



Robert J. Tarmey
Vice President Business Development
Montgomery Power Partners
2 Tanner Street
Lowell, MA 01852-4420
Phone: (401) 360-0325
Cell: (617) 306-1601
E-mail: rtarmey@MontgomeryPowerPartners.com

June 9, 2008

**By Facsimile Transmission
and Air Mail**

Rolls-Royce Energy Systems Inc.
105 North Sandusky Street
Mount Vernon
Ohio 43050

Attention: Mr. Fred Curren

Re: Billerica (M.A296.01) Equipment Supply Contract dated as of October 12, 2007 (the "**Contract**"; capitalized terms used with definition herein have the meanings given to them in the Contract)

Dear Fred:

As we have discussed, please consider this communication to be Customer's request and authorization that the configuration of the generators in the Units be modified from that set forth in the current item B.2.12.1.1 of Appendix B of the Contract. In order to document this modification, item B.2.12.1.1 of Appendix B should be revised to read as follows:

"B2.12 HV (13.8 kv) Electrical Tie-in

B2.12.1.1 Generator Electrical Tie-in Location

The generator tie-ins are located opposite each other on either side of the enclosure. The line cubicle is on the right side of the 1st unit scheduled to arrive at the Site and the left side of the 2nd unit scheduled to arrive at the Site. The line cubicle is on the right side of the 3rd unit scheduled to arrive at the Site and the left side of the 4th unit scheduled to arrive at the Site.

Connection to HV (13.8 kV) in the AC Generator Module Line and Neutral Cubicles is the responsibility of the Customer."

We understand that the additional cost of the change embodied in the revisions to item B.2.12.1.1 is approximately \$ and agree that Customer will be responsible for this cost.

We will work with RR to properly document the change to item B.2.12.1.1 of Appendix B indicated above by Change Order and/or as part of the more general amendments to the Contract that we have been discussing with RR, as the Parties believe most appropriate.

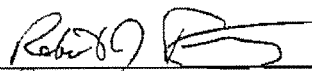
Please sign a copy of the facsimile transmission of this letter to acknowledge your receipt of this letter, and return to us by facsimile transmission.

1 of 6

Rolls-Royce Energy Systems, Inc.
June 9, 2008
Page 2


Kind regards,

Montgomery Energy Billerica Power Partners LP
By: Montgomery Energy Billerica Power LLC, its general partner

By: 
Name: Robert J. Tormey
Title: Vice President

Received as of the date first written above.

Rolls-Royce Energy Systems Inc.

By:  6-11-08
Name: FRED CURREN
Title: SR PROJECT MANAGER



Rolls-Royce

Contract Variation Proposal

Option Reg No.

5

A

LP: MO Date Estimated: 8/8/2008 Customer / Customer Order # Montgomery Billerica Power Partners LP
 M.A191.01 M.A191, 271, 272 and 331

CV Name:

"Handling" of AC Generators

Source of Contract Variation Request:

Customer

Project Name:

Billerica

Reason for Change:

Customer requests that configuration of the AC Generator be modified from that set forth in item B.2.12.1.1 of Appendix B of Contract. Price approved by MPP letter of June 9, 2008 signed by Bob Tormey. Payment of this Contract Variation will be added to Milestone #8.

Description of Change:

"The generator tie-ins are located opposite each other on either side of the enclosure. The line cubicle is on the right side of the 1st unit scheduled to arrive at the Site and left side of the 2nd unit scheduled to arrive at site. The line cubicle is on the right side of the 3rd unit to arrive at the Site and the left side of the 4th unit scheduled to arrive at Site." This requires one AC Generator presently on order to be modified accordingly, and the 4th unit ordered accordingly.

Bid Currency: USD

Price: _____

Delivery Impact 0 days, valid if customer signs and returns this document by: 31-Oct-08Submitted by: Curren, FredDate: 08-Aug-08

Project Manager

Customer Approval:

☒ Approved

☐ Rejected
~~Reason for Rejection:~~

Approved By

Frank Giacalone
FRANK GIACALONE
 Name

Montgomery Billerica Power Partners LP

Date: Oct 6, 2008

Approved By

Fred Curren
FRED CURREN, PROJECT MANAGER
 Name

Rolls-Royce Energy Systems Inc

Date: 27 Aug 08

Final 11/13/08

AMENDMENT NO. 2 TO EQUIPMENT SUPPLY CONTRACT (M.A296.01)

THIS AMENDMENT NO. 2 TO EQUIPMENT SUPPLY CONTRACT (this "Amendment"), dated as of November 13, 2008, is made by **Montgomery Energy Billerica Power Partners LP ("Customer")**, a Delaware limited partnership, having its principal office at 403 Corporate Woods, Magnolia, Texas 77354, and **Rolls-Royce Energy Systems Inc. ("RR")**, a Delaware corporation, with its principal office at 105 North Sandusky Street, Mount Vernon, Ohio 43050. RR and Customer may sometimes be referred to individually as "**Party**" and jointly as "**Parties**".

RECITALS

A. Customer and RR have entered into that certain Equipment Supply Contract (M.A296.01), dated as of October 12, 2007, as modified by certain Change Orders issued thereunder and as amended by Amendment No. 1 dated as of August 1, 2008 (collectively, the "**Contract**"; capitalized terms used but not defined in this Amendment have the meanings ascribed to such terms in the Contract).

B. RR and Customer wish to amend the Contract to revise the payment timing provided for in the Contract.

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree to amend the Contract as follows:

ARTICLE I**Amendments to Contract**

SECTION 1.1 Amendment of Clause 3.2. Clause 3.2 of the Contract is hereby amended and restated to read as follows:

"3.2 Payments and Invoicing

Upon the occurrence of the events set forth in Item C1.1 of Appendix C (a "Milestone Event"), RR shall invoice Customer at the times and in the amounts described in Item C1.2 of Appendix C with respect to such event. RR's invoice shall be accompanied by customary supporting documentation including evidence of the achievement of the relevant Milestone Event as shown on Item C1.1 of Appendix C. If Customer disputes an invoice, then Customer will submit its objections to the invoice in writing to RR within 15 days after Customer's receipt of the invoice; otherwise the invoice will be deemed accepted. Payments on invoices shall be due 30 days following receipt of the invoice. If Customer fails to make any payment when due, then RR may, in addition to its other rights and remedies, assess and collect interest on the unpaid amount at a rate per annum equal to the prime rate charged by JP Morgan Chase Bank, New York, New York, as such prime rate is published on the first banking day following the day upon which payment hereunder is due. RR shall, at the time of submission of the Delivery FOB Milestone Event invoice

submit to Customer a duly executed written waiver and release of RR subcontractor liens in form and substance acceptable to Customer.

RR shall provide 10 business days prior written notice of the occurrence of Milestone Events. "

SECTION 1.2 Amendment of Appendix C.

- (a) Item C1 of Appendix C is hereby renamed as Item C1.1.
- (b) A new Item C1.2 in the form thereof attached hereto is hereby inserted into Appendix C immediately following item C1.1 as a part of the Contract for all purposes.
- (c) All interest or other charges which may accrue or which have accrued on account of invoices issued for Milestone Events 1 through 5 and Milestone Event No 6 (Billerica 1 and Billerica 2 only) are hereby waived and released. All invoices relating to achievement of the remaining Milestone Events shall be submitted and are payable in accordance with the provisions of the Contract as amended by this Amendment.
- (d) Except for Milestone Event No 6 (Billerica 1 and Billerica 2), the dates specified in Item C1.2 of Appendix C are the estimated dates for invoicing. The invoices will only be issued when the individual Milestone Events are achieved, but in no case earlier than the estimated dates. The dates specified for Milestone Event No 6 (Billerica 1 and Billerica 2) are the dates that the Customer is to pay the invoices.

ARTICLE II

Miscellaneous

SECTION 2.1 References to the Contract. (a) Each reference in the Contract to "this Contract," "hereunder," "herein" or words of like import shall mean and be a reference to the Contract as amended and affected hereby.

(b) Each reference to the Contract in any other documents executed by the Parties shall mean and be a reference to the Contract, as amended and affected hereby.

SECTION 2.2. Effectiveness. This Amendment shall become effective upon the execution by Customer and RR of this Amendment.

SECTION 2.3 Ratification. Each of Customer and RR acknowledges and ratifies the Contract, as amended and affected hereby, and agrees and acknowledges that all the terms thereof as amended and affected hereby, (a) are hereby brought forward for the benefit of the Parties thereto, and (b) shall remain in full force and effect.

SECTION 2.4 Governing Law. This Amendment shall be governed by and

construed in accordance with the laws of the State of New York.

SECTION 2.5 Headings and Definitions. The Section and Article headings contained in this Amendment are inserted for convenience of reference only and shall not affect the meaning or interpretation of this Amendment. All references to Sections or Articles contained herein mean Sections or Articles of this Amendment unless otherwise stated. All defined terms and phrases herein are equally applicable to both the singular and plural forms of such terms.

SECTION 2.6 Counterparts; Facsimile Signatures. This Amendment may be executed in one or more counterparts, all of which shall be considered one and the same Contract, and shall become effective when one or more counterparts have been signed by each of the Parties and delivered to the other Party. In the absence of an original signature, a signature delivered by facsimile transmission of in portable document format (".pdf") will be considered the equivalent of an original signature.

[Signature pages follow]

IN WITNESS WHEREOF, each Party hereto has caused this Amendment to be duly executed by its authorized officer or representative as of the date first written above.

"Customer"

**MONTGOMERY ENERGY BILLERICA
POWER PARTNERS LP**

By: Montgomery Energy Billerica Power LLC,
its general partner

By: Frank Giacalone
Name: Frank Giacalone
Title: Manager of its General Partner
Date: 11/24/08

"RR"

ROLLS-ROYCE ENERGY SYSTEMS INC.

By: 

Name:

FRED CURIEN

Title:

SR. PROJECT MANAGER

Date:

PROGRAM MANAGER - POWER GEN - AMERICAS

25 NOV 08

Item C1.2

Invoicing Schedule Updated milestone payment schedule adjusted for the revised turbine delivery dates

Milestone Event	% of Contract Value	Billerica 1	Billerica 2	Billerica 3	Billerica 4	Payment Status	Milestone #
Reservation Fee (paid pursuant to Reservation Agreement executed on 6 August, 2007)						Paid	1
Contract Award						Paid	2
Initial issue of Major Documentation (GA, Foundation Plan, Low Voltage and High Voltage Single Line Diagrams)						Paid	3
Placement of AC Generator Purchase Order or Firm LOI, but no sooner than 15 October, 2007						Paid	4a
Placement of SCR Purchase Order or Firm LOI, but no sooner 15 November 2007						Paid	4b
Receipt of Gas Turbine Package Baseplate on Shop Floor		26-Nov-08	15-Jan-09	1-Feb-09	15-Feb-09		5
Completion of AC Generator Factory Test		14-Dec-08	14-Dec-08	26-Nov-08	15-May-09		6
Completion of Gas Turbine Factory Test		26-Nov-08	1-Mar-09	31-Mar-09	31-May-09		7
Notification of readiness to ship (RTS) the Gas Turbine Driver Module		15-Jun-09	15-Jun-09	15-Jun-09	15-Jun-09		8

Delivery at Gas Turbine Driver Module FOB Site; however, in the event that Customer delays RR's planned shipment, no later than thirty days after notification of readiness to ship the Gas Turbine Driver Module	15-Jul-09	15-Jul-09	15-Jul-09	15-Jul-09	9
Delivery of the following FOB Site: SCR, CEMS AC Generator Module, Trent 60 WLE Gas Turbine, Combustion Air Intake Filter and all remaining Unit Equipment; however, in the event that Customer delays RR's planned shipment, no later than forty-five days after notification of readiness to ship the Gas Turbine Driver Module	15-Jul-09	15-Jul-09	15-Jul-09	15-Jul-09	10
Provisional Acceptance of Gas Turbine Generating Set, but no later than eight months after notification of readiness to ship (RTS) the Module. Customer's receipt of Operating and Maintenance Manuals.	15-Mar-10	15-Mar-10	15-Mar-10	15-Mar-10	11
TOTAL					