

OPTION TO LEASE AGREEMENT

Maine Bureau of Parks and Lands and Redington Mountain Windpower, LLC

This Option to Lease (the "Option") made this 5th day of February, 2004, is by and between the STATE OF MAINE, acting by and through its Department of Conservation, Bureau of Parks and Lands (Lessor), with an address of 22 State House Station, Augusta, Maine 04333-0016, and Redington Mountain Windpower, L.L.C, a Maine limited liability company, having its principal place of business at 57 Ryder Road, Yarmouth, ME 04096 (Lessee).

Whereas, Lessor owns in fee a parcel of land in Wyman Township, County of Franklin and State of Maine, more particularly shown on Schedule A attached hereto and incorporated herein (referred to as the "Site"), and may Transfer or Lease Public Reserved Lands for Utilities, and Rights-of-Way under Title 12 subsection 1852(4)(A) and

Whereas, Lessee desires to utilize part of the premises (the "**Lease Parcel**") for the purpose of constructing, maintaining, replacing, and using power transmission and communication lines with all associated and necessary fixtures, and

Now therefore, the parties hereto, for and in consideration of the mutual promises and agreements herein contained, covenant and agree as follows:

1. GRANT OF OPTION. Upon payment by Lessee of [REDACTED] Dollars (the "**Option Amount**"), Lessor does hereby grant to Lessee an option (the "**Option**") to Lease the Lease Parcel upon the terms and conditions hereinafter set forth. The Option shall be for a one (1) year period beginning on the date hereof and ending on the anniversary of the date hereof (the "**Option Term**") unless terminated earlier in accordance with the terms hereof. The Option Term may be extended by up to four (4) additional one-year terms upon the payment to Lessee by Lessor, before the expiration of the Option Term, of [REDACTED] for each extension. Should Lessee exercise the Option anytime during the Option Term, the

Option Amount shall be not be credited towards the Lease Payments set forth herein.

2. EXERCISE OF OPTION. Lessee's right to exercise its option is contingent upon Lessee obtaining, at Lessee's expense, all required federal, state and local permits for its wind farm project that will be producing the power that is to be transmitted across the Lease parcel. Lessee shall be deemed to have exercised its option to Lease the Lease Parcel upon delivery to Lessor, prior to the expiration of the Option Term of a written notice. Such written notice shall:

- (a) refer specifically to this Agreement;
- (b) state that Lessee is exercising its option to lease the Lease Parcel; and
- (c) provide a payment of [REDACTED]
- (d) provide a copy of its valid permits

3. PREMISES. Upon exercise of the Option, Lessor grants to Lessee the exclusive use of the Lease Parcel ("**Lease**") as described below and access thereto for the following purposes:

Constructing, maintaining, operating, altering, replacing, repairing, reconstructing, relocating, and changing the size of, power and communication lines with above or below grade conductors, poles, guy wires, interconnections with other power lines, protection devices, and other appurtenant facilities, all of which shall be and remain the property of Lessee, for the transmission of electricity and all byproducts thereof which can be transported through a power line, over, under, across, and upon the land of the Lessor as shown on Schedule B attached hereto and incorporated herein (hereinafter referred to the "**Powerline**"). The Lease Parcel shall be one hundred and fifty feet (150') in width except where it is adjacent to the existing Boralex right-of-way in which event the width shall be limited to seventy five feet (75').

Provided however, such use shall be subject to the right of the Lessor, its successors and assigns to cross the Powerline by any and all means and for all purposes, including utilities, at any locations as long as such crossing does not interfere with the safe operation of Lessee's Powerline.

4. TEMPORARY WORKSPACE. Lessor grants to Lessee a temporary workspace adjacent to Stoney Brook Road of 150' width and 200 feet in length as shown on Schedule B to help facilitate construction of the Powerline; provided however, that Lessee may use said space for only two years from date of beginning of construction.

5. TERM. The Lease shall run for the term of twenty-five (25) years, commencing on the date Lessee exercises its Option, unless otherwise terminated consistent with the provisions of this Lease.

6. RENT. Lessee agrees to pay Lessor an annual rent of [REDACTED], the first payment of which is due upon exercising the Option. For subsequent years the rental payment is due on or before the first day of January. The parties agree that the Lessor may increase this rental fee at five-year intervals based on the CPI-U index. Checks are to be made payable to the Treasurer, State of Maine, and delivered to the offices of the Bureau of Parks and Lands, 22 State House Station, Augusta, Maine 04333-0022.

7. TIMBER COMPENSATION. Lessee agrees to compensate Lessor for all merchantable wood removed from the Premises and Temporary Workspace. Lessee agrees to pay Lessor fair market value no later than thirty (30) days after the Lease Property and Temporary Workspace have been cleared of all merchantable wood. The check is to be made payable to: Treasurer, State of Maine; said check to be delivered to the offices of the Bureau of Parks and Lands, 22 State House Station, Augusta, Maine 04333-0022. Failure to submit payment within thirty (30) days shall constitute default as under Section 13.

8. ACCESS, INSTALLATION, MAINTENANCE AND REPAIR; No Unnecessary Disturbance; Governmental Approvals.

8.1 Lessor shall permit Lessee the reasonable access necessary to design, survey, permit, install, operate and maintain Lessee's Powerline on the Lease Property. Lessee shall have the right to enter or leave the Site during normal business hours or upon reasonable prior notice to Lessor. Lessee shall be responsible for necessary repairs and maintenance of its personal property located on the Site. Neither party shall permit any non biodegradable waste to be left on the Site for the term of this Lease. Further, Lessee shall be responsible for herbaceous seeding of all disturbed areas. Lessee shall install, maintain, repair and operate its Powerline at Lessee's expense and risk, and in accordance with all applicable laws and regulations and so

as to prevent interference with any other transmission equipment on the Site.

8.2 Lessee will disturb the vegetation and ground within the Premises only to the minimum extent necessary to allow Lessee to install and operate the Powerline allowed herein. All work shall be undertaken in a safe and environmentally sound manner and without causing accelerated soil erosion or water siltation. Prior to any construction, installation, tree or vegetation removal, excavation or other disturbance of the land, Lessee will give at least seven (7) days written notice to Lessor of the area(s) to be disturbed. When the work is complete, Lessee shall restore the affected land to a safe and reasonably natural condition, including by grading and planting and maintaining vegetation within any disturbed areas.

8.3 Lessee will, at its sole cost and expense, apply for, process, obtain and keep in force any and all governmental or other approvals, permits, licenses or authorizations that may be required to construct, install, maintain, operate and remove the Powerline and to undertake the other actions and transactions contemplated by this Agreement.

9. ALTERATIONS. Lessee shall not make alterations to the Site or other improvements thereon, until the date of commencement of this Lease, without the prior written consent of the Lessor.

10. INSURANCE. Lessee shall provide and maintain throughout the term of the Lease comprehensive public liability insurance to protect the interests of BPL, the State of Maine, their employees and agents, with respect to all of the activities of Lessee undertaken pursuant to the Lease. This insurance shall be in an amount of no less than Four Hundred Thousand (\$400,000.00) Dollars per occurrence and shall otherwise be in such form and content as BPL may reasonably require in order to protect against liability exposure of BPL, the State of Maine, their employees and agents. Lessee may carry such other forms of property insurance against loss or damage to the Lease Parcel as it deems appropriate; BPL shall have no responsibility or liability with respect to the Lease Parcel, Powerline or any interest of the Lessee. Lessee shall also carry such insurance as shall protect from all claims under any Workers Compensation laws in effect that may be applicable to Lessee. All insurance required hereunder shall remain in force for the entire life of this Agreement and shall name Lessor as an additional insured. No policy shall be canceled without thirty (30) days written notice to Lessor such action.

Lessee shall insure its own equipment against fire, vandalism, theft, or acts of terrorism.

11. INDEMNIFICATION. Lessee shall indemnify, defend and hold Lessor, its employees and agents harmless from and against any and all claims, demands, causes of action, losses, costs and attorney's fees, which may be incurred by, asserted against or imposed upon Lessor, its employees and agents arising out of (i) any injury to person or damage to property occurring in connection with Lessee's activities, and those of Lessee's agents, representatives, employees, contractors, subcontractors, licensees, invitees, associates, arising out of or in connection with any of the activities contemplated by this Agreement, including specifically all product liability of any kind; (ii) any breach of Lessee's covenants, representations and warranties set forth in this Agreement, and (iii) any other act or omission on the part of Lessee or its agents, representatives, employees, contractors, subcontractors, licensees, invitees or associates in the performance of this Agreement.

12. TERMINATION. Lessee shall have the right to terminate this Lease upon written notice at least three (3) months prior to the date of the proposed termination. Said notice shall include the effective date of the termination. The giving of notice shall not release either party from full and faithful performance of all lease terms and conditions during the remaining occupancy of the Premises pursuant to this Lease. Upon termination, Lessee shall quit and surrender the Premises and remove all personal property

13. DEFAULT. In the event a party fails to perform and carry out any of the terms and conditions of this Lease, and such failure continues for sixty (60) days after written notice is sent to the other party, the non-defaulting party may terminate the Lease by giving written notice to the party who fails to perform. In the event that Lessee fails in the payment of the annual rent, and such default continues for sixty (60) days after written notice is sent to Lessee, the Lessor may terminate this Lease.

14. REMOVAL OF PROPERTY. The parties agree that all equipment or other property attached to the Premises or otherwise brought onto the Premises by Lessee at all times remains the property of Lessee. Upon termination of the Lease, Lessee shall have ninety (90) days

within which to remove said equipment and property from the Premises without materially damaging said Premises. In the event of damage, Lessee shall make repairs immediately. Without limitation of its right to enforce the aforesaid obligation of Lessee to remove its personal property and restore the Premises, Lessor may, upon ninety (90) days written notice to Lessee following expiration or other termination of this Agreement, take title to any of the personal property that then remain on the Premises.

15. HOLDING OVER. If, after the expiration of this Lease, Lessee continues to use the Premises and pay rent without a written agreement to such use, then such use shall be deemed to be a holding over upon a tenancy from month to month and Lessee shall be regarded as Lessee from month to month subject to all the terms and conditions of this Lease at the monthly rental in effect at the time of such holding over.

16. WAIVER. Waiver by any party or any breach of condition under this Lease must be in writing and is not a waiver of any other condition or duty of the other party or of any subsequent breach of the same condition or duty.

17. TAXES. Each party will pay all real and personal property taxes levied or assessed against its respective personal property and trade fixtures on the demised premises.

18. LIMITATIONS. Notwithstanding anything in this Lease to the contrary. Lessor's obligations under this Agreement are made subject to subject to available budgetary appropriations and shall not create any obligation on behalf of the Lessor in excess of such appropriations. In the event that the amount of funds appropriated is such that the Lessor must restrict or terminate its administrative program, this Lease shall be terminated sixty (60) days after written notification from the Lessor to the Lessee.

It is understood by the parties that this termination clause regarding non-appropriation of funds by the Legislature is a requirement of both State law and the Maine Constitution. Within this requirement, however, the Department makes the following representations regarding this Lease:

It is the Department's intent to lease the proposed facility for the entire length of the Lease. Thus, although other more attractive

alternatives may arise, the Department agrees that it will not terminate its lease for the purpose of relocation absent mutual agreement of the parties, or absent some breach of the lease terms by the Lessor; and

19. ASSIGNMENT AND SUBLETTING. This Lease shall bind and inure to the benefit of each of the parties hereto and to their respective successors, and assigns. Further, neither party shall assign, sublet, or license the demised premises or any part thereof without on each occasion obtaining the prior written consent of the other party which permission shall not be unreasonably conditioned, withheld, or delayed. Lessee shall have the right to assign its rights hereunder to a lender or lenders in connection with the financing of Lessee's proposed wind farm project, and such assignment shall not required the consent of Lessor.

20. LIENS. Lessee shall not permit any lien to be placed against the Site. If such a lien is filed, Lessee has twenty (20) days from the date of filing in which to have said lien released. Lessor may, at Lessee's sole cost and expense, remove any lien that is not otherwise removed within twenty (20) days of it being filed. Lessee shall indemnify, hold harmless and defend Lessor from any and all liability, damage, claim or cost of any kind, including reasonable attorneys' fees sustained by Lessor arising out of Lessee's failure to promptly remove any liens.

21. MEMORANDUM OF LEASE. The parties shall at any time, at the written request of either party, promptly execute in recordable form, an instrument or instruments which constitutes a Memorandum of Lease setting forth a description of the Premises, the terms and any other portions thereof, excepting rental provisions, as either party may request or as may be required by an applicable law, ordinance or governmental rule or regulation.

22. NO WARRANTIES. Lessor makes no warranty or representation regarding the condition of the Site and it shall be Lessee's responsibility to determine whether any improvement to the Site is necessary to allow the use thereof.

23. GOVERNING LAW. This Lease shall be governed and construed by the laws of the State of Maine.

24. SEVERABILITY. If it is adjudicated that any provision of this Lease conflicts with or contravenes any Federal, state or local law or regulation, such provision shall be considered to be null and void and

not binding on the parties; in such event, the remaining provisions of this Lease remain in full force and effect.

25. NATURE TRAIL. Within six months of the in-service date of a wind farm on Lessee's property, Lessee shall pay Lessor \$15,000 to be used to create a nature trail in the vicinity of the Site. Lessor agrees to put a plaque crediting Endless Energy Corporation for the trail.

26. PERMITTING. This agreement in no way represents an endorsement by Lessee of Lessor's proposed wind farm project. Lessor is fully responsible for obtaining all required permits for its proposed wind farm project including the proposed Powerline.

27. NOTICES. Any communications, requests, or notices required or appropriate to be given under this Lease shall be in writing and mailed via U. S. Mail Certified or Registered, Return Receipt Requested, or sent via a recognized commercial carrier, such as but not limited to Federal Express, which requires a return receipt delivered to the sending party. Said communications, requests or notices shall be sent to the other party as follows:

If to Lessor: Attn: Attn: David Soucy, Director
 Maine Department of Conservation
 Bureau of Parks and Lands
 22 State House Station
 Augusta, ME 04333-0022

If to Lessee: Attn: Harley Lee
 Redington Mountain Windpower, L.L.C.
 57 Ryder Road
 Yarmouth, ME 04096

These addresses may be changed by notice as provided herein. Notices shall be deemed given when mailed as aforesaid, postage prepaid.

28. ENTIRE AGREEMENT AND AMENDMENTS. The parties hereto acknowledge that this Lease contains the entire agreement between the parties and that there are no terms, obligations covenants or conditions other than those contained in this Lease. No modifications, alterations or changes shall be deemed valid unless signed by the parties with the same formalities as this Lease.

28. ENTIRE AGREEMENT AND AMENDMENTS. The parties hereto acknowledge that this Lease contains the entire agreement between the parties and that there are no terms, obligations covenants or conditions other than those contained in this Lease. No modifications, alterations or changes shall be deemed valid unless signed by the parties with the same formalities as this Lease.

IN WITNESS WHEREOF, the parties have executed this option to Lease on the date first above written.

LESSOR:
MAINE DEPT. OF
CONSERVATION
Bureau of Parks and Lands

Witness: _____

By: _____
Print Name: _____
Title: _____

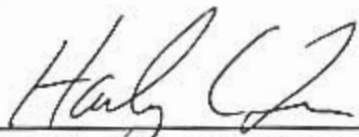
LESSEE:
REDINGTON MOUNTAIN
WINDPOWER, L.L.C.

Witness: Sandra McCiterson

By: Harley C. Cox
Print Name: Harley C. Cox
Title: President, Endless Energy Corp
RMW's Manager

**LESSEE:
REDINGTON MOUNTAIN
WINDPOWER, L.L.C.**


Witness

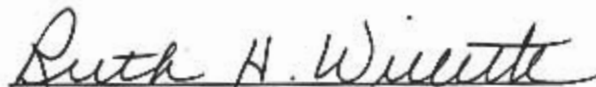
By: 
Harley C. Lee, President,
Endless Energy Corporation,
Manager of Redington
Mountain Windpower, LLC

STATE OF MAINE
County of Kennebec, ss.

February 5, 2004

Then personally appeared before me the above-named David Soucy, Director, and acknowledged the foregoing to be his free act and deed in his capacity as Director of the Department of Conservation.

Before me,



Notary Public/Attorney at Law

Print Name:

My Commission Expires

Seal:

RUTH H. WILLETTE
Notary Public • Maine
My commission expires January 27, 2007

STATE OF MAINE
County of CUMBERLAND, ss.

Then personally appeared before me the above-named Harley C. Lee and acknowledged the foregoing to be his free act and deed in his capacity as president of EEC, the Manager of Redington Mountain Windpower, L.L.C.

Before me,



Notary Public/Attorney at Law

Print Name:


My Commission Expires

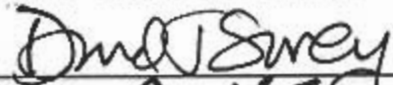
Seal:

PAULINE R. LANGMAID
Notary Public, Maine
My Commission Expires October 4, 2005

IN WITNESS WHEREOF, the parties have executed this option to Lease on the date first above written.

LESSOR:
MAINE DEPT. OF
CONSERVATION
Bureau of Parks and Lands

Witness: 

By: 
Print Name: Daniel Swamy
Title: Director

LESSEE:
REDINGTON MOUNTAIN
WINDPOWER, L.L.C.

Witness: _____

By: _____
Print Name: _____
Title: _____

MEMORANDUM OF AGREEMENT

PARTIES:

1) **STATE OF MAINE**, acting by and through its DEPARTMENT OF CONSERVATION, Bureau of Parks and Lands, an agency of the State of Maine with principal offices at 22 State House Station, Augusta, Kennebec County, Maine,

and

2) **REDINGTON MOUNTAIN WINDPOWER, L.L.C.** with an address of 57 Ryder Road, Yarmouth, ME 04096

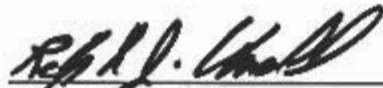
PREMISES and AGREEMENT: A parcel of land in Wyman Township, County of Franklin and State of Maine, more particularly shown on Schedule B attached hereto and incorporated herein.

TERM: If the option to lease is exercised, the lease shall terminate twenty five years after the exercise of the option.

This Agreement is subject to the terms, conditions, and restrictions contained in a certain unrecorded agreement between the parties.

IN WITNESS WHEREOF the parties have executed this Memorandum of Agreement as of this 5th day of Feb. 2004

LESSOR:
STATE OF MAINE
DEPARTMENT OF
CONSERVATION
Bureau of Parks and Lands



Witness

By: 

David Soucy
Its: Director

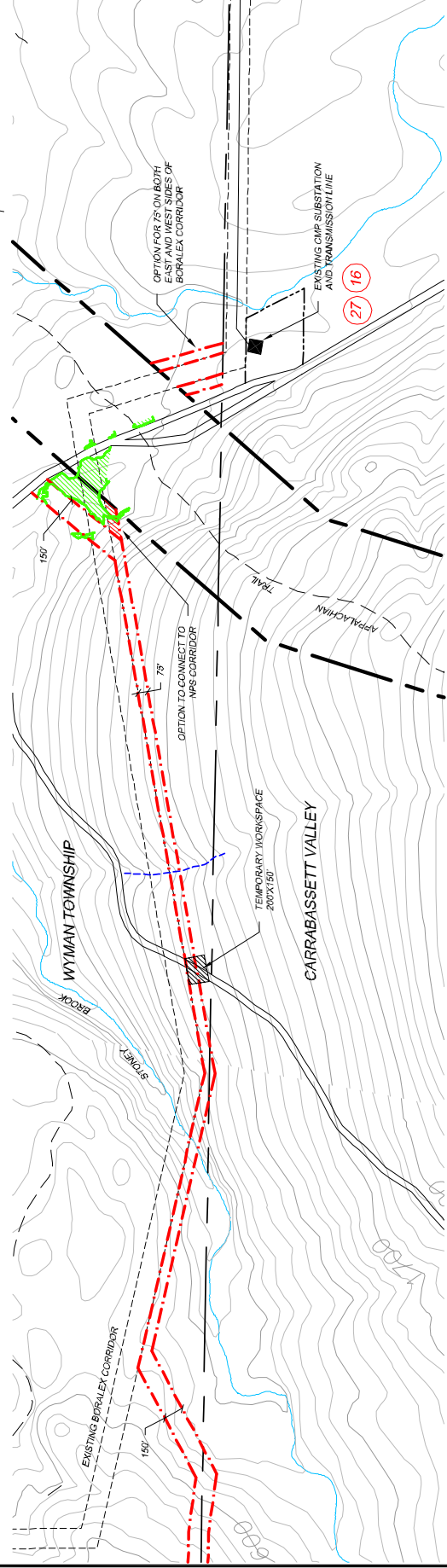


12/16/03 - Map Created





Schedule A
OPTION TO LEASE AGREEMENT
Maine Bureau of Parks and Lands
&
Redington Mountain Windpower

VERSION
1.0

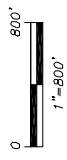
Schedule B
OPTION TO LEASE AGREEMENT
Maine Bureau of Parks and Lands
and
Redington Mountain Windpower, LLC



LEGEND

-  WETLAND
-  PERENNIAL STREAM
-  APPALACHIAN TRAIL CORRIDOR (SEE NOTE 3)
-  PROPOSED REDINGTON MOUNTAIN WIND FARM TRANSMISSION LINE ROUTE

- Notes:**
- 1) Resource boundaries as illustrated are approximate depiction's based on limited site investigations, GPS locations, and field sketches.
 - 2) All wetlands, regardless of size or type, are regulated by the US Army Corps of Engineers and are also regulated by the Maine Department of Environmental Protection and in unorganized townships by the Maine Land Use Regulation Commission.
 - 3) Basemap data including existing roads derived from a combination of GPS survey data (1984-2003) and ME 0015 USGS Quad data. Carrabassett Valley is shown in red on the map. The Appalachian Trail Corridor is derived from a digitized survey plan of the Appalachian Trail Corridor provided by Aerial Photo and Survey.
 - 4) This map is for illustration purposes only.



PROJECT:	REDINGTON MOUNTAIN WIND FARM
ADDRESS:	57 RIVER ROAD
YARMOUTH, MAINE	
DATE:	DECEMBER 2003
SCALE:	1"=800'
SHEET TITLE:	PROPOSED TRANSMISSION LINE
NO.	
REVISIONS	
DATE	

PROJECTED BY: **WOODLOT**
 ENVIRONMENTAL CONSULTANTS
 TRANSMISSION.dwg

PROJ. NO. 102127
 SHEET NO. 1