

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding is hereby executed by and between the Towns of Central Falls, Cumberland, Lincoln and the City of Pawtucket (collectively "the municipalities"), by their respective Mayors/Administrators, the Conservation Law Foundation ("CLF"), by the Director of the Rhode Island Office, The Essex Partnership ("Essex"), by its principal officer.

WHEREAS, Central Falls, Cumberland, Lincoln, and Pawtucket are neighboring municipalities that share an interest in securing for their citizens the benefits of renewable energy development, economic development, community pride, and preserving, protecting and enhancing the ecological condition of the Blackstone River along with its traditional and historic uses; and

WHEREAS, the municipalities recognize the benefits of collaborating in the evaluation and potential development of hydropower along the Blackstone River and in sharing the increased economic development and renewable energy benefits resulting from a shared hydropower resource in this area of common interest, as well as the necessary infrastructure upgrades and environmental review associated with developing individual projects; and

WHEREAS, CLF's mission is to protect New England's environment for the benefit of all people. CLF uses the law, science and the market to create solutions that preserve our natural resources, build healthy communities and sustain a vibrant economy; and

WHEREAS, Essex is a strategic energy and environmental planning company that uses its expertise in engineering and financial consulting to help decision makers capitalize on emerging energy opportunities while maintaining high standards of environmental stewardship and social responsibility; and

WHEREAS, Seth Handy, Esq. is a private practice attorney in Rhode Island with significant experience as a project manager for renewable energy projects in the State and playing a significant role in the development of renewable energy policy in the State; and

WHEREAS, CLF, contracting with Essex and Seth Handy, Esq., approached the municipalities to garner the support of the municipalities to apply for state grant monies from the Renewable Energy Fund to conduct a hydropower feasibility study on the Blackstone River; and

WHEREAS, CLF applied for and received funding from the Rhode Island Economic Development Corporation to conduct a preliminary hydropower feasibility study on the Blackstone River for the benefit of the municipalities and at no cost to the municipalities; and

WHEREAS, CLF, Essex, and Seth Handy, Esq., did complete a preliminary feasibility study with respect to five dams on the Blackstone River: Albion; Ashton; Elizabeth Webbing; Manville and Pratt; and

WHEREAS, the preliminary feasibility study did identify Albion, Ashton, Elizabeth Webbing and Manville as dams on the Blackstone River that are structurally sound and capable of producing a substantial amount of low impact hydro electricity in a financially viable manner; and

WHEREAS, after conveying the results of the preliminary study to the municipalities, all parties agree that pursuing a more refined feasibility study with the respect to the identified dams would be in the best interest of the municipalities; and

WHEREAS, CLF intends to apply for additional funding from the Rhode Island Economic Development Corporation, in continued partnership with Essex and Seth Handy, Esq., to complete the next phase of studies on the Blackstone River; and

WHEREAS, in order to protect the hydropower potential for the benefit of the municipalities should they choose to proceed as a renewable energy collaborative, CLF, Essex, and Seth Handy, Esq., have advised that preliminary permits be filed with the Federal Energy Regulatory Commission (FERC) on three of the four dams: Ashton, Albion, and Elizabeth Webbing; and

WHEREAS, the filing of a preliminary permit with FERC is designed to protect a permittee's development rights for a period of three (3) years; and

WHEREAS, Valley Falls Affordable Housing has already filed and perfected a preliminary permit on the Manville Dam; and

WHEREAS, the filing of a preliminary permit on Albion, Ashton, and Elizabeth Webbing will not obligate the municipalities in any way to proceed with hydropower development should they choose to abandon the project or the idea of a renewable energy collaborative; and

WHEREAS, in order to file the permits in a timely manner, Essex has agreed to create three LLCs: Blackstone Hydro 1; Blackstone Hydro 2; and Blackstone Hydro 3; and

WHEREAS, each LLC formed by Essex will file a preliminary permit for one of the three dams: Blackstone Hydro 1 for Albion; Blackstone Hydro 2 for Ashton; and Blackstone Hydro 3 for Elizabeth Webbing; and

WHEREAS, it is understood by all parties to this MOU that the LLCs have been formed to protect the interests of the potential municipal collaborative and for the benefit of the municipalities.

NOW THEREFORE, the signatories express their mutual understandings and agree to the following:

1. RIGHTS AND OBLIGATIONS

- a. In order to facilitate the development of a municipal hydropower collaborative between Central Falls, Cumberland, Lincoln and Pawtucket, the parties agree that Essex shall create three (3) separate LLCs: Blackstone Hydro 1; Blackstone Hydro 2; and Blackstone Hydro 3.
- b. Each LLC created by Essex shall file a preliminary permit with FERC as follows: Blackstone Hydro 1 (preliminary permit for Albion by March 30, 2011); Blackstone Hydro 2 (preliminary permit for Ashton by March 30, 2011); Blackstone Hydro 3 (preliminary permit for Elizabeth Webbing upon termination of existing license).
- c. Essex agrees that any effort to pursue hydropower development at the dams by Essex will be done either under a contract with the municipalities either as separate entities or as a renewable energy collaborative or through a mutually acceptable public/private partnership. If either party decides not to go forward with development, the other party will be free to pursue development.
- d. In the event the municipalities opt not to pursue the development of hydropower at the dams identified herein, either as separate entities or as a renewable energy collaborative, the LLCs will be free to pursue development under the preliminary permits. If the LLCs pursue development on their own, they agree to refund any public funds the State of Rhode Island may have paid to Essex directly or through CLF for the filing of the preliminary permits on behalf of the LLCs.

2. NON WAIVER

Except as set forth explicitly herein, nothing set forth in this Memorandum of Understanding shall constitute a waiver or abrogation of any municipality's rights, obligations, jurisdiction or authority under duly enacted local, state, or federal law or ordinances or regulations. Nor shall this Memorandum of Understanding be construed to exempt any project referenced herein from any and all applicable federal, state and local permitting laws and approvals.

3. TERM

The term of this Memorandum of Understanding shall be for three (3) years from the date of its execution by both parties hereto.

4. ADDITION OR REMOVAL OF SIGNATORY MUNICIPALITIES

a. New Signatory Municipalities

A non-signatory municipality may become a signatory municipality by agreement of all the signatory municipalities.

b. Withdrawal of a Signatory Municipality

A signatory municipality may upon 30 days written notice to all signatories, withdraw its agreement to this Memorandum of Understanding and become a non-signatory municipality. Withdrawal by any one municipal signatory does not affect the enforceability of the terms of the Memorandum of Understanding for the municipal signatories that remain party to the agreement.

5. AMENDMENT

This Memorandum of Understanding may be amended in writing upon the collective agreement of the authorized representative of the signatories to the agreement.

6. TERMINATION

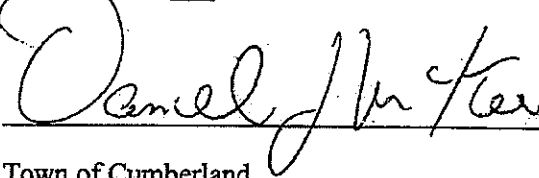
This Memorandum of Understanding may be terminated in full by a writing signed by authorized representatives of all municipal signatories at any time.

Signed as a sealed instrument on the dates set forth below.

Dated: March __, 2011

Town of Central Falls

Dated: March __, 2011



Town of Cumberland

Dated: March 16, 2011

b. Withdrawal of a Signatory Municipality

A signatory municipality may upon 30 days written notice to all signatories, withdraw its agreement to this Memorandum of Understanding and become a non-signatory municipality. Withdrawal by any one municipal signatory does not affect the enforceability of the terms of the Memorandum of Understanding for the municipal signatories that remain party to the agreement.

5. AMENDMENT

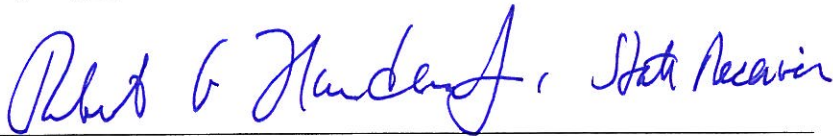
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6. TERMINATION

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Signed as a sealed instrument on the dates set forth below.

Dated: April 7, 2011

Robert G. Henderson, State Treasurer

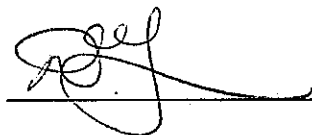
City of Central Falls

Dated: March __, 2011

Town of Cumberland

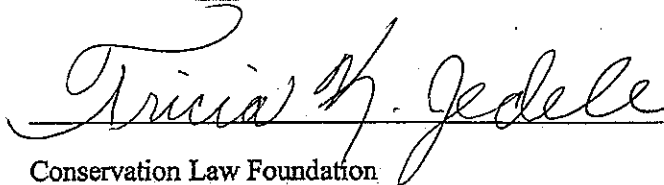
Town of Lincoln

Dated: March 30, 2011



City of Pawtucket

Dated: March 30, 2011



Conservation Law Foundation

Dated: March __, 2011



The Essex Partnership

Dated: March 18, 2011