power undertaking these advance expenditures at shareholders' risk on the understanding this will not be considered by Nova Scotia Power to constitute any form of approval of the capital work order application ...
> >
> > [Board letter to NSPI, September 15, 2009, p. 1]
>
> After reviewing the Digby Wind Project request, the Board believes that the comments noted above also apply in this case. In addition, since the Digby Wind Project involves a transaction with 3240384 Nova Scotia Limited, an affiliate of NSPI, both the work order expenditure request and the circumstances involving the corresponding affiliate transaction will be the subject of a rigorous review by the Board and interested parties. Directions on procedure will be issued when the capital work order is filed with the Board.

Consistent with the Board's directive, included in this filing is the project justification and cost support typical of large capital applications and a discussion of the Code of Conduct implications of the Application.

This Project has a complicated history of ownership and control, which is fully described in this application. This history has created certain constraints in timing and activity that contribute to the facts and content of this application. In particular, this history has caused constraints in developing the Project within the time frame to qualify for the ecoENERGY incentive. When NSPI legally acquired the project which hence allowed for a lower overall cost to customers, the construction plans had been committed, contracts awarded in most cases and production had begun. The efforts of 324 NSL and NSPI have been focused on safely commissioning a reliable project on time to obtain the ecoENERGY incentive for NSPI customers. NSPI trusts the Board will agree that, in light of all circumstances, the actions to preserve and advance this project will benefit customers and were reasonable and appropriate in all respects.

NSPI respectfully requests the Board issue a decision concerning these capital applications by December 20, 2010. The Capital Application Approval Sheets are provided in Appendix 2.

3.0 COMMERCIAL TRANSACTION

The transaction between NSPI and 324 NSL represents an asset purchase and payment for development costs. 324 NSL is a wholly owned subsidiary of Emera Inc. NSPI acquired all of the Project assets directly from 324 NSL with the exception of the PPA and PPA performance security. These items remain with 324 NSL. NSPI will reimburse 324 NSL for various development costs associated with the Project.

The detailed Asset Purchase Agreement between NSPI and 324 NSL is provided in Appendix 4. The following assets are included in the Agreement:

- Engineering and Wind Studies for the Site
- Original Engineering Design Documents
- Environmental Approval Documents
- Meteorological towers and Transport Canada Approvals for the meteorological towers
- General Electric Turbine Supply Agreement
- Land Leases (Turbine and Non-Turbine)
- Emera Utility Services Engineering, Procurement and Construction (EPC) Contract
- ecoENERGY Documents and Agreement
- Generation Interconnection Agreement
- Magna Transformer Purchase Agreement
- Environmental Protection Plan
- Transmission Line Easements Options

An important aspect of the transaction between NSPI and 324 NSL was for NSPI to maintain flexibility in its ability to meet the 2011 RES. NSPI currently anticipates that the Company can

achieve 2011 RES compliance without having the Project developed independently. NSPI recognizes that there is minimal margin available for compliance and that unexpected delays or lower than anticipated output from existing PPA projects could place 2011 compliance at risk. Therefore, the structure of the commercial transaction provides the maximum flexibility to comply with NSPI's legal obligations, while preserving the benefits of the project for customers. The involvement of NSPI's affiliate has been a key factor in enabling this flexibility.

That flexibility has been preserved by a license agreement between NSPI and 324 NSL. NSPI licensed the project assets back to 324 NSL to enable 324 NSL to carry out the operation and maintenance of the Project and to fulfill its obligations under the PPA, if required. Under the terms of the license, 324 NSL will have the option to re-purchase the assets back from NSPI. A determination with respect to the disposition of the license agreement and PPA and PPA security assets will be made following issuance of the Board's Decision in this matter.

As noted above, NSPI's affiliate has been able to act quickly to preserve the development rights, turbine contract and existing assets related to the project and secure ecoENERGY. Having the Project included in the utility rate base is in the interest of customers if 2011 RES compliance can be achieved through other projects. The structure of the commercial transaction supports this outcome.

4.0 CODE OF CONDUCT COMPLIANCE

The enclosed application provides for the purchase of the Digby Wind Farm development from NSPI affiliate 324 NSL. The affiliate transaction is encompassed by the following agreements:

- PPA between NSPI and 324 NSL (as assignee of Skypower Corp.) (Appendix 5)
- License to Use Assets and Option Agreement (Appendix 6)
- Asset Purchase Agreement (Appendix 3), General Conveyance (Appendix 7), Assignment and Assumption of Leases and Contracts between NSPI and 324 NSL (Appendix 8), Assignment and Assumption of Contracts Agreement (Appendix 13)
- Promissory Note between NSPI and 324 NSL (Appendix 9)

The following elements of the Code of Conduct apply to the total development transaction and the individual affiliate agreements:

> 1.0 PURPOSE
>
> 1.1 The primary purpose of this Code of Conduct is to ensure that all transactions Nova Scotia Power Inc. (NSPI) enters into with affiliates are designed and carried out in a manner reasonably expected to produce demonstrable benefit to NSPI customers, when compared with all other available options.
>
> 2.0 STATEMENT OF PRINCIPLES
>
> 2.2 NSPI will only enter into affiliate transactions when doing so has been demonstrated through sound, documented analysis to be the best available option for NSPI's customers at the time.
>
> 6.0 FAIR DEALING
>
> 6.10 Where a capital asset is transferred from NSPI to an affiliate or from an affiliate to NSPI, that asset will be transferred at a price to be approved by the Board in advance.

The capital justification included in this application confirms that NSPI's assumption of this project is the best option available to NSPI and in the interests of customers. The economic analysis confirms that this project is the low cost option compared to other available renewable opportunities and that the cost-basis proposed for the transaction is lower cost for customers than a market-based pricing approach. This economic analysis assumes NSPI is able to achieve 2011 RES compliance without the Project being independently owned.

In addition to the main affiliate transaction between NSPI and 324 NSL, an additional element of this project involves another affiliate, Emera Utility Services Inc. (EUS). Prior to the transfer of this project to NSPI, 324 NSL retained EUS to procure and construct the facilities, other than the wind turbine generators (WTG), that constitute this wind project. This transaction is represented by the Procurement and Construction Contract between EUS and 324 NSL (Appendix 10), which has been assigned to NSPI pursuant to the overall commercial transaction, thereby creating a new affiliate transaction between NSPI and EUS.

NSPI understands that 324 NSL was faced with a tight timeline to complete this project in order to be able to access the ecoENERGY credit. As such, 324 NSL required a procurement and construction contractor that it could rely on to meet all project milestones and budget requirements. After examining the results of project-related competitive solicitation processes conducted by CBCL Ltd. on behalf of Skypower, 324 NSL selected EUS and negotiated a contract that would ensure project commissioning by 324 NSL's commercial operation date. Additionally, the pricing offered by EUS to 324 NSL is superior to the other pricing offered to Skypower following its RFP for this project.

NSPI does not have the resources needed for self-provisioning for this facility construction work. NSPI has project management on site to monitor and manage the execution to ensure compliance with contracts and schedules. NSPI has reviewed the transaction with EUS and agrees with the assessment by 324 NSL that EUS is best suited to complete the project on time and on budget,

thereby preserving the ecoENERGY credit and other financial and environmental benefits of the project.

This application includes copies of all affiliate agreements relating to the project, as well as a quantitative analysis comparing the proposed asset purchase to the original PPA.

The analysis confirms that this transaction provides a demonstrable benefit to NSPI customers and that the transaction is the best option available to NSPI; the two key requirements for Code of Conduct compliance.

This project could only proceed via the involvement of 324 NSL. NSPI was not in a position to preserve the project for customers at the time that 324 NSL became involved. The involvement of this affiliate to preserve the project has delivered a demonstrable benefit to customers. A further quantitative benefit is the preservation of the ecoENERGY credit, which is available because 324 NSL preserved the project, and because EUS was engaged to make sure the project was constructed in time to preserve the benefit.

As part of the requested approval of this Application, NSPI respectfully requests the Board confirm that the affiliate transactions that accompany this project comply with the Code of Conduct.

5.0 TECHNICAL OVERVIEW

Site Configuration

The Project site is located near Gulliver's Cove at the northeast end of the Digby Neck peninsula, approximately 15 km southwest of the town of Digby, Nova Scotia. The site covers an area of about 2.7 square kilometres. The turbines will be located on leased property. A project site map is provided in Appendix 14.

The site is laid out to maximize the amount of energy that is captured by the turbines while adhering to the constraints of the site. Specific considerations include set-back requirements in the municipal bylaw, spacing requirements of the wind turbines, and environmental considerations. The site has also been configured to accommodate site topography, proximity to transmission lines, existing roads, site access and the location of existing residences, while maximizing the advantage of the prevailing wind direction.

The development includes 20 General Electric 1.5sle wind turbines, each with a nameplate capacity of 1.5 MW.

A P50[1] energy yield of 110.4 GWh (10 year annual average) has been forecast by Garrad Hassan (GH) for the Digby project. This estimate is based on wind data collected from three meteorological towers during the period June 2007 through September 2009. The GH energy yield report is provided in Appendix 11. The wind projection is consistent with prior studies commissioned by Skypower for the Digby Project.[2] These earlier reports also considered 20 GE 1.5sle turbines although with slightly different site layouts.

[1] A P50 energy yield is the estimate value wherein the probability of exceeding or falling short of the estimate are equal.
[2] Genivar, March 16, 2009, Long Term Project yield of 124.2 GWh, incorporating wake losses only; WindLogics September 30, 2009, Energy capture with Standard Losses, 123 GWh.

Interconnection and Network Upgrades

The interconnect portion of the project provides for the establishment of a 69 kV system connection for the 30 MW Project. Each WTG will be interconnected to a collection system via its own step-up transformer. The site will be interconnected to the Nova Scotia Power transmission system by a new 17 km transmission line operating at 69 kV from the 77V-Conway Substation.

The system connection for the Project will require the installation of a new circuit breaker, associated switches, protection control, metering and telecommunications at the Conway substation. It will also require the construction of a 17 km transmission line from the Conway Substation to the project site. Primary metering and telecommunication equipment will be installed at the Digby substation.

Appendix 12 provides the Generation Interconnection Agreement for the Digby project. This report further details the line and infrastructure modifications and upgrades necessary for the project system connection.

6.0 EQUIPMENT AND SERVICES SELECTION

The contract for the 20 General Electric 1.5sle wind turbines was originally executed by Skypower effective March 2009, before the involvement of NSPI or 324 NSL. Each turbine has the following characteristics:

- 1.5 MW rated capacity units
- A hub height of 80 metres
- Rotor diameter of 77 metres
- Manufactured in the United States and Canada
- 2 year warranty

The Company has negotiated an Operating and Maintenance (O&M) Services Agreement with General Electric (GE) to provide Original Equipment Manufacturer (OEM) ongoing technical expertise and access to GE's spare parts inventory.

When 324 NSL purchased the Project assets, a significant turbine deposit had been paid to GE by Skypower. 324 NSL secured the turbine contract net of this deposit. NSPI has selected different turbines at other sites (for example, Enercon turbines are being used at Nuttby Mountain). Careful consideration was given to the use of the GE 1.5sle turbines for this Project in light of NSPI's review and experience with other project sites. In light of all the circumstances involved, including the value inherent in the pre-existing turbine deposit, the GE 1.5sle turbine continues to represent the appropriate turbine option for this Project.

324 NSL entered into a construction agreement with Emera Utility Services for the construction and project management services related to the Project (Appendix 10). Skypower had previously issued a RFP for construction services. CBCL Ltd. administered the RFP on Skypower's behalf.

The pricing offered by EUS to 324 NSL is superior to the other pricing offered to Skypower following its RFP for this project.

7.0 PROJECT DEVELOPMENT ACTIVITIES TO DATE

The purchase of the Project from 324 NSL was completed on May 28, 2010. The purchase agreements are provided in Appendices 3 and 12. Given the nature of ownership and control of this development, various parties have undertaken aspects of its development over time. The following activities have been completed or are currently ongoing:

- NSPI Project Asset Verification: The determination and verification of assets at the point of transfer from 324 NSL to NSPI.
- Lease and Easements Acquisition for Transmission and Project Site: There are 31 properties considered for lease for the wind farm. The final transmission route requires access to 56 properties.
- Turbine Site Plan: A site plan illustrating the final turbine locations is provided in Appendix 14.
- Design and Construction of the 17 km transmission line from the Project site to the Conway Substation.
- Completion and Assignment of:
    - Generation Interconnection Agreement
    - Environmental Assessment Approval
    - Environmental Protection Plan
    - ecoENERGY Contribution Agreement
    - Turbing Supply Agreement with General Electric
    - Purchase Order for Magna Transformer
    - Engineering, Procurement and Construction (EPC) Contract with Emera Utility Services
    - Notice requirements under leases and Services Agreement with Scotian Windfields
    - Outstanding guarantees for the transformer, turbines

- Engineering and Geotechnical reports
- Wind data, reports and studies
- Applicable permits; including NAV Canada, Transport Canada, meteorological tower, wind turbine, building, breaking soil and blasting
- Services Agreement with Scotian Windfields Inc.
- Other material contracts

Community engagement has been a focus of the project since its inception. NSPI and 324 NSL have worked with groups and individuals within the surrounding communities to understand and address their questions and concerns.

NSPI continues to participate in Community Liaison Committee meetings, provide updates to the Digby County Municipality and organize individual meetings with members of the community. These ongoing communication efforts allow the Company to respond promptly to questions raised by community members.

NSPI will continue to engage with the local community, in support of the Project.

8.0 PROJECT COST

NSPI estimates the cost to complete this project will total $82.8 million. The breakdown of the cost components are summarized below.

Wind Project Development	$70,758,698
Substation	$4,586,277
Transmission Line	$4,156,325
Interconnection	$3,270,060
Total	**$82,771,360**

Wind Project Development: This project provides the costs for the engineering, procurement, installation and commissioning activities associated with the development of the 20 unit, 30 MW Digby Wind Farm.

Substation: This project provides for the costs to construct a 69 kV to 34.5 kV substation at Gulliver's Cove. The substation will include a 69 kV breaker, 30 MVA transformer, two 34.5 kV breakers, the control building, revenue class metering and all the associated site development, structures, protection control and instrumentation.

Transmission Line: This project provides for the costs to construct a transmission line from the Digby Wind Project Substation to the existing NSPI Substation at 77V-Conway. The line will be built with single pole construction and operated at 69 kV. Transmission line construction labour for this project is being sourced through NSPI's existing Power Line Technician (PLT) Service Agreement with EUS. This is aligned with NSPI's workforce planning model which is designed to optimize the allocation and execution of PLT resources among work requirements.

Interconnection: This project provides for the costs to upgrade the existing 69 kV system in Digby area to accommodate the addition of the 30 MW Digby Wind Farm. The upgrades include the addition of a 69 kV breaker terminal at NSPI's 77V-Conway Substation, the addition of a 69 kV capacitor bank and shunt reactors at 9W-Tusket, the upgrade of one span of conductor L-5533, metering upgrades at 13V-Gulch, 11V-Paradise and 51V-Tremont and the addition of a special protection system at 51V-Tremont, the installation of communications infrastructure and all the associated protection and control modifications for the above.

9.0 PROJECT SCHEDULE

With the preliminary engineering and environmental assessments complete, the Project is now in the construction phase. A complete project schedule is provided in Appendix 15.

Site preparation for the access roads started in March 2010 and construction will continue through early November 2010. The main substation transformer arrived on site in May and is now installed on a permanent concrete pad.

Construction of turbine foundations started in May and will continue until August. The first wind turbine generators arrived on site during the week of July 5, 2010. An average of five turbines are scheduled to arrive per week, for four weeks.

Transmission Right of Way clearing has commenced with structure and conductor installation planned to commence in August 2010 in order to support commissioning activities in November 2010.

NSPI will install the 20 wind turbines through the summer of 2010. This will allow crane lifting work to be substantially completed prior to the commencement of the peak wind months. Installation of the power collection system, electrical terminations to the turbines, completion of the substation and interconnection to the grid will progress concurrent with the turbine installations and be completed in late fall 2010. The Project is scheduled to be fully commissioned, interconnected and operational by the fourth quarter, 2010.

10.0 PROJECT JUSTIFICATION

Renewable Energy Standard Compliance

The Provincial RES mandates that by 2013, at least 10 percent of NSPI's energy sales must be generated by post-2001 renewable low impact generation facilities. The acquisition of this low impact electricity may come from independent power producers, or up to half of the requirement can be generated by NSPI's own renewable energy generation facilities.

The Digby project is now being advanced by NSPI as a utility-owned asset. Energy generated from this facility will qualify for inclusion in the 2013 RES, but must be in-service by March 31, 2011 to attain the ecoENERGY credits for customers.

In 2009, it became evident that oversubscription of energy purchases through PPAs did not guarantee that enough energy to meet the RES requirement would be in-service for the 2010 deadline. This was a factor in the extension of the initial RES deadline by one year, to 2011 by the Nova Scotia Government. This experience has also shown that the contract penalties used in 2007 did not guarantee project completion.

NSPI has a responsibility to plan and manage its renewable portfolio in a manner that demonstrates compliance with the RES. With NSPI now controlling the development, construction and management of the Project, the risk of late completion has been minimized and costs to NSPI customers will be decreased. NSPI's prospects for meeting 2013 RES compliance are improved.

Economic Analysis

NSPI has completed an economic analysis to determine the cost effect of this ownership structure on NSPI customers. The analysis compares the cost of this project under a PPA with the current proposal of NSPI ownership. The comparison utilizes two economic analysis models. The first utilizes a discounted cash flow approach (Appendix 16); the second, a levelized cost model, presents the results on a revenue requirement basis (Appendix 17).

The results of the analyses for both approaches confirm the cost to NSPI customers will be lower under the proposed ownership structure than the original PPA. NSPI's approach to these analyses follows the methodology previously applied and accepted by the Board in respect of the Nuttby Mountain and Pt. Tupper wind projects. NSPI's analysis uses a reasonable set of assumptions and compares project costs with the original PPA.

Consistent with the terms of the PPA, the Project was modeled using a 20 year life. Energy is produced beginning in the first quarter 2011. The energy production was forecasted by GH.

At the P50 production forecast, the project provides a positive net present value of $4.9 million, compared with the original PPA. The levelized cost to customers over the analysis period is forecast to equal $86.71/MWh. This is lower than the 2008 PPA between NSPI and Skypower.

The project also preserves the benefit of the ecoENERGY incentive for customers. The ecoENERGY funding is almost completely allocated by Natural Resources Canada. Renewable energy projects initiated in the future, or projects that apply for ecoENERGY funding, but miss the required March 31, 2011 commercial operation date, will be unable to access this incentive.

11.0 CONCLUSION

NSPI's investment in the Project will contribute to the achievement of 2010 in-service dates for six of the original seven 2007 selected PPAs. The Company's ownership of the facility will retain and enhance the benefits of wind development originally proposed for this site.

As a result of the Board's approval of this project:

- 30 MW of wind turbine generation will be added to the NSPI system by the end of 2010.
- The project will annually generate an average of 110 GWh, approximately one percent of NSPI's total system load.
- An important element of NSPI's 2013 RES compliance program will be placed in service.
- The cost of the Project will be lower than the original PPA for this site.
- Customers will achieve a savings compared to replacement renewable energy of approximately $4.9 million.

The Company has placed a complete capital application before the Board. NSPI respectfully requests UARB approval of:

1. CI 39323, Digby Wind Project, in the amount of $70.8 million
2. CI 39626, Digby Wind Project Substation, in the amount of $4.6 million
3. CI 39627, Digby Wind Project Transmission Line, in the amount of $4.2 million
4. CI 39628, Digby Wind Project Interconnection, in the amount of $3.3 million
5. Confirmation that the affiliate transactions relating to these capital work orders comply with the Code of Conduct.

File #5911-S17-2

PROTECTED A

DEPARTMENT OF NATURAL RESOURCES
CLEAN ENERGY AGENDA
ECOENERGY FOR RENEWABLE POWER
REPAYABLE CONTRIBUTION AGREEMENT

THIS AGREEMENT is made in duplicate

BETWEEN:

HER MAJESTY THE QUEEN IN RIGHT OF CANADA (**"Canada"**), represented by the Minister of Natural Resources,

AND:

3240384 NOVA SCOTIA LIMITED is a for-profit organization incorporated under the laws in force in the Province of **Nova Scotia**, (the **"Proponent").**

WHEREAS Canada wishes to encourage the production of low-impact renewable power sources under the **ecoENERGY for Renewable Power Program;**

WHEREAS the Proponent has submitted to the Minister a Proposal for the funding of a Project called **Digby Wind Power Project** which qualifies for support under the program;

WHEREAS Canada and the Proponent agree that in order for the Proponent to develop and implement the Project as described in Schedule A, the Proponent will require financial assistance from Canada;

AND WHEREAS Canada is willing to provide financial assistance toward the Project in the manner and upon the terms and conditions hereinafter set forth;

NOW, THEREFORE, Canada and the Proponent agree as follows:

1. INTERPRETATION

1.1 In this Agreement:

"Agreement" means this Agreement and the attached Schedules A, B and C;

"Commissioned Date" means the date when the Project is commissioned and approved, as reported by the commissioning report as described in Article 7 (Commissioning of Project);

"Cumulative Production" means the cumulative Eligible Production generated by the Project, from the day after the Commissioned Date up to the date of the calculation;

"Cumulative Revenue" means revenue from the sales of Eligible Production generated by the Project, and the environmental attributes of that Eligible Production, to the extent received by the Proponent for its own account, on a cumulative basis from the day after the Commissioned Date up to the date of the calculation, but does not include the Incentive paid under this Agreement;

"Current Unit Value Received" means the unit price of electricity that the Proponent has received cumulatively. It is calculated as the Cumulative Revenue divided by the Cumulative Production;

"Eligible Production" means gross production from the Project less the electricity consumed for the operation of the Project, less electric losses to the Point of Interconnection;

"Excess Value Received" means the difference between Current Unit Value Received and Standard Threshold Price;

"Expected Annual Production" means the expected annual production as stipulated by the Proponent in the Proposal and as agreed by the Minister and as specified in Schedule A;

"Fiscal Year" means the period beginning on April 1st of any year and ending on March 31st in the next year;

"Incentive" means the incentive paid for Eligible Production pursuant to the terms of this Agreement and the level of incentive eligible under this Agreement is ten dollars ($10) per megawatt hour or one cent ($0.01) per kilowatt hour;

"Intellectual Property" means any intellectual property right recognized by the law, including any intellectual property right protected through legislation (such as that governing patents, copyright, trade-marks, and industrial designs), or arising from the protection of information as a trade secret or as confidential information;

"Maximum Eligible Production" means the maximum production over 10 years as set out in Schedule A;

"Minister" means the Minister of Natural Resources and includes any duly authorized officers or representatives;

"Net Cumulative Incentive Received" means, at any time, the total amount of the Incentive paid by Canada under this Agreement from the day after the Commissioned Date up to the date of the calculation, minus the Repayable Amount paid by the Proponent to Canada prior to such time;

"Point of Interconnection" means the point where the transfer of ownership of electricity is made, or if not sold, where the Project is connected to the electrical load and where the output of the Project is metered as specified in Article 8 (Metering of Project);

"Project" means the project described in Schedule A and submitted by the Proponent in the Proposal and accepted by the Minister;

"Proposal" means all written and signed information submitted by the Proponent to Canada;

"Repayable Amount" means the amount that is due to Canada. An example of the calculation methodology is set out in Schedule C;

"Standard Threshold Price" is the maximum Current Unit Value Received that a Project is allowed to receive before the Repayment of Contribution Clause is applied. For the purposes of this Agreement the Standard Threshold Price shall be $120 per megawatt hour ($0.12 per kilowatt hour).

2. REPRESENTATIONS AND WARRANTIES

2.1 The Proponent represents and warrants that all factual matters contained in the Proposal and Project and all supporting material submitted are true and accurate, and that all estimates, forecasts and other related matters involving judgement were prepared in good faith and to the best of its ability, skill and judgement.

2.2 The Proponent represents and warrants that this Agreement has been executed on behalf of the Proponent by a duly appointed and authorized officer, and as such all the partners of the Proponent have knowledge of this Agreement and have agreed to the terms and conditions of this Agreement.

3. COMING INTO FORCE

3.1 This Agreement comes into force when signed by the Parties.

4. CONDUCT OF PROJECT

4.1 The Proponent shall carry out the Project promptly, diligently and in a professional manner and in accordance with the terms and conditions of this Agreement.

4.2 The Proponent shall comply with all applicable federal, provincial and municipal laws in relation to the Project.

5. COMPLIANCE WITH ENVIRONMENTAL LEGISLATION

5.1 The Proponent shall comply with all applicable federal, provincial and municipal environmental legislation in relation to the Project.

5.2 The Proponent shall provide any information requested by Canada to satisfy its obligations under the *Canadian Environmental Assessment Act* as a result of the Project under this Agreement.

5.3 The Proponent shall comply with all conditions arising out of an environmental assessment conducted in accordance with the *Canadian Environmental Assessment Act* as a result of the Project under this Agreement, including the implementation of mitigation measures and any follow up program.

5.4 The Proponent shall apply all mitigation measures as identified by Canada in order to mitigate the impact of the Project on potential and established aboriginal or treaty rights.

5.5 Notwithstanding any other provisions of this Agreement, it is a condition of this Agreement that, where an environmental assessment of a Project is required under the *Canadian Environmental Assessment Act*, **Canada shall not make any payments to the Proponent unless and until:**

a) an environmental assessment has been carried out in accordance with the *Canadian Environmental Assessment Act*; and

b) the responsible authority(ies), pursuant to the *Canadian Environmental Assessment Act,* has(have) determined that taking into account the implementation of mitigation measures, the Project is not likely to cause significant adverse environmental effects.

5.6 Notwithstanding any other provision of this Agreement, if a change that would trigger a re-assessment of the Project under the *Canadian Environmental Assessment Act* is proposed for, or made to the Project, the Parties agree that Canada's obligation under this Agreement will be suspended until an environmental assessment is completed and Canada determines that the Project as modified is unlikely to result in any significant adverse environmental effects.

5.7 The Proponent shall inform Canada of any circumstance where Project components or activities result in additional or unforeseen environmental effects during the time for which Canada is considered a responsible authority, pursuant to the *Canadian Environmental Assessment Act.* Furthermore, the Proponent shall review with Canada and other federal authorities, as appropriate, the potential significance of these environmental effects. The Proponent agrees to implement any measures that are considered to be technically and economically feasible to mitigate significant adverse environmental effects and, if necessary, to implement a follow-up program to ensure the effectiveness of the proposed mitigation measures.

5.8 Where applicable, the Proponent shall obtain and maintain EcoLogo^{M} certification for the Project under Environment Canada's Environmental Choice^{M} Program throughout the period that the Project qualifies for the Incentive.

5.9 Failure to comply with any of the provisions under Article 5 (Compliance with Environmental Legislation) may result in the Minister exercising any or all of the following remedies:

a) terminate the whole or any part of this Agreement;

b) terminate the obligation on the part of Canada to pay any monies in respect of the Project, including monies due or accruing due; and

c) direct the Proponent to repay forthwith all or any part of monies paid by Canada pursuant to this Agreement and that amount is a debt due to Canada and may be so recovered.

6. COMMENCEMENT OF CONSTRUCTION OF PROJECT

6.1 Within six months after the date of execution of this Agreement, the Proponent shall provide the following in writing to the Minister:

a) a letter from the Proponent's lenders or other financing authority confirming that the financing of the Project has been arranged;

b) a letter from the manufacturer confirming the Proponent's purchase order of the main generating equipment, the total name-plate capacity ordered and the expected date of delivery;

c) where applicable, a letter from an electrical utility or other purchaser, or a copy of the signed contract, confirming that a power purchase agreement has been signed and stating the estimated annual production to be purchased under the power purchase agreement; and

d) a report that shows that site construction has started, setting out details of site preparation and Project engineering as well as providing milestones of the Project and confirming the expected Commissioned Date.

6.2 The Minister will verify the accuracy of the information submitted and, if satisfied, shall issue a Notice of Construction Start.

6.3 Failure to comply with Paragraph 6.1 may result in the immediate termination in whole or in part of the Agreement.

7. COMMISSIONING OF PROJECT

7.1 The Proponent shall send to the Minister a commissioning report, signed by a professional engineer registered in Canada, that indicates the Commissioned Date, its rated capacity, and its expected annual average production based on a long-term resource assessment within eighteen months after the date of execution of this Agreement.

7.2 Where applicable, the Proponent shall obtain EcoLogo^{M} certification for the Project under Environment Canada's Environmental Choice^{M} Program and provide proof of certification when submitting the commissioning report.

7.3 In the event that the Proponent is unable to commission the Project within the timeframe provided under Paragraph 6.1(d) or Paragraph 7.1, the Minister may accept at his sole discretion a modification to the milestone to allow the change in the expected Commissioned Date.

8. METERING OF PROJECT

8.1 The Eligible Production of the Project shall be metered at the Point of Interconnection. The meter shall measure the Eligible Production of the Project as well as electricity consumed by the Project.

8.2 The meter shall be maintained by the purchaser of the electricity (transmission company, electric utility or an electricity exchange pool), or an auditable metering independent service provider, operating at arm's length from the Proponent, or if the electricity is not sold, the Proponent must maintain a quality revenue meter and the metering information must be provided by a professional engineer or person of vested liability or an auditable metering service provider.

8.3 In the cases where multiple sources of energy are used, which may include low-impact renewable sources and other non-renewable sources, or where the Eligible Production constitutes only a part of the output of a power plant, the Proponent shall either maintain separate metering for each source of energy or shall agree to an approved methodology with the Minister at the time of Proposal submission to determine the Eligible Production of the power plant.

8.4 The Proponent shall maintain separate accounting records for the Eligible Production from the Project, including bills of sales to the first purchaser of the electricity or, if not sold, metering data showing Eligible Production as recorded by a quality revenue meter.

8.5 The Proponent shall obtain and keep auditable reports of Eligible Production as described in Article 13 (Accounts and Audit) and Schedule B.

File #5911-S17-2

9. INCENTIVE

9.1 Subject to the terms and conditions of this Agreement, Canada shall pay an Incentive to the Proponent for the Eligible Production of the Project in accordance with Article 10 (Method of Payment) and Schedule A of this Agreement.

9.2 Notwithstanding any other provision of this Agreement, Canada's total liability under this Agreement shall not in any circumstances exceed **$9,205,560.00 (nine million, two hundred five thousand, five hundred sixty dollars) for a period of ten (10) years.** The total liability is based on the calculation set out in Schedule A.

9.3 Subject to Paragraph 9.2, Canada's liability by Fiscal Year under this Agreement shall not exceed **$919,800.00 (nine hundred nineteen thousand, eight hundred dollars) for a Fiscal Year with 365 days and shall not exceed $922,320.00 (nine hundred twenty-two, three hundred twenty dollars) for a Fiscal Year with 366 days.** The Fiscal Year liability is set out in Schedule A.

9.4 All Projects must be commissioned by March 31, 2011.

9.5 The production of electricity from the Project by the Proponent that is eligible for payment of an Incentive from Canada is its Eligible Production as measured at the Point of Interconnection.

9.6 Where applicable, the electricity generated from a test wind turbine installed under the *Canadian Renewable and Conservation Expense* provision of the federal *Income Tax Act* is not eligible for payment of an Incentive and must be deducted from the Eligible Production.

9.7 The Proponent shall declare to the Minister any amounts owing under any legislation or contribution agreements by the Proponent to Canada and Canada may set-off any such amounts owing to Canada.

9.8 Where applicable, the Proponent shall report additional support for the Project from other government sources, including federal, provincial, and/or municipal. The total assistance from all government sources shall not exceed **(75%) seventy five percent** of the total capital costs of the Project as calculated by the Minister. If there has been an overpayment by Canada, the amount of the overpayment shall constitute a debt due to Canada and may be so recovered.

9.9 In any Fiscal Year, if the Eligible Production exceeds the Expected Annual Production, the Proponent may claim the excess production as a credit in a future Fiscal Year, if the Eligible Production for that future Fiscal Year is less than the Expected Annual Production.

9.10 Notwithstanding Paragraph 9.3 and Schedule A, in any Fiscal Year, if the Eligible Production is less than the Expected Annual Production, the Proponent may claim the difference as a credit towards any other Fiscal Year in which Eligible Production exceeds its Expected Annual Production subject to the availability of funds.

10. METHOD OF PAYMENT

10.1 Subject to terms and conditions of this Agreement, following receipt of a claim for payment of the Incentive for Eligible Production acceptable to the Minister, and in accordance with the requirements set out in Schedule B, Canada shall pay the Incentive to the Proponent towards the Eligible Production of the Project.

10.2 The Proponent shall submit its claims for payment of the Incentive to the Minister on a quarterly basis. The Proponent shall submit its final claim for any given Fiscal Year by May 31.

10.3 The Proponent may claim the Incentive for the Eligible Production of the Project from the day after the Commissioned Date until the 10th anniversary of the Commissioned Date, as supported by documentation described in Article 7 and Schedule B.

10.4 The Incentive that can be claimed by the Proponent for every megawatt hour of Eligible Production shall be ten dollars ($10.00) or one cent ($0.01) per kilowatt hour.

File #5911-S17-2

11. PERFORMANCE

11.1 The Minister will review the Expected Annual Production after the first eight full quarters of production from the Project. Notwithstanding the Article 28 (Amendments) of this Agreement, if the Project does not meet its Expected Annual Production, the Minister may adjust the Expected Annual Production as set out in Paragraph 11.3 and notify the Proponent of the change in the Incentive over the remaining period of the Agreement.

11.2 If the Eligible Production of the best four consecutive quarters (based on 365 continuous days for the four quarters) from the eight full quarters of production is equal to, or greater than, 90 percent of the Expected Annual Production stated in Schedule A, the numbers stated in Schedule A will be fixed and not subject to change for the duration of the Agreement.

11.3 If the Eligible Production of the best four consecutive quarters (based on 365 continuous days for the four quarters) from the eight full quarters of production is less than 90 percent of the Expected Annual Production stated in Schedule A, the Eligible Production and Incentive payment numbers stated in Schedule A will be revised as follows:

Expected Annual Production in gigawatt hours:

Equals 95 percent of best four consecutive quarters (365 days)

Maximum Eligible Production over 10 Years in gigawatt hours:
Equals Expected Annual Production divided by 365 days and multiplied by the number of days in 10 years

Maximum Production Incentive Payable over 10 Years:
Equals Maximum Eligible Production (10 years) multiplied by one thousand multiplied by ten dollars ($10.00)

Average Maximum Annual Production Incentive Payment:
The amount is based on the annual average of the Maximum Production Incentive Payable within 10 years.

12. REPAYMENT OF CONTRIBUTION

12.1 As per Schedule C, the Proponent shall report to the Minister the Cumulative Revenue, Cumulative Production and Net Cumulative Incentive Received from the Project on an annual basis determined as of each anniversary of the Commissioned Date, beginning on the first anniversary of the Commissioned Date, such report to be provided no later than three months after such anniversary date.

12.2 The Proponent shall calculate and report to the Minister the Current Unit Value Received and Repayable Amount of the Incentive on an annual basis, beginning on the first anniversary of the Commissioned Date, according to the methodology established by the Minister and made available on the ecoENERGY for Renewable Power program website.

12.3 In the event that the Current Unit Value Received is determined to be greater than the Standard Threshold Price, Canada shall suspend the Incentive for the year following the applicable anniversary date in respect of which such determination was made.

12.4 In the event a Repayable Amount has been calculated, the Proponent shall submit the Repayable Amount immediately following the calculation.

12.5 At no time will the Repayable Amount exceed the Net Cumulative Incentive Received.

13. ACCOUNTS AND AUDIT

13.1 For a period of thirteen (13) years after the Commissioned Date of the Project the Proponent shall:

a) keep proper books, accounts, and records of the Eligible Production and bills of sale to the first purchaser in connection with the Project and shall keep its invoices, receipts, and vouchers relating thereto;

b) where the Proponent is an integrated electric utility; keep proper books, accounts, and records of the Eligible Production, including audit reports from an independent Chartered Accountant of Eligible Production in connection with the Project and shall keep its invoices, receipts, and vouchers relating thereto;

c) keep proper and accurate records relating to the environmental impact (if any) of the Project;

d) on demand, make available to Canada such books, accounts, records, invoices, receipts, and vouchers referred to above and permit Canada to examine and audit and take copies and extracts from such documents; and

e) allow Canada, at Canada's discretion, to conduct a technical audit to verify that the information provided in Schedule A is in accordance with this Agreement.

13.2 If, at any time, any discrepancy is identified between the amounts paid by Canada and the amounts actually payable under this Agreement, the appropriate adjustments shall be promptly made between the Parties. If there has been an overpayment by Canada, the amount of the overpayment shall constitute a debt due to Canada and may be so recovered.

14. INTELLECTUAL PROPERTY

14.1 All Intellectual Property that arises in the course of the Project shall vest in the Proponent.

14.2 The Proponent shall supply to Canada the reports and documents described in Schedule B or as otherwise required by the Minister under Article 18 (Reports), and the Proponent hereby grants to Canada a non-exclusive, irrevocable, world-wide, free and royalty-free licence in perpetuity to use and modify such reports and documents for non-commercial governmental purposes.

15. INDEMNITY

15.1 The Proponent shall indemnify and save harmless Canada and its ministers, employees and agents, from any and all claims, demands, losses, costs (including lawyers' fees), damages, actions or proceedings resulting from or related to any wilful misconduct or negligent act or omission of the Proponent or its employees and agents in the performance of this Agreement, except to the extent caused by a breach of duty of Canada or its ministers, employees and agents.

15.2 The Proponent shall indemnify and save harmless Canada and its ministers, employees and agents, from any and all claims, demands, losses, costs (including lawyers' fees), damages, actions or proceedings resulting from or related to any claim, demand or action made by a third party against them or any of them based upon Canada's capacity as a provider of financial assistance under this Agreement, including, without limitation, any claim in respect of materials or services provided by a third party to the Proponent or to a subcontractor of the Proponent.

15.3 The Proponent shall indemnify and save harmless Canada and its ministers, employees and agents, from any and all claims, demands, losses, costs (including lawyers' fees), damages, actions or proceedings resulting from or related to any wilful misconduct or negligent act or omission of the Proponent or its employees and agents in the case where the Proponent is entering into a loan, capital lease or other long term obligation in relation to the Project for which the Incentive is provided.

16. DEFAULT

16.1 If, in the opinion of the Minister, acting reasonably, there has been a material misrepresentation or a material breach of warranty under Article 2 (Representations and Warranties) or the Proponent fails to proceed diligently with the Project, or is otherwise in material default in carrying out any of the terms, conditions, covenants, or obligations of this Agreement, or if the Proponent becomes bankrupt or insolvent, or has a receiving order made against it (either under the *Bankruptcy and Insolvency Act* or otherwise), or a receiver is appointed, or the Proponent makes an assignment for the benefit of creditors, or if an Order is made or a Resolution passed for the winding up of the Proponent, or if the Proponent takes the benefit of any statute for the time being in force relating to bankrupt or insolvent debtors, the Minister may, by giving notice in writing to the Proponent, exercise any or all of the following remedies:

a) terminate the whole or any part of this Agreement;

b) terminate the obligation on the part of Canada to pay any monies in respect of the Project, including monies due or accruing due; and

c) direct the Proponent to repay forthwith all or any part of monies paid by Canada pursuant to this Agreement and that amount is a debt due to Canada and may be so recovered.

16.2 In the event of the termination of this Agreement by the Minister under Paragraph 16.1, Canada may, in the discretion of the Minister, pay to the Proponent Canada's share of the Incentive for Eligible Production of the Project completed to the date of termination.

17. ACCESS

17.1 The Proponent shall ensure that the Minister has access during normal working hours to any premises or place where the Project is being carried out for the purposes of inspecting and assessing the progress of the Project and all matters pertaining thereto.

18. REPORTS

18.1 The Proponent shall submit Project reports satisfactory to the Minister in accordance with the provisions of Schedule B or as otherwise requested by the Minister.

18.2 Upon completion of the Project, the Proponent shall provide the Minister with a declaration as to whether the Proponent received contributions or payments in respect of the Project in addition to, or from sources other than, those named in its Proposal.

19. LEGAL RELATIONSHIP

19.1 Nothing contained in this Agreement shall create the relationship of principal and agent, employer and employee, partnership or joint venture between the Parties.

19.2 The Proponent shall not make any representation that:

a) the Proponent is an agent of Canada; or

b) could reasonably lead any member of the public to believe that the Proponent or its contractors are agents of Canada.

20. ACKNOWLEDGEMENT

20.1 The Proponent will acknowledge the financial support of Canada in all public engagements as part of the Project.

20.2 The Proponent shall inform the Minister of all media announcements conducted in relation to the Project.

21. TIME OF ESSENCE

21.1 Time is of the essence with respect to all provisions under this Agreement that specify a time for performance.

22. MEMBERS OF PARLIAMENT

22.1 No Member of the House of Commons or Senate shall be admitted to any share or part of this Agreement or to any benefit arising therefrom.

File #5911-S17-2

23. CONFLICT OF INTEREST

23.1 It is a term of this Agreement that no public servant or public office holder, either currently or formerly employed by a federal entity, and to whom the *Conflict of Interest Act*, the *Conflict of Interest and Post-Employment Code for Public Office Holders* or the *Values and Ethics Code for the Public Service* applies, shall derive any direct or indirect benefit from the Agreement unless the provision or receipt of such benefits is in compliance with such legislation and codes; and that no member of the Senate or the House of Commons shall be admitted to any share or part of the agreement, or to any benefit arising from it, that is not otherwise available to the general public.

23.2 If any individual working for the Proponent formerly provided consultancy services to the Minister that are related to this Agreement, particularly any services associated with developing the Agreement or developing the Project which is the subject of this Agreement, the Proponent is considered to be in a real, perceived, or potential conflict of interest situation.

23.3 If a conflict of interest situation arises during the Agreement the Proponent shall notify the Minister, in the manner prescribed in Paragraph 27.1. Upon request, the Proponent shall notify the Minister of all reasonable steps taken to identify, avoid, prevent, and where it exists, resolve any conflict of interest situation.

23.4 The Minister may investigate a real, perceived, or potential conflict of interest and take such steps and measures as the Minister considers appropriate, including without limitation: informing the Proponent that it is in a conflict of interest situation; requesting specific actions be taken to correct the situation; requiring the Proponent to withdraw any individual from participation in the Project for reasons of conflict of interest; suspending payments under the Agreement; or terminating the Agreement.

24. FORCE MAJEURE

24.1 The Parties shall not be in default or in breach of this Agreement due to any delay or failure to meet any of their obligations caused by or arising from any event beyond their reasonable control and without their fault or negligence, including any act of God or other cause which fully frustrates the performance of this Agreement or which fully discontinues operation of the Project (a "force majeure event"). In the event of a force majeure event Canada will only be liable for its proportionate share of the Incentive up to the date of the occurrence of such event.

24.2 The performance of the obligation affected by a "force majeure event", as set out in Paragraph 24.1, shall be delayed by the length of time over which the event lasted. However, should the interruption continue for more than one (1) year, this Agreement may be terminated by Canada.

24.3 Should either party claim the existence of a "force majeure event" as set out in Paragraph 24.1, prompt notice thereof shall be given to the other party and the party claiming the existence of a "force majeure event" as set out in Paragraph 24.1, shall have the obligation to use its best efforts to mitigate any damages to the other party and to provide reasonably satisfactory evidence of the existence of such event to the other party.

25. GOVERNING LAW

25.1 This Agreement shall be interpreted in accordance with the applicable federal laws and the laws in force in the Province of **Nova Scotia**.

26. PROJECT ASSIGNMENT AND TRANSFER OF RIGHTS

26.1 The Proponent shall not assign this Agreement without the prior written consent of the Minister, which shall not be unreasonably withheld and any assignment made without that consent is void and of no effect.

27. NOTICES

27.1 The claims for payment, requests, notices, and information referred to in this Agreement shall be sent in writing or by any method of telecommunication and, unless notice to the contrary is given, shall be addressed to the Party concerned at the following address:

To Canada:

Zoe Beaulac
Program Officer
ecoENERGY for Renewable Power Program
Natural Resources Canada
615 Booth Street, Room 160
Ottawa, ON
K1A 0E9

Telephone: (613) 992-7357
Facsimile: (613) 995-8343
E-mail: ecoenergyrp@nrcan.gc.ca

To the Proponent:

Stephen Aftanas
3240384 Nova Scotia Limited
1894 Barrington St.
Halifax, Nova Scotia
B3J 2W5

Facsimile: (902) 428-6112
E-mail: Stephen.aftanas@emera.com

Cc: david.landrigan@emera.com
Dan.muldoon@nspower.ca

27.2 Notices, requests and documents are deemed to have been received, if sent by registered mail, when the postal receipt is acknowledged by the other Party; by facsimile or electronic mail, when transmitted and receipt is confirmed; and by messenger or specialized courier agency, when delivered.

28. AMENDMENTS

28.1 No amendment of this Agreement or waiver of any of its terms and conditions shall be deemed valid unless effected by a written amendment signed by the Parties.

29. DISPUTE RESOLUTION

29.1 The Parties may attempt to resolve any dispute arising out of or pursuant to this Agreement by recourse to the dispute resolution methods identified in the following sequence, although steps may be by-passed by mutual consent:

a) negotiations;
b) non-binding mediation or conciliation; and
c) binding arbitration.

29.2 If the Parties cannot agree on any of the foregoing dispute resolution mechanisms, either party may, at any time, elect to have such dispute resolved by litigation in the proper judicial forum in Canada.

29.3 Any party may within fifteen (15) days take the dispute to the next step if the Parties fail to agree on the appointment or procedure referred to in this Article.

29.4 When mediation or conciliation is selected by the Parties, they shall jointly appoint one impartial expert mediator or conciliator to undertake the process according to mutually agreed upon procedures.

29.5 If the Parties decide to submit a dispute to arbitration, it shall be carried out pursuant to the *Commercial Arbitration Act* of Canada. The arbitral award shall be in terms of money only, and shall not include punitive damages, costs or interim measures. The Parties shall attempt to appoint jointly one impartial expert arbitrator. If the Parties cannot agree within thirty (30) days on the choice of an arbitrator, each party shall appoint, at its own cost, one impartial expert arbitrator and those two arbitrators shall appoint an expert third arbitrator as chairperson of an arbitral tribunal.

29.6 When one of the above steps 29.1(b) or (c) is selected to resolve a dispute, the Parties shall jointly enter into a contract with the required mediator or conciliator, third party, arbitrator or arbitrators, as the case may be, to pay the costs for the desired services and to bear their own costs of participating in the process involved. The contracts referred to and contemplated by this Article shall be in the form and content as proposed by Canada.

30. APPROPRIATION

30.1 The payment of monies by Canada under this Agreement is subject to there being an appropriation by Parliament for the Fiscal Year in which the payment of monies is to be made.

30.2 Notwithstanding any other provision of this Agreement, Canada may reduce or cancel its financial contribution to the Project upon written notice to the Proponent in the event that the funding levels for the Department of Natural Resources are changed by Parliament during the term of this Agreement. In the event that Canada reduces or cancels its financial contribution, the Parties agree to amend the Project and Incentive, namely this Agreement, to take into account the reduction or cancellation of Canada's financial contribution.

31. LOBBYING ACT

31.1 The Proponent shall ensure that any person lobbying on behalf of the Proponent is registered pursuant to the *Lobbying Act* and that the fees paid to the lobbyist are not to be related to the value of the financial contribution pursuant to the terms of this Agreement.

32. SUCCESSORS AND ASSIGNS

32.1 This Agreement shall inure to the benefit of and be binding on the Parties and their respective representatives, successors and assigns.

33. OFFICIAL LANGUAGES

33.1 This Agreement is drawn in English at the request of the Parties. Les Parties ont convenu que le présent Accord soit rédigé en anglais.

33.2 All public information documents related to the Project prepared or paid in whole or in part by Canada must be made available in both official languages, when the Department of Natural Resources judges that this is required under the *Official Languages Act*. Tout document d'information publique préparé ou payé en tout ou en partie par le Canada ayant trait au Projet doit être offert dans les deux langues officielles, lorsque le Ministère des Ressources Naturelles le juge pertinent, conformément à la *Loi sur les langues officielles*.

34. PRIORITY OF DOCUMENTS

34.1 The wordings of the documents listed below are hereby incorporated into and form part of this Agreement. If there is a discrepancy between the wordings of any documents that appear on the list, the wording of the document that first appears on the list has priority over the wording of any document that subsequently appears on the list as follows:

1. the Articles of this Agreement;
2. Schedules A, B, and C of this Agreement;
3. the Proponent's Proposal dated August 27, 2007.

File #5911-S17-2

35. ENTIRE AGREEMENT

35.1 This Agreement constitutes the entire Agreement between the Parties with respect to the subject matter of this Agreement and supersedes all previous negotiations, communications, and other agreements, whether written or verbal between the Parties.

IN WITNESS WHEREOF this Agreement has been executed on behalf of **Her Majesty the Queen in right of Canada** by an officer duly authorized by the Minister of Natural Resources and on behalf of the **Proponent**, by an officer duly authorized on its behalf.

HER MAJESTY THE QUEEN IN RIGHT OF CANADA

MAR 12 2010

Date

Christine Donoghue
Assistant Deputy Minister
Energy Sector
Natural Resources Canada

3240384 NOVA SCOTIA LIMITED

March 5 2010

Date

Chris Huskilson
President

File #5911-S17-2

SCHEDULE A

To the Agreement between

HER MAJESTY THE QUEEN IN RIGHT OF CANADA
and
3240384 NOVA SCOTIA LIMITED

EXPECTED ANNUAL PRODUCTION AND INCENTIVE PAYMENT

Total Eligible Capacity of Project:	**30 MW**
Expected Annual Production (365 days):	**91.98 GWh/Year**
Maximum Eligible Production for 10 Years: Equals Expected Annual Production divided by 365 days and multiplied by the number of days in 10 years	**920.56 GWh**
Maximum Production Incentive Payable for 10 Years: Equals Maximum Eligible Production (10 years) multiplied by one thousand, multiplied by ten dollars ($10.00).	**$9,205,560.00**
Maximum Annual Production Incentive Payment For a Fiscal Year with 365 days:	**$919,800.00/year**
Maximum Annual Production Incentive Payment For a Fiscal Year with 366 days:	**$922,320.00/year**

IDENTIFICATION OF PROJECT WHICH IS THE SUBJECT OF THIS AGREEMENT

Name of Project: **Digby Wind Power Project**

Location of Project: **Digby, Nova Scotia**

Project Owners: **3240384 Nova Scotia Limited (100%)**

Project File number: **5911-S17-2**

File #5911-S17-2

SCHEDULE B

To the Agreement between

HER MAJESTY THE QUEEN IN RIGHT OF CANADA
and
3240384 NOVA SCOTIA LIMITED

REPORTS

INVOICING OF PAYMENT DUE

Claims for payment of the Eligible Production from the Project shall be submitted on a quarterly basis as stated in Paragraph 10.2 and shall include the following:

An invoice from the Proponent to the Minister which provides:

a) the Eligible Production from the Project and the total Incentive amount claimed for the reporting period;

b) a table showing the gross production, the energy used and the Eligible Production for the Project for each month of the reporting period;

c) If electricity is sold: bills of sale to a utility or a power purchaser indicating the monthly Eligible Production sold and the price of electricity for the Project for that reporting period when electricity was sold or,

d) If electricity is for own consumption: proof of monthly Eligible Production from quality revenue meter signed by professional engineer or person of vested liability or auditable metering service provider.

Goods and services tax, provincial sales tax, and harmonized sales tax are ineligible for reimbursement under this Agreement and shall not be itemized on the invoice.

ANNUAL REPORTING ON THE PROJECT'S PERFORMANCE

The Proponent shall provide an annual report at the end of each operational year, on the anniversary of the Commissioned Date, showing the actual performance of the Project and, when required, show that the EcoLogo^{M} certification has been validated.

a) The performance information shall consist of the monthly aggregated Eligible Production of the Project, as well as an assessment of the resource level for that month. An analysis of the quarterly performance of the Project will indicate reasons for poor or high performance.

b) For projects requiring EcoLogo^{M} certification, Proponents must indicate that the Environmental Choice^{M} Program has validated the certification. For biomass projects, the report must also include the air contaminants emissions report, as provided under the Environmental Choice^{M} Program. The Proponent shall provide proof of certification annually.

c) The reports shall be submitted within three months of the end of each operational year.

FIRST-YEAR REPORTING ON THE PROJECT'S COSTS AND AIR EMISSIONS REDUCTIONS

Within three months following the first anniversary date of Commissioned Date of the Project, the Proponent must provide a report containing the following:

a) **Information on costs of the Project:** The Proponent shall provide the final Project costs, as well as an estimate of the anticipated annual operation and maintenance costs over the first 20 years of the Project, using the costing spreadsheet provided to the Proponent by the Minister.

b) **Information on air emissions reductions:** The Proponent shall show the expected Green House Gas (GHG) and air contaminant emissions reductions per year, given in units of energy produced (megawatt hours per year [MWh/yr]) for the ecoENERGY portion of the power plant only.

File #5911-S17-2

Calculations must show the assumptions and methodology of calculations, including energy sources displaced.

Proprietary business-sensitive information on projects shall be protected within the limits set out in the *Access to Information Act*. Only aggregated information will be used by Canada to show the progress of the industry and the ecoENERGY for Renewable Power program.

SCHEDULE C

To the Agreement between

HER MAJESTY THE QUEEN IN RIGHT OF CANADA
and
3240384 NOVA SCOTIA LIMITED

METHODOLOGY FOR CALCULATING REPAYABILITY

Example of Calculation

Section A is completed by the Proponent
Section B is automatically calculated by the calculator

The official calculator for calculating repayability is available on the program's website at http://www.ecoaction.gc.ca/ecorp

A. Provided by Proponent		**Notes**
Cumulative Revenue (CR)	$47,500,000	
Net Cumulative Incentive Received (NCIR)	$3,000,000	
Cumulative Production (CP) in MWh	395,000	
Size of qualified project in MW	50	
If Photovoltaic or Marine Energy, check box with an "X."		
B. Automatically Calculated		
Standard Threshold Price (STP) in $/MWh	$120.00	Different STP for different sizes
Current Unit Value Received (CUVR) where CUVR = CR ÷ CP in $/MWh	$120.25	
Excess Value Received (EVR) where EVR = CUVR – STP in $/MWh (If positive, incentive payment is suspended for one year)	**$0.25**	**Payment of incentive suspended**
Program Incentive (PI) in $/MWh	**$10.00**	Fixed
Repayability Determination (RD) where RD = EVR – PI	**$–9.75**	
If RD is less than or equal to zero, no repayment. If RD is greater than zero, Repayable Amount (RA) to be submitted where RA = RD x CP, up to NCIR.		**No repayment**

NOVA SCOTIA POWER
An Emera Company

UARB APPROVAL SHEET

Project Title: **Digby Wind Project**

CI Number: 39323

■ Capital Project Authorization
☐ ATO
☐ Final Cost

Head Office Use:
Project Number:
Date: July 23, 2010

Location:

Division:

Expenditure Profile

YEAR	Budget Estimate	Project Estimate
2010	0	70,758,698
Total	$0	$70,758,698

Schedule

Estimated Start Date	2010-05
Estimated In-Service Date	2010-12
Estimated Close Date	2011-02

COMMENTS

Submitted on behalf of NOVA SCOTIA POWER INCORPORATED

Authorized Signatory
Robin McAdam
EVP Sustainability

DATE July 23, 2010

Approved on behalf of NOVA SCOTIA UTILITY AND REVIEW BOARD

DATE

CI Number :	39323	- Digby Wind Project	Project Number
Parent CI Number :		-	
Cost Centre :	329	- 329-Renewable Energy	Budget Version - 2010 07/05 Forecast

	Forecast
Start :	05/28/2010
Operational :	12/31/2010
Final Cost :	02/28/2011
2010	$70,758,698.04
2011	$0.00
Total :	$70,758,698.04
Original Cost :	$0.00

This project provides the costs for the engineering, procurement, installation and commissioning activities associated with the development of the 20 unit, 30MW Digby Wind Project.

REDACTED Digby Wind Appendix 2 Page 2 of 17

CI Number : 39323 - Digby Wind Project **Project Number**

Parent CI Number : - **Approved Date**

Cost Centre : 329 - 329-Renewable Energy **Budget Version** 2010 07/05 Forecast

Capital Item Accounts

Acct	Actv	Account	Activity	Forecast Amount	Amount	Variance
092		092-Vehicle T&D OT Labour AO		492	0	492
092		092-Vehicle T&D Reg. Labour AO		1,549	0	1,549
094		094 - Interest Capitalized		2,304,066	0	2,304,066
095		095-COPS Regular Labour AO		5,181	0	5,181
095		095-Thermal & Hydro Contracts AO		1,448,153	0	1,448,153
095		095-COPS Overtime Labour AO		1,701	0	1,701
001	031	001 - T&D Regular Labour	031 - WGP - Wind Generating Instal	6,550	0	6,550
001	031	001 - Regular Labour (No AO)	031 - WGP - Wind Generating Instal	561,000	0	561,000
002	031	002 - T&D Overtime Labour	031 - WGP - Wind Generating Instal	4,299	0	4,299
010	031	010 - Office Supplies	031 - WGP - Wind Generating Instal	2,350	0	2,350
011	031	011 - Travel Expense	031 - WGP - Wind Generating Instal	60,000	0	60,000
012	031	012 - Materials	031 - WGP - Wind Generating Instal	[redacted]	0	[redacted]
013	031	013 - POWER PRODUCTION Contracts	031 - WGP - Wind Generating Instal	[redacted]	0	[redacted]
020	031	020 - Royalties, Easements, App	031 - WGP - Wind Generating Instal	850,000	0	850,000
021	031	021 - Telephones	031 - WGP - Wind Generating Instal	2,000	0	2,000
028	031	028 - Consulting	031 - WGP - Wind Generating Instal	2,140,000	0	2,140,000
037	031	037 - Ext. Legal & Audit	031 - WGP - Wind Generating Instal	150,000	0	150,000
041	031	041 - Meals & Entertainment	031 - WGP - Wind Generating Instal	7,000	0	7,000
043	031	043 - Insurance	031 - WGP - Wind Generating Instal	250,000	0	250,000
066	031	066 - Other Goods & Services	031 - WGP - Wind Generating Instal	671,857	0	671,857
			Total Cost:	70,758,698	0	70,758,698
			Original Cost:			

REDACTED Digby Wind Appendix 2 Page 3 of 17

CI Number :	39323	- Digby Wind Project	**Project Number**
Parent CI Number :		-	**Approved Date**
Cost Centre :	329	- 329-Renewable Energy	

Capital Item Justification

Justification Criteria : Environment
Sub-Criteria : <Select a value>
Name of Report :
Document Location :
Person Responsible :

Why do this project?

The Nova Scotia Renewable Energy Standard (RES) requires that by 2011, 5 percent of Nova Scotia Power Inc.'s energy sales will be supplied using renewable energy sources constructed after 2001. In 2013, the RES increases to 10 percent. This application supports the development of this wind project, enabling future RES compliant generation. This project has been confirmed through the 2007 Renewables Solicitation process, to be among the low-cost opportunities available to the Company. This is consistent with the interests of NSPI customers. The economic analysis confirms the cost of this development to NSPI customers, will be lower under the proposed ownership structure than the original PPA.

Why do this project now?

In 2008, NSPI signed Power Purchase Agreements (PPA) for seven projects, a number of which were challenged by the economic climate for project financing. All PPA projects were required to register for the federal ecoENERGY incentive program. This incentive pays $10/MWh for the first 10 years of operation. This incentive was a factor in the favourable PPA pricing NSPI was able to secure and continues to be a significant benefit in the proposed structure. To receive the ecoENERGY incentive, projects must be in-service by March 31, 2011. NSPI has received confirmation for the ecoENERGY incentive funding and the project schedule allows development to occur within the required timeframe.

Why do this project this way?

The Company's purchase of assets and development rights in this Project is necessary to allow the benefits and value available from this site to be realized by NSPI's customers.

NOVA SCOTIA POWER
An Emera Company

UARB APPROVAL SHEET

Project Title: **Digby Wind Project Substation**

CI Number: 39626

■ Capital Project Authorization
☐ ATO
☐ Final Cost

Head Office Use:
Project Number:
Date: July 23, 2010

Location:

Division:

Expenditure Profile			Schedule	
YEAR	Budget Estimate	Project Estimate		
2010	0	4,586,277	Estimated Start Date	2010-05
			Estimated In-Service Date	2010-12
			Estimated Close Date	2011-02
Total	$0	$4,586,277		

COMMENTS

Submitted on behalf of NOVA SCOTIA POWER INCORPORATED	Approved on behalf of NOVA SCOTIA UTILITY AND REVIEW BOARD
Authorized Signatory Robin McAdam EVP Sustainability	DATE July 23, 2010
	DATE

CI Number :	39626	- Digby Wind Project Substation	Project Number
Parent CI Number :		-	
Cost Centre :	800	- 800-Services - Admin.	Budget Version - 2010 07/05 Forecast

	Forecast
Start :	07/01/2010
Operational :	12/30/2010
Final Cost :	02/28/2011
2010	$4,586,276.73
2011	$0.00
Total :	$4,586,276.73
Original Cost :	$0.00

This project provides for the costs to construct a 69kV to 34.5kV substation near Gulliver's Cove. The substation will include a 69kV breaker, 30MVA transformer, two 34.5kV breakers, the control building, revenue class metering and all the associated site development, structures, protection control and instrumentation.

CI Number : 39626 - Digby Wind Project Substation | Project Number

Parent CI Number : - | Approved Date

Cost Centre : 800 - 800-Services - Admin. | Budget Version 2010 07/05 Forecast

Capital Item Accounts

Acct	Actv	Account	Activity	Forecast Amount	Amount	Variance
092		092-Vehicle T&D Reg. Labour AO		5,040	0	5,040
094		094 - Interest Capitalized		93,045	0	93,045
095		095-COPS Contracts AO		[redacted]	0	[redacted]
095		095-COPS Regular Labour AO		17,409	0	17,409
012	043	012 - Materials	043 - TP - Substn Dev.	2,662,500	0	2,662,500
013	043	013 - COPS Contracts	043 - TP - Substn Dev.	[redacted]	0	[redacted]
012	044	012 - Materials	044 - TP - Substn.Transf.	[redacted]	0	[redacted]
001	087	001 - T&D Regular Labour	087 Field Super.& Ops.	22,000	0	22,000
002	087	002 - T&D Overtime Labour	087 Field Super.& Ops.	0	0	0
011	087	011 - Travel Expense	087 Field Super.& Ops.	4,700	0	4,700
041	087	041 - Meals & Entertainment	087 Field Super.& Ops.	2,000	0	2,000
			Total Cost:	4,586,277	0	4,586,277
			Original Cost:			

REDACTED Digby Wind Appendix 2 Page 7 of 17

CI Number	: 39626	- Digby Wind Project Substation	**Project Number**
Parent CI Number	:	-	**Approved Date**
Cost Centre	: 800	- 800-Services - Admin.	

Capital Item Justification

Justification Criteria : Transmission Plant
Sub-Criteria : <Select a value>
Name of Report :
Document Location :
Person Responsible : T. LEOPOLD

Why do this project?

This project is required to provide the interconnection substation for the 30MW Digby Wind Project to NSPI's transmission system. The Wind Project collector system voltage is 34.5kV and must be protected and transitioned to 69kV with the new substation.

Why do this project now?

The project is required to meet the in-service date associated with the Digby Wind Project.

Why do this project this way?

The collector system voltage connecting the 20 wind turbines within the Digby Wind Project is 34.5kV. The Project substation is being constructed to meet the minimum requirements to transform the 34.5kV system to 69kV and interconnect to the existing NSPI 69kV system.

NOVA SCOTIA POWER
An Emera Company

UARB APPROVAL SHEET

Project Title: **Digby Wind Project Transmission Line**

CI Number: 39627

- [x] Capital Project Authorization
- [ ] ATO
- [ ] Final Cost

Head Office Use:

Project Number:

Date: July 23, 2010

Location:

Division:

Expenditure Profile

YEAR	Budget Estimate	Project Estimate
2010	0	4,156,325
Total	$0	$4,156,325

Schedule

Estimated Start Date	2010-05
Estimated In-Service Date	2010-12
Estimated Close Date	2011-02

COMMENTS

Submitted on behalf of NOVA SCOTIA POWER INCORPORATED

Authorized Signatory
Robin McAdam
EVP Sustainability

DATE
July 23, 2010

Approved on behalf of NOVA SCOTIA UTILITY AND REVIEW BOARD

DATE

CI Number :	39627	- Digby Wind Project Transmission Line	Project Number	
Parent CI Number :		-		
Cost Centre :	800	- 800-Services - Admin.	Budget Version -	2010 07/05 Forecast

	Forecast
Start :	05/20/2010
Operational :	12/30/2010
Final Cost :	02/28/2011
2010	$4,156,324.78
2011	$0.00
Total :	$4,156,324.78
Original Cost :	$0.00

This project provides for the costs to construct a transmission line from the Digby Wind Project Substation to the existing NSPI Substation at 77V-Conway. The line will be built with single pole construction and operated at 69kV.

CI Number : 39627 - Digby Wind Project Transmission Line **Project Number**

Parent CI Number : - **Approved Date**

Cost Centre : 800 - 800-Services - Admin. **Budget Version** 2010 07/05 Forecast

Capital Item Accounts

Acct	Actv	Account	Activity	Forecast Amount	Amount	Variance
092		092-Vehicle T&D Reg. Labour AO		9,164	0	9,164
092		092-Vehicle T&D OT Labour AO		458	0	458
094		094 - Interest Capitalized		69,661	0	69,661
095		095-COPS Overtime Labour AO		1,583	0	1,583
095		095-COPS Contracts AO		[redacted]	0	[redacted]
095		095-COPS Regular Labour AO		31,652	0	31,652
001	035	001 - T&D Regular Labour	035 - TP - Wood Poles	10,000	0	10,000
002	035	002 - T&D Overtime Labour	035 - TP - Wood Poles	4,000	0	4,000
011	035	011 - Travel Expense	035 - TP - Wood Poles	5,000	0	5,000
012	035	012 - Materials	035 - TP - Wood Poles	[redacted]	0	[redacted]
013	035	013 - COPS Contracts	035 - TP - Wood Poles	[redacted]	0	[redacted]
014	035	014 - Overtime Meals	035 - DP - Wood Poles	0	0	0
041	035	041 - Meals & Entertainment	035 - TP - Wood Poles	2,000	0	2,000
001	085	001 - Regular Labour (No AO)	085 Design	53,050	0	53,050
002	085	002 - Overtime Labour (No AO)	085 Design	0	0	0
011	085	011 - Travel Expense	085 Design	2,596	0	2,596
041	085	041 - Meals & Entertainment	085 Design	2,750	0	2,750
066	085	066 - Other Goods & Services	085 Design	203,500	0	203,500
001	087	001 - T&D Regular Labour	087 Field Super.& Ops.	30,000	0	30,000
002	087	002 - T&D Overtime Labour	087 Field Super.& Ops.	0	0	0
011	087	011 - Travel Expense	087 Field Super.& Ops.	15,000	0	15,000
041	087	041 - Meals & Entertainment	087 Field Super.& Ops.	4,000	0	4,000
			Total Cost:	4,156,325	0	4,156,325
			Original Cost:			

REDACTED Digby Wind Appendix 2 Page 11 of 17

CI Number	: 39627	- Digby Wind Project Trans Line	**Project Number**
Parent CI Number	:	-	**Approved Date**
Cost Centre	: 800	- 800-Services - Admin.	

Capital Item Justification

Justification Criteria : Transmission Plant
Sub-Criteria : <Select a value>
Name of Report :
Document Location :
Person Responsible : T. LEOPOLD

Why do this project?

The transmission line is required to interconnect the 30MW Digby Wind Project near Gulliver's Cove to the existing NSPI system.

Why do this project now?

The transmission line is required to meet the in-service date associated with the Digby Wind Project.

Why do this project this way?

The line is being built using single pole construction to minimize cost and right of way requirements. The routing was established through extensive landholder negotiation to provide the optimal route with minimal opposition.
Transmission line construction labour for this project is being sourced through NSPI's existing Power Line Technician (PLT) Service Agreement with EUS. This is aligned with NSPI's work force planning model which is designed to optimize the allocation and execution of PLT resources among work requirements.

NOVA SCOTIA POWER
An Emera Company

UARB APPROVAL SHEET

Project Title: **Digby Wind Project Interconnection**

CI Number: 39628

- [x] Capital Project Authorization
- [ ] ATO
- [ ] Final Cost

Head Office Use:

Project Number:

Date: July 23, 2010

Location:

Division:

Expenditure Profile

YEAR	Budget Estimate	Project Estimate
2010	0	3,270,060
Total	$0	$3,270,060

Schedule

Estimated Start Date	2010-05
Estimated In-Service Date	2010-12
Estimated Close Date	2011-02

COMMENTS

Submitted on behalf of NOVA SCOTIA POWER INCORPORATED

Authorized Signatory
Robin McAdam
EVP Sustainability

DATE July 23, 2010

Approved on behalf of NOVA SCOTIA UTILITY AND REVIEW BOARD

DATE

CI Number :	39628	- Digby Wind Project Interconnection	Project Number
Parent CI Number :		-	
Cost Centre :	800	- 800-Services - Admin.	Budget Version - 2010 07/05 Forecast

	Forecast
Start :	05/20/2010
Operational :	12/31/2010
Final Cost :	02/28/2011
2010	$3,270,060.10
2011	$0.00
Total :	$3,270,060.10
Original Cost :	$0.00

This project provides for the costs to upgrade the existing 69kV system in Digby area to accommodate the addition of the 30MW Digby Wind Farm. The upgrades include the addition of a 69kV breaker terminal at NSPI's 77V- Conway Substation, the addition of a 69kV capacitor bank and shunt reactors at 9W- Tusket, the upgrade of one span of conductor L-5533, metering upgrades at 13V-Gulch, 11V-Paradise and 51V-Tremont and the addition of a special protection system at 51V-Tremont, the installation of communications infrastructure and all the associated protection and control modifications for the above.

CI Number : 39628 - Digby Wind Project Interconnection **Project Number**

Parent CI Number : - **Approved Date**

Cost Centre : 800 - 800-Services - Admin. **Budget Version** 2010 07/05 Forecast

Capital Item Accounts

Acct	Actv	Account	Activity	Forecast Amount	Amount	Variance
092		092-Vehicle T&D Reg. Labour AO		31,094	0	31,094
092		092-Vehicle T&D OT Labour AO		3,404	0	3,404
094		094 - Interest Capitalized		96,135	0	96,135
095		095-COPS Overtime Labour AO		11,752	0	11,752
095		095-COPS Contracts AO		[redacted]	0	[redacted]
095		095-COPS Regular Labour AO		107,397	0	107,397
012	003	012 - Materials	003 - TP - Bldg.,Struct.Grnd.	106,854	0	106,854
013	003	013 - COPS Contracts	003 - TP - Bldg.,Struct.Grnd.	[redacted]	0	[redacted]
001	022	001 - T&D Regular Labour	022 - TP - Elec Contr.Equip.	43,878	0	43,878
002	022	002 - T&D Overtime Labour	022 - TP - Elec Contr.Equip.	7,097	0	7,097
011	022	011 - Travel Expense	022 - TP - Elec Contr.Equip.	1,650	0	1,650
012	022	012 - Materials	022 - TP - Elec Contr.Equip.	177,705	0	177,705
014	022	014 - Overtime Meals	022 - TP - Elec Contr.Equip.	330	0	330
066	022	066 - Other Goods & Services	022 - TP - Elec Contr.Equip.	11,000	0	11,000
001	023	001 - T&D Regular Labour	023 - TP - Power Equip.-Station S	4,139	0	4,139
002	023	002 - T&D Overtime Labour	023 - TP - Power Equip.-Station S	3,549	0	3,549
012	023	012 - Materials	023 - TP - Power Equip.-Station S	25,575	0	25,575
014	023	014 - Overtime Meals	023 - TP - Power Equip.-Station S	165	0	165
012	035	012 - Materials	035 - TP - Wood Poles	25,850	0	25,850
013	035	013 - COPS Contracts	035 - TP - Wood Poles	[redacted]	0	[redacted]
001	043	001 - T&D Regular Labour	043 - TP - Substn Dev.	2,649	0	2,649
002	043	002 - T&D Overtime Labour	043 - TP - Substn Dev.	0	0	0
012	043	012 - Materials	043 - TP - Substn Dev.	822,050	0	822,050
013	043	013 - COPS Contracts	043 - TP - Substn Dev.	[redacted]	0	[redacted]
014	043	014 - Overtime Meals	043 - TP - Substn Dev.	3,300	0	3,300
066	043	066 - Other Goods & Services	043 - TP - Substn Dev.	35,200	0	35,200
012	046	012 - Materials	046 - TP - U/G Conductor	9,488	0	9,488
013	046	013 - COPS Contracts	046 - TP - U/G Conductor	[redacted]	0	[redacted]
001	061	001 - T&D Regular Labour	061 - TP - Switched Telecomm. Sys	32,952	0	32,952
002	061	002 - T&D Overtime Labour	061 - TP - Switched Telecomm. Sys	0	0	0
012	061	012 - Materials	061 - TP - Switched Telecomm. Sys	673,943	0	673,943
013	061	013 - COPS Contracts	061 - TP - Switched Telecomm. Sys	[redacted]	0	[redacted]
001	085	001 - Regular Labour (No AO)	085 Design	105,866	0	105,866
002	085	002 - Overtime Labour (No AO)	085 Design	0	0	0

CI Number : 39628 - Digby Wind Project Interconnection

Project Number

Parent CI Number : -

Approved Date

Cost Centre : 800 - 800-Services - Admin.

Budget Version 2010 07/05 Forecast

Capital Item Accounts

Acct	Actv	Account	Activity	Forecast Amount	Amount	Variance
011	085	011 - Travel Expense	085 Design	7,975	0	7,975
028	085	028 - Consulting	085 Design	24,000	0	24,000
041	085	041 - Meals & Entertainment	085 Design	495	0	495
066	085	066 - Other Goods & Services	085 Design	1,100	0	1,100
001	086	001 - T&D Regular Labour	086 Commissioning	43,748	0	43,748
002	086	002 - T&D Overtime Labour	086 Commissioning	11,894	0	11,894
011	086	011 - Travel Expense	086 Commissioning	1,100	0	1,100
014	086	014 - Overtime Meals	086 Commissioning	330	0	330
001	087	001 - T&D Regular Labour	087 Field Super.& Ops.	8,356	0	8,356
002	087	002 - T&D Overtime Labour	087 Field Super.& Ops.	7,163	0	7,163
011	087	011 - Travel Expense	087 Field Super.& Ops.	9,460	0	9,460
013	087	013 - COPS Contracts	087 Field Super.& Ops.	[redacted]	0	[redacted]
041	087	041 - Meals & Entertainment	087 Field Super.& Ops.	3,850	0	3,850
013	088	013 - COPS Contracts	088 Survey/Mapping	[redacted]	0	[redacted]
			Total Cost:	3,270,060	0	3,270,060
			Original Cost:			

REDACTED Digby Wind Appendix 2 Page 16 of 17

CI Number :	39628	- Digby Wind Project Interconnect	**Project Number**
Parent CI Number :		-	**Approved Date**
Cost Centre :	800	- 800-Services - Admin.	

Capital Item Justification

Justification Criteria : Transmission Plant
Sub-Criteria : <Select a value>
Name of Report :
Document Location :
Person Responsible : T. LEOPOLD

Why do this project?

The network upgrades are necessary to maintain a stable and reliable system with the interconnection of the 30MW Digby Wind Project near Gulliver's Cove.

Why do this project now?

The upgrades are required to coincide with the installation of the Digby Wind Project.

Why do this project this way?

The required upgrades were indentified through a detailed system impact study to comply with system design and reliability requirements.

NOVA SCOTIA POWER
An Emera Company

April 16, 2010

Peter W. Gurnham, Q.C.
Chair, Nova Scotia Utility and Review Board
1601 Lower Water Street, 3rd Floor
P.O. Box 1692, Unit "M"
Halifax, NS B3J 3S3

Dear Mr. Gurnham:

Following the 2007 competitive solicitation for renewable energy projects, Nova Scotia Power Inc. (NSPI) entered into a 20 year Power Purchase Agreement with Skypower Corp. (now known as Interwind Corp., but referred to herein as Skypower) on March 31, 2008 (the "PPA"). The PPA provided for the purchase of power from a 30 MW wind farm to be developed at Digby, Nova Scotia.

At the time that the PPA was negotiated and executed, Skypower was controlled (80% ownership) by Lehman Bros., one of the world's largest investment banks. In September 2008, Lehman Bros. filed for bankruptcy, in one of the triggering events for the global financial crisis which ensued. For several months that followed, Skypower attempted to recapitalize itself, and to sell assets, including the Digby project. In August 2009, Skypower sought and obtained court ordered protection under the Companies Creditors Arrangement Act ("CCAA").

At this time it became likely that the Digby project as structured was not going to be developed by Skypower or another Independent Power Producer and the energy would not have been delivered pursuant to the PPA.

Skypower commenced a formal process to sell its assets under the CCAA protection. Under that process, NSPI affiliate 3240384 Nova Scotia Limited purchased all of Skypower's assets and rights in the Digby project (including an assumption of rights under a wind turbine supply agreement) on December 23, 2009. Scotian Windfields held a half interest in certain of the assets comprising the development rights for the Digby project. Concurrently with the purchase from Skypower, NSPI's affiliate reached agreement with Scotian that ultimately led to the purchase of Scotian's interest in the project. The NSPI affiliate holds all of the development rights to the Digby project, and has proceeded to develop the project.

Absent the involvement of NSPI's affiliate, the development rights for the Digby project as presently configured may have become unavailable, as it is likely that

the PPA would have been terminated as a consequence of the CCAA proceedings. The Digby site is a favourable location for wind farm development, and if the PPA had been terminated it is likely that a future competitive solicitation for renewable energy would have included this site at a higher cost to customers.

NSPI would like to preserve the Digby project, which would be beneficial for customers. Given that NSPI will take over the Digby project from an affiliate, the Affiliate Code of Conduct will apply to the transaction.

Request to Proceed in Advance of Work Order Approval

It is the Company's plan to file a work order for UARB approval of the Digby Wind Project in the near future. Project construction has already begun by NSPI's affiliate. Wind turbines have been ordered under a contract originally entered into by Skypower and assumed by NSPI's affiliate; construction contracts have been executed and work is underway. By this letter, NSPI seeks to confirm that the UARB has no objection to NSPI continuing with project construction, pending the Capital Work Order review and approval process and before receiving a Board decision on the Capital Work Order Application. This immediate work will proceed on the basis that the costs cannot be included in rate base and recovered from customers unless and until the Capital Work Orders are approved by the Board, and subject to any changes required by the Board following review.

Background

NSPI intends to construct and seek approval of the Digby Wind Project on a schedule that should allow the energy to be delivered to NSPI customers no later than December 31, 2010. Similar to the Nuttby Mountain Wind Project, the current construction schedule should:

- Allow construction and commissioning to be undertaken in 2010;
- Allow the Company to access the Federal Government funding available through the ecoENERGY program, which represents a total value to customers of $9.2 million over the first decade of production. The federal program requires commissioning by March 31, 2011;
- Contribute positively to momentum in the province regarding the execution of renewable projects and compliance with emissions regulations; and
- Provide an additional non-emitting resource to reduce the cost of compliance with more stringent emissions limits.

The energy from the Digby project will, upon certification, contribute to meeting the 2013 target under the Renewable Energy Standard. The action by NSPI's affiliate has allowed the project to capture benefits of the ecoENERGY program, through an agreement with the federal government that was executed on March

12, 2010. The Digby project is likely one of the final projects to be approved for ecoENERGY funding, which would likely have been lost had the insolvency process proceeded through the usual course.

In order to meet the construction schedule, it is important to continue with the preparatory construction, such as land clearing and road construction, that has begun under the direction of NSPI's affiliate. The current construction schedule is also important in light of limitations imposed by winter conditions which are expected to preclude major construction between December and March.

As such, NSPI requests that the UARB allow the Company to continue with project construction. This work will proceed in tandem with the Capital Work Order review and approval process and before receiving a Board decision on the Capital Work Order Application. With this approach, NSPI's shareholders bear the risk that the Board will require changes to the project or decline to approve the project in whole or in part.

Conclusion

NSPI seeks to confirm that the UARB has no objection to NSPI continuing with project construction, pending the Capital Work Order review and approval process and before receiving a Board decision on the Capital Work Order Application. NSPI customers will not become responsible for these costs unless and until the UARB approves the Capital Work Order Application and the inclusion of the costs in rate base.

Given that NSPI will take over the Digby project from an affiliate, the Affiliate Code of Conduct will apply to the transaction. NSPI anticipates that the capital work order process will provide an appropriate opportunity for the Board to confirm compliance with the Code of Conduct and approve the affiliate transaction.

NSPI would be pleased to provide any further information that the Board may require in order to consider this request. Nova Scotia Power appreciates the ongoing support of the UARB for renewable energy development in Nova Scotia.

Yours truly,

Rene Gallant
General Manager Regulatory Affairs

Encl.

c: Robin McAdam
Bruce Outhouse, Q.C.

Nova Scotia Utility and Review Board

Mailing address
PO Box 1692, Unit "M"
Halifax, Nova Scotia
B3J 3S3
uarb.board@gov.ns.ca
Web www.nsuarb.ca

Office
3rd Floor
1601 Lower Water Street
Halifax, Nova Scotia B3J 3P6
902 424-4448 t
902 424-3919 f

April 23, 2010

By Email: rene.gallant@emera.com

Mr. Rene Gallant
General Manager, Regulatory Affairs
Nova Scotia Power Inc.
P.O. Box 910, Scotia Square
Halifax, NS B3J 2W5

Dear Mr. Gallant:

Nova Scotia Power Inc. - Digby Wind Project - P-128.10

This letter is further to correspondence from the Board dated April 16, 2010, with respect to NSPI's request involving the above-noted project. The Board has reviewed NSPI's request as set out below:

> NSPI seeks to confirm that the UARB has no objection to NSPI continuing with project construction, pending the Capital Work Order review and approval process and before receiving a Board decision on the Capital Work Order Application. NSPI customers will not become responsible for these costs unless and until the UARB approves the Capital Work Order Application and the inclusion of the costs in rate base.
>
> Given that NSPI will take over the Digby project from an affiliate, the Affiliate Code of Conduct will apply to the transaction. NSPI anticipates that the capital work order process will provide an appropriate opportunity for the Board to confirm compliance with the Code of Conduct and approve the affiliate transaction.
>
> [NSPI letter to Board, April 16, 2010, p. 3]

The Board notes that this request is similar to one involving the Nuttby Mountain Wind Project. In that case, the Board determined, in part, as follows::

> The Board has no objection to Nova Scotia Power undertaking these advance expenditures at shareholders' risk on the understanding this will not be considered by Nova Scotia Power to constitute any form of approval of the capital work order application...
>
> [Board letter to NSPI, September 15, 2009, p. 1]

After reviewing the Digby Wind Project request, the Board believes that the comments noted above also apply in this case. In addition, since the Digby Wind Project involves a transaction with 3240384 Nova Scotia Limited, an affiliate of NSPI, both the work order expenditure request and the circumstances involving the corresponding affiliate transaction will be the subject of a rigorous review by the Board and interested parties. Directions on procedure will be issued when the capital work order is filed with the Board.

Yours very truly,

Nancy McNeil
Regulatory Affairs Officer/Clerk

cc S. Bruce Outhouse, Q.C., Board Counsel By Email
Stakeholders By Email

THIS ASSET PURCHASE AGREEMENT dated as of the 28th day of May, 2010.

BETWEEN:

NOVA SCOTIA POWER INCORPORATED, a body corporate incorporated the laws of the Province of Nova Scotia

(hereinafter the "**Purchaser**")

- and -

3240384 NOVA SCOTIA LIMITED, a body corporate incorporated under the laws of the Province of Nova Scotia

(hereinafter the "**Company**")

WHEREAS:

(a) The Company has been actively pursuing the development of a wind energy facility to be constructed near Digby, Nova Scotia (the "**Project**");

(b) The Company owns and has certain personal property, rights in and to real property including lands, leases, easements, licenses, options and other rights, contracts, agreements and permits relating to the development Project more particularly defined herein as the Assets;

(c) The Purchaser desires to acquire all of the Assets owned or held by the Company, relating to the development of the Project saving and excepting the Excluded Assets (as hereinafter defined) and the Company has agreed to sell all such Assets on the terms and conditions set out herein;

(d) As a condition of the sale of the Assets by the Company, the Company requested and the Purchaser has agreed to pay the Company for various Development Costs (as hereinafter defined);

(e) The Company and the Purchaser wish to elect pursuant to subsection 85(1) of the *Income Tax Act* (Canada) in respect of the transfer of the Eligible Assets (as hereinafter defined) by the Company to the Purchaser.

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the mutual covenants and agreements herein contained and the sum of $1.00 of lawful money of Canada and other good and valuable consideration paid by each of the parties hereto to each of the other parties hereto (the receipt and sufficiency of which are hereby acknowledged), it is agreed between the parties hereto as follows:

ARTICLE 1
INTERPRETATION

1.1 **Definitions.** Whenever used in this Agreement, the following words and phrases shall have the respective meanings ascribed to them as follows:

(a) **"Agreement", "this Agreement", "hereof", "herein"** and **"hereunder"** and similar expressions refer to this agreement and the schedules attached and not to any particular article, section or other portion hereof and include any agreement or instrument amending or supplementing the same;

(b) **"Assets"** means all of the assets and property owned or held by the Company relating to the Project including, without limitation, all the assets listed in Schedule "A" and excluding the Excluded Assets. For greater certainty the Development Costs are not considered property of the Company and are not included in the definition of Assets;

(c) **"Closing"** means the completion of the sale to and purchase by the Purchaser of the Assets hereunder more particularly described in Article 3;

(d) **"Closing Date"** means May 28th, 2010 or such other date as may be agreed between the parties;

(e) **"Cost Amount"** means the cost amount of the Eligible Assets, as of the Closing Date, as defined by subsection 248(1) of the *Income Tax Act* (Canada);

(f) **"Development Costs"** means all deposits, costs, fees, expenses and payments made or paid by the Company under or pursuant to the Material Contracts, the Permits or any other contract, agreement, consent, permit, lease, license, option, indenture or other document relating to the Project, including, without limitation, all professional, legal, accounting, labour or contractor fees and costs paid or incurred by the Company, in accordance with Good Utility Practices, relating to the Assets or the development of the Project, including the financing of those costs, as adjusted in accordance with Section 3.5 hereof;

(g) **"EcoEnergy Agreement"** means the Department of Natural Resources Clean Energy Agenda EcoEnergy for Renewable Power Repayable Contribution Agreement between Her Majesty the Queen and the Company executed by the Minister of Natural Resources on March 12, 2010;

(h) **"Eligible Assets"** means the Assets that meet the definition of "eligible property" in subsection 85(1.1) of the *Income Tax Act* (Canada);

(i) **"Environmental Assessment Approval"** means the approval granted by the Minister of the Environment of the Province of Nova Scotia to Interwind Corp. (formerly SkyPower Corp.) and Scotian Windfields Inc. dated August 24, 2009, and subsequently assigned to the Company with the consent of the Minister of the Environment of the Province of Nova Scotia;

(j) "**EUS Agreement**" means the Procurement and Construction Contract Between Emera Utility Services Inc. and the Company dated February 9, 2010;

(k) **"Excluded Assets"** means collectively the Power Purchase Agreement and the [redacted] in performance security deposited by the Company with the Purchaser as security for the performance of the obligations of the Company under the Power Purchase Agreement;

(l) "**GE Contract**" means Amended and Restated Contract for the Sale of Power Generation Equipment and Related Services among General Electric Company and General Electric Canada and Interwind Corp. (formerly SkyPower Corp.) for 20 1.5 SLE wind turbine generators dated March 2, 2009, together with change orders Nos. 1 through 8 issued thereunder, which was assigned by Interwind Corp. to the Company, with the consent of General Electric Company and General Electric Canada pursuant to a Turbine Assignment and Consent Agreement dated December 22, 2009 together with change orders Nos. 9 and 10 issued hereunder and more particularly described in Schedule "B";

(m) "**Generator Interconnection Agreement**" means the Standard Generator Interconnection and Operating Agreement between the Purchaser and the Company executed by the Company on February 4, 2010;

(n) **"Good Utility Practices"** means any of those practices, method and activities (including the practices, methods and activities adopted by a significant portion of the North American electric industry) which are applicable to the development, design, construction, operation, maintenance, rehabilitation or modification of similar facilities and other infrastructure required for the generation, transmission or distribution of electric energy (having regard, as applicable to the source used to generate the electric energy) and which, at a particular time, in the exercise of skill, diligence, foresight and reasonable judgment and having regard to the circumstances known at that time, could reasonably have been expected to accomplish the desired result at a reasonable cost consistent with good business Practices, reliability, safety, environmental protection, expedition and applicable laws and regulations;

(o) "**Governmental Authority**" means any (a) multinational, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau or agency, domestic or foreign, (b) any subdivision, agent, commission, board, or authority of any of the foregoing, or (c) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing in Canada;

(p) "**Leases**" means all of the lease agreements and easements in the name of the Company as set out in Schedule "A";

(q) "**License Agreement**" means the license/option agreement between the Company, as Licensee and the Purchaser, as Licensor, regarding certain rights to

use and or repurchase certain of the Assets for the purpose of the operation and maintenance of the Project;

(r) "**Lien(s)**" means (i) all hypothecs, mortgages, pledges, privileges, liens, security interests, transfers of property in stock, security granted under the Bank Act (Canada), charges, servitudes, reserves, leases, occupation rights, encroachments, restrictive covenants, title defects and other encumbrances or rights of others of any nature whatsoever or however arising, and (ii) all actions, claims or demands of any nature whatsoever or howsoever arising charging the property of the Company;

(s) "**Material Contracts**" means all of the contracts and agreements forming part of the Assets as described in Schedule "B";

(t) "**Magna Purchase Order**" means the purchase order between Interwind Corp. (formerly SkyPower Corp.) and Magna Electric Corporation dated April 2, 2009, which was assigned by Interwind Corp. to the Company, with the written consent of Magna Electric Corporation;

(u) "**NSPI Shares**" means one (1) common share, without nominal or par value in the capital stock of the Purchaser and such other shares in the capital stock of the Purchaser that may be issued in accordance with Section 4.2;

(v) "**Note**" means the promissory note in the form attached hereto as Schedule "C" executed by the Purchaser in favour of the Company and delivered on the Closing Date in the aggregate principal amount of the sum of the amounts set out in Sections 3.4 (b) less one ($1.00) dollar and adjusted as may be required by Section 3.5 or otherwise;

(w) "**Options**" means all of the land option/easement agreements forming part of the Assets as set out in Schedule "A";

(x) **"ordinary course"** or **"normal course"** when used in relation to the conduct by the Company of its business, means any transaction which constitutes an ordinary day-to-day business activity of the Company, conducted in a commercially reasonable and businesslike manner, having no unusual or special features, and being such as a company or other entity of similar nature and size and engaged in a similar business might reasonably be expected to carry out from time to time;

(y) **"Permits"** means all authorizations, registrations, permits, certificates of approval, approvals, grants, licenses, consents, commitments, rights or privileges issued or granted by any authority or regulatory body to the Company to enable it to own and operate the Assets and/or develop, construct, own and operate the Project and forming part of the Assets including without limitation the Environmental Assessment Approval;

(z) **"Person"** means any individual, company, partnership, trustee or trust or unincorporated association or such person's heirs, executors, administrators,

successors or assigns, as the case may be; and pronouns have a similar extended meaning;

(aa) **"Power Purchase Agreement"** means the Power Purchase Agreement made between Interwind Corp. (formerly SkyPower Corp.) and Nova Scotia Power Incorporated ("**NSPI**") dated March 31, 2008, and assigned by Interwind Corp. to the Company, with the Consent of Nova Scotia Power Incorporated pursuant to an Assignment and Assumption of Power Purchase Agreement for Renewable energy dated December 23, 2009;

(bb) **"Project"** means the design, development, construction and operation of a wind energy project, currently or hereafter carried on near Digby, Nova Scotia;

(cc) **"Required Consents"** means the specific consents relating to the Assets set forth on Schedule "D";

(dd) **"Services Agreement"** means the services and asset transfer agreement to between the Company and Scotian Windfields Inc. dated as of December 2009;

(ee) "**Tax Legislation**" means, collectively, all federal (including, without limitation, the *Income Tax Act*, *Excise Tax Act*, *Canada Pension Plan* and *Employment Insurance Act*), provincial (including, without limitation, the *Income Tax Act* and the *Revenue Act*), state, municipal, county, local, foreign, territorial or other statutes imposing a tax;

(ff) **"Time of Closing"** or **"Closing Time"** means the close of business (Halifax time) on the Closing Date or such other time on such date as the parties may agree as the time at which the Closing shall take place.

1.2 **Gender and Number.** In this Agreement, words importing the singular include the plural and vice versa and words importing a specific gender include all genders.

1.3 **Including.** In this Agreement, the words "includes" or "including" shall mean "includes without limitation" or "including without limitation", respectively.

1.4 **Currency.** Unless otherwise indicated, all dollar amounts referred to in this Agreement are in Canadian funds.

1.5 **Headings.** The division of this Agreement into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.6 **Accounting Principles.** Accounting terms not otherwise defined herein have the meanings ascribed thereto under Generally Accepted Accounting Principles.

ARTICLE 2
SCHEDULES

2.1 **Description of Schedules.** The following are the Schedules attached to and incorporated in this Agreement by reference and deemed to be a part hereof:

Schedule "A" -	Assets
Schedule "B" -	Material Contracts
Schedule "C" -	Promissory Note
Schedule "D" -	Required Consents

ARTICLE 3
AGREEMENT OF PURCHASE AND SALE

3.1 **Agreement of Purchase and Sale and Payment for Development Costs.** Subject to the terms and conditions hereof the Company agrees to sell, assign and transfer to the Purchaser and the Purchaser agrees to purchase from the Company the Assets for an aggregate price equal to the fair market value of the Assets as of the Time of Closing on the Closing Date. The Purchaser further agrees to pay to the Company the full amount of all the Development Costs as of the Closing Date as such amount may be adjusted in accordance with this Agreement. For greater certainty and without limiting the generality of the forgoing, the Assets purchased by the Purchaser pursuant to this Agreement, shall not include the Excluded Assets.

3.2 **Transfer.** The transfer, assignment, conveyance and payment referred to in Section 3.1 will be effective at the Time of Closing on the Closing Date, the parties agree to execute all such documentation and do all acts necessary or desirable to complete the transactions contemplated herein and on and after the Time of Closing on the Closing Date, the Purchaser will be the beneficial owner of the Assets, regardless of when legal title is actually transferred.

3.3 **Income from Assets.** The Purchaser will be entitled to all income derived from the Assets and all proceeds and other amounts in respect of the Assets, including all income, proceeds and other amounts received by the Company or credited to the account of the Company, on or after the Closing Date (other than proceeds of the disposition of the Assets and other amounts received or receivable by the Company pursuant to this Agreement) and the Company will immediately pay and set over to the Purchaser all such income, proceeds or other amounts, whether received by the Company or credited to the account of the Purchaser.

3.4 **Consideration.** On the Closing Date, as consideration for the Assets and payment for the Development Costs the Purchaser will provide to the Company the following:

(a) the NSPI Shares (as partial consideration for the Eligible Assets); and

(b) the Note (as partial consideration for the Assets and for the Development Costs) with a principal amount equal to the total of the following amounts less one ($1.00) dollar:

(i) the Cost Amount of the Eligible Assets;

(ii) the fair market value of any Assets other than the Eligible Assets; and

(iii) the cost of the Development Costs determined as of the Closing Date, subject to adjustment as provided in Section 3.5.

3.5 **Adjustment to Development Costs.** The Purchaser and Company acknowledge and agree that certain of the Development Costs may not be known, finalized, determinable or ascertainable as at the Closing Date (the "**Unascertainable Development Costs**"). The Purchaser and Company agree to adjust, within thirty (30) days of the Closing Date, the amount payable by the Purchaser to the Company under Section 3.4(b)(iii) to the extent necessary to pay the Company for all verifiable and reasonable Unascertainable Development Costs, approved by the Purchaser, that were paid or incurred by the Company in accordance with Good Utility Practices, in relation to the Assets or the Project up to and including the Closing Date and that the principal amount of the Note shall be adjusted accordingly. The Purchaser and the Company further agree that, subject to the aforementioned restriction, the Note shall be amended, revised, restated, released or reissued as may be necessary from time to time to reflect any adjustments made in accordance with this Section.

3.6 **Assumption of Liabilities.** Subject only to the liabilities and obligations of the Company specifically assumed by the Purchaser under the Material Contracts, the Permits or otherwise in writing pursuant to separate assignment and assumption agreements or novation agreements, the Purchaser shall not assume any liabilities of the Company, whether related to the Assets, the Project or otherwise and the Company shall remain liable for all its liabilities and obligations not specifically assumed by the Purchaser.

3.7 **Issuance of NSPI Shares.** The Purchaser will allot and issue to the Company, as set out in Section 3.4(a), the NSPI Shares as a fully paid and non-assessable shares in the

Purchaser and will cause share certificates representing such shares to be issued in the name of the Company as soon as practicable on or after the Time of Closing on the Closing Date and shall add an amount equal to one ($1.00) dollar to the stated capital account for the NSPI Shares.

3.8 **Harmonized Sales Tax.** The Company shall collect Harmonized Sale Tax ("**HST**") and the Purchaser shall pay HST on any payments subject to HST, provided however if the parties are both HST registrants and part of the same closely related group, then the Purchaser and the Company shall execute jointly an election under Section 156(1) of the *Excise Tax Act* (Canada) in respect of HST and the Purchaser shall retain and file such election if an when required by the Canada Revenue Agency.

3.9 **Permits.** The Company shall:

(a) ensure that the relevant Governmental Authorities or other bodies responsible for issuing the Permits are advised that the Company requires that the Permits be issued or re-issued in the name of the Purchaser, or transferred to the Purchaser, as applicable;

(b) assist the Purchaser to complete any outstanding applications in respect of any of the Permits and provide all necessary documents, signatures agreements or consents necessary to complete or expedite the issuance, re-issuance or transfer of the Permits to the Purchaser, as applicable; and

(c) assist the Purchaser with the issuance, re-issuance or transfer of the Permits to the Purchaser provided that after any particular Permit is issued in the name of the Purchaser, thereafter the Company shall not have any obligation to assist the Purchaser with the re-issuance of such Permit.

ARTICLE 4
VALUATION

4.1 **Valuation.** The Company and the Purchaser have made a *bona fide* effort to determine the fair market value of the Eligible Assets and their determination of such fair market value shall be as set out in each of the Company's and the Purchaser's respective income tax returns and Form T2057 reporting the dispositions. The Company and the Purchaser have determined that the fair market value of the consideration to be given by the Purchaser to the Company for the Eligible Assets is the equivalent of the fair market value of the Eligible Assets as determined by them.

4.2 **Adjustments to Valuation.** The Company and the Purchaser declare that it is their intention to comply in all respects with Section 85 of the *Income Tax Act* (Canada) with respect to the Eligible Assets. If, however, notwithstanding any provision in this Agreement to the contrary, any facts or other circumstances arise or come to the attention of the Purchaser or the Company, and they agree that the actual fair market value of the Eligible Assets as at the Time of Closing on the Closing Date was greater or less than the fair market value of the consideration paid by the Purchaser pursuant to Section 3.1, then the appropriate adjustments, including, without limitation, revising the number of NSPI

Shares issued by the Purchaser as consideration under Section 3.4(a) or adjusting value attributed to the Note in Section 3.4(b)(i) relating to the Eligible Assets, will be made between the Purchaser and the Company so that the fair market value of the consideration given by the Purchaser pursuant to this Agreement is equal to the fair market value of the Eligible Assets as at the Time of Closing on the Closing Date (as re-determined and approved by the Company and the Purchaser) and adjusting the allocation of the fair market value of the Eligible Assets, such adjustments to take effect retroactively to the Time of Closing on the Closing Date.

ARTICLE 5
TAX ELECTION

5.1 **Election.** The Company and the Purchaser will jointly elect in the form prescribed pursuant to subsection 85(1) of the *Income Tax Act* (Canada) in respect of the transfer of the Eligible Assets at an amount to be determined by the Company.

5.2 **Adjustment.** The elected amount agreed upon in respect of the Eligible Assets will be set out in the election form referred to in Section 5.1 and if the Canada Revenue Agency or any other competent taxing authority at any time proposes to issue or issues any assessment or reassessment of the Purchaser, the Company or any other member of the Purchaser that imposes or would impose any liability for any tax on the Purchaser, the Company or any other member of the Purchaser on the basis that the actual cost amount is greater or less than the amount estimated as such for the purpose of the election referred to in Section 5.1, then:

(a) the Purchaser and the Company, acting in good faith, will be entitled to re-determine such cost amount, having regard to the amount determined by such taxing authority or such other advice or evidence as the Purchaser and the Company deem necessary or advisable; and

(b) if the cost amount is re-determined pursuant to Section 5.2(a), then:

(i) the agreed amount set out in the election form referred to in clause 5.1 will be adjusted accordingly and retroactively, to the Time of Closing on the Closing Date; and

(ii) to the extent possible, the Purchaser and the Company will make all adjustments in the consideration given by the Purchaser as may be required as a result of any re-determination effected pursuant to clause 5.2 (a), including, without limitation, adjusting the principal amount of the Note or the number of the issued NSPI Shares and any such adjustments are to be effective on and after the Time of Closing on the Closing Date.

ARTICLE 6
REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE COMPANY

6.1 **Company's Representations and Warranties.** The Company hereby represents and warrants to the Purchaser as follows and acknowledge that the Purchaser is relying on such representations and warranties in connection with the transactions contemplated by this Agreement.

(a) **Incorporation and Organization of the Company.** The Company is a company duly incorporated and subsisting under the laws of Nova Scotia. No proceedings have been instituted or are pending for the dissolution, winding-up, surrender of charter or liquidation of the Company or threatening its existence. A true and complete copy of the memorandum of association and articles of association are set out in the minute books of the Company. No further amendment to the memorandum of association or articles of association has been filed or authorized by the shareholders of the Company.

(b) **Qualification of the Company to do Business.** The Company has the necessary corporate power, authority and capacity to own or lease its property and to carry on its operations and business as now being conducted by it and is qualified to carry on business and is in good standing under the laws of Nova Scotia being the only jurisdiction in which the failure to be so qualified could reasonably be expected to have a material adverse impact on the Company.

(c) **Due Authorization and Transfer of the Assets.** At Closing, all necessary corporate action on behalf of the Company shall have been taken to authorize the due and valid transfer of the Assets to the Purchaser.

(d) **No Options.** No person, firm or company has any agreement or option or any right capable of becoming an agreement or option for the purchase of any of the Assets.

(e) **Title to Assets.** Except as may otherwise be disclosed by the Company to the Purchaser prior to the Closing Date, the Company is the sole and unconditional legal and beneficial owner of and has a good and marketable title to the Assets, free and clear of all Liens.

(f) **Leases.** With respect to the Leases:

(i) the Company is in possession of the premises demised to it under each of the Leases;

(ii) there have been no amendments, changes or modifications of any of the Leases and there are no agreements outside the Leases between the Company and any landlord under any Lease with respect to any such tenancy;

(iii) the Company is not in default under any Lease;

(iv) none of the landlords under the Leases is in default under the Leases;

(v) the Company has not delivered any notice or complaint to any of the landlords under the Leases that the landlord is in default thereunder;

(vi) there are no existing disputes between any of the landlords under the Leases and the Company and the Company does not have any existing claim, defence, set-off or counterclaim against the landlords under the Leases or otherwise;

(vii) any and all fees due and payable to the landlord upon or in connection with the execution of the Leases has been paid in full in accordance with the terms of the Leases;

(viii) the Leases are validly existing and any all rent, additional rent, fees or other amounts payable by the Company as tenant under the Leases have been paid to the Closing Date;

(x) the Leases comply in all material respects with all applicable laws;

(xi) each landlord, if required under the terms of any Lease, has consented to the completion of the transactions contemplated by this Agreement; and

(xii) the transactions contemplated in this Agreement will not result in a breach, cancellation, suspension or termination of or penalty under any of the Leases.

(g) **Options.** With respect to the Options:

(i) there have been no amendments, changes or modifications of any of the Options and there are no agreements outside the Options between the Company and any landowner under any Options;

(ii) there are no existing disputes between the Company and any of the landowners under the Options and neither the Company nor any of the landowners are in default under the Options;

(iii) any and all fees due and payable to the landowner upon or in connection with the execution of the Options has been paid in full in accordance with the terms of the Options;

(iv) any and all fees due and owing by the Company to the landowner in connection with the execution of the Options have been paid in full by the Company to the landlords;

(v) each landowner, if required under the terms of any Option, has consented to the completion of the transactions contemplated by this Agreement; and

(vi) the transactions contemplated in this Agreement will not result in a breach, cancellation, suspension or termination of or penalty under any of the Options.

(h) **Permits.** With respect to the Permits:

(i) each has been duly obtained or made, were validly issued to or assigned to the Company, are in full force and effect, are final and not subject to modification or appeal and all appeal periods applicable thereto have expired;

(ii) each is held in the name of the Company, (except as disclosed by the Company to the Purchaser in writing prior to the Closing Date);

(iii) are free from any conditions or requirements the compliance with which the Company does not reasonably expect to be able to satisfy;

(iv) no event has occurred that would, nor will the execution of this Agreement or, upon obtaining the Required Consents, the completion of the transactions contemplated hereunder result in the revocation, termination or modification of any such Permit or adversely affect any rights of the Company under any such Permit.

(i) **Material Contracts.** With respect to the Material Contracts:

(i) all are in good standing and all payments thereunder are up to date;

(ii) except as specifically disclosed by the Company to the Purchaser prior to the Closing Date, there have been no amendments, changes or modifications of any of the Material Contracts and there are no agreements outside the Material Contracts between the Company and any other party thereto;

(iii) there are no outstanding disputes between the Company and any other party to the Material Contracts;

(iv) the Company is not in default under any of the Material Contracts and to the best of the Company's knowledge there have been no defaults under any of the Material Contracts by any other party thereto;

(v) subject to the receipt of the Required Consents, all parties, if required under the terms of any Material Contract, have consented to the completion of the transactions contemplated by this Agreement; and

(vi) subject to the receipt of the Required Consents, the transactions contemplated by this Agreement will not result in a breach, cancellation, suspension or termination of or penalty under any of the Material Contracts.

(j) **Employment Matters.** The Company has no employees and has never had any employees.

(k) **Real Property.** The Company does not now and has never owned any real property.

(l) **No Liabilities, etc.** There are no liabilities of the Company of any kind whatsoever, contingent or otherwise, existing on the date hereof in respect of which the Purchaser may be liable on or after the completion of the transactions contemplated by this agreement other than those liabilities specifically assumed by the Purchaser under the Material Contracts or the Permits.

(m) **Litigation.** There is not currently outstanding against the Company, any judgment, decree, injunction, ruling, order or award of any court, Governmental Authority, department, commission, board, bureau, agency, instrumentality, domestic or foreign, or arbitrator or mediator charging or relating to the Project or the Assets. There are no actions, suits, arbitration proceedings or other proceedings which have been commenced against the Company, to the best of the Company's knowledge, pending or threatened against or affecting the Project or the Assets, at law or in equity or before or by any federal, provincial, state, municipal or other Governmental Authority, department, commission, board, bureau, agency or instrumentality, domestic or foreign, or by or before any arbitrator or mediator.

(n) **Tax Matters.** Except for taxes for the current period that are not yet due, there are not as of the date of this Agreement and will not be as of the Time of Closing any outstanding liabilities for any taxes payable, collectible or remittable by the Company, whether assessed or note, which could results in a Lien on the Assets or which could result in the Purchaser becoming liable or responsible therefore and at Closing, there shall be no outstanding liabilities for any taxes payable, collectible or remittable by the Company, whether assessed or not, which could result in a Lien on the Assets or which could result in the Purchaser becoming liable or responsible therefore.

(o) **HST Registrant.** With respect to the Goods and Services Tax or HST levied under the *Excise Tax Act* (Canada) (the "**ETA**"):

(i) the Company is a registrant under Part IX of the ETA and the registration number assigned to the Company by the Canada Revenue Agency is 842453250 RT0001; and

(ii) the Company has remitted to Canada Revenue Agency, when required by law to do so, all amounts required by it to be so collected and remitted on account of HST to and including the Closing Date and has filed all returns and information statements required to be filed by the Company under the ETA as at the Closing Date.

(p) **Validity of Agreement.**

(i) The entering into of this Agreement and the consummation of the transactions contemplated hereby will not result in the violation of any of the terms and provisions of the memorandum of association and articles of

association or other constating documents of the Company or of any indenture or other agreement, written or oral, to which the Company may be a party; and

(ii) The entering into of this Agreement and the consummation of the transactions contemplated hereby will not result in the violation of any law or regulation or any applicable order of any court, arbitrator or Governmental Authority having jurisdiction over the Company or its properties or businesses.

(q) **Enforceability of Obligations.** This Agreement constitutes a valid and binding obligation of the Company enforceable against it in accordance with the terms hereof, subject however, to limitations with respect to enforcement imposed by law in connection with bankruptcy or similar proceedings and to the extent that equitable remedies such as specific performance and injunction are in the discretion of the court from which they are sought.

(r) **Absence of Conflicting Agreements.** The Company is not party to, bound or affected by or subject to any indenture, mortgage, lease, agreement, instrument, charter or by-law provision, order, judgment or decree which would be violated, contravened or breached by the execution and delivery by the Company of this Agreement or the performance by the Company of any of the terms hereof or thereof.

(s) **Residence.** The Company is not a non-resident of Canada within the meaning of the *Income Tax Act* (Canada).

(t) **Disclosure.** The representations and warranties of the Company included in this Agreement are true and correct and do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained in such representations and warranties not misleading to a prospective purchaser of the Assets.

(u) **Broker.** The Company has not retained any finder or broker who is or may be entitled to a fee or commission as a result of any transaction contemplated by this Agreement.

ARTICLE 7
REPRESENTATIONS AND WARRANTIES OF THE PURCHASER

7.1 **Purchaser's Representations and Warranties.** The Purchaser hereby represents and warrants to the Company as follows and acknowledges that the Company is relying on such representations and warranties in connection with the transactions contemplated by this Agreement:

(a) **Incorporation, Organization and Authority of Purchaser.** The Purchaser is a corporation duly formed and subsisting under the laws of Nova Scotia and has the

necessary corporate power, authority and capacity to carry out its obligations hereunder.

(b) **Due Authorization of Agreement by the Purchaser.** The execution and delivery of this Agreement and the consummation of the transactions herein contemplated have been duly authorized by all necessary corporate action on behalf of the Purchaser and this Agreement has been duly executed and delivered by the Purchaser and is a valid and binding obligation of the Purchaser enforceable against it in accordance with the terms hereof, subject however, to limitations with respect to enforcement imposed by law in connection with bankruptcy or similar proceedings to the extent that equitable remedies such as specific performance and injunction are in the discretion of the court from which they are sought.

(c) **Absence of Conflicting Agreements.** The Purchaser is not a party to, bound or affected by or subject to any indenture, mortgage, lease, agreement, instrument, charter or by-law provision, order, judgment or decree which would be violated, contravened or breached by the execution and delivery by it of this Agreement or the performance by it of any of the terms hereof or thereof.

(d) **Residence.** The Purchaser is not a non-resident of Canada within the meaning of the *Income Tax Act* (Canada).

(e) **HST Registrant.** With respect to the Goods and Services Tax or HST levied under the ETA the Purchaser is a registrant under Part IX of the ETA and the registration number assigned to the Purchaser by the Canada Revenue Agency is **119314938 RT0001**; and

ARTICLE 8
SURVIVAL OF REPRESENTATIONS AND WARRANTIES

8.1 **Certificate of a Party.** All statements contained in any certificate or other instrument delivered by or on behalf of any party pursuant or in connection with the transactions contemplated by this Agreement shall be deemed to be made by such party hereunder.

8.2 **Survival of Representations, Warranties and Covenants of the Company.** All representations, warranties and covenants of the Company contained in this Agreement or contained in any agreement, certificate or other document delivered or given pursuant to this Agreement shall survive the Closing and, notwithstanding such Closing or any investigation made by or on behalf of the Purchaser with respect thereof, shall continue in full force and effect for the benefit of the Purchaser for a period of five (5) years following the Closing.

8.3 **Survival of Representations and Warranties of the Purchaser.** All representations and warranties of the Purchaser contained in this Agreement or in any agreement, certificate or other document delivered or given pursuant to this Agreement shall survive the Closing and, notwithstanding such Closing or any investigation made by or on behalf of the Company shall continue in full force and effect for the benefit of the Company for a period of five (5) years following the Closing.

ARTICLE 9
INDEMNITY

9.1 **Indemnification by the Company.** The Company agrees to indemnify and save harmless the Purchaser from all losses, damages and expenses suffered or incurred by the Purchaser including all out-off pocket costs, legal fees (on a solicitor-client basis) and other professional fees incurred by the Purchaser as a direct result of or arising directly out of or in connection with:

(a) any breach by the Company of or any inaccuracy of any representation or warranty of the Company contained in this Agreement;

(b) any breach or non-performance by the Company of any covenant to be performed by him contained in this Agreement;

(c) any known undisclosed liabilities relating to the Assets;

This indemnity shall survive the Closing Date of this Agreement for a period of five (5) years, except for an indemnity related to the representations and warranties contained in paragraphs 6.1 (a) through (d) inclusive, in such cases the representation and warranties shall survive and continue in full force and effect without limitation of time.

9.2 **Indemnification by the Purchaser.** The Purchaser agrees to indemnify and save harmless the Company from all losses, damages and expenses suffered or incurred by it as a direct result of or arising directly out of or in connection with:

(a) any breach by the Purchaser of or any inaccuracy of any representation or warranty of the Purchaser contained in this Agreement; and

(b) any breach or non-performance by the Purchaser of any covenant to be performed by it contained in this Agreement.

This indemnity shall survive the Closing of this Agreement for a period of five (5) years.

ARTICLE 10
CONDITIONS PRECEDENT

10.1 **Conditions Precedent for the Company.** The Purchaser's obligations under this Agreement are conditional upon the performance of or compliance with the following conditions, each of which may be waived in writing by the Purchaser in whole or in part:

(a) the representations and warranties of the Company contained in this Agreement shall be true and correct as of the Closing;

(b) the Company shall have agreed to the form of and executed the License Agreement;

(c) all of the terms, covenants and agreements set forth in this Agreement to be

complied with or performed by the Company on or before the Closing Date have been complied with or performed by the Company on or before the Closing Date;

(d) the Purchaser having received all requisite approvals of its board of directors relating to the execution of this Agreement and the consummation of the transactions contain in or contemplated by this Agreement;

(e) the Purchaser and its representatives shall have reasonable access to the Company's business records, financial records, deeds and other title documents and the Company shall furnish the Purchaser or its representatives with all information which the Purchaser may reasonably require with regard to the Project and the Assets, all so that the Purchaser may properly investigate the condition of the Project and the Assets and the results of such investigation shall have been satisfactory to the Purchaser in the Purchaser's sole discretion;

(f) no action or proceeding shall be pending or threatened by any person to restrain or prohibit:

(i) the transfer of the Assets to the Purchaser; or

(ii) the Purchaser from conducting the construction, development or operation of the Project after Closing;

(g) from the date hereof up to and including the Time of Closing on the Closing Date there shall have been no material adverse Change in the Assets.

(h) at or before the Time of Closing, the Company will cause all the necessary steps and corporate proceedings to be taken in order to permit the Assets to be duly and regularly transferred to the Purchaser;

(i) at or before the Time of Closing, the parties shall have received all third party consents necessary to complete the transactions contemplated by this Agreement on terms satisfactory to the Purchaser in its sole discretion, including, without limitation, the Required Consents.

10.2 **Conditions Precedent for the Purchaser.** The Company's obligations under this Agreement are conditional upon the performance of or compliance with the following conditions, each of which may be waived by the Company in whole or in part:

(a) the representations and warranties of the Purchaser contained in this Agreement shall be true and correct as of the Closing;

(b) the Purchaser shall have agreed to the form of and executed the License Agreement; and

(c) all of the terms, covenants and agreements set forth in this Agreement to be complied with or performed by the Purchaser on or before the Closing Date have been complied with or performed by the Purchaser on or before the Closing Date.

ARTICLE 11
CLOSING ARRANGEMENTS

11.1 **Time and Place of Closing.** The completion of the transactions contemplated by this Agreement shall take place at the Time of Closing on the Closing Date, at the offices of the Purchaser in Halifax, Nova Scotia, or at such other place as may be agreed upon between the parties hereto.

11.2 **Company's Closing Documents.** The Company covenants that it will deliver or cause to be delivered to the Purchaser at the Time of Closing, duly executed by properly authorized persons, as required, the following:

(a) such bills of sale, assurances, transfers, assignments and consents, and any other documents as may be reasonably necessary or required in the opinion of the Purchaser, in regsitrable form where applicable, to transfer effectively to the Purchaser good and marketable title to the Assets free and clear of all Liens;

(b) possession of the Assets, as may be applicable;

(c) all books and records relating to the Project or the Assets, including without limitation all wind related data;

(d) such evidence as the Purchaser may reasonably require that all of the warranties and representations of the Company are true and correct to the Closing Date and that all conditions precedent to Closing have been met or complied with, which such evidence may, without restricting the generality of the foregoing, include such certificate or certificates or statutory declaration or declarations as the Purchaser may reasonably require;

(e) an executed copy of the License Agreement;

(f) the original Material Contracts;

(g) such election forms as may be necessary or desirable in the opinion of the Purchaser in relation to the transactions contemplated by this Agreement;

(h) proof that the Company has taken all corporate steps necessary or in the opinion of the Purchaser desirable, to authorize and effect the sale of the Assets;

(i) evidence, in such form as the Purchaser may reasonably require, that all approvals and consents required to be obtained in order to carry out the transactions contemplated hereby in compliance with all laws and agreements binding upon the parties hereto, including without limitation all consents required from any third party have been obtained including with limiting the Required Consents; and

(j) all other documents the Purchaser reasonably considers necessary to validly effect completion of the transactions provided in this Agreement.

11.3 **Purchaser's Closing Documents.** The Purchaser covenants that it will deliver or cause to be delivered to the Company at the Time of Closing, duly executed by properly authorized persons, as required, the following:

(a) the NSPI Shares;

(b) the Note;

(c) such bills of sale, assurances, transfers and assumptions, and any other documents as may be reasonably necessary or required in the opinion of the Company, in regsitrable form where applicable, to transfer effectively to the Purchaser good and marketable title to the Assets free and clear of all Liens;

(d) such evidence as the Company may reasonably require that all of the warranties and representations of the Purchaser are true and correct to the Closing Date and that all conditions precedent to Closing have been met or complied with;

ARTICLE 12
ARBITRATION

12.1 **Matters Subject to Arbitration.** All disputes arising out of this Agreement, its interpretation, performance or breach shall be submitted to binding arbitration in accordance with the *Commercial Arbitration Act* (Nova Scotia).

12.2 **Number of Arbitrators.** There shall be one (1) arbitrator, mutually agreed to by the Company and the Purchaser. If the parties are unable to agree upon an arbitrator, the parties shall apply to the Supreme Court of Nova Scotia to have an arbitrator appointed.

12.3 **Submission to Arbitration.** The Party demanding arbitration shall inform, in writing, the other party of the issue to be arbitrated. Within fifteen (15) days from receipt of notice in writing of the matter to be arbitrated, the Parties will have agreed on a single arbitrator. If the parties cannot agree upon an arbitrator, the provisions of Section 10.2 hereof shall govern.

12.4 **Award.** An award made by the arbitrator shall be final and binding on the parties. The arbitrator shall determine his own rules and procedures and the rules of evidence that it shall follow.

ARTICLE 13
MISCELLANEOUS

13.1 **Further Assurances.** Each of the parties hereto upon the request of the other party or parties hereto, whether before or after the Time of Closing, shall do, execute, acknowledge and deliver or cause to be done, executed, acknowledged or delivered all such further acts, deeds, documents, assignments, transfers, conveyances, powers of attorney and assurances as may be reasonably necessary to effect complete consummation of the transactions contemplated by this Agreement.

13.2 **Notices.** Any notice, direction or other instrument required or permitted to be given to any party hereunder shall be in writing and shall be sufficiently given if delivered personally, or if sent by registered prepaid mail or if transmitted by telecopier or other form of recorded communication tested prior to transmission to such party:

(a) if to the Purchaser:

Nova Scotia Power Incorporated
PO Box 910
Halifax, Nova Scotia B3J 2W5

Attention: Corporate Secretary

Fax: (902) 428-6171

(b) if to the Company:

3240384 Nova Scotia Limited
PO Box 910
Halifax, Nova Scotia B3J 2W5

Attention: Corporate Secretary

Fax: (902) 428-6171

Any such notice, direction or other instrument, if delivered personally, shall be deemed to have been given and received on the date on which it was delivered at such address, provided that if such day is not a Business Day then the notice shall be deemed to have been given and received on the Business Day next following such day. Any notice mailed as aforesaid shall be deemed to have been given and received on the fifth Business Day next following the date of its mailing. Any notice transmitted by telecopier or other form of recorded communication shall be deemed to have been given and received on the date of its transmission provided that if such day is not a Business Day or if it is received after the end of normal business hours on the day of its transmission then it shall be deemed to have been given and received at the opening of business in the office of the addressee on the first Business Day next following the transmission thereof.

Any party hereto may change its address for service from time to time by notice given to the other parties hereto in accordance with the foregoing.

13.3 **Time of the Essence.** Time shall be of the essence of this Agreement.

13.4 **Further Assurances.** This Agreement is intended to operate as an actual transfer, assignment and assumption of the Assets, but from time to time, if and as required, the Company and the Purchaser will execute and deliver all such further documents, certificates, deeds, conveyances, transfers, assignments, assumptions, declarations, affidavits and other documents necessary or desirable, or which counsel may advise, to give effect to the full intent of this Agreement. Without limiting the generality of the foregoing, the Purchaser and the Company agree to execute and deliver all such agreements, deeds, bills of sale, conveyances or other documents as may be necessary or desirable to transfer any asset, property or right, other than the Excluded Assets, owned or held by the Company as at the Closing Date and not included in Schedule "A" to transfer all such assets, property or rights to the Purchaser effective as of the Closing Date at the Closing Time.

13.5 **Expenses.** All costs and expenses (including, without limitation, the fees and disbursements of legal counsel and accountants) incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such expenses. No professional fees in connection with this transaction shall be borne by the Company, unless otherwise agreed to in writing by the Purchaser.

13.6 **Applicable Law.** This Agreement shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the laws of the Province of Nova Scotia and the laws of Canada applicable therein. Any and all disputes arising under this Agreement, whether as to interpretation, performance or otherwise, shall be subject to the exclusive jurisdiction of the Courts of the Province of Nova Scotia and each of the parties hereto hereby irrevocably attorns to the jurisdiction of the Courts of such Province.

13.7 **Entire Agreement.** This Agreement, including the schedules hereto, constitutes the entire agreement between the parties hereto with respect to the transactions provided for herein and cancels and supersedes any prior understandings, agreements, negotiations and discussions between the parties hereto with respect thereto (including various letters of intent which have been exchanged prior to the date hereof), except as stated herein and in the instruments and documents to be executed and delivered pursuant hereto. This Agreement may not be amended or modified in any respect except by written instrument executed by each of the parties hereto.

13.8 **Effect of Closing.** Any provision of this Agreement which is capable of being performed after but which has not been performed at or before Closing and all covenants contained in or entered into pursuant to this Agreement, including the indemnity covenants, shall remain in full force and effect notwithstanding Closing.

13.9 **Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument. Counterparts may be executed either in original, pdf or faxed form and the parties adopt any signatures received by email or a receiving fax machine as original signatures of the parties; provided, however, that any party providing its signature in such manner shall promptly forward to the other party an original of the signed copy of this Agreement which was so emailed or faxed.

13.10 **Successors in Interest.** This Agreement and the provisions hereof shall enure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns. A party shall not assign its interest herein without the prior written consent of the other Party hereto.

13.11 **Severability.** If any section or part or parts of sections in this Agreement are determined to be illegal or unenforceable, it or they shall be considered separate and severed from this Agreement and the remaining provisions of this Agreement shall remain in full force and effect and shall be binding upon the parties hereto as if such section or sections or part or parts of the sections had never been included.

[THE REMAINDER OF THIS PAGE LEFT INTENTIONALLY BLANK]

IN WITNESS WHEREOF this Agreement has been executed by the parties hereto.

SIGNED, SEALED AND DELIVERED in the presence of:

Witness

Witness

Witness

NOVA SCOTIA POWER INCORPORATED

Per: _____
Name: Mark Savory
Title: VP, Technical and Construction Services

Per: _____
Name: Robert R. Bennett
Title: President and Chief Executive Officer

3240384 NOVA SCOTIA LIMITED

Per: _____
Name: Stephen Aftanas
Title: Corporate Secretary

Director

Schedule "A"

A. Assets Acquired by 3240384 Nova Scotia Limited since December 23, 2009:

Asset/Document	Parties	Date
Procurement and Construction Contract	Emera Utility Services Inc. 3240384 Nova Scotia Limited	February 9, 2010
Standard Generator Interconnection and Operating Agreement	3240384 Nova Scotia Limited Nova Scotia Power Inc	February 4, 2010
Agreement	Scotian Windfields Inc. 3240384 Nova Scotia Limited	December, 2009
Department of Natural Resources Clean Energy Agenda EcoEnergy for Renewable Power Repayable Contribution Agreement	Department of Natural Resources 3240384 Nova Scotia Limited	March 12, 2010
General Electric External Change Order No. 9	3240384 Nova Scotia Limited General Electric Company General Electric Canada	February 3, 2010
General Electric External Change Order No. 10	3240384 Nova Scotia Limited General Electric Company General Electric Canada	February 10, 2010
Rare Plant Habitat Modeling Study / Report/ Results	3240384 Nova Scotia Limited Stantec Consulting Ltd.	
Land Survey Contract	3240384 Nova Scotia Limited Scotia Surveys Limited	Jan 27, 2010
Drawing – Wind Farm Siting Plan	3240384 Nova Scotia Limited CBCL	Jan 29, 2010
Sound Impact Study Report + Contour Drawing	3240384 Nova Scotia Limited Stantec Consulting Ltd.	Feb, 2010

Archaeological Study (Transmission Line) Interim Report	3240384 Nova Scotia Limited CRM Group	April 6, 2010
Drawings - Wetlands	3240384 Nova Scotia Limited CBCL	April, 2010
Telecommunications Assessment Report	3240384 Nova Scotia Limited Oldham Engineers Inc.	April 6, 2010
Environmental Protection Plan	3240384 Nova Scotia Limited	March 5, 2010
Agreement of Purchase and Sale regarding the sale to 3240384 Nova Scotia Limited of PID 30192447 and PID 30258982, being lands at or near the South side of Old Gulliver's Cove Road, Rossway, Digby County, Province of Nova Scotia,	3240384 Nova Scotia Limited Churchill Ashford Shirley Ashford	February 11, 2010

LAND LEASES (Turbine)

Land Parcel – Nova Scotia Property Identification Number ("PID") Digby County, Nova Scotia	Asset/Document	Parties	Date
PID 30130025 PID 30133011 PID 30133029	NS Wind Project Lease	3240384 Nova Scotia Limited Chester A. Fogg and Marie B. Fogg	March 1, 2010
PID 30167829 PID 30132088	NS Wind Project Lease	3240384 Nova Scotia Limited Alan A. Fogg	March 1, 2010
PID 30346407 PID 30167761	NS Wind Project Lease	3240384 Nova Scotia Limited Larry G. Lewis and Linda Lewis	April 27, 2010

PID 30132732 PID 30168587	NS Wind Project Lease	3240384 Nova Scotia Limited P.C. Futures Limited	April 27, 2010
PID 30132815	NS Wind Project Lease	3240384 Nova Scotia Limited James E. Bennett and Beverley C. Bennett	April 13, 2010
PID 30132815	NS Wind Project Lease – Amended and Restated	3240384 Nova Scotia Limited James E. Bennett and Beverley C. Bennett	April 13, 2010

NON TURBINE LEASES

Land Parcel – Nova Scotia Property Identification Number ("PID") **Digby County, Nova Scotia**	**Asset/Document**	**Parties**	**Date**
PID 30168231 PID 30255228 PID 30274088	NS Wind Project Lease Non-Turbine Lands	3240384 Nova Scotia Limited James E. Bennett and Beverley C. Bennett	April 13, 2010
PID 30168231 PID 30255228 PID 30274088	NS Wind Project Lease – Amended and Restated Non-Turbine Lands	3240384 Nova Scotia Limited James E. Bennett and Beverley C. Bennett	April 13, 2010
PID 30132989 PID 30192496 PID 30354104	NS Wind Project Lease	3240384 Nova Scotia Limited Jerry Schofield	April 30,2010
PID 30168538	NS Wind Project Lease	3240384 Nova Scotia Limited Linda Lewis Darrell Lewis	May 13, 2010
PID 30168496 PID 30168504	NS Wind Project Lease	3240384 Nova Scotia Limited Timothy D. Halliday	May 17, 2010

TRANSMISSION LINE OPTIONS (Non-Turbine)

Land Parcel – Nova Scotia Property Identification Number ("PID") Digby County, Nova Scotia	Document	Parties	Date
PID 30149801	Amended and Restated Option Agreement	3240384 Nova Scotia Limited Anne M. Boudreau Anita E. Boudreau	February 25, 2010
PID 30149793	Amended and Restated Option Agreement	3240384 Nova Scotia Limited Eileen Frances Brinton	February 25, 2010
PID 30152227	Amended and Restated Option Agreement	3240384 Nova Scotia Limited Alan E. Ross Joan M. Ross	February 26, 2010
PID 30149272	Amended and Restated Option Agreement	Stanley Boudreau Glenda Doucet-Boudreau	February 2, 2010
PID 30149264	Amended and Restated Option Agreement	Stanley Boudreau Glenda Doucet-Boudreau	February 2, 2010

B. Asset Documents Relating to Purchase from Interwind Corp. (formerly SkyPower Corp.) and Scotian Windfield Partners Corp.:

Asset/Document	Parties	Date
Purchase Agreement	Scotian Windfield Partners Corp. 3240384 Nova Scotia Limited	December 21, 2009
General Conveyance Agreement	Scotian Windfield Partners Corp. 3240384 Nova Scotia Limited	December 23, 2009
Indenture	Scotian Windfield Partners Corp. 3240384 Nova Scotia Limited	December 23, 2009

General Conveyance and Assumption Agreement	Interwind Corp. 3240384 Nova Scotia Limited	December 23, 2009
Indenture	Interwind Corp. 3240384 Nova Scotia Limited	December 23, 2009
Turbine Assignment and Consent Agreement	Interwind Corp. 3240384 Nova Scotia Limited General Electric Company General Electric Canada	December 22, 2009
Assignment and Assumption Agreement for Renewable Energy	Interwind Corp. 3240384 Nova Scotia Limited Nova Scotia Power Inc.	December 23, 2009
Nova Scotia Environment Environmental Assessment Approval	Assigned to 3240384 Nova Scotia Limited with consent of Minister	August 24, 2009
Consent Agreement	Magna Electric Corporation	December 8, 2009

C. Non-Land Assets Acquired through Scotian Windfields Inc. and Scotian Windfields Parnters Corp.

Asset/Document	Parties	Date
Generator Interconnection Request	Nova Scotia Power Incorporated 6739954 Canada Corporation (now Scotian Windfields Partners Corp.)	April 19, 2007
Interconnection Facility Study Agreement	Nova Scotia Power Incorporated 6739954 Canada Corporation (now Scotian Windfields Partners Corp.)	February 17, 2009
Appendix 3 to GIP Interconnection System Impact Study Agreement	Nova Scotia Power Incorporated 6739954 Canada Corporation (now Scotian Windfields Partners Corp.)	February 6, 2008
Cover Letter re Final Facilities Study Report	Nova Scotia Power Incorporated 673954 Canada Corp. (now	September 28, 2009

	Scotian Windfields Partners Corp.)	
Final Report System Impact Study IR141	Nova Scotia Power Incorporated	December 17, 2008
Draft Facility Study Report – Part 1	Nova Scotia Power Incorporated	August 4, 2009
Draft Facility Study Report – Part 2	Nova Scotia Power Incorporated	August 4, 2009
Letter Extending Completion Date for the Interconnection Agreement to December 23, 2009	Nova Scotia Power Incorporated 6739954 Canada Corp.	November 24, 2009
Building Permit Re PID 30256812	Municipality and Town of Digby	February 16, 2009
Building Permit No. 7377 Re PID 30167761	Municipality and Town of Digby	February 16, 2009
Building Permit No. 7378 Re PID 30167829	Municipality and Town of Digby	February 16, 2009
Building Permit No. 7379 Re PID 30132088	Municipality and Town of Digby	February 16, 2009
Building Permit No. 7381 Re PID 30133011	Municipality and Town of Digby	February 16, 2009
Building Permit No. 7382 Re PID 30133029	Municipality and Town of Digby	February 16, 2009
Building Permit No. 7490 Re PID 30191860	Municipality and Town of Digby	July 16, 2009
Building Permit No. 7389 Re PID 30132989	Municipality and Town of Digby	February 16, 2009
Building Permit No. 7388 Re PID 30191860	Municipality and Town of Digby	February 16, 2009
Building Permit No. 7387 Re PID 30191688	Municipality and Town of Digby	February 16, 2009
Building Permit No. 7386 Re PID 30168538	Municipality and Town of Digby	February 16, 2009

Building Permit No. 7385 Re PID 30168587	Municipality and Town of Digby	February 16, 2009
Building Permit No. 7384 Re PID 30132732	Municipality and Town of Digby	February 16, 2009
Building Permit No. 7383 Re PID 30132815	Municipality and Town of Digby	February 16, 2009
Nova Scotia Environment Environmental Assessment Approval	Scotian Windfields Inc.SkyPower Corp. Nova Scotia Environment, Office of the Minister	August 24, 2009

D. Land Assets Acquired through Scotian Windfields Parnters Corp.

Land Parcel – Nova Scotia Property Identification Number ("PID") Digby County, Nova Scotia	Document Name	Date	Parties
30259907; 30259899; 30192462; 30132856; 30191860	Option Agreement	02/27/07	Fred Ross Sharon Ross Scotian Windfield Partners Corp.
30284186	Option Agreement	04/18/07	Fraser Bagwell Holly Bagwell Scotian Windfield Partners Corp.
30191811	Option Agreement	03/06/07	James Lewis Nancy Lewis Scotian Windfield Partners Corp.

Land Parcel – Nova Scotia Property Identification Number ("PID") Digby County, Nova Scotia	Document Name	Date	Parties
30256812	Option Agreement	04/18/07	Vernon McBride Scotian Windfield Partners Corp.
30132989	Option Agreement	04/18/07	Jerry Schofield Scotian Windfield Partners Corp.
30132815; 30255228; 30274088; 30168231	Option Agreement	07/18/07	James Bennett Beverly Bennett Scotian Windfield Partners Corp.
30191688	Option Agreement	03/25/08	Bernard McBride Scotian Windfield Partners Corp.
30168496; 30168504	Option Agreement	03/24/08	Timothy Halliday Scotian Windfield Partners Corp.
30132732; 30168587	Option Agreement	03/24/08	PC Futures Ltd. Scotian Windfield Partners Corp.
30284194; 30284160; 30191738	Option Agreement	03/25/08	Elinor Anne Mullen Scotian Windfield Partners Corp.
30191795	Option Agreement	03/25/08	Judy Cook Scotian Windfield Partners Corp.

Land Parcel – Nova Scotia Property Identification Number ("PID") Digby County, Nova Scotia	Document Name	Date	Parties
30191746	Option Agreement	03/26/08	Vernon McBride Scotian Windfield Partners Corp.
30346407; 30167761	Option Agreement	03/24/08	Larry Lewis Linda Lewis Scotian Windfield Partners Corp.
30168538	Option Agreement	03/24/08	Linda L. Lewis Scotian Windfield Partners Corp.
30168769	Option Agreement	03/24/08	Perry Allan Vantassel Scotian Windfield Partners Corp.
30130025; 30133011; 30133029	Option Agreement	07/29/09	Chester Fogg Marie Fogg Scotian Windfield Partners Corp.
30167829; 30132088; 30167803	Option Agreement	07/29/09	Alan Fogg Scotian Windfield Partners Corp.

E. <u>Non-Land Assets Acquired through Interwind Corp. (formerly SkyPower Corp.):</u>

Document Name	Date	Parties
Geotechnical Investigation, Final Report	June 3, 2009	Strum Environmental SkyPower Corp.
Supplementary Geotechnical	July 7, 2009	Strum Environmental

Document Name	Date	Parties
Investigation		SkyPower Corp.
Supplementary Geotechnical Investigation	July 27, 2009	Strum Environmental SkyPower Corp.
MET Resource Report	February 16, 2009	Genivar SkyPower Corp.
Magna Transformer Acquisition	April 2, 2009	Magna Electric Corp. SkyPower Corp.
Topographical Survey of turbines sites and access roads	June 10, 2009	Terrain SkyPower Corp.
Additional Survey Information - Report of Surveying of Bennett Lane and Collection System Area	July 31, 2009	Terrain SkyPower Corp.
Construction Contract Bid Package, including: Tender Drawings, Tender Specifications and Standard Specifications for Municipal Services	June 30, 2009	CBCL LIMITED SkyPower Corp.
Construction Contract Reference Documents, including: GE 1.5 SLE Energy Technical Exhibits and GE Energy Work Instructions, Receiving reports, Check out sheets and drawings	June 30, 2009	CBCL LIMITED SkyPower Corp. GE Energy
Contract Documents – Addendum No. 1 Materials (including revised Appendices and Drawings)	July 10, 2009	CBCL LIMITED SkyPower Corp.
Contract Documents – Addendum No. 2	July 15, 2009	CBCL LIMITED SkyPower Corp.
Contract Documents – Addendum No. 3, including Developer supplied Form of Construction Contract	July 24, 2009	CBCL LIMITED SkyPower Corp.
Contract Documents – Addendum No. 4	July 30, 2009	CBCL LIMITED SkyPower Corp.

Document Name	Date	Parties
Contract Documents – Addendum No. 5	July 31, 2009	CBCL LIMITED SkyPower Corp.
Digby Wind Power Survey	July 2009	Pollara SkyPower Corp.
EcoEnergy Registration No.5911-S17-1	September 7, 2007	Natural Resources Canada SkyPower Corp.
EcoEnergy Acknowledgement of submission TPI	July 9, 2009	Natural Resources Canada SkyPower Corp.
Preliminary Electro-Magnetic Interference Study	April 23, 2009	Genivar SkyPower Corp.
Issues Identification Report	June 22, 2007	Jacques Whitford Limited SkyPower Corp.
Nova Scotia Environment – Notice of Registration	April 30, 2009	Nova Scotia Environment SkyPower Corp.
Provincial Environmental Assessment Report and appendices Appended Reports: • Public Consultation Materials • Aquatic Survey Photographs • Flora Lists • Wetland Data • Avian Field Program Information • Noise Impact Study	April 2009	Jacques Whitford Stantec Limited SkyPower Corp.
Addendum to Environmental Assessment Registration Document	July 3, 2009	Jacques Whitford Stantec Limited SkyPower Corp.
Nova Scotia Environment – Request for additional information	June 2009	Nova Scotia Environment, Office of the Deputy Minister SkyPower Corp.
Nova Scotia Environment Environmental Assessment Decision	August 24, 2009	Nova Scotia Environment, Office of the Minister SkyPower Corp. Scotian Windfields Inc.

Document Name	Date	Parties
Federal Coordination Notice	May 8, 2009	Canadian Environmental Assessment Agency SkyPower Corp.
Interim Mi'kmaq Ecological Knowledge Study	May, 2009	The Confederacy of Mainland Mi'kmaq (CMM), Environmental Services SkyPower Corp.
Interim #2 Mi'kmaq Ecological Knowledge Study	July, 2009	The Confederacy of Mainland Mi'kmaq (CMM), Environmental Services SkyPower Corp.
Quarterly Development Report for NSPI – Q1 2009	April 15, 2009	Nova Scotia Power Incorporated SkyPower Corp.
Quarterly Development Report for NSPI – Q4 2008	January 15, 2009	Nova Scotia Power Incorporated SkyPower Corp.
Quarterly Development Report for NSPI – Q2 2009	July 15, 2009	Nova Scotia Power Incorporated SkyPower Corp.
Transmission Line Feasibility Study	May 1, 2009	Terrain SkyPower Corp.
Transport Canada MET Tower Approval	August 29, 2008	Transport Canada SkyPower Corp.
NavCanada and Transport Canada MET Tower Approvals	August 15, 2007 and April 25, 2007	NavCanada Transport Canada SkyPower Corp.
Transport Canada MET Tower Approval	August 24, 2007	Transport Canada SkyPower Corp.
Transport Canada MET Tower Approval	August 29, 2008	Transport Canada SkyPower Corp.
Transport Canada MET Tower Approval	August 29, 2008	Transport Canada SkyPower Corp.
Transport Canada MET Tower Approval	August 29, 2008	Transport Canada SkyPower Corp.
Transport Canada MET Tower Approval	August 29, 2008	Transport Canada SkyPower Corp.

Document Name	Date	Parties
Transport Canada MET Tower Approval	August 29, 2008	Transport Canada SkyPower Corp.
Transport Canada MET Tower Approval	August 29, 2008	Transport Canada SkyPower Corp.
Transport Canada MET Tower Approval	August 29, 2008	Transport Canada SkyPower Corp.
Transport Canada MET Tower Approval	August 29, 2008	Transport Canada SkyPower Corp.
Power Purchase Agreement and the Performance Security thereunder	March 31, 2008	Nova Scotia Power Incorporated SkyPower Corp.
Wind Turbine Building Permits	February 16, 2009	Municipality and Town of Digby SkyPower Corp.
Building Permit for Control Building	July 16, 2009	Municipality and Town of Digby SkyPower Corp.
Transport Canada Approval of Project	July 6, 2009	Transport Canada SkyPower Corp.
NavCanada Approval for 20 Wind Turbines	August 25, 2009	NavCanada SkyPower Corp.
Amended and Restated Contract for 20 1.5 GE SLE Turbines	March 2, 2009	General Electric Company General Electric Canada SkyPower Corp.
Change Order No. 1	March 10, 2009	General Electric Company General Electric Canada SkyPower Corp.
Change Order No. 2	March 16, 2009	General Electric Company General Electric Canada SkyPower Corp.
Change Order No. 3	March 24, 2009	General Electric Company General Electric Canada SkyPower Corp.
Change Order No. 4	April 15, 2009	General Electric Company

Document Name	Date	Parties
		General Electric Canada SkyPower Corp.
Change Order No. 5	June 4, 2009	General Electric Company General Electric Canada SkyPower Corp.
Change Order No. 6	June 18, 2009	General Electric Company General Electric Canada SkyPower Corp.
Change Order No. 7	July 10, 2009	General Electric Company General Electric Canada SkyPower Corp.
Change Order No. 8	August 4, 2009	General Electric Company General Electric Canada SkyPower Corp.
Yield Report	March 16, 2009	Genivar SkyPower Corp.
Yield Report Update	April 3, 2009	Genivar SkyPower Corp.
Yield Report Update	May 29, 2009	Genivar SkyPower Corp.
Mechanical Load Analysis	June 15, 2009	GE Energy SkyPower Corp.
Resistivity Data	August 6, 2009	Strum Environmental SkyPower Corp.
Supplementary Geotechnical Investigation Report	July 27, 2009	Strum Environmental SkyPower Corp.
Mi'kmaq Ecological Knowledge Study	September 2009	CMM Environment Services The Confederacy of Mainland Mi'kmaq SkyPower Corp.
Net Energy Analysis	September 30, 2009	WindLogics SkyPower Corp.
SRS Approval Notification	September 30,	Nova Scotia Power

Document Name	Date	Parties
	2009	Incorporated SkyPower Corp.
Final Facilities Study Infrastructure Report	September 8, 2009	Nova Scotia Power Incorporated SkyPower Corp.
Substation – Confirmation Letter of Completed Coil Assembly	September 24, 2009	SkyPower Corp. Magna Electric Corporation
Application for Permit for Breaking Soil of Highways	October 9, 2009	SkyPower Corp. Nova Scotia Department of Transportation and Infrastructure Renewal
Approved Breaking Soil of Highways Permit	October 15, 2009	SkyPower Corp. Nova Scotia Department of Transportation and Infrastructure Renewal

5 MET Towers as described below:

TowerID	Province	Project	Final Tower Installation Coordinates
611	**NS**	**Digby NS**	**44 35.774, -65 53.542**
612	**NS**	**Digby NS**	**44 35.727, -65 56.472**
613	**NS**	**Digby NS**	**N 044° 35.321', W 065° 57.216'**
615	**NS**	**Digby NS**	**N 044° 34.472', W 065° 54.843'**
617	**NS**	**Digby NS**	**N 044° 36.256', W 065° 54.298'**

F. Land Assets Acquired through Interwind Corp. (formerly SkyPower Corp.):

Nova Scotia Property Identification Number ("PID") Digby County, Nova Scotia.	Document Name	Date	Parties

Nova Scotia Property Identification Number ("PID") Digby County, Nova Scotia.	Document Name	Date	Parties
30132013	Option Agreement for Transmission Line Easement	07/22/09	Michele Como Linda Como SkyPower Corp.
30149363	Option Agreement for Transmission Line Easement	07/22/09	Richard Amero SkyPower Corp.
30152383	Option Agreement for Transmission Line Easement	07/22/09	Richard Amero Maria Amero SkyPower Corp.
30149348	Option Agreement for Transmission Line Easement	07/22/09	Anne Mary Amero SkyPower Corp.
30146021	Option Agreement for Transmission Line Easement	07/22/09	Mark Melanson Laura Melanson SkyPower Corp.
30146013	Option Agreement for Transmission Line Easement	07/22/09	Mark Melanson Laura Melanson SkyPower Corp.
30146039	Option Agreement for Transmission Line Easement	07/27/09	Nelson Ryan SkyPower Corp.
30192439	Option Agreement for Transmission Line Easement	07/31/09	Walter Ross SkyPower Corp.
30258958	Option Agreement for Transmission Line Easement	07/31/09	Walter Ross SkyPower Corp.
30238372	Option Agreement for Transmission Line Easement	07/30/09	Eileen Frances Brinton SkyPower Corp.
30238364	Option Agreement for Transmission Line Easement	07/30/09	Eileen Frances Brinton SkyPower Corp.

Nova Scotia Property Identification Number ("PID") Digby County, Nova Scotia.	Document Name	Date	Parties
30192785	Option Agreement for Transmission Line Easement	07/30/09	Larry Goodwin SkyPower Corp.
30193437	Option Agreement for Transmission Line Easement	07/29/09	John W. Ryan Mary Ryan SkyPower Corp.
30192181	Option Agreement for Transmission Line Easement	08/04/09	Thomas G O'Neil Angela O'Neil SkyPower Corp.
30193239	Option Agreement for Transmission Line Easement	08/05/09	Larry G. Budd Wendy M. Budd SkyPower Corp.
30149272	Option Agreement for Transmission Line Easement	07/30/09	Stanley Boudreau Glenda Doucet Boudreau SkyPower Corp.
30149264	Option Agreement for Transmission Line Easement	07/30/09	Stanley Boudreau Glenda Doucet Boudreau SkyPower Corp.
30193148	Option Agreement for Transmission Line Easement	07/30/09	Stanley Boudreau Glenda Doucet Boudreau SkyPower Corp.
30257802	Option Agreement for Transmission Line Easement	07/30/09	Stanley Boudreau Glenda Doucet Boudreau SkyPower Corp.
30258347	Option Agreement for Transmission Line Easement	08/06/09	Charles William Johns Mabel Betty Johns SkyPower Corp.
30152623	Option Agreement for Transmission Line Easement	08/05/09	Gerald J. Comeau SkyPower Corp.
30146385	Option Agreement for Transmission Line Easement	08/06/09	William A Oickle Judy Pearson SkyPower Corp.

Nova Scotia Property Identification Number ("PID") Digby County, Nova Scotia.	Document Name	Date	Parties
30146278	Option Agreement for Transmission Line Easement	08/06/09	William A Oickle Judy Pearson SkyPower Corp.
30145957	Option Agreement for Transmission Line Easement	08/04/09	Thomas G O'Neil Angela O'Neil SkyPower Corp.
30146914	Option Agreement for Transmission Line Easement	08/12/09	Thomas Lombard SkyPower Corp.
30264634	Option Agreement for Transmission Line Easement	08/12/09	Thomas Lombard SkyPower Corp.
30146047	Option Agreement for Transmission Line Easement	08/12/09	Diane Elaine Simms SkyPower Corp.
30287049	Option Agreement for Transmission Line Easement	08/12/09	Diane Elaine Simms SkyPower Corp.
30145965	Option Agreement for Transmission Line Easement	08/17/09	Victory Farms Inc. SkyPower Corp.
30149405	Option Agreement for Transmission Line Easement	07/30/09	Larry D. NacNeill Marilyn MacNeill SkyPower Corp.
30149421	Option Agreement for Transmission Line Easement	07/30/09	Larry D. MacNeill Marilyn MacNeill SkyPower Corp.
30149884	Option Agreement for Transmission Line Easement	08/14/09	Sandra D. Haynes SkyPower Corp.
30318141	Option Agreement for Transmission Line Easement	08/17/09	Charles Gaudet SkyPower Corp.

Nova Scotia Property Identification Number ("PID") Digby County, Nova Scotia.	Document Name	Date	Parties
30192496	Option Agreement for Transmission Line Easement	08/19/09	Jerry Schofield SkyPower Corp.
30132989	Option Agreement for Transmission Line Easement	08/19/09	Jerry Schofield SkyPower Corp.
30149991	Option Agreement for Transmission Line Easement	07/30/09	James Mcheffey SkyPower Corp.
30146146	Option Agreement for Transmission Line Easement	40051	William Oickle Judy Pearson SkyPower Corp.
30258503	Option Agreement for Transmission Line Easement	40051	William Oickle Judy Pearson SkyPower Corp.
30146252	Option Agreement for Transmission Line Easement	40051	William Oickle Judy Pearson SkyPower Corp.
30146260	Option Agreement for Transmission Line Easement	40051	William Oickle Judy Pearson SkyPower Corp.
30192199	Option Agreement for Transmission Line Easement	40051	Digby County Co-op Pasture Ltd SkyPower Corp.
30150007	Option Agreement for Transmission Line Easement	729/09	Christopher Jenkins and Margaret Jenkins SkyPower Corp.
30149504	Option Agreement for Transmission Line Easement	09/30/09	Eileen Frances Brinton SkyPower Corp.
30149793	Option Agreement for Transmission Line Easement	09/30/09	Eileen Frances Brinton SkyPower Corp.

Nova Scotia Property Identification Number ("PID") Digby County, Nova Scotia.	Document Name	Date	Parties
30149801	Option Agreement for Transmission Line Easement	10/01/09	Anne Boudreau and Anita Boudreau SkyPower Corp.
30354617	Option Agreement for Transmission Line Easement	10/01/09	Anne Boudreau and Anita Boudreau SkyPower Corp.
30152086	Option Agreement for Transmission Line Easement	10/02/09	Joe H. Balser SkyPower Corp.
30192397	Option Agreement for Transmission Line Easement	25/09/09	Darren T. Andrew and April H. Amero SkyPower Corp.
30318133	Option Agreement for Transmission Line Easement	24/09/09	Digby Excavating Ltd. SkyPower Corp.
30320204	Option Agreement for Transmission Line Easement	24/09/09	Digby Salvage Disposal Co. Ltd. SkyPower Corp.
30146898	Option Agreement for Transmission Line Easement	24/09/09	Digby Salvage Disposal Co. Ltd. SkyPower Corp.
30192371	Option Agreement for Transmission Line Easement	25/09/09	Darren Andrews SkyPower Corp.
30264261	Option Agreement for Transmission Line Easement	22/09/09	Wayne's Excavation Services Ltd. SkyPower Corp.
30132757	Option Agreement for Transmission Line Easement	22/09/09	Wayne's Excavation Services Ltd. SkyPower Corp.
30152227	Option Agreement for Transmission Line Easement	08/10/09	Allen E. Ross and Joan M. Ross SkyPower Corp.

Nova Scotia Property Identification Number ("PID") Digby County, Nova Scotia	Document Name	Date	Parties
30152169	Option Agreement for Transmission Line Easement	08/10/09	Nellie Drew SkyPower Corp.
30152110	Option Agreement for Transmission Line Easement	25/09/09	Nellie Drew SkyPower Corp.
30274989	Option Agreement for Transmission Line Easement	28/08/09	Kelly Joseph Deveau and Janet Lee Deveau SkyPower Corp.
30275267	Option Agreement for Transmission Line Easement	19/10/09	Kelly Deveau and Janet Deveau SkyPower Corp
30238422	Option Agreement for Transmission Line Easement	20/10/09	James D. MacAlpine SkyPower Corp.
30149868	Option Agreement for Transmission Line Easement	20/10/09	James D. MacAlpine SkyPower Corp
30149850	Option Agreement for Transmission Line Easement	20/10/09	Alston MacAlpine Peggy MacAlpine SkyPower Corp.

G. <u>Miscellaneous Assets Acquired through Interwind Corp. (formerly SkyPower Corp.):</u>

Document Name	Date	Parties
Shape File DVD with EA, Engineering, Survey, Layout and Transmission Line Information		SkyPower Corp.
Minutes of Meeting of Digby Co-Operative Pasture Limited re proposal for Transmission Line Options	August 24, 2009	Digby Co-Operative Pasture Limited SkyPower Corp.

Document Name	Date	Parties
Construction Bids and Bid Evaluation Form		SkyPower Corp. CBCL Limited
Padmount Transfer Bids and Bid Evaluation Form		SkyPower Corp.
Letter from EON WindElectric re Construction Bid Costs	August 10, 2009	EON WindElectric SkyPower Corp.
Letter from Signal Wind Energy LLC re Construction Bid Costs	September 4, 2009	Signal Wind Energy LLC SkyPower Corp.
Main Transformer Specifications		Stantec Consulting Inc. SkyPower Corp.
Option Easement for Transmission Lin e Easement	15/12/09	Jonathan Mullen Mink Ranch Limited Interwind Corp.

SCHEDULE "B"

MATERIAL CONTRACTS

1. the Leases;
2. the Options;
3. the Eco Energy Agreement;
4. the EUS Agreement;
5. the GE Contract;
6. the Generator Interconnection Agreement;
7. the Magna Purchase Order;
8. the Services Agreement; and
9. The Agreement of Purchase and Sale between 3240384 Nova Scotia Limited, as Purchaser and Churchill Ashford and Shirley Ashford as Vendor relating to the acquisition by 3240384 Nova Scotia Limited of certain lands identified as PID 30192447 and PID 30258982 situated at or near the South side of Old Gulliver's Cove Road, Rossway, Digby County, Province of Nova Scotia.

SCHEDULE "C"

NOTE

PROMISSORY NOTE

Principal: [redacted]

WHEREAS Nova Scotia Power Incorporated (the "**Undersigned**") entered into an asset purchase agreement with 3240384 Nova Scotia Limited (the "**Holder**"), as seller, dated as of May 28, 2010 (the "**Agreement**") pursuant to which the Undersigned agreed to purchase certain assets from the Holder and pay certain development costs incurred by the Holder;

AND WHEREAS pursuant to the Agreement the Undersigned agreed to pay to the Holder , or order the aggregate sum of [redacted] by way of promissory note subject to certain adjustments contemplated by the Agreement;

THEREFORE THE PARTIES AGREE THAT FOR VALUE RECEIVED the Undersigned hereby promises to pay to the Holder the principal sum of

Principal Amount: [redacted]

bearing interest commencing on the date hereof at a rate equal to the three month CDOR ("**CDOR**" in respect of any day means the Canadian Dollar Offered Rate, being the average rate for Canadian bankers' acceptances for specific terms-to-maturity, determined daily from a survey on bid-side rates provided by the principal market-makers, including the major Canadian banks, as noted on the Bank of Canada website and reset every three months from the date hereof) in effect plus 500 basis points (the "**Rate**"), payable in the following manner:

1. ADJUSTMENT TO PRINCIPAL AMOUNT

1.1 The Principal Amount may be adjusted as provided in the Agreement and the Undersigned and the Holder agree to execute and deliver such amendments, revisions, supplements or releases necessary to make any necessary adjustments to the Principal Amount as required under the Agreement.

2. SEMI ANNUAL PAYMENTS

2.1 From May 28, 2010, the Undersigned shall make semi-annual payments of interest only, in arrears and calculated at the Rate, on the Principal Amount or any portion thereof that remains outstanding from time to time, on November 28 and May 28 of each year with the first payment to be made on November 28, 2010.

3. UNPAID BALANCES

3.1 The balance of any amount which becomes due hereunder and remains unpaid including all or part of the Principal Amount or accrued and unpaid interest shall bear interest, payable on demand, until paid at the Rate.

4. DEMAND PROMISSORY NOTE

4.1 The Undersigned shall pay the Principal Amount together with any outstanding accrued and unpaid interest on demand of the Holder.

5. PLACE OF PAYMENT

5.1 Payments of the Principal Amount and accrued interest thereon shall be made at such a place as the Holder shall designate to the Undersigned in writing in lawful money of Canada.

6. PURPOSE

6.1 The obligations evidenced by this Note have been drawn by the Undersigned as partial payment of the consideration owed to the Holder for the purchase of the Assets (as defined in the Agreement) and payment of Development Costs (as defined in the Agreement) pursuant to the Agreement as the same may be adjusted from time to time under the terms and conditions contained in the Agreement.

7. NO SET-OFF

7.1 Each payment made pursuant to this Note shall be made without any set-off or counterclaim. The Holder may assign this Note without the consent of the Undersigned.

8. PREPAYMENT

8.1 This Note may be prepaid in whole, or from time to time in part, at any time without notice, bonus, penalty or premium. Any such prepayment shall be applied to accrued and unpaid interest and then to the Principal Amount.

9. WAIVER

9.1 The Undersigned hereby waives presentment for payment, notice of protest, demand for payment, notice of non-payment and notice of any other kind.

EXECUTED effective the 28th day of May 2010.

NOVA SCOTIA POWER INCORPORATED

PER: _____

NAME:
TITLE:

PER: _____

NAME:
TITLE:

SCHEDULE "D"

REQUIRED CONSENTS

1. Consent of the Nova Scotia Minister of the Environment with respect to the assignment of the Environmental Assessment Approval.

2. Consent of General Electric Company and General Electric Canada with respect to the assignment of the GE Contract.

3. Consent of Emera Utility Services Inc. With respect to the assignment of the EUS Agreement.

4. Consent of the Minister of Natural Resourses with respect to the assignment of the EcoEnergy Agreement.

EXECUTION COPY

POWER PURCHASE AGREEMENT FOR RENEWABLE ENERGY

Between

NOVA SCOTIA POWER INCORPORATED

And

SKYPOWER CORP.

EXECUTION COPY

POWER PURCHASE AGREEMENT FOR RENEWABLE ENERGY

This Power Purchase Agreement **(PPA)** is entered into as of March 31, 2008, between:

Nova Scotia Power Incorporated 1894 Barrington Street P.O. Box 910 Halifax, Nova Scotia B3J 2W5	and	SkyPower Corp. 250 Yonge Street, Suite 1602 Toronto, Ontario M5B 2L7

Notices:	**Nova Scotia Power Incorporated** P.O. Box 910 Halifax, Nova Scotia B3J 2W5	**SkyPower Corp.** 250 Yonge Street, Suite 1602 Toronto, Ontario M5B 2L7
	Fax: (902) 428-6171	**Fax:** (416) 981-8772
	Attention: Corporate Secretary rick.smith@nspower.ca	**Attention:** Vice President and General Counsel
Payments:	**Nova Scotia Power Incorporated** P.O. Box 910 Halifax, Nova Scotia B3J 2W5	**Payments to be made to the Seller by wire transfer as designated in a separate notice from the Seller**
	Fax: (902) 428-6735	**Fax:** (416) 981-8772
	Attention: Fuels Planning and Performance Department	**Attention:** Vice President and General Counsel

---

For good and valuable consideration (receipt of which is acknowledged), the Parties agree to the following commercial terms **(Commercial Terms)**:

1. Term: [redacted];
2. Site: Digby, Nova Scotia;
3. Name Plate Capacity of Facility: 30 MW;
4. Energy Rate: [redacted]/kWh;
5. Energy Bid: [redacted] (kWh/year);

6. Energy Source: Wind;

7. Scheduled Commercial Operation Date: December 31, 2009;

8. Pre-COD Amount: [redacted] (representing [redacted] multiplied by the number of megawatts of Name Plate Capacity of the Facility);

9. Post COD Amount: [redacted] (representing [redacted] multiplied by the number of megawatts of Name Plate Capacity of the Facility);

10. Renewable Attribute Loss Rate: [redacted]/kWh;

11. ecoENERGY Assignment Amount: [redacted]; and

12. Number of pages attached with Special Provisions: 8.

The following documents comprise the PPA and in the event of any inconsistency, the following order of precedence shall apply:

(a) the Commercial Terms;
(b) the Special Provisions;
(c) the General Terms and Conditions;
(d) the Project Description; and
(e) any other Appendices or attachments.

EXECUTED by the Parties the day and year first above written.

NOVA SCOTIA POWER INCORPORATED

By: _____
Name: Ralph R. Tedesco
Title: President and Chief Executive Officer

By: _____
Name: Richard J. Smith
Title: Corporate Secretary

SKYPOWER CORP.

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

GENERAL TERMS AND CONDITIONS FOR THE PURCHASE AND SALE OF RENEWABLE ENERGY

1 DEFINITIONS

Whenever used in the PPA, the following capitalized terms have the meanings ascribed to them below:

Additional Interconnection Equipment - has the meaning set forth in section 5.3(b)(i).

Affiliate - means any Person that: (a) Controls a Party; (b) is Controlled by a Party; or (c) is Controlled by the same Person that Controls a Party.

Annual Average Marginal Cost Rate - means, for a Contract Year, the Marginal Cost Rate for each day in the Contract Year, averaged over the Contract Year, as calculated by NSPI.

Arm's Length has the meaning specified under the *Income Tax Act* (Canada), as in effect on the date hereof.

Business Day - means a day other than a Saturday or a Sunday on which banks are open for business in the Province of Nova Scotia.

CAA - means an agreement among the Seller, NSPI and the Facility Lender setting forth arrangements in respect of the interest of the Facility Lender in the PPA by way of security for the financing provided by the Facility Lender.

Certification - means certification as a new renewable energy generation facility pursuant to the Renewable Energy Standard Regulations (Nova Scotia).

Commercial Operation - means the achievement of all of the following: (a) completion of the design, construction and commissioning of the Facility in accordance with the PPA; (b) interconnection of the Facility to the System in accordance with the Generator Interconnection Agreement; (c) the Facility has demonstrated the capability to generate at the Name Plate Capacity; (d) Certification of the Facility in accordance with the PPA; and (e) provision of the Performance Security required by section 3.2.

Commercial Operation Date - means the first day of the calendar month following Commercial Operation.

Commercial Terms - means the commercial terms itemized in the PPA.

Contract Energy - means the Energy Bid for each Contract Year during the Remaining Term, assuming no material variability in monthly generation and delivery and applying a reasonable factor for transmission losses up to the Delivery Point based on data compiled prior to the Early Termination Date. Where applicable, the Energy Bid will be prorated for any portion of a Contract Year.

Contract Year - means a twelve-month period during the Term, starting from the Commercial Operation Date or an anniversary thereof.

Control - means, with respect to any Person at any time, (a) holding, whether directly or indirectly, as owner or other beneficiary (other than as the beneficiary of an unrealized security interest) securities or ownership interests of that Person carrying votes or ownership interests sufficient to elect or appoint fifty percent (50%) or more of the individuals who are responsible for the supervision or management of that Person, or (b) the exercise or de facto control of that Person, whether direct or indirect and whether through the ownership of securities or ownership interests, by contract, trust or otherwise.

Convention - means United Nations Framework Convention on Climate Change and such amendments, additions or substitutions thereto which may be in effect from time to time throughout the Interim Period and the Term.

Daily Energy Bid - means, in respect of a Contract Year, the Energy Bid divided by the number of days in the Contract Year.

Delivery Point - means the point of interconnection between the Facility and the System where Energy from the Facility enters the System; provided that, for certainty, if Additional Interconnection Equipment is required for the interconnection between an existing portion of the System and the Point of Isolation then the Delivery Point will be where the Additional Interconnection Equipment interconnects with such portion of the existing System.

Dissolution Event - means, with respect to a Person, an effective resolution is passed or documents are filed in an office of public record in respect of, or a judgment or order is issued by a court of competent jurisdiction ordering, the dissolution, termination of existence, liquidation or winding up of that Person.

Early Termination Date - means the effective date of termination of the PPA.

Early Termination Payment - shall have the meaning set forth in section 12.5(a).

ecoENERGY for Renewable Power Program - means the ecoENERGY for Renewable Power Program established and administered by the Government of Canada.

Emission Reductions - mean those benefits recognized as intangible commodities by the Parties and/or others as arising under the PPA through the direct displacement by Energy from renewable sources, of the emissions from coal, oil, petroleum coke, natural gas or other fossil fuelled thermal electrical generation and includes Emission Reduction Credits (ERC's). Emission Reductions under the PPA relate to Greenhouse Gas Emissions (GHG) and other specific emissions known to arise from some or all fossil-fuel thermal electrical generation. GHG and other specific air emissions recognized under the PPA are CO2e, NO_X, SO_2, particulates and heavy metals and/or their salts or combinations thereof. Emission Reductions and ERC's do not include any Seller Benefits.

Emission Reduction Credits or ERC's - means all rights, title and interest in and to all benefits, rewards, credits, premiums, incentives, and other advantages related, in whole or

in part, to GHG Emission Reductions, whether in existence as of the date of the PPA or arising during the Interim Period and the Term to the extent related or attributable to the operation of the Facility for the generation of Energy or otherwise, including:

(a) any credit issued or granted by a Government Agency in connection with GHG Emission Reductions;

(b) any tradable allowance or allocated pollution right issued or granted in connection with GHG Emission Reductions;

(c) the sole right to claim credit in any reporting program established or maintained by any Government Agency relating to GHG Emission Reductions;

(d) the sole right to register, claim, file or bank GHG Emission Reductions in any registry system established or maintained by any Government Agency or non-governmental organization or entity;

(e) the sole right to any form of acknowledgment by a Government Agency that actions have been taken by any Person in connection with GHG Emission Reductions that result in the reduction, avoidance, sequestration or mitigation of anthropogenic GHG;

(f) the sole right to claim or use GHG Emission Reductions for any and all purposes and in any manner or form whatsoever now or in the future;

(g) the sole right to any form of acknowledgment by a Government Agency to claim tradable GHG allowance allocations when those tradable allowance allocations can be:

  (i) banked for credit in the event of regulation requiring any reduction, avoidance or mitigation of, or compensation for, GHG,

  (ii) claimed for credit against any compliance requirement, or

  (iii) put to any other sanctioned use;

(h) the sole right to any form of acknowledgment by an International Agency in respect of GHG Emission Reductions including the right to any acknowledgment that GHG Emission Reductions constitute tradable emission reduction units for the purposes of International Rules; and

(i) the sole right to any offset of anthropogenic GHG that can be claimed by using GHG Emission Reductions.

Energy or Electrical Energy - are interchangeable terms and mean electric energy measured as units of watt hours (kWh, MWh, GWh), including such other electrical products arising from the operation of the Facilities.

Energy Bid - means the Net Output to be delivered in each Contract Year, as specified in item 5 of the Commercial Terms.

Energy Rate - means the rate in ¢/kWh, as specified in item 4 of the Commercial Terms.

Energy Source - means the source used to generate Energy from the Facility, as specified in item 6 of the Commercial Terms.

Event of Insolvency - means an event or circumstance in respect of a Person where: (i) that Person admits its insolvency or makes a general assignment for the benefit of creditors or any proceeding is instituted by that Person seeking relief or giving notice of its intention to seek relief on its behalf as debtor, or to adjudicate it a bankrupt or insolvent, or seeking liquidation, winding-up, re-organization, arrangement, adjustment or composition of it or its debts under any Insolvency Legislation, or seeking appointment of a receiver, receiver and manager, trustee, custodian or other similar official for it or any substantial part of its property and assets or that Person takes any action to authorize any of the foregoing; or (ii) any proceeding is instituted against that Person seeking to have an order for relief entered against it as a debtor or to adjudicate it a bankrupt or insolvent or seeking liquidation, winding-up, reorganization, arrangement, adjustment or composition of it or its debts under any Insolvency Legislation, or seeking appointment of a receiver, receiver and manager, trustee, custodian or similar official for that Person or any substantial part of its property and assets, and: (A) such proceeding results in an entry of an order for such relief or any such adjudication or appointment, or (B) if such proceeding is not being contested, or is being contested in good faith, such proceeding continues undismissed, or unstayed and in effect, longer than twenty (20) days from the institution of any such proceeding.

Excepted Relief Event – shall have the meaning set forth in section 13.2(b).

Excess Energy - means, in respect of a Contract Year, the amount of Energy by which the Net Output for that Contract Year exceeds 1.15 multiplied by the Energy Bid.

Extraneous Event - means any failure in the generation and delivery of Energy by the Facility for which relief is afforded the Seller under section 13.2 or which is attributable to any curtailment, reduction or interruption by the System Operator of such generation or delivery pursuant to the Generator Interconnection Agreement (but, for certainty, excluding any curtailment, reduction or interruption which arises due to operation of the Facility in a manner that is inconsistent with Good Utility Practice or in a manner which is non-compliant with the Generator Interconnection Agreement).

Facility - means one or more generators described in the Project Description having, in the aggregate, the Name Plate Capacity, together with all protective and other associated equipment and improvements (including all transmission lines and substation equipment up to the Point of Isolation), as may be modified from time to time pursuant to the terms of this Agreement.

Facility Assets - means any rights, property and assets, whether real or personal and whether tangible or intangible, required to design, construct, operate, maintain, rehabilitate or modify the Facility, or required for use of the Site, including any contract or engagement for such purpose, Permits and any land tenure and land tenure agreements.

Facility Lender - means one or more Persons providing debt financing for the development, design, construction, operation, maintenance, rehabilitation or modification of the Facility and includes any agent or trustee of such Persons.

Fiscal Year - means the fiscal year of NSPI.

Force Majeure Event - shall have the meaning set forth in section 13.2(a).

Forced Outage - means any partial or total curtailment, interruption or reduction of the generation or delivery of Energy by the Facility that is due to a total or partial breakdown or other failure of any electrical system or any machinery or equipment comprising the Facility, which failure is attributable to any defect (including latent or recurring defect) in any such system, machinery or equipment (whether related to design, manufacture or installation) or any error in the operation, maintenance or rehabilitation of any such system, machinery or equipment or which is inherent in the use or operation of that type of system, machinery or equipment over time.

GHG or Greenhouse Gas Emissions - means any gas substance that is the subject of the Convention and related protocols, treaties, agreements and instruments and includes carbon dioxide, nitrous oxide, methane, hydrofluorocarbons, perfluorocarbons.

GHG Emission Reductions - mean reductions in Greenhouse Gas Emissions however measured and includes, for greater certainty, any reductions in Greenhouse Gas Emissions attributable to the purchase and resale by NSPI of Energy generated from the Facility as an alternative to generating Energy by other means which would result in higher levels of Greenhouse Gas Emissions.

Generator Interconnection Procedure - means the standard generator interconnection procedures published from time to time by the System Operator and approved by the Nova Scotia Utility and Review Board (or its successor).

Generator Interconnection Agreement - means the form of "Standard Generator Interconnection and Operating Agreement" prescribed by the Generator Interconnection Procedure (or, in the case of interconnection with a distribution System, the "Standard Small Generator Interconnection and Operating Agreement").

Good Utility Practice - means any of those practices, methods and activities (including the practices, methods and activities adopted by a significant portion of the North American electric industry) which are applicable to the development, design, construction, operation, maintenance, rehabilitation or modification of similar facilities and other infrastructure required for the generation, transmission or distribution of Energy (having regard, as applicable, to the Energy Source) and which, at a particular time, in the exercise of skill, diligence, foresight and reasonable judgment and having regard to the circumstances known at that time, could reasonably have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety, environmental protection, expedition and Laws and Regulations.

Government Agency - means any national, international, federal, provincial, state, municipal, county, regional or local government, organization or duly constituted authority, and includes:

(a) any department, commission, bureau, board, administrative agency or regulatory body of any government;

(b) any International Agency; and

(c) any Person acting as an authorized representative of any of the foregoing, including in the capacity as registrar in connection with any GHG Emission Reduction registry.

Group - means, in the case of NSPI, the NSPI Group and, in the case of the Seller, the Seller Group.

HST - means the harmonized sales tax exigible pursuant to the Excise Tax Act (Canada).

Incidental Service - means, as required for the Facility, and the Site, including the Energy used to service the Site and the Facility including Energy for construction, excitation, on-site maintenance and operation of auxiliary equipment and other Facility Assets.

Incremental Energy Rate - means the rate in ¢/kWh which is equal to NSPI's cost of generating or purchasing one more kWh of Energy from sources other than the Facility as calculated by NSPI averaged over the twelve (12) month period immediately preceding the relevant time.

Insolvency Legislation - means the Bankruptcy and Insolvency Act (Canada), the Winding Up and Restructuring Act (Canada) and the Companies' Creditors Arrangement Act (Canada) and the bankruptcy, insolvency, creditor protection or similar laws of any other jurisdiction (regardless of the jurisdiction of such application or competence of such law).

Interconnection System Impact Study - means, as pertaining to the Facility, the "Interconnection System Impact Study" to be conducted pursuant to the "Interconnection System Impact Study Agreement", as provided in the Generator Interconnection Agreement.

Interim Period - means any period prior to the Commercial Operation Date, but after interconnection of the Facility to the System in accordance with the Generator Interconnection Agreement, when the Facility is capable of generating Energy and delivering that Energy to the Delivery Point.

International Agency - means the parties to the Convention, the Intergovernmental Panel on Climate Change, and any other international commission, bureau, board, administrative agency or regulatory body responsible for measures to achieve objectives of the Convention.

International Rules - means any principles, modalities, rules and guidelines including those pertaining to verification, reporting and accountability for trading ERC's and/or other Emission Reductions authorized, promulgated or otherwise sanctioned and adopted by an International Agency.

Laws and Regulations - means:

(a) applicable federal, provincial or municipal laws, orders-in-council, by-laws, codes, rules, policies, regulations and statutes;

(b) applicable orders, decisions, codes, judgments, injunctions, decrees, awards and writs of any court, tribunal, arbitrator, Government Agency or other Person having jurisdiction;

(c) applicable rulings and conditions or any license, permit certificate, registration, authorization, consent and approval of any Government Agency (including the Permits); and

(d) any requirements under or prescribed by applicable common law.

Letter of Credit - means one or more irrevocable and unconditional standby letters of credit issued by a financial institution, with an office or branch in Halifax, Nova Scotia, listed in either Schedule I or II of the Bank Act (Canada) or having a minimum credit rating of (i) A-with Standard and Poors Rating Group (a division of McGraw Hill Inc.) or its successor, (ii) A3 with Moody's Investors Service, Inc. or its successor, (iii) A-low with Dominion Bond Rating Service Limited or its successor, or (iv) A-with Fitch IBCA, Duff and Phelps, a division of Fitch Inc. or its successor, in a form acceptable to NSPI acting reasonably.

Marginal Cost Rate - means the rate in ¢/kWh, which at the relevant time, is equal to NSPI's cost of generating or purchasing one more kWh of Energy from sources other than the Facility, as calculated by NSPI.

Meter Location - means the physical location where Energy is measured by the revenue class meter referred to in section 5.2(a).

Name Plate Capacity - means the name plate capacity of the Facility, as specified in item 3 of the Commercial Terms.

Net Output - means the Energy output of the Facility at the Delivery Point, as determined in accordance with section 5.2.

NSPI - means Nova Scotia Power Incorporated.

NSPI Group - means any of NSPI and its Affiliates and the respective employees, representatives or agents of NSPI and its Affiliates.

Offer shall have the meaning set forth in Section 13.5.

Offer Period shall have the meaning set forth in Section 13.5.

Offer Price shall have the meaning set forth in Section 13.5.

Offered Property shall have the meaning set forth in Section 13.5.

Party - means either the Seller or NSPI and Parties refers to both the Seller and NSPI.

Performance Security - means the security for the performance of the obligations of the Seller under the PPA to be provided and maintained by the Seller for the benefit of NSPI in accordance with the PPA.

Performance Security Default - means a failure of the Seller to provide and maintain the Performance Security in accordance with section 3.2 (including, where applicable, any failure to renew or replace the Performance Security by no later than fifteen (15) Business Days prior to the expiry thereof) or an Event of Insolvency occurs in respect of the issuer of the Performance Security or the issuer fails to comply with or perform its obligations under the Performance Security or disclaims or repudiates, or challenges the validity, in whole or in part, of the Performance Security, or the Performance Security otherwise fails or ceases to be in full force and effect.

Permits - means permits, certificates, licences and other approvals required for the ownership, design, construction, operation, maintenance, rehabilitation or modification of the Facility and, if applicable, the delivery of Energy to the Delivery Point.

Person - includes a natural person, a corporation, a partnership, a limited partnership, a joint venture, an association, a trust, a Government Agency and an unincorporated organization.

Point of Isolation - means the designated disconnect switch that securely isolates the Facility from the System.

Post COD Amount - means, for the purposes of section 3.2(b), the aggregate amount of the Performance Security, as specified in item 9 of the Commercial Terms.

PPA - means the Power Purchase Agreement executed by the Parties to which these General Terms and Conditions are attached and includes any Special Provisions, the appendices and any other attachments to the PPA, as well as the Project Description when accepted in writing by NSPI, as amended or supplemented from time to time in accordance with the provisions of the PPA.

Pre-COD Amount - means, for the purposes of section 3.2(a), the aggregate amount of the Performance Security, as specified in item 8 of the Commercial Terms.

Present Value - means the present value of a future stream of payments for Energy, as discounted to the Early Termination Date at the PV Discount Rate, with the timing of such payments reflecting (or substantially reflecting) the timing of payments for Energy under the PPA.

Prime Rate - means the annual rate of interest established by the Bank of Nova Scotia or its successor, from time to time, as the interest rate it will charge for demand loans in

Canadian Dollars to its commercial customers in Canada and which it designates as its "prime rate" based on a year of 365 or 366 days, as applicable. Any change in such interest rate shall be effective automatically on the date such change is announced by the Bank of Nova Scotia. Such rate of interest shall be calculated (but not compounded) daily, and compounded monthly, both before and after default, arbitral award and judgement.

Project Description - means the specifications and description of the Facility attached to the PPA upon execution or, if not attached at such time, to be provided by the Seller to NSPI prior to the commencement of construction of the Facility in a form specified by NSPI and to be incorporated into the PPA, by way of attachment, upon acceptance in writing by NSPI.

PV Discount Rate - means (a) if the Remaining Term is one year or less, the yield of Canadian Government Treasury Bills plus 45 basis points with a term closest to the Remaining Term, or (b) if the Remaining Term is greater than one year, the yield of Government of Canada Bonds plus 70 basis points with a term closest to the Remaining Term.

Remaining Term - means the remaining Term from and after the Early Termination Date without regard to termination of the PPA.

Renewable Attribute Loss - means any of those Emission Reductions and Renewable Energy Credits referred to in section 7.1(a), the benefit of which is lost relative to the Contract Energy, relative to Shortfall Energy and/or during any period in which the Seller fails to maintain the Certification for the Facility.

Renewable Attribute Loss Rate - means the rate in 0/kWh, as specified in item 10 of the Commercial Terms.

Renewable Energy Credits - mean those credits, benefits or other intangibles that now, or at any time in the future, convey a right in respect of those attributes (fungible or non-fungible), whether or not tradable, pertaining to the generation of Energy pursuant to the PPA, representing the renewable aspect of the source of such Energy, and include "green tags", "tradable renewable energy credits", or "renewable portfolio standard tags".

Reporting Date - shall have the meaning set forth in section 8.1(a).

Scheduled Commercial Operation Date - means the date scheduled for achieving the Commercial Operation Date, as specified in item 7 of the Commercial Terms.

Seller - means the Person or Persons identified as the "Seller" in the PPA.

Seller Benefits - means any federal or provincial tax credits, benefits, incentives, subsidies, deductions or allowances, including, without limitation, the treatment of Canadian Renewable and Conservation Expenses under the *Income Tax Act* (Canada) and accelerated write-off in respect of property which is described in Section 43.1 of Schedule 11 of the *Income Tax Act* (Canada), but excluding credits and benefits under the ecoENERGY for Renewable Power Program.

Seller Claimable Amount - has the meaning set forth in section 12.4(d).

Seller Group - means any of the Seller, its Affiliates and Seller Personnel.

Seller Personnel - means any Person providing, on behalf of the Seller, any design, construction, operation, maintenance or other services in connection with the Facility, including any Person contracted or engaged at any lower tier for such purpose, and any employees, representatives or agents thereof, and any employees, representatives or agents of the Seller and its Affiliates.

Shortfall Energy - has the meaning set forth in section 4.1(c).

Site - means the lands upon which the Facility will be located, as specified in item 2 of the Commercial Terms.

Special Provisions - means any amendments or supplements to these General Terms and Conditions agreed to in writing by the parties.

System - means the Energy distribution or transmission system operated by the System Operator.

System Operator - means that functional part of NSPI which controls and operates the electrical transmission system within the Province of Nova Scotia pursuant to the Open Access Transmission Tariff as approved by the *Nova Scotia Utility and Review Board.*

Term - means the term of the PPA, as specified in item 1 of the Commercial Terms (or any renewal thereof agreed by the Parties in writing), subject to early termination in accordance with the provisions of the PPA.

Termination Costs - means, as applicable, any costs and expenses reasonably incurred by a Party terminating the PPA with respect to terminating any arrangements relating to transactions provided for under the PPA or with respect to entering into any new arrangements to replace the PPA or taking other mitigative measures.

Third Party Offer shall have the meaning set forth in Section 13.5.

Third Party Offeror shall have the meaning set forth in Section 13.5.

2 FACILITY

2.1 Construction of the Facility

(a) The Seller shall perform, or cause to be performed, all activities necessary to complete the design, construction and commissioning of the Facility, at the Site, using Good Utility Practice and in compliance with Laws and Regulations and all applicable provisions of the PPA (including the Project Description), and so as to achieve the Commercial Operation Date by the Scheduled Commercial Operation Date. Without limitation, the Seller shall ensure that the Facility is designed and constructed to operate in accordance with the requirements of the PPA from the Commercial Operation Date until expiry of the Term.

(b) Prior to interconnection of the Facility to the System, the Seller shall execute and deliver the Generator Interconnection Agreement.

2.2 Delay in Achieving Commercial Operation Date

(a) If the Commercial Operation Date fails to occur by the Scheduled Commercial Operation Date then the Seller shall be liable to NSPI, upon demand, as liquidated damages in respect of such delay in achieving the Commercial Operation Date, for a sum equal to the Pre-COD Amount, and NSPI shall be entitled to draw or otherwise realize upon the Performance Security to recover such liquidated damages. For greater certainty, for purposes of determining the liquidated damages owing pursuant to this section 2.2(a), the Commercial Operation Date shall be deemed to be the day that the Seller achieves Commercial Operation.

(b) The right of NSPI to recover such liquidated damages as described in paragraph 2.2(a) (including accrued interest thereon), either by drawing upon the Performance Security or seeking recourse against the Seller for payment thereof, shall be the sole and exclusive remedy of NSPI in respect of such delay; provided that, for certainty, any recovery of such liquidated damages shall not be construed as: (i) relieving the Seller of its other obligations under the PPA (including the obligation to complete the design, construction and commissioning of the Facility and to obtain Certification of the Facility) or (ii) affecting any other rights and remedies of NSPI in respect of any breach by the Seller of such obligations.

2.3 Modifications to Facility

Subject to the provisions of section 4.1(d), the Seller shall not make any material modification to the Facility during the Term without the prior written consent of NSPI, which consent may be given subject to conditions including the condition that any such modification be carried out using Good Utility Practice and in compliance with Laws and Regulations and all applicable provisions of the PPA (including the requirements of the PPA for Certification of the Facility). For certainty, NSPI shall not be obliged to provide any such consent if the modification could reasonably be expected to have a material adverse effect on the rights or benefits of NSPI under the PPA or on the Energy Bid or the Name Plate Capacity.

2.4 NSPI Information During Design and Construction

By the fifteenth (15th) day of each calendar quarter following the date of this Agreement and continuing until the Commercial Operation Date, the Seller shall provide NSPI with quarterly progress reports in a form agreed to by the Parties describing the status of efforts made by the Seller to meet the Scheduled Commercial Operation Date and the progress of the design and construction work. At NSPI's request, the Seller shall provide an opportunity for NSPI to meet with appropriate personnel of the Seller to discuss and assess the contents of any such quarterly progress report.

3 TERM AND PERFORMANCE SECURITY

3.1 Term and Related Provisions

(a) The PPA shall become effective upon the date hereof.

(b) Without prejudice to the provisions of the PPA which pertain to that period prior to the commencement of the Term, the Term shall commence on the Commercial Operation Date.

(c) Anytime prior to the last 6 months of the Term, the Seller agrees to exclusively negotiate in good faith with NSPI the terms of a new power purchase agreement in respect of Energy generated by the Facility. If NSPI waives the Seller's obligation to negotiate or the Parties are unable to agree on the terms of a new power purchase agreement prior to the last 6 months of the Term, then the Seller, subject to section 3.1(d), shall be at liberty to negotiate the sale of Energy from the Facility to others.

(d) If, during the last six months of the Term, the Seller proposes to finalize a transaction for the sale of Energy from the Facility to any other Person then before entering into such proposed transaction the Seller shall first provide NSPI with a notice describing such transaction (including all material terms) along with the identity of the proposed counter-party and NSPI shall have the right within fifteen (15) Business Days of receipt of such notice to notify the Seller whether or not it is prepared to enter into an agreement with the Seller for the purchase of the Energy on such terms. If NSPI notifies the Seller that NSPI is prepared to enter into such agreement with the Seller then the Parties will, in good faith, do all acts, matters and things required to finalize and execute such agreement before the end of the Term. If NSPI fails to provide any notification to the Seller within such fifteen (15) Business Day period or, within such period, NSPI notifies the Seller that it does not intend to enter into such agreement with the Seller, then the Seller shall be at liberty to enter into such transaction.

3.2 Performance Security

(a)

(i) The Seller shall provide and maintain Performance Security:

(A) in an amount equal to two-fifths (2/5) of the Pre-COD Amount, within ten (10) Business Days of the date of the PPA; and

(B) in an amount equal to three-fifths (3/5) of the Pre-COD Amount, within ten (10) Business Days of receipt of the Interconnection System Impact Study.

(ii) For greater certainty, the Seller shall notify NSPI within one (1) Business Day of receipt of the Interconnection System Impact Study.

(b) Subject to the Seller providing the Performance Security in accordance with section 3.2(a) and provided NSPI has determined that any liquidated damages payable by the Seller under section 2.2(a) have been paid by Seller, then, upon achieving the Commercial Operation Date, the amount of the Performance Security shall be reduced to the Post COD Amount for the balance of the Term.

(c) Unless NSPI otherwise agrees, the Performance Security shall be in the form of a Letter of Credit and the Seller shall (i) renew or cause the renewal of each outstanding Letter of Credit on a timely basis as provided in the relevant Letter of Credit, and (ii) if the financial institution that issued an outstanding Letter of Credit has indicated its intent not to renew such Letter of Credit, provide a replacement Letter of Credit at least fifteen (15) Business Days prior to the expiration of the outstanding Letter of Credit.

(d) NSPI shall be entitled to draw upon or otherwise enforce the Performance Security in the event of any Performance Security Default and to hold any proceeds of such enforcement, as Performance Security in lieu of the Performance Security which has been enforced, until the Seller provides replacement Performance Security as provided in section 3.2(g).

(e) If there is a Performance Security Default then NSPI shall be entitled to withhold payment of any amount owing by NSPI to the Seller under the PPA, as Performance Security in lieu of the Performance Security in respect of which there is a Performance Security Default, until the Seller provides replacement Performance Security as provided in section 3.2(g).

(f) If NSPI draws upon or otherwise enforces the Performance Security as permitted hereunder, during any period when the Performance Security is required to be maintained in an amount equal to the Post COD Amount, or in the circumstances under section 2.2(b) where section 2.2(b)(i) applies, then the Seller shall provide additional or replacement Performance Security which is sufficient to maintain the Performance Security in an amount equal to the Post COD Amount.

(g) NSPI shall promptly return or release all or any part of the Performance Security held by NSPI provided the Seller has delivered replacement Performance Security for the Performance Security to be returned or released and such replacement Performance Security, together with any Performance Security not being returned or released, meets all the applicable requirements of this section 3.2 and there is no Performance Security Default in respect of any Performance Security not being returned or released.

(h) The Performance Security secures the obligations of the Seller under the PPA and, in the event of any breach by the Seller of such obligations, the Performance Security may be drawn upon or otherwise enforced as provided herein without prejudice to any other rights or remedies of NSPI in respect of such breach or any other breach of such obligations.

(i) NSPI shall return or release all Performance Security then held by NSPI within ten (10) Business Days after the end of the Term or after early termination of the

PPA in accordance with the provisions of the PPA, provided all obligations and liabilities of the Seller which have accrued up to such time, as well as those which have arisen upon early termination of the PPA, have been discharged.

4 DELIVERY AND ACCEPTANCE OF ENERGY

4.1 Required Sale and Delivery of Energy

(a) Subject to, and in accordance with, the terms and conditions of the PPA, the Seller shall sell and deliver to NSPI and NSPI shall purchase and take delivery at the Delivery Point, the entire Net Output of the Facility (including the entire Net Output during the Interim Period). The Net Output shall be sold and delivered by the Seller free of any liens, encumbrances or adverse claims.

(b) Recognizing that the availability of the Energy Source may vary and, consequently, the resulting Net Output may vary, the Facility shall be designed and constructed so as to generate and deliver, throughout the Term, an average yearly Net Output not less than the Energy Bid and the Seller shall use all reasonable commercial efforts to operate, maintain and rehabilitate the Facility in a manner which meets such Energy requirement.

(c) If the Net Output of the Facility during any Contract Year is less than ninety percent (90%) of the Energy Bid (excluding from such determination any deficiency in Net Output due to an Extraneous Event), then the Seller shall be liable to NSPI, as liquidated damages on account of the Renewable Attribute Loss, together with any incremental cost of replacement Energy, resulting from such deficiency ("Shortfall Energy"), for (i) an amount equal to the Renewable Attribute Loss Rate times the Shortfall Energy, plus (ii) an amount equal to the Shortfall Energy times the difference between Annual Average Marginal Cost Rate for that Contract Year and the Energy Rate (if the Annual Average Marginal Cost Rate for that Contract Year is greater than the Energy Rate). Such liquidated damages shall be payable by the Seller upon the demand of NSPI, which demand shall include a calculation of such liquidated damages. Other than any right of NSPI to terminate the PPA pursuant to Article 12 (and without prejudice to the rights of NSPI under section 4.1(d)), the right of NSPI to recover such liquidated damages (including accrued interest thereon), either by drawing upon the Performance Security or seeking recourse against the Seller for payment thereof, shall be the sole and exclusive remedy of NSPI in respect of such Renewable Attribute Loss and any incremental cost of replacement Energy; provided that, for certainty, any recovery of such liquidated damages shall not be construed as: (A) relieving the Seller of its other obligations under the PPA or (B) affecting any other rights and remedies of NSPI in respect of any breach by the Seller of such obligations.

(d) If the Net Output during any period of 24 months is less than an amount equal to eighty percent (80%) of twice the Energy Bid (if the Facility has a capacity factor of less than fifty percent (50%) as set out in the Project Description), or is less than ninety percent (90%) of twice the Energy Bid (if the Facility has a capacity factor equal to or greater than fifty percent (50%) as set out in the Project

Description), having excluded from such determination any deficiency in Net Output due to an Extraneous Event, then, upon the request of NSPI, the Seller shall be required to demonstrate to the satisfaction of NSPI (acting reasonably) within 60 days of receipt of such request: (i) that the Facility was designed and constructed to maintain an average yearly Net Output equal to the Energy Bid; (ii) that the design and construction of the Facility was based upon adequate meteorological studies specific to the Site which were compiled and interpreted in accordance with Good Utility Practice, and (iii) that the deficient Net Output was attributable to recorded anomalies in the availability of the Energy Source which could not have been reasonably anticipated based upon such interpretation, failing which the generating capacity of the Facility will be deemed insufficient and, unless otherwise agreed in writing, the Seller shall, within ninety (90) days of such request, take the necessary steps to commence installation of additional generating capacity for the Facility and thereafter diligently continue with such installation through to completion in accordance with a schedule which is acceptable to NSPI (acting reasonably), using Good Utility Practice and in compliance with Laws and Regulations and all applicable provisions of the PPA (including any requirements of the PPA for Certification of the Facility), so that, upon completion of such installation, the generating capacity of the Facility is sufficient to sustain an average yearly Net Output not less than the Energy Bid.

(e) With respect to sections 4.1(c) and 4.1(d), the records of NSPI shall, in the absence of manifest error, be conclusive for the purposes of determining whether there is any deficiency in Net Output.

(f) For purposes of calculating Net Output under section 4.1(c) or section 4.1(d), the Seller will be deemed to be delivering Energy in an amount equal to the Daily Energy Bid during each day an Extraneous Event is ongoing.

4.2 Acceptance of Energy

(a) Subject to, and in accordance with, the terms and conditions of the PPA, NSPI shall purchase or take the entire Net Output of the Facility (including the entire Net Output during the Interim Period), provided that NSPI may, on seven (7) days prior written notice to the Seller, acting reasonably and in good faith, suspend such obligation for so long as the Facility is not operated, maintained or rehabilitated in a manner consistent with Good Utility Practice or in a manner which is non-compliant with the Generator Interconnection Agreement.

(b) The Seller's exclusive remedy for any failure of NSPI to take or purchase any Net Output in accordance with the PPA (which Net Output in such case will be calculated by the Seller, acting reasonably, using reasonable assumptions, data and conversion factors) is a claim for the price payable by NSPI for such Net Output in accordance with section 5.1 (and any interest on any such amount owing by NSPI to the Seller), provided that the foregoing does not affect any rights of the Seller under section 5.4 or any right of the Seller to terminate the PPA in accordance with the provisions of Article 12. NSPI shall be given

reasonable rights of access to applicable Seller books, records and conversion factors in order to verify the data and Net Output calculations of the Seller.

(c) Notwithstanding anything to the contrary, the Seller shall not be entitled to any claim (for compensation or otherwise) in respect of any curtailment, interruption or reduction of the generation or delivery of Energy by the Facility (whether partial or total) which is effected pursuant to the Generator Interconnection Agreement.

5 PAYMENTS AND COSTS

5.1 Energy Payment

Subject to, and in accordance with, the terms and conditions of the PPA:

(a) for Net Output during the Interim Period, for Excess Energy during the Term and for Net Output during any period where the Seller is in breach of section 6.2, NSPI shall pay the Seller the lower of:

(i) the Incremental Energy Rate, and

(ii) the Energy Rate; and

(b) for Net Output during the Term (other than Excess Energy), NSPI shall pay the Seller the Energy Rate.

Such amounts payable shall be billed monthly in arrears in accordance with the provisions of section 5.2.

5.2 Billing, Meter Reading and Payment

(a) The amount of Energy delivered by the Seller to the Delivery Point will be determined by NSPI through revenue class metering installed or approved by NSPI, with adjustment for Energy losses between the Meter Location and the Delivery Point. NSPI shall read the meters on a monthly basis for determination of the Energy purchased from the Seller during that month and shall supply the results of such meter readings (including time and date of reading) to the Seller within five (5) Business Days following the end of the month to which the meter readings relate. The Seller will, in turn, issue an invoice to NSPI within ten (10) Business Days of receiving meter information from NSPI for that month and NSPI shall pay the amount of such invoice within thirty (30) days after receipt. In the event that NSPI is late reading the meters for any month then such thirty (30) day period will be reduced by the number of days of that delay. Seller shall have access to meters for reading and verification purposes.

(b) Subject to section 11(d), in the event that a meter reading error has occurred, the Party benefiting from such error shall account to the other Party for the amount which is in error.

(c) In the event of any failure of the metering equipment which prevents a determination pursuant to section 5.2(a), NSPI and the Seller agree to accept a reasonable estimate of the Net Output during the period of such failure, which is based on other recognized metering or measurement equipment at the Facility.

(d) Notwithstanding anything to the contrary, if the aggregate Net Output during any Contract Year exceeds the Energy Bid then the Excess Energy for the balance of that Contract Year shall be subject to the pricing provisions of section 5.1(a).

5.3 Interconnection Costs

(a) Subject to section 5.3(d), the costs of interconnecting the Facility to the System are the responsibility of the Seller. Such costs comprise all costs incurred by NSPI (as computed in accordance with the normal accounting procedures of NSPI) that are directly related to the interconnection of the Facility to the System consistent with Good Utility Practice and include the costs of any Interconnection Study or Optional Interconnection Study (as defined in the Generator Interconnection Agreement), installation of equipment, metering, and all incremental modifications to the System (to the extent that such modifications are for the sole benefit of the Facility and are necessary to interconnect the Facility to the System).

(b) For clarification, but without limiting the provisions of section 5.3(a), the interconnection process can be split into two distinct categories, as follows:

(i) **Facility Side**: The electrical equipment between the generators of the Facility and the Point of Isolation including all line work/cabling, voltage transformation, metering, protection, control & isolating equipment as set out in the Interconnection System Impact Study.

If required for interconnection, NSPI shall, at the cost of the Seller, be responsible for construction and shall assume ownership of the interconnection equipment from the Delivery Point to the Point of Isolation ("Additional Interconnection Equipment").

(ii) **System Side:** The final connection leads and any other modifications required to the System to accommodate interconnection of the Facility, including line upgrades, protection modifications at the origins of the line being connected to, telemetry equipment at receiving end and a System Control Center to receive necessary information/control for System operation purposes.

(c) By way of further clarification, interconnection costs exclude costs associated with conforming the generating and other equipment of the Facility to the System compatibility requirements set forth in the Generator Interconnection Agreement (such as, but not limited to, voltage management, ride-through and flicker parameters), which costs shall form part of the costs to be borne by the Seller in the design and construction of the Facility.

(d) NSPI may, at any time after final determination of the total amount of such interconnection costs and prior to the Seller reimbursing NSPI for such costs, notify the Seller of NSPI's intention to assume such costs and, within fifteen (15) days of receipt of such notice, the Seller will submit to NSPI the Seller's calculation of the amount by which the Energy Rate will be reduced on the assumption that such costs will be assumed by NSPI. If the Seller fails to submit such calculation within such fifteen (15) day period or, within thirty (30) days after receipt of such calculation, the Parties are unable to agree to the amount of such reduction, then NSPI may, within fifteen (15) days following the end of such fifteen (15) day period or thirty (30) day period, as the case may be, by further notice to the Seller, require the Seller to reimburse NSPI for such interconnection costs or, in the alternative, refer such matter for resolution pursuant to section 13.4. If the Parties agree to the amount of such reduction or, failing agreement, such amount is determined pursuant to section 13.4, then: (i) NSPI will assume such interconnection costs, (ii) the Energy Rate will be deemed reduced by the amount so agreed or determined, and (iii) if NSPI has made any payment to the Seller based on the Energy Rate without taking into account such reduction, the Seller shall, within thirty (30) days of NSPI making a demand therefor, reimburse the amount of such overpayment to NSPI.

5.4 Disputed Payments and Netting

In respect of amounts owing by one Party to the other pursuant to the PPA:

(a) Both Parties have the right to withhold that portion of payment in dispute until resolution is reached.

(b) If a dispute with respect to any payment to be made by NSPI is resolved in favour of the Seller, NSPI will pay such disputed and withheld amount, plus interest thereon at the Prime Rate, compounded monthly, from the due date to the date payment is made. If resolution is in favour of NSPI with respect to any payment to be made by the Seller, the Seller will pay any disputed and withheld amount, plus interest thereon at the Prime Rate, compounded monthly, from the due date to the date the payment is made. All such payments shall be made within fifteen (15) days of the date of such resolution.

(c) NSPI reserves the right to net amounts previously invoiced and owed to the Seller against amounts owed by the Seller to NSPI; however, if there is a dispute over the amounts involved, then NSPI shall not net any amounts without the dispute being resolved.

(d) The Seller reserves the right to net amounts previously invoiced and owed to NSPI against amounts owed by NSPI to the Seller; however, if there is a dispute over the amounts involved, then the Seller shall not net any amounts without the dispute being resolved.

(e) For certainty, nothing in this section 5.4 shall derogate from or affect any right of set off of either Party under the PPA.

5.5 Other Costs

Unless otherwise expressly provided herein, the Seller shall pay all taxes, levies, charges, costs and expenses whatsoever in respect of the Facility or the Facility Assets, and shall be solely responsible for all liabilities associated with performing or fulfilling its obligations hereunder; including payment of:

(a) real property taxes levied in respect of the Site;

(b) municipal taxes levied in respect of the personal property of the Seller comprised in the lands used by the Seller or any occupancy thereof;

(c) rent, charges or fees levied in respect of the availability or use of lands and the Energy Source by the Seller; and

(d) costs associated with the design, construction, maintenance, operating, rehabilitation and modification of the Facility, including utility costs.

5.6 Premiums and Incentives

Rates payable by NSPI for the purchase of Energy by NSPI pursuant to the PPA shall be as set forth in the PPA and, without limitation:

(a) the Seller shall not be entitled to any remuneration which NSPI receives from any of its customers on the re-sale of such Energy,

(b) Except for recovery of any expense incurred by the Seller under section 7.1(a), NSPI shall be entitled to the full benefit of all premiums and incentives associated with any such re-sale,

(c) Except for the recovery of any expense incurred by the Seller under section 7.1.(a) the Seller shall not be entitled to any additional compensation for the assignment to NSPI of the Emission Reductions and Renewable Energy Credits pursuant to section 7.1, and

(d) NSPI shall be entitled to any incentives, payments, grants or other benefits which are attributable to such Emission Reductions and Renewable Energy Credits, but without prejudice to any entitlement of the Seller to payments or incentives (or sharing thereof; as the case may be) as expressly provided in sections 7.1(c) and (d).

6 CERTIFICATION

6.1 Obtaining and Maintaining Certification

The Seller shall obtain Certification for the Facility on or before the Commercial Operation Date and ensure the Certification is in good standing as of the Commercial Operation Date and provide verification to NSPI that such is the case. NSPI shall provide the Seller, at Seller's expense, all assistance reasonably requested by Seller in connection with obtaining such Certification. Seller shall maintain such Certification in good standing throughout the

Term and, upon the request of NSPI from time to time, promptly provide verification to NSPI that such is the case. Notwithstanding the forgoing, the Seller shall immediately notify NSPI in the event that such Certification is no longer in good standing.

6.2 Failure to Maintain Certification

If the Seller fails to maintain Certification of the Facility during any period within the Term then the Seller shall be liable to NSPI, as liquidated damages on account of the Renewable Attribute Loss resulting from such failure, for an amount equal to the Renewable Attribute Loss Rate times the Daily Energy Bid for each day that such failure is continuing. Such liquidated damages shall be payable by the Seller upon the demand of NSPI, which demand shall include a calculation of such liquidated damages. Other than any right of NSPI to terminate the PPA pursuant to Article 12, the right of NSPI to recover such liquidated damages (including accrued interest thereon), either by drawing upon the Performance Security or seeking recourse against the Seller for payment thereof, shall be the sole and exclusive remedy of NSPI in respect of such Renewable Attribute Loss; provided that, for certainty, any recovery of such liquidated damages shall not be construed as: (i) relieving the Seller of its other obligations under the PPA or (ii) affecting any other rights and remedies of NSPI in respect of any other breach by the Seller of such obligations. If the provisions of this section and the provisions of section 4.1(c) apply during the same period then, during such period, NSPI shall be entitled to liquidated damages under one section or the other but not both.

7 RENEWABLE ATTRIBUTES

7.1 Assignment of Emission Reductions and Renewable Energy Credits

(a) Subject to section 7.1(d), the Seller hereby assigns, unconditionally and absolutely, all of its right, title and interest in and to all of the Emission Reductions and Renewable Energy Credits attributable to all of the Energy purchased by NSPI from the Seller pursuant to the PPA (including any Energy purchased during the Interim Period). The Emission Reductions and Renewable Energy Credits shall be assigned by the Seller free of any liens, encumbrances or adverse claims. The Seller shall, upon the request of NSPI from time to time, execute and deliver (or cause to be executed and delivered) all such further documents and instruments and do all acts and things as NSPI may reasonably require to better effect, evidence or perfect such assignment (or if such assignment is not permitted, to hold such right, title and interest in trust for NSPI) or to otherwise deal with the Emission Reductions and Renewable Energy Credits. Any expense incurred by the Seller pursuant to any such request of NSPI shall be for the account of NSPI and NSPI shall promptly reimburse the Seller for any such expenditure upon the Seller providing to NSPI evidence satisfactory to NSPI (acting reasonably) of the amount and purpose of the expenditure.

(b) Unless requested by NSPI, the Seller shall not participate in any voluntary program with respect to the Emission Reductions or Renewable Energy Credits without the prior written consent of NSPI, which consent may, subject to section 7.1(c), be arbitrarily withheld.

(c) The provisions of section 7.1(a) shall not apply to any Seller Benefits, provided the Seller shall not participate in any program giving rise to Seller Benefits if such participation reduces the amount of any Emission Reductions and Renewable Energy Credits to which NSPI would otherwise be entitled.

(d) The benefit of any ecoENERGY for Renewable Power Program production incentives, or any payments under any government program of substantially the same effect, provided to or earned by the Seller through the Term or any Renewal Term of this PPA that become available, and the Facility or the Seller qualify for, shall accrue as set out in item 11 of the Commercial Terms.

8 ENERGY PRODUCTION SCHEDULE

8.1 Reporting of Seller

The Seller shall:

(a) provide to NSPI, no later than that date ("Reporting Date") which is six (6) months prior to each Fiscal Year during the Term, with an estimate of the Net Output for each month during that Fiscal Year together with a schedule of any outages of the Facility which are planned during that Fiscal Year, and, in addition:

(i) with respect to any part of a Contract Year which does not fall within each such Fiscal Year, the Seller shall provide to NSPI an estimate and schedule of outages for that period no later than six (6) months prior to the commencement of such period, and

(ii) with respect to the Interim Period, provide to NSPI an estimate of the Net Output for that period no later than ten (10) days prior to the commencement of that period;

(b) promptly update and report to NSPI any material changes to the information provided pursuant to section 8.1(a) upon the Seller becoming aware of any such change;

(c) comply with reasonable requirements and requests by NSPI for information in respect of the daily operation of the Facility;

(d) provide to NSPI an hourly production forecast of Net Output for each day of the Interim Period and the Term, by 8:30 am Atlantic Prevailing Time of the previous day;

(e) provide to NSPI a mid-day and/or morning same day updated forecast with respect to any anticipated material variation from the previous forecast if the variation is attributable to sudden changes in Energy Source availability; and

(f) in the case of an Energy Source which is wind, make available to NSPI electronic access on a real time basis to wind speed and wind direction information affecting the operation of the Facility.

9 OWNERSHIP, RISK AND INSURANCE

9.1 Ownership, Risk and Responsibility

(a) Property in and all risk relating to the Energy generated and delivered to NSPI by the Seller pursuant to the PPA will pass from the Seller to NSPI at the Delivery Point. The Seller shall be responsible for all costs and losses of transmission of such Energy up to the Delivery Point and NSPI shall be responsible for all costs and losses of transmission of such Energy from and beyond the Delivery Point.

(b) For the purposes of the PPA, as between the Seller and NSPI, the Seller reserves all property rights and interests with respect to the Facility and the Site, and the Seller shall be solely responsible for the development, design, construction, operation, maintenance, rehabilitation and modification of the Facility, and, except as otherwise expressly provided in the PPA or the Generator Interconnection Agreement or by Laws and Regulations or by subsequent written agreement of the Parties, NSPI shall have no property rights or interests with respect to the Facility or the Site or any authority to affect or control any such activities which are the responsibility of the Seller.

9.2 Insurance

(a) The Seller shall, at all times during the Term and throughout any period when the Facility is being constructed, place and maintain all risk property insurance and boiler and machinery insurance with respect to the Facility and public liability insurance with respect to the use and occupancy of the Facility and the Site (including any activities of the Seller Group on the Site or in connection with the Facility whether during the course of construction or thereafter), all according to the terms and conditions as would be implemented by a reasonably prudent owner of infrastructure and land, and subject to conditions, similar to the Facility and Site (such terms and conditions and the underwriters of such insurance to be acceptable to NSPI, acting reasonably); provided that, with respect to the public liability insurance, such insurance shall be on an occurrence basis with a limit of not less Five million dollars ($5,000,000) per occurrence.

(b) The NSPI Group shall be named as an additional insured on each policy providing coverage for public liability. Each such policy shall contain cross liability and severability of interests provisions and shall provide primary coverage without any contribution from any insurance carried by the NSPI Group. No limitation or disclaimer of liability in favour of the Seller under the PPA shall preclude or limit any claim or entitlement of NSPI Group under any policies providing coverage for public liability. Each policy providing the all risk property coverage and boiler and machinery coverage shall contain a waiver of subrogation in favour of the NSPI Group.

(c) All such policies shall be endorsed to provide NSPI with not less than thirty (30) days advance written notice of any cancellation or any material amendment or change restricting coverage.

(d) If the insurance specified in section 9.2(a) is not available in markets utilized by reputable insurance brokers experienced in the placement of coverage for similar risks, or is not available upon reasonable commercial terms in such markets, then the Seller may propose alternate insurance specifications consistent with Good Utility Practice for the approval of NSPI (acting reasonably).

(e) If the Facility is totally or partially damaged due to an event for which the Seller is insured, the Seller shall repair such damage with all reasonable speed and due diligence. Except where such damage is caused by a Force Majeure Event entitling the Seller to relief under section 13.2, this provision shall not be construed as relieving the Seller from any of its other obligations under the PPA.

(f) The Seller shall promptly provide NSPI with certificates issued by insurers evidencing the insurance coverage specified in this section 9.2.

10 INDEMNIFICATION, LIABILITY, ETC.

10.1 Indemnification

(a) Each Party (an "Indemnitor") shall indemnify and hold harmless the other Party and the other members of its Group (each an "Indemnitee") from and against all losses, damages and liabilities suffered by the Indemnitee and all judgments, fines, penalties, charges, settlement amounts, costs, expenses and reasonable legal fees (on a solicitor and own client basis, including reasonable disbursements) incurred by the Indemnitee in connection with any causes of action, action, claim, suit, inquiry, proceeding or, investigation or appeal therefrom, to the extent attributable to the wilful acts or omissions, fault or negligence of the Indemnitor or any other member of its Group, or the breach of its obligations under the PPA, or, in the case of the Seller, arising in connection with any emissions from the Facility, or relating or attributable to Energy prior to its delivery to the Delivery Point, or in the case of NSPI, relating or attributable to Energy after it has been delivered to the Delivery Point.

(b) In respect of any indemnity obligation of the Indemnitor under the PPA, the Indemnitee shall give notice to the Indemnitor of any claim or other proceeding which may give rise to such obligation within such period which does not materially prejudice the rights of the Indemnitor under this section 10.1(b), whereupon the Indemnitor shall, at its own cost, be entitled to take carriage of the defence of any such claim or other proceeding, provided the Indemnitor undertakes such defence promptly upon receiving such notice or otherwise becoming aware of any such claim or other proceeding. If, within a reasonable time after becoming aware of such claim or other proceeding (having regard to any limitation period for responding to same), the Indemnitor fails to undertake, without any reservation of rights, the defence of such claim or other proceeding, the Indemnitee shall have the right, for the account of Indemnitor, to undertake the defence, settlement or compromise of such claim or other proceeding. If the Indemnitor has undertaken such defence and:

(i) there is reasonable expectation that the claim or other proceeding may materially and adversely affect the Indemnitee other than as the result of monetary damages or payments, or

(ii) there is reasonable expectation that the outcome of the claim or proceeding will be beyond any limit of liability of the Indemnitor set forth in the PPA, or

(iii) there is reasonable expectation that Indemnitor does not have sufficient resources, financial or otherwise, to satisfy its indemnity obligation, or

(iv) the Indemnitee has legal defences or counter-claims available that are different from or additional to any defences or counter-claims available to the Indemnitor, or

(v) the insurers of the Indemnitee exercise any right of defence under any policy responding to such claim or other proceeding,

then the Indemnitee shall have the right, at the cost and expense of the Indemnitor (if and to the extent the proceeds of any such insurance do not cover such cost and expense), to participate in the negotiation, settlement, compromise or defence of the claim or other proceeding and to retain counsel to act on behalf of the Indemnitee; provided that, in any other circumstance, the Indemnitee shall reserve the right to such participation at its own cost and expense. In any event, the Indemnitor shall not, without the consent of the Indemnitee, which consent will not be unreasonably withheld, conditioned or delayed, admit liability, settle, compromise or take any similar action in respect of the claim or other proceeding. At all times, the Indemnitor shall keep the Indemnitee apprised of the carriage of the defence and provide the Indemnitee with such other information in respect thereof as the Indemnitee may reasonably require.

(c) In respect of any indemnity obligation of a Party under the PPA, the other Party holds the benefit of such indemnity in its own right and in trust for the other members of its Group.

10.2 Consequential Loss

Neither Party shall be liable to the other Party under any theory of liability for any punitive, consequential or indirect damages, of any nature whatsoever, arising out of or in connection with the PPA, including loss of use, loss of revenue, loss of profit, loss of contract, loss of goodwill or any other loss or damage of an indirect or consequential nature suffered by the other Party. For certainty, this provision shall not apply to liability for liquidated damages, the right of the Seller to claim payment for Net Output purchased or taken by NSPI hereunder, the right of the Seller to claim the Seller's Claimable Amount or the right of NSPI to claim the Early Termination Payment.

10.3 Representations and Warranties of Seller

The Seller represents and warrants to NSPI as follows, and acknowledges that NSPI is relying on such representations and warranties in entering into the PPA:

(a) It has the requisite power, authority and capacity to enter into the PPA and to carry out its obligations under the PPA.

(b) The PPA has been duly authorized, executed, and delivered by it and, assuming the due execution and delivery by the other Party, the PPA constitutes the legal, valid and binding obligation enforceable against it in accordance with its terms, except as such enforcement may be limited by Insolvency Legislation or other laws affecting the rights of creditors generally and except that equitable remedies may only be granted in the discretion of a court of competent jurisdiction.

(c) The execution and delivery of the PPA by it and the consummation of the transactions contemplated hereby will not result in the breach or violation of any of the provisions of, or constitute a default under, or conflict with or cause the termination, cancellation or acceleration of, its material obligations or any judgment, decree, order or award to which it is subject or any licence, permit, approval, consent or authorization held by it.

(d) It is not subject to an Event of Insolvency.

(e) There are no actions, suits, proceedings, judgments, rulings or orders by or before any Government Agency or arbitrator, or, to its knowledge, threatened against it, that could have a material adverse effect on its ability to perform its obligations under the PPA.

(f) All requirements for it to make any declaration, filing or registration with, give any notice to, or to obtain any licence, permit, certificate, registration, authorization, consent or approval of, any Government Agency as a condition to entering into the PPA have been satisfied.

(g) It is the legal and beneficial owner of the Emission Reductions and Renewable Energy Credits free and clear of all liens, encumbrances and adverse claims.

(h) It has procured, or will have procured prior to commencement of construction of the Facility, all land tenure or land tenure agreements in respect of the Site which are required to carry out its obligations under the PPA.

(i) It is not a non-resident of Canada for the purposes of the Income Tax Act (Canada).

10.4 Representations and Warranties of NSPI

NSPI represents and warrants to the Seller, and acknowledges that the Seller is relying on such representations and warranties in entering into the PPA:

(a) It has the requisite power, authority and capacity to enter into the PPA and to carry out its obligations under the PPA.

(b) The PPA has been duly authorized, executed, and delivered by it and, assuming the due execution and delivery by the other Party, the PPA constitutes the legal, valid and binding obligation enforceable against it in accordance with its terms, except as such enforcement may be limited by Insolvency Legislation or other laws affecting the rights of creditors generally and except that equitable remedies may only be granted in the discretion of a court of competent jurisdiction.

(c) The execution and delivery of the PPA by it and the consummation of the transactions contemplated hereby will not result in the breach or violation of any of the provisions of, or constitute a default under, or conflict with or cause the termination, cancellation or acceleration of, its material obligations or any judgment, decree, order or award to which it is subject or any licence, permit, approval, consent or authorization held by it.

(d) It is not subject to an Event of Insolvency.

(e) There are no actions, suits, proceedings, judgments, rulings or orders by or before any Government Agency or arbitrator, or, to its knowledge, threatened against it, that could have a material adverse effect on its ability to perform its obligations under the PPA.

(f) All requirements for it to make any declaration, filing or registration with, give any notice to, or to obtain any licence, permit, certificate, registration, authorization, consent or approval of, any Government Agency as a condition to entering into the PPA have been satisfied.

11 OPERATION AND MAINTENANCE, RECORDS & METERS

(a) The Seller shall, throughout the Term, operate, maintain and rehabilitate (or cause to operate, maintain and rehabilitate) the Facility in a manner consistent with the Certification, using Good Utility Practice and in compliance with Laws and Regulations and the applicable provisions of the PPA (including the Project Description). The Seller shall be solely responsible for protecting the Facility and the Facility Assets from any damage caused by faults or disturbances of the System.

(b) Except for Incidental Service, the Seller shall not permit the Facility to use any source for generation other than the Energy Source. The Seller shall not permit the Facility to draw any Energy from the System, directly or indirectly, other than for Incidental Service.

(c) The Seller and NSPI shall both keep complete and accurate records and all other data required by either of them for the purpose of proper administration of the PPA and, without limitation, the Seller shall keep all records and other documentary evidence of any production incentives and payments contemplated in section 7.1(d) and which may be necessary to establish, substantiate or

maintain any claim or title of NSPI to Emission Reductions and Renewable Energy Credits pursuant to section 7.1(a). All such records shall be maintained as required by Laws and Regulations but for no less than seven (7) years after the creation of the record or data. Each Party shall provide or cause to be provided to the other Party reasonable access to the relevant and appropriate financial and operating records or data kept by it or on its behalf relating to the PPA reasonably required for the other Party to comply with its obligations to Government Agencies or to verify billings or to verify information provided in accordance with the PPA or to verify compliance with the PPA. Either Party may use its own employees for purposes of any such review of records provided that those employees are bound by the confidentiality requirements provided for in Section 14.5. Alternatively, and at the election of either Party, access shall be through the use of a mutually agreed upon third party auditor provided that the auditor is bound by the confidentiality requirements provided for in section 14.5. Each Party shall pay the fees and expenses associated with use of its own third party auditor, as applicable. NSPI shall have the right, from the date of the PPA through to the end of the Term, upon advance notice, to access the Site and the Facility at all reasonable times for the purpose of reading, inspecting, installing or maintaining revenue metering equipment, examining the Facility or the construction thereof or for any other purpose related to performance of the respective obligations of the Parties under the PPA. Such access shall not unreasonably interfere with the activities at the Site or the Facility. While accessing the Site or the Facility, all personnel of NSPI shall, to the extent reasonable, follow all Site and Facility safety rules and procedures which have been previously notified to NSPI by the Seller. The inspection of the Facility or the exercise of any audit rights or the failure to inspect the Facility or to exercise audit rights by or on behalf of NSPI shall not relieve the Seller of any of its obligations to comply with the terms of this Agreement. No Seller Event of Default by the Seller will be waived or deemed to have been waived by any inspection by or on behalf of NSPI. In no event will any inspection by NSPI hereunder be a representation that there has been or will be compliance with this Agreement and Laws and Regulations.

(d) All Facility revenue class metering equipment shall be routinely tested by NSPI. At any time, either Party may request a test of the accuracy of the metering equipment at its own expense. The results of meter calibrations or tests shall be available for examination by the Parties at all times. If at any time, any meter equipment is found to be outside of the accuracy requirements for revenue class meters as per NSP-DOC-026 of the " NSPI Metering Quality Assurance Program" in which Measurement Canada's error limits are identified, NSPI shall cause such metering equipment to be made accurate or replaced as soon as possible. If the meter is found to be accurate within 3%, no financial adjustment will be required. Each Party shall be given reasonable opportunity to be represented in person at any time that a meter is sealed or unsealed for whatever reason from time to time (reasonable notice shall be provided by the initiating party to the other party for this purpose), and shall comply with any reasonable request of the other concerning the sealing of meters and other matters affecting the accuracy of the measurement of Energy delivered. If either Party believes that a meter is operating inaccurately, it shall immediately notify the other Party. In the event

that a meter's accuracy, by testing, is found to be subject to variances of greater than 3%, a financial adjustment will be made to compensate for any excess variance over the 3% limit for a period not to exceed ninety (90) days.

12 TERMINATION

12.1 Seller Events of Default

Each of the following will constitute an event of default by the Seller ("Seller Event of Default"):

(a) The Net Output of the Facility during the period from January 1, 2010 to December 31, 2010 is less than eighty percent (80%) of the Energy Bid (excluding from such determination any deficiency in Net Output due to an Extraneous Event).

(b) The Seller fails to make any payment when due (other than a payment which is subject to a bona fide dispute) and such failure or default is not remedied within ten (10) Business Days after written notice of such failure or default from NSPI.

(c) There is a Performance Security Default relating to the Pre-COD Amount.

(d) There is a Performance Security Default relating to the Post-COD Amount and the failure or default is not remedied within ten (10) Business Days after written notice of such failure or default from NSPI.

(e) An Event of Insolvency occurs with respect to the Seller.

(f) A Dissolution Event occurs with respect to the Seller unless there has been a permitted and valid assignment of the entire interest of the Seller in the PPA (along with the Facility and the Facility Assets) pursuant to section 13.3.

(g) The Seller breaches the provisions of section 2.3 or section 13.3.

(h) The Seller wrongfully repudiates the Generator Interconnection Agreement or such agreement is terminated in accordance with its terms other than for a default of NSPI thereunder.

(i) The Seller is in breach of any of its representations, warranties or obligations (other than Seller Event of Default set forth above), which breach has, or could reasonably be expected to have, a material adverse effect on the rights and interests of NSPI under the PPA, and the breach is not remedied within thirty (30) days after written notice of such breach from NSPI or, if the breach cannot be remedied within such thirty (30) day period, the Seller fails to demonstrate to the reasonable satisfaction of NSPI that the Seller is diligently and expeditiously taking steps to remedy the breach and, in any event, within ninety (90) days after such notice from NSPI.

(j) The Seller is in deliberate or persistent breach of any of its obligations (including any breach previously remedied pursuant to section 12.1(g)) and, within ten (10) Business Days of the request of NSPI, has not provided an undertaking satisfactory to NSPI (acting reasonably) that effects a remedy of the breach and assures NSPI (acting reasonably) the breach is not likely to recur.

12.2 Remedies of NSPI

(a) If a Seller Event of Default (other than a Seller Event of Default under sections 12.1(e) and 12.1(f)) occurs and has not been remedied or cured within the time allowed pursuant to this Agreement and, after such additional time, is continuing, NSPI may, subject to section 13.2, upon five (5) days advance notice to the Seller, terminate the PPA. Such notice shall be given no later than sixty (60) days after the discovery of the Seller Event of Default. The termination shall be effective upon receipt (or deemed receipt) of such notice as provided in section 15.

(b) If a Seller Event of Default occurs under section 12.1(e), NSPI may, upon notice to the Seller within fifteen (15) days after the discovery of such Seller Event of Default, terminate the PPA, in which case the PPA shall be deemed terminated effective immediately before the occurrence of such Seller Event of Default and the obligations of NSPI under the PPA shall be deemed suspended after the Early Termination Date. Upon the occurrence of a Seller Event of Default under section 12.1(f), the PPA shall automatically terminate effective immediately before the occurrence of such Seller Event of Default and the obligations of NSPI under the PPA shall be deemed suspended after the Early Termination Date.

(c) If the PPA is terminated pursuant to section 12.2(a) or section 12.2(b) then NSPI may demand the Early Termination Payment, except if NSPI terminates the PPA pursuant to section 12.2(a) for a Seller Event of Default under section 12.1(a).

(d) If a Seller Event of Default occurs and has not been remedied or cured within the time allowed pursuant to this Agreement and, after such additional time, is continuing, NSPI may:

(i) set off any payments due to the Seller against any amounts payable by the Seller to NSPI;

(ii) draw upon or otherwise enforce the Performance Security and, if NSPI has not exercised its rights of termination, require the Seller to provide additional or replacement Performance Security in accordance with section 3.2(f); and/or

(iii) suspend its obligations under the PPA, including the suspension of any further payments to the Seller and any other obligation which is not otherwise suspended pursuant to section 12.2(b).

12.3 NSPI Events of Default

Each of the following will constitute an event of default by NSPI ("NSPI Event of Default"):

(a) NSPI fails to make any payment when due (other than a payment which is subject to a bona fide dispute) and the failure is not remedied within ten (10) Business Days after written notice of such failure from the Seller.

(b) An Event of Insolvency occurs with respect to NSPI.

(c) A Dissolution Event occurs with respect to NSPI unless there has been a permitted and valid assignment of the entire interest of NSPI in the PPA pursuant to section 13.3.

(d) NSPI breaches the provisions of section 13.3.

(e) NSPI is in breach of any of its representations, warranties or obligations (other than a NSPI Event of Default set forth above), which breach has, or could reasonably be expected to have, a material adverse effect on the rights and interests of the Seller under the PPA, and the breach is not remedied within thirty (30) days after written notice of such breach from the Seller or, if the breach cannot be remedied within such thirty (30) day period, NSPI fails to demonstrate to the reasonable satisfaction of the Seller that NSPI is diligently and expeditiously taking steps to remedy the breach or the breach is not remedied within ninety (90) days after such notice from the Seller.

12.4 Remedies of the Seller

(a) If a NSPI Event of Default (other than a NSPI Event of Default under sections 12.3(b) and 12.3(c)) occurs and has not been remedied or cured within the time allowed pursuant to this Agreement and, after such additional time, is continuing, the Seller may, subject to section 13.2, upon five (5) days advance notice to NSPI, terminate the PPA. Such notice of termination shall be given no later than sixty (60) days after the discovery of the NSPI Event of Default. The termination shall be effective upon receipt (or deemed receipt) of such notice as provided in section 15.

(b) If a NSPI Event of Default occurs under section 12.3(b), the Seller may, upon notice to NSPI within fifteen (15) days after the discovery of such NSPI Event of Default, terminate the PPA, in which case the PPA shall be deemed terminated effective immediately before the occurrence of such NSPI Event of Default and the obligations of the Seller under the PPA shall be deemed suspended after the Early Termination Date. Upon the occurrence of a NSPI Event of Default under section 12.3(c), the PPA shall automatically terminate effective immediately before the occurrence of such NSPI Event of Default and the obligations of the Seller under the PPA shall be deemed suspended after the Early Termination Date.

(c) If a NSPI Event of Default occurs and has not been remedied or cured within the time allowed pursuant to this Agreement and, after such additional time, is continuing, the Seller may set off any payments due to NSPI against any amounts payable by NSPI to the Seller and suspend the performance of its obligations under the PPA including any obligation which is not otherwise suspended pursuant to section 12.4(b).

(d) Upon termination of the PPA pursuant to this section 12.4, the Seller shall be entitled to claim, in addition to its Termination Costs, the loss of the economic benefit of the PPA based on the Present Value for Contract Energy at the Energy Rate having regard to any mitigative measures available (or which reasonably could be expected to be available) to the Seller including, as applicable, replacement revenue which reduces or eliminates such loss, avoided costs and salvage as determined in a commercially reasonable manner ("Seller Claimable Amount"), provided that:

(i) if the total Net Output during the 12 months immediately preceding the Early Termination Date is less than the Energy Bid, or

(ii) if, at such time, two or more Contract Years have expired, the average Net Output for those Contract Years is less than the Energy Bid,

(excluding from either determination any deficiency in Net Output due to an Extraneous Event or due to the exercise by the Seller of its rights under this Article 12) then the Energy Bid shall be reduced to such total or average, as the case may be, for the purpose of determining Contract Energy. If, within fifteen (15) Business Days of presentation of the Seller Claimable Amount to NSPI, NSPI notifies the Seller that it is disputing the Seller Claimable Amount or NSPI fails to notify the Seller of its acceptance of the Seller Claimable Amount (in which case the Seller Claimable Amount shall be deemed in dispute), then the Seller may refer the dispute for resolution pursuant to section 13.4. During such period, the Seller shall promptly provide such information relative to the determination of the Seller Claimable Amount as NSPI may reasonably require. If NSPI notifies the Seller of its acceptance of the Seller Claimable Amount or the Parties agree to another amount then, within ten (10) Business Days of such notice or agreement, or upon other resolution of any dispute under this section 12.4(d), NSPI shall pay to the Seller the Seller Claimable Amount or such other amount, as the case may be, together with interest at the Prime Rate from and including the Early Termination Date until and including the date of payment.

(e) Notwithstanding anything to the contrary, but without prejudice to section 16(b) or to the Seller's rights under section 12.4(d), upon termination of the PPA pursuant to this section 12.4, NSPI shall only be responsible for payment of amounts accruing to the Seller under the PPA up to the Early Termination Date.

12.5 Early Termination Payment

(a) If NSPI terminates the PPA pursuant to section 12.2 (except for a Seller Event of Default under section 12.1(a)), NSPI shall, in good faith, determine its

Termination Costs and calculate its claim for liquidated damages with respect to Renewable Attribute Loss, and otherwise the loss of the economic benefit of the PPA, for the Remaining Term (the "Early Termination Payment").

(b) The Early Termination Payment will be an amount equal to the Termination Costs of NSPI, plus an amount equal to the Renewable Attribute Loss Rate times the Contract Energy, plus the amount (if any) by which:

(i) the Present Value for the Contract Energy at relevant market pricing (either quoted by a bona fide third party offer or which is reasonably expected to be available in the market under a replacement contract for the PPA that does not include replacement of the Renewable Attribute Loss), exceeds

(ii) the Present Value for the Contract Energy at the Energy Rate.

To ascertain the market pricing of a replacement contract for purposes of calculating the Early Termination Payment, NSPI shall consider, among other valuations, at least two (2) quotations from leading dealers or brokers in power purchase and sale contracts and other bona fide third party offers, all adjusted for the length of the Remaining Term and any transmission differential. The Seller agrees that NSPI shall not be required to enter into any replacement contract or transaction in order to calculate or be entitled to the Early Termination Payment.

(c) NSPI shall give to the Seller the amount of the Early Termination Payment, together with a statement showing the determination of the amount thereof. If, within fifteen (15) Business Days of presentation of the Early Termination Amount to the Seller, the Seller notifies NSPI that it is disputing the Early Termination Amount or the Seller fails to notify NSPI of its acceptance of the Early Termination Amount (in which case the Early Termination Amount shall be deemed in dispute), then NSPI may refer the dispute for resolution pursuant to section 13.4. During such period, NSPI shall promptly provide such information relative to the determination of the Early Termination Amount as the Seller may reasonably require. If the Seller notifies NSPI of its acceptance of the Early Termination Amount or the Parties agree to another amount then, within ten (10) Business Days of such notice or agreement, or upon other resolution of any dispute under this section 12.5(c), the Seller shall pay to NSPI the Early Termination Amount or such other amount, as the case may be, together with interest at the Prime Rate from and including the Early Termination Date until and including the date of payment.

(d) For certainty, the Seller shall not be entitled to dispute the methodology for calculating the Early Termination Payment as set forth in this section 12.5 but may dispute the reasonableness of the inputs to the calculation or any material departure from such methodology.

12.6 Termination for Force Majeure

Where the Seller is entitled to relief from its obligations under section 13.2, and the occurrence or impact of the Force Majeure Event has a material adverse effect on the performance by the Seller of its obligations under the PPA for a continuous period of more than twelve (12) months (including any delay in achieving the Commercial Operation Date by the Scheduled Commercial Operation Date, prior to any extension of the Scheduled Commercial Operation Date pursuant to section 13.2(e)) from the date the Seller gives notice of the occurrence of the Force Majeure Event pursuant to section 13.2(c)(i), then, while such circumstance is continuing beyond such period, either Party may terminate the PPA upon fifteen (15) days advance notice to the other Party without any costs or payments of any kind to either Party, and all Performance Security shall be returned forthwith.

12.7 Saving Provision

For certainty, the rights of the Parties under this section 12 will be in addition to the rights of the Parties set forth in section 16(b), provided this provision shall not be deemed to allow any double recovery.

13 PERMITS, FORCE MAJEURE, ASSIGNMENT AND DISPUTE RESOLUTION

13.1 Permits

The Seller hereby agrees to obtain and maintain all relevant Permits.

13.2 Force Majeure

(a) For purposes of the PPA, "Force Majeure Event" means any event or circumstance that is beyond the control of the affected Party ("Affected Party"), which is not an Excepted Relief Event, and includes:

(i) acts of God (including ice and other storms, lightning, floods, earthquakes, volcanic eruptions and landslides),

(ii) epidemics, labour disputes, war (whether declared or not), blockades, acts of public enemies, acts of sabotage, civil insurrection, riots and civil disobedience,

(iii) explosions and fires,

(iv) an order, judgement, legislation, ruling or direction by any Government Agency prohibiting a Party from performing its obligations under this Agreement, provided that the Affected Party has not applied for or assisted in the application for and has used commercially reasonable efforts to oppose said order, judgement, legislation, ruling or direction,

(v) any delay in the completion of, or inability to complete, the interconnection of the Facility to the System, caused solely by either NSPI or the System Operator,

(vi) action or non-action caused solely by a governmental authority, whether federal, provincial or local (including expropriation, requisition, regulatorily required curtailment), and failure to grant, or revocation of, any governmental authorization, approval, consent, license or permit, provided that

(A) such action or non- action was caused solely by the applicable governmental authority

(B) the Party invoking relief on account of the Force Majeure Event did not, in any way, contribute to or cause such action or non-action, and

(C) the Party invoking relief on account of the Force Majeure Event did not consent or acquiesce to such action or non-action.

(b) Notwithstanding anything to the contrary, the Affected Party shall not be entitled to claim any relief under this section 13.2 in respect of any of the following events or circumstances (an "Excepted Relief Event"):

(i) Economic hardship or lack of funds.

(ii) Forced Outage.

(iii) During the construction of the Facility (including any modification thereof), any weather condition which (A) could be anticipated by an experienced Person familiar with constructing projects similar to the Facility and at locations and under conditions similar to those to pertaining to the Facility and/or (B) does not exceed the twenty (20) year severity for that weather condition in the area where the Facility is located, as determined by, or according to the records of, the Meteorological Service of Canada (or its successor), or any event or circumstance arising from such weather condition.

(iv) Any strikes, work stoppages (or deteriorations), slowdowns or other labour actions directed solely at the Affected Party or at all or any other members of its Group.

(v) Any direct or indirect delay in obtaining, or failure to obtain, any labour, materials, equipment or other resources, except where such delay or failure is caused by another event which is not an Excepted Relief Event but otherwise falls within the definition of Force Majeure Event.

(vi) Any failure (financial or otherwise) or delay of any Seller Personnel, including any breach by any Seller Personnel of their contractual

obligations or the terms upon which they are engaged, except where such failure or delay is caused by another event which is not an Excepted Relief Event but otherwise would fall within the definition of Force Majeure Event if any such Seller Personnel were the Affected Party.

(vii) Any event or circumstance attributable to the unreasonable delay or lack of reasonable diligence of the Affected Party or any other member of its Group, including any event or circumstance which the Affected Party (or any other member of its Group), acting diligently, could reasonably have been expected to avoid or overcome in the performance of its obligations, provided that nothing herein shall be construed to require either Party to settle any strike or labour dispute.

(viii) Any event or circumstance caused by the breach of the obligations of the Affected Party or its fault or negligence or the fault or negligence of any other member of its Group, or by violation of Laws or Regulations by the Affected Party or any other member of its Group.

(ix) Any unavailability of the Energy Source or variation in the availability of the Energy Source except: (A) where the Energy Source is transported to the place of generation, such transport is prevented, hindered or delayed by an event which is not an Excepted Relief Event but otherwise falls within the definition of Force Majeure Event; or (B) in the case of an Energy Source which is water, there is a significant reduction in the availability of the Energy Source caused by landslide, earthquake or volcanic eruption; or (C) in the case of an Energy Source which is solar, there is a significant reduction in the availability of the Energy Source caused by volcanic eruption.

(c) If an Affected Party is unable, by reason of a Force Majeure Event or Extraneous Event, to perform its obligations under the PPA, either wholly or in part, the Affected Party shall be excused from such performance to the extent such performance is impacted by the Force Majeure Event or Extraneous Event, provided in the case of a Force Majeure Event the Affected Party shall:

(i) give prompt notice to the other Party of the occurrence of the Force Majeure Event (including a description of the Force Majeure Event and reasonable evidence verifying its occurrence) together with an estimation of its expected duration and the probable impact of the Force Majeure Event on the performance of the obligations of the Affected Party;

(ii) provide regular reports updating any information previously submitted regarding the expected duration or impact of the Force Majeure Event;

(iii) exercise all reasonable efforts to mitigate the impact of the Force Majeure Event including, to the extent reasonably practicable, continuing with its obligations which are partially impacted by the Force Majeure Event and, as soon as reasonably practicable, resuming the performance of its obligations which are wholly impacted by the Force Majeure Event; and

(iv) provide prompt notice to the other Party of the cessation of the Force Majeure Event or the impact of the Force Majeure Event on the performance of the obligations of the Affected Party.

(d) Nothing in this section 13.2 shall relieve a Party of its obligation to make any payment of any amount that was due and owing before the occurrence of the Force Majeure Event or that otherwise becomes due and payable during any period when the Force Majeure Event is continuing or while the obligations of the Affected Party are impacted by the Force Majeure Event.

(e) If a Force Majeure Event causes the Seller to fail to achieve the Commercial Operation Date by the Scheduled Commercial Operation Date, then the Scheduled Commercial Operation Date shall be extended for such reasonable period of delay directly resulting from the impact of the Force Majeure Event. After the commencement of the Term, the occurrence of a Force Majeure Event shall not extend the Term.

(f) In the event that the Parties, each acting reasonably and in good faith, do not agree that a Force Majeure Event has occurred, the Parties shall resolve the dispute in accordance with Section 13.4, provided that the burden of proof as to whether a Force Majeure Event has occurred shall be upon the Party claiming a Force Majeure Event.

13.3 Assignment

(a) Subject to section 13.3(b), a Party shall not assign or dispose of the PPA, or any direct or indirect interest in the PPA, except with the consent of the other Party, such consent not to be unreasonably withheld, delayed or conditioned.

Notice of a request for consent to assign shall be given by the assignor to the other Party not less than 30 days before the date of assignment and, except where section 13.3(c) applies and except in the case of assignment to a Facility Lender, shall be accompanied by a proposed form of assignment and assumption agreement and evidence of the capability of the assignee as required by section 13.3(b). Any sale or other disposition of all of the Seller's ownership interest in the Facility or the Facility Assets (or any portion thereof which is material to the Seller's compliance with its obligations under the PPA), or of all or any interest of the Seller in the PPA or revenue derived from the PPA, including by way of mortgage, pledge, charge or grant of a security interest, as well as any change of Control, merger, amalgamation or reorganization of the Seller, is deemed to be an assignment by the Seller for the purposes of this section 13.3. Where Control is transferred to an Affiliate or where the Seller merges or amalgamates with an Affiliate or enters into a reorganization with an Affiliate, NSPI may require, upon notice to the Seller, that either section 13.3(b) or (c) shall apply to any such transaction having regard to the nature or structure of the transaction.

For the purpose of the preceding paragraph, a change of Control shall exclude a change in the ownership of shares or units of ownership that are listed on a recognized stock exchange.

(b) Any assignment contemplated in section 13.3(a) (other than an assignment to a Facility Lender and except as otherwise provided in section 13.3(a)) is subject to the following conditions:

(i) the assignor not being in default of its obligations under the PPA;

(ii) the assignee entering into and becoming bound by the PPA, assuming all the obligations and liabilities of the assignor under the PPA (arising both before and after the assignment) and providing, in the case of an assignment by the Seller, replacement Performance Security in accordance with the provisions of section 3.2 at the time of assignment;

(iii) the assignee demonstrating to the reasonable satisfaction of the other Party its capability (financial, technical and otherwise) to fulfil and assume all such obligations and liabilities of the assignor or, in the case of a change of Control, merger, amalgamation or reorganization of the Seller, the parties to that transaction demonstrating to the reasonable satisfaction of NSPI, the continued ability of the Seller, or the party arising out of the change of Control, merger, amalgamation or reorganization, to perform and discharge its obligations and liabilities under the PPA;

(iv) the assignee's past dealings with NSPI or any NSPI Affiliates were acceptable to NSPI acting reasonably; and

(v) the assignment would not have a material adverse effect on NSPI or NSPI's customers.

and, upon satisfaction of such conditions, the assignor shall be released from its obligations and liabilities under the PPA and any Performance Security provided by it will be returned or released.

(c) Notwithstanding anything to the contrary, in the case of an assignment to an Affiliate of the assignor, the consenting or notified Party may require, as a condition of such consent, where such consent is required, that the assignor and assignee agree to assume, jointly and severally, all of the obligations and liabilities of the assignor under the PPA (arising both before and after the assignment), in which case the provisions of section 13.3(b), except for section 13.3(b)(i), shall not apply and the existing Performance Security shall remain in place unless the assignee provides replacement Performance Security in accordance with the provisions of section 3.2 at the time of the assignment.

(d) If the Seller seeks consent to assign to a Facility Lender, the Seller acknowledges that NSPI is entitled to require, as a condition of NSPI's consent to such assignment, that the Seller and the Facility Lender enter into a CAA with NSPI in form and substance acceptable to NSPI (acting reasonably). Without limitation, as a condition to entering into a CAA, NSPI shall be entitled to require that the CAA be subject to section 13.3(e) and section 13.3(f).

(e) No consent to any assignment given by NSPI under this section 13.3 implies or constitutes a consent to the exercise by the assignee, or any Affiliate of the assignee, whether or not a Facility Lender, of any right, if the exercise of that right, at the time it was acquired, would require the consent of NSPI under this section 13.3, and the exercise of any such right will require the further consent of NPSI.

(f) Nothing in this section 13.3 shall be construed as requiring NSPI to consent to any assignment that results (or could reasonably be expected to result) in the alienation of the Facility and/or the Facility Assets (or any portion thereof which is material to the Seller's compliance with its obligations under the PPA) apart from the entire interest of the Seller in the PPA.

(g) The assignor shall reimburse the other Party for all costs reasonably incurred in connection with an assignment.

(h) Notwithstanding section 13.3(a), the Seller shall not effect any assignment or other disposition of its interest in the PPA, including any event or action that is deemed an assignment under section 13.3(a), prior to the Commercial Operation Date, except: (i) to an Affiliate or a Facility Lender as permitted under this section 13.3; or (ii) with the prior consent of NSPI, which consent may be given, withheld or conditioned in the unfettered discretion of NSPI.

13.4 Dispute Resolution

(a) In the event of a dispute arising between the Parties as to the subject matter of the PPA that cannot be resolved between them, the Parties agree to submit the dispute to binding arbitration, pursuant to the terms of the Commercial Arbitration Act (Nova Scotia). In particular, the Parties agree to utilize the arbitration procedure attached as Schedule "A" to the Commercial Arbitration Act (Nova Scotia) in the conduct of the arbitration. The Party wishing to have any dispute submitted to arbitration (the "Claimant") shall give notice to the other party (the "Respondent") specifying the particulars of any issue in dispute and proposing the name of the individual it wishes to be the single arbitrator. Within fifteen (15) days thereafter, the Respondent shall give notice to the Claimant advising whether the Respondent accepts the arbitrator proposed by the Claimant. If notice is not given within the fifteen (15) day period, the Respondent shall be deemed to have accepted the arbitrator proposed by the Claimant. In the event that the Parties can not agree on a single arbitrator within the fifteen (15) day period, the arbitrator shall be selected in accordance with the Commercial Arbitration Act (Nova Scotia). No such arbitrator shall have previously been employed by either Party and shall not have a direct or indirect interest in either Party or the subject matter of the arbitration. The cost of the arbitration (excluding a Party's legal fees and disbursements) shall, unless otherwise ordered by the arbitrator or the panel, be borne equally by the Parties. The decision of the arbitrator shall be final and binding and the beneficiary of any award of the arbitrator may bring proceedings in any jurisdiction to enforce the award or any judgment enforcing the award. The bringing of such proceedings in one or more jurisdictions shall not preclude the

bringing of enforcement proceedings in any other jurisdiction. In connection with any such proceeding, each Party waives any right to de novo review of the award against that Party.

(b) All performance required under the PPA shall continue during the dispute resolution proceeding contemplated by this section 13.4, provided that, unless otherwise expressly provided, this provision shall not be interpreted or applied to delay or restrict the exercise of any rights or remedies of the Parties under the PPA. With respect to any dispute regarding amounts owed under the PPA, the Parties agree to pay any undisputed amounts in accordance with the provisions of the PPA.

13.5 Right of First Refusal

If at any time after the Commercial Operation Date the Seller receives a bona fide written offer (a "Third Party Offer") from any Person dealing at Arm's Length with parties to the PPA (the "Third Party Offeror") to purchase all or substantially all of the Facility (the "Offered Property"), which Third Party Offer is acceptable to the Seller, the Seller shall by notice in writing to NSPI offer (the "Offer") to sell the Offered Property to NSPI, based on the same price (the "Offer Price") and upon the same terms and conditions as are contained in the Third Party Offer. The Offer shall not be revocable except with the consent of NSPI and shall be open for acceptance by NSPI for a period (the "Offer Period") of 15 Business Days from the date received by NSPI. If the Offer is accepted by NSPI within the Offer Period, the Seller shall agree to sell and NSPI shall agree to purchase the Offered Property upon the terms and conditions contained in the Offer. If NSPI has elected in writing not to purchase, the Seller shall be permitted to sell the Offered Property to the Third Party Offeror in accordance with the Third Party Offer.

14 MISCELLANEOUS PROVISIONS

14.1 General

(a) For the purposes of interpreting the PPA:

(i) Words in the singular include the plural and vice versa.

(ii) The use of the words "including" and "include" are not limiting.

(iii) The words "herein", "hereof" and "hereunder" and other words of similar import refer to the PPA as a whole and not to any particular Article, section or other subdivision.

(iv) The division of the PPA into Articles, sections or other parts and the insertion of headings are for convenience only and do not affect the interpretation of the PPA.

(v) Reference to monetary amounts is in Canadian Dollars unless otherwise stated.

(vi) Reference to any legislation (including regulations) is a reference to that legislation in force from time to time and to any subsequent legislation which has the effect of supplementing or superseding that legislation.

(vii) No consent or approval contemplated under the PPA shall be effective unless given in writing.

(viii) Time shall be of the essence.

(b) The Parties shall, at all times, comply with all Laws and Regulations in the performance or fulfilment of their obligations hereunder.

(c) The relationship between the Parties shall be that of independent contractors for the sale and purchase of the Net Output. Nothing in the PPA shall be interpreted as creating between the Parties any partnership, joint venture, fiduciary or similar relationship, or any other arrangement regarding the conduct of their respective affairs which is not expressly stated herein.

(d) The PPA may be executed by the Parties in counterparts, each of which, when so executed and delivered to the other, shall be deemed an original and when taken together shall be deemed one and the same instrument.

(e) The facsimile transmission of any signed original of the PPA shall be the same as the delivery of an original hereunder. At the request of any Party, the Parties shall immediately deliver to each other, an original executed copy of the PPA.

(f) Each Party shall, from time to time, execute and deliver all such further documents and instruments and do all acts and things as the other Party may reasonably require to effectively carry out or better evidence or perfect the full intent and meaning of the PPA.

(g) In connection with the negotiation of, the entering into, and the performance under, the PPA, each Party represents to the other party that: (i) it is acting as principal (and not as agent or in any other capacity, fiduciary or otherwise); (ii) it is not relying upon any representations (whether written or oral) of the other Party other than the representations expressly set forth in the PPA; (iii) the other Party has not given to it (directly or indirectly through any other Person) any advice, counsel, assurance, guarantee, or representation whatsoever as to the expected or projected success, profitability, return, performance, result, effect, consequence, or benefit (either legal, regulatory, tax, financial, accounting or otherwise) of the PPA; (iv) it has consulted with its own legal, financial, technical and other advisors to the extent it has deemed necessary; (v) it is entering into the PPA with a full understanding of all the risks associated with the transactions hereunder and it is capable of assuming and willing to assume those risks. In this regard, and without limitation, the Seller shall be solely responsible for determining the suitability of the Site for the purposes of the PPA.

14.2 Interest

If either Party fails to make payments as they become due under the PPA or pursuant to an arbitral award, interest on such unpaid amounts shall also become due and payable until paid at a rate equal to the Prime Rate.

14.3 Liquidated Damages

The Parties acknowledge and agree that, in the circumstances where liquidated damages are payable by one Party to the other, the other Party will suffer financial damage in such circumstances and that such financial damage will be proximate and substantial, but the actual amount thereof will be very difficult, if not impossible to ascertain, and, accordingly, the amount, or method of determining the amount, of the liquidated damages is a genuine pre-estimate, or a methodology for arriving at a genuine pre-estimate, of the amount of such financial damage and shall not be considered penal.

14.4 Remedies

Unless otherwise expressly provided, any duties and obligations imposed by the PPA and any rights and remedies available under the PPA shall be in addition to and not a limitation of any other duties, obligations, rights and remedies imposed or available under the PPA or under Laws and Regulations.

14.5 Confidential Information

(a) Any and all information and knowledge relating to the Facility, the Energy generated therefrom, the ownership or use of the Facility, and any and all information emanating from the other Party's business in any form that a Party may acquire under the terms of the PPA, or by virtue of the relationship between the Parties created by the PPA (collectively, "Confidential Information"), shall be considered confidential and, except as permitted elsewhere in this section 14.5, shall not be used, revealed or divulged to any other Person, or published in any manner whatsoever, without first obtaining the written consent of the other Party.

(b) Notwithstanding the provisions of section 14.5(a), a Party may reveal or divulge Confidential Information:

(i) that is already in the public domain when disclosed to a Party or becomes, after having been disclosed to a Party, generally available to the public through publication or otherwise unless the publication or other disclosure was made directly or indirectly by a Party in breach of this Agreement;

(ii) to its Affiliates and to its and their officers, directors, employees, agents or other representatives on a need to know basis provided they have agreed to maintain such Confidential Information in confidence;

(iii) as required by applicable laws, including, without limitation, as required by the Nova Scotia Utility and Review Board (or its successor), the orders or directions of tribunals having jurisdiction or stock exchange or clearing

house requirements, provided that where circumstances permit, and where such disclosure is not made in the ordinary course to such persons, prior to any disclosure, the other party shall be notified of any such proposed divulgence and the divulging Party shall at the other Party's request, take reasonable steps to allow the other Party to contest the requirement for disclosure or to obtain an order or ruling to preserve the confidentiality of such Confidential Information;

(iv) as necessary in connection with any dispute resolution commenced pursuant to this Agreement or any litigation commenced in respect of this Agreement; or

(v) in confidence, to the extent necessary, to any consultants, contractors, lenders, financial institutions or advisors of such Party, Facility Lenders or any potential investors in the Seller or the Facility.

(c) The confidentiality obligations of the Parties under this section 14.5 shall not extend beyond that date which is the fifth (5th) anniversary of the end of the Term or the Early Termination Date, however, this provision shall not affect any rights of either Party in respect of any breach by the other Party of its obligations under this section 14.5 which arises prior thereto.

14.6 Applicable Law and Jurisdiction

The laws of the Province of Nova Scotia and the federal laws of Canada applicable therein (without regard to any conflict of law principles which would apply the laws of another jurisdiction) shall govern all matters arising out of or related to the PPA including damages and enforcement. For such matters, the Parties shall, subject to section 13.4, attorn to the non-exclusive jurisdiction of the courts of Nova Scotia located in Halifax.

14.7 Preparation of PPA

The PPA shall be considered for all purposes as prepared through the joint efforts of the Parties, including provisions relating to the validity, interpretation, construction of the PPA and the respective obligations, rights and remedies of the Parties under the PPA, and the provisions of the PPA shall not be construed against one Party or the other as a result of the preparation or other event of negotiation, drafting or execution of the PPA.

14.8 Severability

If any provision of the PPA is declared or held to be illegal, invalid or unenforceable, such provision shall be considered stricken and the remainder of the PPA shall remain in full force and effect. The Parties shall negotiate in good faith to replace the stricken provision with a legal, valid and enforceable provision that comes as close as possible to expressing the intention of the stricken provision.

14.9 Complete Agreement

All previous communications or agreements between the Parties, whether verbal or written, with reference to the subject matter of the PPA are superseded by the PPA and the PPA constitutes the entire agreement between the Parties with respect to such subject matter. The PPA shall not be amended or supplemented except by subsequent written agreement between the Parties.

14.10 Waiver

No waiver of any provision of the PPA shall be binding unless executed in writing by the Party to be bound thereby. No waiver of any provision of the PPA shall constitute a waiver of any other provision thereof, nor shall any such waiver constitute a continuing waiver or waiver of any subsequent failure to comply, unless otherwise expressly provided in such written waiver. No inspection, review, comment, approval, verification, confirmation, acknowledgement or audit by NSPI or any Governmental Agency, or anyone on their behalf, nor any failure to do so, shall relieve the Seller from performing or fulfilling any of its obligations under the PPA.

14.11 Change In Fiscal Year

The current Fiscal Year is January 1 to December 31. During the Term, NSPI may, from time to time, change the Fiscal Year upon notice to the Seller advising the Seller of such change, provided such notice shall be given not less than 30 days prior to the Reporting Date.

14.12 HST and Other Tax Matters

(a) Notwithstanding anything to the contrary, amounts payable pursuant to the PPA are exclusive of HST or similar tax and each Party shall pay to the other, in addition to such amounts, HST or similar tax properly exigible on such amounts.

(b) Each Party shall be a registrant in accordance with the provisions of the Excise Tax Act (Canada) from the beginning of the Interim Period or, if there is no Interim Period, prior to commencement of the Term, and will continue to be a registrant throughout the Interim Period and the Term.

(c) Each Party shall provide notice to the other of its HST registration number prior to the commencement of the Interim Period or, if there is no Interim Period, prior to the commencement of the Term.

(d) The Seller shall indemnify and hold NSPI harmless from and against any demand, claim, payment, liability, fine, penalty, cost or expense, including accrued interest thereon, relating to any taxes for which the Seller is responsible under section 5.5 or relating to any withholding tax arising on account of Seller being or becoming a non-resident of Canada for the purposes of the Income Tax Act (Canada).

14.13 Joint and Several Liability

If the Seller is not a single entity then all entities comprising the Seller shall be jointly and severally liable to NSPI for all representations, warranties, indemnities, obligations and liabilities of the Seller under the PPA.

15 NOTICES

Every communication provided for herein shall be in writing and delivered to, sent by recognized overnight delivery service or mailed by postage prepaid, or faxed, or e-mailed to, the Party to whom it is intended to be given at the address stipulated on the cover page or such other address (or facsimile number or e-mail) as a Party shall hereafter designate in writing from time to time. Notice shall be given when received on a Business Day of the addressee. In the absence of proof of the actual receipt date, the following presumptions shall apply. Any communication personally delivered shall be deemed to have been received upon actual delivery. Any communication sent by overnight delivery service shall be deemed to have been received two (2) Business Days after being sent. Any communication sent by mail shall be deemed to have been received five (5) Business Days after having been mailed. Any communication sent by facsimile shall be deemed to have been received on the Business Day following the date of transmission, provided that the sending Party has received a positive transmittal record of such transmission and has promptly sent the original of such communication by prepaid mail or recognized overnight delivery service. Any communication sent by e-mail shall be deemed to have been received on the Business Day following the date of sending, provided that the sending Party has not received a delivery failure notification with respect to the e-mail and has promptly sent the original of such communication by prepaid mail or recognized overnight delivery service.

16 SURVIVAL AND ENUREMENT

(a) Except as otherwise expressly provided in the PPA, the PPA shall not confer upon any other Person, except the Parties and, subject to section 13.3, their respective successors and assigns, any rights, interests, obligations or remedies under the PPA. The PPA shall be binding upon and enure to the benefit of the Parties and, subject to section 13.3, their respective successors and assigns.

(b) All provisions of the PPA which by their express terms or nature are continuing shall survive expiration or termination of the PPA, including this provision, the provisions of section 7.1 and any provisions relating to performance security, confidentiality, indemnification, termination, dispute resolution, as well as any provisions which are required to determine, or which exclude or limit, any liability or which are otherwise required to give effect to or interpret any such provisions which are continuing. For certainty expiration or termination of the PPA shall not affect or prejudice (i) any rights or obligations of the Parties that have accrued or arisen under the PPA prior to the time of expiration or termination, including any amounts owing by one Party to the other (whether or not due at the time of expiration or termination) together with interest thereon, (ii) the right of either Party (or, as the case may be, any other member of its Group) to the benefit of any indemnity given by the other Party in respect of any event or circumstance occurring before the time of expiration or termination to which any

such indemnity applies, even though such event or circumstance or any claim or liability in respect thereof does not manifest until after the time of expiration or termination, (iii) the right of either Party to the benefit of any confidentiality provisions whether the breach of such provisions by the other Party occurs before or after the time of expiration or termination, or (iv) the right of either Party to claim the reasonable cost of enforcing its rights under the PPA, whether such enforcement arises prior to or after the time of expiration or termination.

17 LIST OF APPENDICES

Appendix A – Project Description

Appendix A

Project Description

Pages 50 through 57 have been removed due to confidentiality.

THIS LICENSE TO USE ASSETS AND OPTION AGREEMENT made as of this 28th day of May, 2010,

BETWEEN:

NOVA SCOTIA POWER INCORPORATED, a body corporate, incorporated under the laws of the Province of Nova Scotia

(hereinafter referred to as the "**Licensor**")

- and -

3240384 NOVA SCOTIA LIMITED, a body corporate, incorporated under the laws of the Province of Nova Scotia

(hereinafter referred to as the "**Licensee**")

WHEREAS:

A. The Licensor, as purchaser, and the Licensee, as vendor, entered into an asset purchase agreement dated May 28, 2010 (the "**Purchase Agreement**") whereby the Licensee agreed to sell to the Licensor the Purchased Assets (as defined herein);

B. A condition precedent to the transactions contemplated by the Purchase Agreement was for the Licensee and the Licensor to enter into this Agreement granting the Licensee a license to use certain of the Purchased Assets for and to provide the Licensee with an option to re-purchase the Purchased Assets and any additional assets necessary for the operation of the Project (as defined herein);

C. The Licensee requires access to and use of certain of the Purchased Assets for the purposes of performing its obligations under the Power Purchase Agreement (as defined herein);

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the mutual covenants and agreements herein contained and the sum of $1.00 of lawful money of Canada and other good and valuable consideration paid by each of the parties hereto to each of the other parties hereto (the receipt and sufficiency of which are hereby acknowledged), it is agreed between the parties hereto as follows:

ARTICLE 1
INTERPRETATION

1.1 **Definitions.** Whenever used in this Agreement, the following words and phrases shall have the respective meanings ascribed to them as follows:

(a) **"Agreement", "this Agreement", "hereof", "herein"** and **"hereunder"** and similar expressions refer to this agreement and the schedules attached and not to any particular article, section or other portion hereof and include any agreement or instrument amending or supplementing the same;

(b) **"Acquired Project Assets"** means any additional assets, property or rights acquired by the Licensor after the Effective Date for use solely in connection with the Project, but not including any other assets, property or rights of the Licensor;

(c) **"Commercial Operation Date"** shall have the meaning set forth in Section 1 of the Power Purchase Agreement;

(d) **"Development Costs"** shall have the meaning set forth in the Purchase Agreement;

(e) **"Effective Date"** means the same day as the Closing Date as set forth in the Purchase Agreement;

(f) **"Good Utility Practices"** shall have the meaning set forth in Section 1 of the Power Purchase Agreement;

(g) "**Leases**" means all of the lease agreements and land option agreements forming part of the Purchased Assets;

(h) **"License"** means the license granted by the Licensor to the Licensee in Section 3.1 hereof;

(i) **"Licensed Assets"** means any of the Purchased Assets or the Acquired Project Assets necessary for the Licensee's operation of the Project after the Commercial Operation Date, including, without limitation, the Leases;

(j) **"Option"** means the option granted by the Licensor to the Licensee in Section 6.1 hereof;

(k) **"Optioned Assets"** means collectively the Purchased Assets and the Acquired Project Assets;

(l) **"Power Purchase Agreement"** means a power purchase agreement made between Interwind Corp. (formerly SkyPower Corp.) and the Licensor dated March 31, 2008, and assigned by Interwind Corp. to the Licensee, with the Consent of the Licensor pursuant to an Assignment and Assumption of Power Purchase Agreement for Renewable energy dated December 23, 2009;

(m) "**Party**" means either the Licensee or the Licensor and "**Parties**" refers to both the Licensee and the Licensor;

(n) **"Project"** means the construction, development and operation of a wind energy facility located near Digby, Nova Scotia;

(o) **"Purchase Agreement"** shall have the meaning set fourth in recital A above;

(p) **"Purchased Assets"** means all assets acquired by the Licensor from the Licensee under the Purchase Agreement as set out in Schedule "A" attached hereto. For greater certainty the Purchased Assets do not include the Development Costs;

(q) "**Put Notice**" means the put notice delivered by the Licensor in accordance with Section 6.6 hereof;

(r) **"Scheduled Commercial Operation Date"** shall have the meaning set forth in Section 1 of the Power Purchase Agreement;

(s) **"UARB"** means the Nova Scotia Utility and Review Board.

1.2 **Gender and Number.** In this Agreement, words importing the singular include the plural and vice versa and words importing a specific gender include all genders.

1.3 **Including.** In this Agreement, the words "includes" or "including" shall mean "includes without limitation" or "including without limitation", respectively.

1.4 **Currency.** Unless otherwise indicated, all dollar amounts referred to in this Agreement are in Canadian funds.

1.5 **Headings.** The division of this Agreement into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.6 **Capitalized Terms.** Capitalized terms used in this Agreement and not otherwise defined herein shall have the meanings given to them in the Purchase Agreement.

1.7 **Recitals.** The parties acknowledge that the recitals of this Agreement are true and accurately state the relationship between the parties in relation to the Assets and the Project.

ARTICLE 2
SCHEDULES

2.1 **Description of Schedules.** The following are the Schedules attached to and incorporated in this Agreement by reference and deemed to be a part hereof:

Schedule "A" - Assets

ARTICLE 3
GRANT OF LICENSE

3.1 **License.** Subject to the terms herein, the Licensor grants to the Licensee an exclusive, nontransferable, nonassignable license, without the right to grant sublicenses, to use the Licensed Assets and all rights, privileges or benefits acquired, owned or held by the Licensor under or relating to the Development Costs solely for, or in connection with, the operation and maintenance of the Project and the sale of energy generated by the Project pursuant to the terms of the Power Purchase Agreement;

3.2 **License Term.** The License granted in Section 3.1 shall commence on the Commercial Operations Date of the Project and shall continue and subsist on a day to day basis as long as the Power Purchase Agreement is in effect but shall terminate upon the termination or expiration of the Power Purchase Agreement (the "**License Term**") unless otherwise terminated in accordance with the provisions herein;

3.3 **Exercise of Option or Put.** For certainty, the License shall automatically expire on completion of the purchase of the Optioned Assets by the Licensee pursuant to Section 6.3 or 6.6 herein.

3.4 **Agreed Termination.** Notwithstanding Section 3.2, the License may be terminated at any time with the written consent of both Parties.

3.5 **License Payments.** The Licensee agrees to pay to the Licensor an annual license fee equal to 100% of the aggregate amount of sales revenue received by the Licensee during the applicable calendar year in respect of the sale of energy generated by the Project under the Power Purchase Agreement (the "**License Fee**"). For greater certainty, "sales revenue" for the purposes of calculating the License Fee will be net of sales taxes and of any penalties or adjustments payable to or deducted by the Licensor under the terms of the Power Purchase Agreement. The Licensor shall not earn, nor shall payment of the License Fee commence until the Project has achieved its Commercial Operation Date.

ARTICLE 4
DEFAULT

4.1 **Default.** Any of the following constitutes an Event of Default under this Agreement:

(a) any payment due to the Licensor, including without limitation the payment of the License Fee, or any payment due to a third party in connection with the Project is not paid as and when due to the Licensor or to a third party as applicable and such amounts remain unpaid thirty (30) days after notice in writing is given by the Licensor to the Licensee requiring payment;

(b) the Licensee has breached any of its obligations in this Agreement and, if such breach is capable of being remedied and is not otherwise listed in this Section 4.1, after notice in writing from the Licensor to the Licensee:

(i) the Licensee fails to remedy such breach within thirty (30) days (or such shorter period as may be provided in this Agreement); or

(ii) if such breach cannot reasonably be remedied within thirty (30) days (or such shorter period), the Licensee fails to commence to remedy such breach within ten (10) days of such breach, or thereafter fails to proceed diligently to remedy such breach;

(c) a receiver, guardian, trustee in bankruptcy or any other similar officer is appointed to take charge of all or any substantial part of the Licensee's property by a court of competent jurisdiction, or under any debenture or other private security document, or a petition is filed for the re-organization of the Licensee under any provision of the *Bankruptcy and Insolvency Act* or any law of Canada or any province thereof or of the jurisdiction in which the Licensee is incorporated relating to bankruptcy or insolvency then in force or the Licensee becomes insolvent or makes a general assignment for the benefit of its creditors;

(d) the Licensee assigns, transfers, sublicenses or encumbers this License or any of its rights or obligations hereunder without the consent of the Licensor, such consent may be unreasonably or arbitrarily withheld; or

(e) the Licensee terminates, breaches or modifies the provisions of the Power Purchase Agreement or engages in any activity that results or could, in the opinion of the Licensor ,result in a breach of the Power Purchase Agreement.

4.2 **Remedy.** If and whenever an Event of Default occurs, then, without prejudice to any other rights, which it has pursuant to this Agreement or at law, the Licensor shall have the right to terminate the License by notice to the Licensee and to repossess the Licensed Assets.

ARTICLE 5
COVENANTS

5.1 **Covenants of Licensee.** The Licensee hereby covenants with Licensor:

(a) To pay the Licensee Fee to the Licensor as set out in Section 3.4;

(b) To comply at all times with any requirements, regulations, terms or obligations imposed on the Project or the Licensed Assets from time to time by the Licensor and to comply with all terms, conditions and obligations contained in the Power Purchase Agreement;

(c) To use the Licensed Assets and the Project for the limited purposes contemplated herein and to comply at all times with all the terms, conditions and obligations of the Licensor contained in any applicable contracts, agreements or permits relating to the Project;

(d) To maintain throughout the License Term, at its own expense, insurance on the Licensed Assets and the Project to the satisfaction of the Licensor and with the Licensor named as an additional insured or loss payee as applicable. All insurance policies shall provide for Thirty (30) days notice to the Licensor from the insurer in the event of any modification or termination of such coverage and the Licensee shall furnish to the Licensor on request from time to time with a certificate of insurance as wall as a copy of the amended endorsement evidencing same within Thirty (30) days after the execution of this Agreement.

(e) To maintain and keep at all times the Project in good repair and condition and to use the Licensed Assets at all times in compliance with all applicable laws and in accordance with good utility practices. Should the Licensee fail to effect any repairs or required maintenance, the Licensor may effect the repairs or required maintenance at the expense of the Licensee;

(f) To save harmless and indemnify the Licensor, its servants or agents from and against any and all claims, demands, losses, costs, charges, actions and other proceedings made or brought against, suffered by or imposed upon the Licensor for loss, damage or injury to any person and property directly or indirectly arising out of or sustained by the Licensor in the exercise by the Licensee of any of its rights hereunder and without negligence or willful misconduct by the Licensor, its servants, agents or employees;

(g) To, at its own cost, from time to time, to make good any and all damage or injury whether direct or indirect to any other persons or entity that may arise by the Licensee's use of the Licensed Assets or operation of the Project or by any failure of or defect therein; and

(h) Subject to the Option, on termination or surrender of this Agreement, to turn over possession of any of the Licensed Assets and the Project to the Licensor.

5.2 **Covenants of the Licensor.** The Licensor hereby covenants with the Licensee to perform, or cause to be performed, all actions necessary to complete the design and construction and commission of the Project using Good Utility Practices and in compliance with all applicable laws and regulations and the Power Purchase Agreement and so as to achieve the Commercial Operation Date by the Scheduled Commercial Operation Date in accordance with the terms and conditions of the Power Purchase Agreement.

ARTICLE 6
OPTION

6.1 **Grant of Option.** As of the Effective Date, the Licensor, hereby grants to the Licensee an irrevocable option to purchase the Optioned Assets on the terms and conditions set forth in this Agreement.

6.2 **Exercise of Option.** Unless expired under the terms of Section 6.4 hereof, the Option may be exercised at any time by the Licensee providing the Licensor with at least Thirty (30) days written notice of its intention to exercise the Option (the "**Exercise Notice**"). The Exercise Notice must be delivered during normal business hours to the address provided for the Licensor in Section 8.1 hereof, or at such other address as the Licensor shall provide the Licensee.

6.3 **Purchase of Optioned Assets.** Should the Licensee exercise the Option, the Licensee shall be entitled to purchase the Optioned Assets from the Licensor on the same terms and conditions contained in the Purchase Agreement, subject to all changes, revisions, deletions or additions necessary to reflect the state of the Parties, the Optioned Assets and the Project as of the Option Closing Date, including without limitation, all revisions necessary to remove those terms and conditions in the Purchase Agreement required pursuant to or for compliance with Section 85 of the *Income Tax Act* (Canada) and as may be necessary to complete the transaction on the following terms and conditions:

(a) **Option Purchase Price.** The purchase price of the Optioned Assets under the Option shall be equal to the full amount of all consideration paid for the Purchased Assets and all payments for the Development Costs made by the Licensor to the Licensee pursuant to the Purchase Agreement plus all costs and expenses incurred by the Licensor relating to the design, construction, development or operation of the Project after the Effective Date up to and including the Option Closing Date (the "**Option Purchase Price**"), including without limitation:

(i) the cost of all of the Acquired Project Assets acquired by the Licensor relating to the Project after the Effective Date;

(ii) all lending, banking, interest, prepayment and breakage costs incurred by the Licensor in relation to the Project or as a result of any payments to any lender or other encumbrance holder required to transfer the Assets to the Licensee free and clear of all Liens; and

(iii) the cost of all professional services retained by the Licensor in relation to the Project including, without limitation all survey, engineering, contracting, legal or accounting fees and costs.

(b) **Payment of Option Purchase Price.** The Licensee shall pay to the Licensor the full amount of the Option Purchase Price on the Option Closing Date by way of certified cheque, bank draft, solicitor's trust cheque, promissory note or as otherwise determined by the Licensee and the Licensor;

(c) **Consents.** The purchase of the Assets by the Licensee pursuant to the Option shall be subject to the Licensee obtaining any third party consents that may be required to transfer the Assets from the Licensor to the Licensee. The Licensor shall provide all reasonable assistance to the Licensee where required to obtain any necessary consents to the transfer;

(d) **Option Closing Date.** Subject to the receipt of all required consents, the transfer of the Assets from the Licensor to the Licensee shall take place on or before the sixtieth (60th) day following the Licensor's receipt of the Exercise Notice, or if such day is a weekend or holiday on the next following business day in Halifax, Nova Scotia (the "**Option Closing Date**");

(e) **Title.** The Assets shall be transferred to the Licensee free and clear of any Liens as of the Option Closing Date, saving and excepting those Liens consented to by the Licensee or relating to liabilities being assumed by the Licensee in relation to the Assets;

(f) **Assumption of Liabilities.** As of the Option Closing Date the Licensee shall assume and covenant to perform all liabilities and obligations of the Licensor under the Material Contracts, the Permits and under any contract, agreement, permit, consent, lease, license, option, indenture, deed, mortgage, charge, encumbrance or other document relating to or necessary for the design, development, construction or operation of the Project (collectively the "**Assumed Agreements**") and the Licensee shall provide the Licensor with an indemnity and save harmless the Licensor, its servants or agents from and against any and all claims, demands, losses, costs, charges, actions and other proceedings made or brought against, suffered by or imposed upon the Licensor under the Assumed Agreements after the Option Closing Date for loss, damage or injury to any person and property directly or indirectly arising out of or sustained by the Licensor without negligence or willful misconduct by the Licensor, its servants, agents or employees

6.4 **Expiration of Option.** The Option and this License shall automatically expire and terminate and be null and void if the Licensee has not delivered the Exercise Notice to the Licensor prior to the occurrence of the earliest of the following events:

(a) The Parties mutually agree on a expiration date;

(b) The Power Purchase Agreement expires or is otherwise terminated pursuant to its terms; or

(c) the approval by the UARB of the Licensor's application for approval of the capital expenditure associated with the Project in the form as filed by the Licensor with the UARB pursuant to the *Public Utilities Act* (Nova Scotia).

6.5 **Termination of Power Purchase Agreement**

Upon the expiration of the Option in accordance with Section 6.4(c) hereof, the parties mutually agree to terminate the Power Purchase Agreement and the Licensor shall return to the Licensee the performance security held by the Licensor with respect to the Power Purchase Agreement.

6.6 **Put Rights of Licensor**

The Licensor may, in its discretion, by notice in writing to the Licensee (the "**Put Notice**"), require the Licensee to exercise the Option, in which event the Licensee shall be required to purchase the Optioned Assets from the Licensor on or before the sixtieth (60th) day following the Licensee's receipt of the Put Notice upon the terms and conditions set out in Section 6.3 hereof saving only that the Option Closing Date shall be determined in accordance with this Section 6.6. Notwithstanding anything in this Agreement the put rights of the Licensor herein may only be exercised in the event that the UARB does not approve the Licensor's application for approval of the capital expenditure associated with the Project or the UARB approves the foregoing application with the imposition by the UARB of conditions upon the application as filed by the Licensor which are not satisfactory to the Licensor.

6.7 **Expiration of Put Rights.**

The put rights of the Licensor herein shall automatically expire and be null and void if the Licensor has not delivered a Put Notice to the Licensee prior to the occurrence of the earliest of the following events:

(a) The Parties mutually agree on a expiration date for the Put rights of the Licensor;

(b) The Power Purchase Agreement expires or is otherwise terminated pursuant to its terms; or

(c) The expiration of thirty (30) days following the issuance of the decision or order of the UARB upon the Licensor's application for approval of the capital expenditure associated with the Project pursuant to the *Public Utilities Act* (Nova Scotia). Provided, however, such expiry period shall be stayed pending any appeal by the Licensor of the UARB's decision or order with respect to the Licensor's application to the Nova Scotia Court of Appeal.

ARTICLE 7
REPRESENTATIONS AND WARRANTIES

7.1 **Licensor's Representation and Warranties.** The Licensor represents and warrants that:

(a) the Licensor is duly incorporated and validly subsisting under the laws of Nova Scotia and no proceedings have been instituted or are pending for the dissolution, winding-up, surrender of charter or liquidation of the Licensor or threatening its existence;

(b) It has full power, legal right and corporate authority to enter into and perform its obligations under, and has taken all necessary corporate action to authorize the execution, delivery and performance of this Agreement;

(c) The Licensor owns the Purchased Assets both legally and beneficially and the Licensor has good and marketable title to the Purchased Assets;

(d) The Licensor has not granted any licenses, options or similar agreements to any other person or entity for the use or purchase of the Purchased Assets or the development and operation of the Project; and

(e) Neither the execution of this Agreement nor the performance by the Licensor of its obligations thereunder will result in the breach of, or constitute a default under, any term or provision of any indenture, mortgage, debenture, deed of trust or other agreement to which the Licensor is a party or by which the Licensor is bound or to which the Purchased Assets are or may be subject.

7.2 **Licensee's Representations and Warranties.** The Licensee represents and warrants that:

(a) The Licensee is duly incorporated and validly subsisting under the laws of Nova Scotia and no proceedings have been instituted or are pending for the dissolution, winding-up, surrender of charter or liquidation of the Licensee or threatening its existence;

(b) It has full power, legal right and corporate authority to enter into and perform its obligations under, and has taken all necessary corporate action to authorize the execution, delivery and performance of this Agreement; and

(c) Neither the execution of this Agreement nor its performance by the Licensee will result in the breach of, or constitute a default under, any term or provision of any indenture, mortgage, debenture, deed of trust or other agreement to which the Licensee is a party or by which the Company is bound.

ARTICLE 8
MISCELLANEOUS PROVISIONS

8.1 **Notices.** Any notice or other communication required or permitted to be given hereunder from one Party to the other shall be made in writing and sent by prepaid registered post, return receipt requested, or hand delivered or sent by telefax (confirmed by ordinary mail) during normal business hours of the recipient Party, addressed to it as follows:

to the Licensor:

Nova Scotia Power Incorporated
PO Box 910
Halifax, Nova Scotia B3J 2W5

Attention: Corporate Secretary

Fax: (902) 428-6171

to the Licensee:

3240384 Nova Scotia Limited
PO Box 910
Halifax, Nova Scotia B3J 2W5

Attention: Corporate Secretary

Fax: (902) 428-6171

or to such other address as either Party may in writing advise by notice given in accordance with this Section. Any such notice or other communication will be deemed to have been given, if mailed as aforesaid, on the date of delivery by postal authorities, or if hand delivered or sent by telefax as aforesaid, on the first business day after the notice or communication is received by the addressee.

8.2 **Delay.** No delay or omission of a Party to exercise any right or power accruing upon default of the other Party shall impair any such right or power or shall be construed to be a waiver of any such default or any acquiescence therein and every power and remedy given hereby to the non-defaulting Party may be exercised by it from time to time and as often as may be deemed by it.

8.3 **Modification.** No modification, waiver, amendment, discharge or change of this Agreement shall be valid unless the same is in writing and signed by both Parties.

8.4 **Severability**. In the event any term, covenant, condition, provision or agreement contained herein is held to be invalid, void or otherwise unenforceable by any court of competent jurisdiction, such holding shall in no way affect the validity or enforceability of any other term, covenant, condition, provision or agreement contained herein.

8.5 **Entire Agreement**. This Agreement (including the schedules hereto) contains all the representations and constitutes the entire agreement between the Parties with respect to the subject matter hereof. Any prior correspondence, memoranda or agreements, dealing with the subject matter hereof, are superseded in total by this Agreement and Schedules hereto. The provisions of this Agreement shall be construed as a whole according to their common meaning and not strictly for or against the Party.

8.6 **Governing** Law. This Agreement and the obligations of the Parties hereunder shall be interpreted, construed and enforced in accordance with the laws of Nova Scotia and the laws of Canada applicable therein.

8.7 **Assignment**. Neither Part shall assign this Agreement or its rights or obligations hereunder, in whole or in part, without the prior written consent of the other Party.

8.8 **Counterparts**. This Agreement may be executed in multiple counterparts, each of which shall be deemed to be an original agreement and all of which shall constitute one

agreement. Signatures delivered by facsimile or electronic copy will be deemed for all purposes to be original counterparts of this Agreement.

8.9 **Binding Effect**. This Agreement shall enure to the benefit of and be binding upon the successors and permitted assigns of the respective Parties.

8.10 **Further Assurances**. From time to time, as and when reasonably requested by either Party, the Parties shall execute and deliver and cause to be executed and delivered all such documents and instruments and shall take or cause to be taken all such further or other actions to implement or give effect to the transactions contemplated by this Agreement, provided such documents, instruments or actions are consistent with the provisions of this Agreement and good utility practices, including without limitation, such amendments to this Agreement that may be required from time to time. All such amendments, further documents, instruments or actions shall be delivered or taken at no additional consideration and all parties shall bear their own expenses in relation to the provision of such amendments, further documents or instruments or performing such further acts.

[REMAINDER OF THIS PAGE IS INTENTIONALLY BLANK]

IN WITNESS WHEREOF the parties hereto have executed this Agreement the day and year first written above.

SIGNED, SEALED AND DELIVERED in the presence of

Witness

Witness

Witness

NOVA SCOTIA POWER INCORPORATED

Per:

Name:
Title: Robert R. Bennett
President and Chief Executive Officer

Per:

Name: Mark Savory
Title: VP, Technical and
Construction Services

3240384 NOVA SCOTIA LIMITED

Per:

Name: Stephen Aftanas
Title: Corporate Secretary

IN WITNESS WHEREOF the parties hereto have executed this Agreement the day and year first written above.

SIGNED, SEALED AND DELIVERED in the presence of

_____
Witness

_____
Witness

_____
Witness

NOVA SCOTIA POWER INCORPORATED

Per: _____
Name:
Title:

Per: _____
Name:
Title:

3240384 NOVA SCOTIA LIMITED

Per: _____
Name: Stephen Aftanas
Title: Corporate Secretary

JAMES SPURR
Director

Schedule "A"

A. Assets Acquired by 3240384 Nova Scotia Limited since December 23, 2009:

Asset/Document	Parties	Date
Procurement and Construction Contract	Emera Utility Services Inc. 3240384 Nova Scotia Limited	February 9, 2010
Standard Generator Interconnection and Operating Agreement	3240384 Nova Scotia Limited Nova Scotia Power Inc	February 4, 2010
Agreement	Scotian Windfields Inc. 3240384 Nova Scotia Limited	December, 2009
Department of Natural Resources Clean Energy Agenda EcoEnergy for Renewable Power Repayable Contribution Agreement	Department of Natural Resources 3240384 Nova Scotia Limited	March 12, 2010
General Electric External Change Order No. 9	3240384 Nova Scotia Limited General Electric Company General Electric Canada	February 3, 2010
General Electric External Change Order No. 10	3240384 Nova Scotia Limited General Electric Company General Electric Canada	February 10, 2010
Rare Plant Habitat Modeling Study / Report/ Results	3240384 Nova Scotia Limited Stantec Consulting Ltd.	
Land Survey Contract	3240384 Nova Scotia Limited Scotia Surveys Limited	Jan 27, 2010
Drawing – Wind Farm Siting Plan	3240384 Nova Scotia Limited CBCL	Jan 29, 2010
Sound Impact Study Report + Contour Drawing	3240384 Nova Scotia Limited Stantec Consulting Ltd.	Feb, 2010

Archaeological Study (Transmission Line) Interim Report	3240384 Nova Scotia Limited CRM Group	April 6, 2010
Drawings - Wetlands	3240384 Nova Scotia Limited CBCL	April, 2010
Telecommunications Assessment Report	3240384 Nova Scotia Limited Oldham Engineers Inc.	April 6, 2010
Environmental Protection Plan	3240384 Nova Scotia Limited	March 5, 2010
Agreement of Purchase and Sale regarding the sale to 3240384 Nova Scotia Limited of PID 30192447 and PID 30258982, being lands at or near the South side of Old Gulliver's Cove Road, Rossway, Digby County, Province of Nova Scotia,	3240384 Nova Scotia Limited Churchill Ashford Shirley Ashford	February 11, 2010

LAND LEASES (Turbine)

Land Parcel – Nova Scotia Property Identification Number ("PID") **Digby County, Nova Scotia**	**Asset/Document**	**Parties**	**Date**
PID 30130025 PID 30133011 PID 30133029	NS Wind Project Lease	3240384 Nova Scotia Limited Chester A. Fogg and Marie B. Fogg	March 1, 2010
PID 30167829 PID 30132088	NS Wind Project Lease	3240384 Nova Scotia Limited Alan A. Fogg	March 1, 2010
PID 30346407 PID 30167761	NS Wind Project Lease	3240384 Nova Scotia Limited Larry G. Lewis and Linda Lewis	April 27, 2010

PID 30132732 PID 30168587	NS Wind Project Lease	3240384 Nova Scotia Limited P.C. Futures Limited	April 27, 2010
PID 30132815	NS Wind Project Lease	3240384 Nova Scotia Limited James E. Bennett and Beverley C. Bennett	April 13, 2010
PID 30132815	NS Wind Project Lease – Amended and Restated	3240384 Nova Scotia Limited James E. Bennett and Beverley C. Bennett	April 13, 2010

NON TURBINE LEASES

Land Parcel – Nova Scotia Property Identification Number ("PID") **Digby County, Nova Scotia**	**Asset/Document**	**Parties**	**Date**
PID 30168231 PID 30255228 PID 30274088	NS Wind Project Lease –Non-Turbine Lands	3240384 Nova Scotia Limited James E. Bennett and Beverley C. Bennett	April 13, 2010
PID 30168231 PID 30255228 PID 30274088	NS Wind Project Lease – Amended and Restated Non-Turbine Lands	3240384 Nova Scotia Limited James E. Bennett and Beverley C. Bennett	April 13, 2010
PID 30132989 PID 30192496 PID 30354104	NS Wind Project Lease	3240384 Nova Scotia Limited Jerry Schofield	April 30,2010
PID 30168538	NS Wind Project Lease	3240384 Nova Scotia Limited Linda Lewis Darrell Lewis	May 13, 2010

PID 30168496 PID 30168504	NS Wind Project Lease	3240384 Nova Scotia Limited Timothy D. Halliday	May 17, 2010

TRANSMISSION LINE OPTIONS (Non-Turbine)

Land Parcel – Nova Scotia Property Identification Number ("PID") Digby County, Nova Scotia	Document	Parties	Date
PID 30149801	Amended and Restated Option Agreement	3240384 Nova Scotia Limited Anne M. Boudreau Anita E. Boudreau	February 25, 2010
PID 30149793	Amended and Restated Option Agreement	3240384 Nova Scotia Limited Eileen Frances Brinton	February 25, 2010
PID 30152227	Amended and Restated Option Agreement	3240384 Nova Scotia Limited Alan E. Ross Joan M. Ross	February 26, 2010
PID 30149272	Amended and Restated Option Agreement	Stanley Boudreau Glenda Doucet-Boudreau	February 2, 2010
PID 30149264	Amended and Restated Option Agreement	Stanley Boudreau Glenda Doucet-Boudreau	February 2, 2010

B. Asset Documents Relating to Purchase from Interwind Corp. (formerly SkyPower Corp.) and Scotian Windfield Partners Corp.:

Asset/Document	Parties	Date
Purchase Agreement	Scotian Windfield Partners Corp. 3240384 Nova Scotia Limited	December 21, 2009
General Conveyance Agreement	Scotian Windfield Partners Corp.	December 23, 2009

	3240384 Nova Scotia Limited	
Indenture	Scotian Windfield Partners Corp. 3240384 Nova Scotia Limited	December 23, 2009
General Conveyance and Assumption Agreement	Interwind Corp. 3240384 Nova Scotia Limited	December 23, 2009
Indenture	Interwind Corp. 3240384 Nova Scotia Limited	December 23, 2009
Turbine Assignment and Consent Agreement	Interwind Corp. 3240384 Nova Scotia Limited General Electric Company General Electric Canada	December 22, 2009
Assignment and Assumption Agreement for Renewable Energy	Interwind Corp. 3240384 Nova Scotia Limited Nova Scotia Power Inc.	December 23, 2009
Nova Scotia Environment Environmental Assessment Approval	Assigned to 3240384 Nova Scotia Limited with consent of Minister	August 24, 2009
Consent Agreement	Magna Electric Corporation	December 8, 2009

C. <u>Non-Land Assets Acquired through Scotian Windfields Inc. and Scotian Windfields Parnters Corp.</u>

Asset/Document	Parties	Date
Generator Interconnection Request	Nova Scotia Power Incorporated 6739954 Canada Corporation (now Scotian Windfields Partners Corp.)	April 19, 2007
Interconnection Facility Study Agreement	Nova Scotia Power Incorporated 6739954 Canada Corporation (now Scotian Windfields Partners Corp.)	February 17, 2009
Appendix 3 to GIP Interconnection System Impact Study Agreement	Nova Scotia Power Incorporated 6739954 Canada	February 6, 2008

	Corporation (now Scotian Windfields Partners Corp.)	
Cover Letter re Final Facilities Study Report	Nova Scotia Power Incorporated 673954 Canada Corp. (now Scotian Windfields Partners Corp.)	September 28, 2009
Final Report System Impact Study IR141	Nova Scotia Power Incorporated	December 17, 2008
Draft Facility Study Report – Part 1	Nova Scotia Power Incorporated	August 4, 2009
Draft Facility Study Report – Part 2	Nova Scotia Power Incorporated	August 4, 2009
Letter Extending Completion Date for the Interconnection Agreement to December 23, 2009	Nova Scotia Power Incorporated 6739954 Canada Corp.	November 24, 2009
Building Permit Re PID 30256812	Municipality and Town of Digby	February 16, 2009
Building Permit No. 7377 Re PID 30167761	Municipality and Town of Digby	February 16, 2009
Building Permit No. 7378 Re PID 30167829	Municipality and Town of Digby	February 16, 2009
Building Permit No. 7379 Re PID 30132088	Municipality and Town of Digby	February 16, 2009
Building Permit No. 7381 Re PID 30133011	Municipality and Town of Digby	February 16, 2009
Building Permit No. 7382 Re PID 30133029	Municipality and Town of Digby	February 16, 2009
Building Permit No. 7490 Re PID 30191860	Municipality and Town of Digby	July 16, 2009
Building Permit No. 7389 Re PID 30132989	Municipality and Town of Digby	February 16, 2009
Building Permit No. 7388 Re PID 30191860	Municipality and Town of Digby	February 16, 2009

Building Permit No. 7387 Re PID 30191688	Municipality and Town of Digby	February 16, 2009
Building Permit No. 7386 Re PID 30168538	Municipality and Town of Digby	February 16, 2009
Building Permit No. 7385 Re PID 30168587	Municipality and Town of Digby	February 16, 2009
Building Permit No. 7384 Re PID 30132732	Municipality and Town of Digby	February 16, 2009
Building Permit No. 7383 Re PID 30132815	Municipality and Town of Digby	February 16, 2009
Nova Scotia Environment Environmental Assessment Approval	Scotian Windfields Inc.SkyPower Corp. Nova Scotia Environment, Office of the Minister	August 24, 2009

D. Land Assets Acquired through Scotian Windfields Parnters Corp.

Land Parcel – Nova Scotia Property Identification Number ("PID") Digby County, Nova Scotia	Document Name	Date	Parties
30259907; 30259899; 30192462; 30132856; 30191860	Option Agreement	02/27/07	Fred Ross Sharon Ross Scotian Windfield Partners Corp.
30284186	Option Agreement	04/18/07	Fraser Bagwell Holly Bagwell Scotian Windfield Partners Corp.

Land Parcel – Nova Scotia Property Identification Number ("PID") Digby County, Nova Scotia	Document Name	Date	Parties
30191811	Option Agreement	03/06/07	James Lewis Nancy Lewis Scotian Windfield Partners Corp.
30256812	Option Agreement	04/18/07	Vernon McBride Scotian Windfield Partners Corp.
30132989	Option Agreement	04/18/07	Jerry Schofield Scotian Windfield Partners Corp.
30132815; 30255228; 30274088; 30168231	Option Agreement	07/18/07	James Bennett Beverly Bennett Scotian Windfield Partners Corp.
30191688	Option Agreement	03/25/08	Bernard McBride Scotian Windfield Partners Corp.
30168496; 30168504	Option Agreement	03/24/08	Timothy Halliday Scotian Windfield Partners Corp.
30132732; 30168587	Option Agreement	03/24/08	PC Futures Ltd. Scotian Windfield Partners Corp.
30284194; 30284160; 30191738	Option Agreement	03/25/08	Elinor Anne Mullen Scotian Windfield Partners Corp.

Land Parcel – Nova Scotia Property Identification Number ("PID") Digby County, Nova Scotia	Document Name	Date	Parties
30191795	Option Agreement	03/25/08	Judy Cook Scotian Windfield Partners Corp.
30191746	Option Agreement	03/26/08	Vernon McBride Scotian Windfield Partners Corp.
30346407; 30167761	Option Agreement	03/24/08	Larry Lewis Linda Lewis Scotian Windfield Partners Corp.
30168538	Option Agreement	03/24/08	Linda L. Lewis Scotian Windfield Partners Corp.
30168769	Option Agreement	03/24/08	Perry Allan Vantassel Scotian Windfield Partners Corp.
30130025; 30133011; 30133029	Option Agreement	07/29/09	Chester Fogg Marie Fogg Scotian Windfield Partners Corp.
30167829; 30132088; 30167803	Option Agreement	07/29/09	Alan Fogg Scotian Windfield Partners Corp.

E. <u>Non-Land Assets Acquired through Interwind Corp. (formerly SkyPower Corp.):</u>

Document Name	Date	Parties

Document Name	Date	Parties
Geotechnical Investigation, Final Report	June 3, 2009	Strum Environmental SkyPower Corp.
Supplementary Geotechnical Investigation	July 7, 2009	Strum Environmental SkyPower Corp.
Supplementary Geotechnical Investigation	July 27, 2009	Strum Environmental SkyPower Corp.
MET Resource Report	February 16, 2009	Genivar SkyPower Corp.
Magna Transformer Acquisition	April 2, 2009	Magna Electric Corp. SkyPower Corp.
Topographical Survey of turbines sites and access roads	June 10, 2009	Terrain SkyPower Corp.
Additional Survey Information - Report of Surveying of Bennett Lane and Collection System Area	July 31, 2009	Terrain SkyPower Corp.
Construction Contract Bid Package, including: Tender Drawings, Tender Specifications and Standard Specifications for Municipal Services	June 30, 2009	CBCL LIMITED SkyPower Corp.
Construction Contract Reference Documents, including: GE 1.5 SLE Energy Technical Exhibits and GE Energy Work Instructions, Receiving reports, Check out sheets and drawings	June 30, 2009	CBCL LIMITED SkyPower Corp. GE Energy
Contract Documents – Addendum No. 1 Materials (including revised Appendices and Drawings)	July 10, 2009	CBCL LIMITED SkyPower Corp.
Contract Documents – Addendum No. 2	July 15, 2009	CBCL LIMITED SkyPower Corp.
Contract Documents – Addendum No. 3, including Developer supplied Form of Construction Contract	July 24, 2009	CBCL LIMITED SkyPower Corp.

Document Name	Date	Parties
Contract Documents – Addendum No. 4	July 30, 2009	CBCL LIMITED SkyPower Corp.
Contract Documents – Addendum No. 5	July 31, 2009	CBCL LIMITED SkyPower Corp.
Digby Wind Power Survey	July 2009	Pollara SkyPower Corp.
EcoEnergy Registration No.5911-S17-1	September 7, 2007	Natural Resources Canada SkyPower Corp.
EcoEnergy Acknowledgement of submission TPI	July 9, 2009	Natural Resources Canada SkyPower Corp.
Preliminary Electro-Magnetic Interference Study	April 23, 2009	Genivar SkyPower Corp.
Issues Identification Report	June 22, 2007	Jacques Whitford Limited SkyPower Corp.
Nova Scotia Environment – Notice of Registration	April 30, 2009	Nova Scotia Environment SkyPower Corp.
Provincial Environmental Assessment Report and appendices Appended Reports: • Public Consultation Materials • Aquatic Survey Photographs • Flora Lists • Wetland Data • Avian Field Program Information • Noise Impact Study	April 2009	Jacques Whitford Stantec Limited SkyPower Corp.
Addendum to Environmental Assessment Registration Document	July 3, 2009	Jacques Whitford Stantec Limited SkyPower Corp.
Nova Scotia Environment – Request for additional information	June 2009	Nova Scotia Environment, Office of the Deputy Minister SkyPower Corp.
Nova Scotia Environment Environmental Assessment	August 24,	Nova Scotia Environment,

Document Name	Date	Parties
Decision	2009	Office of the Minister SkyPower Corp. Scotian Windfields Inc.
Federal Coordination Notice	May 8, 2009	Canadian Environmental Assessment Agency SkyPower Corp.
Interim Mi'kmaq Ecological Knowledge Study	May, 2009	The Confederacy of Mainland Mi'kmaq (CMM), Environmental Services SkyPower Corp.
Interim #2 Mi'kmaq Ecological Knowledge Study	July, 2009	The Confederacy of Mainland Mi'kmaq (CMM), Environmental Services SkyPower Corp.
Quarterly Development Report for NSPI – Q1 2009	April 15, 2009	Nova Scotia Power Incorporated SkyPower Corp.
Quarterly Development Report for NSPI – Q4 2008	January 15, 2009	Nova Scotia Power Incorporated SkyPower Corp.
Quarterly Development Report for NSPI – Q2 2009	July 15, 2009	Nova Scotia Power Incorporated SkyPower Corp.
Transmission Line Feasibility Study	May 1, 2009	Terrain SkyPower Corp.
Transport Canada MET Tower Approval	August 29, 2008	Transport Canada SkyPower Corp.
NavCanada and Transport Canada MET Tower Approvals	August 15, 2007 and April 25, 2007	NavCanada Transport Canada SkyPower Corp.
Transport Canada MET Tower Approval	August 24, 2007	Transport Canada SkyPower Corp.
Transport Canada MET Tower Approval	August 29, 2008	Transport Canada SkyPower Corp.
Transport Canada MET Tower Approval	August 29, 2008	Transport Canada SkyPower Corp.
Transport Canada MET Tower	August 29,	Transport Canada

Document Name	Date	Parties
Approval	2008	SkyPower Corp.
Transport Canada MET Tower Approval	August 29, 2008	Transport Canada SkyPower Corp.
Transport Canada MET Tower Approval	August 29, 2008	Transport Canada SkyPower Corp.
Transport Canada MET Tower Approval	August 29, 2008	Transport Canada SkyPower Corp.
Transport Canada MET Tower Approval	August 29, 2008	Transport Canada SkyPower Corp.
Transport Canada MET Tower Approval	August 29, 2008	Transport Canada SkyPower Corp.
Power Purchase Agreement and the Performance Security thereunder	March 31, 2008	Nova Scotia Power Incorporated SkyPower Corp.
Wind Turbine Building Permits	February 16, 2009	Municipality and Town of Digby SkyPower Corp.
Building Permit for Control Building	July 16, 2009	Municipality and Town of Digby SkyPower Corp.
Transport Canada Approval of Project	July 6, 2009	Transport Canada SkyPower Corp.
NavCanada Approval for 20 Wind Turbines	August 25, 2009	NavCanada SkyPower Corp.
Amended and Restated Contract for 20 1.5 GE SLE Turbines	March 2, 2009	General Electric Company General Electric Canada SkyPower Corp.
Change Order No. 1	March 10, 2009	General Electric Company General Electric Canada SkyPower Corp.
Change Order No. 2	March 16, 2009	General Electric Company General Electric Canada SkyPower Corp.
Change Order No. 3	March 24, 2009	General Electric Company

Document Name	Date	Parties
		General Electric Canada SkyPower Corp.
Change Order No. 4	April 15, 2009	General Electric Company General Electric Canada SkyPower Corp.
Change Order No. 5	June 4, 2009	General Electric Company General Electric Canada SkyPower Corp.
Change Order No. 6	June 18, 2009	General Electric Company General Electric Canada SkyPower Corp.
Change Order No. 7	July 10, 2009	General Electric Company General Electric Canada SkyPower Corp.
Change Order No. 8	August 4, 2009	General Electric Company General Electric Canada SkyPower Corp.
Yield Report	March 16, 2009	Genivar SkyPower Corp.
Yield Report Update	April 3, 2009	Genivar SkyPower Corp.
Yield Report Update	May 29, 2009	Genivar SkyPower Corp.
Mechanical Load Analysis	June 15, 2009	GE Energy SkyPower Corp.
Resistivity Data	August 6, 2009	Strum Environmental SkyPower Corp.
Supplementary Geotechnical Investigation Report	July 27, 2009	Strum Environmental SkyPower Corp.
Mi'kmaq Ecological Knowledge Study	September 2009	CMM Environment Services The Confederacy of Mainland Mi'kmaq

Document Name	Date	Parties
		SkyPower Corp.
Net Energy Analysis	September 30, 2009	WindLogics SkyPower Corp.
SRS Approval Notification	September 30, 2009	Nova Scotia Power Incorporated SkyPower Corp.
Final Facilities Study Infrastructure Report	September 8, 2009	Nova Scotia Power Incorporated SkyPower Corp.
Substation – Confirmation Letter of Completed Coil Assembly	September 24, 2009	SkyPower Corp. Magna Electric Corporation
Application for Permit for Breaking Soil of Highways	October 9, 2009	SkyPower Corp. Nova Scotia Department of Transportation and Infrastructure Renewal
Approved Breaking Soil of Highways Permit	October 15, 2009	SkyPower Corp. Nova Scotia Department of Transportation and Infrastructure Renewal

5 MET Towers as described below:

TowerID	Province	Project	Final Tower Installation Coordinates
611	NS	Digby NS	44 35.774, -65 53.542
612	NS	Digby NS	44 35.727, -65 56.472
613	NS	Digby NS	N 044° 35.321', W 065° 57.216'
615	NS	Digby NS	N 044° 34.472', W 065° 54.843'
617	NS	Digby NS	N 044° 36.256', W 065° 54.298'

F. Land Assets Acquired through Interwind Corp. (formerly SkyPower Corp.):

Nova Scotia Property Identification Number ("PID") Digby County, Nova Scotia.	Document Name	Date	Parties
30132013	Option Agreement for Transmission Line Easement	07/22/09	Michele Como Linda Como SkyPower Corp.
30149363	Option Agreement for Transmission Line Easement	07/22/09	Richard Amero SkyPower Corp.
30152383	Option Agreement for Transmission Line Easement	07/22/09	Richard Amero Maria Amero SkyPower Corp.
30149348	Option Agreement for Transmission Line Easement	07/22/09	Anne Mary Amero SkyPower Corp.
30146021	Option Agreement for Transmission Line Easement	07/22/09	Mark Melanson Laura Melanson SkyPower Corp.
30146013	Option Agreement for Transmission Line Easement	07/22/09	Mark Melanson Laura Melanson SkyPower Corp.
30146039	Option Agreement for Transmission Line Easement	07/27/09	Nelson Ryan SkyPower Corp.
30192439	Option Agreement for Transmission Line Easement	07/31/09	Walter Ross SkyPower Corp.
30258958	Option Agreement for Transmission Line Easement	07/31/09	Walter Ross SkyPower Corp.
30238372	Option Agreement for Transmission Line Easement	07/30/09	Eileen Frances Brinton SkyPower Corp.
30238364	Option Agreement for Transmission Line Easement	07/30/09	Eileen Frances Brinton SkyPower Corp.

Nova Scotia Property Identification Number ("PID") Digby County, Nova Scotia.	Document Name	Date	Parties
30192785	Option Agreement for Transmission Line Easement	07/30/09	Larry Goodwin SkyPower Corp.
30193437	Option Agreement for Transmission Line Easement	07/29/09	John W. Ryan Mary Ryan SkyPower Corp.
30192181	Option Agreement for Transmission Line Easement	08/04/09	Thomas G O'Neil Angela O'Neil SkyPower Corp.
30193239	Option Agreement for Transmission Line Easement	08/05/09	Larry G. Budd Wendy M. Budd SkyPower Corp.
30149272	Option Agreement for Transmission Line Easement	07/30/09	Stanley Boudreau Glenda Doucet Boudreau SkyPower Corp.
30149264	Option Agreement for Transmission Line Easement	07/30/09	Stanley Boudreau Glenda Doucet Boudreau SkyPower Corp.
30193148	Option Agreement for Transmission Line Easement	07/30/09	Stanley Boudreau Glenda Doucet Boudreau SkyPower Corp.
30257802	Option Agreement for Transmission Line Easement	07/30/09	Stanley Boudreau Glenda Doucet Boudreau SkyPower Corp.
30258347	Option Agreement for Transmission Line Easement	08/06/09	Charles William Johns Mabel Betty Johns SkyPower Corp.
30152623	Option Agreement for Transmission Line Easement	08/05/09	Gerald J. Comeau SkyPower Corp.
30146385	Option Agreement for Transmission Line Easement	08/06/09	William A Oickle Judy Pearson SkyPower Corp.

Nova Scotia Property Identification Number ("PID") Digby County, Nova Scotia.	Document Name	Date	Parties
30146278	Option Agreement for Transmission Line Easement	08/06/09	William A Oickle Judy Pearson SkyPower Corp.
30145957	Option Agreement for Transmission Line Easement	08/04/09	Thomas G O'Neil Angela O'Neil SkyPower Corp.
30146914	Option Agreement for Transmission Line Easement	08/12/09	Thomas Lombard SkyPower Corp.
30264634	Option Agreement for Transmission Line Easement	08/12/09	Thomas Lombard SkyPower Corp.
30146047	Option Agreement for Transmission Line Easement	08/12/09	Diane Elaine Simms SkyPower Corp.
30287049	Option Agreement for Transmission Line Easement	08/12/09	Diane Elaine Simms SkyPower Corp.
30145965	Option Agreement for Transmission Line Easement	08/17/09	Victory Farms Inc. SkyPower Corp.
30149405	Option Agreement for Transmission Line Easement	07/30/09	Larry D. NacNeill Marilyn MacNeill SkyPower Corp.
30149421	Option Agreement for Transmission Line Easement	07/30/09	Larry D. MacNeill Marilyn MacNeill SkyPower Corp.
30149884	Option Agreement for Transmission Line Easement	08/14/09	Sandra D. Haynes SkyPower Corp.
30318141	Option Agreement for Transmission Line Easement	08/17/09	Charles Gaudet SkyPower Corp.

Nova Scotia Property Identification Number ("PID") Digby County, Nova Scotia.	Document Name	Date	Parties
30192496	Option Agreement for Transmission Line Easement	08/19/09	Jerry Schofield SkyPower Corp.
30132989	Option Agreement for Transmission Line Easement	08/19/09	Jerry Schofield SkyPower Corp.
30149991	Option Agreement for Transmission Line Easement	07/30/09	James Mcheffey SkyPower Corp.
30146146	Option Agreement for Transmission Line Easement	40051	William Oickle Judy Pearson SkyPower Corp.
30258503	Option Agreement for Transmission Line Easement	40051	William Oickle Judy Pearson SkyPower Corp.
30146252	Option Agreement for Transmission Line Easement	40051	William Oickle Judy Pearson SkyPower Corp.
30146260	Option Agreement for Transmission Line Easement	40051	William Oickle Judy Pearson SkyPower Corp.
30192199	Option Agreement for Transmission Line Easement	40051	Digby County Co-op Pasture Ltd SkyPower Corp.
30150007	Option Agreement for Transmission Line Easement	729/09	Christopher Jenkins and Margaret Jenkins SkyPower Corp.
30149504	Option Agreement for Transmission Line Easement	09/30/09	Eileen Frances Brinton SkyPower Corp.
30149793	Option Agreement for Transmission Line Easement	09/30/09	Eileen Frances Brinton SkyPower Corp.

Nova Scotia Property Identification Number ("PID") Digby County, Nova Scotia.	Document Name	Date	Parties
30149801	Option Agreement for Transmission Line Easement	10/01/09	Anne Boudreau and Anita Boudreau SkyPower Corp.
30354617	Option Agreement for Transmission Line Easement	10/01/09	Anne Boudreau and Anita Boudreau SkyPower Corp.
30152086	Option Agreement for Transmission Line Easement	10/02/09	Joe H. Balser SkyPower Corp.
30192397	Option Agreement for Transmission Line Easement	25/09/09	Darren T. Andrew and April H. Amero SkyPower Corp.
30318133	Option Agreement for Transmission Line Easement	24/09/09	Digby Excavating Ltd. SkyPower Corp.
30320204	Option Agreement for Transmission Line Easement	24/09/09	Digby Salvage Disposal Co. Ltd. SkyPower Corp.
30146898	Option Agreement for Transmission Line Easement	24/09/09	Digby Salvage Disposal Co. Ltd. SkyPower Corp.
30192371	Option Agreement for Transmission Line Easement	25/09/09	Darren Andrews SkyPower Corp.
30264261	Option Agreement for Transmission Line Easement	22/09/09	Wayne's Excavation Services Ltd. SkyPower Corp.
30132757	Option Agreement for Transmission Line Easement	22/09/09	Wayne's Excavation Services Ltd. SkyPower Corp.
30152227	Option Agreement for Transmission Line Easement	08/10/09	Allen E. Ross and Joan M. Ross SkyPower Corp.

Nova Scotia Property Identification Number ("PID") Digby County, Nova Scotia.	Document Name	Date	Parties
30152169	Option Agreement for Transmission Line Easement	08/10/09	Nellie Drew SkyPower Corp.
30152110	Option Agreement for Transmission Line Easement	25/09/09	Nellie Drew SkyPower Corp.
30274989	Option Agreement for Transmission Line Easement	28/08/09	Kelly Joseph Deveau and Janet Lee Deveau SkyPower Corp.
30275267	Option Agreement for Transmission Line Easement	19/10/09	Kelly Deveau and Janet Deveau SkyPower Corp
30238422	Option Agreement for Transmission Line Easement	20/10/09	James D. MacAlpine SkyPower Corp.
30149868	Option Agreement for Transmission Line Easement	20/10/09	James D. MacAlpine SkyPower Corp
30149850	Option Agreement for Transmission Line Easement	20/10/09	Alston MacAlpine Peggy MacAlpine SkyPower Corp.

G. Miscellaneous Assets Acquired through Interwind Corp. (formerly SkyPower Corp.):

Document Name	Date	Parties
Shape File DVD with EA, Engineering, Survey, Layout and Transmission Line Information		SkyPower Corp.
Minutes of Meeting of Digby Co-Operative Pasture Limited re proposal for Transmission Line Options	August 24, 2009	Digby Co-Operative Pasture Limited SkyPower Corp.

Document Name	Date	Parties
Construction Bids and Bid Evaluation Form		SkyPower Corp. CBCL Limited
Padmount Transfer Bids and Bid Evaluation Form		SkyPower Corp.
Letter from EON WindElectric re Construction Bid Costs	August 10, 2009	EON WindElectric SkyPower Corp.
Letter from Signal Wind Energy LLC re Construction Bid Costs	September 4, 2009	Signal Wind Energy LLC SkyPower Corp.
Main Transformer Specifications		Stantec Consulting Inc. SkyPower Corp.
Option Easement for Transmission Lin e Easement	15/12/09	Jonathan Mullen Mink Ranch Limited Interwind Corp.

THIS GENERAL CONVEYANCE is made as of the 28th day of May, 2010 (the "**Effective Date**").

BETWEEN:

3240384 NOVA SCOTIA LIMITED a body corporate, incorporated under the laws of Nova Scotia

(the "**Vendor**")

- and -

NOVA SCOTIA POWER INCORPORATED, a body corporate, incorporated under the laws of the Province of Nova Scotia

(the "**Purchaser**")

WHEREAS Pursuant to an asset purchase agreement made as of May 28, 2010 between the Vendor and the Purchaser (the "**Purchase Agreement**"), the Vendor agreed to sell to the Purchaser and the Purchaser agreed to purchase from the Vendor the Assets as more particularly described in Schedule "A" to the Purchase Agreement;

NOW THEREFORE in consideration of the premises and the mutual agreement and covenants, contained in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties to this Agreement, the parties agree as follows:

1. Defined Terms

Initial capitalized terms used in this Agreement and not otherwise defined herein shall have the meanings given to them in the Purchase Agreement.

2. Certain Rules of Interpretation

This Agreement is made pursuant to the terms of the Purchase Agreement. In the event of any conflict, inconsistency or ambiguity between the provisions of this Agreement and of the Purchase Agreement, the provisions of the Purchase Agreement shall govern and be paramount, and any such provision in this Agreement shall be deemed to be amended to the minimum extent necessary to eliminate any such conflict, inconsistency or ambiguity.

In this Agreement:

(a) **Headings** - The descriptive headings preceding Sections of this Agreement are inserted solely for convenience of reference and are not intended as complete or accurate descriptions of the content of such Sections. The division of this Agreement into Sections shall not affect the interpretation of this Agreement.

(b) **Including** - Where the word "**including**" or "**includes**" is used in this Agreement, it means "**including without limitation**" or "**includes without limitation**".

(c) **Plurals and Gender** - The use of words in the singular or plural, or referring to a particular gender, shall not limit the scope or exclude the application of any provision of this Agreement to such persons or circumstances as the context otherwise permits

3. Conveyance

The Vendor hereby sells, assigns, transfers, conveys and delivers to the Purchaser, and the Purchaser hereby acquires and accepts effective as of the Closing Time all of the right, title and interest of the Vendor in and to each of the Assets set out in Schedule "A" of the Purchase Agreement, a copy of which is attached hereto as Schedule "A", free and clear of all Liens or other encumbrances.

5. Non-Assignable Assets

This Agreement shall not constitute an assignment or attempted assignment of any of the Assets which is not assignable without the consent or approval of any third party (a "**Third Party Consent**") and such Third Party Consent has not been obtained. In respect of such Assets, the Vendor shall:

(a) use all reasonable efforts, in cooperation with the Purchaser, to secure any Third Party Consent required in connection with the assignment of such Asset; and

(b) pending the effective transfer of such assets, hold all rights, benefits and entitlements with respect thereto for and on behalf of and in trust for the exclusive benefit of the Purchaser, provided that the Purchaser shall pay, perform and discharge all obligations arising or accruing with respect thereto during such period, all to the same effect as if such assets had been absolutely transferred to the Purchaser as at the Closing Date with such Third Party Consents having been obtained..

6. Further Assurances

Upon the request from time to time of the Purchaser, the Vendor shall execute all such conveyances, bills of sale, transfers, assignments, notices and other documents and use all reasonable efforts to secure all necessary consents and approvals as, in the reasonable opinion of the Purchaser, may be necessary to effectively vest title to any of the Assets in the Purchaser or otherwise to protect or perfect any rights of the Purchaser in the Purchased Assets.

7. Enurement

This Agreement shall enure to the benefit of and be binding upon the parties and their respective successors and assigns.

8. **Governing Law**

This Agreement shall be governed by and in accordance with the laws of the Province of Nova Scotia and the laws of Canada applicable therein.
signs.

9. **Execution by Electronic Transmission**

The signature of any of the parties hereto may be evidenced by a facsimile, scanned email or internet transmission copy of this Agreement bearing such signature.

10. **Counterparts**

This Agreement may be signed in one or more counterparts, each of which so signed shall be deemed to be an original, and such counterparts together shall constitute one and the same instrument. Notwithstanding the date of execution or transmission of any counterpart, each counterpart shall be deemed to have the effective date first written above.

THE REMAINDER OF THIS PAGE IS INTENTIONALLY BLANK

IN WITNESS WHEREOF the parties have duly executed this Agreement as of the date first written above.

Witness

3240384 NOVA SCOTIA LIMITED

Per: _____
Director

Per: _____

Stephen Aftanas
Corporate Secretary

I have the authority to bind the corporation

Witness

NOVA SCOTIA POWER INCORPORATED

Per: _____

Name: Mark Savory
VP, Technical and Construction Services

Title:

Witness

Per: _____

Name: Robert R. Bennett
President and Chief Executive Officer

Title:

I/We have the authority to bind the corporation

Schedule "A"

A. Assets Acquired by 3240384 Nova Scotia Limited since December 23, 2009:

Asset/Document	Parties	Date
Procurement and Construction Contract	Emera Utility Services Inc. 3240384 Nova Scotia Limited	February 9, 2010
Standard Generator Interconnection and Operating Agreement	3240384 Nova Scotia Limited Nova Scotia Power Inc	February 4, 2010
Agreement	Scotian Windfields Inc. 3240384 Nova Scotia Limited	December. 2009
Department of Natural Resources Clean Energy Agenda EcoEnergy for Renewable Power Repayable Contribution Agreement	Department of Natural Resources 3240384 Nova Scotia Limited	March 12, 2010
General Electric External Change Order No. 9	3240384 Nova Scotia Limited General Electric Company General Electric Canada	February 3, 2010
General Electric External Change Order No. 10	3240384 Nova Scotia Limited General Electric Company General Electric Canada	February 10, 2010
Rare Plant Habitat Modeling Study / Report/ Results	3240384 Nova Scotia Limited Stantec Consulting Ltd.	
Land Survey Contract	3240384 Nova Scotia Limited Scotia Surveys Limited	Jan 27, 2010
Drawing – Wind Farm Siting Plan	3240384 Nova Scotia Limited CBCL	Jan 29, 2010
Sound Impact Study Report + Contour Drawing	3240384 Nova Scotia Limited Stantec Consulting Ltd.	Feb, 2010

Schedule "A"

A. Assets Acquired by 3240384 Nova Scotia Limited since December 23, 2009:

Asset/Document	Parties	Date
Procurement and Construction Contract	Emera Utility Services Inc. 3240384 Nova Scotia Limited	February 9, 2010
Standard Generator Interconnection and Operating Agreement	3240384 Nova Scotia Limited. Nova Scotia Power Inc	February 4, 2010
Agreement	Scotian Windfields Inc. 3240384 Nova Scotia Limited	December, 2009
Department of Natural Resources Clean Energy Agenda EcoEnergy for Renewable Power Repayable Contribution Agreement	Department of Natural Resources 3240384 Nova Scotia Limited	March 12, 2010
General Electric External Change Order No. 9	3240384 Nova Scotia Limited General Electric Company General Electric Canada	February 3, 2010
General Electric External Change Order No. 10	3240384 Nova Scotia Limited General Electric Company General Electric Canada	February 10, 2010
Rare Plant Habitat Modeling Study / Report/ Results	3240384 Nova Scotia Limited Stantec Consulting Ltd.	
Land Survey Contract	3240384 Nova Scotia Limited Scotia Surveys Limited	Jan 27, 2010
Drawing – Wind Farm Siting Plan	3240384 Nova Scotia Limited	Jan 29, 2010
	CBCL	
Sound Impact Study Report + Contour Drawing	3240384 Nova Scotia Limited Stantec Consulting Ltd.	Feb, 2010

Archaeological Study (Transmission Line) Interim Report	3240384 Nova Scotia Limited CRM Group	April 6, 2010
Drawings - Wetlands	3240384 Nova Scotia Limited CBCL	April, 2010
Telecommunications Assessment Report	3240384 Nova Scotia Limited Oldham Engineers Inc.	April 6, 2010
Environmental Protection Plan	3240384 Nova Scotia Limited	March 5, 2010
Agreement of Purchase and Sale regarding the sale to 3240384 Nova Scotia Limited of PID 30192447 and PID 30258982, being lands at or near the South side of Old Gulliver's Cove Road, Rossway, Digby County, Province of Nova Scotia,	3240384 Nova Scotia Limited Churchill Ashford Shirley Ashford	February 11, 2010

LAND LEASES (Turbine)

Land Parcel – Nova Scotia Property Identification Number ("PID") Digby County, Nova Scotia	Asset/Document	Parties	Date
PID 30130025 PID 30133011 PID 30133029	NS Wind Project Lease	3240384 Nova Scotia Limited Chester A. Fogg and Marie B. Fogg	March 1, 2010
PID 30167829 PID 30132088	NS Wind Project Lease	3240384 Nova Scotia Limited Alan A. Fogg	March 1, 2010
PID 30346407 PID 30167761	NS Wind Project Lease	3240384 Nova Scotia Limited Larry G. Lewis and Linda Lewis	April 27, 2010

PID 30132732 PID 30168587	NS Wind Project Lease	3240384 Nova Scotia Limited P.C. Futures Limited	April 27, 2010
PID 30132815	NS Wind Project Lease	3240384 Nova Scotia Limited James E. Bennett and Beverley C. Bennett	April 13, 2010
PID 30132815	NS Wind Project Lease – Amended and Restated	3240384 Nova Scotia Limited James E. Bennett and Beverley C. Bennett	April 13, 2010

NON TURBINE LEASES

Land Parcel – Nova Scotia Property Identification Number ("PID") Digby County, Nova Scotia	Asset/Document	Parties	Date
PID 30168231 PID 30255228 PID 30274088	NS Wind Project Lease –Non-Turbine Lands	3240384 Nova Scotia Limited James E. Bennett and Beverley C. Bennett	April 13, 2010
PID 30168231 PID 30255228 PID 30274088	NS Wind Project Lease – Amended and Restated Non-Turbine Lands	3240384 Nova Scotia Limited James E. Bennett and Beverley C. Bennett	April 13, 2010
PID 30132989 PID 30192496 PID 30354104	NS Wind Project Lease	3240384 Nova Scotia Limited Jerry Schofield	April 30,2010
PID 30168538	NS Wind Project Lease	3240384 Nova Scotia Limited Linda Lewis Darrell Lewis	May 13, 2010

PID 30168496 PID 30168504	NS Wind Project Lease	3240384 Nova Scotia Limited Timothy D. Halliday	May 17, 2010

TRANSMISSION LINE OPTIONS (Non-Turbine)

Land Parcel – Nova Scotia Property Identification Number ("PID") Digby County, Nova Scotia	Document	Parties	Date
PID 30149801	Amended and Restated Option Agreement	3240384 Nova Scotia Limited Anne M. Boudreau Anita E. Boudreau	February 25, 2010
PID 30149793	Amended and Restated Option Agreement	3240384 Nova Scotia Limited Eileen Frances Brinton	February 25, 2010
PID 30152227	Amended and Restated Option Agreement	3240384 Nova Scotia Limited Alan E. Ross Joan M. Ross	February 26, 2010
PID 30149272	Amended and Restated Option Agreement	Stanley Boudreau Glenda Doucet-Boudreau	February 2, 2010
PID 30149264	Amended and Restated Option Agreement	Stanley Boudreau Glenda Doucet-Boudreau	February 2, 2010

B. Asset Documents Relating to Purchase from Interwind Corp. (formerly SkyPower Corp.) and Scotian Windfield Partners Corp.:

Asset/Document	Parties	Date
Purchase Agreement	Scotian Windfield Partners Corp.	December 21, 2009
	3240384 Nova Scotia Limited	
General Conveyance Agreement	Scotian Windfield Partners Corp.	December 23, 2009

	3240384 Nova Scotia Limited	
Indenture	Scotian Windfield Partners Corp. 3240384 Nova Scotia Limited	December 23, 2009
General Conveyance and Assumption Agreement	Interwind Corp. 3240384 Nova Scotia Limited	December 23, 2009
Indenture	Interwind Corp. 3240384 Nova Scotia Limited	December 23, 2009
Turbine Assignment and Consent Agreement	Interwind Corp. 3240384 Nova Scotia Limited General Electric Company General Electric Canada	December 22, 2009
Assignment and Assumption Agreement for Renewable Energy	Interwind Corp. 3240384 Nova Scotia Limited Nova Scotia Power Inc.	December 23, 2009
Nova Scotia Environment Environmental Assessment Approval	Assigned to 3240384 Nova Scotia Limited with consent of Minister	August 24, 2009
Consent Agreement	Magna Electric Corporation	December 8, 2009

C. Non-Land Assets Acquired through Scotian Windfields Inc. and Scotian Windfields Parnters Corp.

Asset/Document	Parties	Date
Generator Interconnection Request	Nova Scotia Power Incorporated 6739954 Canada Corporation (now Scotian Windfields Partners Corp.)	April 19, 2007
Interconnection Facility Study Agreement	Nova Scotia Power Incorporated 6739954 Canada Corporation (now Scotian Windfields Partners Corp.)	February 17, 2009
Appendix 3 to GIP Interconnection System Impact Study Agreement	Nova Scotia Power Incorporated 6739954 Canada	February 6, 2008

	Corporation (now Scotian Windfields Partners Corp.)	
Cover Letter re Final Facilities Study Report	Nova Scotia Power Incorporated 673954 Canada Corp. (now Scotian Windfields Partners Corp.)	September 28, 2009
Final Report System Impact Study IR141	Nova Scotia Power Incorporated	December 17, 2008
Draft Facility Study Report – Part 1	Nova Scotia Power Incorporated	August 4, 2009
Draft Facility Study Report – Part 2	Nova Scotia Power Incorporated	August 4, 2009
Letter Extending Completion Date for the Interconnection Agreement to December 23, 2009	Nova Scotia Power Incorporated 6739954 Canada Corp.	November 24, 2009
Building Permit Re PID 30256812	Municipality and Town of Digby	February 16, 2009
Building Permit No. 7377 Re PID 30167761	Municipality and Town of Digby	February 16, 2009
Building Permit No. 7378 Re PID 30167829	Municipality and Town of Digby	February 16, 2009
Building Permit No. 7379 Re PID 30132088	Municipality and Town of Digby	February 16, 2009
Building Permit No. 7381 Re PID 30133011	Municipality and Town of Digby	February 16, 2009
Building Permit No. 7382 Re PID 30133029	Municipality and Town of Digby	February 16, 2009
Building Permit No. 7490 Re PID 30191860	Municipality and Town of Digby	July 16, 2009
Building Permit No. 7389 Re PID 30132989	Municipality and Town of Digby	February 16, 2009
Building Permit No. 7388 Re PID 30191860	Municipality and Town of Digby	February 16, 2009

Building Permit No. 7387 Re PID 30191688	Municipality and Town of Digby	February 16, 2009
Building Permit No. 7386 Re PID 30168538	Municipality and Town of Digby	February 16, 2009
Building Permit No. 7385 Re PID 30168587	Municipality and Town of Digby	February 16, 2009
Building Permit No. 7384 Re PID 30132732	Municipality and Town of Digby	February 16, 2009
Building Permit No. 7383 Re PID 30132815	Municipality and Town of Digby	February 16, 2009
Nova Scotia Environment Environmental Assessment Approval	Scotian Windfields Inc.SkyPower Corp. Nova Scotia Environment, Office of the Minister	August 24, 2009

D. Land Assets Acquired through Scotian Windfields Parnters Corp.

Land Parcel – Nova Scotia Property Identification Number ("PID") Digby County, Nova Scotia	Document Name	Date	Parties
30259907; 30259899; 30192462; 30132856; 30191860	Option Agreement	02/27/07	Fred Ross Sharon Ross Scotian Windfield Partners Corp.
30284186	Option Agreement	04/18/07	Fraser Bagwell Holly Bagwell Scotian Windfield Partners Corp.

Land Parcel – Nova Scotia Property Identification Number ("PID") Digby County, Nova Scotia	Document Name	Date	Parties
30191811	Option Agreement	03/06/07	James Lewis Nancy Lewis Scotian Windfield Partners Corp.
30256812	Option Agreement	04/18/07	Vernon McBride Scotian Windfield Partners Corp.
30132989	Option Agreement	04/18/07	Jerry Schofield Scotian Windfield Partners Corp.
30132815; 30255228; 30274088; 30168231	Option Agreement	07/18/07	James Bennett Beverly Bennett Scotian Windfield Partners Corp.
30191688	Option Agreement	03/25/08	Bernard McBride Scotian Windfield Partners Corp.
30168496; 30168504	Option Agreement	03/24/08	Timothy Halliday Scotian Windfield Partners Corp.
30132732; 30168587	Option Agreement	03/24/08	PC Futures Ltd. Scotian Windfield Partners Corp.
30284194; 30284160; 30191738	Option Agreement	03/25/08	Elinor Anne Mullen Scotian Windfield Partners Corp.

Land Parcel – Nova Scotia Property Identification Number ("PID") Digby County, Nova Scotia	Document Name	Date	Parties
30191795	Option Agreement	03/25/08	Judy Cook Scotian Windfield Partners Corp.
30191746	Option Agreement	03/26/08	Vernon McBride Scotian Windfield Partners Corp.
30346407; 30167761	Option Agreement	03/24/08	Larry Lewis Linda Lewis Scotian Windfield Partners Corp.
30168538	Option Agreement	03/24/08	Linda L. Lewis Scotian Windfield Partners Corp.
30168769	Option Agreement	03/24/08	Perry Allan Vantassel Scotian Windfield Partners Corp.
30130025; 30133011; 30133029	Option Agreement	07/29/09	Chester Fogg Marie Fogg Scotian Windfield Partners Corp.
30167829; 30132088; 30167803	Option Agreement	07/29/09	Alan Fogg Scotian Windfield Partners Corp.

E. Non-Land Assets Acquired through Interwind Corp. (formerly SkyPower Corp.):

Document Name	Date	Parties

Document Name	Date	Parties
Geotechnical Investigation, Final Report	June 3, 2009	Strum Environmental SkyPower Corp.
Supplementary Geotechnical Investigation	July 7, 2009	Strum Environmental SkyPower Corp.
Supplementary Geotechnical Investigation	July 27, 2009	Strum Environmental SkyPower Corp.
MET Resource Report	February 16, 2009	Genivar SkyPower Corp.
Magna Transformer Acquisition	April 2, 2009	Magna Electric Corp. SkyPower Corp.
Topographical Survey of turbines sites and access roads	June 10, 2009	Terrain SkyPower Corp.
Additional Survey Information - Report of Surveying of Bennett Lane and Collection System Area	July 31, 2009	Terrain SkyPower Corp.
Construction Contract Bid Package, including: Tender Drawings, Tender Specifications and Standard Specifications for Municipal Services	June 30, 2009	CBCL LIMITED SkyPower Corp.
Construction Contract Reference Documents, including: GE 1.5 SLE Energy Technical Exhibits and GE Energy Work Instructions, Receiving reports, Check out sheets and drawings	June 30, 2009	CBCL LIMITED SkyPower Corp. GE Energy
Contract Documents – Addendum No. 1 Materials (including revised Appendices and Drawings)	July 10, 2009	CBCL LIMITED SkyPower Corp.
Contract Documents – Addendum No. 2	July 15, 2009	CBCL LIMITED SkyPower Corp.
Contract Documents – Addendum No. 3, including Developer supplied Form of Construction Contract	July 24, 2009	CBCL LIMITED SkyPower Corp.

Document Name	Date	Parties
Contract Documents – Addendum No. 4	July 30, 2009	CBCL LIMITED SkyPower Corp.
Contract Documents – Addendum No. 5	July 31, 2009	CBCL LIMITED SkyPower Corp.
Digby Wind Power Survey	July 2009	Pollara SkyPower Corp.
EcoEnergy Registration No.5911-S17-1	September 7, 2007	Natural Resources Canada SkyPower Corp.
EcoEnergy Acknowledgement of submission TPI	July 9, 2009	Natural Resources Canada SkyPower Corp.
Preliminary Electro-Magnetic Interference Study	April 23, 2009	Genivar SkyPower Corp.
Issues Identification Report	June 22, 2007	Jacques Whitford Limited SkyPower Corp.
Nova Scotia Environment – Notice of Registration	April 30, 2009	Nova Scotia Environment SkyPower Corp.
Provincial Environmental Assessment Report and appendices Appended Reports: • Public Consultation Materials • Aquatic Survey Photographs • Flora Lists • Wetland Data • Avian Field Program Information • Noise Impact Study	April 2009	Jacques Whitford Stantec Limited SkyPower Corp.
Addendum to Environmental Assessment Registration Document	July 3, 2009	Jacques Whitford Stantec Limited SkyPower Corp.
Nova Scotia Environment – Request for additional information	June 2009	Nova Scotia Environment, Office of the Deputy Minister SkyPower Corp.
Nova Scotia Environment Environmental Assessment	August 24,	Nova Scotia Environment,

Document Name	Date	Parties
Decision	2009	Office of the Minister SkyPower Corp. Scotian Windfields Inc.
Federal Coordination Notice	May 8, 2009	Canadian Environmental Assessment Agency SkyPower Corp.
Interim Mi'kmaq Ecological Knowledge Study	May, 2009	The Confederacy of Mainland Mi'kmaq (CMM), Environmental Services SkyPower Corp.
Interim #2 Mi'kmaq Ecological Knowledge Study	July, 2009	The Confederacy of Mainland Mi'kmaq (CMM), Environmental Services SkyPower Corp.
Quarterly Development Report for NSPI – Q1 2009	April 15, 2009	Nova Scotia Power Incorporated SkyPower Corp.
Quarterly Development Report for NSPI – Q4 2008	January 15, 2009	Nova Scotia Power Incorporated SkyPower Corp.
Quarterly Development Report for NSPI – Q2 2009	July 15, 2009	Nova Scotia Power Incorporated SkyPower Corp.
Transmission Line Feasibility Study	May 1, 2009	Terrain SkyPower Corp.
Transport Canada MET Tower Approval	August 29, 2008	Transport Canada SkyPower Corp.
NavCanada and Transport Canada MET Tower Approvals	August 15, 2007 and April 25, 2007	NavCanada Transport Canada SkyPower Corp.
Transport Canada MET Tower Approval	August 24, 2007	Transport Canada SkyPower Corp.
Transport Canada MET Tower Approval	August 29, 2008	Transport Canada SkyPower Corp.
Transport Canada MET Tower Approval	August 29, 2008	Transport Canada SkyPower Corp.
Transport Canada MET Tower	August 29,	Transport Canada

Document Name	Date	Parties
Approval	2008	SkyPower Corp.
Transport Canada MET Tower Approval	August 29, 2008	Transport Canada SkyPower Corp.
Transport Canada MET Tower Approval	August 29, 2008	Transport Canada SkyPower Corp.
Transport Canada MET Tower Approval	August 29, 2008	Transport Canada SkyPower Corp.
Transport Canada MET Tower Approval	August 29, 2008	Transport Canada SkyPower Corp.
Transport Canada MET Tower Approval	August 29, 2008	Transport Canada SkyPower Corp.
Power Purchase Agreement and the Performance Security thereunder	March 31, 2008	Nova Scotia Power Incorporated SkyPower Corp.
Wind Turbine Building Permits	February 16, 2009	Municipality and Town of Digby SkyPower Corp.
Building Permit for Control Building	July 16, 2009	Municipality and Town of Digby SkyPower Corp.
Transport Canada Approval of Project	July 6, 2009	Transport Canada SkyPower Corp.
NavCanada Approval for 20 Wind Turbines	August 25, 2009	NavCanada SkyPower Corp.
Amended and Restated Contract for 20 1.5 GE SLE Turbines	March 2, 2009	General Electric Company General Electric Canada SkyPower Corp.
Change Order No. 1	March 10, 2009	General Electric Company General Electric Canada SkyPower Corp.
Change Order No. 2	March 16, 2009	General Electric Company General Electric Canada SkyPower Corp.
Change Order No. 3	March 24, 2009	General Electric Company

Document Name	Date	Parties
		General Electric Canada SkyPower Corp.
Change Order No. 4	April 15, 2009	General Electric Company General Electric Canada SkyPower Corp.
Change Order No. 5	June 4, 2009	General Electric Company General Electric Canada SkyPower Corp.
Change Order No. 6	June 18, 2009	General Electric Company General Electric Canada SkyPower Corp.
Change Order No. 7	July 10, 2009	General Electric Company General Electric Canada SkyPower Corp.
Change Order No. 8	August 4, 2009	General Electric Company General Electric Canada SkyPower Corp.
Yield Report	March 16, 2009	Genivar SkyPower Corp.
Yield Report Update	April 3, 2009	Genivar SkyPower Corp.
Yield Report Update	May 29, 2009	Genivar SkyPower Corp.
Mechanical Load Analysis	June 15, 2009	GE Energy SkyPower Corp.
Resistivity Data	August 6, 2009	Strum Environmental SkyPower Corp.
Supplementary Geotechnical Investigation Report	July 27, 2009	Strum Environmental SkyPower Corp.
Mi'kmaq Ecological Knowledge Study	September 2009	CMM Environment Services The Confederacy of Mainland Mi'kmaq

Document Name	Date	Parties
		SkyPower Corp.
Net Energy Analysis	September 30, 2009	WindLogics SkyPower Corp.
SRS Approval Notification	September 30, 2009	Nova Scotia Power Incorporated SkyPower Corp.
Final Facilities Study Infrastructure Report	September 8, 2009	Nova Scotia Power Incorporated SkyPower Corp.
Substation – Confirmation Letter of Completed Coil Assembly	September 24, 2009	SkyPower Corp. Magna Electric Corporation
Application for Permit for Breaking Soil of Highways	October 9, 2009	SkyPower Corp. Nova Scotia Department of Transportation and Infrastructure Renewal
Approved Breaking Soil of Highways Permit	October 15, 2009	SkyPower Corp. Nova Scotia Department of Transportation and Infrastructure Renewal

5 MET Towers as described below:

TowerID	Province	Project	Final Tower Installation Coordinates
611	**NS**	**Digby NS**	**44 35.774, -65 53.542**
612	**NS**	**Digby NS**	**44 35.727, -65 56.472**
613	**NS**	**Digby NS**	**N 044° 35.321', W 065° 57.216'**
615	**NS**	**Digby NS**	**N 044° 34.472', W 065° 54.843'**
617	**NS**	**Digby NS**	**N 044° 36.256', W 065° 54.298'**

F. Land Assets Acquired through Interwind Corp. (formerly SkyPower Corp.):

Nova Scotia Property Identification Number ("PID") Digby County, Nova Scotia.	Document Name	Date	Parties
30132013	Option Agreement for Transmission Line Easement	07/22/09	Michele Como Linda Como SkyPower Corp.
30149363	Option Agreement for Transmission Line Easement	07/22/09	Richard Amero SkyPower Corp.
30152383	Option Agreement for Transmission Line Easement	07/22/09	Richard Amero Maria Amero SkyPower Corp.
30149348	Option Agreement for Transmission Line Easement	07/22/09	Anne Mary Amero SkyPower Corp.
30146021	Option Agreement for Transmission Line Easement	07/22/09	Mark Melanson Laura Melanson SkyPower Corp.
30146013	Option Agreement for Transmission Line Easement	07/22/09	Mark Melanson Laura Melanson SkyPower Corp.
30146039	Option Agreement for Transmission Line Easement	07/27/09	Nelson Ryan SkyPower Corp.
30192439	Option Agreement for Transmission Line Easement	07/31/09	Walter Ross SkyPower Corp.
30258958	Option Agreement for Transmission Line Easement	07/31/09	Walter Ross SkyPower Corp.
30238372	Option Agreement for Transmission Line Easement	07/30/09	Eileen Frances Brinton SkyPower Corp.
30238364	Option Agreement for Transmission Line Easement	07/30/09	Eileen Frances Brinton SkyPower Corp.

Nova Scotia Property Identification Number ("PID") Digby County, Nova Scotia.	Document Name	Date	Parties
30192785	Option Agreement for Transmission Line Easement	07/30/09	Larry Goodwin SkyPower Corp.
30193437	Option Agreement for Transmission Line Easement	07/29/09	John W. Ryan Mary Ryan SkyPower Corp.
30192181	Option Agreement for Transmission Line Easement	08/04/09	Thomas G O'Neil Angela O'Neil SkyPower Corp.
30193239	Option Agreement for Transmission Line Easement	08/05/09	Larry G. Budd Wendy M. Budd SkyPower Corp.
30149272	Option Agreement for Transmission Line Easement	07/30/09	Stanley Boudreau Glenda Doucet Boudreau SkyPower Corp.
30149264	Option Agreement for Transmission Line Easement	07/30/09	Stanley Boudreau Glenda Doucet Boudreau SkyPower Corp.
30193148	Option Agreement for Transmission Line Easement	07/30/09	Stanley Boudreau Glenda Doucet Boudreau SkyPower Corp.
30257802	Option Agreement for Transmission Line Easement	07/30/09	Stanley Boudreau Glenda Doucet Boudreau SkyPower Corp.
30258347	Option Agreement for Transmission Line Easement	08/06/09	Charles William Johns Mabel Betty Johns SkyPower Corp.
30152623	Option Agreement for Transmission Line Easement	08/05/09	Gerald J. Comeau SkyPower Corp.
30146385	Option Agreement for Transmission Line Easement	08/06/09	William A Oickle Judy Pearson SkyPower Corp.

Nova Scotia Property Identification Number ("PID") Digby County, Nova Scotia.	Document Name	Date	Parties
30146278	Option Agreement for Transmission Line Easement	08/06/09	William A Oickle Judy Pearson SkyPower Corp.
30145957	Option Agreement for Transmission Line Easement	08/04/09	Thomas G O'Neil Angela O'Neil SkyPower Corp.
30146914	Option Agreement for Transmission Line Easement	08/12/09	Thomas Lombard SkyPower Corp.
30264634	Option Agreement for Transmission Line Easement	08/12/09	Thomas Lombard SkyPower Corp.
30146047	Option Agreement for Transmission Line Easement	08/12/09	Diane Elaine Simms SkyPower Corp.
30287049	Option Agreement for Transmission Line Easement	08/12/09	Diane Elaine Simms SkyPower Corp.
30145965	Option Agreement for Transmission Line Easement	08/17/09	Victory Farms Inc. SkyPower Corp.
30149405	Option Agreement for Transmission Line Easement	07/30/09	Larry D. NacNeill Marilyn MacNeill SkyPower Corp.
30149421	Option Agreement for Transmission Line Easement	07/30/09	Larry D. MacNeill Marilyn MacNeill SkyPower Corp.
30149884	Option Agreement for Transmission Line Easement	08/14/09	Sandra D. Haynes SkyPower Corp.
30318141	Option Agreement for Transmission Line Easement	08/17/09	Charles Gaudet SkyPower Corp.

Nova Scotia Property Identification Number ("PID") Digby County, Nova Scotia.	Document Name	Date	Parties
30192496	Option Agreement for Transmission Line Easement	08/19/09	Jerry Schofield SkyPower Corp.
30132989	Option Agreement for Transmission Line Easement	08/19/09	Jerry Schofield SkyPower Corp.
30149991	Option Agreement for Transmission Line Easement	07/30/09	James Mcheffey SkyPower Corp.
30146146	Option Agreement for Transmission Line Easement	40051	William Oickle Judy Pearson SkyPower Corp.
30258503	Option Agreement for Transmission Line Easement	40051	William Oickle Judy Pearson SkyPower Corp.
30146252	Option Agreement for Transmission Line Easement	40051	William Oickle Judy Pearson SkyPower Corp.
30146260	Option Agreement for Transmission Line Easement	40051	William Oickle Judy Pearson SkyPower Corp.
30192199	Option Agreement for Transmission Line Easement	40051	Digby County Co-op Pasture Ltd SkyPower Corp.
30150007	Option Agreement for Transmission Line Easement	729/09	Christopher Jenkins and Margaret Jenkins SkyPower Corp.
30149504	Option Agreement for Transmission Line Easement	09/30/09	Eileen Frances Brinton SkyPower Corp.
30149793	Option Agreement for Transmission Line Easement	09/30/09	Eileen Frances Brinton SkyPower Corp.

Nova Scotia Property Identification Number ("PID") Digby County, Nova Scotia.	Document Name	Date	Parties
30149801	Option Agreement for Transmission Line Easement	10/01/09	Anne Boudreau and Anita Boudreau SkyPower Corp.
30354617	Option Agreement for Transmission Line Easement	10/01/09	Anne Boudreau and Anita Boudreau SkyPower Corp.
30152086	Option Agreement for Transmission Line Easement	10/02/09	Joe H. Balser SkyPower Corp.
30192397	Option Agreement for Transmission Line Easement	25/09/09	Darren T. Andrew and April H. Amero SkyPower Corp.
30318133	Option Agreement for Transmission Line Easement	24/09/09	Digby Excavating Ltd. SkyPower Corp.
30320204	Option Agreement for Transmission Line Easement	24/09/09	Digby Salvage Disposal Co. Ltd. SkyPower Corp.
30146898	Option Agreement for Transmission Line Easement	24/09/09	Digby Salvage Disposal Co. Ltd. SkyPower Corp.
30192371	Option Agreement for Transmission Line Easement	25/09/09	Darren Andrews SkyPower Corp.
30264261	Option Agreement for Transmission Line Easement	22/09/09	Wayne's Excavation Services Ltd. SkyPower Corp.
30132757	Option Agreement for Transmission Line Easement	22/09/09	Wayne's Excavation Services Ltd. SkyPower Corp.
30152227	Option Agreement for Transmission Line Easement	08/10/09	Allen E. Ross and Joan M. Ross SkyPower Corp.

Nova Scotia Property Identification Number ("PID") Digby County, Nova Scotia.	Document Name	Date	Parties
30152169	Option Agreement for Transmission Line Easement	08/10/09	Nellie Drew SkyPower Corp.
30152110	Option Agreement for Transmission Line Easement	25/09/09	Nellie Drew SkyPower Corp.
30274989	Option Agreement for Transmission Line Easement	28/08/09	Kelly Joseph Deveau and Janet Lee Deveau SkyPower Corp.
30275267	Option Agreement for Transmission Line Easement	19/10/09	Kelly Deveau and Janet Deveau SkyPower Corp
30238422	Option Agreement for Transmission Line Easement	20/10/09	James D. MacAlpine SkyPower Corp.
30149868	Option Agreement for Transmission Line Easement	20/10/09	James D. MacAlpine SkyPower Corp
30149850	Option Agreement for Transmission Line Easement	20/10/09	Alston MacAlpine Peggy MacAlpine SkyPower Corp.

G. Miscellaneous Assets Acquired through Interwind Corp. (formerly SkyPower Corp.):

Document Name	Date	Parties
Shape File DVD with EA, Engineering, Survey, Layout and Transmission Line Information		SkyPower Corp.
Minutes of Meeting of Digby Co-Operative Pasture Limited re proposal for Transmission Line Options	August 24, 2009	Digby Co-Operative Pasture Limited SkyPower Corp.

Document Name	Date	Parties
Construction Bids and Bid Evaluation Form		SkyPower Corp. CBCL Limited
Padmount Transfer Bids and Bid Evaluation Form		SkyPower Corp.
Letter from EON WindElectric re Construction Bid Costs	August 10, 2009	EON WindElectric SkyPower Corp.
Letter from Signal Wind Energy LLC re Construction Bid Costs	September 4, 2009	Signal Wind Energy LLC SkyPower Corp.
Main Transformer Specifications		Stantec Consulting Inc. SkyPower Corp.
Option Easement for Transmission Lin e Easement	15/12/09	Jonathan Mullen Mink Ranch Limited Interwind Corp.

ASSIGNMENT AND ASSUMPTION OF LEASES AGREEMENT

THIS AGREEMENT dated as of the 28th day of May, 2010 (the "**Effective Date**").

B E T W E E N:

3240384 NOVA SCOTIA LIMITED, a body corporate, incorporated under the laws of the Province of Nova Scotia

(the "**Assignor**")

- and -

NOVA SCOTIA POWER INCORPORATED, a body corporate, incorporated under the laws of the Province of Nova Scotia

(the "**Assignee**")

WHEREAS the Assignee has agreed to purchase certain assets from the Assignor pursuant to the terms and conditions contained in an Asset Purchase Agreement between the Assignor, as Vendor and the Assignee, as Purchase, dated May 28, 2010 (the "**Purchase Agreement**");

AND WHEREAS the assets to be sold by the Assignee pursuant to the Purchase Agreement include certain leases, including all modifications, extensions or renewals as set out in Schedule "A" (collectively the "**Leases**"), pursuant to which the Assignee has been granted certain rights and interests in the Lands identified in the Leases and in Schedule "A";

AND WHEREAS pursuant to the Purchase Agreement the Assignor has agreed to assign and the Assignee has agreed to assume all of the Leases as of the Time of Closing on the Effective Date (the "**Effective Time**").

NOW THEREFORE in consideration of the exchange of mutual covenants set out herein and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties covenant and agree as follows:

1. Defined Terms. Capitalized terms used in this Agreement and not otherwise defined herein shall have the meanings given to them in the Purchase Agreement.

2. Assignment of Leases. The Assignor hereby assigns, transfers and sets over unto the Assignee, for its sole use and benefit, effective from the Effective Time on the Effective Date, all of its right, title, estate and interest in and to the Leases, together with the unexpired residue of the term and all renewals thereof and all benefits, advantages, privileges and rights pursuant or relating thereto or derived, arising and flowing therefrom subject to the payment of rent and the observance and performance of the covenants proviso and conditions on the part of the Assignor contained therein.

3. Assumption by Assignee. In consideration of the foregoing assignment of the Leases by the Assignor to the Assignee, the Assignee hereby assumes and covenants to be bound by the Assignor's liabilities and obligations arising or flowing from and under or in any way connected with the Leases effective from the Effective Time on the Effective Date and covenants and agrees with the Assignor to duly keep, observe, perform and comply with or cause to be kept, observed, performed and complied with all such liabilities, obligations and all stipulations, restrictions, provisions and conditions set forth in and in accordance with the provisions of the Leases after the Effective Time on the Effective Date as fully as if the Assignee was originally named as tenant thereunder and had entered into the Leases in the place and stead of the Assignor.

4. Indemnity of Assignor. The Assignor shall, indemnify and save the Assignee harmless from and against any and all claims, losses, liabilities obligations, fees, fines, penalties, interest, deficiencies, costs, expenses, damages, disputes or actions of any nature or kind whatsoever arising by virtue or in respect of or pursuant to the Lease with respect to any matter which has occurred or has arisen prior to and including the Effective Time on the Effective Date, including, without limitation, any breach or failure to comply with the terms and conditions therefore and ay and all actions, suits, proceedings, demands, claims, costs, legal and other expenses relating to or incidental thereto.

5. Assignor's Representations. The Assignor hereby represents and warrants to the Assignee with respect to the Leases as follows:

(i) the Assignor is in possession of the premises demised to it under each of the Leases;

(ii) there have been no amendments, changes or modifications of any of the Leases and there are no agreements outside the Leases between the Assignor and any landlord under any Lease with respect to any such tenancy;

(iii) the Assignor is not in default under any Lease;

(iv) none of the landlords under the Leases is in default under the Leases;

(v) the Assignor has not delivered any notice or complaint to any of the landlords under the Leases that the landlord is in default thereunder;

(vi) there are no existing disputes between any of the landlords under the Leases and the Assignor and the Assignor does not have any existing claim, defence, set-off or counterclaim against the landlords under the Leases or otherwise;

(vii) any and all fees due and payable to the landlord upon or in connection with the execution of the Leases has been paid in full in accordance with the terms of the Leases;

(viii) the Leases are validly existing and any all rent, additional rent, fees or other amounts payable by the Assignor as tenant under the Leases have been paid to the Closing Date;

(x) the Leases comply in all material respects with all applicable laws; and

(xi) the transactions contemplated in this Agreement will not result in a breach, cancellation, suspension or termination of or penalty under any of the Leases.

6. Further Assurances. The Assignee and the Assignor will from time to time hereafter and upon any reasonable request of the other, make or cause to be made all such further acts, deeds, assurances, agreements, acknowledgments, consents or other documents as may be required to more effectually implement the true intent of this Agreement.

7. Governing Law. This Agreement shall be governed by and in accordance with the laws of the Province of Nova Scotia and the laws of Canada applicable therein.

8. Enurement. This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

9. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument. Counterparts may be executed either in original or telecopied form and the parties to this Agreement adopt any signatures received by a receiving telecopier machine as original signatures of the parties.

REMAINDER OF THIS PAGE IS INTENTIONALLY BLANK

IN WITNESS WHEREOF the parties have executed this Assignment and Assumption Agreement as of the Effective Date.

Witness

3240384 NOVA SCOTIA LIMITED

Per: _____
Director

Per: _____
Stephen Aftanas
Corporate Secretary
I have the authority to bind the corporation

Witness

NOVA SCOTIA POWER INCORPORATED

Per: _____
Name: Mark Savory
Title: VP, Technical and Construction Services

Witness

Per: _____
Name: Robert R. Bennett
Title: President and Chief Executive Officer

I/We have the authority to bind the corporation

SCHEDULE "A"

LEASES

LAND LEASES (Turbine)

Land Parcel – Nova Scotia Property Identification Number ("PID") Digby County, Nova Scotia	Asset/Document	Parties	Date
PID 30130025 PID 30133011 PID 30133029	NS Wind Project Lease	3240384 Nova Scotia Limited Chester A. Fogg and Marie B. Fogg	March 1, 2010
PID 30167829 PID 30132088	NS Wind Project Lease	3240384 Nova Scotia Limited Alan A. Fogg	March 1, 2010
PID 30346407 PID 30167761	NS Wind Project Lease	3240384 Nova Scotia Limited Larry G. Lewis and Linda Lewis	April 27, 2010
PID 30132732 PID 30168587	NS Wind Project Lease	3240384 Nova Scotia Limited P.C. Futures Limited	April 27, 2010
PID 30132815	NS Wind Project Lease	3240384 Nova Scotia Limited James E. Bennett and Beverley C. Bennett	April 13, 2010
PID 30132815	NS Wind Project Lease – Amended and Restated	3240384 Nova Scotia Limited James E. Bennett and Beverley C. Bennett	April 13, 2010

NON TURBINE LEASES

Land Parcel – Nova Scotia Property Identification Number ("PID") Digby County, Nova Scotia	Asset/Document	Parties	Date
PID 30168231 PID 30255228 PID 30274088	NS Wind Project Lease – Non-Turbine Lands	3240384 Nova Scotia Limited James E. Bennett and Beverley C. Bennett	April 13, 2010
PID 30168231 PID 30255228 PID 30274088	NS Wind Project Lease – Amended and Restated Non-Turbine Lands	3240384 Nova Scotia Limited James E. Bennett and Beverley C. Bennett	April 13, 2010
PID 30132989 PID 30192496 PID 30354104	NS Wind Project Lease	3240384 Nova Scotia Limited Jerry Schofield	April 30,2010
PID 30168538	NS Wind Project Lease	3240384 Nova Scotia Limited Linda Lewis Darrell Lewis	May 13, 2010
PID 30168496	NS Wind Project Lease	3240384 Nova Scotia Limited Timothy D. Halliday	May 17, 2010

PROVINCE OF NOVA SCOTIA)
COUNTY OF HALIFAX)

I CERTIFY that on the 28 day of May 2010, 3240384 NOVA SCOTIA LIMITED, one of the parties hereto, caused the foregoing Indenture to be executed in its name and on its behalf by its proper officer(s) in my presence.

A Barrister of the Supreme Court
of Nova Scotia

PROVINCE OF NOVA SCOTIA)
COUNTY OF HALIFAX)

I CERTIFY that on the 28 day of May, 2010 NOVA SCOTIA POWER INCORPORATED, one of the parties hereto, caused the foregoing Indenture to be executed in its name and on its behalf by its proper officer(s) in my presence.

A Barrister of the Supreme Court
of Nova Scotia

PROMISSORY NOTE

Principal: [redacted]

WHEREAS Nova Scotia Power Incorporated (the "**Undersigned**") entered into an asset purchase agreement with 3240384 Nova Scotia Limited (the "**Holder**"), as seller, dated as of May 28, 2010 (the "**Agreement**") pursuant to which the Undersigned agreed to purchase certain assets from the Holder and pay certain development costs incurred by the Holder;

AND WHEREAS pursuant to the Agreement the Undersigned agreed to pay to the Holder , or order the aggregate sum of [redacted] by way of promissory note subject to certain adjustments contemplated by the Agreement;

THEREFORE THE PARTIES AGREE THAT FOR VALUE RECEIVED the Undersigned hereby promises to pay to the Holder the principal sum of

Principal Amount: [redacted]

bearing interest commencing on the date hereof at a rate equal to the three month CDOR ("**CDOR**" in respect of any day means the Canadian Dollar Offered Rate, being the average rate for Canadian bankers' acceptances for specific terms-to-maturity, determined daily from a survey on bid-side rates provided by the principal market-makers, including the major Canadian banks, as noted on the Bank of Canada website and reset every three months from the date hereof) in effect plus 500 basis points (the "**Rate**"), payable in the following manner:

1. Adjustment to Principal Amount

1.1 The Principal Amount may be adjusted as provided in the Agreement and the Undersigned and the Holder agree to execute and deliver such amendments, revisions, supplements or releases necessary to make any necessary adjustments to the Principal Amount as required under the Agreement.

2. Semi Annual Payments

2.1 From May 28, 2010, the Undersigned shall make semi-annual payments of interest only, in arrears and calculated at the Rate, on the Principal Amount or any portion thereof that remains outstanding from time to time, on November 28 and May 28 of each year with the first payment to be made on November 28, 2010.

3. Unpaid Balances

3.1 The balance of any amount which becomes due hereunder and remains unpaid including all or part of the Principal Amount or accrued and unpaid interest shall bear interest, payable on demand, until paid at the Rate.

4. Demand Promissory Note

4.1 The Undersigned shall pay the Principal Amount together with any outstanding accrued and unpaid interest on demand of the Holder.

5. PLACE OF PAYMENT

5.1 Payments of the Principal Amount and accrued interest thereon shall be made at such a place as the Holder shall designate to the Undersigned in writing in lawful money of Canada.

6. PURPOSE

6.1 The obligations evidenced by this Note have been drawn by the Undersigned as partial payment of the consideration owed to the Holder for the purchase of the Assets (as defined in the Agreement) and payment of Development Costs (as defined in the Agreement) pursuant to the Agreement as the same may be adjusted from time to time under the terms and conditions contained in the Agreement.

7. NO SET-OFF

7.1 Each payment made pursuant to this Note shall be made without any set-off or counterclaim. The Holder may assign this Note without the consent of the Undersigned.

8. PREPAYMENT

8.1 This Note may be prepaid in whole, or from time to time in part, at any time without notice, bonus, penalty or premium. Any such prepayment shall be applied to accrued and unpaid interest and then to the Principal Amount.

9. WAIVER

9.1 The Undersigned hereby waives presentment for payment, notice of protest, demand for payment, notice of non-payment and notice of any other kind.

EXECUTED effective the 28th day of May 2010.

NOVA SCOTIA POWER INCORPORATED

PER: _____

NAME: ROBERT BENNETT
TITLE: PRESIDENT

PER: _____

NAME:
TITLE: Mark Savory
VP, Technical and
Construction Services

DIGBY WIND FARM CONSTRUCTION CONTRACT

Between:

3240384 Nova Scotia Limited

and

Emera Utility Services Inc.

FORM OF AGREEMENT

This Agreement made on the 9th day of February in the year 2010 by and between:

3240384 Nova Scotia Limited

and

Emera Utility Services Inc.

WHEREAS Nova Scotia Power Inc. has contracted with 3240384 Nova Scotia Limited (the **"DEVELOPER"**) for the supply of electric power from a wind farm at Digby (the **"PPA"**);

WHEREAS the DEVELOPER wishes to retain Emera Utility Services Inc. (hereinafter called the **"CONTRACTOR"**), and the CONTRACTOR agrees to be retained by DEVELOPER, in accordance with the terms and conditions of this agreement (the "**Agreement**");

NOW THEREFORE in consideration of the promises and the mutual covenants hereinafter set forth, the parties hereto covenant and agree as follows:

ARTICLE A1 - THE WORK

1.01 The CONTRACTOR shall perform the Work in accordance with the Contract including the supply all material, labour, supervision, tools, equipment and supplies necessary for the proper performance of all work necessary to construct and commission the wind farm at to be constructed site in the Gulliver's Cove area of Digby County, Nova Scotia (the **"Site"**)

1.02 The DEVELOPER shall pay the CONTRACTOR the Contract Price in accordance with the payment provisions as more particularly detailed in Article A3 of this Agreement.

1.03 The Parties acknowledge that the DEVELOPER's overall requirement is to achieve a Commercial Operation Date to meet its obligations under the PPA and in respect of Federal ecoEnergy funding.

ARTICLE A2- SCHEDULES

The following Schedules are attached to, and form part of, the Contract:

A Lump Sum Prices;

B Contract Documents:

B1 Overview of Engineering scope

B2 Site Layout

B3 Tender documents

B4 Technical Specifications and Drawings;

C Exclusions to Scope of Work; and

D Progress Schedule – major milestones.

ARTICLE A3- CONTRACT PRICE

The **"Contract Price"** shall be the total price for the items of work attached hereto as Schedule "A", together with any adjustments that are made in accordance with the provisions of the Contract and any applicable harmonized sales tax. The Contract Price is exclusive of harmonized sales tax. Progress payments shall be in accordance with GC 15 APPLICATIONS FOR PAYMENT. [redacted]

ARTICLE A4 - RECEIPT OF AND ADDRESSES FOR NOTICES

Communications in writing between the parties shall be considered to have been received by the addressee on the date of delivery if delivered by hand to the individual or to a member of the firm or to an officer of the corporation for whom they are intended or if sent by post, facsimile or courier to have been delivered within five (5) working days of the date of mailing, sending facsimile or of delivery to the courier company when addressed as follows:

3240384 Nova Scotia Limited	**Emera Utility Services Inc.**
Attention: Dan Muldoon	Attention: Peter Murray
Phone: 902-428-6314	Phone: 902-876-0362
Fax: 902-428-6860	Fax: 902-876-0135

All correspondence shall identify the contract number and shall be dated and signed by the CONTRACTOR's authorized representative, or the DEVELOPER's authorized representative, as the case may be.

ARTICLE A5 - LAW OF THE CONTRACT

This Contract is made and to be performed in the Province of Nova Scotia and shall be governed exclusively by and construed and enforced in accordance with the laws prevailing in the Province of Nova Scotia and the federal laws of Canada applicable therein.

ARTICLE A6- MISCELLANEOUS

Should any provision, in whole or in part, of the Contract be found to be legally invalid, void or unenforceable, the remaining provisions of the Contract shall not be affected thereby, and the parties hereto shall, by amendment to the Contract, promptly replace such provision by a reasonable new provision which, as far as legally possible, shall approximate what the parties intended by such original provision, to carry out their purpose hereunder.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year first above written.

3240384 NOVA SCOTIA LIMITED

Per: _____
Chris Huskilson
President

Per: _____
Stephen Aftanas
Corporate Secretary

EMERA UTILITY SERVICES INC.

Per: _____
Sarah MacDonald
Chief Operating Officer

GENERAL CONDITIONS

GC 1 DEFINITIONS

Unless the context otherwise specifies or requires, for the purposes of the Contract Documents, the following terms shall have the meanings set forth in this General Condition:

"Agreement" means the executed Form of Agreement between the DEVELOPER and the CONTRACTOR which forms part of the Contract Documents.

"Approved Change Request" means a Change Request which has been approved by the DEVELOPER.

"BOP" means all of the plant infrastructure required to build and operate the Project other than the Turbines and the main transformer.

"Business Day" means any day which is not a Saturday or a Sunday, or a day observed as a holiday under the laws of Nova Scotia in force at the Site.

"Change Order" means a written order prepared by or on behalf of the DEVELOPER directing the CONTRACTOR to cause the Technical Specifications and Drawings, the Work or the Progress Schedule to be revised, new work or material to be added in addition to that provided for or the dimensions, character, quantity, quality, description, location or position of any part of the Work to be dispensed with, deleted or changed.

"Change Request" means a written request prepared by or on behalf of the CONTRACTOR for a revision to the Technical Specifications and Drawings, the Work or the Progress Schedule to add new work or material in addition to that provided for or to dispense with, delete or change the dimensions, character, quantity, quality, description, location or position of the whole or any part of any Work.

"Claim" means any claim, demand, liability, damage, loss, suit, action or cause of action and all costs and expenses relating thereto.

"Commercial Operation Date" means the date on which the Works go into commercial operation, as determined by the DEVELOPER in its sole discretion.

"Construction Lien Legislation" means the *Builder's Lien Act* (Nova Scotia).

"Contract" means the Agreement, these General Conditions and the Schedules.

"Contract Documents" consists of those documents listed in Schedule B, including subsequent amendments thereto made pursuant to the provisions of the Contract and agreed upon between the parties.

"Contract Price" has the meaning set out in clause A3 of the Agreement.

"Contract Times" means the Guaranteed Substantial Date and the time stipulated in the Progress Schedule for the Total Completion of the Work.

"CONTRACTOR" means Emera Utility Services Inc.

"Default" means an event or condition (including an act or omission), the occurrence of which would, with the lapse of time or the giving of notice, or both, become an Event of Default.

"Defect" shall mean Work that is not in conformance with the requirements of this Contract and Good Industry Practice, together with any and all defects, results and impacts resulting therefrom.

"DEVELOPER" means 3240384 Nova Scotia Limited.

"Direct Cost" means CONTRACTOR's documented and reasonable cost of material, equipment, labour, labour benefits, overhead associated with direct labour, and costs and expenses of Subcontractors (in all cases, without any inclusion for profit or general administration).

"Environmental Laws" means:

(i) any and all requirements under or prescribed by the common law and all applicable federal, provincial, regional, municipal or local laws, statutes or ordinances relating to environmental matters;

(ii) all rules, regulations, protocols, guidelines, procedures, judgments, concessions, grants, franchises, licenses, agreements or any other government requirements, promulgated under or pursuant to any laws referred to in paragraph (i);

(iii) all applicable orders, decisions and exemptions rendered by any governmental authority relating to environmental laws; and

(iv) any other applicable laws, rules, regulations, orders or decisions (including, Laws and Regulations) relating to environmental matters.

"Event of Default" with respect to the DEVELOPER, has the meaning ascribed thereto in GC 6.1, and with respect to the CONTRACTOR, has the meaning ascribed thereto in GC 8.1.

"Force Majeure" means any circumstance or act beyond the reasonable control of a party to this Contract claiming Force Majeure, including but not limited to, an intervening act of God or public enemy, war, blockade, civil commotions, forest fire, epidemic, quarantine restriction, a stop work order or injunction issued by a court or public authority having jurisdiction, governmental embargo, extreme weather conditions during a time when wind turbines are to be commissioned or during start-up testing, all or any of which delays the performance of any obligation under this Contract beyond its scheduled time.

"Good Utility Practices" means those sound and prudent practices, methods, specifications and standards of design, engineering, construction, tests, safety,

workmanship, equipment and components prudently and generally engaged in or observed by the majority of the professional engineering and construction contractors in the electrical utility in Nova Scotia that at the particular time, in the exercise of skill, diligence, foresight and reasonable judgment, would have been expected to accomplish the desired result in a manner consistent with applicable Laws and Regulations, reliability, safety, local conditions and economy as may be more particularly described herein.

"Guaranteed Substantial Completion Date" means December 20, 2010, as may be modified from time to time pursuant to the terms hereof.

"Hazardous Substance" means, but is not limited to, any solid, liquid, gas, odour, heat sound, vibration, radiation or other substance or emission which is a contaminant, pollutant, dangerous substance, liquid waste, industrial waste, hazardous material or hazardous substance which is or becomes regulated by Environmental Laws or which is classified as hazardous or toxic under Environmental Laws and in addition includes military ordinances, explosives and other similar materials.

[redacted]

"Laws and Regulations" means any and all requirements under or prescribed by common law and any and all applicable federal, provincial or municipal laws, by laws, codes, orders, ordinances, rules, regulations or statutes affecting, applicable or otherwise relating to the Work, including Environmental Laws.

"Liquidated Damages" means any damage payable under GC 36 of this Contract.

"Non Conformance" means, collectively, any non conformities, inadequacies, errors, defects, deficiencies or failures relating to the Work or any part thereof.

"Non Conformance Notice" has the meaning ascribed thereto in GC 26.3.

"Operator" means Nova Scotia Power Inc.

"Other Contractor" means a person, firm or corporation employed by or having a separate contract directly or indirectly with DEVELOPER for work other than that required by the Contract.

"Products" means material, machinery, equipment and fixtures forming the Work but does not include machinery and equipment used for preparation, fabrication, conveying and erection of the Work and normally referred to as construction machinery and equipment.

"Progress Schedule" is the CONTRACTOR's construction schedule and periodic updates attached as Schedule "D" and that may be updated from time to time, including in accordance with GC 26.8.

"Project" means the 30 MW wind farm to be designed, constructed, commissioned and tested at the Site.

"Project Designer" means CBCL Limited.

"Punch List Items" means those minor items of the Work identified by DEVELOPER or CONTRACTOR as requiring completion or correction prior to Total Completion of the Work, such as landscaping and so forth, which items do not affect the availability, reliability, performance, or safe and continuous operation of the Work.

"Schedule of Lump Sum Prices" sets out the applicable prices for each unit and means the schedule of Lump Sum Prices attached to the Agreement as Schedule "A".

"Scope Change" means

(i) a Change Order or Approved Change Request;

(ii) the identification, removal, transportation and disposal of Hazardous Substances;

(iii) changes to Laws and Regulations arising after the date of the Contract which could not reasonably have been anticipated at the date of execution of the Contract; or

(iv) change in the Technical Specifications and Drawings,

which results or would result in a change to the timing of performance of scheduled obligations under the Progress Schedule or a material increase in any of the unit prices set forth in the Schedule of Lump Sum Prices.

"Subcontractor" is a person, firm or corporation having a direct contract with the CONTRACTOR to perform a part or parts of the Work, or to supply products according to the Contract, or both.

"Substantial Completion of the Work" shall have been achieved when the Work is ready for use or is being used for the purpose intended and is so certified in writing by the Project Designer and the only outstanding Work is the Punch List Items.

"Technical Specifications and Drawings" means any and all design and/or construction requirements, specifications, standards, directives, drawings, plans, diagrams, protocols and procedures with respect to the Work or any portion thereof contained within the Contract Documents.

"Total Completion of the Work" means when the entire Work including the completion of all Punch List Items, except those items arising from the provisions of GC 25 WARRANTY or otherwise agreed by the parties, has been performed to the requirements of the Contract and is so certified in writing by the Project Designer.

"Turbine Supplier" means General Electric.

"Turbine Supplier SCADA Systems" means the supervisory control and data acquisition systems for the Turbines and is the assembly of control and automation

devices, relays, meters, remote terminal units, programmable logic controllers and controllers interfaced together with communication devices to form a system that will drive the Turbines and related equipment for the Project.

"Work" means the all necessary work and services required in connection with the engineering, design, permitting, procurement, construction and installation of the Project (provided that procurement is limited to the BOP) including as provided in Schedule "B", except for work and services procured by the DEVELOPER from the Turbine Supplier and the other exclusions listed under Schedule "C".

GC 2 DOCUMENTS

2.1 The CONTRACTOR shall keep one copy of current Contract Documents and shop drawings at the Site, in good order and available to DEVELOPER.

2.2 Drawings, specifications, models and copies thereof furnished by the DEVELOPER are and shall remain DEVELOPER's property. Such documents and models are to be used only with respect to the Work and are not to be used with respect to any other work. Such documents and models are not to be copied or revised in any manner without the prior written authorization of the DEVELOPER.

2.3 Models furnished by the CONTRACTOR at DEVELOPER's expense are the property of DEVELOPER.

2.4 The Contract Documents are complementary, and what is required by any one shall be binding as if required by all.

2.5 The intent of the Contract is to include all labour, supervision, materials, supplies, equipment and services necessary for the performance of the Work in accordance with the Contract Documents.

2.6 In the Contract:

(a) words denoting the singular include the plural and vice versa and words denoting any gender include all genders;

(b) the word "including" shall mean "including without limitation";

(c) any reference to a statute shall mean the statute in force as at the date hereof, together with all regulations promulgated thereunder, as the same may be amended, re-enacted, restated, consolidated and/or replaced, from time to time, and any successor statute thereto, unless otherwise expressly provided;

(d) when calculating the period of time within which or following which any act is to be done or step taken, the date which is the reference day in calculating such period shall be excluded. If the last day of such period is not a Business Day, the period shall end on the next Business Day;

(e) all dollar amounts are expressed in Canadian Dollars;

(f) any tender of documents or money under the Contract may be made upon the parties or their respective counsel and money may be tendered by bank draft drawn upon a Schedule I or Schedule II Canadian chartered bank or by negotiable cheque or wire transfer payable in Canadian Dollars and any negotiable cheque;

(g) the division of the Contract into separate Articles, GCs, subsections and Schedules, the provision of a table of contents and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of the Contract;

(h) save and except as otherwise expressly defined in the Contract, words or abbreviations which have well known or trade meanings are used herein and in the Contract in accordance with their recognized meanings;

(i) the phrase "the aggregate of", "the total of", "the sum of" or a phrase of similar meaning means "the aggregate (or total or sum), without duplication of";

(j) any rule of construction to the effect that any ambiguity is to be resolved against the drafting party shall not be applicable in the interpretation of the Contract;

(k) terms defined in a Schedule or part of a Schedule to the Contract shall, unless otherwise specified in such Schedule or part of a Schedule or elsewhere in the Contract, have the meaning ascribed thereto only in such Schedule or such part of such Schedule.

2.7

(a) In the event of conflicts or inconsistencies between or among documents making up the Contract, the following order of precedence shall apply to the extent only of such conflict or inconsistency:

(i) the terms of the Agreement shall govern and prevail over all other parts of the Contract unless otherwise expressly specified therein;

(ii) the General Conditions shall govern and prevail over the Technical Specifications and Drawings;

(iii) detailed designs and specifications shall govern and prevail over general designs and specifications;

(iv) drawings of larger scale shall govern and prevail over those of a smaller scale of the same date;

(v) detailed drawings shall govern and prevail over general drawings;

(vi) figured dimensions shown on a drawing shall govern and prevail where they differ from scaled dimensions from the same drawing; and

(vii) documents of later date shall govern and prevail, unless otherwise expressly specified therein or herein;

(b) In the event of any conflict or inconsistency in the contents of standards or specifications, the following order of precedence shall govern to the extent of such conflict or inconsistency:

(i) Technical Specifications and Drawings;

(ii) then other standard specifications, such as those produced by the Canadian Standards Association, the Canadian General Standards Board, ISO, the American National Standards Institute and the American Society for Testing and Materials.

GC 3 ADDITIONAL INSTRUCTIONS

3.1 During the progress of the Work the DEVELOPER will furnish to the CONTRACTOR such additional instructions to supplement the Contract as may be necessary for the performance of the Work. Such instructions shall be consistent with the intent of the Contract.

3.2 Additional instructions shall be in writing and may be in the form of specifications, drawings, samples or models.

3.3 Additional instructions will be issued with reasonable promptness and in accordance with a schedule agreed upon for such instructions, subject at all times to compliance with the Progress Schedule or any amendment thereto arising from a Scope Change.

GC 4 ADMINISTRATION OF THE CONTRACT

4.1 The CONTRACTOR will be responsible for and will have, unless otherwise required by the Contract, control or charge of construction means, methods, techniques, sequences or procedures, or for safety precautions and programs required for but not necessarily limited to the Work in accordance with the applicable construction safety legislation and other regulations or general construction practice. The DEVELOPER will not assume any liability whatsoever with respect to the acts or omissions of the CONTRACTOR, its Subcontractors, or their agents, employees or other persons with respect to the CONTRACTOR's compliance or non compliance with the above requirements except to the extent caused by the DEVELOPER's negligence.

4.2 The DEVELOPER will be the interpreter of the requirements of the Technical Specifications and Drawings. Interpretations and decisions of the DEVELOPER shall be reasonable and consistent with the intent of the Technical Specifications and Drawings and the Contract. In the event of a disagreement between the DEVELOPER and the CONTRACTOR with respect to whether the interpretation of the requirements of the Technical Specifications and Drawings are reasonable and consistent with their intent, the parties shall submit the dispute to the Project Designer for a final determination.

4.3 Questions relating to the performance of the Work or the interpretation of the Contract Documents shall be referred to the DEVELOPER in writing for decision which shall be provided by the DEVELOPER in writing within ten (10) days of delivery of the referral.

4.4 The DEVELOPER will promptly review and take appropriate action with respect to the CONTRACTOR's submittals such as shop drawings, product data, and samples, in accordance with the requirements of the Contract.

GC 5 DELAYS

5.1 The CONTRACTOR agrees to perform the Work within the time and in the manner specified, or within any extension of the Contract Times agreed to by the parties in writing or expressly provided for in this Contract.

5.2 The DEVELOPER shall provide the Site to the CONTRACTOR at such a time and in such a state to enable the CONTRACTOR to commence the Work, including any portions of the Work, as soon as possible and in compliance with the Progress Schedule. CONTRACTOR shall provide a Site suitability confirmation.

5.3 The DEVELOPER agrees to provide the CONTRACTOR with all necessary documents and approvals, including but not limited to Technical Specifications and Drawings, Change Orders and authorizations, to enable the CONTRACTOR to meet and comply with the Progress Schedule.

5.4 A delay or interruption in the performance of scheduled obligations under this Contract due to Force Majeure, or any delay by the DEVELOPER shall extend the period of performance of the obligations by an appropriate number of Business Days as the DEVELOPER and the CONTRACTOR may agree upon and the Progress Schedule and the Contract Times shall be deemed to be amended accordingly. If the parties cannot agree upon whether a Force Majeure event has occurred and/or the appropriate period of permitted delay within five (5) Business Days (or such longer period as the parties may agree to in writing), following written notice from either party hereto to the other, such matters shall be resolved in accordance with GC 9 DISPUTE RESOLUTION. No extension of the performance of scheduled obligations of the CONTRACTOR under this Contract shall be made for a permitted delay unless written notice of the event causing the permitted delay is given to the DEVELOPER within ten (10) Business Days of its commencement; provided, however, that in the case of a continuing cause of delay, only one (1) claim shall be necessary.

5.5 The performance of scheduled obligations under this Contract shall, if applicable, be extended as a result of compliance with or implementation of a Scope Change, such extension to be determined pursuant to GC 13 CHANGES.

5.6 Suspension of the Work by the DEVELOPER in accordance with the provisions of GC 7.1 shall not constitute a delay for the purposes of this GC5 and shall be governed by GC 6 DEVELOPER's RIGHTS.

5.7 Subject to GCs 5.4 and 5.5, the CONTRACTOR agrees that the CONTRACTOR shall be liable for and pay for damages suffered by the DEVELOPER due to the failure of the CONTRACTOR to perform the Work within the Contract Times in addition to Liquidated Damages. Such costs shall include but not be limited to additional design costs, costs from any Other Contractor at the Site who is affected, penalties and any damages which the DEVELOPER is obligated to pay which are attributable to the CONTRACTOR's performance or non performance.

5.8 The DEVELOPER agrees that the DEVELOPER shall be liable for and pay for damages suffered by the CONTRACTOR due to the failure of the DEVELOPER to perform its obligations under the Contract which have delayed or prevented the CONTRACTOR from performing the Work within the Contract Times.

GC 6 THE DEVELOPER'S RIGHT TO PERFORM WORK OR STOP THE WORK OR TERMINATE CONTRACT FOR DEFAULT

6.1 The occurrence of any one or more of the following events shall constitute a Default by the CONTRACTOR under this Contract but shall not be considered an Event of Default unless such Default is not remedied prior to the expiry of the relevant notice period (if any) and the relevant cure period (if any) applicable to such Default as hereinafter set out:

(a) if the CONTRACTOR fails to perform or observe any arbitration award binding on the parties pursuant to GC 9 DISPUTE RESOLUTION and such failure to perform or observe any such order shall continue unremedied for a period of five (5) Business Days following notice thereof from the DEVELOPER to the CONTRACTOR;

(b) if the CONTRACTOR fails to perform or observe any of its obligations under this Contract, including without limitation failure to perform obligations in accordance with Contract Times, and such failure to perform or observe any of its material obligations shall continue unremedied for a period of ten (10) Business Days following notice thereof (giving particulars of the failure in reasonable detail) from the DEVELOPER to the CONTRACTOR, or such longer period as the DEVELOPER may reasonably determine to be necessary to cure such failure; provided that the CONTRACTOR has demonstrated to the satisfaction of the DEVELOPER, acting reasonably, that:

(i) it is proceeding with due diligence to cure or cause to be cured such failure;

(ii) it can be reasonably expected to cure or cause to be cured such failure within a time frame acceptable to the DEVELOPER, acting reasonably; and

(iii) it shall thereafter cure such failure with due diligence and within the time frame acceptable to the DEVELOPER, acting reasonably;

(c) if any proceedings are commenced or taken for the dissolution, liquidation or winding up of the CONTRACTOR or for the suspension of operations of the CONTRACTOR, whether by extra judicial means or under any statute of any applicable jurisdiction or otherwise, unless such proceedings have been stayed within thirty (30) Business Days of commencement and have been withdrawn or dismissed within thirty (30) Business Days of commencement;

(d) if a decree or order of a court having jurisdiction is entered adjudging the CONTRACTOR bankrupt or insolvent, or proving as properly filed a petition seeking a winding up or arrangement or compromise of the CONTRACTOR

under the *Companies Creditors Arrangement Act* (Canada), the *Bankruptcy and Insolvency Act* (Canada) or the *Winding Up Act* (Canada) or any other bankruptcy, insolvency or analogous law or issuing process or execution against the CONTRACTOR, or against any substantial part of the property of the CONTRACTOR or ordering the winding up or liquidation of the CONTRACTOR, and any such decree or order continues unstayed and in effect for a period of thirty (30) Business Days from its issuance and is not withdrawn or discharged within thirty (30) Business Days of issuance, or if a trustee, receiver, receiver and manager, interim receiver, custodian or other person with similar powers is appointed in respect of the CONTRACTOR or in respect of all or a substantial portion of its property or assets and any such appointment continues unstayed and in effect for thirty (30) Business Days;

(e) if the CONTRACTOR becomes insolvent, admits its inability to or fails to pay its debts generally as they become due, or otherwise acknowledges its insolvency, makes any assignment in bankruptcy or makes any other assignment for the benefit of creditors, makes any proposal under the *Bankruptcy and Insolvency Act* (Canada) or any comparable law, seeks relief under the *Companies Creditors Arrangement Act* (Canada), the *Winding Up Act* (Canada) or any other bankruptcy, insolvency or analogous law or is adjudged bankrupt, files a petition or proposal to take advantage of any act of insolvency, consents to or acquiesces in the appointment of a trustee, receiver, receiver and manager, interim receiver, custodian, sequestrator, agent for a person with similar powers, in respect of the CONTRACTOR or in respect of all or a substantial portion of its property or assets, or files a petition or otherwise commences any proceeding seeking any reorganization, arrangement compromise, composition, compounding, scheme, arrangement, extension of time, moratorium or readjustment under any applicable bankruptcy, insolvency, moratorium, reorganization or other similar law affecting creditors' rights or consents to, or acquiesces in, the filing of such petition or the commencement of such proceeding;

(f) if there is a change in the financial condition, business or affairs of the CONTRACTOR which has a material and adverse effect on the ability of the CONTRACTOR to meet its obligations under this Contract;

(g) if the CONTRACTOR abandons the Work or any part thereof (the parties acknowledge that the proper exercise of the Contractor's rights pursuant to GC 8 do no amount to an abandonment of the Work), and/or

(h) if the CONTRACTOR ceases to carry on all or substantially all of its business or, except as permitted hereunder, transfers all or substantially all of its undertaking and assets.

Upon the occurrence of an Event of Default, the DEVELOPER may, without prejudice to any other right or remedy it may have, terminate this Contract.

6.2 If the CONTRACTOR should neglect to prosecute the Work properly and with a view to Substantial Completion in accordance with the Guaranteed Substantial Completion Date or

otherwise fails to comply with the requirements of the Contract, the DEVELOPER may monitor the quality of the Work at CONTRACTOR'S expense and issue a Non Conformance Notice.

6.3 If the DEVELOPER terminates the CONTRACTOR's right to continue with the Work under the conditions set out in this General Condition, the DEVELOPER shall:

(a) be entitled to take possession of the Site and products and utilize the construction machinery and equipment subject to the rights of third parties, and finish the Work by whatever method the DEVELOPER may consider expedient but without undue delay or expense;

(b) withhold/set off any and all further payments to the CONTRACTOR until the Work is finished;

(c) upon Total Completion of the Work, charge the CONTRACTOR the amount by which the full cost of finishing the Work, including compensation to the DEVELOPER for its additional services and a reasonable allowance to cover the cost of corrections to work performed by the CONTRACTOR that may be required under GC 25 – WARRANTY, exceeds the amount that would have been paid to the CONTRACTOR for Total Completion of the Work based upon the actual quantities used and the prices contained in the Schedule of Lump Sum Prices; provided however, that if such cost of finishing the Work is less than the amount that would have been paid to the CONTRACTOR upon achieving Total Completion of the Work, the DEVELOPER shall forthwith pay the CONTRACTOR the difference; and

(d) on expiry of the warranty period, charge the CONTRACTOR the amount by which the cost of corrections to its work under GC 25 WARRANTY exceeds the allowance provided for such corrections, or if the cost of such corrections is less than the allowance, pay the CONTRACTOR the difference.

6.4 The CONTRACTOR's obligation under the Contract as to quality, correction and warranty of the Work performed by the CONTRACTOR up to the time of termination shall continue in force after such termination.

GC 7 TERMINATION FOR CONVENIENCE

7.1 DEVELOPER shall have the right to suspend performance of the Work or terminate this Contract or any part hereof without any reason, at any time, by giving notice thereof to Contractor.

7.2 Upon receiving the notice of suspension or termination, the CONTRACTOR shall suspend or cause the suspension of all operations except those which, in the CONTRACTOR's opinion, are necessary for the safety of personnel or for the care and preservation of the Work. Subject to any directions in the notice of suspension or termination, the CONTRACTOR shall discontinue or cause to be discontinued the ordering of products, material, equipment and supplies and shall make reasonable efforts, in the event of termination of this Contract, to cancel existing orders on the best terms available.

7.3 At the end of the suspension period indicated by the DEVELOPER, the CONTRACTOR shall resume performance of the Work and shall be paid by the DEVELOPER for demobilization and mobilization costs associated with complying with the suspension and the Contract Times and other dates in the Progress Schedule shall be automatically extended for the duration of such suspension, plus a reasonable period of time to remobilize and such period of time as may be necessary to take into account any seasonal conditions.

7.4 If this Contract is terminated by the DEVELOPER without the default of either party, then the DEVELOPER will pay to the CONTRACTOR as CONTRACTOR's sole remedy, a termination fee (the **"Termination Payment"**) equal to the following:

(a) The Direct Costs incurred by CONTRACTOR for the Work properly performed by CONTRACTOR and its Subcontractors prior to the date of termination less the amount paid to the CONTRACTOR to date;

(b) The Direct Costs of termination, in each case, as such costs are reasonably substantiated in writing by CONTRACTOR to DEVELOPER, including without limitation demobilization charges and cancellation costs charged by Subcontractors to the CONTRACTOR;

(c) In the event the Contract is terminated pursuant to this GC 7.4 in the fourth month following the Effective Date or later, a payment equal to [redacted] (exclusive of HST) of that portion of the Contract Price that has not yet been paid by the DEVELOPER under the Contract, less the Direct Costs set out in paragraphs (a) and (b) above. (For illustrative purposes only, if the DEVELOPER terminates this Contract for its convenience in the seventh month of the Contract, and the DEVELOPER has already paid the CONTRACTOR [redacted] the DEVELOPER will pay the CONTRACTOR [redacted] – Direct Costs of Work and termination); and

(d) In the event the Contract is terminated pursuant to this GC 7.4 in the fifth month following the Effective Date or later and the CONTRACTOR is providing the Works in accordance with the Project Schedule, the DEVELOPER will pay the CONTRACTOR [redacted], calculated as follows, provided that the dates below will be extended in accordance with GC 5:

(i) termination on or before July 5, 2010: [redacted]

(ii) termination on or before August 5, 2010 but after July 5, 2010: [redacted]

(iii) termination on or before September 5, 2010 but after August 5, 2010: [redacted]

(iv) termination on or before October 5, 2010 but after September 5, 2010: [redacted]

(v) termination on or before November 5, 2010 but after October 5, 2010: [redacted]

(vi) termination on or before December 5, 2010 but after November 5, 2010: [redacted]

(vii) termination on or before December 20, 2010 but after December 5, 2010: [redacted]

which Termination Payment shall be paid by the DEVELOPER to the CONTRACTOR within thirty (30) Business Days following the termination.

7.5 In addition to the Termination Payment, CONTRACTOR will be entitled to retain all payments previously made by DEVELOPER under this Contract. CONTRACTOR shall use reasonable efforts to minimize any costs of termination. DEVELOPER will not be liable to CONTRACTOR, any Subcontractor or any other person for any other damages or indirect costs resulting from such termination, including prospective profits on Work not performed or other consequential or incidental damages not included in the Termination Payment. The Parties recognize, agree and acknowledge that DEVELOPER's termination right hereunder is a permitted action under this Contract (and not a breach hereof or a default hereunder), which right carries with it the obligation to make the Termination Payment.

GC 8 CONTRACTOR'S RIGHT TO STOP THE WORK OR TERMINATE CONTRACT

8.1 The occurrence of any one or more of the following events shall constitute a Default by the DEVELOPER under this Contract but shall not be considered an Event of Default unless such Default is not remedied prior to the expiry of the relevant notice period (if any) and the relevant cure period (if any) applicable to such Default as hereinafter set out:

(a) if the DEVELOPER defaults in the payment of any amount due or payable to the CONTRACTOR and such default shall continue unremedied for five (5) Business Days following notice thereof from the CONTRACTOR to the DEVELOPER;

(b) if the DEVELOPER fails to perform or observe its obligations set out in General Conditions 5.2 or 5.3 and such failure to perform shall continue unremedied for a period of ten (10) Business Days following notice thereof from the CONTRACTOR to the DEVELOPER;

(c) if the DEVELOPER fails to perform or observe any arbitration award binding on the parties pursuant to GC 9 DISPUTE RESOLUTION and such failure to perform or observe any such order shall continue unremedied for a period of ten (10) Business Days following notice thereof from the CONTRACTOR to the DEVELOPER;

(d) if the DEVELOPER fails to perform or observe any of its material obligations under this Contract, or continually fails to observe or perform any of its other obligations under this Contract on its part to be performed and observed and such failure to perform or observe any of its material obligations shall continue unremedied for a period of ten (10) Business Days following notice thereof (giving particulars of the failure in reasonable detail) from the CONTRACTOR to the DEVELOPER, or such longer period as the CONTRACTOR may reasonably

determine to be necessary to cure such failure; provided that the DEVELOPER has demonstrated to the satisfaction of the CONTRACTOR, acting reasonably, that:

(i) it is proceeding with due diligence to cure or cause to be cured such failure;

(ii) it can be reasonably expected to cure or cause to be cured such failure within a time frame acceptable to the CONTRACTOR, acting reasonably; and

(iii) it shall thereafter cure such failure with due diligence and within the time frame acceptable to the CONTRACTOR, acting reasonably;

(e) if any proceedings are commenced or taken for the dissolution, liquidation or winding up of the DEVELOPER or for the suspension of operations of the DEVELOPER, whether by extra judicial means or under any statute of any applicable jurisdiction or otherwise, unless such proceedings have been stayed within fifteen (15) Business Days of commencement and have been withdrawn or dismissed within fifteen (15) Business Days of commencement;

(f) if a decree or order of a court having jurisdiction is entered adjudging the DEVELOPER bankrupt or insolvent, or proving as properly filed a petition seeking a winding up or arrangement or compromise of the DEVELOPER under the *Companies Creditors Arrangement Act* (Canada), the *Bankruptcy and Insolvency Act* (Canada) or the *Winding Up Act* (Canada) or any other bankruptcy, insolvency or analogous law or issuing process or execution against the DEVELOPER, or against any substantial part of the property of the DEVELOPER or ordering the winding up or liquidation of the DEVELOPER, and any such decree or order continues unstayed and in effect for a period of thirty (30) Business Days from its issuance and is not withdrawn or discharged within thirty (30) Business Days of issuance, or if a trustee, receiver, receiver and manager, interim receiver, custodian or other person with similar powers is appointed in respect of the DEVELOPER or in respect of all or a substantial portion of its property or assets and any such appointment continues unstayed and in effect for fifteen (15) Business Days;

(g) if the DEVELOPER becomes insolvent, admits its inability to or fails to pay its debts generally as they become due, or otherwise acknowledges its insolvency, makes any assignment in bankruptcy or makes any other assignment for the benefit of creditors, makes any proposal under the *Bankruptcy and Insolvency Act* (Canada) or any comparable law, seeks relief under the *Companies Creditors Arrangement Act* (Canada), the *Winding Up Act* (Canada) or any other bankruptcy, insolvency or analogous law or is adjudged bankrupt, files a petition or proposal to take advantage of any act of insolvency, consents to or acquiesces in the appointment of a trustee, receiver, receiver and manager, interim receiver, custodian, sequestrator, agent for a person with similar powers, in respect of the DEVELOPER or in respect of all or a substantial portion of its property or assets,

or files a petition or otherwise commences any proceeding seeking any reorganization, arrangement compromise, composition, compounding, scheme, arrangement, extension of time, moratorium or readjustment under any applicable bankruptcy, insolvency, moratorium, reorganization or other similar law affecting creditors' rights or consents to, or acquiesces in, the filing of such petition or the commencement of such proceeding;

(h) the CONTRACTOR is delayed in the performance of or prevented from performing the Work by the DEVELOPER or Other Contractors and such delay in performance shall continue unremedied for a period of ten (10) Business Days following notice thereof from the CONTRACTOR to the DEVELOPER;

(i) if there is a material adverse change in the financial condition, business or affairs of the DEVELOPER which has a material and adverse effect on the ability of the DEVELOPER to meet its obligations under this Contract; and/or

(j) if the DEVELOPER ceases to carry on all or substantially all of its business or, except as permitted hereunder, transfers all or substantially all of its undertaking and assets.

8.2 Upon the occurrence of an Event of Default, the CONTRACTOR may, without prejudice to any other right or remedy it may have, stop the Work or terminate this Contract. If the CONTRACTOR terminates the Contract, it shall be entitled to be paid for all Work performed in accordance with the Schedule of Lump Sum Prices for all work performed up until the notice of termination was issued by the CONTRACTOR.

GC 9 DISPUTE RESOLUTION

9.1 In the event of a dispute regarding the Contract or the Work (a **"Dispute"**), the parties will attempt to resolve the dispute amicably and promptly by appointing a senior executive of each party to attempt to mutually agree upon a resolution. Either party may give the other party written notice of any Dispute or Claim. Within ten (10) days after delivery of said notice, the executives will meet at a mutually acceptable time and place and thereafter as often as they reasonably deem necessary to exchange information and attempt to resolve the Dispute or Claim within thirty (30) days. If the two senior executives cannot reach a resolution, the dispute may be set for arbitration as described herein.

9.2 In the event of a Dispute that cannot be resolved between the parties, the parties agree to submit the dispute to binding arbitration, pursuant to the terms of the *Commercial Arbitration Act* (Nova Scotia). In particular, the parties agree to utilize the arbitration procedure attached as Schedule "A" to the *Commercial Arbitration Act* (Nova Scotia) in the conduct of the arbitration. The party wishing to have any dispute submitted to arbitration (the **"Claimant"**) will give notice to the other party (the **"Respondent"**) specifying the particulars of any issue in dispute and proposing the name of the individual it wishes to be the single arbitrator. Within fifteen (15) days thereafter, the Respondent will give notice to the Claimant advising whether the Respondent accepts the arbitrator proposed by the Claimant. If notice is not given within the fifteen (15) day period, the Respondent will be deemed to have accepted the arbitrator proposed by the Claimant. In the event that the parties can not agree on a single arbitrator within the fifteen (15) day period, the arbitrator will be selected in accordance with the *Commercial Arbitration Act* (Nova Scotia).

No such arbitrator will have previously been employed by either party and will not have a direct or indirect interest in either party or the subject matter of the arbitration. The cost of the arbitration (excluding a party's legal fees and disbursements) will, unless otherwise ordered by the arbitrator or the panel, be borne equally by the parties. The decision of the arbitrator will be final and binding and the beneficiary of any award of the arbitrator may bring proceedings in any jurisdiction to enforce the award or any judgment enforcing the award. The bringing of such proceedings in one or more jurisdictions will not preclude the bringing of enforcement proceedings in any other jurisdiction. In connection with any such proceeding, each party waives any right to de novo review of the award against that party.

9.3 All Work and the performance of all other obligations under the Contract will continue during the dispute resolution proceeding.

GC 10 ASSIGNMENT

10.1 Neither party may assign or transfer the whole or any part of this Contract without the prior written consent of the other party.

GC 11 OTHER CONTRACTORS

11.1 The DEVELOPER reserves the right to enter into separate contracts in connection with the Project of which the Work is a part, or to do work at the Site by the DEVELOPER's own forces. CONTRACTOR and DEVELOPER agree to cooperate, and to cause their subcontractors and themselves to undertake commercially reasonable efforts to cooperate with all other contractors (including the Turbine Supplier) at the Site and in particular to coordinate their performance of work such that the Turbine Supplier's work and CONTRACTOR's Work may be performed in a timely and efficient manner.

11.2 When separate contracts are awarded for different parts of the Project, or work is performed by the DEVELOPER's own forces, the DEVELOPER shall:

(a) provide for the co ordination of the work of the DEVELOPER's own forces;

(b) include in the contracts of all separate contracts the requirement for each of the Other Contractors to coordinate its work with the Work; this does not relieve the CONTRACTOR of its responsibility to coordinate its work with Other Contractors and the DEVELOPER;

(c) ensure that insurance coverage is provided to the same requirements as are called for in this Contract. Such insurance shall be coordinated with the insurance coverage of this CONTRACTOR as it affects the Work; and

(d) take all reasonable precautions to avoid labour disputes or other disputes on the Project arising from the work of other contractors or the Developer's own forces.

11.3 The CONTRACTOR shall co ordinate the Work with the work of Other Contractors as specified or shown in the Contract Documents, including the Turbine Supplier.

GC 12 SUBCONTRACTORS

12.1 The CONTRACTOR agrees to preserve and protect the rights of the parties under the Contract with respect to work to be performed under subcontract and to:

(a) enter into contracts or written agreements with its Subcontractors to require them to perform their work in accordance with and subject to the terms and conditions of the Contract, and

(b) be as fully responsible and liable to the DEVELOPER for acts and omissions of its Subcontractors and of persons directly or indirectly employed by them as for acts and omissions of persons directly employed by it.

12.2 Nothing contained in the Contract shall create a contractual relationship between a Subcontractor and the DEVELOPER.

GC 13 CHANGES

13.1 The DEVELOPER may, without invalidating this Contract, at any time before the Total Completion of the Work, issue a Change Order relating thereto with the Contract Price and Contract Times being adjusted accordingly by written change order. The CONTRACTOR may, at any time before the Total Completion of the Work, submit a Change Request to the DEVELOPER relating thereto for approval by the DEVELOPER provided that no Change Request shall be implemented unless and until it has become an Approved Change Request.

13.2 The CONTRACTOR shall perform or cause to be performed the Work in accordance with any Change Order and/or Approved Change Request as if the matters referred to therein had appeared in and been part of the Contract Documents.

13.3 The DEVELOPER in consultation with the CONTRACTOR shall determine whether or not any matter has arisen which constitutes a Scope Change for the purposes of this Contract. If the parties cannot agree as to whether a matter constitutes a Scope Change, such issue shall be resolved in accordance with the dispute resolution procedures set out in GC 9 DISPUTE RESOLUTION.

13.4 If the CONTRACTOR is of the opinion, acting reasonably, that there is an emergency arising with respect to any portion of the Work, pursuant to which there is an imminent risk to life, safety, property or the environment, the CONTRACTOR shall perform or cause to be performed such work as may be reasonably necessary to avoid such imminent risk and shall provide such notification of same to the DEVELOPER as may be reasonably possible in the circumstances. The CONTRACTOR shall thereafter immediately give to the DEVELOPER written notice setting forth the nature of the emergency and specifying the work performed. The CONTRACTOR acknowledges that notwithstanding the performance of any work arising from an emergency, all changes to the Contract Documents arising from such emergency work shall require the Approval of the DEVELOPER. The CONTRACTOR agrees that the cost of such emergency work shall be borne solely by the CONTRACTOR if the emergency arose as a result of a Default by the CONTRACTOR or the negligence or misconduct (whether by act or omission) of the CONTRACTOR or any of the CONTRACTOR's advisors, but otherwise, the emergency work performed may (provided such emergency work was not to be performed as

part of the Work in any event) be the subject of a Change Request and shall be dealt with in accordance with the provisions of this General Condition.

GC 14 VALUATION AND CERTIFICATION OF CHANGES IN THE WORK

14.1 If the type of work involved in a Change Order is included in the items contained in the Schedule of Lump Sum Prices, it shall be performed on the same payment basis as the original Work and the Contract Times shall be extended for such time as DEVELOPER may reasonably decide in consultation with the CONTRACTOR.

14.2 If the type of work involved in a Scope Change is not included in the Schedule of Lump Sum Prices or is such as to alter the nature or intent of the Work included in such schedule, the value of such Scope Change shall be determined in one or more of the following methods, by agreement of the CONTRACTOR and the DEVELOPER and, failing such agreement, in accordance with GC 9 DISPUTE RESOLUTION:

(a) by estimate and acceptance in a lump sum;

(b) by unit prices agreed upon; or

(c) on cost plus basis.

14.3 In the event of a Scope Change, the change in the Contract Price and the Progress Schedule shall be agreed to by the DEVELOPER and the CONTRACTOR. If the parties cannot promptly agree on the Change to be made then the DEVELOPER in the first instance will determine the cost and/or delay attributable to such change, subject to final resolution in the manner set out in GC 9 DISPUTE RESOLUTION and the CONTRACTOR shall, pending such resolution, nonetheless proceed to perform the Work required pursuant to such change.

14.4 If the parties determine that a Scope Change has occurred, the CONTRACTOR shall provide the DEVELOPER with an estimate of the costs, savings and/or delay, as the case may be, attributable to such change, together with all information necessary for the DEVELOPER to evaluate such estimate. If the estimate is approved by the DEVELOPER, then the appropriate change will be made to the Schedule of Lump Sum Prices or the time frames for the performance of any scheduled obligations set out in the Progress Schedule. If the method of valuation, measurement, change in Contract Price and change in Contract Times cannot be promptly agreed upon, and the change is required to be proceeded with, then the DEVELOPER in the first instance will determine the method of valuation, measurement and the change in the Contract Price and Contract Times subject to final determination in the manner set out in GC 9 DISPUTE RESOLUTION. In such a case the DEVELOPER will issue a written authorization for the change setting out the method of valuation and, if by lump sum, its valuation of the change in Contract Price and Contract Times.

14.5 It is intended in all matters referred to above that DEVELOPER and CONTRACTOR shall act promptly and do all such acts and other things reasonably required to carry out the Work required pursuant to such matters.

GC 15 APPLICATIONS FOR PAYMENT

15.1 The Contract Price is the total price for the performance of the Work, provided that the CONTRACTOR [redacted] in accordance with section A3 of the Agreement.

15.2 The CONTRACTOR shall, however, be entitled to receive interim payments for the Work for all items, of the basis on the quantity of the Work performed to the date of the application for payment in accordance with the Schedule of Lump Sum Prices. The quantity of Work performed will be determined by the DEVELOPER, acting reasonably. Application for interim payments may be made by the Contractor on a monthly basis. All interim payments for the Lump Sum Work shall cease when the Contract Price plus HST has been reached and the CONTRACTOR shall not be entitled to any further payment for the Work.

15.3 The CONTRACTOR will produce a request for payment, in a form to be agreed upon and entitled "Payment Request".

15.4 The DEVELOPER will prepare and forward, within ten (10) days of receipt of the Payment Request, to the CONTRACTOR a Certificate for Payment which shall indicate the payment amount, being the sum for each item in accordance with the Schedule of Lump Sum Prices.

15.5 The DEVELOPER will issue, within thirty (30) days of the receipt of the Certificate of Payment, including Work performed according to any approved Change Orders, a cheque in the amount of the Certificate for Payment.

GC 16 EFFECT OF PAYMENTS

16.1 No payment made by the DEVELOPER under this Contract or partial or entire use or occupancy of the Work by the DEVELOPER shall constitute an acceptance of Work or Products which are not in accordance with requirements of the Contract Documents.

16.2 As of the date of Total Completion of the Work, the DEVELOPER expressly waives and releases the CONTRACTOR from all Claims against the CONTRACTOR including without limitation those that might arise from the negligence or breach of contract by the CONTRACTOR except one or more of the following:

(a) those made in writing prior to the date of Total Completion of the Work and still unsettled;

(b) those arising from the provisions of GC 19 INDEMNIFICATION or GC 25 WARRANTY;

(c) interest charges determined in accordance with GC 23.6;

(d) any Claim(s) which is at the time subject to GC 9 DISPUTE RESOLUTION; and

(e) those arising from Construction Lien Legislation.

16.3 As of the date of Total Completion of the Work, the CONTRACTOR expressly waives and releases the DEVELOPER from all Claims against the DEVELOPER including, without limitation, those that might arise from the negligence or breach of contract by the DEVELOPER except one or more of the following:

(a) those made in writing prior to the CONTRACTOR's application for payment upon Total Completion of the Work and still unsettled;

(b) interest charges determined in accordance with GC 23.6;

(c) any counterclaims or set offs arising as a result of or in relation to a Claim advanced by the DEVELOPER; and

(d) any Claim(s) which is at the time subject to GC 9 DISPUTE RESOLUTION.

GC 17 TAXES AND DUTIES

17.1 Except as stated in section A3 of the Agreement, the Contract Price shall include, and the CONTRACTOR shall pay, all taxes and all other applicable charges, duties and assessments or levies as may be required with respect to the Contract. If there are any changes to the applicable taxes, charges, duties, assessments or levies, the CONTRACTOR is entitled to reimbursement from the DEVELOPER for the amount of such changes.

17.2 Any tax refunds or other similar withholdings that are properly due to the DEVELOPER and have been recovered by the CONTRACTOR will be promptly refunded to the DEVELOPER.

GC 18 LAWS AND REGULATIONS, NOTICES, PERMITS

18.1 The CONTRACTOR shall obtain all permits, licenses, certificates and such other authorizations as may be required to operate its business and to carry out any transportation in connection with the Works. All other permits, licenses, permanent easements, rights of servitudes and certificates and such other authorizations and the fees required in connection with the Works are the sole responsibility of the DEVELOPER.

18.2 The CONTRACTOR shall give the required notices and comply with the Laws and Regulations during the performance of the Work and which relate to the Work, the preservation of the public health, or construction safety. The CONTRACTOR shall also follow any environmental permit plan applicable to the Project.

18.3 The CONTRACTOR shall not be responsible for verifying that the Contract Documents are in compliance with the Laws and Regulations relating to the Work. If the Contract Documents are at variance with Laws and Regulations, or changes which require modification to the Contract Documents are made to the Laws and Regulations, the CONTRACTOR shall notify the DEVELOPER in writing requesting direction immediately after such variance or change becomes known to him. The DEVELOPER will make the changes required to the Contract Documents in accordance with GC 13 CHANGES and the value of the Scope Changes shall be determined in accordance with GC 14 VALUATION AND CERTIFICATION OF CHANGES IN THE WORK.

GC 19 INDEMNIFICATION

19.1 Subject to GC 19.2, the CONTRACTOR covenants to indemnify and save harmless the DEVELOPER and its respective members, shareholders, directors, officers, legislators, officials and employees involved in the Project from and against any and all Claims of any nature whatsoever and howsoever caused resulting from or relating to:

(a) Any breach, violation or non-performance by the CONTRACTOR of any covenant, obligation or agreement of the CONTRACTOR contained in the Contract;

(b) The existence of any Defect in the Work;

(c) Any negligent or wilful acts performed or omitted to be performed by or on behalf of the CONTRACTOR;

(d) Any damage to property, either real or personal, howsoever occasioned as a result of the Work;

(e) Any personal or bodily injury to or death of any person or persons (including, any member of the public), as a result of the Work; and/or

(f) Any inaccuracy in or breach of any of the representations or warranties of the CONTRACTOR contained in the Contract or any document, undertaking or certificate given pursuant to the Contract.

19.2 Notwithstanding any other provision of the Contract to the contrary, the DEVELOPER shall be liable for and the CONTRACTOR shall have no obligation to indemnify the DEVELOPER against Claims arising as a result of the DEVELOPER's negligence or wilful misconduct or a breach of DEVELOPER's contracts with third parties, provided such breach is not caused by any act or omission of the CONTRACTOR.

GC 20 LIMITATION OF LIABILITY

Each Party's total liability under this Contract will be limited to an amount equal to [redacted] of the Contract Price. Any amounts payable pursuant to each Party's indemnity obligations in respect of third party claims hereunder shall be unlimited and unrestricted.

GC 21 INSURANCE

21.1 The CONTRACTOR, at its own expense, shall purchase and maintain insurance in full force and effect with insurers lawfully authorized to do business in the jurisdiction in which the Project is located and in accordance with good commercial practice and to the mutual consent of the DEVELOPER and the CONTRACTOR. The limits, deductibles and form of coverage to be agreed by the parties. Such insurance shall protect the DEVELOPER from claims which may arise out of or result from the CONTRACTOR's (or anyone directly or indirectly employed by the CONTRACTOR) operation's performed under the Contract. The CONTRACTOR shall be required to provide Certificates of Insurance, and, upon demand, any policy or endorsement, evidencing the coverage.

GC 22 PROTECTION OF WORK AND PROPERTY

22.1 The CONTRACTOR shall take reasonable measures to protect the Work, temporary works, facilities, equipment, the environment and the DEVELOPER's property and property adjacent or in any manner relating to the Work or the Site from damage and shall be responsible for damage which may arise as the result of its operations under the Contract except damage which occurs as the result of acts or omissions by the DEVELOPER, Other Contractors, their agents and employees.

22.2 Should the CONTRACTOR in the performance of this Contract damage the Work, temporary Works, facilities, equipment, the environment and the DEVELOPER's property or property adjacent or in any manner relating to the Work or to the Site, the CONTRACTOR shall be responsible for the making good of such damage at its expense.

GC 23 DAMAGES AND MUTUAL RESPONSIBILITY

23.1 The CONTRACTOR shall be responsible for the proper performance of the Work to the extent that the design and specifications, including the Technical Specifications and Drawings, permit such performance.

23.2 The CONTRACTOR agrees that all engineering and design services to be performed hereunder by the CONTRACTOR or its Subcontractors (including the Project Designer) shall be performed with that professional degree of care, skill and diligence normally provided in the performance of such engineering services by qualified professionals in respect of projects of a similar nature to that contemplated by this Contract.

23.3 If the CONTRACTOR becomes liable to pay or satisfy a final order, judgment or award against the DEVELOPER then the CONTRACTOR, upon undertaking to indemnify the DEVELOPER against any and all liability for costs, shall have the right to appeal in the name of the DEVELOPER such final order or judgment to any and all courts of competent jurisdiction.

23.4 The CONTRACTOR will indemnify the DEVELOPER with respect to damages, costs, refunds, set offs or repayments to the extent the DEVELOPER may become liable because of the CONTRACTOR's lack of due diligence in its performance or negligent performance of any obligation or responsibility required by this Contract, or that of any of its Subcontractors or suppliers, with respect to the performance of any of the Work.

23.5 The DEVELOPER will indemnify the CONTRACTOR with respect to damages, costs, refunds, set offs or repayments to the extent the CONTRACTOR may become liable for such, including to the DEVELOPER, due to the DEVELOPER's lack of due diligence in its performance or negligent performance of any obligation or responsibility required by this Contract.

23.6 Any amounts owing by one party to the other pursuant to this General Condition shall bear interest at the Bank of Canada prime business rate which shall be calculated daily not in advance from the date upon which the amount becomes due and payable to and including the date of payment. Such interest shall not be compounded.

23.7 Notwithstanding any provision to the contrary contained in the Contract, neither party shall be liable to the other party for consequential, incidental, special, indirect or punitive damages, including decline in market capitalization, increased cost of capital or borrowing, or lost revenues or profits, for any reason with respect to any matter arising out of or relating to the Contract, whether based on statute, contract, tort, property or otherwise.

GC 24 [INTENTIONALLY DELETED]

GC 25 WARRANTY

25.1 The CONTRACTOR agrees to correct promptly, at its own expense, Defects or deficiencies in the quality and soundness of its work which appear prior to and during the warranty period, which shall be defined as follows (the **"Warranty Period"**):

(a) a period of 12 months from the date on which Total Completion of the Work has been achieved (the **"Initial Warranty Period"**);

(b) If any Work is repaired, replaced or otherwise corrected during the Initial Warranty Period, the Warranty Period for such repaired, replaced or otherwise corrected work will be extended to a date 12 months from the date that such repair, replacement or correction is completed;

(c) If, during the Warranty Period, the Project is shut down (other than for the purpose of scheduled or routine maintenance) and such shutdown is caused by a Defect, then the Warranty Period will be extended by a period equal to the duration of the shutdown.

25.2 During the period provided in GC 25.1, the DEVELOPER shall promptly give the CONTRACTOR written notice of observed Defects.

25.3 The CONTRACTOR agrees to correct or pay for damage resulting from corrections made under the requirement of paragraph 25.1.

GC 26 CONTRACTOR'S RESPONSIBILITIES AND CONTROL OF THE WORK

26.1 The CONTRACTOR shall cause each portion of the Work to be conscientiously and efficiently undertaken and carried out in a good, careful, timely and prudent manner, using qualified, trained and experienced personnel, staff and Subcontractors, in accordance with Good Utility Practices and recognized professional construction standards and in strict compliance with:

(a) the Contract Documents;

(b) Laws and Regulations; and

(c) the results of all studies, tests and audits carried out pursuant to the provisions of this Contract.

26.2 The CONTRACTOR covenants in its performance of the Work:

(a) to comply with (i) the reasonable rules of DEVELOPER regarding activities on the Site (including reasonable restrictions to ingress and egress); and (ii) any other agreements that DEVELOPER has entered into with third parties relating to access to or from the Site, including without limitation, work permits from any authorized authority; and will coordinate its activities with any other person performing work or undertaking activities at the site, including, without limitation, the contractors or subcontractors performing work for or on behalf of DEVELOPER. To the extent such other agreements referenced in (ii) above materially impact CONTRACTOR'S planned execution, then such impacts shall be considered a Change Order pursuant to GC 13 hereunder; and

(b) Any provision in this Contract, including the Schedules hereto, which provides for a standard of care or performance in respect of CONTRACTOR's obligations hereunder shall be interpreted in all respects as requiring CONTRACTOR to perform, at a minimum, to the standards imposed by Laws and Regulations, the PPA, and to the standards and requirements set out in the Contract Documents, and nothing herein shall, or be interpreted to, constitute a waiver by DEVELOPER of the obligations of CONTRACTOR to meet such standards.

26.3 The DEVELOPER shall be entitled at any time or times on or before the Total Completion of the Work in its entirety, to deliver to the CONTRACTOR a notice in writing (hereinafter referred to as a **"Non Conformance Notice"**) stipulating any Non Conformance with respect to the Work. The CONTRACTOR shall, at its cost and expense, correct and rectify any Non Conformance or cause to be corrected and rectified any Non Conformance described in a Non Conformance Notice and upon completion of such correction and rectification provide written certification of the correction and rectification together with all appropriate supporting documentation to the DEVELOPER. However, no decision made by the DEVELOPER either to exercise or not to exercise such authority shall give rise to any duty or responsibility of the DEVELOPER to the CONTRACTOR, its Subcontractors, or their agents, employees or other persons performing any of the Work.

26.4 The CONTRACTOR shall be responsible for construction safety at the Site and will comply with its own written safety procedures then in place at the relevant time.

26.5 The CONTRACTOR shall remove all snow, ice, and water as may be required for proper protection or progression of its Work, as well as the safety of its employees. The CONTRACTOR shall be responsible for temporary pumping and dewatering within the confines of its immediate work area as necessary for the execution or protection of its Work.

26.6 The CONTRACTOR shall provide:

(a) temporary protection against weather so as to maintain all Work free from injury and damage;

(b) heat, fuel, and services to protect the Work against injury from wind, snow, rain, hail, water, and cold until acceptance at Total Completion of the Work; and

(c) temporary water, telephone, power and lighting to support its operations.

26.7 If the CONTRACTOR discovers any error, inconsistency or omission in the Contract Documents it shall promptly report to the DEVELOPER such error, inconsistency or omission.

26.8 CONTRACTOR shall complete the Work in order to meet the Contract Times, subject to GC 5.

26.9 The CONTRACTOR shall prepare and update as required a Progress Schedule which indicates the timing of the major activities of the Work. The Progress Schedule shall be designed to ensure conformance with the Guaranteed Substantial Completion Date. The Progress Schedule shall be submitted to the DEVELOPER for information and approval prior to submission of the CONTRACTOR'S first Progress Payment for work performed. The CONTRACTOR shall monitor the progress of the Work relative to the Progress Schedule and advise the DEVELOPER of any revisions required as the result of delays as provided in GC 5 DELAYS, indicating the results expected from the resultant change in schedule.

26.10 The Progress Schedule shall be updated monthly prior to each project meeting. For activities which have not started, the update of the Progress Schedule shall indicate the planned start and planned completion dates of such activities. For activities which have been started but not completed, the update of the Progress Schedule shall indicate the actual start date, percent complete, and forecast completion date. For activities which are completed, the update of the schedule shall indicate the actual start dates and actual completion dates. For activities which are behind schedule or have not started in accordance with the Progress Schedule, provide a narrative as to the reasons for the behind schedule status of the activity. The schedule shall be updated with revised logic, addition of approved change orders, or other information as required to show actual conditions and sequence of the Work.

26.11 CONTRACTOR agrees that title to all Work, Materials, and Products, whether incorporated in the Project or not, will pass to DEVELOPER, free and clear of all encumbrances, upon the earlier of (i) full payment therefore by DEVELOPER notwithstanding DEVELOPER's legal right of retention, or (ii) delivery by a supplier to CONTRACTOR.

26.12 CONTRACTOR shall be responsible for the care, custody, and control of, and will at all times bear the complete risk of loss, destruction, or damage (including deterioration in quality) for, all materials, supplies, equipment, machinery, and or any other property or items that CONTRACTOR uses or brings onto the site to perform the Work.

GC 27 SUPERVISION

27.1 The CONTRACTOR shall employ a competent supervisor having significant experience with wind turbines made by the Turbine Supplier and necessary assistants who shall be in attendance at the Site while work is being performed.

27.2 The supervisor shall be satisfactory to the DEVELOPER and shall not be changed except for good reason and only then after with the consent of the DEVELOPER.

27.3 The supervisor shall represent the CONTRACTOR at the Site and instructions given to him by the DEVELOPER shall be held to have been given to the CONTRACTOR. Important instructions shall be confirmed to the CONTRACTOR in writing; other instructions shall be so confirmed if requested.

27.4 The CONTRACTOR's designated supervisor shall have the authority to bind the CONTRACTOR and the DEVELOPER shall be entitled to rely upon this authority for all purposes under this Contract.

27.5 The DEVELOPER shall designate a representative who shall be in attendance at the Site while work is being performed. The DEVELOPER's designated representative shall have the authority to bind the DEVELOPER and the CONTRACTOR shall be entitled to rely upon this authority for all purposes under this Contract.

27.6 Each party shall, by written notice to the other, name alternate representatives who shall represent such party in the absence of the designated representative. A party may at any time and from time to time, replace its designated representative and alternate representatives and shall provide written notice to the other party of any and all such replacements. A party shall, upon the request of the other party, remove its representative and/or any alternate representative who, in the reasonable opinion of the other party, is incompetent or has been conducting himself or herself improperly and shall replace the representative (or alternate representative) so removed with another representative (or alternate representative) in accordance with the provisions of this General Condition.

GC 28 LABOUR AND PRODUCTS

28.1 Unless otherwise expressly and clearly stipulated elsewhere in the Contract, the CONTRACTOR shall provide and pay for all labour, products, tools, construction machinery and equipment, water, heat, light, power, transportation and other facilities and services necessary for the performance of the Work in accordance with the Contract.

28.2 Products provided shall be new unless otherwise specified in the Contract Documents. Products which are not specified shall be of a quality best suited to the purpose required and their use subject to the approval of the DEVELOPER.

28.3 The CONTRACTOR shall maintain good order and discipline among its employees engaged on the Work and shall not employ, on the Work, anyone not skilled in the task assigned to him.

28.4 All scaffolding, apparatus, works, vessels, barges, lifting equipment, supplies, equipment, machinery and plant brought upon the premises by the CONTRACTOR shall remain CONTRACTOR's property; but in the circumstance that any portion of or the completion of the Work is done by the DEVELOPER, the DEVELOPER shall be entitled to use the said scaffolding, apparatus, works, equipment, machinery and plant subject to a credit to the CONTRACTOR for its loss of use of such equipment and depreciation but without cost or liability for depreciation or damage by use and without prejudice to the DEVELOPER's other rights or remedies for any damage or loss sustained by reason of the CONTRACTOR's inability to perform any of or complete the Work. It shall be the CONTRACTOR's responsibility to unload, store and protect its materials and supplies and the CONTRACTOR shall bear the risk of loss thereof, and shall protect such materials and supplies against loss until actually incorporated into the Project and the Contract Work has been accepted as complete by the DEVELOPER.

GC 29 SITE CONDITIONS

29.1 If the DEVELOPER or the CONTRACTOR discover conditions at the Site which are:

(a) Subsurface or otherwise concealed physical conditions which existed before the commencement of the Work which differ materially from those indicated in the Contract Documents; or

(b) Physical conditions of a nature which differ materially from those ordinarily found to exist and generally recognized as inherent in construction activities of the character provided for the in the Contract Documents;

then the observing party shall notify the other party in writing before conditions are disturbed and in no event later than 5 Business Days after first observance of the conditions.

29.2 After prompt investigation, should the DEVELOPER determine that conditions do differ materially, it will issue appropriate instructions for a Scope Change in accordance with GC 13 CHANGES, and the value of the changes shall be determined in accordance with GC 14 VALUATION AND CERTIFICATION OF CHANGES IN THE WORK.

GC 30 COMPLETION

30.1 Completion of this Contract shall occur in two (2) phases identified as (a) Substantial Completion of the Work, and (b) Total Completion of the Work.

30.2 When Substantial Completion of the Work occurs, the CONTRACTOR shall issue to the DEVELOPER a certificate of substantial completion. For the purpose of achieving substantial completion for a portion but not all of the Work, the parties agree that the provisions of GC 30 may be satisfied in one or more steps, provided that each such step relates to functional groups within the Work.

30.3 The DEVELOPER shall accept care, custody and operational control, and risk of loss in respect of all or any part of the Work upon Substantial Completion of all or such part of the Work. The CONTRACTOR shall, as and from the Substantial Completion of all or any part of the Work cease to be liable for the care, custody and risk of loss of the Work. The certificate of substantial completion certificate shall be conclusive evidence that the Work is substantially in accordance with this Contract.

30.4 At Substantial Completion of the Work the DEVELOPER shall retain an amount equal to 125% of the estimated cost of completing such preliminary Punch List Items (as estimated by the DEVELOPER in its reasonable judgment). Upon the CONTRACTOR's completion of all of such Punch List Items, the CONTRACTOR shall be entitled to payment of such retained amount.

30.5 Once the CONTRACTOR has completed all the Punch List Items, the CONTRACTOR shall submit the following to the DEVELOPER:

(a) A written notice that the CONTRACTOR considers that it has achieved Total Completion of the Work.

(b) A written certification that:

1) the CONTRACTOR has reviewed the Contract Documents;

2) the Work has been inspected for compliance with the Contract Documents;

3) the Work has been completed in accordance with the Contract Documents; and

4) all equipment and systems have been tested in the presence of the DEVELOPER's representative and are operational.

30.6 Upon receipt of the notice, certifications identified in the preceding paragraph, the DEVELOPER will immediately review the Work and the above documentation to verify the status of the Work.

30.7 Should the Work or certificates be considered incomplete or defective the following will occur:

(a) The DEVELOPER shall promptly notify the CONTRACTOR in writing, listing the incomplete or defective work.

(b) The CONTRACTOR shall immediately and with all due diligence remedy the stated deficiencies and send a further written certification to the DEVELOPER that in the CONTRACTOR's opinion the Total Completion of the Work has been achieved.

(c) The Work and documentation will be re reviewed by the DEVELOPER.

(d) This process will continue until the DEVELOPER agrees that Total Completion of the Work has been achieved.

30.8 When the Total Completion of the Work is achieved the DEVELOPER and the CONTRACTOR will conduct a final completion inspection and the CONTRACTOR shall issue a certificate of total completion for review and approval by the DEVELOPER.

30.9 In preparation for the CONTRACTOR's final payment, the CONTRACTOR shall submit a final statement of accounting to the DEVELOPER in the form prescribed by the DEVELOPER. The statement shall reflect adjustments to the Contract Price in the following format:

(a) The original Contract Price

(b) Additions and deductions resulting from:

(i) Previous Change Orders

(ii) Deductions for uncorrected Work

(iii) Other adjustments

(c) Total Contract Price as adjusted

(d) Previous payments made by the DEVELOPER

(e) Final payment remaining due

30.10 If appropriate the DEVELOPER will prepare and issue a final Change Order, which reflects any approved adjustments to the Contract Price which were not previously authorized by Change Orders.

30.11 Upon completion of the final adjustment of accounts, the CONTRACTOR shall submit the Final Application for Payment in accordance with procedures and requirements in GC 15 APPLICATIONS FOR PAYMENT and final payment shall be made to the CONTRACTOR by the DEVELOPER.

GC 31 CLEANUP AND FINAL CLEANING OF THE WORK

31.1 The CONTRACTOR shall maintain the Work in a tidy condition and free from the accumulation of waste products and debris, other than that caused by the DEVELOPER, Other Contractors, or their employees.

31.2 Upon attaining Substantial Completion of the Work, the CONTRACTOR shall remove its surplus products, tools, construction machinery and equipment not required for the performance of the remaining work. He shall also remove waste products and debris other than that caused by the DEVELOPER, Other Contractors or their employees, and leave the Site clean and suitable for occupancy by the DEVELOPER unless otherwise specified.

GC 32 INSPECTION OF THE WORK AND MAINTENANCE OF RECORDS

32.1 Whenever it is necessary or advisable, the DEVELOPER or its authorized agents or representatives shall have access to the Work for ascertaining that the materials and the workmanship are in accordance with the provisions and the requirements of the Contract Documents. If parts of the Work are in preparation at locations other than the Site, the DEVELOPER or other persons authorized by the DEVELOPER shall be given access to the Work whenever it is in progress.

32.2 If Work is designated for special tests, inspections or approvals in the Contract Documents, the CONTRACTOR shall give the DEVELOPER a minimum of 48 hours notice requesting inspection. Inspection by the DEVELOPER shall be made promptly. The CONTRACTOR shall arrange for inspections by other authorities and shall give the DEVELOPER timely notice of the date and time of such inspections.

32.3 If the CONTRACTOR covers or permits to be covered Work that has been designated for special tests, inspections or approvals before such special tests, inspections or approvals are made, given or completed, it shall, if so directed, uncover such work, have the inspections or tests satisfactorily completed and make good such work at its own expense provided however that if such special tests, inspections or approvals were not made, given or completed as a result

of any delay on behalf of the DEVELOPER, the cost of uncovering such work shall be at the expense of the DEVELOPER.

32.4 The DEVELOPER may order any part or parts of the Work to be specially examined should it believe that such Work is not in accordance with the requirements of the Contract Documents. If, upon examination such work be found not in accordance with the requirements of the Contract Documents, the CONTRACTOR shall correct such work and pay the cost of examination and correction. If such work be found in accordance with the requirements of the Contract Documents, the DEVELOPER shall pay the cost of examination and replacement.

32.5 The CONTRACTOR shall maintain at a convenient central location within the Site copies of all reports, certificates, schedules, notices, requests, information, materials, test results and samples and proper, complete and accurate books, records, accounts and documents (collectively, the **"Work Records"**) in which fair and proper entry shall be made of all transactions in respect of the Work, including documentation relating to quality management, Change Orders, Approved Change Requests and Claims arising therefrom).

32.6 The CONTRACTOR shall, at all reasonable times during normal business hours, at the written request of the DEVELOPER:

(a) make available or cause to be made available or furnish or cause to be furnished to the DEVELOPER all Work Records as may be specified in such request and as shall be in the possession or control of the CONTRACTOR or any of its advisors; and

(b) permit the DEVELOPER to discuss the obligations of the CONTRACTOR under the Contract, or any of them, with any of the directors, officers, employees or managers of the CONTRACTOR or any of the its advisors.

32.7 The CONTRACTOR shall at all times comply with the requirements of any management systems that may be established and, in addition to the rights set out therein, the DEVELOPER may cause an auditor designated by it:

(a) during normal business hours;

(b) without material interference with the performance by the CONTRACTOR of the Work; and

(c) at the sole cost and expense of the DEVELOPER,

to carry out an audit, review and/or inspection of the Work Records required to be maintained and/or delivered by the contractor under the Contract Documents in connection with the performance of the Work for the purpose of verifying the information contained therein. The DEVELOPER and any such auditor designated by it shall be entitled to make copies of the Work Records and to take extracts therefrom, at the expense of the DEVELOPER and the CONTRACTOR shall make available or cause to be made available to the DEVELOPER or any DEVELOPER's advisors such information and material as may be reasonably required by the DEVELOPER or any DEVELOPER's advisors for its purposes and otherwise give such co-

operation as may be required by the DEVELOPER or any DEVELOPER's advisors, acting reasonably.

32.8 Failure by the DEVELOPER to inspect, review, test, approve or audit the Work or the Work Records or to issue a Non Conformance Notice nor any decision made by the DEVELOPER either to exercise or not to exercise such authority shall not constitute a waiver of any of the rights of the DEVELOPER hereunder nor shall it be deemed a waiver or release of any rights of a DEVELOPER under the Contract. Notwithstanding any other provision of the Contract, the inspection of the Work by the DEVELOPER and/or its advisors shall not relieve the CONTRACTOR of any of its respective obligations to comply with or perform the terms of the Contract. Inspection, review or audit not followed by a Non-Conformance Notice, a notice of Default and/or the referral of a matter for resolution in accordance with GC 9, by or on behalf of the DEVELOPER, shall not constitute a waiver of any Non-Conformance, Default or Event of Default, nor shall it be deemed to be a waiver or release by the DEVELOPER of any Claim with respect to any Non-Conformance, Default or Event of Default, or be regarded as a representation or acknowledgement by or on behalf of the DEVELOPER that there has been or will be compliance by the CONTRACTOR with the Contract and Laws and Regulations or that the Work is free from defect or deficiency.

GC 33 REJECTED WORK

33.1 Any Defect, whether the result of poor workmanship, use of defective products, or damage through carelessness or other act or omission of the CONTRACTOR and whether incorporated in the Work or not, which has been rejected by the DEVELOPER as failing to conform to the Contract Documents shall be re executed promptly in accordance with the Contract Documents at the CONTRACTOR's expense.

33.2 Other Contractors' work destroyed or damaged by such removals or replacements shall be made good promptly at the CONTRACTOR's expense.

33.3 If in the opinion of the DEVELOPER it is not expedient to correct any Defect, the DEVELOPER may deduct from the monies otherwise due to the CONTRACTOR the difference in value between the work as performed and that called for by the Contract, the amount of which will be determined in the first instance by the DEVELOPER.

GC 34 CONFIDENTIALITY

34.1 Each of CONTRACTOR and DEVELOPER shall protect from disclosure such information that is the Confidential Information of the other.

34.2 Each of CONTRACTOR and DEVELOPER shall divulge such Confidential Information only to its employees or agents who require access to it for the purposes of this Contract or as otherwise provided in this Contract.

34.3 Each of CONTRACTOR and DEVELOPER (the **"Indemnifying Party"**) agree to indemnify the other (the **"Indemnified Party"**) for all losses incurred by the Indemnified Party as a result of a failure of the Indemnifying Party to comply with its obligations under this GC 34, provided that the Indemnified Party has given prompt notice of any such claim and that the Indemnified Party reasonably cooperates with the Indemnifying Party in connection with the

foregoing and provides the Indemnifying Party with all information in the Indemnified Party's possession related to such claim and such further assistance as reasonably requested by the Indemnifying Party.

34.4 For the purposes of this Contract, **"Confidential Information"** means all data and information relating to the business and management of either party, including proprietary and trade secrets, technology and accounting records to which access is obtained hereunder by the other party, which is clearly marked as "CONFIDENTIAL" provided, however, that Confidential Information shall not include any data or information which: (i) is or becomes publicly available through no fault of the other party; (ii) is already in the rightful possession of the other party prior to its receipt from the other party; (iii) is independently developed by the other party; (iv) is rightfully obtained by the other party from a third party; (v) is disclosed with the written consent of the party whose information it is; or (vi) is disclosed pursuant to court order or other legal compulsion.

GC 35 TECHNICAL INFORMATION AND METHODS

35.1 CONTRACTOR agrees to furnish to the DEVELOPER all technical information, including detailed transportation, placement and erection procedures and methods, relating to the performance of the Work and any other specified information required by the DEVELOPER for approval by the DEVELOPER so as not to delay progress or completion of the Work. The CONTRACTOR shall at all times be fully responsible for its transportation, placement and erection procedures and methods and any amendments or modifications required thereto as a result of field, weather or marine conditions.

GC 36 LIQUIDATED DAMAGES

36.1 If the Substantial Completion of the Work does not occur on or before the Guaranteed Substantial Completion Date (as may be extended pursuant to GCs 5.4 and 5.5), CONTRACTOR shall pay Liquidated Damages to DEVELOPER for such delay for each and every day which elapses after the Guaranteed Substantial Completion Date until the earlier of (i) the date on which Substantial Completion of the Work is achieved, and (ii) the day on which CONTRACTOR has paid the maximum amount of Liquidated Damages (as set forth in GC 36.2) (the **"Delay Period"**).

1) Liquidated Damages shall be paid by CONTRACTOR in arrears on the final Business Day of each month during the Delay Period and on the second day following the date on which Substantial Completion of the Work is achieved.

2) The per-day Liquidated Damages payable by CONTRACTOR shall be [redacted] per Turbine, per day or part of day of delay.

3) The Parties acknowledge and agree that because of the unique nature of the Project, it is difficult or impossible to determine with precision the amount of damages that would or might be incurred by DEVELOPER as a result of CONTRACTOR's failure to achieve Substantial Completion by the Guaranteed Substantial Completion Date. It is understood and agreed by the Parties that (a) DEVELOPER shall be damaged by failure of CONTRACTOR to meet such obligation, (b) it would be impracticable or extremely difficult to fix the actual

damages resulting therefrom, (c) any sums which would be payable in respect of the Liquidated Damages are in the nature of liquidated damages, and not a penalty, and are fair and reasonable, and (d) such payments each represent a reasonable estimate of damages or a reasonable refund.

36.2 The total Liquidated Damages will not exceed [redacted] of the Contract Price.

GC 37 ENVIRONMENT

37.1 Except as otherwise provided in the Contract, the CONTRACTOR shall ensure that all Environmental Laws are complied with by the Contractor and those for whom it is legally responsible at all times during the performance of each portion of the Work.

37.2 Except as otherwise provided in the Contract, the CONTRACTOR shall cause the storage, removal, transportation and disposal of Hazardous Substances to be carried out in compliance with the Contract and all Laws and Regulations.

37.3 At all times during the performance of the Work, spills or discharges of Hazardous Substances arising as a result of the Work shall be reported immediately to the DEVELOPER and shall be remedied or caused to be remedied by the CONTRACTOR, at its expense, in accordance with the Contract and all Laws and Regulations. All spills or discharges of liquid, other than accumulated rain water, from luminaires, internally illuminated signs, lamps and liquid type transformers under the control of the CONTRACTOR, and all spills or discharges from this equipment that are a result of the Work, shall be assumed to contain PCB's and shall be reported to the DEVELOPER immediately.

GC 38 OTHER DUTIES AND OBLIGATIONS

38.1 Subject to the provisions of the Contract, the DEVELOPER and the CONTRACTOR shall perform the following additional duties and obligations in connection with the Work:

(a) Each party shall immediately give notice to the other party of all Claims, in respect of such party or the Work (whether or not any such Claim is covered by insurance) of which such party is aware or ought to be aware, using all reasonable due diligence. Each party shall provide the other party with all reasonable information requested by it from time to time concerning the status of such claims, proceedings or litigation; and

(b) Without limiting the obligations and liabilities of the parties under this Contract, each party shall carry out its respective duties hereunder diligently and expeditiously, in good faith, in a safe, reasonable and prudent manner, in accordance with good business practices and management techniques and in compliance with all Laws and Regulations.

GC 39 CONSTRUCTION REPORTS AND MEETINGS

39.1 The CONTRACTOR will provide a report monthly to DEVELOPER which will include at a minimum:

(a) manpower by craft;

(b) work performed on each Progress Schedule activity;

(c) materials and equipment delivered that are to be incorporated in the Work;

(d) major work problems encountered;

(e) non conforming work identified; and

(f) compliance with the Progress Schedule.

39.2 The CONTRACTOR's report shall be submitted on forms to be supplied by DEVELOPER and delivered to DEVELOPER's office no later than 4:00pm on the day it is due. The CONTRACTOR's report is to be signed by the authorized representative of the CONTRACTOR.

39.3 The CONTRACTOR's report is intended to provide a job diary of the CONTRACTOR's Work while it is in progress. The CONTRACTOR's report is not intended to be used to transmit contractual related issues such as notices of impact or delay or Change Requests.

39.4 The parties shall attend monthly progress meetings that will be conducted in accordance with a standard agenda to be developed by the CONTRACTOR. The CONTRACTOR will be responsible for taking minutes at the monthly progress meetings and circulating them to the DEVELOPER.

GC 40 TEMPORARY FACILITIES

40.1 The CONTRACTOR shall have the sole responsibility for the design, erection, operation, maintenance and removal of temporary structural and other temporary facilities, including construction power, and the design and execution of construction methods required in their use. The CONTRACTOR shall be responsible to obtain all permits necessary or required for the Work to be performed. The CONTRACTOR shall engage and pay for registered professional engineering personnel skilled in the appropriate disciplines to perform these functions where required by law or by the Contract Documents and in all cases where such temporary facilities and their method of construction are of such a nature that professional engineering skill is required to produce safe and satisfactory results.

40.2 Notwithstanding any provisions to the contrary elsewhere in the Contract where the Contract Documents include designs for temporary structural and other temporary facilities or specify a method of construction in whole or in part, such facilities and methods shall be considered to be part of the design of the Work and the CONTRACTOR shall not be held responsible for that part of the design or the specified method of construction. The CONTRACTOR shall, however, be responsible for the execution of such design or specified method of construction in the same manner that it is responsible for the execution of the Work.

40.3 It shall be the responsibility of the CONTRACTOR to maintain and preserve all stakes and other survey marks established by the DEVELOPER and others. If such stakes or survey

marks are destroyed or removed by the CONTRACTOR they will be replaced by the CONTRACTOR at its expense.

GC 41 CONSTRUCTION AIDS

41.1 The CONTRACTOR shall be responsible for furnishing, installing, and maintaining; all scaffolds, staging, ladders, stairs, ramps, runways, platforms, railings, chutes, and other such facilities and equipment required by its personnel to insure their safety and to facilitate the execution of the Work.

41.2 The construction aids used may be either new or used, however they will be suitable for the intended use and not violate any requirements of applicable codes and standards. The CONTRACTOR shall comply with all Laws and Regulations governing the use of construction aids.

41.3 The CONTRACTOR shall relocate such construction aids as required by the progress of the construction, or by storage or work requirements, and to accommodate the legitimate requirements of DEVELOPER or Other Contractors.

41.4 The CONTRACTOR shall completely remove all scaffolds, staging, ladders, stairs, ramps, runways, platforms, railings, chutes, and other such facilities and equipment installed by the CONTRACTOR once the Work is completed. The CONTRACTOR shall clean up and repair any damage caused by the installation or by the use of any temporary construction aids. As such, the CONTRACTOR shall restore any permanent facilities used for temporary purposes to their specified condition and to the satisfaction of DEVELOPER.

41.5 The CONTRACTOR shall be responsible for all hoisting, lifting, rigging, etc. as required for the execution of its Work.

GC 42 ACCESS ROADS AND PARKING

42.1 The CONTRACTOR shall obtain approval from the DEVELOPER and shall be responsible for installing and maintaining, until the completion of the Work, any temporary access roads or parking facilities required by the Work. At the completion of the work the CONTRACTOR shall restore the road or parking area to the condition prior to the prosecution of its Work.

GC 43 MATERIAL AND EQUIPMENT

43.1 The CONTRACTOR shall be responsible for the transportation of all materials and equipment furnished under this Contract. The CONTRACTOR shall also be responsible for loading, receiving and off loading at the Site all material and equipment installed for the Work, whether furnished by the CONTRACTOR or the DEVELOPER. Unless otherwise provided, the DEVELOPER will not accept delivery on behalf of the CONTRACTOR for its materials and equipment.

43.2 The CONTRACTOR shall be responsible for the proper storage of all materials, supplies, and equipment to be installed under this Contract. The CONTRACTOR shall be responsible for

arranging and paying for the use of property off the site for storage of materials and equipment as may be required.

43.3 The CONTRACTOR shall be totally responsible for the security of its work, materials, equipment, supplies, tools, machinery, and construction equipment.

GC 44 HOLDBACKS/LIENS

44.1 CONTRACTOR agrees that ten percent (10%) of the cost of the Work performed hereunder shall be held back by DEVELOPER from each payment made pursuant hereto pursuant to the Construction Lien Legislation (the **"Holdback"**).

44.2 The DEVELOPER will only be obligated to release the portion of the Contract Price being withheld pursuant to this GC 44, provided that:

(i) the DEVELOPER is provided with satisfactory evidence that no construction liens have been registered against the Project, or if any liens were registered, that they have been satisfied, discharged or provided for by into court; and

(ii) the CONTRACTOR provides the OWNER with a statutory declaration, substantially in the form of CCDC Form 9A in respect of each subcontract.

GC 45 REPRESENTATIONS AND WARRANTIES

45.1 Each party represents and warrants to the other party that:

(a) It is duly organized and validly existing as a company or corporation under the laws of its jurisdiction of formation and has all requisite power and authority to own its property and assets and to conduct its business as presently conducted or as proposed to be conducted under this Contract.

(b) It has the power and authority to execute and deliver this Contract, to consummate the transactions contemplated hereby and to perform its obligations hereunder.

(c) It has taken all necessary action to authorize its execution, delivery and performance of this Contract, and this Contract constitutes the valid, legal and binding obligation of such party enforceable against it in accordance with its terms, except as such enforcement may be limited by bankruptcy, insolvency, moratorium or similar laws affecting the rights or creditors or by general equitable principles (whether considered in a proceeding in equity or at law).

(d) No governmental approval is required for (i) the due and valid execution and delivery of this Contract, or (ii) the performance of such party of its obligations under this Contract.

(e) None of the execution or delivery of this Contract, the performance by such party of its obligations in connection with the transactions contemplated hereby, or the

fulfillment of the terms and conditions hereof shall: (i) conflict with or violate any provision of its constituting documents, (ii) conflict with, violate or result in a breach of any Laws or Regulations currently in effect, or (iii) conflict with, violate or result in a breach of or constitute a default under or result in the imposition or creation of any security under any agreement or instrument to which it is a party or by which it or any of its properties or assets are bound.

(f) It is not a party to any legal, administrative, arbitral or other proceeding, investigation or controversy pending, or, to the best knowledge of such party, threatened, that would adversely affect such Party's ability to perform its obligations under this Contract.

45.2 Operator further represents and warrants to Developer, that it is fully qualified, and has the expertise, to provide the Works in accordance with the terms hereof.

SCHEDULE A

LUMP SUM PRICING

Note: the following lump sum pricing does not include HST.

Project Management [redacted]

- Engineering
- Procurement
- Geotechnical
- Site Surveying
- Site Management

Transmission Line Right-of-Way (ROW) clearing [redacted]

Earthworks – Civil Works [redacted]

- Clearing
- Grubbing
- Mass Excavation – Unsuitable materials
- Blasting
- Trenching
- Site preparation
- Access Roads
- Ditching
- Trenching

Wind Turbine Foundations [redacted]

Installation of Wind Turbines [redacted]

Wind Turbine Electrical Installation [redacted]

- Includes 20 Padmount Transformers for WTG's

Electrical [redacted]

- Control Building
- Power Collection System
- Substation

Commissioning [redacted]

Contract Price [redacted]

SCHEDULE B

CONTRACT INFORMATION DOCUMENTS

1. Turbine Supplier (General Electric) Documents

- Turbine Supply Agreement and Exhibits – (attached)
- General Electric 1.5 MW SLE (Non-ESS) Wind Turbine Technical Documents (attached)
- SCADA Documentation (attached)

2. Interconnection Agreements and Studies

- Final System Impact Study (attached)
- Final Facilities Study (attached)
- Generation Interconnection Agreement – Schedules Only (attached)

3. List of Optioned land and Landowners involved in Project

- table of details (attached)

4. Federal and Provincial Environmental Assessment Reports

- Federal EA Report (in progress)
- Provincial EA Report (attached)
- Additional Information Addendum to Provincial EA Report (attached)
- Environmental Protection Plan (to be attached)

5. Building Permits

- Copy of building permits (to be attached)

6. Main Transformer

- As-Built Drawings

All Contract Documents will be made available by the DEVELOPER on the DEVELOPER's FTP site. The DEVELOPER will forward document transmittals to the CONTRACTOR and the CONTRACTOR will download all such documents and sign the transmittal indicating its receipt and acceptance of the Contract Documents.

SCHEDULE B1 – OVERVIEW OF ENGINEERING SCOPE

1. Project Documentation

During the course of the project, the CONTRACTOR shall create and issue project design and construction documentation, including the following:

1.1 Design Management Documentation

Overall schedule
Cost Estimates
Minutes of Meetings
Quality Plan

1.2 Design Documentation

Construction Schedule
Design Criteria Specification
Geotechnical Investigations
Site Surveys
BOP Equipment Specification
BOP Contract Specifications
Bid review and recommendation documents
Drawing List
Electrical Schematics, Cable Schedules, Single Line Diagrams
Civil Drawings, General Arrangements, footings and foundations
BOP Vendor factory test reports
BOP Vendor Drawings
BOP Vendor O&M Manuals

1.3 Construction Phase Documentation

Meeting Minutes
Progress Reports
Turnover Packages
Construction Photographs
Safety Plan
Safety Meeting Minutes
Site Safety Records
Work Estimate Form
Contemplated Change Order Form
Change Order Form
Site Instruction Form

1.4 Commissioning Documentation

Works Commissioning Plan
Works Commissioning Procedures
Commissioning Results Manuals

1.5 Record Drawings

Record drawings.

1.6 General

The CONTRACTOR shall submit specifications and drawings prepared as part of this Contract to the DEVELOPER for review and approval prior to issue. All documentation and records in accordance with Emera and good industry practice, associated with the scope of the Contract. All documentation shall be provided in electronic format using native file types where feasible and shall be catalogued to Emera document standards.

The CONTRACTOR shall provide six (6) paper copies (E size) plus an electronic file for each drawing. Electronic drawing files shall be compatible with AutoCAD .dwg or .dgn file formats for viewing and storage. Six (6) paper copies, plus an electronic copy of the final approved Operating and Maintenance manuals shall be provided.

The CONTRACTOR shall provide the DEVELOPER with complete and accurate as-built / record documentation for the Project.

2. Work

2.1.00 Civil Works

- site survey (pre-construction)
- site geotechnical(pre-construction)
- site drainage design
- access road design
- turbine laydown area design
- Civil Works procurement support
- substation civil works
- O& M building civil works
- turbine foundation design
- substation foundation design
- substation bus structure design
- pre-engineered substation building design package
- pre-engineered O& M building design package

2.2.00 Electrical Works

- 34.5 kV Collection System
- Fibre Optic Communication System
- Turbine Grounding
- SCADA System (working closely and in cooperation with the utility transmission provider)
- Turbine SCADA System
- Substation SCADA System
- Protection and Control Systems
- Substation Grounding
- Building Electrical Services
- 69kV-34.5kV Substation
- 69kV Substation Interconnection
- Short Circuit and Co-ordination Studies
- Arc Flash Studies
- Wind Turbine Witness Testing

2.3.00 Construction Site Services

- DEVELOPER and CONTRACTOR Construction trailer (Approximately 10 months)
- Construction temporary power distribution panels and equipment
- Construction trailer and offices for contractor's staff and subcontractors
- Construction amenities for contractor's staff and subcontractors
- Connection of Construction trailer and offices for contractor's staff and subcontractors to temporary power system
- Construction phone fax and internet services
- Construction Management Services
- Construction and Engineering Support

2.4.00 Commissioning Services

- Commissioning Co-ordinator
- Commissioning supervision for Collection and Scada System
- Substation Commissioning
- Turbine Commissioning
- BOP Commissioning Engineering Support

2.5.00 Notes:

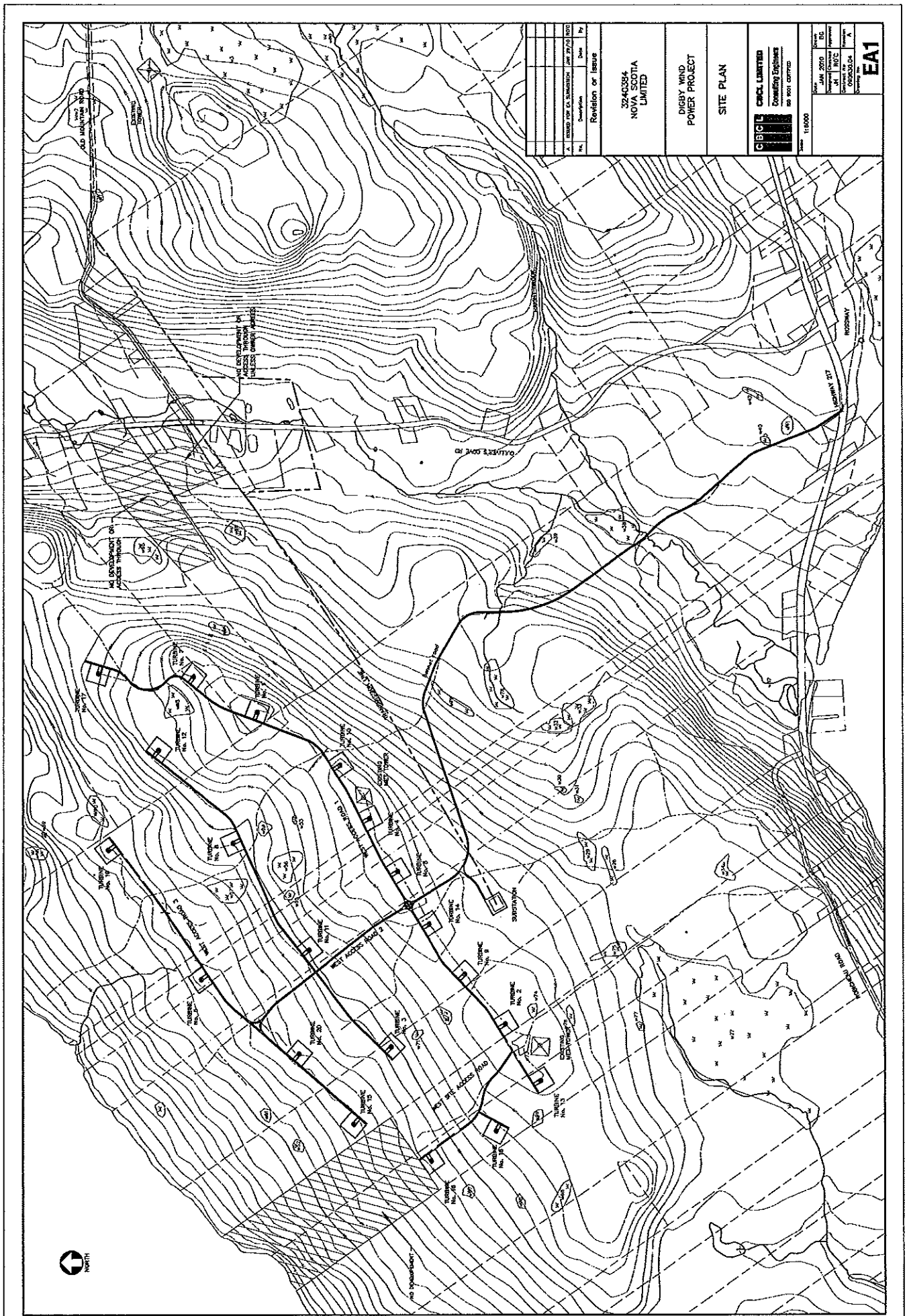
Design includes engineering, calculations, drawings, specifications.

Procurement includes tender preparation, evaluating bids with input of DEVELOPER, pre-award meetings and negotiations, and evaluations / recommendations.

Construction Management Services include ensuring each Contractor (Civil Site works, Electrical, etc) fulfils safety, environmental, schedule, cost and quality requirements, and overall coordination of all Contractors.

SCHEDULE B2 – SITE LAYOUT

[Attached]


3246394
NOVA SCOTIA LIMITED
DIGBY WIND POWER PROJECT
SITE PLAN
CBCL LIMITED
Consulting Engineers
Revision or Issue
EA1
NORTH
TURBINE No. 1
TURBINE No. 2
TURBINE No. 3
TURBINE No. 4
TURBINE No. 5
TURBINE No. 6
TURBINE No. 7
TURBINE No. 8
TURBINE No. 9
TURBINE No. 10
TURBINE No. 11
TURBINE No. 12
TURBINE No. 13
TURBINE No. 14
TURBINE No. 15
TURBINE No. 16
TURBINE No. 17
TURBINE No. 18
TURBINE No. 19
TURBINE No. 20
EXISTING MET TOWER
SUBSTATION
WEST ACCESS ROAD
WEST SITE ACCESS ROAD
NORTH ACCESS ROAD
OLD MOUNTAIN ROAD
ROSEWAY
NO DEVELOPMENT ON ACCESS THROUGH

SCHEDULE B3 - TENDER DOCUMENTATION

[Attached]

Since the tender documentation was prepared, the Site layout has changed. The CONTRACTOR acknowledges that the changes to the tender documentation to reflect the site layout in Schedule B2 does not change the scope of the Works.

SCHEDULE B4 – TECHNICAL SPECIFICATIONS AND DRAWINGS

All Technical Specifications and Drawings will be made available by the DEVELOPER on the DEVELOPER's FTP site. The DEVELOPER will forward document transmittals to the CONTRACTOR and the CONTRACTOR will download all such Technical Specifications and Drawings and sign the transmittal indicating its receipt and acceptance of the Technical Specifications and Drawings.

The CONTRACTOR shall have the Technical Specifications and Drawings updated by the Project Designer to reflect the Site Layout shown in Schedule B2. The CONTRACTOR acknowledges that the changes to the Technical Specifications and Drawings to reflect the site layout in Schedule B2 does not change the scope of the Works.

SCHEDULE C

EXCLUSIONS TO SCOPE OF WORK

- Turbine procurement and transportation. The CONTRACTOR is responsible for offloading at the laydown area on the Site (Digby Wind Farm).
- Main transformer procurement (Contractor will transport the main transformer from its temporary storage location in Digby, Nova Scotia to the Site)
- Environmental and building permits
- Land leases and easements at the Site

SCHEDULE D

PROGRESS SCHEDULE

Major Project Milestones

- Amended Environmental Assessment approval — Feb 14 2010
- Environmental Protection Plan Approved (EPP) — March 12, 2010
- Site available to start construction — March 15, 2010
- Transmission ROW cleared — May 31, 2010
- Main Transformer arrives in Digby Temporary storage location — May 1,2010
- First WTG arrives at site Week 28 — June 28, 2010
    - Turbines will arrive five a week for four weeks
- SUBSTANTIAL COMPLETION OF THE WORK — Dec 20, 2010
- Commercial Operation Date — As declared by DEVELOPER

STANDARD GENERATOR INTERCONNECTION AND OPERATING AGREEMENT (GIA)

(Applicable to Generating Facilities Connected to the Transmission System – 69kV and Above)

3240384 NOVA SCOTIA LIMITED
30 MW WIND GENERATING FACILITY,
DIGBY, DIGBY COUNTY, NOVA SCOTIA

TABLE OF CONTENTS

ARTICLE 1. DEFINITIONS 9

ARTICLE 2. EFFECTIVE DATE, TERM AND TERMINATION 22
2.1 Effective Date 22
2.2 Term of Agreement 22
2.3 Termination Procedures 22
2.3.1 Written Notice 23
2.3.2 Default 23
2.4 Termination Costs 23
2.5 Disconnection 25
2.6 Survival 25

ARTICLE 3. REGULATORY FILINGS 25
3.1 Filing 25

ARTICLE 4. SCOPE OF SERVICE 26
4.1 Interconnection Product Options 26
4.1.1 Energy Resource Interconnection Service 26
4.1.1.1 The Product 26
4.1.1.2 Transmission Delivery Service Implications 26
4.1.2 Network Resource Interconnection Service (NR Interconnection Service) 27
4.1.2.1 The Product 27
4.1.2.2 Transmission Delivery Service Implications 28
4.2 Provision of Service 30
4.3 Generator balancing Service Arrangements 30
4.4 Performance Standards 30
4.5 No Transmission Delivery Service 30
4.6 Interconnection Customer Provided Services 31

ARTICLE 5. INTERCONNECTION FACILITIES ENGINEERING, PROCUREMENT, AND CONSTRUCTION 31
5.1 Options 31
5.1.1 Standard Option 31
5.1.2 Alternate Options 32
5.1.3 Option to Build 32
5.1.4 Negotiated Option 33
5.2 General Conditions Applicable to Option to Build 33
5.3 Liquidated Damages 36
5.4 Power System Stabilizers 37
5.5 Equipment Procurement 38
5.6 Construction Commencement 38
5.7 Work Progress 39
5.8 Information Exchange 39
5.9 Limited Operation 39
5.10 Interconnection Customer's Interconnection Facilities 40
5.10.1 Generating Facility Specifications 40
5.10.2 Transmission Provider's Review 41
5.10.3 ICIF Construction 41
5.11 Transmission Provider's Interconnection Facilities Construction 42
5.12 Access Rights 42
5.13 Lands of Other Property Owners 43
5.14 Permits 43

5.15 Early Construction of Base Case Facilities 44
5.16 Suspension 44
5.17 Taxes 45
5.17.1 Interconnection Customer Payments Not Taxable 45
5.18 Tax Status 46
5.19 Modification 46
5.19.1 General 46
5.19.2 Standards 47
5.19.3 Modification Costs 47

ARTICLE 6. TESTING AND INSPECTION 47
6.1 Pre-Commercial Operation Date Testing and Modifications 47
6.2 Post-Commercial Operation Date Testing and Modifications 48
6.3 Right to Observe Testing 48
6.4 Right to Inspect 48

ARTICLE 7. METERING 49
7.1 General 49
7.2 Check Meters 50
7.3 Standards 50
7.4 Testing of Metering Equipment 50
7.5 Metering Data 51

ARTICLE 8. COMMUNICATIONS 51
8.1 Interconnection Customer Obligations 51
8.2 Remote Terminal Unit 52
8.3 No Annexation 52

ARTICLE 9. OPERATIONS 53
9.1 General 53
9.2 Area Notification 53
9.3 Transmission Provider Obligations 53
9.4 Interconnection Customer Obligations 53
9.5 Start-Up and Synchronization 54
9.6 Reactive Power 55
9.6.1 Power Factor Design Criteria 55
9.6.2 Voltage Schedules 55
9.6.2.1 Governors and Regulators 56
9.6.3 Payment for Reactive Power 56
9.7 Outages and Interruptions 57
9.7.1 Outages 57
9.7.1.1 Outage Authority and Coordination 57
9.7.1.2 Outage Schedules 57
9.7.1.3 Outage Restoration 58
9.7.2 Interruption of Service 58
9.7.3 Under-Frequency and Over Frequency Conditions 61
9.7.4 System Protection and Other Control Requirements 61
9.7.4.1 System Protection Facilities 61
9.7.5 Requirements for Protection 63
9.7.6 Power Quality 63
9.8 Switching and Tagging Rules 64
9.9 Use of Interconnection Facilities by Third Parties 64
9.9.1 Purpose of Interconnection Facilities 64
9.9.2 Third Party Users 64
9.10 Disturbance Analysis Data Exchange 65
9.11 Emergency Numbers 65

9.12 Safety 66

ARTICLE 10. MAINTENANCE 66
10.1 Transmission Provider Obligations 66
10.2 Interconnection Customer Obligations 66
10.3 Coordination 67
10.4 Secondary Systems 67
10.5 Operating and Maintenance Expenses 67

ARTICLE 11. PERFORMANCE OBLIGATION 68
11.1 Interconnection Customer Interconnection Facilities 68
11.2 Transmission Provider's Interconnection Facilities 68
11.3 Network Upgrades and Distribution Upgrades 68
11.4 Transmission Credits 69
11.4.1 Refund of Amounts Advanced for Network Upgrades 69
11.5 Provision of Security 70
11.6 Interconnection Customer Compensation 71
11.6.1 Interconnection Customer Compensation for Actions During Emergency Condition 71

ARTICLE 12. INVOICE 72
12.1 General 72
12.2 Final Invoice 72
12.3 Payment 73
12.4 Disputes 73

ARTICLE 13. EMERGENCIES 74
13.1 Definition 74
13.2 Obligations 74
13.3 Notice 75
13.4 Immediate Action 75
13.5 Transmission Provider Authority 76
13.5.1 General 76
13.5.2 Reduction and Disconnection 77
13.6 Interconnection Customer Authority 77
13.7 Limited Liability 78

ARTICLE 14. REGULATORY REQUIREMENTS AND GOVERNING LAW 78
14.1 Regulatory Requirements 78
14.2 Applicable Law 79

ARTICLE 15. NOTICES 79
15.1 General 79
15.2 Billings and Payments 79
15.3 Alternative Forms of Notice 80
15.4 Operations and Maintenance Notice 80

ARTICLE 16. FORCE MAJEURE 80
16.1 Force Majeure 80

ARTICLE 17. DEFAULT 81
17.1 Default 81
17.1.1 General 81
17.1.2 Right to Terminate 81

ARTICLE 18. INDEMNITY 82
18.1 Indemnity 82
18.1.1 Indemnified Person 82
18.1.2 Indemnifying Party 82
18.1.3 Indemnity Procedures 83
18.2 Consequential Damages 84
18.3 Insurance 84
18.4 Duty to Mitigate 87

ARTICLE 19. ASSIGNMENT 87
19.1 Assignment 87

ARTICLE 20. SEVERABILITY 88
20.1 Severability 88

ARTICLE 21. COMPARABILITY 88
21.1 Comparability 88

ARTICLE 22. CONFIDENTIALITY 89
22.1 Confidentiality 89
22.1.1 Term 89
22.1.2 Scope 89
22.1.3 Release of Confidential Information 90
22.1.4 Rights 91
22.1.5 No Warranties 91
22.1.6 Standard of Care 92
22.1.7 Order of Disclosure 92
22.1.8 Termination of Agreement 92
22.1.9 Remedies 93
22.1.10 Disclosure to The Board or its Staff 93

ARTICLE 23. ENVIRONMENTAL RELEASES 95

ARTICLE 24. INFORMATION REQUIREMENTS 95
24.1 Information Acquisition 95
24.2 Information Submission by Transmission Provider 96
24.3 Updated Information Submission by Interconnection Customer 96
24.4 Information Supplementation 97

ARTICLE 25. INFORMATION ACCESS AND AUDIT RIGHTS 98
25.1 Information Access 98
25.2 Reporting of Non-Force Majeure Events 99
25.3 Audit Rights 99
25.4 Audit Rights Periods 100
25.4.1 Audit Rights Period for Construction-Related Accounts and Records 100
25.4.2 Audit Rights Period for All Other Accounts and Records 100
25.5 Audit Results 100

ARTICLE 26. SUBCONTRACTORS 101
26.1 General 101
26.2 Responsibility of Principal 101
26.3 No Limitation by Insurance 101

ARTICLE 27. DISPUTES 102
27.1 Submission 102
27.2 External Arbitration Procedures 102
27.3 Arbitration Decisions 103

ARTICLE 28. REPRESENTATIONS, WARRANTIES AND COVENANTS 103
28.1 General 103
28.1.1 Good Standing 103
28.1.2 Authority 104
28.1.3 No Conflict 104
28.1.4 Consent and Approval 104

ARTICLE 29. JOINT OPERATING MEETINGS 105
29.1 Joint Operating and Maintenance Meetings 105

ARTICLE 30. MISCELLANEOUS 106
30.1 Binding Effect 106
30.2 Conflicts 106
30.3 Rules of Interpretation 106
30.4 Entire Agreement 108
30.5 No Third Party Beneficiaries 108
30.6 Waiver 108
30.7 Headings 109
30.8 Multiple Counterparts 109
30.9 Amendment 109
30.10 Modification by the Parties 109
30.11 No Partnership 109

APPENDICES

APPENDIX A TO GIA:	**INTERCONNECTION FACILITIES, NETWORK UPGRADES AND DISTRIBUTION UPGRADES**
APPENDIX B TO GIA:	**MILESTONES**
APPENDIX C TO GIA:	**INTERCONNECTION DETAILS**
APPENDIX D TO GIA:	**SECURITY ARRANGEMENTS DETAILS**
APPENDIX E TO GIA:	**INITIAL SYNCHRONIZATION DATE AND COMMERCIAL OPERATION DATE**
APPENDIX F TO GIA:	**ADDRESSES FOR DELIVERY OF NOTICES AND BILLINGS**
APPENDIX G TO GIA:	**INTERCONNECTION REQUIREMENTS FOR A WIND GENERATING PLANT**
APPENDIX H TO GIA:	**REGULATORY AND GOVERNMENT AGENCY APPROVALS**

STANDARD GENERATOR INTERCONNECTION AND OPERATING AGREEMENT

THIS STANDARD GENERATOR INTERCONNECTION AND OPERATING AGREEMENT ("Agreement" or "GIA") is made and entered into this ____ day of _____ 20__, by and between 3240384 Nova Scotia Limited, a Corporation organized and existing under the laws of the Province of Nova Scotia ("Interconnection Customer" with a Generating Facility), and Nova Scotia Power Incorporated, a Corporation organized and existing under the laws of the Province of Nova Scotia ("Transmission Provider and/or Transmission Owner"). Interconnection Customer and Transmission Provider each may be referred to as a "Party" or collectively as the "Parties."

RECITALS

WHEREAS, Transmission Provider operates the Transmission System; and

WHEREAS, Interconnection Customer intends to own, lease and/or control and operate the Generating Facility identified as a Generating Facility in Appendix C to this Agreement; and,

WHEREAS, Interconnection Customer and Transmission Provider have agreed to enter into this Agreement for the purpose of interconnecting the Generating Facility with the Transmission System;

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein, it is agreed:

When used in this Standard Generator Interconnection and Operating Agreement, terms with initial capitalization that are not defined in Article 1 shall have the meanings specified in the Article in which they are used.

ARTICLE 1. DEFINITIONS

Adverse System Impact shall mean the negative effects due to technical or operational limits on conductors or equipment being exceeded that may compromise the safety and reliability of the electric system.

Affected System shall mean an electric system other than the Transmission Provider's Transmission System that may be affected by the proposed interconnection.

Affected System Operator shall mean the entity that operates an Affected System.

Affiliate - the term "affiliate" shall be interpreted in accordance with Sections 2(2), 2(3), and 2(4) of the Nova Scotia Companies Act[1].

---

1 1 **Deemed affiliate**

2(2) A company shall be deemed to be an affiliate of another company if one of them is the subsidiary of the other or if both are subsidiaries of the same company or if each of them is controlled by the same person.

Deemed control

2(3) A company shall be deemed to be controlled by another person or by two or more companies if

(a) voting securities of the first-mentioned company carrying more than fifty per cent of the votes for the election of directors are held, otherwise than by way of security only, by or for the benefit of the other person or by or for the benefit of the other companies; and

(b) the votes carried by such securities are entitled, if exercised, to elect a majority of the directors of the first-mentioned company.

Deemed subsidiary

2(4) A company shall be deemed to be a subsidiary of another company if

(a) it is controlled by

(i) that other, or

(ii) that other and one or more companies each of which is controlled by that other, or

(iii) two or more companies each of which is controlled by that other; or

(b) it is a subsidiary of a company that is that others subsidiary. R.S., c. 81, s. 2; 1990, c.15, s. 2.

Ancillary Services shall mean those services that are necessary to support the transmission of capacity and energy from resources to loads while maintaining reliable operation of the Transmission Provider's Transmission System in accordance with Good Utility Practice.

Applicable Laws and Regulations shall mean all duly promulgated applicable federal, provincial and local laws, regulations, rules, ordinances, codes, decrees, judgments, directives, or judicial or administrative orders, permits and other duly authorized actions of any Governmental Authority.

Applicable Reliability Council shall mean the Northeast Power Coordinating Council or any successor thereto.

Applicable Reliability Standards shall mean the requirements and guidelines of the Applicable Reliability Council, and the Control Area of the Transmission System to which the Generating Facility is directly interconnected, and the Transmission Providers Interconnection Guidelines and Standards as set out in Appendix D to this document.

Base Case shall mean the base case power flow, short circuit, and stability data bases used for the Interconnection Studies by the Transmission Provider or Interconnection Customer.

Board shall mean the Nova Scotia Utility and Review Board

Breach shall mean the failure of a Party to perform or observe any material term or condition of the Standard Generator Interconnection and Operating Agreement.

Breaching Party shall mean a Party that is in Breach of the Standard Generator Interconnection and Operating Agreement.

Business Day shall mean Monday to Friday, inclusive, excluding holidays. The regular business hours on a Business Day are from 08:30 to 16:30 Atlantic Time.

Calendar Day shall mean any day including Saturday, Sunday or a holiday.

Clustering shall mean the process whereby a group of Interconnection Requests is studied together, instead of serially, for the purpose of conducting the Interconnection System Impact Study.

Commercial Operation Date shall mean the date on which Interconnection Customer commences commercial operation of the unit at the Generating Facility after Trial Operation of such unit has been completed as confirmed in writing substantially in the form shown in Appendix E of the Standard Generator Interconnection and Operating Agreement.

Confidential Information shall mean any confidential, proprietary or trade secret information of a plan, specification, pattern, procedure, design, device, list, concept, policy or compilation relating to the present or planned business of a Party, which is designated as confidential by the Party supplying the information, whether conveyed orally, electronically, in writing, through inspection, or otherwise.

Control Area shall mean an electric system or group of systems that meet(s) the requirements of the NPCC Control Area Certification Process.

Default shall mean the failure of a Breaching Party to cure its Breach in accordance with Article 17 of the Standard Generator Interconnection and Operating Agreement.

Dispute Resolution shall mean the procedure for resolution of a dispute between the Parties in which they will first attempt to resolve the dispute on an informal basis.

Distribution System shall mean the Transmission Provider's facilities and equipment used to distribute electricity to ultimate usage points such as homes and industries either directly from nearby generators or from interchanges from the Transmission System.

Distribution Upgrades shall mean the additions, modifications, and upgrades to the Transmission Provider's Distribution System at or beyond the Point of Interconnection to facilitate interconnection of the Generating Facility and render the transmission service necessary to effect Interconnection Customer's wholesale sale of electricity. Distribution Upgrades do not include Interconnection Facilities.

Effective Date shall mean the date on which the Standard Generator Interconnection and Operating Agreement becomes effective in accordance with Article 2.1 of the Standard Generator Interconnection and Operating Agreement.

Emergency Condition shall mean a condition or situation:

(1) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or

(2) that, in the case of a Transmission Provider, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to Transmission Provider's Transmission System, Transmission Provider's Interconnection Facilities or the electric systems of others to which the Transmission Provider's Transmission System is directly connected; or

(3) that, in the case of the Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Generating Facility or Interconnection Customer's Interconnection Facilities. System restoration and black start shall be considered Emergency Conditions; provided that Interconnection Customer is not obligated by the Standard Generator Interconnection and Operating Agreement to possess black start capability.

Energy Resource Interconnection Service (ER Interconnection Service) shall mean an Interconnection Service that allows the Interconnection Customer to connect its Generating Facility

to the Transmission Provider's Transmission System to be eligible to deliver the Generating Facility's electric output using the existing firm or nonfirm capacity of the Transmission Provider's Transmission System on an as available basis. Energy Resource Interconnection Service in and of itself does not convey transmission service.

Engineering & Procurement (E&P) Agreement shall mean an agreement that authorizes the Transmission Provider to begin engineering and procurement of long lead-time items necessary for the establishment of the interconnection in order to advance the implementation of the Interconnection Request.

Environmental Law shall mean Applicable Laws or Regulations relating to pollution or protection of the environment or natural resources.

Force Majeure shall mean an event, condition, occurrence or circumstance beyond the reasonable control and not attributable to the fault or negligence of the Party claiming Force Majeure, which, despite all reasonable efforts at a reasonable cost of the Party claiming the Force Majeure to prevent its occurrence or mitigate its effects, causes a delay or disruption in the performance of any obligation (other than the obligation to pay monies due) imposed on such Party hereunder, including, without limitation, any act of God, labour disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment if caused by an event which would constitute Force Majeure, any order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond a Party's control.

Generating Facility shall mean Interconnection Customer's device for the production of electricity for interconnection to the Transmission System at voltages 69 kV and above as identified in the Interconnection Request, but shall not include the Interconnection Customer's Interconnection Facilities.

Generating Facility Capacity shall mean the net capacity of the Generating Facility and the aggregate net capacity of the Generating Facility where it includes multiple energy production devices.

Good Utility Practice shall mean those practices, methods or acts (including but not limited to the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry in North America) that at a particular time, in the exercise of reasonable judgment, would have been expected to accomplish the desired result in a manner consistent with regulations, reliability, safety, environmental protection, economy and expedition as applied and practiced in the utility industry with respect to power generation, delivery, purchase and sale.

Governmental Authority shall mean any national, international, federal, provincial, municipal, county, regional or local government, organization or duly constituted authority having jurisdiction, and includes:

(a) any department, commission, bureau, board, administrative agency or regulatory body of any government having jurisdiction; and

(b) any person or corporation acting as an authorized agent thereof.

Hazardous Substances shall mean any chemicals, materials or substances defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "hazardous constituents," "restricted hazardous materials," "extremely hazardous substances," "toxic substances," "radioactive substances," "contaminants," "pollutants," "toxic pollutants" or words of similar meaning and regulatory effect under any applicable Environmental Law, or any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any applicable Environmental Law.

Initial Synchronization Date shall mean the date upon which the Generating Facility is initially synchronized and upon which Trial Operation begins.

In-Service Date shall mean the date upon which the Interconnection Customer reasonably expects it will be ready to begin use of the Transmission Provider's Interconnection Facilities to obtain back feed power.

Interconnection Customer shall mean any entity, including the Transmission Provider, Transmission Owner or any of the Affiliates or subsidiaries of either, that proposes to interconnect its Generating Facility with the Transmission Provider's Transmission System.

Interconnection Customer's Interconnection Facilities shall mean all facilities and equipment, as identified in Appendix A of the Standard Generator Interconnection and Operating Agreement, that are located between the Generating Facility and the Point of Change of Ownership, including any modification, addition, or upgrades to such facilities and equipment necessary to physically and electrically interconnect the Generating Facility to the Transmission Provider's Transmission System.

Interconnection Facilities shall mean the Transmission Provider's Interconnection Facilities and the Interconnection Customer's Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment between the Generating Facility and the Point of Interconnection, including any modification, additions or upgrades that are necessary to physically and electrically interconnect the Generating Facility to the Transmission Provider's Transmission System, and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades.

Interconnection Facilities Study shall mean a study conducted by the Transmission Provider or a third party consultant for the Interconnection Customer to determine a list of facilities (including Transmission Provider's Interconnection Facilities and Network Upgrades as identified in the Interconnection System Impact Study), the cost of those facilities, and the time required to interconnect the Generating Facility with the Transmission Provider's Transmission System. The scope of the study is defined in Section 8 of the Standard Generator Interconnection Procedures.

Interconnection Facilities Study Agreement shall mean the form of agreement contained in Appendix 4 of the Standard Generator Interconnection Procedures for conducting the Interconnection Facilities Study.

Interconnection Feasibility Study shall mean a preliminary evaluation of the system impact and cost of interconnecting the Generating Facility to the Transmission Provider's Transmission System, the scope of which is described in Section 6 of the Standard Generator Interconnection Procedures.

Interconnection Feasibility Study Agreement shall mean the form of agreement contained in Appendix 2 of the Standard Generator Interconnection Procedures for conducting the Interconnection Feasibility Study.

Interconnection Request shall mean an Interconnection Customer's request, in the form of Appendix 1 to the Standard Generator Interconnection Procedures, in accordance with the Tariff, to interconnect a new Generating Facility, or to increase the capacity of, or make a Material Modification to the operating characteristics of, an existing Generating Facility that is interconnected with the Transmission Provider's Transmission System.

Interconnection Service shall mean the service provided by the Transmission Provider associated with interconnecting the Interconnection Customer's Generating Facility to the Transmission Provider's Transmission System and enabling it to receive electric energy and capacity from the Generating Facility at the Point of Interconnection, pursuant to the terms of the Standard Generator Interconnection and Operating Agreement and, if applicable, the Transmission Provider's Tariff.

Interconnection Study shall mean any of the following studies: the Interconnection Feasibility Study, the Interconnection System Impact Study, and the Interconnection Facilities Study described in the Standard Generator Interconnection Procedures.

Interconnection System Impact Study shall mean an engineering study that evaluates the impact of the proposed interconnection on the safety and reliability of Transmission Provider's Transmission

System and, if applicable, an Affected System. The study shall identify and detail the system impacts that would result if the Generating Facility were interconnected without project modifications or system modifications, focusing on the Adverse System Impacts identified in the Interconnection Feasibility Study, or to study potential impacts, including but not limited to those identified in the Scoping Meeting as described in the Standard Generator Interconnection Procedures.

Interconnection System Impact Study Agreement shall mean the form of agreement contained in Appendix 3 of the Standard Generator Interconnection Procedures for conducting the Interconnection System Impact Study.

Joint Operating Committee shall be a group made up of representatives from Interconnection Customers and the Transmission Provider to coordinate operating and technical considerations of Interconnection Service.

Loss shall mean any and all losses relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's performance, or non-performance of its obligations under the Standard Generator Interconnection and Operating Agreement on behalf of the indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnified Party.

Material Modification shall mean those modifications that have a material impact on the cost or timing of any Interconnection Request with a later queue priority date.

Metering Equipment shall mean all metering equipment installed or to be installed at the Generating Facility pursuant to the Standard Generator Interconnection and Operating Agreement at the metering points, including but not limited to instrument transformers, MWh-meters, data acquisition equipment, transducers, remote terminal unit, communications equipment, phone lines, and fiber optics.

Network Resource shall mean that portion of a Generating Facility that is integrated with the Transmission Provider's Transmission System, designated as a Network Resource pursuant to the terms of the Tariff, and subjected to redispatch directives as ordered by the Transmission Provider in accordance with the Tariff.

Network Resource Interconnection Service (NR Interconnection Service) shall mean an Interconnection Service that allows the Interconnection Customer to integrate its Generating Facility with the Transmission Provider's Transmission System

(1) in a manner comparable to that in which the Transmission Provider integrates its generating facilities to serve native load customers; or

(2) in an RTO (Regional Transmission Organization) or ISO (Independent System Operator) with market based congestion management, in the same manner as Network Resources. Network Resource Interconnection Service in and of itself does not convey transmission service.

Network Upgrades shall mean the additions, modifications, and upgrades to the Transmission Provider's Transmission System required at or beyond the point at which the Interconnection Customer interconnects to the Transmission Provider's Transmission System to accommodate the interconnection of the Generating Facility to the Transmission Provider's Transmission System.

NPCC shall mean the Northeast Power Coordinating Council and its successor organizations.

Notice of Dispute shall mean a written notice of a dispute or claim that arises out of or in connection with the Standard Generator Interconnection and Operating Agreement or its performance.

Operating Area shall mean an electric power system or combination of electric power systems to which a common automatic generation control scheme is applied in order to:

(1) match, at all times, the power output of the generators within the electric power system(s) and capacity and energy purchased from entities outside the electric power system(s), with the load within the electric power system(s);

(2) maintain scheduled interchange with other Operating Areas, within the limits of Good Utility Practice;

(3) maintain the frequency of the electric power system(s) within reasonable limits in accordance with Good Utility Practice; and

(4) provide sufficient generating capacity to maintain operating reserves in accordance with Good Utility Practice.

Optional Interconnection Study shall mean a sensitivity analysis based on assumptions specified by the Interconnection Customer in the Optional Interconnection Study Agreement.

Optional Interconnection Study Agreement shall mean the form of agreement contained in Appendix 5 of the Standard Generator Interconnection Procedures for conducting the Optional Interconnection Study.

Party or Parties shall mean Transmission Provider, Transmission Owner, Interconnection Customer or any combination of the above.

Point of Change of Ownership shall mean the point, as set forth in Appendix A to the Standard Generator Interconnection and Operating Agreement, where the Interconnection Customer's Interconnection Facilities connect to the Transmission Provider's Interconnection Facilities.

Point of Interconnection shall mean the point, as set forth in Appendix A to the Standard Generator Interconnection Agreement, where the Interconnection Facilities connect to the Transmission Provider's Transmission System.

Queue Position shall mean the order of a valid Interconnection Request, relative to all other pending valid Interconnection Requests, that is established based upon the date and time of receipt of the valid Interconnection Request by the Transmission Provider.

Reasonable Efforts shall mean, with respect to an action required to be attempted or taken by a Party under the Standard Generator Interconnection and Operating Agreement, efforts that are timely and consistent with Good Utility Practice and are otherwise substantially equivalent to those a Party would use to protect its own interests.

Scoping Meeting shall mean the meeting between representatives of the Interconnection Customer and Transmission Provider conducted for the purpose of discussing alternative interconnection options, to exchange information including any transmission data and earlier study evaluations that would be reasonably expected to impact such interconnection options, to analyze such information, and to determine the potential feasible Points of Interconnection.

Site Control shall mean documentation reasonably demonstrating:

(1) ownership of, a leasehold interest in, or a right to develop a site for the purpose of constructing the Generating Facility;

(2) an option to purchase or acquire a leasehold site for such purpose; or

(3) an exclusivity or other business relationship between Interconnection Customer and the entity having the right to sell, lease or grant Interconnection Customer the right to possess or occupy a site for such purpose.

Stand Alone Network Upgrades shall mean Network Upgrades that the Interconnection Customer may construct without affecting day-to-day operations of the Transmission System during their construction. Both the Transmission Provider and the Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrades and identify them in Appendix A to the Standard Generator Interconnection and Operating Agreement.

Standard Generator Interconnection and Operating Agreement (GIA) shall mean the form of interconnection agreement applicable to an Interconnection Request pertaining to a Generating Facility, that is included in the Transmission Provider's Tariff.

Standard Generator Interconnection Procedures (GIP) shall mean the interconnection procedures applicable to an Interconnection Request pertaining to a Generating Facility that are included in the Transmission Provider's Tariff.

System Protection Facilities shall mean the equipment, including necessary protection signal communications equipment, required to protect:

(1) the Transmission System from faults or other electrical disturbances occurring at the Generating Facility and

(2) the Generating Facility from faults or other electrical system disturbances occurring on the Transmission System or on other delivery systems or other generating systems to which the Transmission System is directly connected.

Tariff shall mean the Transmission Provider's Tariff through which open access transmission service and Interconnection Service are offered, as filed with the Board, and as amended or supplemented from time to time, or any successor tariff.

Transmission Owner shall mean an entity that owns, leases or otherwise possesses an interest in the portion of the Transmission System at the Point of Interconnection and may be a Party to the Standard Generator Interconnection and Operating Agreement to the extent necessary.

Transmission Provider shall mean Nova Scotia Power Inc.

Transmission Provider's Interconnection Facilities shall mean all facilities and equipment owned, controlled, or operated by the Transmission Provider from the Point of Change of Ownership to the Point of Interconnection as identified in Appendix A to the Standard Generator Interconnection and

Operating Agreement, including any modifications, additions or upgrades to such facilities and equipment. Transmission Provider's Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades.

Transmission System shall mean the facilities owned, controlled or operated by the Transmission Provider or Transmission Owner that are used to provide transmission service under the Tariff.

Trial Operation shall mean the period during which Interconnection Customer is engaged in on-site test operations and commissioning of the Generating Facility prior to commercial operation.

ARTICLE 2. EFFECTIVE DATE, TERM AND TERMINATION

2.1 Effective Date

This GIA shall become effective upon execution by the Parties subject to acceptance by the Board (if applicable), or if filed unexecuted, upon the date specified by the Board. Transmission Provider shall promptly file this GIA with the Board upon execution in accordance with Article 3.1, if required.

2.2 Term of Agreement

Subject to the provisions of Article 2.3, this GIA shall remain in effect for a period of twenty years from the Effective Date and shall be automatically renewed for each successive one-year period thereafter.

2.3 Termination Procedures

This GIA may be terminated as follows:

2.3.1 Written Notice

The Interconnection Customer may terminate this GIA after giving the Transmission Provider 90 Calendar Days advance written notice; or by Transmission Provider notifying the Board after the Generating facility permanently ceases commercial operation.

2.3.2 Default

Either Party may terminate this GIA in accordance with Article 17.

Notwithstanding the foregoing, no termination shall become effective until the Parties have complied with all Applicable Laws and Regulations applicable to such termination, including the filing with the Board of a notice of termination of this GIA, which notice has been accepted for filing by the Board.

2.4 Termination Costs

If a Party elects to terminate this Agreement pursuant to Article 2.3 above, each Party shall pay all costs incurred (including any cancellation costs relating to orders or contracts for Interconnection Facilities and equipment) or charges assessed by the other Party, as of the date of the other Party's receipt of such notice of termination, that are the responsibility of the terminating Party under this GIA. In the event of termination by either Party, both Parties shall use commercially Reasonable Efforts to mitigate the costs, damages and charges arising as a consequence of termination. Upon termination of this GIA, unless otherwise ordered or approved by the Board:

2.4.1 With respect to any portion of the Transmission Provider's Interconnection Facilities that have not yet been constructed or installed, the Transmission Provider shall to the extent possible and with Interconnection Customer's authorization cancel any

pending orders of, or return, any materials or equipment for, or contracts for construction of, such facilities; provided that in the event Interconnection Customer elects not to authorize such cancellation, Interconnection Customer shall assume all payment obligations with respect to such materials, equipment, and contracts, and the Transmission Provider shall deliver such material and equipment, and, if necessary, assign such contracts, to Interconnection Customer as soon as practicable, at Interconnection Customer's expense. To the extent that Interconnection Customer has already paid Transmission Provider for any or all such costs of materials or equipment not taken by Interconnection Customer, Transmission Provider shall promptly refund such amounts to Interconnection Customer, less any costs, including penalties incurred by the Transmission Provider to cancel any pending orders of or return such materials, equipment, or contracts.

If an Interconnection Customer terminates this GIA, it shall be responsible for all costs incurred or that will be incurred by the Transmission Provider in association with that Interconnection Customer's interconnection, including any cancellation costs relating to orders or contracts for Interconnection Facilities and equipment, and other expenses including any Network Upgrades for which the Transmission Provider has incurred or will incur expenses and has not been reimbursed by the Interconnection Customer.

2.4.2 Transmission Provider may, at its option, retain any portion of such materials, equipment, or facilities that Interconnection Customer chooses not to accept delivery of, in which case Transmission Provider shall be responsible for all costs associated with procuring such materials, equipment, or facilities.

2.4.3 With respect to any portion of the Interconnection Facilities, and any other facilities already installed or constructed pursuant to the terms of this GIA, Interconnection Customer shall be responsible for all costs associated with the removal, relocation or other disposition or retirement of such materials, equipment, or facilities.

2.5 Disconnection

Upon termination of this GIA, the Parties will take all appropriate steps to disconnect the Generating Facility from the Transmission System. All costs required to effectuate such disconnection shall be borne by the terminating Party, unless such termination resulted from the non-terminating Party's Default of this GIA or such non-terminating Party otherwise is responsible for these costs under this GIA.

2.6 Survival

This GIA shall continue in effect after termination to the extent necessary to provide for final billings and payments and for costs incurred hereunder, including billings and payments pursuant to this GIA; to permit the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this GIA was in effect; and to permit each Party to have access to the lands of the other Party pursuant to this GIA or other applicable agreements, to disconnect, remove or salvage its own facilities and equipment.

ARTICLE 3. REGULATORY FILINGS

3.1 Filing

Transmission Provider shall file this GIA (and any amendment hereto) with the appropriate Governmental Authority, if required. Interconnection Customer may request that any information so provided be subject to the confidentiality provisions of Article 22. If Interconnection Customer has executed this GIA, or any amendment thereto, Interconnection Customer shall reasonably cooperate with Transmission Provider with respect to such filing and to provide any information reasonably requested by Transmission Provider needed to comply with applicable regulatory requirements.

ARTICLE 4. SCOPE OF SERVICE

4.1 Interconnection Product Options

Interconnection Customer has selected the following (checked) type of Interconnection Service:

~~**4.1.1 Energy Resource Interconnection Service (ER Interconnection Service).**~~

~~**4.1.1.1 The Product**~~

~~ER Interconnection Service allows Interconnection Customer to connect the Generating Facility to the Transmission System and be eligible to deliver the Generating Facility's output using the existing firm or non-firm capacity of the Transmission System on an "as available" basis. To the extent Interconnection Customer wants to receive ER Interconnection Service, the Transmission Provider shall construct facilities identified in Appendix A. ER Interconnection Service does not in and of itself convey any transmission delivery service.~~

~~**4.1.1.2 Transmission Delivery Service Implications**~~

~~Under ER Interconnection Service, the Interconnection Customer will be able to inject power from the Generating Facility into and deliver power across the interconnecting Transmission Provider's Transmission System on an "as available" basis up to the amount of MW's identified in the applicable stability and steady state studies to the extent the upgrades initially required to qualify for ER Interconnection Service have been constructed. Where eligible to do so the Interconnection Customer may place a bid to sell into the market up to the maximum identified Generating Facility output, subject to~~

~~any conditions specified in the interconnection service approval, and the Generating Facility will be dispatched to the extent the Interconnection Customer's bid clears. In all other instances, no transmission delivery service from the Generating Facility is assured, but the Interconnection Customer may obtain point to point transmission delivery service or be used for secondary network transmission service, pursuant to the Transmission Provider's Tariff, up to the maximum output identified in the stability and steady state studies. In those instances, in order for the Interconnection Customer to obtain the right to deliver or inject energy beyond the Generating Facility Point of Interconnection or to improve its ability to do so, transmission delivery service must be obtained pursuant to the provisions of the Transmission Provider's Tariff. The Interconnection Customer's ability to inject its Generating Facility output beyond the Point of Interconnection, therefore, will depend on the existing capacity of the Transmission Provider's Transmission System at such time as a transmission service request is made that would accommodate such delivery. The provision of firm point to point transmission service may require the construction of additional Network Upgrades.~~

4.1.2 Network Resource Interconnection Service (NR Interconnection Service)

4.1.2.1 The Product

The Transmission Provider must conduct the necessary studies and construct the Network Upgrades needed to integrate the Generating Facility

(1) in a manner comparable to that in which the Transmission Provider integrates its generating facilities to serve native load customers; or

(2) in an ISO or RTO with market based congestion management, in the same manner as all other Network Resources.

NR Interconnection Service in and of itself does not convey any transmission delivery service.

4.1.2.2 Transmission Delivery Service Implications

NR Interconnection Service allows the Interconnection Customer's Generating Facility to be designated by any Network Customer under the Tariff on the Transmission Provider's Transmission System as a Network Resource, up to the Generating Facility's full output, on the same basis as all other existing Network Resources interconnected to the Transmission Provider's Transmission System, and to be studied as a Network Resource on the assumption that such a designation will occur. Although NR Interconnection Service does not convey a reservation of transmission service, any Network Customer under the Tariff can utilize its network service under the Tariff to obtain delivery of energy from the interconnected Interconnection Customer's Generating Facility in the same manner as it accesses Network Resources. A Generating Facility receiving NR Interconnection Service may also be used to provide Ancillary Services after technical studies and/or periodic analyses are performed with respect to the Generating Facility's ability to provide any applicable Ancillary Services, provided that such studies and analyses have been or would be required in connection with the provision of such Ancillary Services by any existing Network Resource. However, if an Interconnection Customer's Generating Facility has not been designated as a Network Resource by any load, it cannot be required to provide Ancillary Services except to the extent such requirements extend to all Generating Facilities that are similarly situated.

NR Interconnection Service does not necessarily provide the Interconnection Customer with the capability to physically deliver the output of its Generating Facility to any particular load on the Transmission Provider's Transmission System without incurring congestion costs. In the event of transmission constraints on the Transmission Provider's Transmission System, the Interconnection Customer's Generating Facility shall be subject to the applicable congestion management procedures in the Transmission Provider's Transmission System in the same manner as Network Resources.

There is no requirement either at the time of study or interconnection, or at any point in the future, that the Interconnection Customer's Generating Facility be designated as a Network Resource by a Network Service Customer under the Tariff or that the Interconnection Customer identify a specific buyer (or sink). To the extent a Network Customer does designate the Generating Facility as a Network Resource, it must do so pursuant to the Transmission Provider's Tariff.

Once an Interconnection Customer satisfies the requirements for obtaining NR Interconnection Service, any future transmission service request for delivery from the Generating Facility within the Transmission Provider's Transmission System of any amount of capacity and/or energy, up to the amount initially studied, will not require that any additional studies be performed or that any further upgrades associated with such Generating Facility be undertaken, regardless of whether or not such Generating Facility is ever designated by a Network Customer as a Network Resource and regardless of changes in ownership of the Generating Facility. To the extent the Interconnection Customer enters into an arrangement for long term transmission service for deliveries from the Generating Facility outside the Transmission Provider's Transmission System, such request may require

additional studies and upgrades in order for the Transmission Provider to grant such request.

4.2 Provision of Service

Transmission Provider shall provide Interconnection Service for the Generating Facility at the Point of Interconnection.

4.3 Generator Balancing Service Arrangements.

Article 4.3 Intentionally Deleted as Not Applicable.

4.4 Performance Standards

Each Party shall perform all of its obligations under this GIA in accordance with Applicable Laws and Regulations, Applicable Reliability Standards, and Good Utility Practice, and to the extent a Party is required or prevented or limited in taking any action by such regulations and standards, such Party shall not be deemed to be in Breach of this GIA for its compliance therewith. If such Party is the Transmission Provider or Transmission Owner, then that Party shall amend the GIA and submit the amendment to the Board for approval.

4.5 No Transmission Delivery Service

The execution of this GIA does not constitute a request for, nor the provision of, any transmission delivery service under the Transmission Provider's Tariff, and does not convey any right to deliver electricity to any specific customer or point of delivery.

4.6 Interconnection Customer Provided Services

The services provided by Interconnection Customer under this GIA are set forth in Article 9.6 and Article 13.5.1. Interconnection Customer shall be paid for such services in accordance with Article 11.6.

ARTICLE 5. INTERCONNECTION FACILITIES ENGINEERING, PROCUREMENT, AND CONSTRUCTION

5.1 Options

Unless otherwise mutually agreed to between the Parties, Interconnection Customer shall select the In-Service Date, Initial Synchronization Date, and Commercial Operation Date; and either Standard Option or Alternate Option set forth below for completion of the Transmission Provider's Interconnection Facilities and Network Upgrades as set forth in Appendix A, Interconnection Facilities and Network Upgrades, and such dates and selected option shall be set forth in Appendix B, Milestones.

5.1.1 Standard Option

The Transmission Provider shall design, procure, and construct the Transmission Provider's Interconnection Facilities and Network Upgrades, using Reasonable Efforts to complete the Transmission Provider's Interconnection Facilities and Network Upgrades by the dates set forth in Appendix B, Milestones. The Transmission Provider shall not be required to undertake any action which is inconsistent with its standard safety practices, its material and equipment specifications, its design criteria and construction procedures, its labor agreements, and Applicable Laws and Regulations. In the event the Transmission Provider reasonably expects that it will not be able to complete the Transmission Provider's

Interconnection Facilities and Network Upgrades by the specified dates, the Transmission Provider shall promptly provide written notice to the Interconnection Customer and shall undertake Reasonable Efforts to meet the earliest dates thereafter.

5.1.2 Alternate Option

If the dates designated by Interconnection Customer are acceptable to Transmission Provider, the Transmission Provider shall so notify Interconnection Customer within 30 Calendar Days, and shall assume responsibility for the design, procurement and construction of the Transmission Provider's Interconnection Facilities by the designated dates.

If Transmission Provider subsequently fails to complete Transmission Provider's Interconnection Facilities by the In-Service Date, to the extent necessary to provide back feed power; or fails to complete Network Upgrades by the Initial Synchronization Date to the extent necessary to allow for Trial Operation at full power output, unless other arrangements are made by the Parties for such Trial Operation; or fails to complete the Network Upgrades by the Commercial Operation Date, as such dates are reflected in Appendix B, Milestones; Transmission Provider shall pay Interconnection Customer liquidated damages in accordance with Article 5.3, Liquidated Damages, provided, however, the dates designated by Interconnection Customer shall be extended day for day for each day that the applicable RTO or ISO refuses to grant clearances to install equipment.

5.1.3 Option to Build

If the dates designated by Interconnection Customer are not acceptable to Transmission Provider, the Transmission Provider shall so notify the Interconnection Customer within 30 Calendar Days, and unless the Parties agree otherwise, Interconnection Customer shall have the option to assume responsibility for the

design, procurement and construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades. Both Transmission Provider and Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrades and identify such Stand Alone Network Upgrades in Appendix A to the GIA. Except for Stand Alone Upgrades, Interconnection Customer shall have no right to construct Network Upgrades under this option.

5.1.4 Negotiated Option

If the Interconnection Customer elects not to exercise its option under Article 5.1.3, Option to Build, Interconnection Customer shall so notify Transmission Provider within 30 Calendar Days, and the Parties shall in good faith attempt to negotiate terms and conditions (including revision of the specified dates and liquidated damages, the provision of incentives or the procurement and construction of a portion of the Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades by Interconnection Customer) pursuant to which Transmission Provider is responsible for the design, procurement and construction of the Transmission Provider's Interconnection Facilities and Network Upgrades. If the Parties are unable to reach agreement on such terms and conditions, Transmission Provider shall assume responsibility for the design, procurement and construction of the Transmission Provider's Interconnection Facilities and Network Upgrades pursuant to 5.1.1, Standard Option.

5.2 General Conditions Applicable to Option to Build

If Interconnection Customer assumes responsibility for the design, procurement and construction of the Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades,

(1) the Interconnection Customer shall engineer, procure equipment, and construct the Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades (or portions thereof) using Good Utility Practice and using standards and specifications provided in advance by the Transmission Provider;

(2) Interconnection Customer's engineering, procurement and construction of the Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades shall comply with all requirements of law to which Transmission Provider would be subject in the engineering, procurement or construction of the Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades;

(3) Transmission Provider shall review and approve the engineering design, equipment acceptance tests, and the construction of the Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades;

(4) prior to commencement of construction, Interconnection Customer shall provide to Transmission Provider a schedule for construction of the Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades, and shall promptly respond to requests for information from Transmission Provider;

(5) at any time during construction, Transmission Provider shall have the right to gain unrestricted access to the Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades and to conduct inspections of the same;

(6) at any time during construction, should any phase of the engineering, equipment procurement, or construction of the Transmission Provider's

Interconnection Facilities and Stand Alone Network Upgrades not meet the standards and specifications provided by Transmission Provider, the Interconnection Customer shall be obligated to remedy deficiencies in that portion of the Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades;

(7) the Interconnection Customer shall indemnify the Transmission Provider for claims arising from the Interconnection Customer's construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades under the terms and procedures applicable to Article 18.1 Indemnity;

(8) the Interconnection Customer shall transfer control of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades to the Transmission Provider;

(9) Unless Parties otherwise agree, Interconnection customer shall transfer ownership of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades to Transmission Provider;

(10) Transmission Provider shall approve and accept for operation and maintenance the Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades to the extent engineered, procured, and constructed in accordance with this Article 5.2.; and

(11) Interconnection Customer shall deliver to Transmission Provider "as-built" drawings, information, and any other documents that are reasonably required by Transmission Provider to assure that the Interconnection facilities and Stand Alone Network Upgrades are built to the standards and specifications required by the Transmission Provider.

5.3 Liquidated Damages

The actual damages to the Interconnection Customer, in the event the Transmission Provider's Interconnection Facilities or Network Upgrades are not completed by the dates designated by the Interconnection Customer and accepted by the Transmission Provider pursuant to subparagraphs 5.1.2 or 5.1.4, above, may include Interconnection Customer's fixed operation and maintenance costs and lost opportunity costs. Such actual damages are uncertain and impossible to determine at this time. Because of such uncertainty, any liquidated damages paid by the Transmission Provider to the Interconnection Customer in the event that Transmission Provider does not complete any portion of the Transmission Provider's Interconnection Facilities or Network Upgrades by the applicable dates, shall be an amount equal to ½ of 1 percent per day of the actual cost of the Transmission Provider's Interconnection Facilities and Network Upgrades, in the aggregate, for which Transmission Provider has assumed responsibility to design, procure and construct.

However, in no event shall the total liquidated damages exceed 20 percent of the actual cost of the Transmission Provider Interconnection Facilities and Network Upgrades for which the Transmission Provider has assumed responsibility to design, procure, and construct. The foregoing payments will be made by the Transmission Provider to the Interconnection Customer as just compensation for the damages caused to the Interconnection Customer, which actual damages are uncertain and impossible to determine at this time, and as reasonable liquidated damages, but not as a penalty or a method to secure performance of this GIA.

No liquidated damages shall be paid to Interconnection Customer if:

(1) Interconnection Customer is not ready to commence use of the Transmission Provider's Interconnection Facilities or Network Upgrades to take the delivery of power for the Generating Facility's Trial Operation or to export power from the Generating Facility on the specified dates, unless the

Interconnection Customer would have been able to commence use of the Transmission Provider's Interconnection Facilities or Network Upgrades to take the delivery of power for Generating Facility's Trial Operation or to export power from the Generating Facility, but for Transmission Provider's delay;

(2) the Transmission Provider's failure to meet the specified dates is the result of the action or inaction of the Interconnection Customer or any other Interconnection Customer who has entered into an GIA with the Transmission Provider or any cause beyond Transmission Provider's reasonable control or reasonable ability to cure;

(3) the Interconnection Customer has assumed responsibility for the design, procurement and construction of the Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades; or (4) the Parties have otherwise agreed.

5.4 Power System Stabilizers

The Interconnection Customer shall procure, install, maintain and operate Power System Stabilizers in accordance with the guidelines and procedures established by the Applicable Reliability Council. Transmission Provider reserves the right to reasonably establish minimum acceptable settings for any installed Power System Stabilizers, subject to the design and operating limitations of the Generating Facility. If the Generating Facility's Power System Stabilizers are removed from service or not capable of automatic operation, the Interconnection Customer shall immediately notify the Transmission Provider's system operator, or its designated representative. The requirements of this paragraph shall not apply to wind generators. Instead, Appendix G sets forth the specific requirements and provisions that apply to a wind Generating Facility.

5.5 Equipment Procurement

If responsibility for construction of the Transmission Provider's Interconnection Facilities or Network Upgrades is to be borne by the Transmission Provider, then the Transmission Provider shall commence design of the Transmission Provider's Interconnection Facilities or Network Upgrades and procure necessary equipment as soon as practicable after all of the following conditions are satisfied, unless the Parties otherwise agree in writing:

5.5.1 The Transmission Provider has completed the Facilities Study pursuant to the Facilities Study Agreement;

5.5.2 The Transmission Provider has received written authorization to proceed with design and procurement from the Interconnection Customer by the date specified in Appendix B, Milestones; and

5.5.3 The Interconnection Customer has provided security to the Transmission Provider in accordance with Article 11.5 by the dates specified in Appendix B, Milestones.

5.6 Construction Commencement

The Transmission Provider shall commence construction of the Transmission Provider's Interconnection Facilities and Network Upgrades for which it is responsible as soon as practicable after the following additional conditions are satisfied:

5.6.1 Approval of the appropriate Governmental Authority has been obtained for any facilities requiring regulatory approval;

5.6.2 Necessary real property rights and rights-of-way have been obtained, to the extent required for the construction of a discrete aspect of the Transmission Provider's Interconnection Facilities and Network Upgrades;

5.6.3 The Transmission Provider has received written authorization to proceed with construction from the Interconnection Customer by the date specified in Appendix B, Milestones; and

5.6.4 The Interconnection Customer has provided security to the Transmission Provider in accordance with Article 11.5 by the dates specified in Appendix B, Milestones.

5.7 Work Progress

The Parties will keep each other advised periodically as to the progress of their respective design, procurement and construction efforts. Either Party may, at any time, request a progress report from the other Party. If, at any time, the Interconnection Customer determines that the completion of the Transmission Provider's Interconnection Facilities will not be required until after the specified In-Service Date, the Interconnection Customer will provide written notice to the Transmission Provider of such later date upon which the completion of the Transmission Provider's Interconnection Facilities will be required.

5.8 Information Exchange

As soon as reasonably practicable after the Effective Date, the Parties shall exchange information regarding the design and compatibility of the Parties' Interconnection Facilities and compatibility of the Interconnection Facilities with the Transmission Provider's Transmission System, and shall work diligently and in good faith to make any necessary design changes. Design information shall be provided in a format compatible with the Transmission Provider's Computer Aided Drafting and Design (CADD) systems.

5.9 Limited Operation

If any of the Transmission Provider's Interconnection Facilities or Network Upgrades are not reasonably expected to be completed prior to the Commercial Operation Date of the

Generating Facility, Transmission Provider shall, upon the request and at the expense of Interconnection Customer, perform operating studies on a timely basis to determine the extent to which the Generating Facility and the Interconnection Customer Interconnection Facilities may operate prior to the completion of the Transmission Provider's Interconnection Facilities or Network Upgrades consistent with Applicable Laws and Regulations, Applicable Reliability Standards, Good Utility Practice, and this GIA. Transmission Provider shall permit Interconnection Customer to operate the Generating Facility and the Interconnection Customer Interconnection Facilities in accordance with the results of such studies.

5.10 Interconnection Customer's Interconnection Facilities ("ICIF")

Interconnection Customer shall, at its expense, design, procure, construct, own and install the ICIF, as set forth in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades. The ICIF shall be sole use facilities.

5.10.1 Generating Facility Specifications

Interconnection Customer shall submit initial specifications for the ICIF, including System Protection Facilities, to Transmission Provider at least 180 Calendar Days prior to the Initial Synchronization Date; and final specifications for review and comment at least 90 Calendar Days prior to the Initial Synchronization Date. Transmission Provider shall review such specifications to ensure that the ICIF are compatible with the technical specifications, operational control, and safety requirements of the Transmission Provider and comment on such specifications within 30 Calendar Days of Interconnection Customer's submission. All specifications provided hereunder shall be deemed confidential.

5.10.2 Transmission Provider's Review

Transmission Provider's review of Interconnection Customer's final specifications shall not be construed as confirming, endorsing, or providing a warranty as to the design, fitness, safety, durability or reliability of the Generating Facility, or the ICIF. Interconnection Customer shall make such changes to the ICIF as may reasonably be required by Transmission Provider, in accordance with Good Utility Practice, to ensure that the ICIF are compatible with the telemetry, communications, and safety requirements of the Transmission Provider.

5.10.3 ICIF Construction

The ICIF shall be designed and constructed in accordance with Good Utility Practice. Within one hundred 120 Calendar Days after the Commercial Operation Date, unless the Parties agree on another mutually acceptable deadline, the Interconnection Customer shall deliver to the Transmission Provider "as-built" drawings, information and documents for the ICIF, such as: a one-line diagram, a site plan showing the Generating Facility and the ICIF, plan and elevation drawings showing the layout of the ICIF, a relay functional diagram, relaying AC and DC schematic wiring diagrams and relay settings for all facilities associated with the Interconnection Customer's step-up transformers, the facilities connecting the Generating Facility to the step-up transformers and the ICIF, and the impedances (determined by factory tests) for the associated step-up transformers and the Generating Facilities. The Interconnection Customer shall provide Transmission Provider specifications for the excitation system, automatic voltage regulator, Generating Facility control and protection settings, transformer tap settings, and communications.

5.11 Transmission Provider's Interconnection Facilities Construction

The Transmission Provider's Interconnection Facilities shall be designed and constructed in accordance with Good Utility Practice. Upon request, within 120 Calendar Days after the Commercial Operation Date, unless the Parties agree on another mutually acceptable deadline, the Transmission Provider shall deliver to the Interconnection Customer the following "as-built" drawings, information and documents for the Transmission Provider's Interconnection Facilities: 1) Protection and Instrumentation 1-line Drawing; and 2) Interconnection Points Diagram.

The Transmission Provider will obtain control of the Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades upon completion of such facilities.

5.12 Access Rights

The Interconnection Customer shall furnish *at no cost* to the Transmission Provider any licenses, rights of way and easements with respect to lands owned or controlled by the Interconnection Customer and its agents that are necessary to enable the Transmission Provider to obtain ingress and egress to construct, operate, maintain, repair, test (or witness testing), inspect, replace or remove facilities and equipment to:

(i) interconnect the Generating Facility with the Transmission System;

(ii) operate and maintain the Generating Facility, the Interconnection Facilities and the Transmission System; and

(iii) disconnect or remove the Transmission Provider's facilities and equipment upon termination of this GIA.

In exercising such licenses, rights of way and easements, the Transmission Provider shall not unreasonably disrupt or interfere with normal operation of the Interconnection Customer's business and shall adhere to the safety rules and procedures established in advance, as may be changed from time to time, by the Interconnection Customer and provided to the Transmission Provider.

5.13 Lands of Other Property Owners

If any part of the Transmission Provider or Transmission Owner's Interconnection Facilities and/or Network Upgrades is to be installed on property owned by persons other than Interconnection Customer or Transmission Provider or Transmission Owner, the Interconnection Customer shall at Interconnection Customer's expense procure from such persons any rights of use, licenses, rights of way and easements that are necessary to construct, operate, maintain, test, inspect, replace or remove the Transmission Provider or Transmission Owner's Interconnection Facilities and/or Network Upgrades upon such property. All such rights of use, licenses, rights of way and easements shall be registered or recorded by the Interconnection Customer at the Interconnection Customer's expense in the land registration office for the registration district in which the property is situated. Easements shall be in a form acceptable to the Transmission Provider. Upon receipt of a reasonable siting request, Transmission Provider shall provide siting assistance to the Interconnection Customer comparable to that provided to the Transmission Provider's own, or an Affiliate's generation.

5.14 Permits

The allocation of the responsibilities of the Transmission Provider or Transmission Owner and the Interconnection Customer to obtain all permits, licenses and authorizations that are necessary to accomplish the interconnection in compliance with Applicable Laws and Regulations shall be as specified in Appendix H. The Transmission Provider or Transmission Owner and the Interconnection Customer shall cooperate with each other in good faith in

obtaining any such permits, licenses and authorizations. With respect to this paragraph, Transmission Provider or Transmission Owner shall provide permitting assistance to the Interconnection Customer comparable to that provided to the Transmission Provider's own, or an Affiliate's generation.

5.15 Early Construction of Base Case Facilities

Interconnection Customer may request Transmission Provider to construct, and Transmission Provider shall construct, using Reasonable Efforts to accommodate Interconnection Customer's In-Service Date, all or any portion of any Network Upgrades required for Interconnection Customer to be interconnected to the Transmission System which are included in the Base Case of the Facilities Study for the Interconnection Customer, and which also are required to be constructed for another Interconnection Customer, but where such construction is not scheduled to be completed in time to achieve Interconnection Customer's In-Service Date.

5.16 Suspension

Interconnection Customer reserves the right, upon written notice to Transmission Provider, to suspend at any time all work by Transmission Provider associated with the construction and installation of Transmission Provider's Interconnection Facilities and/or Network Upgrades required under this GIA with the condition that the Transmission Provider shall be left in a safe and reliable condition in accordance with Good Utility Practice and the Transmission Provider's safety and reliability criteria. In such event, Interconnection Customer shall be responsible for all reasonable and necessary costs which Transmission Provider

(i) has incurred pursuant to this GIA prior to the suspension and

(ii) incurs in suspending such work, including any costs incurred to perform such work as may be necessary to ensure the safety of persons and property and the integrity of the Transmission System during such suspension and, if applicable, any costs incurred in connection with the cancellation or suspension of material, equipment and labor contracts which Transmission Provider cannot reasonably avoid; provided, however, that prior to canceling or suspending any such material, equipment or labor contract, Transmission Provider shall obtain Interconnection Customer's authorization to do so.

Transmission Provider shall invoice Interconnection Customer for such costs pursuant to Article 12 and shall use due diligence to minimize its costs. In the event Interconnection Customer suspends work by Transmission Provider required under this GIA pursuant to this Article 5.16, and has not requested Transmission Provider to recommence the work required under this GIA on or before the expiration of three years following commencement of such suspension, this GIA shall be deemed terminated.

In the event Interconnection Customer suspends work by Transmission Provider required under this Agreement pursuant to this Article 5.16, and requests Transmission Provider to recommence the work required under this Agreement, the Interconnection Customer shall be responsible for all additional costs Transmission Provider determines are necessary to restart all work by Transmission Provider associated with the construction and installation of the Transmission Provider's Interconnection Facilities and/or Network Upgrades required under this Agreement.

5.17 Taxes

5.17.1 Interconnection Customer Payments Not Taxable

The Parties intend that all payments or property transfers made by Interconnection Customer to Transmission Provider for the installation of the Transmission Provider's

Interconnection Facilities and the Network Upgrades shall be non-taxable, either as contributions to capital, or as an advance, in accordance with any applicable Federal and Provincial tax laws and shall not be taxable as contributions in aid of construction or otherwise under any applicable Federal and Provincial tax laws.

5.18 Tax Status

Each Party shall cooperate with the other to maintain the other Party's tax status.

5.19 Modification

5.19.1 General

Either Party may undertake modifications to its facilities. If a Party plans to undertake a modification that reasonably may be expected to affect the other Party's facilities, that Party shall provide to the other Party sufficient information regarding such modification so that the other Party may evaluate the potential impact of such modification prior to commencement of the work. Such information shall be deemed to be confidential hereunder and shall include information concerning the timing of such modifications and whether such modifications are expected to interrupt the flow of electricity from the Generating Facility. The Party desiring to perform such work shall provide the relevant drawings, plans, and specifications to the other Party at least 90 Calendar Days in advance of the commencement of the work or such shorter period upon which the Parties may agree, which agreement shall not unreasonably be withheld, conditioned or delayed.

In the case of Generating Facility modifications that do not require Interconnection Customer to submit an Interconnection Request, Transmission Provider shall provide, within 30 Calendar Days (or such other time as the Parties may agree), an estimate of any additional modifications to the Transmission System, Transmission

Provider's Interconnection Facilities or Network Upgrades necessitated by such Interconnection Customer modification and a good faith estimate of the costs thereof.

5.19.2 Standards

Any additions, modifications, or replacements made to a Party's facilities shall be designed, constructed and operated in accordance with this GIA and Good Utility Practice.

5.19.3 Modification Costs

Interconnection Customer shall not be directly assigned for the costs of any additions, modifications, or replacements that Transmission Provider makes to the Transmission Provider's Interconnection Facilities or the Transmission System to facilitate the interconnection of a third party to the Transmission Provider's Interconnection Facilities or the Transmission System, or to provide transmission service under the Transmission Provider's Tariff. Interconnection Customer shall be responsible for the costs of any additions, modifications, or replacements to the Interconnection Customer Interconnection Facilities that may be necessary to maintain or upgrade such Interconnection Customer Interconnection Facilities consistent with Applicable Laws and Regulations, Applicable Reliability Standards or Good Utility Practice.

ARTICLE 6. TESTING AND INSPECTION

6.1 Pre-Commercial Operation Date Testing and Modifications

Prior to the Commercial Operation Date, the Transmission Provider shall test the Transmission Provider's Interconnection Facilities and Network Upgrades and

Interconnection Customer shall test the Generating Facility and the Interconnection Customer Interconnection Facilities to ensure their safe and reliable operation. Similar testing may be required after initial operation. Each Party shall make any modifications to its facilities that are found to be necessary as a result of such testing. Interconnection Customer shall bear the cost of all such testing and modifications. Interconnection Customer shall generate test energy at the Generating Facility only if it has arranged with Transmission Provider for the delivery of such test energy to the Transmission System.

6.2 Post-Commercial Operation Date Testing and Modifications

Each Party shall at its own expense perform routine inspection and testing of its facilities and equipment in accordance with Good Utility Practice as may be necessary to ensure the continued interconnection of the Generating Facility with the Transmission System in a safe and reliable manner. Each Party shall have the right, upon advance written notice, to require reasonable additional testing of the other Party's facilities, at the requesting Party's expense, as may be in accordance with Good Utility Practice.

6.3 Right to Observe Testing

Each Party shall notify the other Party in advance of its performance of tests of its Interconnection Facilities. The other Party has the right, at its own expense, to observe such testing.

6.4 Right to Inspect

Each Party shall have the right, but shall have no obligation to:

(i) observe the other Party's tests and/or inspection of any of its System Protection Facilities and other protective equipment, including Power System Stabilizers;

(ii) review the settings of the other Party's System Protection Facilities and other protective equipment; and

(iii) review the other Party's maintenance records relative to the Interconnection Facilities, the System Protection Facilities and other protective equipment.

A Party may exercise these rights from time to time, as it deems necessary upon reasonable notice to the other Party. The exercise or non-exercise by a Party of any such rights shall not be construed as an endorsement or confirmation of any element or condition of the Interconnection Facilities or the System Protection Facilities or other protective equipment or the operation thereof, or as a warranty as to the fitness, safety, desirability, or reliability of same. Any information that Transmission Provider obtains through the exercise of any of its rights under this Article 6.4 shall be deemed to be confidential hereunder.

ARTICLE 7. METERING

7.1 General

Each Party shall comply with the Applicable Reliability Council requirements. Unless otherwise agreed by the Parties, Transmission Provider shall install Metering Equipment at the Point of Interconnection prior to any operation of the Generating Facility and shall own, operate, test and maintain such Metering Equipment. Power flows to and from the Generating Facility shall be measured at or, at Transmission Provider's option, compensated to, the Point of Interconnection. Transmission Provider shall provide metering quantities, in analog and/or digital form, to Interconnection Customer upon request. Interconnection Customer shall bear all reasonable documented costs associated with the purchase, installation, operation, testing and maintenance of the Metering Equipment. All revenue metering equipment installations shall meet the Electricity and Gas Inspection Act regulations requirements in effect at the time.

7.2 Check Meters

Interconnection Customer, at its option and expense, may install and operate, on its premises and on its side of the Point of Interconnection, one or more check meters to check Transmission Provider's meters. Such check meters shall be for check purposes only and shall not be used for the measurement of power flows for purposes of this GIA, except as provided in Article 7.4 below. The check meters shall be subject at all reasonable times to inspection and examination by Transmission Provider or its designee. The installation, operation and maintenance thereof shall be performed entirely by Interconnection Customer in accordance with Good Utility Practice. Such check meters shall only be permitted if the accuracy of the revenue metering installation is not degraded unacceptably through the addition of the check meters.

7.3 Standards

Transmission Provider shall install, calibrate, and test revenue quality Metering Equipment in accordance with applicable Industry Canada standards.

7.4 Testing of Metering Equipment

Transmission Provider shall inspect and test all Transmission Provider-owned Metering Equipment upon installation and at least once every two years thereafter. If requested to do so by Interconnection Customer, Transmission Provider shall, at Interconnection Customer's expense, inspect or test Metering Equipment more frequently than every two years. Transmission Provider shall give reasonable notice of the time when any inspection or test shall take place, and Interconnection Customer may have representatives present at the test or inspection. If at any time Metering Equipment is found to be inaccurate or defective, it shall be adjusted, repaired or replaced at Interconnection Customer's expense, in order to provide accurate metering, unless the inaccuracy or defect is due to Transmission Provider's failure to maintain, then Transmission Provider shall pay. If Metering Equipment fails to

register, or if the measurement made by Metering Equipment during a test varies by more than two percent from the measurement made by the standard meter used in the test, Transmission Provider shall adjust the measurements by correcting all measurements for the period during which Metering Equipment was in error by using Interconnection Customer's check meters, if installed. If no such check meters are installed or if the period cannot be reasonably ascertained, the adjustment shall be for the period immediately preceding the test of the Metering Equipment equal to one-half the time from the date of the last previous test of the Metering Equipment.

7.5 Metering Data

At Interconnection Customer's expense, the metered data shall be telemetered to one or more locations designated by Transmission Provider and one or more locations designated by Interconnection Customer. Such telemetered data shall be used, under normal operating conditions, as the official measurement of the amount of energy delivered from the Generating Facility to the Point of Interconnection.

ARTICLE 8. COMMUNICATIONS

8.1 Interconnection Customer Obligations

Interconnection Customer shall maintain satisfactory operating communications with Transmission Provider's Transmission System dispatcher or representative designated by Transmission Provider. Interconnection Customer shall provide, at its cost, standard voice line, dedicated voice line and facsimile communications at its Generating Facility control room or central dispatch facility through use of either the public telephone system, or a voice communications system that does not rely on the public telephone system. Interconnection Customer shall also provide, at its cost, the dedicated data circuit(s) necessary to provide Interconnection Customer data to Transmission Provider as set forth in Appendix D, Security

Arrangements Details. The data circuit(s) shall extend from the Generating Facility to the location(s) specified by Transmission Provider. Any required maintenance of such communications equipment shall be performed by Interconnection Customer. Operational communications shall be activated and maintained under, but not be limited to, the following events: system paralleling or separation, scheduled and unscheduled shutdowns, equipment clearances, and hourly and daily load data.

8.2 Remote Terminal Unit

Prior to the Initial Synchronization Date of the Generating Facility, a Remote Terminal Unit, or equivalent data collection and transfer equipment acceptable to both Parties, shall be installed by Interconnection Customer, or by Transmission Provider at Interconnection Customer's expense, to gather accumulated and instantaneous data to be telemetered to the location(s) designated by Transmission Provider through use of a dedicated point-to-point data circuit(s) as indicated in Article 8.1. The communication protocol for the data circuit(s) shall be specified by Transmission Provider. Instantaneous bi-directional analog real power and reactive power flow information must be telemetered directly to the location(s) specified by Transmission Provider.

Each Party will promptly advise the other Party if it detects or otherwise learns of any metering, telemetry or communications equipment errors or malfunctions that require the attention and/or correction by the other Party. The Party owning such equipment shall correct such error or malfunction as soon as reasonably feasible.

8.3 No Annexation

Any and all equipment placed on the premises of a Party shall be and remain the property of the Party providing such equipment regardless of the mode and manner of annexation or attachment to real property, unless otherwise mutually agreed by the Parties.

ARTICLE 9. OPERATIONS

9.1 General

Each Party shall comply with the Applicable Reliability Council requirements. Each Party shall provide to the other Party all information that may reasonably be required by the other Party to comply with Applicable Laws and Regulations and Applicable Reliability Standards.

9.2 Operating Area Notification

At least three months before Initial Synchronization Date, the Interconnection Customer shall notify the Transmission Provider in writing of the Operating Area in which the Generating Facility will be located.

9.3 Transmission Provider Obligations

Transmission Provider shall cause the Transmission System and the Transmission Provider's Interconnection Facilities to be operated, maintained and controlled in a safe and reliable manner and in accordance with this GIA. Transmission Provider may provide operating instructions to Interconnection Customer consistent with this GIA and Transmission Provider's operating protocols and procedures as they may change from time to time. Transmission Provider will consider changes to its operating protocols and procedures proposed by Interconnection Customer.

9.4 Interconnection Customer Obligations

Interconnection Customer shall at its own expense operate, maintain and control the Generating Facility and the Interconnection Customer Interconnection Facilities in a safe and reliable manner and in accordance with this GIA. Interconnection Customer shall operate

the Generating Facility and the Interconnection Customer Interconnection Facilities in accordance with all applicable requirements of the Operating Area of which it is part, as such requirements are set forth in Appendix C, Interconnection Details, of this GIA. Appendix C, Interconnection Details, will be modified to reflect changes to the requirements as they may change from time to time. Either Party may request that the other Party provide copies of the requirements set forth in Appendix C, Interconnection Details, of this GIA.

Except in an Emergency, the Interconnection Customer will request permission from the Transmission Provider's System Operator (or such Party designated by the System Operator) prior to opening or closing switching devices at the designated Point of Interconnection, identified in Appendix A of this GIA, in accordance with applicable switching and operations procedures, which permission will not be unreasonably withheld or delayed. If the Interconnection Customer opens or closes a switching device in an Emergency, without requesting permission from the System Operator, Interconnection Customer shall notify the System Operator immediately after taking such action.

The Interconnection Customer will carry out all switching orders from the System Operator in a timely manner.

9.5 Start-Up and Synchronization

Consistent with the Parties' mutually acceptable procedures, the Interconnection Customer is responsible for the proper synchronization of the Generating Facility to the Transmission Provider's Transmission System.

9.6 Reactive Power

9.6.1 Power Factor Design Criteria

Interconnection Customer shall design the Generating Facility to maintain a composite power delivery at continuous rated power output at the Point of Interconnection at a power factor within the range of 0.95 leading to 0.95 lagging, unless Transmission Provider has established different requirements that apply to all generators in the Operating Area on a comparable basis. The requirements of this paragraph shall not apply to wind generators. Instead, Appendix G sets forth the specific requirements and provisions that apply to a wind Generating Facility.

9.6.2 Voltage Schedules

Once the Interconnection Customer has synchronized the Generating Facility with the Transmission System, Transmission Provider shall require Interconnection Customer to operate the Generating Facility to produce or absorb reactive power within the design limitations of the Generating Facility set forth in Article 9.6.1 (Power Factor Design Criteria). Transmission Provider's voltage schedules shall treat all sources of reactive power in the Operating Area in an equitable and not unduly discriminatory manner. Transmission Provider shall exercise Reasonable Efforts to provide Interconnection Customer with such schedules at least one day in advance, and may make changes to such schedules as necessary to maintain the reliability of the Transmission System. Interconnection Customer shall operate the Generating Facility to maintain the specified output voltage or power factor at the Point of Interconnection within the design limitations of the Generating Facility set forth in Article 9.6.1 (Power Factor Design Criteria). If Interconnection Customer is unable to maintain the specified voltage or power factor, it shall promptly notify the System Operator.

9.6.2.1 Governors and Regulators

Whenever the Generating Facility is operated in parallel with the Transmission System and the speed governors (if installed on the generating unit pursuant to Good Utility Practice) and voltage regulators are capable of operation, Interconnection Customer shall operate the Generating Facility with its speed governors and voltage regulators in automatic operation. If the Generating Facility's speed governors and voltage regulators are not capable of such automatic operation, the Interconnection Customer shall immediately notify Transmission Provider's system operator, or its designated representative, and ensure that such Generating Facility's reactive power production or absorption (measured in MVARs) are within the design capability of the Generating Facility's generating unit(s) and steady state stability limits. Interconnection Customer shall not cause its Generating Facility to disconnect automatically or instantaneously from the Transmission System or trip any generating unit comprising the Generating Facility for an under or over frequency condition unless the abnormal frequency condition persists for a time period beyond the limits set forth in ANSI/IEEE Standard C37.106, or such other standard as applied to other generators in the Operating Area on a comparable basis.

9.6.3 Payment for Reactive Power

Transmission Provider is required to pay Interconnection Customer for reactive power that Interconnection Customer provides or absorbs from the Generating Facility only in those instances where the Transmission Provider requests the Interconnection Customer to operate its Generating Facility outside the range specified in Article 9.6.1, provided that if Transmission Provider pays its own or affiliated generators for reactive power service within the specified range, it must

also pay Interconnection Customer. Payments shall be pursuant to Article 11.6 or such other agreement to which the Parties have otherwise agreed.

9.7 Outages and Interruptions

9.7.1 Outages

9.7.1.1 Outage Authority and Coordination

Each Party may in accordance with Good Utility Practice in coordination with the other Party remove from service any of its respective Interconnection Facilities or Network Upgrades that may impact the other Party's facilities as necessary to perform maintenance or testing or to install or replace equipment. Absent an Emergency Condition, the Party scheduling a removal of such facility(ies) from service will use Reasonable Efforts to schedule such removal on a date and time mutually acceptable to both Parties. In all circumstances any Party planning to remove such facility(ies) from service shall use Reasonable Efforts to minimize the effect on the other Party of such removal.

9.7.1.2 Outage Schedules

The Transmission Provider shall post scheduled outages of its transmission facilities on the OASIS. Interconnection Customer shall submit its planned maintenance schedules for the Generating Facility to Transmission Provider for a minimum of a rolling twenty-four month period. Interconnection Customer shall update its planned maintenance schedules as necessary. Transmission Provider may request Interconnection Customer to reschedule its maintenance as necessary to maintain the reliability of the Transmission

System; provided, however, adequacy of generation supply shall not be a criterion in determining Transmission System reliability.

9.7.1.3 Outage Restoration

If an outage on a Party's Interconnection Facilities or Network Upgrades adversely affects the other Party's operations or facilities, the Party that owns or controls the facility that is out of service shall use Reasonable Efforts to promptly restore such facility(ies) to a normal operating condition consistent with the nature of the outage. The Party that owns or controls the facility that is out of service shall provide the other Party, to the extent such information is known, information on the nature of the Emergency Condition, an estimated time of restoration, and any corrective actions required. Initial verbal notice shall be followed up as soon as practicable with written notice explaining the nature of the outage.

9.7.2 Interruption of Service

If required by Good Utility Practice to do so, Transmission Provider may require Interconnection Customer to interrupt or reduce deliveries of electricity if such delivery of electricity could adversely affect Transmission Provider's ability to perform such activities as are necessary to safely and reliably operate and maintain the Transmission System. The following provisions shall apply to any interruption or reduction permitted under this Article 9.7.2:

9.7.2.1 The interruption or reduction shall continue only for so long as reasonably necessary under Good Utility Practice;

9.7.2.2 Any such interruption or reduction shall be made on an equitable, non-discriminatory basis with respect to all Generating Facilities directly connected to the Transmission System;

9.7.2.3 When the interruption or reduction must be made under circumstances which do not allow for advance notice, Transmission Provider shall notify Interconnection Customer by telephone as soon as practicable of the reasons for the curtailment, interruption, or reduction, and, if known, its expected duration. Telephone notification shall be followed by written notification as soon as practicable;

9.7.2.4 Except during the existence of an Emergency Condition, when the interruption or reduction can be scheduled without advance notice, Transmission Provider shall notify Interconnection Customer in advance regarding the timing of such scheduling and further notify Interconnection Customer of the expected duration. Transmission Provider shall coordinate with the Interconnection Customer using Good Utility Practice to schedule the interruption or reduction during periods of least impact to the Interconnection Customer and the Transmission Provider;

9.7.2.5 The Parties shall cooperate and coordinate with each other to the extent necessary in order to restore the Generating Facility, Interconnection Facilities, and the Transmission System to their normal operating state, consistent with system conditions and Good Utility Practice.

9.7.2.6 If Transmission Provider determines that any of Interconnection Customer Interconnection Facilities or associated equipment fail to perform as designed, or that Interconnection Customer has failed to perform testing or maintenance of such equipment in accordance with the terms of this GIA and such failure has, or could reasonably be expected to adversely impact

operation of the Transmission System, Transmission Provider shall notify Interconnection Customer in writing of such failure, its recommended corrective action, and its recommended deadline for the completion of such corrective actions. Within ten Business Days or the deadline reasonably specified by the Transmission Provider, Interconnection Customer must demonstrate to Transmission Provider's satisfaction that Interconnection Customer has initiated such corrective action as is necessitated by Good Utility Practice. If Interconnection Customer fails to demonstrate within such time period to Transmission Provider's satisfaction that it has initiated or completed such corrective action as is necessitated by Good Utility Practice or that no corrective action is necessitated by Good Utility Practice, Transmission Provider may open the interconnection between Interconnection Customer and Transmission Provider; provided, however, that Transmission Provider may open the interconnection only for so long as is necessary under Good Utility Practice.

9.7.2.7 If Transmission provider determines that a modification to any of Interconnection Customer Interconnection Facilities or associated equipment has been made so that performance is not as originally approved by the Transmission Provider and such performance has, or could reasonably be expected to adversely impact operation of the Transmission System, Transmission Provider may, if such condition is not corrected after giving Interconnection Customer as much advance notice to correct the condition as is practicable under the circumstances, open the interconnection between Interconnection Customer and Transmission provider; provided, however, that Transmission Provider may open the interconnection only for so long as is necessary under Good Utility Practice.

9.7.2.8 Notwithstanding anything to the contrary in this Agreement, the Transmission Provider may immediately disconnect the Facility from the

Transmission System, if the Transmission Provider perceives, consistent with Good Utility Practice, that the operation of the Interconnection Customer's equipment or Generating Facility presents an imminent threat to the reliable and safe operation of the Transmission System; provided, however that the Transmission provider may disconnect the facility for so long as is necessary under Good Utility Practice

9.7.3 Under-Frequency and Over Frequency Conditions

The Transmission System is designed to automatically activate a load-shed program as required by the Applicable Reliability Council in the event of an under-frequency system disturbance. Interconnection Customer shall implement under-frequency and over-frequency relay set points for the Generating Facility as required by the Applicable Reliability Council to ensure "ride through" capability of the Transmission System. Generating Facility response to frequency deviations of pre-determined magnitudes, both under-frequency and over-frequency deviations, shall be studied by the Interconnection Customer and coordinated with the Transmission Provider in accordance with Good Utility Practice. The term "ride through" as used herein shall mean the ability of a Generating Facility to stay connected to and synchronized with the Transmission System during system disturbances within a range of under-frequency and over-frequency conditions, in accordance with Good Utility Practice.

9.7.4 System Protection and Other Control Requirements

9.7.4.1 System Protection Facilities

Interconnection Customer shall, at its expense, install, operate and maintain System Protection Facilities as a part of the Generating Facility or the Interconnection Customer Interconnection Facilities. Transmission Provider

shall install at Interconnection Customer's expense any System Protection Facilities that may be required on the Transmission Provider Interconnection Facilities or the Transmission System as a result of the interconnection of the Generating Facility and the Interconnection Customer Interconnection Facilities.

9.7.4.2 Each Party's protection facilities shall be designed and coordinated with other systems in accordance with Good Utility Practice.

9.7.4.3 Each Party shall be responsible for protection of its facilities consistent with Good Utility Practice.

9.7.4.4 Each Party's protective relay design shall incorporate the necessary test switches to perform the tests required in Article 6. The required test switches will be placed such that they allow operation of lockout relays while preventing breaker failure schemes from operating and causing unnecessary breaker operations and/or the tripping of the Interconnection Customer's units.

9.7.4.5 Each Party will test, operate and maintain System Protection Facilities in accordance with Good Utility Practice.

9.7.4.6 Prior to the In-Service Date, and again prior to the Commercial Operation Date, each Party or its agent shall perform a complete calibration test and functional trip test of the System Protection Facilities. At intervals suggested by Good Utility Practice and following any apparent malfunction of the System Protection Facilities, each Party shall perform both calibration and functional trip tests of its System Protection Facilities. These tests do not require the tripping of any in-service generation unit. These tests do, however, require that all protective relays and lockout contacts be activated.

9.7.5 Requirements for Protection

In compliance with Good Utility Practice, Interconnection Customer shall provide, install, own, and maintain relays, circuit breakers and all other devices necessary to remove any fault contribution of the Generating Facility to any short circuit occurring on the Transmission System not otherwise isolated by Transmission Provider's equipment, such that the removal of the fault contribution shall be coordinated with the protective requirements of the Transmission System. Such protective equipment shall include, without limitation, a disconnecting device or switch with load-interrupting capability located between the Generating Facility and the Transmission System at a site selected upon mutual agreement (not to be unreasonably withheld, conditioned or delayed) of the Parties. Interconnection Customer shall be responsible for protection of the Generating Facility and Interconnection Customer's other equipment from such conditions as negative sequence currents, over- or under-frequency, sudden load rejection, over- or under-voltage, and generator loss-of-field. Interconnection Customer shall be solely responsible to disconnect the Generating Facility and Interconnection Customer's other equipment if conditions on the Transmission System could adversely affect the Generating Facility.

9.7.6 Power Quality

Each Party shall operate their facilities in such a manner so as to not cause excessive voltage flicker nor introduce excessive distortion to the sinusoidal voltage or current waves as defined by Applicable Standards adopted by the Transmission provider, such as Canadian Standards Association (CSA) CAN-C235-83, IEEE Recommended Practice 519 (Harmonics) and International Electrotechnical Commission (IEC) Flicker Standard 61000-3-7 (with Flicker Meter IEC 868 using a 120V, 60W weighting curve), or any applicable superseding electric industry standard, including the emission and quality limits specified in Appendix C Interconnection Details. In

the event of a conflict between IEC Standard 61000-3-7, IEEE recommended Practice 519, CSA CAN-C235-83, or any applicable superseding electric industry standard, and the Appendix C Interconnection Details, the emission and quality limits specified in Appendix C, Interconnections Details, shall prevail.

9.8 Switching and Tagging Rules

Each Party shall provide the other Party a copy of its switching and tagging rules that are applicable to the other Party's activities. Such switching and tagging rules shall be developed on a non-discriminatory basis. The Parties shall comply with applicable switching and tagging rules, as amended from time to time, in obtaining clearances for work or for switching operations on equipment.

9.9 Use of Interconnection Facilities by Third Parties

9.9.1 Purpose of Interconnection Facilities

Except as may be required by Applicable Laws and Regulations, or as otherwise agreed to among the Parties, the Interconnection Facilities shall be constructed for the sole purpose of interconnecting the Generating Facility to the Transmission System and shall be used for no other purpose.

9.9.2 Third Party Users

If required by Applicable Laws and Regulations or if the Parties mutually agree, such agreement not to be unreasonably withheld, to allow one or more third parties to use the Transmission Provider's Interconnection Facilities, or any part thereof, Interconnection Customer will be entitled to compensation for the capital expenses it incurred in connection with the Interconnection Facilities based upon the pro rata use of the Interconnection Facilities by Transmission Provider, all third party users, and

Interconnection Customer, in accordance with Applicable Laws and Regulations or upon some other mutually-agreed upon methodology. In addition, cost responsibility for ongoing costs, including operation and maintenance costs associated with the Interconnection Facilities, will be allocated between Interconnection Customer and any third party users based upon the pro rata use of the Interconnection Facilities by Transmission Provider, all third party users, and Interconnection Customer, in accordance with Applicable Laws and Regulations or upon some other mutually agreed upon methodology. If the issue of such compensation or allocation cannot be resolved through such negotiations, it shall be submitted to the Board for resolution.

9.10 Disturbance Analysis Data Exchange

The Parties will cooperate with one another in the analysis of disturbances to either the Generating Facility or the Transmission Provider's Transmission System by gathering and providing access to any information relating to any disturbance, including information from oscillography, protective relay targets, breaker operations and sequence of events records, and any disturbance information required by Good Utility Practice.

9.11 Emergency Numbers

Each Party will provide, by written notice, an emergency telephone number, staffed 24 hours a day, to call in case of an emergency. Beginning of the Effective Date of this Agreement, and until modified in writing:

The Transmission Provider's emergency telephone numbers is: 902-428-7739
The Interconnection Customer's emergency telephone number is: 902-474-7828

9.12 Safety

Subject to Section 18, the Parties agree to be solely responsible for and assume all liability for the safety and supervision of their own employees, agents, representatives, and subcontractors.

The Parties agree that all work performed by either Party which could reasonably be expected to affect the operations of the other Party will be performed in accordance with all applicable laws, rules, and regulations pertaining to the safety of persons or property, including without limitation, compliance with the safety regulations and standards adopted under the Occupational Health and Safety Act, as amended from time to time, the Canadian Electrical Safety Code as amended from time to time and Good Utility Practice.

ARTICLE 10. MAINTENANCE

10.1 Transmission Provider Obligations

Transmission Provider shall maintain the Transmission System and the Transmission Provider's Interconnection Facilities in a safe and reliable manner and in accordance with this GIA.

10.2 Interconnection Customer Obligations

Interconnection Customer shall maintain the Generating Facility and the Interconnection Customer Interconnection Facilities in a safe and reliable manner and in accordance with this GIA.

10.3 Coordination

The Parties shall confer regularly to coordinate the planning, scheduling and performance of preventive and corrective maintenance on the Generating Facility and the Interconnection Facilities.

10.4 Secondary Systems

Each Party shall cooperate with the other in the inspection, maintenance, and testing of control or power circuits that operate below 600 volts, AC or DC, including, but not limited to, any hardware, control or protective devices, cables, conductors, electric raceways, secondary equipment panels, transducers, batteries, chargers, and voltage and current transformers that directly affect the operation of a Party's facilities and equipment which may reasonably be expected to impact the other Party. Each Party shall provide advance notice to the other Party before undertaking any work on such circuits, especially on electrical circuits involving circuit breaker trip and close contacts, current transformers, or potential transformers.

10.5 Operating and Maintenance Expenses

Subject to the provisions herein addressing the use of facilities by others, and except for operations and maintenance expenses associated with modifications made for providing interconnection or transmission service to a third party and such third party pays for such expenses, Interconnection Customer shall be responsible for all reasonable expenses including overheads, associated with:

(1) owning, operating, maintaining, repairing, and replacing Interconnection Customer Interconnection Facilities; and

(2) operation, maintenance, repair and replacement of Transmission Provider's Interconnection Facilities.

ARTICLE 11. PERFORMANCE OBLIGATION

11.1 Interconnection Customer Interconnection Facilities

Interconnection Customer shall design, procure, construct, install, own and operate the Interconnection Customer Interconnection Facilities described in Appendix A (Interconnection Facilities, Network Upgrades and Distribution Upgrades), at its sole expense.

11.2 Transmission Provider's Interconnection Facilities

Transmission Provider or Transmission Owner shall design, procure, construct, install, own and operate the Transmission Provider's Interconnection Facilities described in Appendix A, (Interconnection Facilities, Network Upgrades and Distribution Upgrades), at the sole expense of the Interconnection Customer.

11.3 Network Upgrades and Distribution Upgrades

Transmission Provider or Transmission Owner shall design, procure, construct, install, own and operate the Network Upgrades and Distribution Upgrades described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades. The Interconnection Customer shall be responsible for all costs related to Distribution Upgrades. Unless the Transmission Provider or Transmission Owner elects to fund the capital for the Network Upgrades, they shall be solely funded by the Interconnection Customer.

11.4 Transmission Credits

11.4.1 Refund of Amounts Advanced for Network Upgrades

Interconnection Customer shall be entitled to a cash repayment, equal to the total amount paid to Transmission Provider and Affected System Operator, if any, for the Network Upgrades, to be paid to Interconnection Customer on a dollar-for-dollar basis for the non-usage sensitive portion of transmission charges, as payments are made under Transmission Provider's Tariff and Affected System's Tariff for transmission services with respect to the Generating Facility. Any repayment shall include interest from the date of any payment for Network Upgrades through the date on which the Interconnection Customer receives a repayment of such payment pursuant to this subparagraph. Interconnection Customer may assign such repayment rights to any person.

Notwithstanding the foregoing, Interconnection Customer, Transmission Provider, and Affected System Operator may adopt any alternative payment schedule that is mutually agreeable so long as Transmission Provider and Affected System Operator take one of the following actions no later than five years from the Commercial Operation Date:

(1) return to Interconnection Customer any amounts advanced for Network Upgrades not previously repaid, or

(2) declare in writing that Transmission Provider or Affected System Operator will continue to provide payments to Interconnection Customer on a dollar-for-dollar basis for the non-usage sensitive portion of transmission charges, or develop an alternative schedule that is mutually agreeable and provides return of all amounts advanced for Network Upgrades not previously repaid;

however full reimbursement shall not extend beyond (20) years from the Commercial Operation Date

If the Generating Facility fails to achieve commercial operation, but it or another Generating Facility is later constructed and makes use of the Network Upgrades, Transmission Provider and Affected System Operator shall at that time reimburse Interconnection Customer for the amounts advanced for the Network Upgrades.

Before such re-imbursement can occur, the Interconnection Customer, or the entity that ultimately constructs the generating facility, if different, is responsible for identifying the entity to which reimbursement must be made.

11.5 Provision of Security

At least 30 Calendar Days prior to the commencement of the procurement, installation, or construction of a discrete portion of a Transmission Provider's Interconnection Facilities, Network Upgrades, or Distribution Upgrades, Interconnection Customer shall provide Transmission Provider, at Interconnection Customer's option, a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to Transmission Provider and is consistent with the applicable laws of Nova Scotia. Such security for payment shall be in an amount sufficient to cover the costs for constructing, procuring and installing the applicable portion of Transmission Provider's Interconnection Facilities, Network Upgrades, or Distribution Upgrades and shall be reduced on a dollar-for-dollar basis for payments made to Transmission Provider under this GIA during its term.

In addition:

11.5.1 The guarantee must be made by an entity that meets the creditworthiness requirements of Transmission Provider, and contain terms and conditions that

guarantee payment of any amount that may be due from Interconnection Customer, up to an agreed-to maximum amount.

11.5.2 The letter of credit must be issued by a financial institution reasonably acceptable to Transmission Provider and must specify a reasonable expiration date.

11.5.3 The surety bond must be issued by an insurer reasonably acceptable to Transmission Provider and must specify a reasonable expiration date.

11.6 Interconnection Customer Compensation

If Transmission Provider requests or directs Interconnection Customer to provide a service pursuant to Articles 9.6.3 (Payment for Reactive Power), or 13.5.1 of this GIA, Transmission Provider shall compensate Interconnection Customer in accordance with Interconnection Customer's applicable rate schedule then in effect unless the provision of such service(s) is subject to Board-approved rate schedule. Interconnection Customer shall serve Transmission Provider or RTO or ISO with any filing of a proposed rate schedule at the time of such filing with the Board. To the extent that no rate schedule is in effect at the time the Interconnection Customer is required to provide or absorb any Reactive Power under this GIA, the Transmission Provider agrees to compensate the Interconnection Customer in such amount as would have been due the Interconnection Customer had the rate schedule been in effect at the time service commenced; provided, however, that such rate schedule must be filed with the Board or other appropriate Governmental Authority within 60 Calendar Days of the commencement of service.

11.6.1 Interconnection Customer Compensation for Actions During Emergency Condition

Transmission Provider or RTO or ISO shall compensate Interconnection Customer for its provision of real and reactive power and other Emergency Condition services

that Interconnection Customer provides to support the Transmission System during an Emergency Condition in accordance with Article 11.6.

ARTICLE 12. INVOICE

12.1 General

Each Party shall submit to the other Party, on a monthly basis, invoices of amounts due for the preceding month. Each invoice shall state the month to which the invoice applies and fully describe the services and equipment provided. The Parties may discharge mutual debts and payment obligations due and owing to each other on the same date through netting, in which case all amounts a Party owes to the other Party under this GIA, including interest payments or credits, shall be netted so that only the net amount remaining due shall be paid by the owing Party.

12.2 Final Invoice

Within six months after completion of the construction of the Transmission Provider's Interconnection Facilities and the Network Upgrades, Transmission Provider shall provide an invoice of the final cost of the construction of the Transmission Provider's Interconnection Facilities and the Network Upgrades and shall set forth such costs in sufficient detail to enable Interconnection Customer to compare the actual costs with the estimates and to ascertain deviations, if any, from the cost estimates. Transmission Provider shall refund to Interconnection Customer any amount by which the actual payment by Interconnection Customer for estimated costs exceeds the actual costs of construction within 30 Calendar Days of the issuance of such final construction invoice.

12.3 Payment

Invoices shall be rendered to the paying Party at the address specified in Appendix F. The Party receiving the invoice shall pay the invoice within 30 Calendar Days of receipt. All payments shall be made in immediately available funds payable to the other Party, or by wire transfer to a bank named and account designated by the invoicing Party. Payment of invoices by Interconnection Customer will not constitute a waiver of any rights or claims Interconnection Customer may have under this GIA.

12.4 Disputes

In the event of a billing dispute between Transmission Provider and Interconnection Customer, Transmission Provider shall continue to provide Interconnection Service under this GIA as long as Interconnection Customer:

(i) continues to make all payments not in dispute; and

(ii) pays to Transmission Provider or into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute.

If Interconnection Customer fails to meet these two requirements for continuation of service, then Transmission Provider may provide notice to Interconnection Customer of a Default pursuant to Article 17. Within 30 Calendar Days after the resolution of the dispute, the Party that owes money to the other Party shall pay the amount due with interest.

ARTICLE 13. EMERGENCIES

13.1 Definition

"Emergency Condition" shall mean a condition or situation:

(i) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or

(ii) that, in the case of Transmission Provider, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to the Transmission System, the Transmission Provider's Interconnection Facilities or the Transmission Systems of others to which the Transmission System is directly connected; or

(iii) that, in the case of Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Generating Facility or the Interconnection Customer Interconnection Facilities. System restoration and black start shall be considered Emergency Conditions; provided, that Interconnection Customer is not obligated by this GIA to possess black start capability.

13.2 Obligations

Each Party shall comply with the Emergency Condition procedures of the Applicable Reliability Council, Applicable Laws and Regulations, and any emergency procedures agreed to by the Joint Operating Committee.

13.3 Notice

Transmission Provider shall notify Interconnection Customer promptly when it becomes aware of an Emergency Condition that affects the Transmission Provider's Interconnection Facilities or the Transmission System that may reasonably be expected to affect Interconnection Customer's operation of the Generating Facility or the Interconnection Customer's Interconnection Facilities. Interconnection Customer shall notify Transmission Provider promptly when it becomes aware of an Emergency Condition that affects the Generating Facility or the Interconnection Customer Interconnection Facilities that may reasonably be expected to affect the Transmission System or the Transmission Provider's Interconnection Facilities. To the extent information is known, the notification shall describe the Emergency Condition, the extent of the damage or deficiency, the expected effect on the operation of Interconnection Customer's or Transmission Provider's facilities and operations, its anticipated duration and the corrective action taken and/or to be taken. The initial notice shall be followed as soon as practicable with written notice.

13.4 Immediate Action

Unless, in Interconnection Customer's reasonable judgment, immediate action is required, Interconnection Customer shall obtain the consent of Transmission Provider, such consent to not be unreasonably withheld, prior to performing any manual switching operations at the Generating Facility or the Interconnection Customer Interconnection Facilities in response to an Emergency Condition either declared by the Transmission Provider or otherwise regarding the Transmission System.

13.5 Transmission Provider Authority.

13.5.1 General

Transmission Provider may take whatever actions or inactions with regard to the Transmission System or the Transmission Provider's Interconnection Facilities it deems necessary during an Emergency Condition in order to

(i) preserve public health and safety,

(ii) preserve the reliability of the Transmission System or the Transmission Provider's Interconnection Facilities,

(iii) limit or prevent damage, and

(iv) expedite restoration of service.

Transmission Provider shall use Reasonable Efforts to minimize the effect of such actions or inactions on the Generating Facility or the Interconnection Customer Interconnection Facilities. Transmission Provider may, on the basis of technical considerations, require the Generating Facility to mitigate an Emergency Condition by taking actions necessary and limited in scope to remedy the Emergency Condition, including, but not limited to, directing Interconnection Customer to shut-down, start-up, increase or decrease the real or reactive power output of the Generating Facility; implementing a reduction or disconnection pursuant to Article 13.5.2; directing the Interconnection Customer to assist with blackstart (if available) or restoration efforts; or altering the outage schedules of the Generating Facility and the Interconnection Customer Interconnection Facilities. Interconnection Customer shall comply with all of Transmission Provider's operating instructions concerning Generating Facility real power and reactive power output within the manufacturer's

design limitations of the Generating Facility's equipment that is in service and physically available for operation at the time, in compliance with Applicable Laws and Regulations.

13.5.2 Reduction and Disconnection

Transmission Provider may reduce Interconnection Service or disconnect the Generating Facility or the Interconnection Customer Interconnection Facilities, when such, reduction or disconnection is necessary under Good Utility Practice due to Emergency Conditions. These rights are separate and distinct from any right of curtailment of the Transmission Provider pursuant to the Transmission Provider's Tariff. When the Transmission Provider can schedule the reduction or disconnection in advance, Transmission Provider shall notify Interconnection Customer of the reasons, timing and expected duration of the reduction or disconnection. Transmission Provider shall coordinate with the Interconnection Customer using Good Utility Practice to schedule the reduction or disconnection during periods of least impact to the Interconnection Customer and the Transmission Provider. Any reduction or disconnection shall continue only for so long as reasonably necessary under Good Utility Practice. The Parties shall cooperate with each other to restore the Generating Facility, the Interconnection Facilities, and the Transmission System to their normal operating state as soon as practicable consistent with Good Utility Practice.

13.6 Interconnection Customer Authority

Consistent with Good Utility Practice and the GIA and the GIP, the Interconnection Customer may take whatever actions or inactions with regard to the Generating Facility or the Interconnection Customer Interconnection Facilities during an Emergency Condition in order to

(i) preserve public health and safety,

(ii) preserve the reliability of the Generating Facility or the Interconnection Customer Interconnection Facilities,

(iii) limit or prevent damage, and

(iv) expedite restoration of service. Interconnection Customer shall use Reasonable Efforts to minimize the effect of such actions or inactions on the Transmission System and the Transmission Provider's Interconnection Facilities.

Transmission Provider shall use Reasonable Efforts to assist Interconnection Customer in such actions. Interconnection Customer shall not be obligated to follow Transmission Provider's instructions to the extent the instruction would have a material adverse impact on the safe and reliable operation of Interconnection Customer's Generating Facility. Upon request, Interconnection Customer shall provide Transmission Provider with documentation of any such alleged material adverse impact.

13.7 Limited Liability

Except as otherwise provided in Article 11.6.1 of this GIA, neither Party shall be liable to the other for any action it takes in responding to an Emergency Condition so long as such action is made in good faith and is consistent with Good Utility Practice.

ARTICLE 14. REGULATORY REQUIREMENTS AND GOVERNING LAW

14.1 Regulatory Requirements

Each Party's obligations under this GIA shall be subject to its receipt of any required approval or certificate from one or more Governmental Authorities in the form and substance

satisfactory to the applying Party, or the Party making any required filings with, or providing notice to, such Governmental Authorities, and the expiration of any time period associated therewith. Each Party shall in good faith seek and use its Reasonable Efforts to obtain such other approvals.

14.2 Applicable Law

14.2.1 This Agreement shall be governed by and interpreted in accordance with the laws of the Province of Nova Scotia.

ARTICLE 15. NOTICES

15.1 General

Unless otherwise provided in this GIA, any notice, demand or request required or permitted to be given by either Party to the other and any instrument required or permitted to be tendered or delivered by either Party in writing to the other shall be effective when delivered and may be so given, tendered or delivered, by recognized national courier, or by depositing the same with the Canada Post Corporation with postage prepaid, for delivery by certified or registered mail, addressed to the Party, or personally delivered to the Party, at the address set out in Appendix F, Addresses for Delivery of Notices and Billings.

Either Party may change the notice information in this GIA by giving five Business Days written notice prior to the effective date of the change.

15.2 Billings and Payments

Billings and payments shall be sent to the addresses set out in Appendix F.

15.3 Alternative Forms of Notice

Any notice or request required or permitted to be given by either Party to the other and not required by this Agreement to be given in writing may be so given by telephone, facsimile or email to the telephone numbers and email addresses set out in Appendix F.

15.4 Operations and Maintenance Notice

Each Party shall notify the other Party in writing of the identity of the person(s) that it designates as the point(s) of contact with respect to the implementation of Articles 9 and 10.

ARTICLE 16. FORCE MAJEURE

16.1 Force Majeure

16.1.1 Economic hardship is not considered a Force Majeure event.

16.1.2 Neither Party shall be considered to be in Default with respect to any obligation hereunder, (including obligations under Article 4), other than the obligation to pay money when due, if prevented from fulfilling such obligation by Force Majeure. A Party unable to fulfill any obligation hereunder (other than an obligation to pay money when due) by reason of Force Majeure shall give notice and the full particulars of such Force Majeure to the other Party in writing or by telephone as soon as reasonably possible after the occurrence of the cause relied upon. Telephone notices given pursuant to this Article shall be confirmed in writing as soon as reasonably possible and shall specifically state full particulars of the Force Majeure, the time and date when the Force Majeure occurred and when the Force Majeure is reasonably expected to cease. The Party affected shall exercise due diligence to remove such disability with reasonable dispatch, but shall not be required to accede

or agree to any provision not satisfactory to it in order to settle and terminate a strike or other labor disturbance.

ARTICLE 17. DEFAULT

17.1 Default

17.1.1 General

No Default shall exist where such failure to discharge an obligation (other than the payment of money) is the result of Force Majeure as defined in this GIA or the result of an act or omission of the other Party. Upon a Default, the non-defaulting Party shall give written notice of such Default to the defaulting Party. Except as provided in Article 17.1.2, the defaulting Party shall have 30 Calendar Days from receipt of the Default notice within which to cure such Default; provided however, if such Default is not capable of cure within 30 Calendar Days, the defaulting Party shall commence such cure within 30 Calendar Days after notice and continuously and diligently complete such cure within 90 Calendar Days from receipt of the Default notice; and, if cured within such time, the Default specified in such notice shall cease to exist.

17.1.2 Right to Terminate

If a Default is not cured as provided in this Article, or if a Default is not capable of being cured within the period provided for herein, the non-defaulting Party shall have the right to terminate this GIA by written notice at any time until cure occurs, and be relieved of any further obligation hereunder and, whether or not that Party terminates this GIA, to recover from the defaulting Party all amounts

due hereunder, plus all other damages and remedies to which it is entitled at law or in equity. The provisions of this Article will survive termination of this GIA.

ARTICLE 18. INDEMNITY, CONSEQUENTIAL DAMAGES AND INSURANCE

18.1 Indemnity

The Parties shall at all times indemnify, defend, and save the other Party harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's action or inactions of its obligations under this Agreement on behalf of the indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnified Party.

18.1.1 Indemnified Person

If an indemnified person is entitled to indemnification under this Article 18 as a result of a claim by a third party, and the indemnifying Party fails, after notice and reasonable opportunity to proceed under Article 18.1, to assume the defense of such claim, such indemnified person may at the expense of the indemnifying Party contest, settle or consent to the entry of any judgment with respect to, or pay in full, such claim.

18.1.2 Indemnifying Party

If an indemnifying Party is obligated to indemnify and hold any indemnified person harmless under this Article 18, the amount owing to the indemnified person shall be

the amount of such indemnified person's actual Loss, net of any insurance or other recovery.

18.1.3 Indemnity Procedures

Promptly after receipt by an indemnified person of any claim or notice of the commencement of any action or administrative or legal proceeding or investigation as to which the indemnity provided for in Article 18.1 may apply, the indemnified person shall notify the indemnifying Party of such fact. Any failure of or delay in such notification shall not affect a Party's indemnification obligation unless such failure or delay is materially prejudicial to the indemnifying Party.

The indemnifying Party shall have the right to assume the defense thereof with counsel designated by such indemnifying Party and reasonably satisfactory to the indemnified person. If the defendants in any such action include one or more indemnified persons and the indemnifying Party and if the indemnified person reasonably concludes that there may be legal defenses available to it and/or other indemnified persons which are different from or additional to those available to the indemnifying Party, the indemnified person shall have the right to select separate counsel to assert such legal defenses and to otherwise participate in the defense of such action on its own behalf. In such instances, the indemnifying Party shall only be required to pay the fees and expenses of one additional attorney to represent an indemnified person or indemnified persons having such differing or additional legal defenses.

The indemnified person shall be entitled, at its expense, to participate in any such action, suit or proceeding, the defense of which has been assumed by the indemnifying Party. Notwithstanding the foregoing, the indemnifying Party

(i) shall not be entitled to assume and control the defense of any such action, suit or proceedings if and to the extent that, in the opinion of the indemnified person and its counsel, such action, suit or proceeding involves the potential imposition of criminal liability on the indemnified person, or there exists a conflict or adversity of interest between the indemnified person and the indemnifying Party, in such event the indemnifying Party shall pay the reasonable expenses of the indemnified person, and

(ii) shall not settle or consent to the entry of any judgment in any action, suit or proceeding without the consent of the indemnified person, which shall not be unreasonably withheld, conditioned or delayed.

18.2 Consequential Damages

Other than the liquidated damages heretofore described, in no event shall either Party be liable under any provision of this GIA for any losses, damages, costs or expenses for any special, indirect, incidental, consequential, or punitive damages, including but not limited to loss of profit or revenue, loss of the use of equipment, cost of capital, cost of temporary equipment or services, whether based in whole or in part in contract, in tort, including negligence, strict liability, or any other theory of liability; provided, however, that damages for which a Party may be liable to the other Party under another agreement will not be considered to be special, indirect, incidental, or consequential damages hereunder.

18.3 Insurance

Each party shall, at its own expense, maintain in force throughout the period of this GIA, and until released by the other Party, the following minimum insurance coverages, with insurers authorized to do business in the province where the Point of Interconnection is located:

18.3.1 Employers' Liability and Workers' Compensation Insurance providing statutory benefits in accordance with the laws and regulations of the province in which the Point of Interconnection is located. The minimum limits for the Employers' Liability insurance shall be One Million Dollars ($1,000,000) each accident bodily injury by accident, One Million Dollars ($1,000,000) each employee bodily injury by disease, and One Million Dollars ($1,000,000) policy limit bodily injury by disease.

18.3.2 Commercial General Liability Insurance including premises and operations, personal injury, broad form property damage, broad form blanket contractual liability coverage (including coverage for the contractual indemnification) products and completed operations coverage, coverage for explosion, collapse and underground hazards, independent contractors coverage, coverage for pollution to the extent normally available and punitive damages to the extent normally available and a cross liability endorsement, with minimum limits of Ten Million Dollars ($10,000,000) per occurrence/Ten Million Dollars ($10,000,000) aggregate combined single limit for personal injury, bodily injury, including death and property damage. It is permissible to provide such insurance coverage through a combination of primary insurance and excess insurance coverage.

18.3.3 Comprehensive Automobile Liability Insurance for coverage of owned and non-owned and hired vehicles, trailers or semi-trailers designed for travel on public roads, with a minimum, combined single limit of Two Million Dollars ($2,000,000) per occurrence for bodily injury, including death, and property damage.

18.3.4 Intentionally Deleted as Not Applicable.

18.3.5 The Commercial General Liability Insurance and Excess Public Liability Insurance policies shall name the other Party, its parent, associated and Affiliate companies and their respective directors, officers, agents, servants and employees ("Other Party Group") as additional insured. All policies shall contain provisions whereby the

insurers waive all rights of subrogation in accordance with the provisions of this GIA against the Other Party Group and provide thirty (30) Calendar Days advance written notice to the Other Party Group prior to anniversary date of cancellation or any material change in coverage or condition.

18.3.6 The Commercial General Liability Insurance, Comprehensive Automobile Liability Insurance and Excess Public Liability Insurance policies shall contain provisions that specify that the policies are primary and shall apply to such extent without consideration for other policies separately carried and shall state that each insured is provided coverage as though a separate policy had been issued to each, except the insurer's liability shall not be increased beyond the amount for which the insurer would have been liable had only one insured been covered. Each Party shall be responsible for its respective deductibles or retentions.

18.3.7 The Commercial General Liability Insurance, Comprehensive Automobile Liability Insurance and Excess Public Liability Insurance policies, if written on a Claims First Made Basis, shall be maintained in full force and effect for two years after termination of this GIA, which coverage may be in the form of tail coverage or extended reporting period coverage if agreed by the Parties.

18.3.8 The requirements contained herein as to the types and limits of all insurance to be maintained by the Parties are not intended to and shall not in any manner, limit or qualify the liabilities and obligations assumed by the Parties under this GIA.

18.3.9 Within ten days following execution of this GIA, and as soon as practicable after the end of each fiscal year or at the renewal of the insurance policy and in any event within 90 days thereafter, each Party shall provide certification of all insurance required in this GIA, executed by each insurer or by an authorized representative of each insurer.

18.3.10 Intentionally Deleted as Not Applicable.

18.3.11 The Parties agree to report to each other in writing as soon as practical all accidents or occurrences resulting in injuries to any person, including death, and any property damage arising out of this GIA.

18.4 Duty to Mitigate

Each Party has a duty to mitigate damages and shall use all reasonable efforts to minimize any losses, costs, expenses, damages or other liabilities it may incur as a result of the other Party's performance or non-performance of this Agreement, but for greater certainty, neither Party shall have any duty to mitigate damages or losses for which this Agreement provides specific compensation.

ARTICLE 19. ASSIGNMENT

19.1 Assignment

This GIA may be assigned by either Party only with the written consent of the other; provided that either Party may assign this GIA without the consent of the other Party to any Affiliate of the assigning Party with an equal or greater credit rating and with the legal authority and operational ability to satisfy the obligations of the assigning Party under this GIA; and provided further that the Interconnection Customer shall have the right to assign this GIA, without the consent of the Transmission Provider, for collateral security purposes to aid in providing financing for the Generating Facility, provided that the Interconnection Customer will require any secured party, trustee or mortgagee to notify the Transmission Provider of any such assignment. Any financing arrangement entered into by the Interconnection Customer pursuant to this Article will provide that prior to or upon the exercise of the secured party's, trustee's or mortgagee's assignment rights pursuant to said

arrangement, the secured creditor, the trustee or mortgagee will notify the Transmission Provider of the date and particulars of any such exercise of assignment right(s). Any attempted assignment that violates this Article is void and ineffective. Any assignment under this GIA shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof. Where required, consent to assignment will not be unreasonably withheld, conditioned or delayed.

ARTICLE 20. SEVERABILITY

20.1 Severability

If any provision in this GIA is finally determined to be invalid, void or unenforceable by any court or other Governmental Authority having jurisdiction, such determination shall not invalidate, void or make unenforceable any other provision, agreement or covenant of this GIA; provided that if the Interconnection Customer (or any third party, but only if such third party is not acting at the direction of the Transmission Provider) seeks and obtains such a final determination with respect to any provision of the Alternate Option (Article 5.1.2), or the Negotiated Option (Article 5.1.4), then none of these provisions shall thereafter have any force or effect and the Parties' rights and obligations shall be governed solely by the Standard Option (Article 5.1.1).

ARTICLE 21. COMPARABILITY

21.1 Comparability

The Parties will comply with all applicable comparability and code of conduct laws, rules and regulations, as amended from time to time.

ARTICLE 22. CONFIDENTIALITY

22.1 Confidentiality

Confidential Information shall include, without limitation, all information relating to a Party's technology, research and development, business affairs, and pricing, and any information supplied by either of the Parties to the other prior to the execution of this GIA. Information is Confidential Information only if it is clearly designated or marked in writing as confidential on the face of the document, or, if the information is conveyed orally or by inspection, if the Party providing the information orally informs the Party receiving the information that the information is confidential.

If requested by either Party, the other Party shall provide in writing, the basis for asserting that the information referred to in this Article warrants confidential treatment, and the requesting Party may disclose such writing to the appropriate Governmental Authority. Each Party shall be responsible for the costs associated with affording confidential treatment to its information.

22.1.1 Term

During the term of this GIA, and for a period of three years after the expiration or termination of this GIA, except as otherwise provided in this Article 22, each Party shall hold in confidence and shall not disclose to any person Confidential Information.

22.1.2 Scope

Confidential Information shall not include information that the receiving Party can demonstrate:

(1) is generally available to the public other than as a result of a disclosure by the receiving Party;

(2) was in the lawful possession of the receiving Party on a non-confidential basis before receiving it from the disclosing Party;

(3) was supplied to the receiving Party without restriction by a third party, who, to the knowledge of the receiving Party after due inquiry, was under no obligation to the disclosing Party to keep such information confidential;

(4) was independently developed by the receiving Party without reference to Confidential Information of the disclosing Party;

(5) is, or becomes, publicly known, through no wrongful act or omission of the receiving Party or Breach of this GIA; or

(6) is required, in accordance with Article 22.1.7 of the GIA, Order of Disclosure, to be disclosed by any Governmental Authority or is otherwise required to be disclosed by law or subpoena, or is necessary in any legal proceeding establishing rights and obligations under this GIA. Information designated as Confidential Information will no longer be deemed confidential if the Party that designated the information as confidential notifies the other Party that it no longer is confidential.

22.1.3 Release of Confidential Information

Neither Party shall release or disclose Confidential Information to any other person, except to its employees, consultants, or to parties who may be or considering

providing financing to or equity participation with Interconnection Customer, or to potential purchasers or assignees of Interconnection Customer, on a need-to-know basis in connection with this GIA, unless such person has first been advised of the confidentiality provisions of this Article 22 and has agreed to comply with such provisions. Notwithstanding the foregoing, a Party providing Confidential Information to any person shall remain primarily responsible for any release of Confidential Information in contravention of this Article 22.

22.1.4 Rights

Each Party retains all rights, title, and interest in the Confidential Information that each Party discloses to the other Party. The disclosure by each Party to the other Party of Confidential Information shall not be deemed a waiver by either Party or any other person or entity of the right to protect the Confidential Information from public disclosure.

22.1.5 No Warranties

By providing Confidential Information, neither Party makes any warranties or representations as to its accuracy or completeness. In addition, by supplying Confidential Information, neither Party obligates itself to provide any particular information or Confidential Information to the other Party nor to enter into any further agreements or proceed with any other relationship or joint venture.

22.1.6 Standard of Care

Each Party shall use at least the same standard of care to protect the other Party's Confidential Information it receives as it uses to protect its own Confidential Information from unauthorized disclosure, publication or dissemination. Each Party may use the other Party's Confidential Information solely to fulfill its obligations to the other Party under this GIA or its regulatory requirements.

22.1.7 Order of Disclosure

If a court or a Government Authority or entity with the right, power, and apparent authority to do so requests or requires either Party, by subpoena, oral deposition, interrogatories, requests for production of documents, administrative order, or otherwise, to disclose Confidential Information, that Party shall provide the other Party with prompt notice of such request(s) or requirement(s) so that the other Party may seek an appropriate protective order or waive compliance with the terms of this GIA. Notwithstanding the absence of a protective order or waiver, the Party may disclose such Confidential Information which, in the opinion of its counsel, the Party is legally compelled to disclose. Each Party will use Reasonable Efforts to obtain reliable assurance that confidential treatment will be accorded any Confidential Information so furnished.

22.1.8 Termination of Agreement

Upon termination of this GIA for any reason, each Party shall, within ten Calendar Days of receipt of a written request from the other Party, use Reasonable Efforts to destroy, erase, or delete (with such destruction, erasure, and deletion certified in writing to the other Party) or return to the other Party, without retaining copies thereof, any and all written or electronic Confidential Information received from the other Party.

22.1.9 Remedies

The Parties agree that monetary damages would be inadequate to compensate a Party for the other Party's Breach of its obligations under this Article 22. Each Party accordingly agrees that the other Party shall be entitled to equitable relief, by way of injunction or otherwise, if the first Party Breaches or threatens to Breach its obligations under this Article 22, which equitable relief shall be granted without bond or proof of damages, and the receiving Party shall not plead in defense that there would be an adequate remedy at law. Such remedy shall not be deemed an exclusive remedy for the Breach of this Article 22, but shall be in addition to all other remedies available at law or in equity. The Parties further acknowledge and agree that the covenants contained herein are necessary for the protection of legitimate business interests and are reasonable in scope. No Party, however, shall be liable for indirect, incidental, or consequential or punitive damages of any nature or kind resulting from or arising in connection with this Article 22.

22.1.10 Disclosure to The Board or its Staff

Notwithstanding anything in this Article 22 to the contrary, if the Board or its staff, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to this GIA, the Party shall provide the requested information to the Board or its staff, within the time provided for in the request for information. In providing the information to the Board or its staff, the Party must, request that the information be treated as confidential and non-public by the Board and its staff and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party to this GIA prior to the release of the Confidential Information to the Board or its staff. The Party shall notify the other Party to the GIA when it is notified by the Board or its staff that a request to release Confidential

Information has been received by the Board, at which time either of the Parties may respond before such information would be made public.

22.1.11 Subject to the exception in Article 22.1.10, any information that a Party claims is competitively sensitive, commercial or financial information under this GIA ("Confidential Information") shall not be disclosed by the other Party to any person not employed or retained by the other Party, except to the extent disclosure is

(i) required by law;

(ii) reasonably deemed by the disclosing Party to be required to be disclosed in connection with a dispute between or among the Parties, or the defense of litigation or dispute;

(iii) otherwise permitted by consent of the other Party, such consent not to be unreasonably withheld; or

(iv) necessary to fulfill its obligations under this GIA or as a transmission service provider or an Operating operator including disclosing the Confidential Information to an RTO or ISO or to a regional or national reliability organization.

The Party asserting confidentiality shall notify the other Party in writing of the information it claims is confidential. Prior to any disclosures of the other Party's Confidential Information under this subparagraph, or if any third party or Governmental Authority makes any request or demand for any of the information described in this subparagraph, the disclosing Party agrees to promptly notify the other Party in writing and agrees to assert confidentiality and cooperate with the other Party in seeking to protect the Confidential Information from public disclosure by confidentiality agreement, protective order or other reasonable measures.

22.1.12 This provision shall not apply to any information that was or is hereafter in the public domain (except as a result of a Breach of this provision).

ARTICLE 23. ENVIRONMENTAL RELEASES

23.1 Each Party shall notify the other Party, first orally and then in writing, of the release of any Hazardous Substances, any asbestos or lead abatement activities, or any type of remediation activities related to the Generating Facility or the Interconnection Facilities, each of which may reasonably be expected to affect the other Party. The notifying Party shall:

(i) provide the notice as soon as practicable, provided such Party makes a good faith effort to provide the notice no later than twenty-four hours after such Party becomes aware of the occurrence; and

(ii) promptly furnish to the other Party copies of any publicly available reports filed with any Governmental Authorities addressing such events.

ARTICLE 24. INFORMATION REQUIREMENTS

24.1 Information Acquisition

Transmission Provider and the Interconnection Customer shall submit specific information regarding the electrical characteristics of their respective facilities to each other as described below and in accordance with Applicable Reliability Standards.

24.2 Information Submission by Transmission Provider

The initial information submission by Transmission Provider shall occur no later than 180 Calendar Days prior to Trial Operation and shall include Transmission System information necessary to allow the Interconnection Customer to select equipment and meet any system protection and stability requirements, unless otherwise mutually agreed to by both Parties. On a monthly basis Transmission Provider shall provide Interconnection Customer a status report on the construction and installation of Transmission Provider's Interconnection Facilities and Network Upgrades, including, but not limited to, the following information:

(1) progress to date;

(2) a description of the activities since the last report

(3) a description of the action items for the next period; and (4) the delivery status of equipment ordered.

24.3 Updated Information Submission by Interconnection Customer

The updated information submission by the Interconnection Customer, including manufacturer information, shall occur no later than 180 Calendar Days prior to the Trial Operation. Interconnection Customer shall submit a completed copy of the Generating Facility data requirements contained in Appendix 1 to the GIP. It shall also include any additional information provided to Transmission Provider for the Feasibility and Facilities Study. Information in this submission shall be the most current Generating Facility design or expected performance data. Information submitted for stability models shall be compatible with Transmission Provider standard models. If there is no compatible model, the Interconnection Customer will work with a consultant mutually agreed to by the Parties to develop and supply a standard model and associated information.

If the Interconnection Customer's data is materially different from what was originally provided to Transmission Provider pursuant to the Interconnection Study Agreement between Transmission Provider and Interconnection Customer, then Transmission Provider will conduct appropriate studies to determine the impact on the Transmission Provider Transmission System based on the actual data submitted pursuant to this Article 24.3. The Interconnection Customer shall not begin Trial Operation until such studies are completed.

24.4 Information Supplementation

Prior to the Commercial Operation Date, the Parties shall supplement their information submissions described above in this Article 24 with any and all "as-built" Generating Facility information or "as-tested" performance information that differs from the initial submissions or, alternatively, written confirmation that no such differences exist. The Interconnection Customer shall conduct tests on the Generating Facility as required by Good Utility Practice such as an open circuit "step voltage" test on the Generating Facility to verify proper operation of the Generating Facility's automatic voltage regulator.

Unless otherwise agreed, the test conditions shall include:

(1) Generating Facility at synchronous speed;

(2) automatic voltage regulator on and in voltage control mode; and

(3) a five percent (5 percent) change in Generating Facility terminal voltage initiated by a change in the voltage regulators reference voltage.

Interconnection Customer shall provide validated test recordings showing the responses of Generating Facility terminal and field voltages. In the event that direct recordings of these voltages is impractical, recordings of other voltages or currents that mirror the response of the Generating Facility's terminal or field voltage are acceptable if information necessary to

translate these alternate quantities to actual Generating Facility terminal or field voltages is provided. Generating Facility testing shall be conducted and results provided to the Transmission Provider for each individual generating unit in a station.

Subsequent to the Commercial Operation Date, the Interconnection Customer shall provide Transmission Provider any information changes due to equipment replacement, repair, or adjustment. Transmission Provider shall provide the Interconnection Customer any information changes due to equipment replacement, repair or adjustment in the directly connected substation or any adjacent Transmission Provider-owned substation that may affect the Interconnection Customer Interconnection Facilities equipment ratings, protection or operating requirements. The Parties shall provide such information no later than 30 Calendar Days after the date of the equipment replacement, repair or adjustment.

ARTICLE 25. INFORMATION ACCESS AND AUDIT RIGHTS

25.1 Information Access

Each Party (the "disclosing Party") shall make available to the other Party information that is in the possession of the disclosing Party and is necessary in order for the other Party to:

(i) verify the costs incurred by the disclosing Party for which the other Party is responsible under this GIA; and

(ii) carry out its obligations and responsibilities under this GIA. The Parties shall not use such information for purposes other than those set forth in this Article 25.1 and to enforce their rights under this GIA.

25.2 Reporting of Non-Force Majeure Events

Each Party (the "notifying Party") shall notify the other Party when the notifying Party becomes aware of its inability to comply with the provisions of this GIA for a reason other than a Force Majeure event. The Parties agree to cooperate with each other and provide necessary information regarding such inability to comply, including the date, duration, and reason for the inability to comply, and corrective actions taken or planned to be taken with respect to such inability to comply. Notwithstanding the foregoing, notification, cooperation or information provided under this Article shall not entitle the Party receiving such notification to allege a cause for anticipatory breach of this GIA.

25.3 Audit Rights

Subject to the requirements of confidentiality under Article 22 of this GIA, each Party shall have the right, during normal business hours, and upon prior reasonable notice to the other Party, to audit at its own expense the other Party's accounts and records pertaining to either Party's performance or either Party's satisfaction of obligations under this GIA. Such audit rights shall include audits of the other Party's costs, calculation of invoiced amounts, the Transmission Provider's efforts to allocate responsibility for the provision of reactive support to the Transmission System, the Transmission Provider's efforts to allocate responsibility for interruption or reduction of generation on the Transmission System, and each Party's actions in an Emergency Condition. Any audit authorized by this Article shall be performed at the offices where such accounts and records are maintained and shall be limited to those portions of such accounts and records that relate to each Party's performance and satisfaction of obligations under this GIA. Each Party shall keep such accounts and records for a period equivalent to the audit rights periods described in Article 25.4.

25.4 Audit Rights Periods

25.4.1 Audit Rights Period for Construction-Related Accounts and Records

Accounts and records related to the design, engineering, procurement, and construction of Transmission Provider's Interconnection Facilities and Network Upgrades shall be subject to audit for a period of twenty-four months following Transmission Provider's issuance of a final invoice in accordance with Article 12.2.

25.4.2 Audit Rights Period for All Other Accounts and Records

Accounts and records related to either Party's performance or satisfaction of all obligations under this GIA other than those described in Article 25.4.1 shall be subject to audit as follows:

(i) for an audit relating to cost obligations, the applicable audit rights period shall be twenty-four months after the auditing Party's receipt of an invoice giving rise to such cost obligations; and

(ii) for an audit relating to all other obligations, the applicable audit rights period shall be twenty-four months after the event for which the audit is sought.

25.5 Audit Results

If an audit by a Party determines that an overpayment or an underpayment has occurred, a notice of such overpayment or underpayment shall be given to the other Party together with those records from the audit which support such determination.

ARTICLE 26. SUBCONTRACTORS

26.1 General

Nothing in this GIA shall prevent a Party from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this GIA; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this GIA in providing such services and each Party shall remain primarily liable to the other Party for the performance of such subcontractor.

26.2 Responsibility of Principal

The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this GIA. The hiring Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall the Transmission Provider be liable for the actions or inactions of the Interconnection Customer or its subcontractors with respect to obligations of the Interconnection Customer under Article 5 of this GIA. Any applicable obligation imposed by this GIA upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

26.3 No Limitation by Insurance

The obligations under this Article 26 will not be limited in any way by any limitation of subcontractor's insurance.

ARTICLE 27. DISPUTES

27.1 Submission

In the event either Party has a dispute, or asserts a claim, that arises out of or in connection with this GIA or its performance, such Party (the "disputing Party") shall provide the other Party with written notice of the dispute or claim ("Notice of Dispute"). Such dispute or claim shall be referred to a designated senior representative of each Party for resolution on an informal basis as promptly as practicable after receipt of the Notice of Dispute by the other Party. In the event the designated representatives are unable to resolve the claim or dispute through unassisted or assisted negotiations within 30 Calendar Days of the other Party's receipt of the Notice of Dispute, such claim or dispute may, upon mutual agreement of the Parties, be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below. In the event the Parties do not agree to submit such claim or dispute to arbitration, each Party may exercise whatever rights and remedies it may have in equity or at law consistent with the terms of this GIA.

27.2 External Arbitration Procedures

In the event of a dispute arising between the Parties as to the subject matter of this Agreement that cannot be resolved between them, the Parties agree to submit the dispute to binding arbitration, pursuant to the terms of the *Commercial Arbitration Act*, S.N.S. 1999, c.5. In particular, the Parties agree to utilize the arbitration procedure attached as Schedule "A" to the *Commercial Arbitration Act* in the conduct of the arbitration. Any matter in dispute that is submitted for arbitration shall be heard by a single arbitrator chosen unanimously by the parties. In the event the parties cannot agree on a person to act as a single arbitrator, each party shall choose one panelist and the two panelists shall choose an independent third panelist who shall also chair the arbitration. No such arbitrator shall have previously been employed by either party and shall not have a direct or indirect interest in either party or the subject matter of the arbitration. The cost of the arbitration, excluding a

parties legal fees and disbursements shall, unless otherwise ordered by the arbitrator or the panel, be borne equally by the parties.

27.3 Arbitration Decisions

Unless otherwise agreed by the Parties, the arbitrator(s) shall render a decision within 90 Calendar Days of appointment and shall notify the Parties in writing of such decision and the reasons therefore. The arbitrator(s) shall be authorized only to interpret and apply the provisions of this GIA and shall have no power to modify or change any provision of this Agreement in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court having jurisdiction.

ARTICLE 28. REPRESENTATIONS, WARRANTIES AND COVENANTS

28.1 General

Each Party makes the following representations, warranties and covenants:

28.1.1 Good Standing

Such Party is duly organized, validly existing and in good standing under the laws of the Province in which it is organized, formed, or incorporated, as applicable; that it is qualified to do business in the Province or Provinces in which the Generating Facility, Interconnection Facilities and Network Upgrades owned by such Party, as applicable, are located; and that it has the corporate power and authority to own its properties, to carry on its business as now being conducted and to enter into this GIA and carry out the transactions contemplated hereby and perform and carry out all covenants and obligations on its part to be performed under and pursuant to this GIA.

28.1.2 Authority

Such Party has the right, power and authority to enter into this GIA, to become a Party hereto and to perform its obligations hereunder. This GIA is a legal, valid and binding obligation of such Party, enforceable against such Party in accordance with its terms, except as the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws affecting creditors' rights generally and by general equitable principles (regardless of whether enforceability is sought in a proceeding in equity or at law).

28.1.3 No Conflict

The execution, delivery and performance of this GIA does not violate or conflict with the organizational or formation documents, or bylaws or operating agreement, of such Party, or any judgment, license, permit, order, material agreement or instrument applicable to or binding upon such Party or any of its assets

28.1.4 Consent and Approval

Such Party has sought or obtained, or, in accordance with this GIA will seek or obtain, each consent, approval, authorization, order, or acceptance by any Governmental Authority in connection with the execution, delivery and performance of this GIA, and it will provide to any Governmental Authority notice of any actions under this GIA that are required by Applicable Laws and Regulations.

ARTICLE 29. JOINT OPERATING MEETINGS

29.1 Joint Operating and Maintenance Meetings

Transmission Provider shall constitute a Joint Operating and Maintenance Meeting to coordinate operating and technical considerations of Interconnection Service. At least six months prior to the expected Initial Synchronization Date, Interconnection Customer and Transmission Provider shall each appoint one representative and one alternate to hold an initial Operating and Maintenance Meeting. Each Party shall notify the other Party of its appointment in writing. Such appointments may be changed at any time by similar notice. The Joint Operating and Maintenance Meeting shall be conducted as necessary, but not less than once each calendar year, to carry out the duties set forth herein. The Parties shall hold a meeting at the request of either Party, at a time and place agreed upon by the representatives. All decisions and agreements, if any, made by the Joint Operating and Maintenance Meetings shall be documented in Minutes. The objectives of the Joint Operating and Maintenance Meetings shall include the following:

29.1.1 To establish data requirements and operating record requirements.

29.1.2 To review the requirements, standards, and procedures for data acquisition equipment, protective equipment, and any other equipment or software.

29.1.3 Annually review the one year forecast of maintenance and planned outage schedules of Transmission Provider's and Interconnection Customer's facilities at the Point of Interconnection.

29.1.4 To coordinate the scheduling of maintenance and planned outages on the Interconnection Facilities, the Generating Facility and other facilities that impact the normal operation of the interconnection of the Generating Facility to the Transmission System.

29.1.5 To ensure that information is being provided by each Party regarding equipment availability.

29.1.6 To perform such other duties as may be conferred upon it by mutual agreement of the Parties.

29.1.7 To establish and maintain control and operating procedures, including those pertaining to information transfers between the Generating facility and the Transmission Provider.

ARTICLE 30. MISCELLANEOUS

30.1 Binding Effect

This GIA and the rights and obligations hereof, shall be binding upon and shall inure to the benefit of the successors and assigns of the Parties hereto.

30.2 Conflicts

In the event of a conflict between the body of this GIA and any attachment, appendices or exhibits hereto, the terms and provisions of the body of this GIA shall prevail and be deemed the final intent of the Parties.

30.3 Rules of Interpretation

This GIA, unless a clear contrary intention appears, shall be construed and interpreted as follows:

(1) the singular number includes the plural number and vice versa;

(2) reference to any person includes such person's successors and assigns but, in the case of a Party, only if such successors and assigns are permitted by this GIA, and reference to a person in a particular capacity excludes such person in any other capacity or individually;

(3) reference to any agreement (including this GIA), document, instrument or tariff means such agreement, document, instrument, or tariff as amended or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms hereof;

(4) reference to any Applicable Laws and Regulations means such Applicable Laws and Regulations as amended, modified, codified, or reenacted, in whole or in part, and in effect from time to time, including, if applicable, rules and regulations promulgated thereunder;

(5) unless expressly stated otherwise, reference to any Article, Section or Appendix means such Article of this GIA or such Appendix to this GIA, or such Section to the GIP or such Appendix to the GIP, as the case may be;

(6) "hereunder", "hereof", "herein", "hereto" and words of similar import shall be deemed references to this GIA as a whole and not to any particular Article or other provision hereof or thereof;

(7) "including" (and with correlative meaning "include") means including without limiting the generality of any description preceding such term; and

(8) relative to the determination of any period of time, "from" means "from and including", "to" means "to but excluding" and "through" means "through and including".

30.4 Entire Agreement

This GIA, including all Appendices and Schedules attached hereto, constitutes the entire agreement between the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, between the Parties with respect to the subject matter of this GIA. There are no other agreements, representations, warranties, or covenants which constitute any part of the consideration for, or any condition to, either Party's compliance with its obligations under this GIA.

30.5 No Third Party Beneficiaries

This GIA is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and, where permitted, their assigns.

30.6 Waiver

The failure of a Party to this GIA to insist, on any occasion, upon strict performance of any provision of this GIA will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.

Any waiver at any time by either Party of its rights with respect to this GIA shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, duty of this GIA. Termination or Default of this GIA for any reason by the Interconnection Customer shall not constitute a waiver of the Interconnection Customer's legal rights to obtain an interconnection from the Transmission Provider. Any waiver of this GIA shall, if requested, be provided in writing.

30.7 Headings

The descriptive headings of the various Articles of this GIA have been inserted for convenience of reference only and are of no significance in the interpretation or construction of this GIA.

30.8 Multiple Counterparts

This GIA may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.

30.9 Amendment

The Parties may by mutual agreement amend this GIA by a written instrument duly executed by both of the Parties.

30.10 Modification by the Parties

The Parties may by mutual agreement amend the Appendices to this GIA by a written instrument duly executed by both of the Parties. Such amendment shall become effective and a part of this GIA upon satisfaction of all Applicable Laws and Regulations.

30.11 No Partnership

This GIA shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

IN WITNESS WHEREOF, the Parties have executed this GIA in duplicate originals, each of which shall constitute and be an original effective Agreement between the Parties.

NOVA SCOTIA POWER INCORPORATED

By: _____ By: _____

Title: Richard Janega, Executive Vice President and Chief Operating Officer Title: Peter Doig, Assistant General Counsel

Date: _____ Date: _____

3240384 NOVA SCOTIA LIMITED

By: _____

Title: President Corporate Secretary

Date: February 4, 2010

Appendix A
To GIA

Interconnection Facilities, Network Upgrades and Distribution Upgrades

1. Interconnection Facilities:

The Point of Interconnection shall be the 69kV bus B51 at the Transmission Providers substation 77V - Conway.

The Point of Change of Ownership shall be the Transmission Providers side of the Interconnection Customer's HV Switch 98V-551A.

(a) Interconnection Customer's Interconnection Facilities:

A) 69/34.5kV interconnection substation including the following major components/functions:
1. 69 kV isolating switch (on Transmission Providers side of metering instrument transformers) 98V-551A,
2. 48 kV Class, Station Class surge arresters,
3. 3, 69 kV, Phase-Ground connected PT's,
4. 3, 48 kV Revenue Metering (Class) Combined Instrument Transformers (CITs) suitable for use together in a 3-element metering arrangement,
5. 69kV, 600 A, 30 kA circuit breaker, c/w bushing CT's (98V-551),
6. 69/34.5 kV, Wye-Delta-Wye transformer (98V-T51), 20/27/33 MVA, 350 kV BIL, 7 %Z c/w 1/3 rated, non-load bearing, delta connected tertiary winding, bushing CT's as required
7. 34.5 kV isolating switch
8. 48 kV Class, Station Class surge arresters (HV transformer side),
9. 29 kV Class, Station Class surge arresters (LV transformer side),
10. 39.8 kV, 3 element, Protection Class instrument transformers
11. 34.5 kV, 800 A, 12.5 kA, recloser, c/w isolation switches
12. AC and DC station service power,
13. Protection for the inter-tie transformer
14. Interconnection Protection
15. Inter-Tie Controls
16. Voltage Controls

17. MW Ramp Rate Control
18. Active power Control Facility (APC)
19. Supervisory Control and Data Acquisition (SCADA) control and indication, analog readings and alarms
20. Collector Feeder Protection
21. Loss compensated, bi-directional revenue metering
22. Remote Terminal Unit
23. Telecommunication facilities to communicate transfer trip (TT) & status signals between the Digby Wind Farm substation and the 51V Tremont and 13V Gulch substations; and for the substation RTU, to allow remote monitoring and control of selected functions from the Transmission Providers ECC at Ragged Lake.

B) Interconnection substation land, control building, fencing, grounding and civil works and structures.

C) Two (2) 34.5kV collector circuits c/w surge arresters and isolating & tie switches

(b) Transmission Providers Interconnection Facilities:

A. Transmission Line L-5580:

1. 10.6km long, 69 kV, 336ACSR, 100 °C, Delta transmission line between the 69/34.5 kV Digby interconnection substation and Transmission Providers 77V – Conway Substation. The new line will be supplied via a new 69kV circuit breaker at the Conway substation.

B. Substation Equipment:

1. Conway Substation 77V:
    1. 69kV circuit breaker, c/w two disconnect switches, station class surge arresters, and 69 kV, Phase-Ground connected PT's (3)
    2. AC and DC station service power and AC station service panel upgrade,
    3. Line Protection, control, and metering for new 69kV line L-5580
    4. Under-frequency protection
    5. SCADA RTU to allow remote monitoring and control of selected functions from the Transmission Providers ECC at Ragged Lake.
    6. Telecommunication facilities to communicate the transfer trip (TT) & status signals between the 13V Gulch substation and the 77V Conway substation; and for the substation RTU, to allow remote monitoring and control of selected functions from the Transmission Providers ECC at Ragged Lake.

2. Network Upgrades:

(a) Stand Alone Network Upgrades:

None

(b) Other Network Upgrades:

1. 77V – Conway Substation
    1. Under-frequency load shedding scheme on 12kV distribution reclosers

2. 13V – Gulch Substation
    1. Bi-directional transfer trip channel to/from the Digby Wind Farm for islanding protection, status and tripping.
    2. Transfer trip and block close logic to perform the following:
        a) Send a transfer trip to the Digby 69 kV breaker when breaker 77V-503 or 13V-513 is open for any reason.
        b) Block auto or manual closure of breaker 77V-503 if the Digby 69 kV breaker is closed.
        c) Block auto or manual closure of breaker 13V-513 if the Digby 69kV breaker and breaker 77V-503 are closed.
    3. Telecommunication facilities to communicate the transfer trip (TT) & status signals between 13V and the Digby interconnection substation to allow remote monitoring and control of selected functions from the Transmission Providers ECC at Ragged Lake.
    4. Replace L-5533 line protection with the SEL-311B digital line protection relay
    5. Remove under frequency load shedding scheme
    6. Upgrade L-5533 and L-5531 metering

3. 51V – Tremont Substation
    1. Special protection scheme (includes new bus protection at 51V; transfer trip channel from 11V to 51V; transfer trip channel from 51V to Digby Wind Farm substation; outputs from L-5025 line protection and breaker 51V-502 b contacts)
    2. Telecommunication facilities to communicate the transfer trip (TT) & status signals between 51V and the Digby interconnection substation; and between 51V and the 11V Paradise substation.
    3. Upgrade L-5025 metering

4. 11V – Paradise Substation
    1. Triggers for 51V special protection scheme (including outputs from L-5025 line protection; breaker 11V-504 b contacts; protection trips from 11V-GT51/B51)
    2. Transfer trip channel from 11V-Paradise to 51V-Tremont
    3. Upgrade L-5025 and L-5026 metering.

5. 9W – Tusket Substation
   Reactive compensation equipment including the following:
   1. 69kV, 8.5 MVAr capacitor bank c/w breaker, surge arresters and current limiting reactors (stage 1 of 2 stage switched capacitor scheme)
   2. 69 kV circuit breaker, surge arresters and current limiting reactors on existing 7.2 MVAr capacitor bank (stage 2 of switched capacitor scheme).
   3. 7 MVAr reactor connected to 13.2 kV tertiary of 9W-T63 via 13.8 kV circuit breaker and associated surge arresters and switch.

6. L-5533 line upgrade to 30MVA summer rating

3. Distribution Upgrades:

None

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY BLANK]

Appendix B

To GIA

Milestones

Provision of Design and Procurement Security Date (per Section 11.5): **January 15, 2010**
(Design and Security amount: $2,019,137 + HST = $2,281,625)

Design and Procurement Authorization Date (per Article 5.5.2): **January 15, 2010**

Provision of Construction Security Date (per Section 11.5): **March 15, 2010**
(Construction Security amount: $3,663,870 + HST = $4,140,173)

Construction Authorization Date (per Article 5.6.3): **March 15, 2010**

Provision of Cleared Right of Way Date: **May 31, 2010** *

In-Service Date: **August 31, 2010**

Initial Synchronization Date: **September 30, 2010****

Commercial Operation Date: **November 30, 2010**

Construction Option: **Standard Option**

** The In-service Date shall be extended on a day for day basis for any delay to the Provision of Cleared Right of Way Date.*

*** Generation at the Digby Wind farm will be restricted to 4.5MW (for testing and commissioning of generators) until the Commercial Operation Date of November 30.*

Appendix C

To GIA

Interconnection Details

1. Operational Control and Point of Change of Ownership

a. The Point of Change of Ownership for the Digby Wind Farm shall be the Transmission Providers side of the 69kV isolation switch 98V-551A.

b. Transmission Provider will have sole operational control over the 69 kV switch 98V-551A and the 69kV circuit breaker 98V-551.

c. The following guidelines apply with respect to application of the Standard Protection Code.

i. A Control Authority is responsible for the safe and correct operation of electrical lines and equipment under their jurisdiction.

ii. In cases where equipment to be worked on is located on the Generating Facility side of the established demarcation point, the work practices and switching procedures will be used under the control of the Generating Station's Control Authority.

iii. In cases where equipment to be worked on is located on the Transmission Providers side of the established demarcation point, including all work on the demarcation switch, the Standard Protection Code and associated switching procedure and isolation permit will be under the control and approval of the Transmission Providers Control Authority.

iv. Although a common point of isolation may be shared between a Generating Facility safe work permit and the Transmission Providers Standard Protection Code (SPC) permit, at NO TIME will the work areas described by these permits overlap.

v. Any Generating Facility personnel, agents, or sub-contractors involved in switching operations that includes operating of the demarcation switch and/or circuit breaker must be trained and certified for Level II: Switching and Grounding, of the Transmission Providers Standard Protection Code, and specifically activated by Transmission Provider for that equipment.

vi. All Transmission Provider personnel who are required to work on equipment located on the Generating Facility Side of the demarcation Point must be trained and certified to the Generating Facility Safe Work Practice.

2. System Protection Requirements

Specific protection requirements for the Digby site: as described in the Interconnection "Facilities Study Infra-structure Report for Establishing a 69kV System Connection for a New 30 MW Wind Powered Generating Facility at Digby, Nova Scotia", dated 2009-09-08.

3. Power Quality Requirements

Specific limits for the Digby site: as described in the Interconnection "System Impact Study GIP-IR141-SIS-R2, Generator Interconnection Request IR 141 30MW Wind Generating Facility, Digby, Nova Scotia", dated 2008-12-17.

4. Operational Requirements

Specific limits for the Digby site: as described in the Interconnection "Facilities Study Infra-structure Report for Establishing a 69kV System Connection for a New 30 MW Wind Powered Generating Facility at Digby, Nova Scotia", dated 2009-09-08.

a. The Digby Wind farm facility will have the capability to limit the wind farm's maximum generation output in blocks of approximately 1/3 of the total rated capacity (4 states). Nova Scotia Power will provide four levels of operational permission:

Permission Level FULL – Permission to operate at Full rating (30 MW)
Permission Level 2 – Permission to operate to 66% of rated output (20 MW)
Permission Level 1 – Permission to operate to 33% of rated output (10 MW)
Permission Level 0 – Permission to operate denied (0 MW)

b. A 2 MW/min limit will be adhered to during manual start-up and shut-down of the windfarm

5. Revenue Metering

Nova Scotia Power will install revenue metering at the customer's interconnection substation. This will include: secondary wiring, test switch, energy meter and commissioning. The revenue class, Measurement Canada approved CIT's (Combined Instrument Transformers) will be supplied and installed by the customer complete with supporting structures. A phone line, provided by the customer, will be required to allow revenue metering data to be read remotely. Metered quantities to be compensated for line losses to the point of delivery at the 77V Conway Substation.

6. Protective Relay Settings/Commissioning Test Results:

a. Interconnection relay settings are subject to review and acceptance prior to energization of 98V by Transmission Provider.
b. Protection relay settings are subject to review by Transmission Provider prior to energization of 98V
c. Primary and secondary equipment commissioning test results are subject to review by Transmission Provider prior to energization of 98V.

7. Initial Synchronization Date.

The wind generators at the Digby site are 1.5 MW GE ESS machines. As such, the term 'Initial Synchronization Date' shall mean the date of Initial Generator Energization (Ref. Section 1 – Definitions; Sections 5.1; 5.1.2; 5.10.1; 8.2; 9.2; 9.5; 29.1; Appendices B & E).

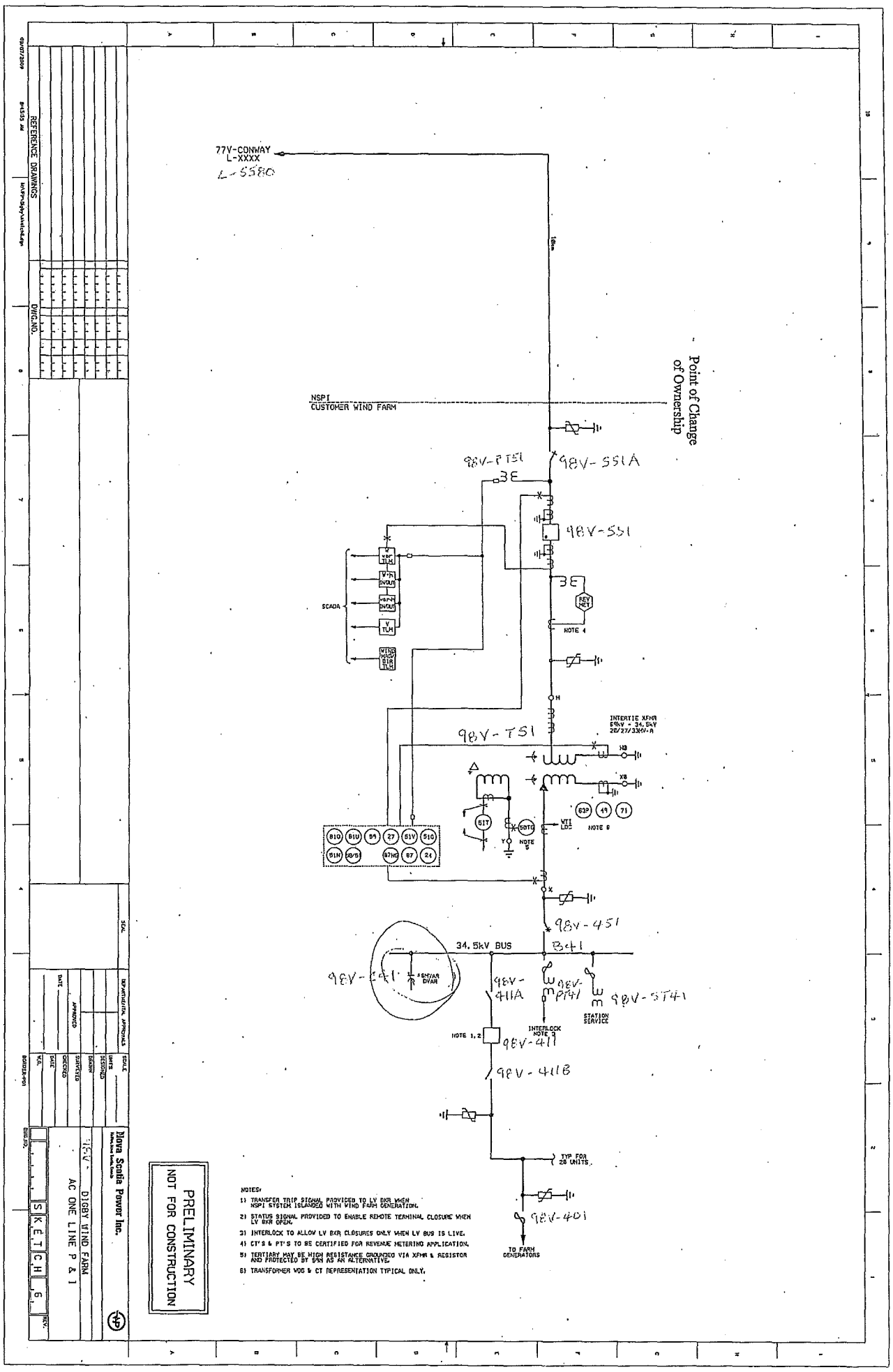
8. **98V-Digby Wind Farm Substation - Basic One Line – Attached to this Appendix C as Schedule A.**

9. **"Facilities Study Infra-structure Report for Establishing a 69kV System Connection for a New 30 MW Wind Powered Generating Facility at Digby, Nova Scotia", dated 2009-09-08" – Attached to this Appendix C as Schedule B.**

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY BLANK]

Schedule A to Appendix C

98V – Digby Wind Farm - Basic One Line


77V-CONWAY
L-XXXX
L-5580
NSPI
CUSTOMER WIND FARM
Point of Change of Ownership
98V-PT51
98V-551A
98V-551
SCADA
98V-T51
INTERTIE XFMR
98V - 34.5kV
98V-451
34.5kV BUS
98V-411A
98V-PT41
98V-STA1
STATION SERVICE
INTERLOCK NOTE 3
NOTE 1,2
98V-411
98V-411B
TYP FOR 20 UNITS
98V-401
TO FARM GENERATORS
PRELIMINARY
NOT FOR CONSTRUCTION
NOTES:
1) TRANSFER TRIP SIGNAL PROVIDED TO LV BKR WHEN NSPI SYSTEM ISLANDED WITH WIND FARM GENERATION.
2) STATUS SIGNAL PROVIDED TO ENABLE REMOTE TERMINAL CLOSURE WHEN LV BKR OPEN.
3) INTERLOCK TO ALLOW LV BKR CLOSURES ONLY WHEN LV BUS IS LIVE.
4) CT'S & PT'S TO BE CERTIFIED FOR REVENUE METERING APPLICATION.
5) TERTIARY MAY BE HIGH RESISTANCE GROUNDED VIA XFMR & RESISTOR AND PROTECTED BY 59N AS AN ALTERNATIVE.
6) TRANSFORMER VOG & CT REPRESENTATION TYPICAL ONLY.
Nova Scotia Power Inc.
DIGBY WIND FARM
AC ONE LINE P & I

Schedule B to Appendix C

"Facilities Study Infra-structure Report for Establishing a 69kV System Connection for a New 30 MW Wind Powered Generating Facility at Digby in Digby County, Nova Scotia", dated 2009-09-08"

NOVA SCOTIA POWER INC.

TRANSMISSION & DISTRIBUTION ENGINEERING DEPARTMENT

NOVA SCOTIA POWER
An Emera Company

FACILITIES STUDY INFRA-STRUCTURE REPORT FOR ESTABLISHING A 69 kV SYSTEM CONNECTION FOR A NEW 30 MW WIND POWERED GENERATING FACILITY AT DIGBY, NOVA SCOTIA

FINAL

Rev. 0

Approved by: Tim Leopold 2009/09/08

Tim Leopold, P.Eng.
Director, Project Implementation Date

TABLE OF CONTENTS

Section		Description	Page
1.0		Summary	4
	1.1	Estimated Costs	6
	1.2	Estimated Schedule	7
	1.3	Ownership	8
2.0		Scope of Work By Nova Scotia Power	9
	2.1	Single Line and Primary Equipment	9
	2.2	Civil Work and Structures (Line Work)	9
	2.3	Substation Layout	11
	2.4	Station Service	12
	2.5	Protection and Control	13
	2.6	Communications	15
3.0		Scope of Work By the Customer	16
	3.1	Single Line and Primary Equipment	16
	3.2	Civil Work and Structures (Line Work)	16
	3.3	Substation Layout	17
	3.4	Station Service	18
	3.5	Protection and Control	19
4.0		Commissioning	24
5.0		Design	26

TABLE OF CONTENTS

Section	Description	Page
Appendix A -	Digby Facility Map	27
Appendix B -	One Line Diagram of System Connection	29
Appendix C -	One Line Diagram of Interconnection Substation	31
Appendix D -	System Changes Required at 13V-Gulch, 11V–Paradise, 51V–Tremont, and 9W–Tusket Substations	33
Appendix E –	Preliminary Project Schedule	40
Appendix F –	Proposed Substation Layouts (77V-Conway, 9W-Tusket)	42
Appendix G -	Standard Generator Interconnection Procedures Attachment A & B	45
Appendix H –	Customer Comments	50

NOVA SCOTIA POWER An Emera Company

Facilities Study Infra-Structure Report

W.O.no.: _____ Page 4 of 51

Project: Digby Generating Facility

Date: 2009-07-31 Rev. no.: 0

System	Description
1.0	**SUMMARY**

This project provides for the establishment of a 69 kV system connection for a 30 MW wind powered generation facility (IR141) located at Digby, Nova Scotia. This generating facility is comprised of twenty 1.5 MW GE ESS wind-turbine generators (WTG). Each WTG will be interconnected to a 34.5 kV collection system via its own step-up transformer. The 34.5 kV collection feeder will be tied to the 34.5 kV switchgear side of one 20/27/33 MVA, 34.5/69 kV step-up transformer. The proposed wind powered generation facility will be interconnected to the Nova Scotia Power transmission system by a new 10.6 km, 69 kV transmission line from the 77V Conway substation. A one-line diagram of the proposed interconnection is shown in Appendix B – One Line Diagram of System Connection.

The system connection for the wind powered generating facility at Digby will include the installation of a 69 kV circuit breaker, associated switches, protection, control, metering and telecommunications at 77V Conway and the construction of a 10.6 km transmission line from 77V Conway to the customer's interconnection substation at the generating facility.

The system connection will also include the following modifications to the Nova Scotia Power system:

- Metering upgrades on L-5533 and L-5531 at 13V Gulch, L-5026 and L-5025 at Paradise and L-5025 at 51V Tremont.
- Line upgrades on L-5533 to resolve overload issues
- Installation of a special protection system at 51V Tremont to resolve contingency issues such as the loss of bus 11V-B51 at Paradise, loss L-5025, or loss of bus 51V-B51 at Tremont
- Installation at 9W Tusket substation of an 8.5 MVAr shunt capacitor bank, a 7 MVAr shunt reactor, and the reuse of the existing 7.2MVar capacitor bank to form a 2 staged switched shunt capacitor bank. This installation will include three new breakers, current limiting reactors, switches and associated structures and protection and control circuitry.
- Removal of the under frequency load shedding scheme at 13V Gulch and the installation of under frequency load shedding on the 12 kV reclosers at 77V Conway.

Transmission Engineering	prepared by: Tim Leopold, P.Eng.	Customer Operations	checked by: _____
Department	approved by: _____	**Division**	approved by: _____

NOVA SCOTIA POWER An Emera Company

Facilities Study Infra-Structure Report

W.O.no.: _____ Page 5 of 51

Project: Digby Generating Facility

Date: 2009-07-31 Rev. no.: 0

System	Description

- Installation of a transfer trip scheme at 13V Gulch to prevent islanding of the Digby generating facility.
- Installation of communication infrastructure to allow monitoring and control of the equipment that connects the Digby generating facility to the Nova Scotia Power system.

The Point of Interconnection will be the 69 kV line bus at the 77V Conway substation as shown in Appendix B. Primary revenue metering and required telecommunication equipment will be installed at the customer's interconnection substation.

The estimated cost of the Nova Scotia Power portion of the project and the estimated scheduled in-service date are as follows:

[redacted]

The above in-service date assumes a connection with a 20 wind turbine, generating facility complete with protection, transfer trips, status, SCADA and revenue metering.

The project in-service date is dependent upon the starting date, which cannot commence until the customer delivers to Nova Scotia Power the balance of the cost estimate for the project, in a form acceptable to Nova Scotia Power, as per the Interconnection Agreement. The in-service date noted assumes the project start date to be no later than October 1, 2009.

Construction on the transmission line also cannot begin until the customer provides Nova Scotia Power with a legally binding easement in the form acceptable to Nova Scotia Power for any land that the transmission line and associated line taps require.

Transmission Engineering	prepared by: Tim Leopold, P.Eng.	Customer Operations	checked by: _____
Department	approved by: _____	**Division**	approved by: _____

NOVA SCOTIA POWER
An Emera Company

Facilities Study
Infra-Structure Report

W.O.no.: _____ Page 6 of 51

Project: Digby Generating Facility

Date: 2009-07-31 Rev. no.: 0

System	Description
1.1	**ESTIMATED COSTS**

The estimated cost for Nova Scotia Power to provide a 69 kV interconnection to the Digby wind powered generating facility is $5,683,007. This cost estimate is summarized in Table 1 – Digby Cost Estimate:

Table 1 – Digby Cost Estimate

[redacted]

The cost estimate in Table 1 is based on the scope of work outlined in Section 2.0 of this Interconnection Facilities Report.

The cost indicated in Table 1 is an estimate only. The customer will be responsible to pay Nova Scotia Power for the entire incurred cost associated with this project, be it higher or lower than the estimate indicated above.

The annual license cost is to cover the annual licensing fee for the radio frequency for the new communications link to the Digby substation. An additional, one time initial charge for acquiring the radio licenses is included in the capital cost estimate.

The cost estimate in this report is valid for 180 days.

Transmission Engineering	prepared by: Tim Leopold, P.Eng.	Customer Operations	checked by: _____
Department	approved by: _____	**Division**	approved by: _____

NOVA SCOTIA POWER An Emera Company

Facilities Study Infra-Structure Report

W.O.no.: _____ Page 7 of 51

Project: Digby Generating Facility

Date: 2009-07-31 Rev. no.: 0

System	Description
	Nova Scotia Power will not start any work on this project prior to receiving secured funding from the customer, in accordance with Article 11.5 of the Generation Interconnection Agreement, for the entire estimated cost.
1.2	**ESTIMATED SCHEDULE** The total project duration shown in Section 1.0 is based on a preliminary estimated project schedule. The preliminary project schedule is shown in Appendix E. The key schedule dates are as follows: Start Date: ▪ the customer provides NSPI with a legally binding easement in the form acceptable to NSPI for any right-of-way required for the 69 kV line to the customer's interconnection substation. ▪ the customer delivers to NSPI secured funding, in accordance with Article 11.5 of the Generation Interconnection Agreement, for the estimated cost outlined in this Interconnection Facilities Report. Five Months after Start Date: ▪ NSPI system modifications - Civil and Physical design complete. Six Months after Start Date: ▪ NSPI system modifications – Protection and Control design complete. Eleven Months after Start Date: ▪ NSPI system modifications complete and new 69kV transmission line ready to supply the customer's interconnection substation for commissioning of wind generators.

Transmission Engineering	prepared by: Tim Leopold, P.Eng.	Customer Operations	checked by: _____
Department	approved by: _____	**Division**	approved by: _____

NOVA SCOTIA POWER An Emera Company

Facilities Study Infra-Structure Report

W.O.no.: _____ Page 8 of 51

Project: Digby Generating Facility

Date: 2009-07-31 Rev. no.: 0

System	Description
1.3	**OWNERSHIP** Ownership, maintenance and other commercial operating arrangements will be covered separately in a future Generator Interconnection Agreement between Nova Scotia Power and the customer. The ownership of the infrastructure associated with the Digby generating facility is based on the Point of Change of Ownership shown in the one line diagram in Appendix C. Nova Scotia Power will own the 69 kV transmission line up to the terminals on the line side of the customer's high voltage disconnect switch located in the customer's interconnection substation. As Control Authority for the 69 kV power system, Nova Scotia Power will require the ability to isolate the 69 kV transmission line at the Digby Wind substation for work on that portion of the system. In order to ensure isolation for work permits between the customer's transformer HV disconnect switch and the 69 kV line terminal at the 77V Conway substation, it will be necessary for Nova Scotia Power to open, lock and tag the transformer HV disconnect switch in compliance with Nova Scotia Power's Standard Protection Code and in coordination with the Digby wind farm operator. This and other procedures will be covered in an operational agreement between the Digby wind farm and Nova Scotia Power. Nova Scotia Power will also require the ability to trip the customer's transformer HV breaker from: line protection, islanding protection and SPS schemes. Any communications system infrastructure between Nova Scotia Power facilities and the new interconnected generating facility will be owned by Nova Scotia Power. This includes Nova Scotia Power's SCADA RTU, antenna and telecommunications equipment located in the customer's interconnection substation. The interconnection customer will be required to provide NSPI accessible space in their control building for this equipment. Nova Scotia Power will also own the revenue metering located in the customer's interconnection substation.

Transmission Engineering	prepared by: Tim Leopold, P.Eng.	Customer Operations	checked by: _____
Department	approved by: _____	**Division**	approved by: _____

NOVA SCOTIA POWER An Emera Company

Facilities Study Infra-Structure Report

W.O.no.: _____ Page 9 of 51

Project: Digby Generating Facility

Date: 2009-07-31 Rev. no.: 0

System	Description
2.0	**SCOPE OF WORK BY NOVA SCOTIA POWER** This Interconnection Facilities Report is based on the Standard Generator Interconnection Procedures Attachment A & B in Appendix G and a report titled: **System Impact Study** **GIP-IR141-SIS-R2** **Generator Interconnection Request IR141** **30 MW Wind Generating Facility** **Digby, Nova Scotia** The system impact study describes the facilities required to connect the generating facility to the Nova Scotia Power transmission system and to address short circuit, stability and power flow issues. It provides scope and direction to this facilities study.
2.1	**SINGLE LINE AND PRIMARY EQUIPMENT** A one line diagram of the interconnection between the Nova Scotia Power 69 kV transmission system and the Digby wind powered generating facility is provided in Appendix B – One Line Diagram of System Connection. Appendix C shows the proposed One Line of the Customer Interconnection substation. Appendix D contains the One-Lines Outlining the System Changes Required at 13V-Gulch, 11V–Paradise, 51V–Tremont, and 9W–Tusket Substations.
2.2	**CIVIL WORK AND STRUCTURES (LINE WORK)** The wind powered generating facility at Digby will be located approximately 10.6 km from the 77V Conway substation. Nova Scotia Power will construct a 10.6 km, 69 kV transmission line between the customer's 69/34.5 kV substation and Nova Scotia Power's 77V Conway substation.

Transmission Engineering	prepared by: Tim Leopold, P.Eng.	Customer Operations	checked by: _____
Department	approved by: _____	**Division**	approved by: _____

NOVA SCOTIA POWER An Emera Company

Facilities Study
Infra-Structure Report

W.O.no.: _____ Page 10 of 51

Project: Digby Generating Facility

Date: 2009-07-31 Rev. no.: 0

System	Description

The acquisition of the Right-of-Way (R.O.W.) and provision of easements for this transmission line are not included in Nova Scotia Power's scope of work. This will be provided by the customer or their agent.

The cost estimate in Table 1 includes a 10.6 km 69 kV transmission line between the 77V Conway substation and the customer's interconnection substation 69kV dead-end structure. The estimate for the transmission line includes: engineering design, surveying, labour, materials and expenses to erect structures and run conductor on this 10.6 km line. The routing for the transmission line is still awaiting confirmation, so the estimate provided is based on a 10.6km line at estimated per km unit costs. A more detailed estimate for the transmission line can be prepared once the final route is established.

The cost of right of way clearing and the customer's interconnection substation 69kV dead-end structure is not included in the estimate in Table 1 and will be provided by the customer.

The 69 kV transmission line will be constructed to current internal Nova Scotia Power standards; and will comply with the October 2006 edition of the functional design standard: CSA C22.3 No. 1-06 – Overhead Systems. The line will meet the following fundamental, technical parameters:

Voltage: 69 kV
Approx. Length 10.6 km
Construction Type: Delta
Max. Conductor Temperature: 100°C
Phase Conductor: 336.4 ACSR (Linnet)
Over Head Ground Wire: None
Hardware Grounding: Unbonded
Insulation Leakage Dist.: 25 mm/$kV_{ph\text{-}ph}$ minimum

Transmission Engineering	prepared by: Tim Leopold, P.Eng.	Customer Operations	checked by:
Department	approved by:	**Division**	approved by:

System	Description
	The line will be constructed without overhead shield wires. As a result, the 69 kV circuit breaker at the customer's interconnection substation could be vulnerable to damage from a lightning strike to the line if this occurs when the breaker is in the open position. The customer will install 69 kV surge arresters to mitigate the risk. The customer is responsible to obtain all permits and approvals required to lawfully construct the interconnection facility, including the new 69 kV line. Due to thermal overloading, NSPI's line L-5533 from 13V- Gulch to 77V- Conway requires up-grading to 30MVA summer rating. A profile survey was completed for the line and it was determined that only one span of L-5533 needs to be upgraded to meet the 30MVA summer rating. The costs associated with completing these upgrades are included in the cost estimate.
2.3	**SUBSTATION LAYOUT** Customer's Interconnection Substation At the customer's interconnection substation, the customer is responsible for supplying and installing all primary equipment and support structures. This will include revenue class potential and current transformers for the primary revenue metering as specified by Nova Scotia Power. Nova Scotia Power will terminate the 69 kV line on the customer's substation deadend structure and connect jumpers to the customer's disconnect switch and lightning arresters. The one line diagram for the interconnection substation is shown in Appendix C – One Line Diagram of Interconnection Substation. Accessible space will be provided for NSPI to locate its communications system infrastructure, including SCADA RTU, antenna and telecommunications equipment, in the customer's interconnection substation. AC and DC supply will be provided by Interconnection Customer.

System	Description
	77V – Conway Substation At the 77V Conway substation, Nova Scotia Power will be adding one 69 kV circuit breaker, two 69 kV disconnect switches, three 69 kV potential transformers and three lightning arresters. Appendix B – One Line Diagrams shows the proposed configuration of the 77V Conway substation. Additional area will be developed on the north side of the substation to accommodate the additions. See Appendix F for proposed overview of layout. 9W – Tusket Substation At the 9W Tusket substation, Nova Scotia Power will install a new 8.5 MVAr capacitor bank complete with breaker, surge arresters and current limiting reactors which will provide one stage of a two stage switched capacitor scheme. Nova Scotia Power will install a new 69 kV circuit breaker, surge arresters and current limiting reactors on the existing 7.2 MVAr capacitor bank for the second stage of this switched capacitor scheme. A 7 MVAr reactor will also be connected to the 13.2 kV tertiary of 9W-T62 transformer at Tusket via a 13.8 kV circuit breaker and associated surge arresters and switch. Appendix D – One-Lines Outlining the System Changes Required at 13V-Gulch, 11V–Paradise, 51V–Tremont, and 9W–Tusket Substations shows the required configuration changes and additions at the 9W Tusket substation. Additional area will be developed at the substation to accommodate the additions. See Appendix F for proposed overview of layout.
2.4	**STATION SERVICE** The Nova Scotia Power interconnection substation at 77V Conway shall include AC and DC station service supplies of adequate capacity to provide for the electrical power needs of the primary and secondary equipment installed to accommodate the Digby wind powered generating facility. Nova Scotia Power will install a 125 VDC supply to power the telecommunications, SCADA RTU, line protection and breaker that will accommodate the Digby wind powered generating facility. The AC station service panel in the 77V Conway substation will be upgraded to accommodate the new equipment being added to the substation.

NOVA SCOTIA POWER An Emera Company

Facilities Study Infra-Structure Report

W.O.no.: _____ Page 13 of 51

Project: Digby Generating Facility

Date: 2009-07-31 Rev. no.: 0

System	Description
2.5	**PROTECTION AND CONTROL**

At the 77V Conway substation, Nova Scotia Power will install line protection, control and metering in an outdoor cabinet which will also contain the DC supply, teleprotection and SCADA RTU. The protection and control at 77V Conway will include bi-directional transfer trip channels from 13V Gulch for the Digby wind farm interconnection substation for islanding protection, status and control. The line protection (Schweitzer SEL-351) will include directional over current (67, 67N) elements complete with fault location and auto-reclosing. Under frequency load shedding elements (81U) will also be included to trip the 12 kV feeders at 77V Conway.

The relay will also include load encroachment blinders. The protection must provide phase and ground instantaneous and inverse time delayed coverage for 100% of the line including high resistance ground faults.

At the 13V Gulch substation, Nova Scotia Power will install islanding protection to prevent the Digby generating facility from being islanded with a portion of the Nova Scotia Power system and to block closing of the lines feeding the Digby facility if the Digby interconnection substation HV breaker is closed. A bi-directional transfer trip channel will be installed at 13V-Gulch to/from the Digby Wind Farm for islanding protection, status and tripping. A bi-directional transfer trip channel will be installed from 77V-Conway to/from 13V-Gulch for islanding protection, status, tripping and block close. The transfer trip from 13V Gulch will be connected to trip the 69 kV breaker at the customer's interconnection substation when either the 77V Conway terminal or 13V Gulch terminal is tripped for any reason. The customer will provide breaker status contacts from the Digby substation to be communicated to 13V Gulch to prevent closure of the 77V Conway circuit breaker, via manual or auto-reclose, if the Wind Farm HV breaker is already closed. Similarly, closure of the 13V-Gulch circuit breaker, via manual or auto reclose, will be prevented if both the Wind Farm HV breaker and the 77V breaker are already closed.

The existing line L-5533 protection at 13V Gulch utilizes non-directional over current relays which are no longer suitable due to the range of net generation in-feed expected to be supplied to the 13V Gulch bus by the Digby wind powered generating facility and the range of load expected. Nova Scotia Power will replace the line protection at the 13V

Transmission Engineering	prepared by: Tim Leopold, P.Eng.	Customer Operations	checked by: _____
Department	approved by: _____	**Division**	approved by: _____

NOVA SCOTIA POWER An Emera Company

Facilities Study Infra-Structure Report

W.O.no.: _____ Page 14 of 51

Project: Digby Generating Facility

Date: 2009-07-31 Rev. no.: 0

System	Description
	Gulch substation with the SEL-311B digital line protection relay. The L-5533 line protection will be modified to ensure directional protection and high speed tripping of line faults on L-5533 that is coordinated with the protection on the new line from 77V-Conway substation to the Digby wind powered generating facility. The under frequency protection on L-5533 at Gulch will be retired and replaced with under frequency protection at 77V Conway. The metering at 13V Gulch will be upgraded to accommodate the increased power flow due to the new Digby generating facility At the 51V Tremont substation, Nova Scotia Power will install a special protection scheme to avoid overloading lines L-5531, L-5532, L-5535 and L-5541 during system contingencies. One of these contingencies is the loss of bus 51V-B51 due to a bus fault. Therefore bus protection will be installed at 51V Tremont as part of the scope of this project to provide SPS triggering. The SPS also requires a transfer trip channel from 11V-Paradise to 51V-Tremont for SPS triggering and a transfer trip channel from 51V-Tremont to Digby Wind Farm for SPS trips of the 69 kV breaker. Trip outputs from the L-5025 line protection and the b contacts from breaker 51V-502 will also be required for inputs to the special protection system. The metering at 51V Tremont will be upgraded to accommodate the increased power flow due to the new Digby generating facility. At the 11V Paradise substation, Nova Scotia Power will connect trip outputs from the L-5025 line protection and the b contacts from breaker 11V-504 to trigger the special protection system at 51V Tremont. Also, protection trips from 11V-GT51/B51 will be connected to trigger the special protection system at 51V Tremont via teleprotection channels. A transfer trip channel from 11V-Paradise to 51V-Tremont will be installed for SPS triggering. The metering at 11V Paradise will be upgraded to accommodate the increased power flow due to the new Digby generating facility. At the 9W Tusket substation, Nova Scotia Power will install a second grounded wye or split wye capacitor bank rated 8.5 MVAr on the 69 kV bus, complete with current limiting reactors, associated protection and point on wave breaker control. The breaker connecting the existing 7.2 MVAr capacitor bank will be replaced with a 69 kV breaker capable of point on wave switching and be installed with current limiting reactors. The protection and control for the existing capacitor bank will be modified to accommodate the new breaker and reactive control requirements. A 7 MVAr shunt reactor will also be

Transmission Engineering	prepared by: Tim Leopold, P.Eng.	Customer Operations	checked by: _____
Department	approved by: _____	**Division**	approved by: _____

System	Description
	installed on the transformer T63 tertiary at 9W Tusket. This reactor will be installed with its own breaker and associated protection and control schemes. A control scheme will be installed to automatically connect and disconnect the two stages of capacitors and the reactor as required by system voltage conditions. Also included in the control scheme at 9W Tusket will be interlocks to ensure the bus tie breaker does not perform back to back switching of capacitor current. Other protection trip modifications will be implemented to ensure that the capacitor banks are tripped as required when other substation components are tripped. This will ensure steady state or transient over voltages are mitigated. Nova Scotia Power will supply and install SCADA RTUs at the 77V Conway and the Digby Wind substations. Nova Scotia Power will also install communications at the 77V Conway and Digby Wind substations for the teleprotection functions & the substation RTUs, to allow remote monitoring and control of selected functions from the Nova Scotia Power Energy Control Center at Ragged Lake. Fault location is required on L-5533 and the new 69 kV line to the Digby generating facility to promote faster restoration of the Digby wind powered generating facility to the system following permanent line faults. The fault location function will be included in the SEL-351 & 311B relays described above. Included in the scope of work at 77V Conway, 9W Tusket, 13V Gulch, 11V Paradise and 51V Tremont is the application of settings to the new and existing related measuring relays and commission the new schemes prior to placing them in service.
2.6	**COMMUNICATIONS** Nova Scotia Power will provide the telecommunications and telecontrol schemes required for the proposed 30 MW wind powered generating facility at Digby. Included in the scope of work by Nova Scotia Power is the engineering design, procurement, installation and commissioning of low capacity radio links between the Digby Wind substation and 51V Tremont, the Digby Wind substation and 13V Gulch, 77V Conway and 13V Gulch and between 11V Paradise and 51V Tremont. This will include the associated multiplex equipment at each site and the SEL mirrored bits teleprotection circuits where they are required.

System	Description
	Nova Scotia Power will also install new RTUs at the new Digby Wind substation and at the 77V Conway substation. The customer will make the inputs and outputs to the RTU available by wiring the points listed in section 3.5.4 to the RTU panel. Nova Scotia Power will connect and commission the RTU. The customer will provide space in the Digby Wind substation control building to install the RTU and the telecommunications equipment. This will require sufficient space for Nova Scotia Power to install two free standing panels (2200mm x 600mm x 600mm) for the telecommunications panel and the RTU. These panels will each require a 125 VDC supply from the substation DC distribution panel. The radio communications will require an antenna at the Digby Wind substation and at the Conway substation. Nova Scotia Power will install a pole or tower near these substations, mount an antenna and run a cable to the communications panel in the control building.
3.0	**SCOPE OF WORK BY THE CUSTOMER**
3.1	**SINGLE LINE AND PRIMARY EQUIPMENT** A One Line Diagram of the interconnection substation is provided in Appendix C – One Line Diagram of Interconnection Substation.
3.2	**CIVIL WORK AND STRUCTURES** Although Nova Scotia Power will construct the 69 kV line from 77V-Conway to the customer's interconnection substation, the customer will supply and install the substation line deadend structure to terminate the line. The customer is responsible for acquiring all right of way and easements for the 69 kV line between the interconnection substation at Digby and the 77V Conway substation. The customer is also responsible for the initial right of way clearing and must provide Nova Scotia Power with easements prior to the start of construction.

System	Description
	The standard right of way for a 69 kV transmission line is 20 meters as defined by Nova Scotia Power standard drawing 285Z-2 – Typical Transmission Line Separation. If the transmission route is determined to be roadside, Nova Scotia Power will accept a 15m right of way on the condition the transmission line maximum span length is limited to 80m.
3.3	**SUBSTATION LAYOUT** The Digby Wind interconnection substation will be configured according to the one line diagram in Appendix C. The customer will supply and install the primary equipment and the associated supporting structures for this substation. This will include revenue class potential and current transformers for the primary revenue metering as specified by Nova Scotia Power. Nova Scotia Power will terminate the 69 kV line on the customer's substation deadend structure and connect jumpers to the customer's disconnect switch and lightning arresters. The one line diagram for the interconnection substation is shown in Appendix C – One Line Diagram of Interconnection Substation. In addition to the primary equipment shown on the one line diagram, the following tasks will be included in the scope of work by the customer. The customer will provide accessible space in the substation control building for Nova Scotia Power supplied teleprotection, telecommunications and RTU equipment and power supplies. The customer will provide space allocation at a suitable location near the substation for Nova Scotia Power to install a pole or tower to mount a telecommunications antenna. This pole should be located to minimize the length of cable between the antenna and the Digby substation control building. The customer is responsible for the assessment and mitigation of the environmental aspects of the Digby interconnection substation.

NOVA SCOTIA POWER An Emera Company

Facilities Study Infra-Structure Report

W.O.no.: _____ Page 18 of 51

Project: Digby Generating Facility

Date: 2009-07-31 Rev. no.: 0

System	Description
	The customer facilities are subject to the minimum requirements of the latest edition of the Canadian Electrical Code, CSA C22.1, for the purpose of wiring inspection. The cost associated with acquiring a wiring permit and the associated electrical inspections by Nova Scotia Power, will be the responsibility of the customer. An overview of the Inspection Authority requirements in Nova Scotia is outlined below: • Nova Scotia utilities perform inspections in approximately 99% of the province • Electrical Inspection Act requires that electrical work be performed under permit. Contractors must take out permits for work at voltage levels both below and above 750V – including work on customer owned substations. • Plans must be submitted for review and all equipment must be approved by a recognized certification authority (CSA, ULC, etc) • NSPI requires that the turbines themselves have a special inspection • They must conform to the code standards and not the utility standards for customer owned equipment (i.e., collector system) • Each contractor can take out their own permits or one contractor can take out a permit for the whole project. • Lead times – inspection service level is < 5 days from request – normally manage < 3 days • No equipment will be connected or energized without authorization of the inspector. • HV contractors need to be reminded about CEC requirements – Should arrange a meeting with the inspection authority at the appropriate time (Dave Clements – 428-6358). The interconnection substation installation will be subject to the review and acceptance by Nova Scotia Power to ensure coordination of the Nova Scotia Power and customer scopes of work. The cost to acquire land and establish the customer interconnection substation complete with all required protection and metering, will be the responsibility of the customer.
3.4	**STATION SERVICE** The customer will provide AC and DC station service supplies of adequate capacity to provide for the electrical power needs of all installed primary and secondary equipment at

System	Description
	the interconnection substation. This will include the 125 VDC supply to the telecommunications and SCADA RTU equipment provided by Nova Scotia Power.
3.5	**PROTECTION AND CONTROL** The customer will provide the following protection and control schemes at the interconnection substation: Interconnection Protection Protection for the inter-tie transformer Inter-Tie Controls Voltage Control MW Ramp Rate Control Active Power Control Facility (APC) SCADA control and indication (RTU supplied by Nova Scotia Power) Collector Feeder Protection. NSPI assumes generator protection wholly contained within each turbine/generator unit.
3.5.1	**Interconnection Protection:** The customer shall provide interconnection protection, which as a minimum, shall consist of the following functions and will trip the 69 kV breaker at the Digby interconnection substation: under voltage (27) over voltage (59) voltage controlled phase over current (51V) over/under frequency (81O/81U) ground overcurrent (51G) A transfer trip initiated by the opening of the 77V Conway or the 13V Gulch terminals of the Nova Scotia Power transmission system connecting the Digby substation shall directly

System	Description
	trip the intertie transformer HV breaker. To accomplish this Nova Scotia Power will transmit a transfer trip signal from the 13V Gulch substation to the Digby substation via Nova Scotia Power owned communication media. In addition, the customer will provide Nova Scotia Power with the status of the 69 kV breaker at Digby so that the status can be transmitted from Digby to 13V Gulch to block closure of the 13V Gulch terminal or the 77V Conway terminal when the Digby 69 kV breaker is closed. The digital intertie protective relay elements will include over and under voltage, over and under frequency and over current elements (59, 27, 81O, 81U, 51V, 51G) to protect the Nova Scotia Power transmission system against sustained contribution by the Digby generating facility to faults or sustained running of the Digby generation while islanded with any portion of Nova Scotia Power system. These elements may be provided within the digital intertie transformer protection relay described above. These functions and tripping should remain available if the intertie transformer is replaced by a temporary transformer. The intertie protection elements will serve as backup to transfer trip (TT) system failure by providing a self-resetting (94) trip to the intertie HV breaker when the Digby facility is islanded with a portion of the Nova Scotia Power system during faults or other abnormal conditions. The transformer and interconnection over current protection elements and the HV breaker will also serve to backup the Digby LV switchgear and protection for LV collector feeder faults.
3.5.2	**Transformer Protection** The transformer protection on the interconnection substation inter-tie transformer, as a minimum, shall typically consist of the following functions and will trip the 69 kV breaker and the 34.5 kV interrupting devices: transformer differential (87, 87NG) over current (50/51, 51N, 51G)

System	Description

over fluxing (24)
tertiary burn out (51T)
tertiary ground (50TG or 59N)
gas (63P)
low oil (71)
high winding temp. (49)

A digital multifunction relay supplied by HV and LV CT's and HV bus PT's will provide phase and ground differential, phase and ground over current and over fluxing protection elements (87, 87NG, 50/51, 51N, 51G, 24) to protect the transformer for internal and external faults.

An additional inverse over current element (51T) supplied by a CT inside the tertiary delta winding will protect it against a sustained contribution to external ground faults.

An additional instantaneous over current element (50TG) supplied by a tertiary bushing CT will protect the tertiary winding or bushings for ground faults. Alternatively, the tertiary may be high resistance corner grounded and protected by an inverse overvoltage relay (59N).

The intertie transformer should also be equipped with onboard gas (63P), low oil (71), winding (49) and oil (26) temperature devices for protection and alarm purposes.

Protection elements noted above will trip and block closing of the Digby HV breaker and LV switchgear via lockout (86) auxiliaries (i.e. for transformer faults) or perform a trip of the HV breaker only via self-resetting (94) auxiliaries (i.e. for transformer overload or transmission system trips which may be dealt with by SCADA).

3.5.3 **Collector Feeder Protection:**

Each 34.5 kV collection feeder will be provided with a protective device, each complete with phase and ground over current protection functions to trigger tripping.

NOVA SCOTIA POWER An Emera Company

Facilities Study Infra-Structure Report

W.O.no.: _____ Page 22 of 51

Project: Digby Generating Facility

Date: 2009-07-31 Rev. no.: 0

System	Description
3.5.4	**Controls and Alarms**

Nova Scotia Power will supply a remote terminal unit (RTU) to interface with Nova Scotia Power's SCADA system for the purpose of receiving operating control signals, alarm and status signals and analogue signals from the customer's substation.

The interconnection customer shall have centralized control of reactive power, which will regulate the 69kV voltage at the point of interconnection.

The interconnection customer shall have centralized control of real power, which can be limited upon the receipt of the applicable active power control (APC) signal from Nova Scotia Power.

For Nova Scotia Power to be able to match provincial generation with load, manage its transmission system, accommodate wind power, and to facilitate maintenance and restoration of 138kV facilities in the area, active-power (MW) control capability must be included with this development. This facility will provide the capability to permit the wind farm's maximum generation output in blocks of approximately 1/3 of the total rated capacity (4 states). Nova Scotia Power will provide customers with four levels of operational permission:

Permission Level Full - Permission to operate to Full rating,
Permission Level 2 - Permission to operate to x% of rated output,
Permission Level 1 - Permission to operate to y% of rated output
Permission Level 0 - Permission to operate denied.

The values for x and y will be defined in the Generation Interconnection Agreement.

On start-up and for controlled shut-downs, the customer shall stagger the generators such that the maximum ramp rate is 2 MW/min. This will allow other generation on the system to follow the changing generation output where it is possible to do so.

The customer shall provide Nova Scotia Power with a centralized facility to quickly reject generation.

Transmission Engineering	prepared by: Tim Leopold, P.Eng.	Customer Operations	checked by: _____
Department	approved by: _____	**Division**	approved by: _____

NOVA SCOTIA POWER
An Emera Company

Facilities Study
Infra-Structure Report

W.O.no.: _____ Page 23 of 51

Project: Digby Generating Facility

Date: 2009-07-31 Rev. no.: 0

System	Description

The customer will make the following controls, indications, alarms and analogs available to Nova Scotia Power via the interconnection substation SCADA RTU:

Control and Indication:

The following alarms will be provided by the customer from the Digby generating facility to the Nova Scotia Power SCADA system:

-Trip control and indication of Closed/Open status of the HV breaker. (via 52a & 52b contacts)
-AGC Maximum generation (set-point) level (0, xx, yy, Full Load)
-Command for orderly shutdown of wind powered generation (limited to zero generation).
-Command for orderly shutdown of wind powered generation (limited to xx MW generation).
-Command for orderly shutdown of wind powered generation (limited to yy MW generation).
-Command to permit wind powered generation (permit full output).
-Status of wind powered generation with regard to the four commands for generation output listed above.

In summary the SCADA RTU control, indication and analog requirements are as follows:

Controls:

1. Trip 69 kV Circuit Breaker [1 control contact]
2. APC max. generation level set points (0, xx, yy & full capacity) [4 control contacts]

Indications:

1. Status (Open/Closed) of the 69 kV circuit breaker [1 input]
2. Status (Open/Closed) of the 34.5 kV, LV interrupting device [1 input]
3. Indication of APC max. generation level set point [4 inputs]

Transmission Engineering	prepared by: Tim Leopold, P.Eng.	Customer Operations	checked by: _____
Department	approved by: _____	**Division**	approved by: _____

System	Description
	Alarms: 1. Digby Substation Urgent initiated by the following alarms: - Intertie Transformer Protection Failed or - Islanding Protection Failed or - HV Breaker Trip Circuit Failed Analogues: 1. Net Real Power to Nova Scotia Power [1 input] 2. Net Reactive Power to Nova Scotia Power [1 input] 3. 69 kV Bus Voltage [1 input] 4. Real Energy (W.hr) to/from Nova Scotia Power [2 inputs] 5. Reactive Energy (Var.hr) to/from Nova Scotia Power [2 inputs] 6. Wind Magnitude [1 input] 7. Wind Direction [1 input]
4.0	**COMMISSIONING** The following commissioning activities will be undertaken with this project: At the 77V Conway substation, Nova Scotia Power will perform commissioning of all primary equipment and protection, control, metering, telecommunication and SCADA system changes outlined above. At the 9W Tusket substation, Nova Scotia Power will perform commissioning of all primary equipment and protection, control, metering, telecommunication and SCADA system changes outlined above. At the 51V Tremont substation, Nova Scotia Power will perform commissioning of all protection, control, metering, telecommunication and SCADA system changes outlined above.

NOVA SCOTIA POWER An Emera Company

Facilities Study Infra-Structure Report

W.O.no.: _____ Page 25 of 51

Project: Digby Generating Facility

Date: 2009-07-31 Rev. no.: 0

System	Description
	At the 13V Gulch substation, Nova Scotia Power will perform commissioning of all protection, control, metering, telecommunication and SCADA system changes outlined above. At the 11V Paradise substation, Nova Scotia Power will perform commissioning of all protection, control, metering, telecommunication and SCADA system changes outlined above. At the Digby interconnection substation, the customer will perform the commissioning on all primary and secondary equipment with the exception of the following equipment which will be commissioned by Nova Scotia Power: - the SCADA RTU, its associated communication path to Ragged Lake and all control, indication and analog inputs and outputs - the telecommunications media and terminal equipment between the Digby interconnection substation and the 13V Gulch and 51V Tremont substations. - the revenue metering In addition to the tasks listed above, Nova Scotia Power will: - Review the insulation test results for the customer's 69 kV circuit breaker. - Review the relays settings, relay test results and injection test results associated with the interconnection protection. - Review all secondary commissioning and trip test results for of all interface protection, control and metering systems that interface to the Nova Scotia Power transmission system These reviews will ensure that the interconnection substation is ready to be energized and accepted onto the system.

Transmission Engineering	prepared by: Tim Leopold, P.Eng.	Customer Operations	checked by: _____
Department	approved by: _____	**Division**	approved by: _____

NOVA SCOTIA POWER
An Emera Company

Facilities Study
Infra-Structure Report

W.O.no.: _____ Page 26 of 51

Project: Digby Generating Facility

Date: 2009-07-31 Rev. no.: 0

System	Description
5.0	**Design** Nova Scotia Power will be responsible for the engineering and drawing production for all aspects of the scope of work described in Section 2.0 of this report. This will include: the 69 kV line design, the telecommunications system design, the SCADA RTU design and the protection and control design at the 77V Conway, 13V Gulch, 51V Tremont, 11V Paradise and 9W Tusket substations. The customer is responsible for the engineering design of the interconnection substation as described in Section 3.0 of this report. This includes all aspects of the generating facility on the customer's side of the line of ownership shown in Appendix B – One Line Diagram of System Connection.

Transmission Engineering	prepared by: Tim Leopold, P.Eng.	Customer Operations	checked by: _____
Department	approved by: _____	**Division**	approved by: _____

NOVA SCOTIA POWER
An Emera Company

Facilities Study
Infra-Structure Report

W.O.no.: _____ Page 27 of 51

Project: Digby Generating Facility

Date: 2009-07-31 Rev. no.: 0

System	Description

APPENDIX A – Digby Facility Map

Transmission Engineering	prepared by: Tim Leopold, P.Eng.	Customer Operations	checked by:
Department	approved by:	**Division**	approved by:

NOVA SCOTIA POWER
An Emera Company

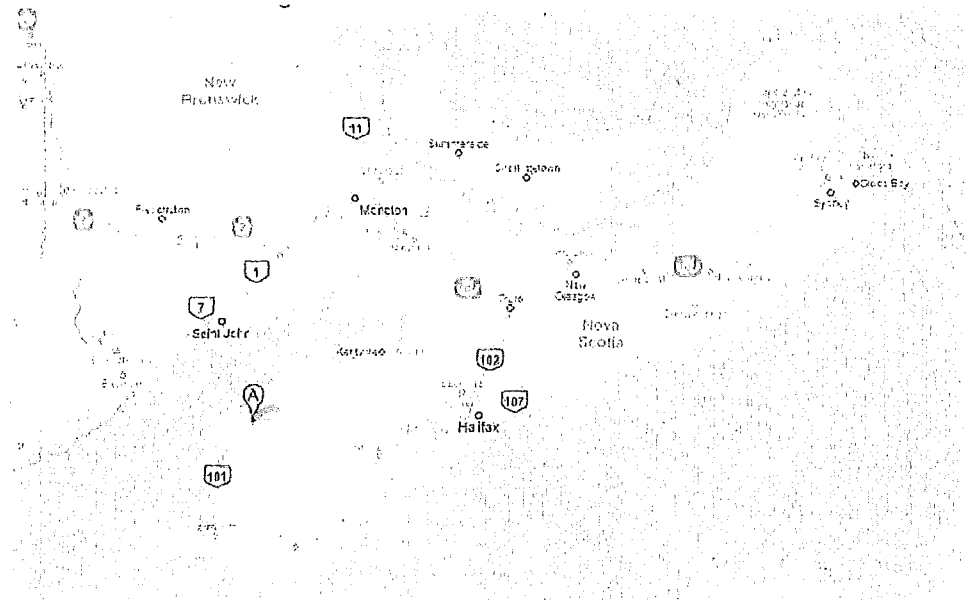
Facilities Study
Infra-Structure Report

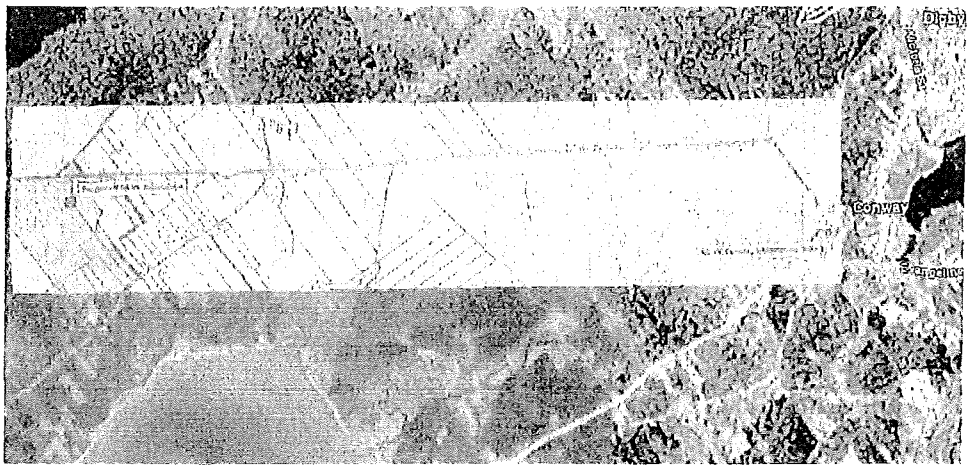
W.O.no.: _____ Page 28 of 51

Project: Digby Generating Facility

Date: 2009-07-31 Rev. no.: 0

System	Description





Conceptual Aerial View

Transmission Engineering	prepared by: Tim Leopold, P.Eng.	Customer Operations	checked by: _____
Department	approved by: _____	**Division**	approved by: _____

NOVA SCOTIA POWER
An Emera Company

Facilities Study
Infra-Structure Report

W.O.no.: _____ Page 29 of 51

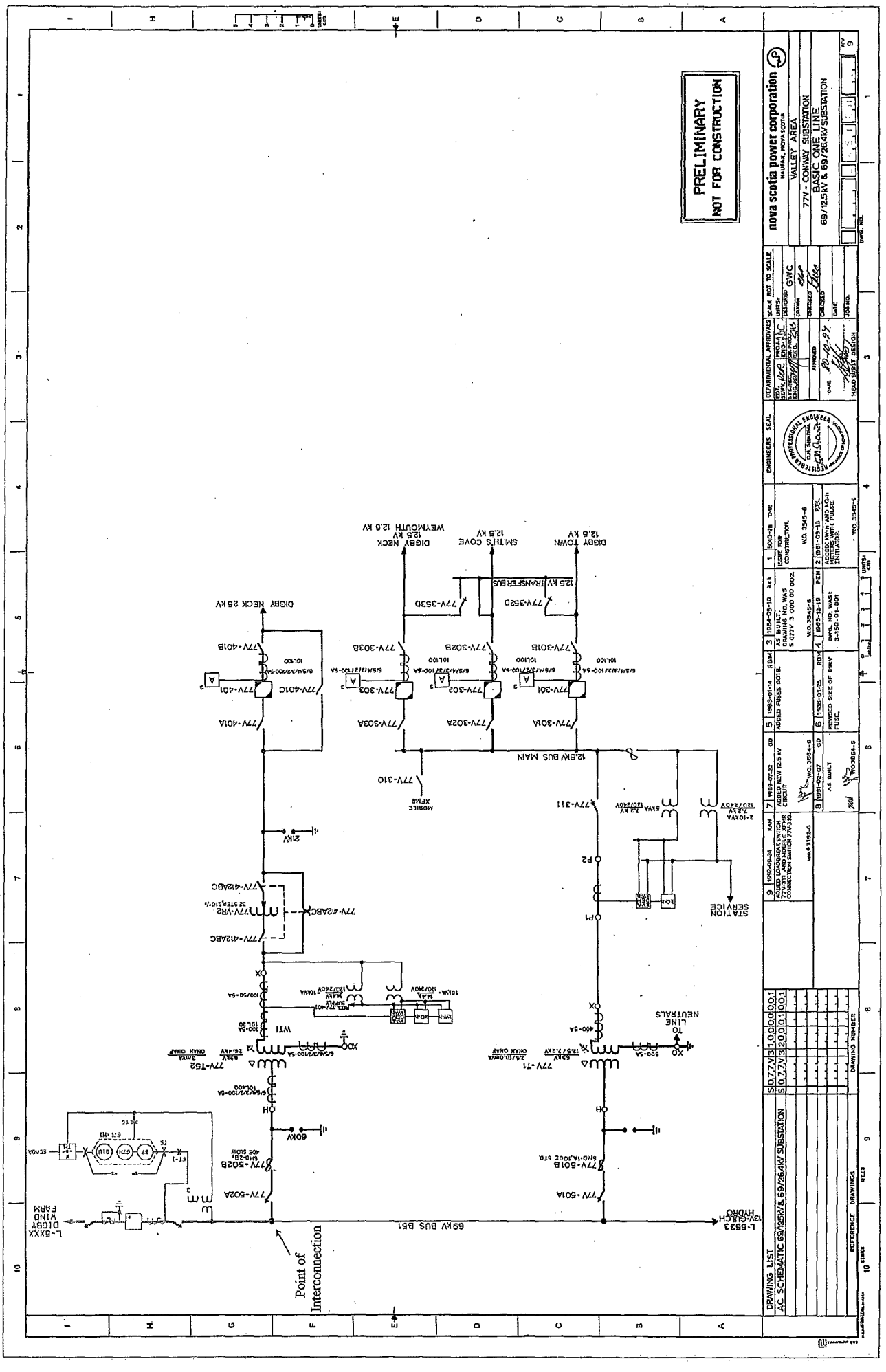
Project: Digby Generating Facility

Date: 2009-07-31 Rev. no.: 0

System	Description

APPENDIX B – One Line Diagram of System Connection

Transmission Engineering	prepared by: Tim Leopold, P.Eng.	Customer Operations	checked by:
Department	approved by:	**Division**	approved by:


PRELIMINARY
NOT FOR CONSTRUCTION
nova scotia power corporation
77V - CONWAY SUBSTATION
BASIC ONE LINE
69/12.5kV & 69/26.4kV SUBSTATION
DIGBY TOWN 12.5 kV
SMITH'S COVE 12.5 kV
DIGBY NECK 12.5 kV
WEYMOUTH 12.5 kV
DIGBY NECK 25 kV
12.5kV TRANSFER BUS
12.5kV BUS MAIN
69kV BUS B51
Point of Interconnection
L-5533 HIDDO
L-5XXX DIGBY WIND FARM
MOBILE XFMR
STATION SERVICE
TO LINE NEUTRALS
DRAWING LIST
AC SCHEMATIC 69/25kV & 69/26.4kV SUBSTATION

NOVA SCOTIA POWER An Emera Company

Facilities Study Infra-Structure Report

W.O.no.: _____ Page 31 of 51

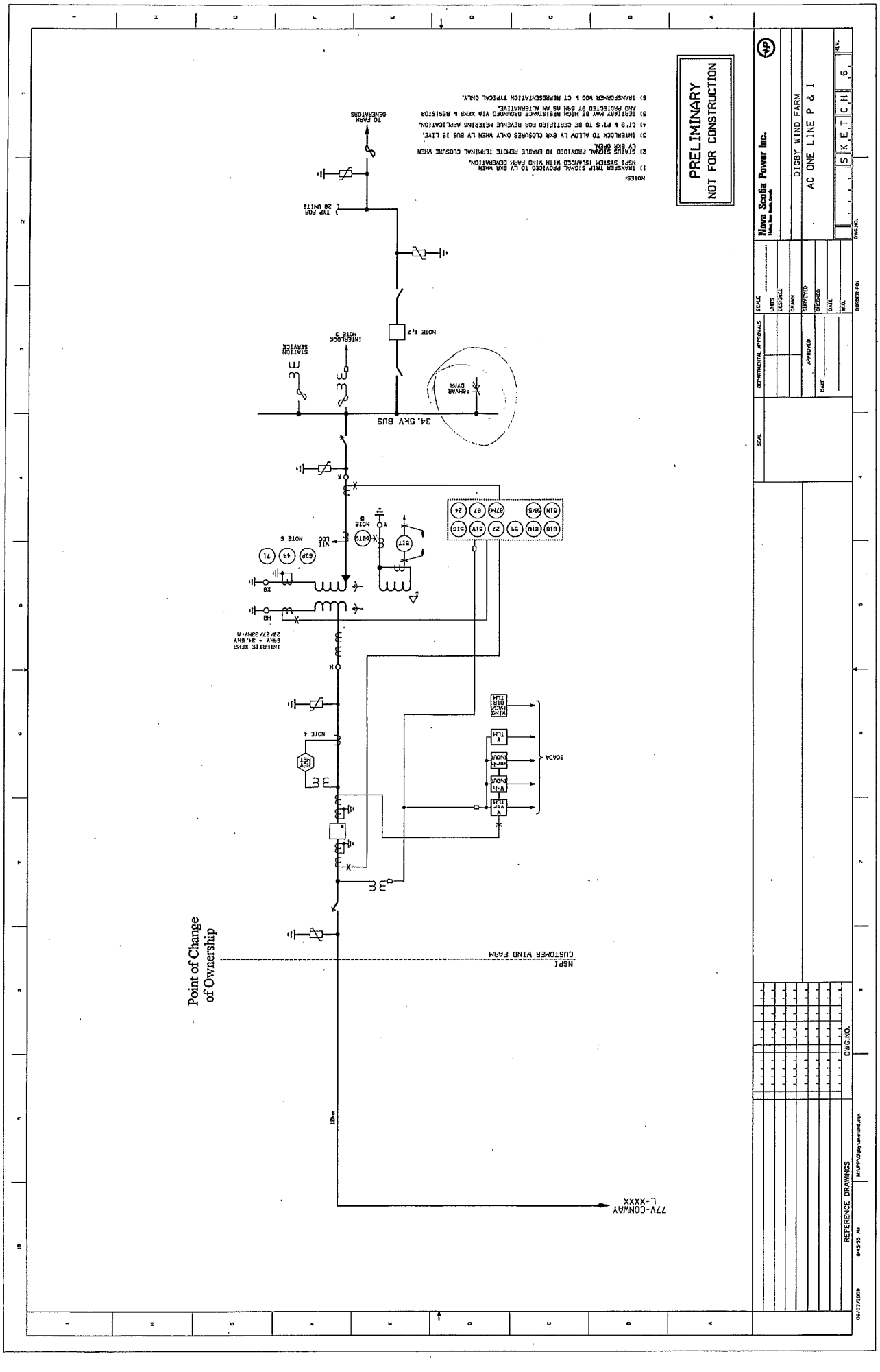
Project: Digby Generating Facility

Date: 2009-07-31 Rev. no.: 0

System	Description

APPENDIX C – One Line Diagram of Interconnection Substation

Transmission Engineering	prepared by: Tim Leopold, P.Eng.	Customer Operations	checked by:
Department	approved by:	**Division**	approved by:


PRELIMINARY
NOT FOR CONSTRUCTION
Nova Scotia Power Inc.
DIGBY WIND FARM
AC ONE LINE P & I
SHEET 1 OF 1
REV. 6
NOTES:
1) TRANSFER TRIP SIGNAL PROVIDED TO LV BKR WHEN NSPI SYSTEM ISLANDED WITH WIND FARM GENERATION.
2) STATUS SIGNAL PROVIDED TO ENABLE REMOTE TERMINAL CLOSURE WHEN LV BKR OPEN.
3) INTERLOCK TO ALLOW LV BKR CLOSURES ONLY WHEN LV BUS IS LIVE.
4) CT'S & PT'S TO BE CERTIFIED FOR REVENUE METERING APPLICATION.
5) TERTIARY WYE OF HIGH RESISTANCE GROUNDED VIA XFMR & RESISTOR AND PROTECTED BY 5kV MOV AS AN ALTERNATIVE.
6) TRANSFORMER MVA & CT REFRESCNTATION TYPICAL ONLY.
34.5kV BUS
Point of Change of Ownership
NSPI CUSTOMER WIND FARM
77Y-CONWAY L-XXXX
SCADA
INTERLOCK NOTE 3
STATION SERVICE
NOTE 1,2
NOTE 4
NOTE 6
TYP FOR 28 UNITS
TO FARM GENERATORS

NOVA SCOTIA POWER An Emera Company

Facilities Study Infra-Structure Report

W.O.no.: _____ Page 33 of 51

Project: Digby Generating Facility

Date: 2009-07-31 Rev. no.: 0

System	Description

APPENDIX D

System Changes Required at 13V-Gulch, 11V–Paradise, 51V–Tremont, and 9W–Tusket Substations.

Transmission Engineering	prepared by: Tim Leopold, P.Eng.	Customer Operations	checked by:
Department	approved by:	**Division**	approved by:

Pages 155 through 160 have been removed due to confidentiality.

NOVA SCOTIA POWER
An Emera Company

Facilities Study
Infra-Structure Report

W.O.no.: _____ Page 40 of 51

Project: Digby Generating Facility

Date: 2009-07-31 Rev. no.: 0

System	Description

APPENDIX E – Preliminary Project Schedule

Transmission Engineering	prepared by: Tim Leopold, P.Eng.	Customer Operations	checked by:
Department	approved by:	**Division**	approved by:

NOVA SCOTIA POWER
An Emera Company

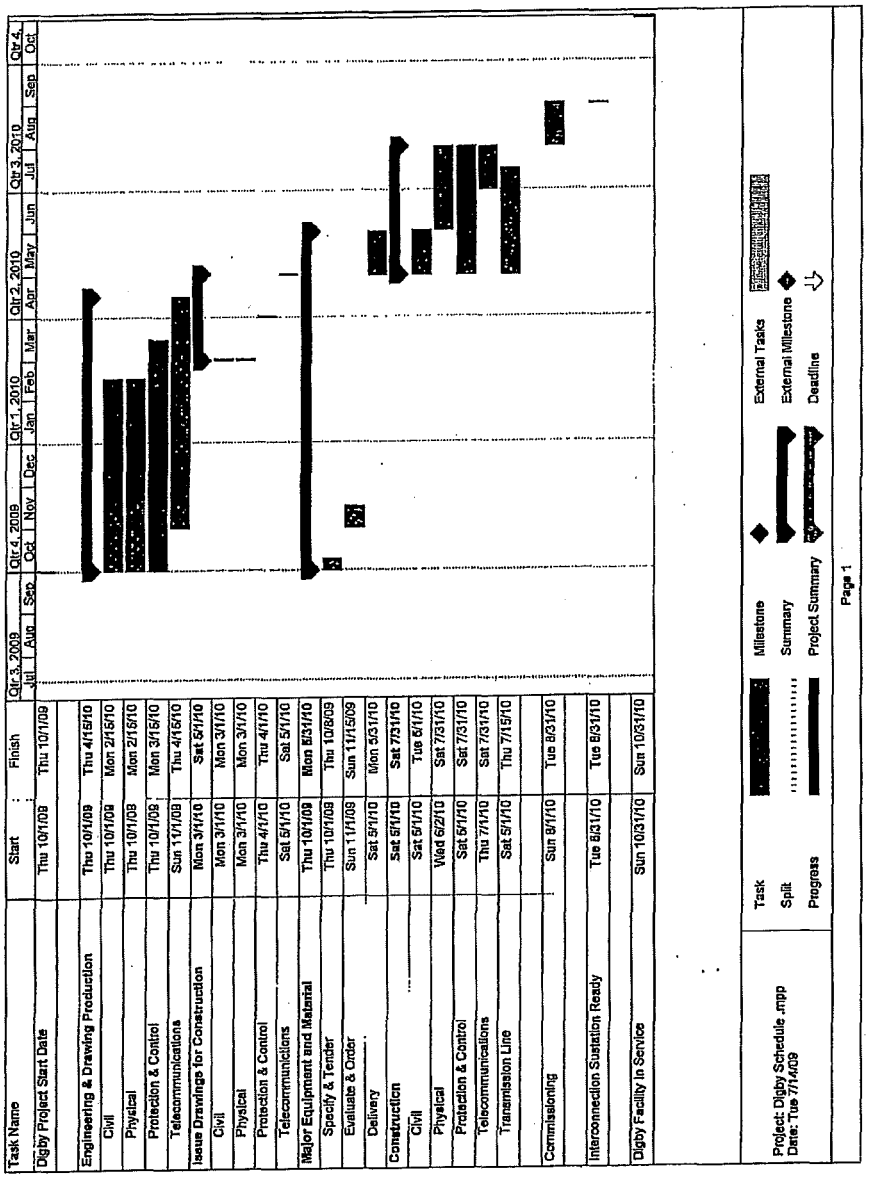
Facilities Study
Infra-Structure Report

W.O.no.: _____ Page 41 of 51

Project: Digby Generating Facility

Date: 2009-07-31 Rev. no.: 0

System	Description



Transmission Engineering	prepared by: Tim Leopold, P.Eng.	Customer Operations	checked by:
Department	approved by:	**Division**	approved by:

NOVA SCOTIA POWER An Emera Company

Facilities Study
Infra-Structure Report

W.O.no.: _____ Page 42 of 51

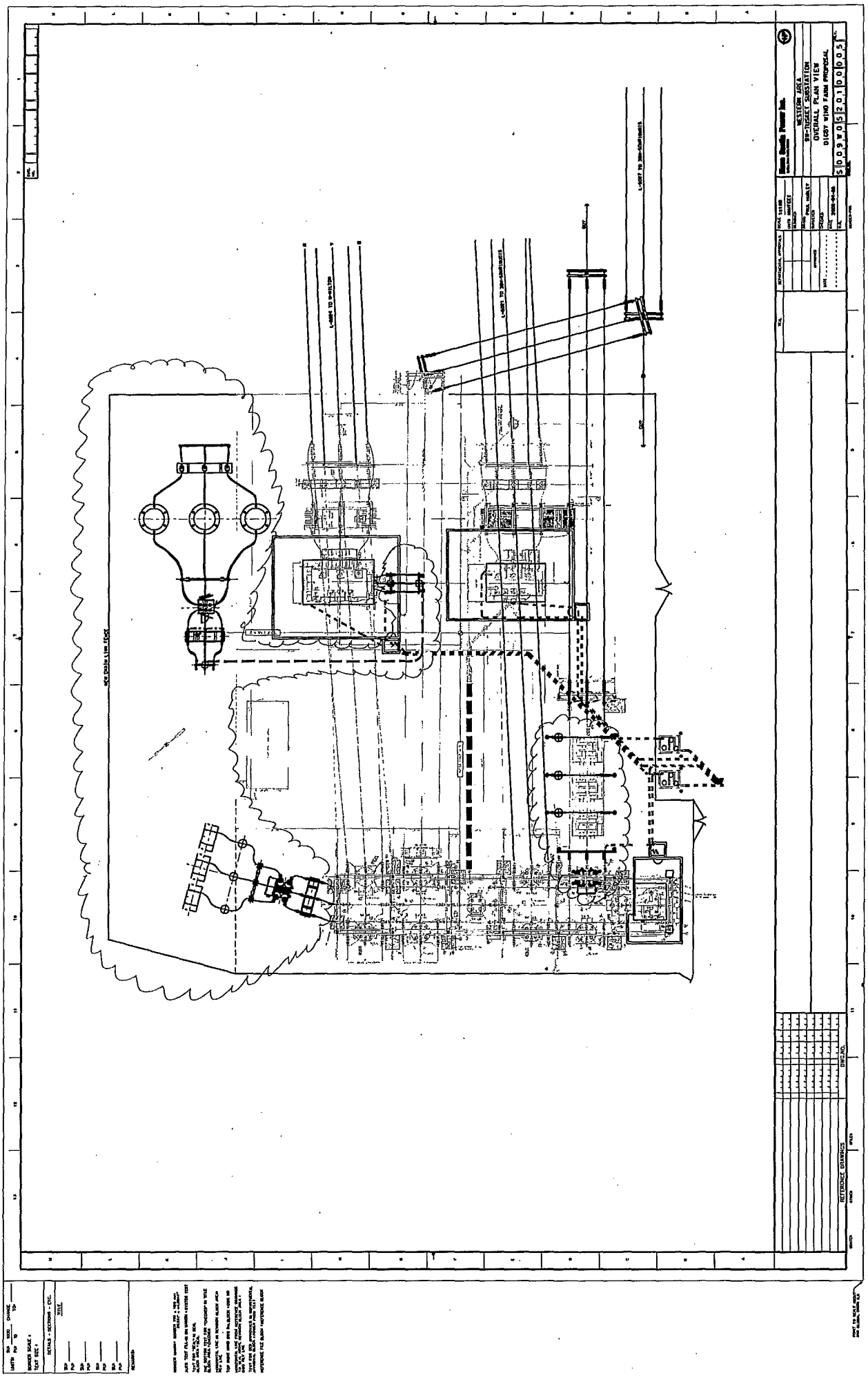
Project: Digby Generating Facility

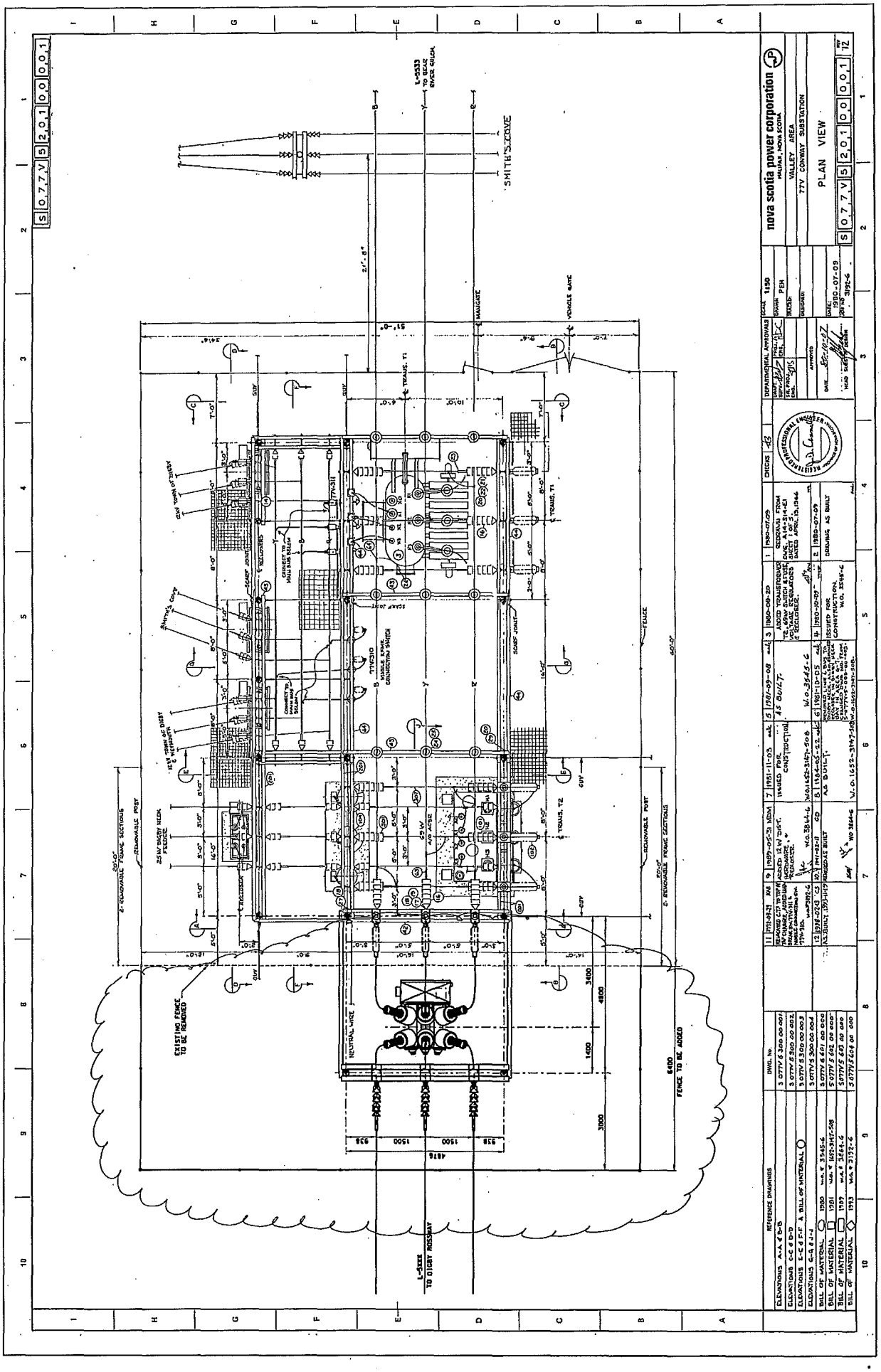
Date: 2009-07-31 Rev. no.: 0

System	Description

APPENDIX F
Proposed Substation Layouts
(77V Conway and 9W Tusket)

Transmission Engineering	prepared by: Tim Leopold, P.Eng.	Customer Operations	checked by: _____
Department	approved by: _____	**Division**	approved by: _____


WESTERN AREA
69-TUSKET SUBSTATION
OVERALL PLAN VIEW
DIGBY WIND FARM PROPOSAL
5009X05-20100-005
L-6067 TO 69kV/138kV
L-6068 TO 69kV/138kV
69kV
138kV
REFERENCE DRAWINGS


S 0 7 7 V S 2 0 1 0 0 0 1
nova scotia power corporation
HALIFAX, NOVA SCOTIA
VALLEY AREA
77V CONWAY SUBSTATION
PLAN VIEW
S 0 7 7 V S 2 0 1 0 0 0 1 12
SCALE 1:50
DRAWN PEH
DESIGNED
CHECKED
APPROVED
DATE: 1980-07-09
JOB NO. 3192-6
DEPARTMENTAL APPROVALS
DRAFTING
PROJ. ENGR.
SYS. PROTECTION
CONS.
HEAD SUBSTATION DESIGN
REFERENCE DRAWINGS
ELEVATIONS A-A & B-B
ELEVATIONS C-C & D-D
ELEVATIONS E-E & F-F
ELEVATIONS G-G & J-J
BILL OF MATERIAL
BILL OF MATERIAL
BILL OF MATERIAL
BILL OF MATERIAL
DWG. No.
3 077V S 300 00 001
3 077V S 300 00 002
3 077V S 300 00 003
3 077V S 300 00 004
3 077V S 401 00 000
3 077V S 602 00 000
3 077V S 603 00 000
3 077V S 604 00 000
1980 W.O. # 3545-6
1981 W.O. # 1652-3147-506
1979 W.O. # 3564-6
1983 W.O. # 3192-6
SMITH'S COVE
DIGBY HIGHWAY
TO DIGBY
TRANS. T1
TRANS. T2
25kV DIGBY NECK FEEDER
DIGBY TOWN OF DIGBY
DIGBY NECK
MANUAL REPAIR CONNECTING SWITCH
SCARF JOINTS
FENCE
GUY
MANGATE
VEHICLE GATE
EXISTING FENCE TO BE REMOVED
FENCE TO BE ADDED
NEUTRAL WIRE
REMOVABLE FRAME SECTIONS
REMOVABLE POST
2'-6"
3400
4800
1400
3000
6400
938
1500
4876
1980-07-09
1980-09-22
1980-09-09
1981-11-03
1981-10-05
1980-10-07
1981-11-24
1989-05-31
1979-02-23
1981-12-21
AS BUILT
ISSUED FOR CONSTRUCTION
W.O. 3545-6
W.O. 1652-3147-506
W.O. 3564-6
W.O. 3192-6

Facilities Study Infra-Structure Report	W.O.no.: _____ Page 45 of 51 Project: Digby Generating Facility Date: 2009-07-31 Rev. no.: 0

System	Description
	APPENDIX G – Standard Generator Interconnection Procedures Attachment A & B

Transmission Engineering	prepared by: Tim Leopold, P.Eng.	Customer Operations	checked by: _____
Department	approved by: _____	**Division**	approved by: _____

NSPI Standard Generator Interconnection Procedures

Attachment A
To Appendix 4
Interconnection Facilities
Study Agreement

INTERCONNECTION CUSTOMER SCHEDULE ELECTION FOR CONDUCTING THE INTERCONNECTION FACILITIES STUDY

The Transmission Provider shall use Reasonable Efforts to complete the study and issue a draft Interconnection Facilities Study report to the Interconnection Customer within the following number of days after of receipt of an executed copy of this Interconnection Facilities Study Agreement:

- ninety Calendar Days with no more than a +/- 20 percent cost estimate contained in the report, or

✓ one hundred eighty Calendar Days with no more than a +/- 10 percent cost estimate contained in the report.

NOVA SCOTIA POWER An Emera Company

Facilities Study Infra-Structure Report

W.O.no.: _____ Page 47 of 51

Project: Digby Generating Facility

Date: 2009-07-31 Rev. no.: 0

System	Description

Attachment B (page 1)
Appendix 4
Interconnection Facilities
Study Agreement

DATA FORM TO BE PROVIDED BY INTERCONNECTION CUSTOMER WITH THE INTERCONNECTION FACILITIES STUDY AGREEMENT

Provide location plan and simplified one-line diagram of the plant and station facilities. For staged projects, please indicate future generation, transmission circuits, etc.

One set of metering is required for each generation connection to the new ring bus or existing Transmission Provider station. Number of generation connections:

On the one line indicate the generation capacity attached at each metering location. (Maximum load on CT/PT)

On the one line indicate the location of auxiliary power. (Minimum load on CT/PT) Amps

Will an alternate source of auxiliary power be available during CT/PT maintenance?

____Yes ____No

Will a transfer bus on the generation side of the metering require that each meter set be designed for the total plant generation?

____Yes ____No (Please indicate on one line)

What type of control system or PLC will be located at the Interconnection Customer's Generating Facility?

What protocol does the control system or PLC use?

Transmission Engineering	prepared by: Tim Leopold, P.Eng.	Customer Operations	checked by:
Department	approved by:	**Division**	approved by:

NOVA SCOTIA POWER An Emera Company

Facilities Study Infra-Structure Report

W.O.no.: _____ Page 48 of 51

Project: Digby Generating Facility

Date: 2009-07-31 Rev. no.: 0

System	Description

NSPI Standard Generator Interconnection Procedures

Please provide a 7.5-minute quadrangle of the site. Sketch the plant, station, transmission line, and property line.

Physical dimensions of the proposed interconnection station:

Bus length from generation to interconnection station:

Line length from interconnection station to Transmission Provider's transmission line.

Tower number observed in the field. (Painted on tower leg)*

Number of third party easements required for transmission lines*:

* To be completed in coordination with Transmission Provider.

Is the Generating Facility in the Transmission Provider's service area?

____Yes ____No Local provider:_____

Please provide proposed schedule dates:

Begin Construction Date:_____

Transmission Engineering	prepared by: Tim Leopold, P.Eng.	Customer Operations	checked by:
Department	approved by:	**Division**	approved by:

NOVA SCOTIA POWER An Emera Company

Facilities Study Infra-Structure Report

W.O.no.: _____ Page 49 of 51

Project: Digby Generating Facility

Date: 2009-07-31 Rev. no.: 0

System	Description

[illegible]PI [illegible]ard Generator Interconnection Procedures

Generator step-up transformer receives back feed power — Date: [illegible]

Generation Testing — Date: [illegible]

Commercial Operation — Date: [illegible]

Transmission Engineering	prepared by: Tim Leopold, P.Eng.	Customer Operations	checked by: _____
Department	approved by: _____	**Division**	approved by: _____

NOVA SCOTIA POWER
An Emera Company

Facilities Study
Infra-Structure Report

W.O.no.: _____ Page 50 of 51

Project: Digby Generating Facility

Date: 2009-07-31 Rev. no.: 0

System	Description

APPENDIX H – CUSTOMER COMMENTS

Transmission Engineering	prepared by: Tim Leopold, P.Eng.	Customer Operations	checked by:
Department	approved by:	**Division**	approved by:

NOVA SCOTIA POWER An Emera Company

Facilities Study Infra-Structure Report

W.O.no.: _____ Page 51 of 51

Project: Digby Generating Facility

Date: 2009-07-31 Rev. no.: 0

System	Description

From: Stephane Desdunes [mailto:stephaned@skypower.com]
Sent: Friday, September 04, 2009 5:04 PM
To: CHARLTON, JOHN
Cc: Mohammad Amjad; Cory Basil
Subject: Final Comments for Draft Facility Study Digby (IR 141)
Importance: High

Hi John,

As discussed, here is the list of questions that we had asked during our Draft Facility Study Results Meeting. These questions represent our **Final Comments on the Facility Study.**

1. **Environmental:** During our last meeting with Tim Leopold, he mentioned that NSPI could obtain the environmental approval for the transmission line. SkyPower would like to request the names/contact details of the individuals at NSPI that could be able to work with SkyPower and NSE to get the EA approval for the new route, after August 24th.
2. **Transmission Line Route:** Attached is the latest map showing the obtained easements for the transmission line.

- How long will it take to issue an addendum to the project and have an idea of the difference in costing?
- How could this affect the projected 11 month schedule?

3. **Active Power Control:** NSPI has asked for active power control, and that is normally required for conventional power stations. Can NSPI change that option?
4. **DVAR:** NSPI has shown total DVAR as reactive compensation on their single line diagram. Previously, it was a static VAR compensation. Why was it changed to DVAR in the facility study?
5. **Engineering and Procurement Security or GIA security:** During our last conversation with you, you had mentioned that our security deposit for the GIA or the E&P agreement could be broken down into 2 or possibly 3 payments.

a) Please provide us with an estimate of the deposit required for the design and procurement phase.
b) Also would like to confirm with you that if we don't go the E&P route, the deposit for the design and procurement phase could also be applied as our first deposit once the GIA is signed.
c) Could you provide us a detailed breakdown of that amount

Stephane Desdunes
Eastern Region, Project Director
SkyPower Corp.
Office: 416-979-4625 ext. 2407
Cellular: 647-502-9541
Email: stephaned@skypower.com

Transmission Engineering	prepared by: Tim Leopold, P.Eng.	Customer Operations	checked by: _____
Department	approved by: _____	**Division**	approved by: _____

Appendix D
To GIA

Security Arrangements Details

Infrastructure security of Transmission System equipment and operations and control hardware and software is essential to ensure day-to-day Transmission System reliability and operational security. The Board will expect all Transmission Providers, market participants, and Interconnection Customers interconnected to the Transmission System to comply with best practice recommendations from the Applicable Reliability Council and NERC (North American Electric Reliability Corporation). All public utilities will be expected to meet basic standards for system infrastructure and operational security, including physical, operational, and cyber-security practices.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY BLANK]

Appendix E

To GIA

Initial Synchronization Date and Commercial Operation Date

This Appendix E is a part of the GIA between Transmission Provider and Interconnection Customer, and is to be submitted 24hrs prior to the Initial Synchronization Date to confirm the date on which the Trial Operation of the unit at the Generating Facility is expected to begin and again within 24hrs of the Commercial Operation Date to confirm the completion of the Trial Operation and the date on which commercial operation of such unit commenced.

Date: _____

Nova Scotia Power
P.O. Box 910
Halifax, NS B3J 2W5
Attention: M. Sampson, Director Control Centre Operations

Re: **3240384 Nova Scotia Limited - Digby Generating Facility**

Dear _____:

On **[Date], 3240384 Nova Scotia Limited** expects to begin Trial Operation of Unit No. ___at the Generating Facility.

On **[Date], 3240384 Nova Scotia Limited** has completed Trial Operation of Unit No. ___. This letter confirms that **3240384 Nova Scotia Limited** commenced commercial operation of Unit No. _____ at the Generating Facility, effective as of **[Date plus one day]**.

Thank you.

[Signature]

[Interconnection Customer Representative]

Appendix F

To GIA

Addresses for Delivery of Notices and Billings

Notices:.

Transmission Provider:

Mail:
Nova Scotia Power Inc.
P.O. Box 910
Halifax, Nova Scotia
B3J 2W5
Attention: Corporate Secretary

Courier:
Nova Scotia Power Inc.
1894 Barrington Street
Halifax, Nova Scotia
B3J 2A8
Attention: Corporate Secretary

Interconnection Customer:

3240384 Nova Scotia Limited
1894 Barrington St.
Barrington Tower
Halifax, Nova Scotia
Canada
B3J 2A8

Billings and Payments:

Transmission Provider:

Nova Scotia Power Inc.
P.O. Box 910
Halifax, Nova Scotia
B3J 2W5
Attention: Billing Services

Interconnection Customer:

3240384 Nova Scotia Limited
1894 Barrington St.
Barrington Tower
Halifax, Nova Scotia
Canada
B3J 2A8

Alternative Forms of Delivery of Notices (telephone, facsimile or email):

Transmission Provider:

Nova Scotia Power
P.O. Box 910
Halifax, Nova Scotia
B3J 2W5
Attention: M. Sampson, Director Control Centre Operations

Interconnection Customer:

3240384 Nova Scotia Limited
1894 Barrington St.
Barrington Tower
Halifax, Nova Scotia
Canada
B3J 2A8

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY BLANK]

APPENDIX G

To GIA

INTERCONNECTION REQUIREMENTS FOR A WIND GENERATING PLANT

Appendix G sets forth requirements and provisions specific to a wind generating plant. All other requirements of this GIA continue to apply to wind generating plant interconnections.

A. Technical Standards Applicable to a Wind Generating Plant

i. Low Voltage Ride-Through (LVRT) Capability

A wind generating plant shall be able to remain online during voltage disturbances up to the time periods and associated voltage levels set forth in the standard below.

LVRT Standard

All wind generating plants must meet the following requirements:

1. Wind generating plants are required to remain in-service during three-phase faults with normal clearing (which is a time period of approximately 4 – 9 cycles) and single line to ground faults with delayed clearing, and subsequent post-fault voltage recovery to prefault voltage unless clearing the fault effectively disconnects the generator from the system. The clearing time requirement for a three-phase fault will be specific to the wind generating plant substation location, as determined by and documented by the transmission provider. The maximum clearing time the wind generating plant shall be required to withstand for a three-phase fault shall be 9 cycles after which, if the fault remains following the location-specific normal clearing time for three-phase faults, the wind generating plant may disconnect from the transmission system. A wind generating plant shall remain interconnected during such a fault on the transmission system for a voltage level as low as zero volts, as measured at the high voltage side of the wind generating plant step-up transformer ("GSU"). For the purposes of Appendix G, "GSU" shall mean Interconnection Customer's Interconnection Facilities substation transformer.

2. This requirement does not apply to faults that would occur between the wind generator terminals and the high side of the GSU.

3. Wind generating plants may be tripped after the fault period if this action is intended as part of a special protection system.

4. Wind generating plants may meet the LVRT requirements of this standard by the performance of the generators or by installing additional equipment (e.g., Static VAr Compensator) within the wind generating plant or by a combination of generator performance and additional equipment.

5. Existing individual generator units that are, or have been, interconnected to the network at the same location at the effective date of the Appendix G LVRT Standard are exempt from meeting the Appendix G LVRT Standard for the remaining life of the existing generation equipment. Existing individual generator units that are replaced are required to meet the Appendix G LVRT Standard.

ii. Power Factor Design Criteria (Reactive Power)

A wind generating plant shall maintain a power factor within the range of 0.95 leading to 0.95 lagging, measured at the Point of Interconnection as defined in this GIA. The power factor range standard can be met by using, for example, power electronics designed to supply this level of reactive capability (taking into account any limitations due to voltage level, real power output, etc.) or fixed and switched capacitors if agreed to by the Transmission Provider, or a combination of the two. The Interconnection Customer shall not disable power factor equipment while the wind plant is in operation. Wind plants shall also be able to provide sufficient dynamic voltage support in lieu of the power system stabilizer and automatic voltage regulation at the generator excitation system if the System Impact Study shows this to be required for system safety or reliability.

iii. Supervisory Control and Data Acquisition (SCADA) Capability

The wind plant shall provide SCADA capability to transmit data and receive instructions from the Transmission Provider to protect system reliability. The Transmission Provider and the wind plant Interconnection Customer shall determine what SCADA information is essential for the proposed wind plant, taking into account the size of the plant and its characteristics, location, and importance in maintaining generation resource adequacy and transmission system reliability in its area.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY BLANK]

APPENDIX H

To GIA

REGULATORY AND GOVERNMENT AGENCY APPROVALS

Interconnection Customer
Interconnection Customer shall be solely responsible to obtain any and all permits and approvals (such as regulatory environmental approvals both federal and provincial) that (1) it requires to lawfully construct, own and operate the Generating Facility and the Interconnection Customer's Interconnection Facilities and (2) are required to lawfully construct Transmission Providers Interconnection Facilities.

Transmission Provider
Transmission Provider shall be solely responsible to obtain any and all permits and approvals that (1) it requires to lawfully own and operate the Transmission Provider's Interconnection Facilities and (2) it requires to lawfully construct, own and operate any and all Network Upgrades and (3) it requires to lawfully construct modifications to (as may be contemplated in this Agreement), own and operate the Transmission System.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY BLANK]

ASSIGNMENT AND ASSUMPTION OF CONTRACTS AGREEMENT

THIS AGREEMENT dated as of the 28th day of May, 2010.

B E T W E E N:

3240384 NOVA SCOTIA LIMITED, a body corporate, incorporated under the laws of the Province of Nova Scotia

(the "**Assignor**")

- and -

NOVA SCOTIA POWER INCORPORATED, a body corporate, incorporated under the laws of the Province of Nova Scotia

(the "**Assignee**")

WHEREAS the Assignee has agreed to purchase certain assets from the Assignor pursuant to the terms and conditions contained in an Asset Purchase Agreement between the Assignor, as Vendor and the Assignee, as Purchaser, dated May 28, 2010 (the "**Purchase Agreement**");

AND WHEREAS the assets to be sold by the Assignee pursuant to the Agreement include certain contracts and agreements set out in Schedule "A" attached hereto and the Options relating to real property and the Permits (collectively the "**Contracts**");

AND WHEREAS pursuant to the Agreement the Assignor has agreed to assign and the Assignee has agreed to assume all of the Contracts as of the Closing Date at the Time of Closing (the "**Effective Time**").

NOW THEREFORE in consideration of the exchange of mutual covenants set out herein and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties covenant and agree as follows:

1. Defined Terms. Capitalized terms used in this Agreement and not otherwise defined herein shall have the meanings given to them in the Purchase Agreement.

2. Assignment of Contracts. The Assignor hereby assigns, transfers and sets over unto the Assignee, for its sole use and benefit, effective from but excluding the Effective Date, all of its right, title and interest in and to all of the Contracts, together with all income and other benefits, advantages, privileges and rights pursuant or relating thereto or arising and flowing therefrom together with all the Assignors rights in and to and all its rights to claim against any deposits or other payment made under or pursuant to the Contracts.

3. Assumption by Assignee. In consideration of the foregoing assignment of the Contracts by the Assignor to the Assignee, the Assignee hereby assumes and covenants to be bound by the Assignor's liabilities and obligations arising or flowing from and under or in any way connected with the Contracts effective from the Effective Time on the Effective Date or such other time as may be specifically agreed in writing by the Assignee, the Assignor and the other parties to any applicable Contracts, and covenants and agrees with the Assignor to duly keep, observe, perform and comply with or cause to be kept, observed, performed and complied with all such liabilities, obligations and all stipulations, restrictions, provisions and conditions set forth in and in accordance with the provisions of the Contracts after the Effective Time on the Effective Date, or such other date as specifically agreed in writing, as fully as if the Assignee was originally named as a party thereunder and had entered into the Contracts in the place and stead of the Assignor.

4. Indemnity of Assignor. The Assignor shall, indemnify and save the Assignee harmless from and against any and all claims, losses, liabilities obligations, fees, fines, penalties, interest, deficiencies, costs, expenses, damages, disputes or actions of any nature or kind whatsoever arising by virtue or in respect of or pursuant to the Contracts with respect to any matter which has occurred or has arisen prior to and including the Effective Date, including, without limitation, any breach or failure to comply with the terms and conditions therefore and ay and all actions, suits, proceedings, demands, claims, costs, legal and other expenses relating to or incidental thereto.

5. Assignor's Representations. The Assignor hereby represents and warrants to the Assignee:

a. with respect to the contracts identified in Schedule "A" (collectively the "**Material Contracts**") as follows:

(i) all are in good standing and all payments thereunder are up to date;

(ii) there have been no amendments, changes or modifications of any of the Material Contracts and there are no agreements outside the Material Contracts between the Assignor and any other party thereto;

(iii) there are no outstanding disputes between the Assignor and any other party to the Material Contracts;

(iv) the Assignor is not in default under any of the Material Contracts and to the best of the Assignor's knowledge there have been no defaults under any of the Material Contracts by any other party thereto;

(v) all parties, if required under the terms of any Material Contract, has consented to the completion of the transactions contemplated by this Agreement; and

(vi) subject to the receipt of the Required Consents, as defined in the Agreement, the transactions contemplated by this Agreement will not result in a breach, cancellation, suspension or termination of or penalty under any of the Material Contracts.

b. with respect to the Options as follows:

(i) there have been no amendments, changes or modifications of any of the Options and there are no agreements outside the Options between the Assignor and any landowner under any Options;

(ii) there are no existing disputes between the Assignor and any of the landowners under the Options and neither the Assignor nor any of the landowners are in default under the Options;

(iii) any and all fees due and payable to the landowner upon or in connection with the execution of the Options has been paid in full in accordance with the terms of the Options;

(iv) any and all fees due and owing by the Assignor to the landowner in connection with the execution of the Options have been paid in full by the Assignor to the landlords;

(v) each landowner, if required under the terms of any Option, has consented to the completion of the transactions contemplated by this Agreement; and

(vi) the transactions contemplated in this Agreement will not result in a breach, cancellation, suspension or termination of or penalty under any of the Options.

c. with respect to the Permits as follows:

(ii) each has been duly obtained or made, were validly issued to or assigned to the Assignee, are in full force and effect, are final and not subject to modification or appeal and all appeal periods applicable thereto have expired;

(iii) each is held in the name of the Assignor, (except as disclosed by the Assignor to the Assignee in writing prior to the Effective Date);

(iv) are free from any conditions or requirements the compliance with which the Assignee does not reasonably expect to be able to satisfy;

(v) no event has occurred that would, nor will the execution of this Agreement or, upon obtaining the Required Consents, as defined in the Agreement, the completion of the transactions contemplated hereunder result in the revocation, termination or modification of any such Permit or adversely affect any rights of the Assignor under any such Permit.

6. Further Assurances. The Assignee and the Assignor will from time to time hereafter and upon any reasonable request of the other, make or cause to be made all such further acts, deeds, assurances, agreements, acknowledgments, consents or other documents as may be required to more effectually implement the true intent of this Agreement.

7. Governing Law. This Agreement shall be governed by and in accordance with the laws of the Province of Nova Scotia and the laws of Canada applicable therein.

8. Enurement. This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

9. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument. Counterparts may be executed either in original or telecopied form and the parties to this Agreement adopt any signatures received by a receiving telecopier machine as original signatures of the parties.

REMAINDER OF THIS PAGE IS INTENTIONALLY BLANK

IN WITNESS WHEREOF the parties have executed this Assignment and Assumption Agreement as of the Effective Date.

Witness

3240384 NOVA SCOTIA LIMITED

Per: _____

Per: _____

Stephen Aftanas
Corporate Secretary
I have the authority to bind the corporation

Witness

NOVA SCOTIA POWER INCORPORATED

Per: _____

Name: Mark Savory
Title: VP, Technical and Construction Services

Witness

Per: _____

Name: Robert R. Bennett
Title: President and Chief Executive Officer

I/We have the authority to bind the corporation

SCHEDULE "A"
MATERIAL CONTRACTS

1. The Department of Natural Resources Clean Energy Agenda EcoEnergy for Renewable Power Repayable Contribution Agreement between between Her Majesty the Queen and 3240384 Nova Scotia Limited executed by the Minister of Natural Resources on March 12, 2010 .

2. The Procurement and Construction Contract Between Emera Utility Services Inc. and 3240384 Nova Scotia Limited dated February 9, 2010.

3. The Amended and Restated Contract for the Sale of Power Generation Equipment and Related Services among General Electric Company and General Electric Canada and Interwind Corp. (formerly SkyPower Corp.) for 20 1.5 SLE wind turbine generators dated March 2, 2009, together with Change Orders Nos. 1 through 8 issued thereunder, which was assigned by Interwind Corp. to 3240384, with the consent of General Electric Company and General Electric Canada pursuant to a Turbine Assignment and Consent Agreement dated December 22, 2009 together with Change Order No. 9 dated February 3, 2010 and Change Order No. 10 dated February 10, 2010 .

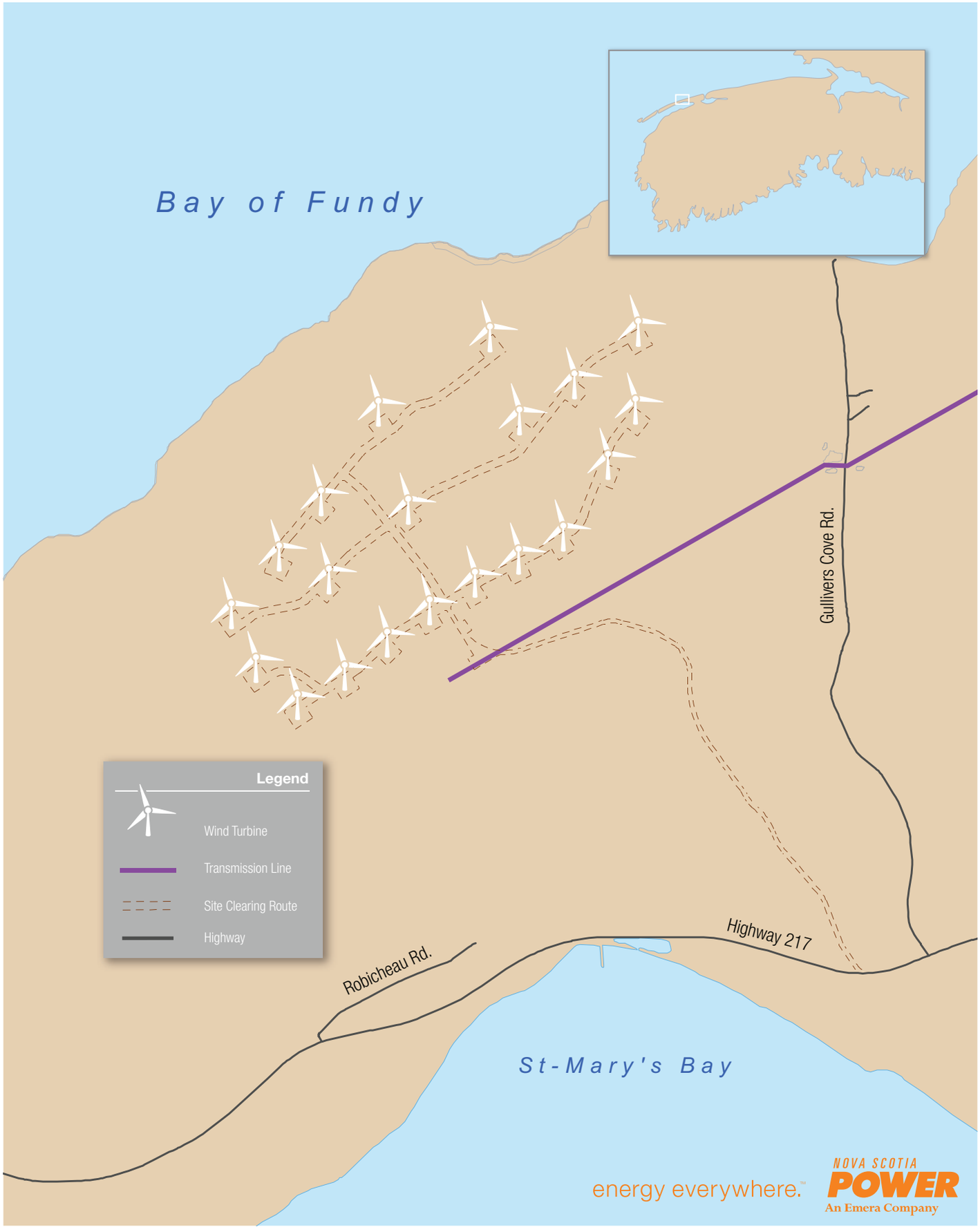
4. The Standard Generator Interconnection and Operating Agreement between the Nova Scotia Power Incorporated and 3240384 Nova Scotia Limited dated .

5. The purchase order between Interwind Corp. (formerly SkyPower Corp.) and Magna Electric Corporation dated April 2, 2009, which was assigned by Interwind Corp. to 3240384, with the written consent of Magna Electric Corporation.

6. The Services Agreement between 3240384 and Scotian Windfields Inc. dated as of December 2009;

7. The Agreement of Purchase and Sale between3240384 Nova Scotia Limited, as Purchaser and Churchill Ashford and Shirley Ashford as Vendor relating to the acquisition by 3240384 Nova Scotia Limited of certain lands identified as PID 30192447 and PID 30258982 and situate at or near the South side of Old Gulliver's Cove Road, Rossway, Digby County, Province of Nova Scotia.

Digby Wind Power Project Sitemap



NSPI: Digby Wind Farm Project

7/15/10

TASK	Start Date	End Date
Digby Wind Farm Project	***2/17/10***	***12/30/10***
Turbines	5/11/10	12/24/10
Foundations and Laydown	5/11/10	7/30/10
Deliveries	7/7/10	8/6/10
Erection	7/15/10	8/20/10
Initial Inspection	7/26/10	9/24/10
Commissioning	10/4/10	12/24/10
Collector System and	7/11/10	11/19/10
Padmount to Pole	8/2/10	10/6/10
Collector System	8/9/10	10/15/10
Substation	7/12/10	9/24/10
Fiber System	8/31/10	10/27/10
Commissioning	10/18/1	11/19/10
Transmission Line	2/17/10	11/1/10
Land Leases	2/17/10	7/15/10
Clearing	5/10/10	8/5/10
Design	5/24/10	8/6/10
Pole Setting	8/4/10	9/22/10
Framing	8/21/10	10/4/10
Hanging	9/6/10	10/15/10
Commission	10/18/1	11/1/10
In Service Date	12/30/10	12/30/10

