

PAYMENT IN LIEU OF TAXES AGREEMENT BETWEEN  
The Town of Warner, New Hampshire AND ER Poverty Plains Solar, LLC

This Payment in Lieu of Taxes (PILOT) Agreement (hereafter "Agreement") is made this 17 day of December 2024, under New Hampshire Revised Statutes Annotated (NHRSA) § 72:74, between the Town of Warner, New Hampshire ("Town") and ER Poverty Plains Solar, LLC ("Taxpayer"), a Vermont Limited Liability Company, registered as a foreign limited liability company with the State of New Hampshire, with a business address at 50 Lakeside Avenue, Suite 110, Burlington 05401.

**Background**

Taxpayer seeks to develop a renewable solar power electric generating facility (the "Facility") to be located on Poverty Plains Road at Tax Map 7, lot 64. Taxpayer expects the final installed Nameplate Capacity to be approximately 5 megawatts (MWAC). For the purposes of this Agreement, the term "Nameplate Capacity" shall mean the sum of all the nameplate capacities for the total solar inverters installed and operating at the Facility.

The Facility will be built on land leased by Taxpayer and owned by Fred and Tammy Hill, identified on Town tax Map 7, lot 64 (the "Property").

Under its lease agreements with landowners, Taxpayer may be responsible for the payment of local ad valorem real estate taxes on Facility structures and other improvements under NHRSA Chapter 72.

The Facility will be a "renewable generation facility", as defined in NHRSA §72:73 and NHRSA 374-F:3, V(f)(3). Under NHRSA §72:74, the owner of a renewable generation facility and the governing body of the municipality in which the facility is located may, enter into a voluntary agreement to make payments in lieu of taxes.

Taxpayer and the Town desire to enter into such a PILOT agreement under NHRSA §72:74.

NOW THEREFORE, the parties hereto agree as follows:

**Terms and Conditions**

1. Payments in Lieu of Taxes. Taxpayer will make payments in lieu of taxes to the Town for each tax year (April 1 to March 31) during the term of this Agreement, in accordance with Sections 3 and 4 below. These PILOT payments will be in lieu of any and all ad valorem real estate taxes otherwise payable including those under NHRSA Chapter 72, all town, county, and local school district taxes, assessed on the Facility.

2. Term. Mindful of RSA 72:74, VI and VII, the parties have determined that a long-term agreement providing predictability of tax revenues and expenses would be advantageous to both the Town and Taxpayer. Accordingly, this Agreement shall terminate on the earlier of: a) 35 (thirty-five) years from the commercial operation date ("COD") or b) the date on which project decommissioning is complete (the "Operating Term").

3. PILOT Payments for Term. Annual PILOT payments to the Town for the Operating Term shall begin at the rate of \$3750/megawatt AC, or \$18,750 per year, in the tax year that begins on April 1 following COD (the "PILOT Commencement Date"). The initial PILOT payment shall include a true up payment to account for the time between COD and the next applicable tax payment deadline. For operating years 2-25 those annual payments will increase by 1.8% each year. For operating years 26-35 those annual payments will increase by 2.3% per year. The detailed annual payment schedule is shown in Appendix 1.

4. Reserved

5. Payment of Amounts Due. Taxpayer shall make the PILOT payments due hereunder for any given tax year in the Operating Term to the Town in two equal installments, at the Town Tax Collector's office, on July 1st and December 1st. Interest shall accrue on any PILOT payment not paid when due at the annual rate described in RSA 76:13.

6. Non-Payment. Non-payment of any payment due the Town shall constitute a default. Notice of non-payment or any other default shall be provided to Taxpayer (and to Taxpayer's Lender, as further specified in Section 7 below), in the manner and at the address provided for Notices in Section 9 of this Agreement. Taxpayer shall have 30 days to cure the default after receiving such notice. In the event the condition causing the default is not cured within 30 days, Town's remedies include, without limitation, any and all of: (a) the Town may commence an action to collect any non-payment under RSA 80:50, (b) seek specific performance of a non-monetary default or (c) proceed against the real estate, including the Property and the Facility, under RSA 80:58-80. It shall not be a defense to such a proceeding that Taxpayer is obligated under this Agreement to make payments in lieu of taxes rather than taxes.

7. Lender's Right to Cure. The Town shall send a copy of any notice of default sent to Taxpayer to Taxpayer's Lender by certified mail at the same time such notice is sent to Taxpayer, and no such notice of default to Taxpayer shall be effective unless and until a copy of such notice has been delivered to Taxpayer's Lender. Taxpayer's Lender shall have the same time and rights to cure any default as Taxpayer, and the Town shall accept a cure by Taxpayer's Lender as if such cure had been made by Taxpayer. Taxpayer shall provide written notice to the Town as to the name and address of Taxpayer's Lender for such notices to be sent.

8. Other Taxes Not Covered. This Agreement covers only ad valorem real estate taxes payable under NHRSA Chapter 72 on the Facility. It does not include or cover other local, state, or federal taxes which may be payable on account of Facility revenues or activities, including the Land Use Change Tax, Timber Tax, State Utility Property Tax, Business Enterprise Tax, or Federal Income Tax. Any portion of the Property not occupied by the Facility under the Taxpayer's lease will remain subject to ad valorem real estate taxes.

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

For the Town: Town of Warner, 5 East Main Street, Warner NH 03278 Attn. Town Administrator.

For Taxpayer: Encore Renewable Energy c/o ER Poverty Plains Solar, LLC, 50 Lakeside Avenue, Suite 110, Burlington, VT 05401

In the event of a change in the address of any party listed above, the responsible signatory (Taxpayer in the case of itself, its Lender and/or its counsel) shall give the other party prompt written notice of such change of address, which shall be effective upon receipt.

10. Notice to Lessor. As a condition to this agreement, Taxpayer shall give the Town evidence of delivery of notice to the lessor and the owner of the fee interest in the Property as required by RSA 72:74 I.

12. Miscellaneous.

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

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

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

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

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

Town of Warner, New Hampshire

By: *Select Board member*  
Name: *Faith Minton* *Faith Minton*  
Date: *12/17/24*

*Select Board Member*  
*HARRY S. S. S. S.*  
*12/17/24*

ER Poverty Plains Solar, LLC

By: *Jesse W. Stowell*  
Name: *Jesse W. Stowell*  
Date: *1/6/25*

**Appendix 1**  
**Annual PILOT Payment Schedule**  
**ER Poverty Plains Solar, LLC**

**Key Parameters:**

Length of PILOT

Agreement:

Up to 35 years

Size of Project (MW)

5

Base \$/MW                      \$            3,750

Annual Escalator 1-25                      1.80%

Annual Escalator 26-35                      2.30%

**Negotiated Agreement 11 12 2024**

Year of Operation	\$/MW	Annual Payment
1	\$ 3,750	\$ 18,750
2	\$ 3,818	\$ 19,088
3	\$ 3,886	\$ 19,431
4	\$ 3,956	\$ 19,781
5	\$ 4,027	\$ 20,137
6	\$ 4,100	\$ 20,499
7	\$ 4,174	\$ 20,868
8	\$ 4,249	\$ 21,244
9	\$ 4,325	\$ 21,626
10	\$ 4,403	\$ 22,016
11	\$ 4,482	\$ 22,412
12	\$ 4,563	\$ 22,815
13	\$ 4,645	\$ 23,226
14	\$ 4,729	\$ 23,644
15	\$ 4,814	\$ 24,070
16	\$ 4,901	\$ 24,503
17	\$ 4,989	\$ 24,944
18	\$ 5,079	\$ 25,393
19	\$ 5,170	\$ 25,850
20	\$ 5,263	\$ 26,315
21	\$ 5,358	\$ 26,789
22	\$ 5,454	\$ 27,271
23	\$ 5,552	\$ 27,762
24	\$ 5,652	\$ 28,262
25	\$ 5,754	\$ 28,771
26	\$ 5,886	\$ 29,432

27	\$	6,022	\$	30,109
28	\$	6,160	\$	30,802
29	\$	6,302	\$	31,510
30	\$	6,447	\$	32,235
31	\$	6,595	\$	32,976
32	\$	6,747	\$	33,735
33	\$	6,902	\$	34,511
34	\$	7,061	\$	35,304
35	\$	7,223	\$	36,116
TOTAL			\$	912,198