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### ACRONYMS

- **BCIE**: Central American Bank for Economic Integration, also known as CABEI
- **BOP**: Balance of Plant
- **COC**: Code of Conduct
- **CME**: Environment Coordinator (acronym in Spanish)
- **DAC**: Qualitative Environmental Diagnostic (acronym in Spanish)
- **DECA**: Department of Evaluation and Environmental Control (acronym in Spanish for Dirección de Evaluación y Control Ambiental)
- **EEHSA**: Energía Eólica de Honduras S.A.
- **EHS**: Environment, Health, and Safety
- **EPFI**: Equator Principles for Financial Institutions
- **EPP**: Personal Protective Equipment (acronym in Spanish)
- **EXIM BANK**: Export-Import Bank of the United States
- **GIIP**: Good International Industry Practices
- **HS**: Health and Safety
- **IHAH**: Honduran Institute of Anthropology and History (acronym in Spanish for Instituto Hondureño de Antropología e Historia)
- **ICF**: Forest Conservation Institute (acronym in Spanish for Instituto de Conservación Forestal)
- **IFC**: International Finance Corporation
- **O&M**: Operation and Maintenance
- **OCDE**: Organization for Economic Cooperation and Development (acronym in Spanish)
- **PGA**: Environmental Management Program (acronym in Spanish)
- **SERNA**: Ministry of Natural Resources and Environment (acronym in Spanish)
- **SOP**: Standard Operating Procedures
- **SOPTRAVI**: Ministry of Public Works, Transportation, and Housing (acronym in Spanish)
- **UICN**: International Union for Conservation of Nature (acronym in Spanish)
- **UMA**: Municipal Environmental Unit (acronym in Spanish)
1 ENVIRONMENTAL AND SOCIAL MANAGEMENT PROGRAM FRAMEWORK

1.1 INTRODUCTION

1.1.1 Park Description

On December 21st, 2011, Energía Eólica de Honduras S.A. ("EEHSA") began commercial operation of its Wind Energy Park called Cerro de Hula Wind Park\(^1\) (the "Park"), also known as “Proyecto Eólico Cerro de Hula”. The project is located in Honduras, 24 kilometers south of Tegucigalpa, in the communities of San Buenaventura and Santa Ana, in the Department of Francisco Morazán. The project consists of fifty one (51) Gamesa G87 wind turbines, each one with a 2.0 MW capacity for a total of 102 MW. The introduction of this clean and renewable energy source will greatly benefit the development of Honduras and will allow the country to satisfy its growing demand of energy.


This document provides a scheme of the acquired commitments and necessary actions for environmental management in order to fulfill the requirements dictated by the Ministry of Natural Resources and Environment (“SERNA”), for activities related to the operation of the Park.

1.1.2 Objective

Establish and implement mitigation measures and actions that improve the performance of the Park while also taking into account its social and environmental risks and impacts, based on the most important findings of the Environmental and Social Assessment and the results of the consultations with the affected communities surrounding the Park.

1.1.3 Scope and Application

The Environmental and Social Management Program (ESMP) is extensively applied throughout the entire EEHSA organization and to specific facilities and/or activities related to the operation phase of the Park. The Program also applies to contractors and subcontractors.

The ESMP consists of a combination of operative policies and practices. Preferably, the measures and actions addressing the identified risks and impacts, should aim to avoid and prevent them when is technically and financially feasible. In the cases in which the impacts and risks cannot be avoided or prevented, mitigation and compensation measures and actions will be identified in such a way that the Park may operate in compliance with laws and regulations and meet the requirements of the International Finance Corporation IFC Performance Standards. The level of

\(^1\) Known legally as ("Proyecto Eoloeléctrico Honduras 2000")
detail and complexity of this program and the priority of the measures and actions shall be proportional to the risks and impacts of the Park.

1.1.4 Structure and Content

- Organization of the document
- Legal Framework
- Environmental Policy
- Environmental Requirements
- O&M Environmental Plans
- Social Plans
- Contingency Plan
- Biodiversity protection plan
- Closure and Abandonment Plan of the Park

1.2 ENVIRONMENTAL POLICY

1.2.1 Globeleq’s Environmental Policy

The Company is committed to the principle of sustainable development. The Company has the environmental objective to protect the environment, biodiversity, wildlife and natural resources and promote environmental improvements wherever possible.

At the corporate level, the efforts of the Company are to:

- Consider the environmental impact of all its operations and take steps to mitigate risks.
- Share international concern about climate change and be committed to:
  - Present an annual report on greenhouse gas emissions (GHG greenhouse gas).
  - Annual review of mixed fuel of current and long-term investments in the context of GHG production.
  - Actively study renewable energy projects.
  - Seek to improve efficiency in all operations.
- Ensure that their operations take into account their impact on biodiversity and implement appropriate mitigation measures.
- Provide support and assistance to operations through R&O.
- Report regularly to the Board on environmental systems and about performance of the Subsidiaries.

---

3 Globeleq Generation Limited Company
4 Development that meets present needs without compromising the ability of future generations to meet their own needs - Decisions are made taking into account the three pillars of sustainability (social, environmental and economic).
In the transactions that the Company controls, the Company agrees to:

- Conduct business worldwide in compliance with all laws, regulations and applicable environmental commitments, and implement international standards where necessary;
- Ensure that environmental considerations are a priority in business planning and in operation of our facilities;
- Review emissions, effluents and waste, continually striving to reduce its impact where possible;
- Encourage employees and contractors to take individual responsibility for their actions with respect to the environment through communication and appropriate training;
- Ensure you are prepared to respond in a timely and appropriate way to environmental incidents arising from its operations;
- Encourage the participation of plant operations with regulatory agencies and stakeholders in the ongoing development of appropriate environmental laws and regulations;
- Designate an employee at each facility as coordinator to prepare a specific program for environmental management of the plant with the applicable procedures based on guidelines established by the company and in accordance with ISO 14001:2004 as well as implement appropriate training and records maintenance;
- Establish annual goals and objectives and commit to continuous improvement.
- Conduct an audit and management review of environmental development systems at least once every two years.

In operations in which the Company has a minority participation of shares, the Company will ensure that those responsible for the administration of those assets be aware of the environmental policy and seek to influence management to the same standards wherever possible.

1.2.2 *Globeleq Mesoamerica Energy Policies*

1.2.3 *Mission*

Globeleq Mesoamerica Energy, along with its subsidiaries, among which is Energía Eólica de Honduras, S.A. ("EHSA"), is a leading company in the promotion, development, and operation of renewable energy projects in Central America. We maintain this leadership role through:

- The ethical promotion of sustainable policies
- Comprehensive, high quality project development
- Using proven and accepted technology with sound engineering
- World-class operations and maintenance organization
- Environmental and social responsibility; and job creation.
1.2.4 Vision

- Advance renewable energy projects in our development portfolio to the commercial operation phase within the next 5 years.
- Maintain a portfolio of quality projects in various stages of development.
- Develop more qualified staff with additional experience to expand the capabilities of the company.
- Expand operation, organization and maintenance goals to achieve growth.
- Achieve a greater alignment between values and main practices.

1.2.5 Our Main Values

- Passion for work
- Integrity and honesty
- Respect
- Faith in the region and in our work team
- Fair treatment and lasting relationships
- Communication
- Quality of services
- Be proactive
- Saving, productivity and efficiency
- Social responsibility
- Environmental responsibility.

1.3 LEGAL FRAMEWORK AND APPLICABLE STANDARDS

1.3.1 National Legislation

EEHSA, its contractors and subcontractors shall ensure that they fully comply with the national legislation in matters of the environment, health and safety, social welfare, the acquisition and use of land and the rights of indigenous people. The legal and other requirements related to environmental aspects of operation, maintenance, engineering and civil works activities have been identified, according to procedure CDH-ENV-PRC-001 "Identification of Applicable Legal Environmental Requirements." See Appendix 1.

1.3.2 Environmental Compliance Agreement and License

The Compliance Agreement of Environmental Control or Mitigation ("Agreement") for the Park, was executed by the offices of the Ministry of Natural Resources and Environment ("SERNA") and EEHSA on December 11th, 2007. It establishes a series of measures to be met by EEHSA during the construction phase, operation phase and closing phase, and includes health and safety measures,
all in accordance with the Qualitative Environmental Diagnosis ("DAC") presented by EEHSA and approved by SERNA.

On October 3rd, 2008, in compliance with the Ninth Clause of the Mitigation Measures Agreement signed on December 11th, 2007, EEHSA requested from SERNA, the modification and extension of the environmental license, due to the expansion of the Project. Through Resolution No. 097-2009, SERNA approved this request and established an additional set of environmental control mitigation measures. With the exception of a modification to measure No. 2, which refers to the activity of cutting trees, the measures set out in the Compliance Agreement executed on December 11th, 2007 remained the same.

On July 15th, 2010, EEHSA notified SERNA about the change in the turbine equipment of the Park. On August 30th, 2010, through Resolution No. 1702-2010, SERNA approved the change in equipment and stated that the Environmental Permit and Compliance Agreement were still valid and unchanged for the Park.

According to Article 17 of the Mining Law, permits for the extraction of more than 10 cubic meters of material per day are granted by the Executive Direction for Mining Development ("DEFOMIN"). Permits for the removal of less than 10 cubic meters of material per day are granted by the Municipal Environmental Units ("UMA's").

DEFOMIN required the Direction of Evaluation of Environmental Control ("DECA") of SERNA to modify the Environmental Mitigation Agreement in order to include the mitigation measures for the material borrow bank extraction activities to be applied during the construction of the Park.

On December 29th, 2010, DEFOMIN issued a technical report that indicates the additional mitigation measures to implement for material borrow bank extraction activities.

On August 19th, 2011, DECA/SERNA issued Resolution No. 1878-2011, which includes new mitigation measures related to the operation of material borrow banks. However, on September 1st, 2011, EEHSA filed a legal recourse to modify some of these new measures due to incorrect/unclear wording.

On November 28th, 2011, SERNA issued Resolution No. 2484-2011, pronounced in favor of the appeal brought by EEHSA against Resolution No. 1878-2011.

Annex No. 2 presents Table CDH-ENV-TB-001, a summary of the requirements of the Environmental Mitigation Measures Agreement signed on December 11th, 2007, the Resolution 097-2009, the Resolution 1878-2011, Resolution 2484-2011, and the Resolution 1330-2012 as applicable specifically to the operation phase of the Park.
1.4 REQUIREMENTS OF FINANCIAL ENTITIES

1.4.1 IFC Policy on Social and Environmental Sustainability

On November 4th, 2010, EEHSA signed financing agreements with the lenders to the Project, the Export-Import Bank of the United States ("EXIM") and the Central American Bank for Economic Integration ("BCIE"), in which it is set that EEHSA is required to follow the requirements of the International Finance Corporation ("IFC") with respect to social and environmental issues. The IFC expects that entities subject to compliance with its requirements, manage the social and environmental risks and impacts through the evaluation of said risks and impacts and the implementation of measures to meet the requirements of the Performance Standards (set by the IFC). An important aspect of managing social and environmental risks is the relationship with the communities affected by the Park, the disclosure of relevant information, and consultation and informed community participation.

When a project is proposed for financing, the IFC conducts a social and environmental assessment of the project as part of their overall financing process. This assessment is proportional to the nature and scale of the project and suitable to the level of social and environmental risks and impacts. The IFC examines any new commercial activity that is being considered for IFC financing, whether it is in the pre-construction, construction or operation stage. The scope of the evaluation can be expanded to other business activities of the client as part of the risk management considerations of the IFC. In those cases where there are significant historical social or environmental impacts associated with the project, including those caused by others, the IFC works with the client to determine possible corrective measures.

1.4.2 Performance Standards on Social and Environmental Sustainability

The Performance Standards are essential documents that help the IFC and its clients to manage and improve their social and environmental performance through a results-based approach. The desired results are described in the objectives of each Performance Standard, followed by the specific requirements to help clients achieve them, through means suitable to the nature and size of the project and proportionate to the level of the social and environmental risks (probability of damage) and impacts. For such requirements, it is essential to apply a consistent approach to avoid adverse impacts on workers and on communities, and in those cases where it is impossible to avoid, reduce, mitigate or offset impacts, as appropriate.

5The Performance Standards consist of the following:

- **Performance Standard 1**: Environmental and Social Management System
- **Performance Standard 2**: Labor and Working Conditions
- **Performance Standard 3**: Pollution Prevention and Abatement
- **Performance Standard 4**: Community Health and Safety
- **Performance Standard 5**: Land Acquisition and Involuntary Resettlement

5 Appendix No.1 IFC Performance Standards on Environmental and Social Sustainability
- **Performance Standard 6**: Biodiversity Conservation and Sustainable Natural Resource Management
- **Performance Standard 7**: Indigenous Peoples
- **Performance Standard 8**: Cultural Heritage.

### 1.4.3 IFC Guidelines on Environment, Health & Safety

The Environmental, Health and Safety Guidelines ("General Guidelines") are technical reference documents containing general and industry-specific examples of Good International Industry Practices ("GIIP"). When the IFC is involved in a project, these General Guidelines are applied in accordance with the requirements of their respective policies and standards. The General Guidelines should be used in conjunction with specific environmental, health and safety guidelines for the applicable industry sector, which offer guidance to users on issues relating to each specific industrial sector. For complex projects, it is likely to require the use of guidelines applicable to various industrial sectors.

In the case of the Park built by EEHSA, we considered the following specific guidelines:
- Wind energy
- Transmission and distribution of electricity
- Forest exploitation operations
- Extraction of construction materials
- Toll roads.

### 1.4.4 Equator Principles

The Equator Principles for Financial Institutions (EPFI) are a set of guidelines prepared and undertaken voluntarily by more than 65 international private banks for managing social and environmental issues, related to the financing of development projects. The banks apply these principles globally to project financing in all industry sectors, with a capital cost of US$10 million or more. The Equator Principles may be applicable to a project if financed in part by one of the financial institutions signatory to the Principles.

The IFC Performance Standards on Social and Environmental Sustainability are implemented through the Equator Principles for projects in countries not classified as high-income countries by the Organization for Economic Cooperation and Development (OECD), as in the case of Honduras.

### 1.5 Organization and Responsibilities

The roles and responsibilities of EEHSA for the operation of the Park, fall within the guidelines and policies for operation and maintenance of a wind farm, more specifically with the policies defined by its member companies.
1.5.1 **Energía Eólica de Honduras, S.A. (EEHSA)**

*Environmental Duties and Responsibilities*

**Plant Manager**

The Plant Manager has overall responsibility for ensuring that the operation of the Park is in compliance with all applicable environmental commitments and regulations, as well as that all environmental reports and records meet environmental requirements, and that all requirements of the Park ESMP are being followed by all staff. The Plant Manager will have to provide the resources necessary to facilitate the effective implementation / maintenance of the PGA and is expected to actively participate in the management review process of and contribute to the functionality of the ESMP.

The Plant Manager will review the Environmental Policy and the effectiveness of the PGA, and shall prepare at least once a year, a report on results to the Environmental Management of the Company.

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6 Environmental roles and responsibilities defined by the Globeleq Environmental Programs Guide, Version September 1st, 2005.
Environmental Coordinator

Each Plant shall designate a person responsible for the coordination of environmental issues (Environmental Coordinator) and shall lead the team in charge of implementing the various environmental plans of the ESMP. The main responsibility of the Environmental Coordinator ("EC") is to ensure that the Park is in compliance with environmental commitments and regulations. In this sense, the EC is responsible for implementing and maintaining the Park ESMP and ensuring that the facilities complies with procedures based on Company guidelines and in accordance with ISO 14001. The EC is responsible for keeping up to date on regulatory changes affecting the operation of the Park and must communicate these changes to both the Plant Manager and the Environmental Manager of the Company. The Environmental Manager of the Company is responsible for the identification and communication with the EC regarding changes in environmental guidelines that could affect the operation of the Park, now or in the future. The EC should also establish regular contact with the local community, at least with community leaders, with regard to reporting on environmental issues. The EC shall actively interact with and inform the government/regional and local institutions responsible for environmental regulation.

The EC shall also be responsible for routine inspections (at least once a week) of the Park facilities in order to verify compliance with environmental measures and procedures. The EC shall keep records of said inspections, together with any follow-up corrective actions necessary as a result of the inspection. It is important that the monthly records contain only relevant information.

The Park EC shall prepare and maintain records of environmental compliance, and shall submit a report (at least quarterly) to the Plant Manager with regards to ESMP non-conformances and the environmental compliance status of the Park.

Environmental Inspection Team

A Park Environmental Inspection Team is composed of a blend of employees representing various trades and areas. The Team must have at least five members. Except for the EC, it is suggested that at least two Team members are new each year and therefore, no individual should serve more than two continuous years on the Team. It is also suggested that staff appointed as a member of the Team and that have already participated before, should wait at least four years to participate again. The EC will train the Team and also ensure that they are able to carry out inspections of the state of the Park facilities in accordance with ESMP guidelines.

The Environmental Inspection Team’s responsibility is to conduct environmental assessments of the facilities and prepare a written report with its findings. These assessments should be done at least twice a year. The Team will meet after each assessment to analyze the results of the inspection, including environmental concerns identified during the assessment and identified needs. Within 30 days of each assessment, the Team will submit a report to the Plant Manager on the appropriate conclusions and recommendations.
The Environmental Inspection Team should not be led by the EC to assess the ESMP and environmental compliance status of the facilities, in order to avoid bias in the information. A Team member shall be selected by the Team to lead each assessment.

The Team should make suggestions to the Plant Manager to strengthen environmental trainings and other measures that would increase environmental awareness in employees in general and of contractors and subcontractors.

Environmental Manager of the Company

The Environmental Manager of the Company will provide non-financial support and assistance required for the Park and must also make periodic visits to the facility. The Environmental Manager of the Company will participate in the Company's operational assessment program at least once every two years, including an assessment of the ESMP in the facility.

1.5.2 Subcontractors

Responsibilities

The design of this ESMP has considered the potential risks associated with the participation of subcontractors in the maintenance of Park facilities and the impacts this could generate if not handled properly and in close collaboration with the population of the area and with EEHSA. Therefore, all subcontractors are contractually required to take the following measures:

- Read, sign and comply with all policies, plans and procedures related to the environment, safety, conduct, contracts, and respect for the community.
- Ensure all staff complies with these policies.

Subcontractors shall not enter into any relationships with the communities and other stakeholders beyond what is permitted by the Park's Code of Conduct.

1.6 TRAININGS

EEHSA shall train employees directly responsible for activities related to the environmental performance of the Park, so that they have the knowledge and skills necessary to perform their work, including updated knowledge on national regulations and the requirements of the IFC Performance Standards. The training shall cover the specific measures and actions required by the Environmental Management Program, including the methods required to implement all components of the actions in a competent and efficient manner.

The Park ESMP includes a training plan with the following objectives:

- Ensure that all EEHSA staff, in accordance with their responsibilities, may receive the necessary training and comply with the procedures specified in environmental standards.
- Develop knowledge and necessary skills of all staff involved in:
- Operation activities that cause environmental impacts;
- Monitoring and control of these impacts; and
- Compliance with all of the plans specified in the ESMP.

This plan consists of the following actions:

- Making the diagnosis of training needs related to managing environmental and social impacts.
- Formulation of a Training Plan, selection of methodologies most appropriate for each case and implementation of the training program.
- Follow up on the Training Plan and keep records to track its effectiveness, in order to make improvements to the Plan as required.

1.7 MONITORING

Monitoring is an integral element of the ESMP at all levels. Monitoring is defined as the empirical follow-up of physical, biological, socioeconomic and cultural parameters as well as qualitative monitoring through performance inspections and audits and compliance with environmental requirements and commitments. Monitoring also includes review and verification of the implementation and effectiveness of the mitigation measures.

During operation, EEHSA shall direct major effort towards monitoring and follow-up of socio-environmental performance and compliance with the requirements of the ESMP.

1.8 RECORDS AND DOCUMENTATION

EEHSA shall keep the documents, logs and records necessary to substantiate compliance with the ESMP and with the measures established for the social and environmental protection and socio-environmental control during the O&M phase of the Park. The documents and records shall be clearly identified as well as traceable and easy to read, shall be safely archived, to facilitate easy recovery, during the O&M phase of the Park.

1.9 SUPERVISION, INSPECTION, AND AUDITING

As one of the elements of its management system, EEHSA shall establish procedures to monitor and measure the effectiveness of program management. In addition to recording information for establishing relevant operational controls, EEHSA must use dynamic mechanisms, such as inspections and audits, as appropriate, to verify compliance with the ESMP.

Monitoring and measurement will consist of ensuring compliance with:

- Identification of legal requirements and others, and compliance, through monthly reports.
- Compliance with the plans set out in the operational control of the ESMP.
• Record of logs for non-hazardous solid waste, hazardous waste and physiological waste.
• Checklists to ensure compliance with preventive measures among others, established in the requirements of environmental regulations.
• Verification of compliance of environmental objectives and policy established for the Park, through the ESMP and compliance checklists.
• Monthly reports. The EC shall submit an environmental report to the Plant Manager on the 30th day of each month; also the Plant Management shall submit the approved report on or before the 1st day of each month to the Operations Management.
• Internal audits, performed by the company.
• Compliance with terms, conditions and mitigation or environmental control measures for the development of the Park, acquired from the Ministry of Natural Resources and Environment, through checklists, logs and implementation of procedures.

EEHSA shall hire experienced and qualified outside experts to verify the monitoring information, as appropriate. The degree of supervision shall conform to the risks and impacts of the operation of the Park. The monitoring will be adjusted according to experience and feedback. EEHSA shall document the results of monitoring, and identify corrective actions. EEHSA shall implement those corrective and preventive actions and monitor these actions to ensure implementation.

1.10 NON COMPLIANCE MANAGEMENT

A procedure shall be established, defining the responsibility and authority to determine any non-compliance through the environmental inspection process; the adoption of measures to correct / mitigate the impacts caused by the nonconformance, and to initiate and complete the necessary corrective/preventive actions that are appropriate to the magnitude of the resulting environmental impact. The non-compliance report describing the possible cause of the non-compliance will be discussed with the Plant Manager.

This Non-Compliance Report shall recommend what should be, or describe what was, done to correct, contain, mitigate and solve the problem as soon as possible, in each specific case. If changes/modifications are made to machinery and/or equipment, or changes to the existing O&M facilities, then training should be done on the new procedures to minimize the recurrence of such incidents.

EEHSA shall implement its own follow-up and response system to any noncompliance identified by internal or external inspections and audits.

1.11 REPORTS AND DISCLOSURE

The disclosure of relevant environmental information and the implementation of the ESMP will help affected communities to understand the risks, impacts and opportunities of operating the Park. If communities can be affected by risks and adverse impacts of the operation, then these
communities shall be given access to information about the purpose, nature and scope of O&M of the Park, the duration of the proposed activities and any risks and potential impact on those communities.

EEHSA shall disclose the ESMP to affected communities through local authorities, making this information public. Moreover, EEHSA will report twice a year, describing the progress of implementation of the ESMP in matters involving any continuous risk or impact to communities and the issues that have been identified through the complaint resolution mechanism with respect to neighboring communities.

If the results of the review or evaluation result in substantial changes or additions to the mitigation measures or actions described in the ESMP on matters of interest to the affected communities, then the updated measures or mitigation actions shall also be disclosed to the community and municipal authorities. These reports shall be developed in a format and vocabulary that is accessible to affected communities.

This program shall be disseminated to all personnel involved, including: operations management, plant management, and therefore to all personnel working in the various O&M processes of the Park.

1.12 MANAGEMENT OF CHANGES

The management of changes includes the continuous improvement of the ESMP.

Recognizing the dynamic nature of the O&M process of the Park, the ESMP should be able to respond to changes under the circumstances of any unforeseen event and in performance monitoring. There will be a document control system and communication of changes to stakeholders.

In general, EEHSA shall conduct at least an annual review of the ESMP. If changes are made to the mitigation plans and to requirements of the ESMP, then these changes shall be communicated to the affected communities as soon as possible, through the mechanism established for this purpose.

If significant changes are made to the Park and these are affecting the environmental and social implementation of the ESMP, then EEHSA shall submit a notification to SERNA specifying the modification in a process and/or activity. Similarly, these changes shall be communicated to affected communities. Revisions to the Environmental and Social Management Program will be made in conjunction with Plant management and Environmental Manager, as required.
2 ENVIRONMENTAL REQUIREMENTS OF THE OPERATION AND MAINTENANCE PHASE

2.1 IMPLEMENTED PLANS DURING OPERATION PHASE

In the general O&M program related to operation of the Park wind turbines and facilities, EEHSA shall include the following specific plans for the operation of the Park:

- **Predictive Maintenance Plan:** Refers to the use of tests, analytical methods and measuring equipment to predict equipment maintenance requirements in order to prevent failures or unexpected shutdowns.

- **Corrective Maintenance Plan:** Refers to all activities necessary to repair or replace any defective parts or equipment in the wind turbines or balance of plant (BOP) caused by normal wear.

- **Preventive Maintenance Plan:** Refers to the implementation of planned and scheduled maintenance activities, usually at fixed intervals of time or based on hours of use of equipment, in order to prevent failure and shutdowns.

These plans will help to identify and develop procedures so that the EC can set parameters for monitoring and control. The goal is that all environmental risks or impacts that may arise during O&M activities are managed in accordance with the requirements of the ESMP and National Legislation.

2.2 MONITORING DURING OPERATION PHASE

2.2.1 Solid Waste Management

The objective is to prevent, minimize and control adverse impacts on public health and safety and the environment, generated by hazardous and non-hazardous solid waste that may affect the environment or the health of persons or animals, as well as flora and fauna. The management of solid waste should be based on the following actions: Minimization at the Source, Categorization and Segregation, temporary storage, waste collection and transportation, and final Disposal.

2.2.2 Hazardous Waste Management

During operation of the Park, hazardous waste is generated. Due to its nature, this type of waste is corrosive, reactive, explosive, flammable, toxic and biological - infectious, and due to its form of management, can be a hazard to the environment and humans.
The management of hazardous waste, shall be in accordance with the provisions of national environmental legislation and compliance with international requirements, as will also be applicable to the services hired by companies licensed to transport and dispose of this waste. The hazardous waste generated will be temporarily stored in a warehouse designed for this purpose, and it is also necessary to document this procedure in records and logs.

2.2.3 Soil Erosion

The goal of this monitoring is to identify the loss of vegetation and soil exposure, in order to execute slope stabilization measures by cutting or filling; to prevent and/or minimize erosion as a result of climatic aspects mainly from wind and rainfall, thus preventing landslides and significant sedimentation in the areas along access roads and platforms in the Park.

An assessment shall be conducted once a month and shall be included in the environmental status semiannual report.

2.2.4 Noise

EEHSA hired the consulting firm "Ingeniería Acústica Spectrum S.A.", based in Mexico, to conduct noise monitoring during the first year of operation of the Park. This company was selected based on their regional location and especially for their extensive experience in conducting noise monitoring for wind farms operating all throughout Mexico. The work plan includes four visits to the Park, allowing for data collection at 200 sampling points under different weather conditions. This information will be used to map noise level contours around the Park area; and the work plan also includes a feasibility study of noise grievance solutions. All these actions are designed to comply with the IFC EHS Guidelines, which specifies a limit of 55 dBA during daytime hours and 45 dBA at night (22:00 to 07:00 hours).

If anyone in the community experiences an impact or discomfort as a result of the operation of the Park, EEHSA is responsible for efficiently responding to and resolving such grievances to the satisfaction of all stakeholders involved. Accordingly, EEHSA has prepared a Complaints Resolution Procedure for the operation phase, which indicates noise mitigation measures (see Section 4.1), and measures to achieve satisfactory resolution with the complainant.

2.2.5 Birds and Bats

Studies executed during the development phase by the company "Pandion Systems" concluded that the species of birds and bats that are potentially affected by the operation of the Park are not classified as vulnerable, threatened or endangered by the IUCN. EEHSA contracted the Pan American Agricultural School, through the Zamorano Biodiversity Center, to conduct bird and bat monitoring during the first year of operation.

The work plan includes recording the frequency of mortality caused by the wind turbines, and an evaluation of the species abundance index in the vicinity of the wind farm to determine if
populations of affected birds and bats appear to be sustainable and capable of withstanding the observed mortality. The study of bats present in the area, in addition to bats caught in mistnets near ground level, will be done using modern technologies (ultrasonic detection and identification) to detect other species flying far from the ground. Additionally, there will be a study focusing on raptors, including intensive monitoring of raptor migration and reproduction areas nearby the wind farm. Animal carcasses, when recovered in good condition, will be preserved in the scientific collections of Zamorano.
3 MANAGEMENT OF SOCIO-ECONOMIC IMPACT

This document provides an outline of the plans and actions necessary to prevent or reduce possible socioeconomic impacts from the operation of the Park.

Potential socioeconomic impacts are:
   a) Health and Safety
   b) Economic Impact
   c) Environmental impact
      • Noise
      • Shadow flicker
      • Interference with telecommunications

The community relations department team will be available to help communicate activities to the community and to help minimize any disruption to neighboring residents. An environmental, health and safety team will also be available to ensure compliance and monitor all actions related to environment, health and safety.

3.1 COMPLAINT RESOLUTION MECHANISM

The purpose of the complaint resolution mechanism is to develop effective procedures that enable local community members to have access to a Coordinator of the Community Relations department and to raise any reasonable concerns or complaints associated with impacts arising from operation of the Park.

Contact Information:
The preparation process of this mechanism includes the establishment of a direct local contact number and team as a dedicated communication line to receive questions and comments, as well as developing Complaint Response Forms per issue in order to adequately record and track complaints.

The Community Relations Coordinator is responsible for the implementation of the Complaint Resolution Procedure, and as such, has a local contact number. The name and telephone number of the Coordinator will be made public and available to all communities, so that local residents can contact this person immediately if they have any comments or concerns.

Beyond normal business hours, including weekends, a member of the community relations department will be accessible 24/7 on his or her cell phone to receive any comments or concerns.

While the Coordinator will make every effort to take any call, if for some reason the call cannot be taken, the caller can leave a message. Messages left on the Coordinator's cell phone will be checked and replied to within twenty-four hours of being left, in order to ensure prompt response. EEHSA and/or the Community Relations Coordinator will take calls or check for messages over
holidays, such that complaints received over this time can be responded to within twenty-four hours.

In the event that the Municipality receives direct complaints about unanticipated effects of the construction or operation of the wind farm, the Municipality shall notify EEHSA within 5 days in writing of the details of such complaint.

Procedure:

In the case that any community member experiences a potential nuisance or impact as a result of the Project’s operation, EEHSA will be responsible for efficiently responding to and resolving any such complaints to the satisfaction of all stakeholders involved.

EEHSA already has a strong history in community relations in the area, having held numerous town hall informative meetings throughout the area and assisted with many social development projects. This history, in addition to our open-door policy to handling any questions that our neighbors or participating landowners may have about the project, has created a firm base of trust between the Project and the community. It is from this base that we will continue to follow through with our commitment to the community and to being a good neighbor.

The Complaint Response Form ("the Form") is an internal document that facilitates procedures to record, register and track complaints or concerns of residents with respect to the Project. The following information is included in the Form:

| Basic Information | o Date and time the complaint was received or called in, in addition to the contact information and location of the caller. |
| Plant Operational Information | o Type of complaint or concern. |
| Plant Operational Information | o Urgency classification of the complaint. |
| Plant Operational Information | o Date and time the complaint occurred. |
| Plant Operational Information | o Details regarding the nature of the complaint. |
| Investigation and Follow-Up Information | o Date, time, and location that the measurements are taken, and the person responsible. |
| Investigation and Follow-Up Information | o Performance parameters of turbines / transformer. |
| Investigation and Follow-Up Information | o Meteorological data / weather conditions. |
| Investigation and Follow-Up Information | o Date and time that the investigation is conducted, and the person responsible. |
| Investigation and Follow-Up Information | o Performance parameters of turbines / transformer. |
| Investigation and Follow-Up Information | o Meteorological data / weather conditions. |
| Investigation and Follow-Up Information | o Details of investigative findings. |
Once a complaint is closed, a copy of the completed Form shall be filed away, and notification of such shall be sent in writing (e-mail) to the Plant Manager and the Community Relations Coordinator; and written notification (formal letter) shall be given to the initial Complainant, in addition to communicating the results to all third parties involved, as the case may be. A complaint can only be considered closed, if the initial Complainant has signed and sent a letter to EEHSA indicating so.

The **Complaint Resolution Procedure** is included in Annex 3.

An annual report will be written by the Community Relations Coordinator, and will include a summary of all complaints and resolutions, in addition to copies of the Complaint Response Forms.

### 3.2 HOUSE RELOCATION PLAN

**OBJECTIVES**
- Relocate the houses that could be affected by installations of the Wind Project, such as: turbines, access roads or interconnection..
- Ensure proper relocation of houses on private land in the Project area, seeking to minimize the impact on the inhabitants thereof.

**SCOPE**
This plan applies only to those properties with houses that may be affected during construction, commissioning and in particular operation of the Wind Park.

In Honduras, there is no regulation on the distance of a wind turbine from a building or road. Internationally, the recommended distance varies across countries. In Phase I of this Plan, EEHSA has selected houses for relocation that are within a 100 meter radius of a turbine, based on its own criteria, which include the following:
- Obstacle for construction of the Cerro de Hula Wind Farm
- Directly underneath a wind turbine rotor (obstacle to operation)
- Obstacle for accessing to operating wind farm and security area
MONITORING AND CONTROL OF WORKS

EEHSA will have a team monitoring compliance of the house relocation and construction works until its final completion. Part of the work of this team shall include planning regular inspections, to be conducted at least once a week.

The inspection must verify compliance and progress of construction, environmental management, and general conditions of the new house being built. All inspection reports shall be accompanied by photographs.

All work must be completed to full satisfaction of the homeowner, according to the plans approved by EEHSA and the homeowner.
4 MANAGEMENT OF CULTURAL RESOURCES

4.1 INTRODUCTION

EEHSA requested the Honduran Institute of Anthropology and History (IHAH) to perform an archaeological inspection of the Project area. An initial field inspection was performed on May 30th, 2009, during which the studied area included the location of the 67 turbines, as well as access roads. Following this inspection, the presence of lithic material was detected at the surface level, at the point corresponding to turbine 3-04. It was determined that an archaeological excavation be done in the area. During October 2009, the excavation work was done by digging sampling units at different points. The analysis of the material found (especially obsidian) indicates that the site was occupied after 1680 (XVII Century).

Based on the report submitted by the Archaeology Unit of the Institute, on January 19th, 2010, the IHAH dictated that the project area could be released.

A second field inspection was performed on September 25th, 2010, in which the studied area included the location of 51 turbine points that made up the final design of the Project. During this inspection, the presence of surface artifacts was detected at one site, corresponding to turbine 5-03. The archaeological excavation of this area was successfully completed during October 2010. The IHAH again dictated that the project area could be released for the construction and operation of the Park.

A third field inspection was performed on October 2012, in which the studied area included the location of 51 turbine points that made up the final design of the Expansion (Phase II). The IHAH again dictated that the project area could be released for the construction and operation of the Park.

For more information on Cultural Resources Management, see the Park's separate, but related, Cultural Resources Plan and Archaeological Chance Finds Procedure.
5 Reforestation Plan

This plan provides a framework of the reforestation commitments and actions necessary in order to comply with the mitigation agreement signed with the Ministry of Natural Resources and Environment (SERNA) for the activities related to the construction and operation of the wind farm, the concession area of which is 9,849.9 hectares.

Forestry activities are carried out under resolution of the Forest Conservation Institute (ICF); DEMP-006-2010, added to the file ICF-248-09. In accordance with what is stipulated in the ICF resolution, reforestation programs in any stage of development, implementation and maintenance are to be supervised by a duly chartered forestry professional.

5.1 Objectives

- Comply with the mitigation agreement signed with SERNA under Resolution No. 097-2009, and specifically with the measure in subsection "b" of the third clause, which refers to the commitment to implement a reforestation program in the Park's concession area, considering that ten (10) trees be planted for every one (1) that is cut.
- Comply with the mitigation agreement signed with SERNA under Resolution No. 1702-2010, and specifically with the measure in the second clause, which refers to the commitment to identify areas for reforestation through the corresponding UMA's.
- Comply with the social and environmental commitments of EEHSA's company vision and mission.
- Contribute to improving the standard of living of local residents, supporting the reforestation of water sources, and contributing to the scenic beauty and forest coverage of the communities where the Park is developed.

5.2 Scope

A general forest program will be maintained during the operation stage of the Park, focused on developing forest protection activities, nursery maintenance, and particularly the reforestation program. These activities are explained in more detail in EEHSA's Community Development Program.

5.3 Sites to Reforest

Priority of sites to be reforested is given primarily to reforestation plantations, the properties of landowners in the Project area, and the areas determined by the Municipal Environmental Unit (UMA) of the municipalities of Santa Ana and San Buenaventura to promote hydrologic recharge of watersheds and basins. Consideration is also given to the needs of the reforestation projects led by the community councils, schools and property owners in the Project area, including the properties of EEHSA.
The following table lists the potential sites and micro watersheds identified for reforestation, with details on the municipality in which they are located, the area and the estimated number of plants:

<table>
<thead>
<tr>
<th>Name</th>
<th>Municipality</th>
<th>Area (ha)</th>
<th>Plants</th>
</tr>
</thead>
<tbody>
<tr>
<td>La Joya</td>
<td>Santa Ana</td>
<td>0.45</td>
<td>499</td>
</tr>
<tr>
<td>El Zuzular</td>
<td>Santa Ana</td>
<td>0.35</td>
<td>388</td>
</tr>
<tr>
<td>Los Encinos</td>
<td>Santa Ana</td>
<td>0.95</td>
<td>1,055</td>
</tr>
<tr>
<td>Puerta de Golpe</td>
<td>Santa Ana</td>
<td>0.16</td>
<td>177</td>
</tr>
<tr>
<td>El Cruce</td>
<td>Santa Ana</td>
<td>1.36</td>
<td>1,510</td>
</tr>
<tr>
<td>La Bodega</td>
<td>Santa Ana</td>
<td>0.25</td>
<td>277</td>
</tr>
<tr>
<td>Cuevecitas</td>
<td>Santa Ana</td>
<td>0.90</td>
<td>999</td>
</tr>
<tr>
<td>Montaña de Izopo</td>
<td>San Buenaventura</td>
<td>0.64</td>
<td>711</td>
</tr>
<tr>
<td>El Terrero</td>
<td>San Buenaventura</td>
<td>0.59</td>
<td>655</td>
</tr>
<tr>
<td>San Buenaventura</td>
<td>San Buenaventura</td>
<td>2.33</td>
<td>2,588</td>
</tr>
<tr>
<td>El Calvario</td>
<td>San Buenaventura</td>
<td>4.35</td>
<td>4,832</td>
</tr>
<tr>
<td>La Crucita</td>
<td>San Buenaventura</td>
<td>1.20</td>
<td>1,333</td>
</tr>
<tr>
<td>El Horno</td>
<td>San Buenaventura</td>
<td>0.25</td>
<td>277</td>
</tr>
<tr>
<td>El Cerro</td>
<td>Santa Ana</td>
<td>1.84</td>
<td>2,044</td>
</tr>
<tr>
<td>Tanque</td>
<td>Santa Ana</td>
<td>0.92</td>
<td>1,022</td>
</tr>
<tr>
<td>Landowners and others(^7)</td>
<td>Santa Ana and San Buenaventura</td>
<td>19.47</td>
<td>21,650</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td><strong>36.01</strong></td>
<td><strong>40,017</strong></td>
</tr>
</tbody>
</table>

\(^7\) Others: Community recreation areas, high schools, elementary schools, etc., also including potential new sites and micro watersheds.
Map of project concession areas, reforestation site:
### Potentially suitable species for planting in reforestation sites:

<table>
<thead>
<tr>
<th>№</th>
<th>Site</th>
<th>Municipality</th>
<th>Species</th>
<th>Area (Ha)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>La Joya</td>
<td>Santa Ana</td>
<td>P. maximinoi, P. oocarpa, Casuarina, Acacia, Yellow Oak, Guanijiquil</td>
<td>0.45</td>
</tr>
<tr>
<td>2</td>
<td>El Zurzular 1</td>
<td>Santa Ana</td>
<td>P. maximinoi, P. oocarpa, Casuarina, Acacia, Yellow Oak, Guanijiquil</td>
<td>0.32</td>
</tr>
<tr>
<td>3</td>
<td>Los Encinos</td>
<td>Santa Ana</td>
<td>P. maximinoi, P. oocarpa, Casuarina, Acacia, Yellow Oak, Guanijiquil</td>
<td>0.95</td>
</tr>
<tr>
<td>4</td>
<td>Puerta de Golpe 1</td>
<td>Santa Ana</td>
<td>P. maximinoi, P. oocarpa, Casuarina, Acacia, Yellow Oak, Guanijiquil</td>
<td>0.02</td>
</tr>
<tr>
<td>5</td>
<td>Puerta de Golpe 2</td>
<td>Santa Ana</td>
<td>P. maximinoi, P. oocarpa, Casuarina, Acacia, Yellow Oak, Guanijiquil</td>
<td>0.14</td>
</tr>
<tr>
<td>6</td>
<td>El Zurzular 2</td>
<td>Santa Ana</td>
<td>P. maximinoi, P. oocarpa, Casuarina, Acacia, Yellow Oak, Guanijiquil</td>
<td>0.03</td>
</tr>
<tr>
<td>7</td>
<td>Área El Cruce</td>
<td>Santa Ana</td>
<td>P. maximinoi, P. oocarpa, Casuarina, Acacia, Yellow Oak, Guanijiquil</td>
<td>1.36</td>
</tr>
<tr>
<td>8</td>
<td>Área La Bodega</td>
<td>Santa Ana</td>
<td>P. maximinoi, P. oocarpa, Casuarina, Acacia, Yellow Oak, Guanijiquil</td>
<td>0.25</td>
</tr>
<tr>
<td>9</td>
<td>Cuevecitas 4</td>
<td>Santa Ana</td>
<td>P. maximinoi, P. oocarpa, Casuarina, Acacia, Yellow Oak, Guanijiquil</td>
<td>0.08</td>
</tr>
<tr>
<td>10</td>
<td>Cuevecitas 3</td>
<td>Santa Ana</td>
<td>P. maximinoi, P. oocarpa, Casuarina, Acacia, Yellow Oak, Guanijiquil</td>
<td>0.15</td>
</tr>
<tr>
<td>11</td>
<td>Cuevecitas 2</td>
<td>Santa Ana</td>
<td>P. maximinoi, P. oocarpa, Casuarina, Acacia, Yellow Oak, Guanijiquil</td>
<td>0.13</td>
</tr>
<tr>
<td>12</td>
<td>Cuevecitas 1</td>
<td>Santa Ana</td>
<td>P. maximinoi, P. oocarpa, Casuarina, Acacia, Yellow Oak, Guanijiquil</td>
<td>0.54</td>
</tr>
<tr>
<td>13</td>
<td>Montaña de Izopo 3</td>
<td>San Buenaventura</td>
<td>P. maximinoi, P. oocarpa, Mountain Oak, Casuarina</td>
<td>0.05</td>
</tr>
<tr>
<td>14</td>
<td>Montaña de Izopo 2</td>
<td>San Buenaventura</td>
<td>P. maximinoi, P. oocarpa, Mountain Oak, Casuarina</td>
<td>0.41</td>
</tr>
<tr>
<td>15</td>
<td>Montaña de Izopo 1</td>
<td>San Buenaventura</td>
<td>P. maximinoi, P. oocarpa, Mountain Oak, Casuarina</td>
<td>0.18</td>
</tr>
<tr>
<td>16</td>
<td>El Terrero</td>
<td>San Buenaventura</td>
<td>P. maximinoi, P. oocarpa, Mountain Oak, Casuarina</td>
<td>0.59</td>
</tr>
<tr>
<td>17</td>
<td>San Buenaventura 1</td>
<td>San Buenaventura</td>
<td>P. maximinoi, P. oocarpa, Mountain Oak, Casuarina</td>
<td>0.34</td>
</tr>
<tr>
<td>18</td>
<td>El Calvario 1</td>
<td>San Buenaventura</td>
<td>P. maximinoi, P. oocarpa, Mountain Oak, Casuarina</td>
<td>1.65</td>
</tr>
<tr>
<td>19</td>
<td>El Calvario 2</td>
<td>San Buenaventura</td>
<td>P. maximinoi, P. oocarpa, Mountain Oak, Casuarina</td>
<td>2.7</td>
</tr>
<tr>
<td>20</td>
<td>San Buenaventura 2</td>
<td>San Buenaventura</td>
<td>P. maximinoi, P. oocarpa, Mountain Oak, Casuarina</td>
<td>1.99</td>
</tr>
<tr>
<td>21</td>
<td>La Crucita</td>
<td>San Buenaventura</td>
<td>P. maximinoi, P. oocarpa, Mountain Oak, Casuarina</td>
<td>1.2</td>
</tr>
<tr>
<td>22</td>
<td>El Horno 1</td>
<td>San Buenaventura</td>
<td>P. maximinoi, P. oocarpa, Mountain Oak, Casuarina</td>
<td>0.25</td>
</tr>
<tr>
<td>23</td>
<td>El Cerro 1</td>
<td>Santa Ana</td>
<td>P. maximinoi, P. oocarpa, Casuarina, Acacia, Yellow Oak, Guanijiquil</td>
<td>1.84</td>
</tr>
<tr>
<td>24</td>
<td>Tanque 2</td>
<td>Santa Ana</td>
<td>P. maximinoi, P. oocarpa, Casuarina, Acacia, Yellow Oak, Guanijiquil</td>
<td>0.19</td>
</tr>
<tr>
<td>25</td>
<td>Tanque 1</td>
<td>Santa Ana</td>
<td>P. maximinoi, P. oocarpa, Casuarina, Acacia, Yellow Oak, Guanijiquil</td>
<td>0.73</td>
</tr>
<tr>
<td>26</td>
<td>Landowners / Schools / Others</td>
<td>Santa Ana / San Buenaventura</td>
<td>Frutales, P. maximinoi, P. oocarpa, Casuarina, Acacia, Yellow Oak, Guanijiquil</td>
<td>19.47</td>
</tr>
</tbody>
</table>

**Total Area:** 36.01 Ha
5.4 ACTION PLAN

The planting will be executed under the supervision of one (1) forestry technician who provides instructions to one (1) field manager (technician), who oversees the field work of five (5) planters on the project payroll. These planters (field workers) will work on diverse tasks during different stages of the forestry program. Planters are expected to plant a minimum of sixty (60) trees per day, across 8-hour shifts on work days.

Initial protection, monitoring and evaluation program:

This program constitutes monitoring the reforested sites, in terms of both plant health and forest protection (against fires); in addition to maintenance activities of the reforested sites (constant cleaning of weeds) and evaluation of rooting, growth and development. The monitoring and evaluation program consists of the following steps:

- Evaluation of rooting
- Development evaluation
- Forest certification.
6 FOREST PROTECTION PLAN

The aim of the protection plan is to provide guidance to establish measures to minimize damage caused by forest fires, regardless of their origin, across the 9,849.9 ha concession area of the wind farm.

The main forest protection measures are designed to reduce risk factors, in other words, to prevent the fire before it occurs, and to be prepared if it does occur, trying to avoid the need for direct fire fighting. Awareness programs, information campaigns and constant training serve as essential elements in the protection of forest land.

The Forest Protection Plan serves to minimize the incidence of forest fires in the Cerro de Hula Wind Park concession area, which is located in the jurisdictions of the municipalities of Santa Ana and San Buenaventura, both in the department of Francisco Morazán, in central Honduras.

Given the distinct seasons in the summertime, the sites to be protected present risk factors and conditions conducive to the rapid spread of forest fires, which are mostly of anthropogenic origin, and sites to be protected are prioritized considering each location's biophysical characteristics, forestry activities carried out there and the importance to the community.

6.1 OBJECTIVES

General

To develop and implement a protection plan against forest fires in the 9,849.9 ha area of influence of the Cerro de Hula Wind Project, incorporating the municipalities (UMA's) and the landowners.

Specific

- To reduce the incidence and potential damage caused by forest fires in places where there are activities being carried out associated with the construction, operation and reforestation of the Park, through the development of community awareness and prevention activities.
- To establish a well-trained firefighting and fire control squad who will handle and minimize damage in case of accidents, in conjunction with municipal and national fire brigades and with local work forces, together working on fire prevention and firefighting activities.
- To strengthen the skills of community residents by providing theoretical and practical training on forest protection.
- To collaborate on firefighting and fire control in conjunction with municipal crews, military and firefighters.
6.2 DESCRIPTION OF THE AREA

The places where the protection plan is going to be applied are characterized by varying slopes, between flat, moderate and strong; the characteristic vegetation consists of oak, pine and mixed forests.

The wind speed measurement towers, turbine foundations, construction sites and access roads needed for the installation and operation of the 51 Gamesa G87 wind turbines, are located across different sites. Additional sites to be protected include those used for planting and reforestation, which will be allocated across properties and watersheds identified by each municipal environmental unit.

The entire site has moderate to heavy wind conditions deciduous vegetation in the oak forests and rocky areas.

6.3 PROTECTION ACTIVITIES

- Controlled burning
- Rounds
- Fire fighting
- Clearance

The entire area of the Park has been categorized in order of forest protection priority.
Map of firefighting and fire control priority sites within the Cerro de Hula Wind Park concession area.

The forest firefighting team is already certified to execute these activities on behalf of the firefighters of Honduras.
7 ENVIRONMENTAL EMERGENCIES PLAN

7.1 EEHSA POLICIES STATEMENT

Energía Eólica de Honduras S.A. (EEHSA) is dedicated to ensuring workplace health and safety through the application of industry best management practices. The company operates safe and clean work facilities and implements best practices in order to minimize potential negative social or environmental impacts during the operation stage and eventual closure.

7.2 OBJECTIVE

To minimize any effect on ecosystems through the effective and early detection of environmental emergencies that may arise during operation and maintenance, and to establish actions to ensure adequate prevention, control and response to environmental emergencies; and ultimately, to determine the actions and preventive measures to be implemented in the different activities executed at the Cerro de Hula Wind Farm.

7.3 DEFINITIONS

Emergency Plan: A management tool that defines foreseeable emergencies, details the technical means available for mitigation and control, details how these means should be applied, and organizes the human resources available to respond to every situation.

Environmental Emergency: A sudden event, deliberate or accidental, resulting in the release of chemicals into the environment, radiant heat or pressure waves that affect or may affect the health of the population and/or the ecological balance.

Incident: Any dysfunction or abnormality related to the malfunctioning of equipment, machinery, vehicles, or work personnel, which can lead to some kind of environmental damage but which is not considered serious.

Accident: An uncontrolled event, expected or resulting from unexpected situations, which can cause damage.

7.4 IDENTIFIED ENVIRONMENTAL EMERGENCIES

- Forest Fires
- Oil Spills
7.5 **IDENTIFIED ENVIRONMENTAL ACCIDENTS**

- Appearance of birds / bats / fauna

7.6 **ENVIRONMENTAL EMERGENCIES REPORT**

In the event that an environmental emergency occurs, the environmental coordinator shall issue a report on the situation. The report should consider the following points:

- Description of the environmental emergency
- Possible causes
- Assessment of damage
- Actions taken
- External support requested
- Compensation measures
- Conclusions (must specify whether the action steps outlined in this plan were adequate, if the emergency phones provided were useful, etc.)
- Photographic report (include a description of each)

EEHSA will review and update the Plan annually and/or when appropriate; to reflect changes in identified hazards, risks, organization or contact details. The Plan will also be reviewed and adopted by any Contractor, Subcontractor or Supplier, who may also add specific binding requirements to the Plan as appropriate to the service being contracted or supplied to the Park.

For more information on actions to be taken in relation to environmental or other emergencies (health and safety) see the Park's Emergency Response Plan.
8 BIODIVERSITY PROTECTION

8.1 SCOPE

Biodiversity Protection applies to EEHSA’s concession area during the operation phase of the Park.

8.2 OBJECTIVE

The objective of the Biodiversity Protection Plan is to minimize adverse impacts on flora, fauna and ecosystems of the Area of Influence of the Park and to maximize the benefits for protection and management of the habitats affected by the Park.

8.3 BIODIVERSITY MONITORING

8.3.1 Birds and Bats

With regard to the recommendations of monitoring this specific impact, the IFC guidelines specify that: "For monitoring of bird and bat injury and mortality, dead bird searches - involving entire carcasses, partial remains, and feathers - is the most common way to monitor for collisions with wind farms."

EEHSA, through its EC, will conduct inspections in the turbine platform areas with the purpose of searching for bird and bat species affected by the operation of the turbines.

The EC will prepare logs and reports on the bird and bat mortality findings. The EC is also responsible for implementing this plan.

Bird and bat monitoring will be done throughout the operation stage by EEHSA's Environmental Department team.

8.3.2 Invasive Species

Invasive species are animals, plants or other organisms transported and introduced by human beings to places outside their natural distribution area, which have been established and scattered in the new region, where they are harmful.

EEHSA shall check for the presence of invasive species of flora and fauna during environmental monitoring and inspections throughout Project operation.

The above seeks to reduce the damage that may be caused by invasive species, with important changes in the composition, the structure or the processes of the natural or semi-natural
ecosystems of the zone, endangering the native biological diversity (diversity of species, diversity in populations or diversity of ecosystems).
9 COMMUNITY DEVELOPMENT PLAN

9.1 OBJECTIVE

The present Community Development Plan (the “Plan”) shall contain the policies and activities required to support local communities’ development within the Park area of influence, taking into account the essential aspects of the Environmental and Social Management Plan (ESMP), as well as the surveys and consultations carried out among the inhabitants of those communities.

The following are included within the specific objectives of the Plan:

- Identifying key aspects from an environmental, social, health and safety perspective, as well as labor aspects which may affect the communities.
- Prioritizing support and social investment aspects for the development of local communities.
- Generating employment and training opportunities for the staff from the area.
- Keeping the social liability, sustainable development and the good neighbor policy commitment
- Supporting initiatives and alliances with institutions seeking benefits in areas such as health, infrastructure, education and environment of those related to this Project.

9.2 EEHSA POLICIES AND SOCIAL VALUES

Mission

Becoming a leader company in the promotion, development and operation of renewable energy projects in Honduras. We keep this leadership through the following:

- Ethics in the promotion of sustainable policies
- Development of high quality projects
- Use of proven and accepted technology with top level engineering.
- World class Organization in operations and maintenance
- Social and Environmental Responsibility; creation of employment opportunities.

Vision

- Operating wind projects of up to 150 MW in Honduras
- Raising the capacity of qualified personnel and with additional experience in order to enhance the companies’ knowledge.
- Enhancing the operation, organizing and maintenance in order to achieve team growth
- Achieving increasing aligning between values and the company’s main practices.
Values

- Electric power generation is critical to development
- Leadership through example
- Team work
- Excellency standards
- Continued improvements
- Transparency (zero tolerance to corruption)
- Environmental Responsibility
- Social Responsibility and the work with the communities.
- Sustainability
- Increasing the shareholder value

In terms of **Social Responsibility and the work with the communities**, our values include the following:

- Commitment of financial resources for local development projects.
- Commitment of being a good neighbor of the community
- Keeping open and regular dialogue with the communities and other relevant stakeholders.

In terms of **sustainability**, our values include the following:

- Establishing environmental objectives with the purpose of reducing our environmental impact and continually improving our efficiency in the use of resources.
- Meeting the needs of the interested parties, while preserving and maintaining the environment and present natural resources, taking into account that these will be needed in the future.

### 9.3  PROFILE OF THE LOCAL COMMUNITIES.

The Park is located at 24 kilometers to the south of Tegucigalpa in the areas known as Cerro de Hula and the Izopo Mountain, in the Municipalities of San Buenaventura (#18) and Santa Ana (#22) in the Department of Francisco Morazán. Other municipalities indirectly benefited include: Ojojona, Sabana Grande and the Central District.
The following are the main communities directly benefitted by the Project:

<table>
<thead>
<tr>
<th>Municipality of Santa Ana</th>
<th>Municipality of San Buenaventura</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Las Quebraditas</td>
<td>• Urriupe</td>
</tr>
<tr>
<td>• El Cruce</td>
<td>• La Bodega</td>
</tr>
<tr>
<td>• Las Mesitas</td>
<td>• El Horno</td>
</tr>
<tr>
<td>• La Ciénega</td>
<td>• El Alto</td>
</tr>
<tr>
<td>• Babanato</td>
<td>• Izopo Mountain</td>
</tr>
<tr>
<td>• Zarzacagua</td>
<td></td>
</tr>
<tr>
<td>• La Bodega</td>
<td></td>
</tr>
<tr>
<td>• San Isidro de Izopo</td>
<td></td>
</tr>
<tr>
<td>• Apamarrá</td>
<td></td>
</tr>
</tbody>
</table>

**Municipalities with direct influence in the Project.**

The Municipality of *Santa Ana* has a territorial extension of 65.92 km², and an estimated population in excess of 10,000 inhabitants that live in 6 towns and 62 small villages. This municipality has social, religious and basic health infrastructure and besides it is very close to the Capital city (20 kms). There are 13 primary schools, 1 institute (which also serves night and weekend classes) in this municipality. There are also some 10 Catholic churches and more than 16 churches of other religious denominations. Its main labor activity is the cultivation of basic grains (corn and beans) for domestic consumption and handcrafts made of clay.

The Municipality of *San Buenaventura*, has a territorial extension of 64.94 km², with an estimated population of over 2,000 inhabitants living in four towns and 40 small villages. This municipality has social, religious and basic health infrastructure. There are 4 Catholic churches and some 12 of other religious denominations. It has 7 primary schools and 1 secondary school. Its main labor activity is the cultivation of basic grains (corn and beans) for domestic consumption, as well as cattle breeding and vegetables which are sold in Tegucigalpa.

In both municipalities, most of the economically active population travels to Tegucigalpa, where they have their jobs and where there are centers for higher studies.
The Municipality of Ojojona has a population of around 8,000 inhabitants, at an average distance of 5 Km from the wind turbines located in Santa Ana, in the Cerro de Hula.

**Socio Economic Indicators of the region**

The following Table 1 shows some socio economic indicators for the Department of Francisco Morazán and Table 2 shows some specific indexes for the Park’s direct area of influence compared to the Central District.

**Table 1: Socio Economic Indicators for the Department of Francisco Morazán**

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Departmental</th>
<th>Central District</th>
<th>San Buenaventura</th>
<th>Santa Ana</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>DEVELOPMENT INDICATORS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Population</td>
<td>1,691,056</td>
<td>1,108,093</td>
<td>2,025</td>
<td>10,464</td>
</tr>
<tr>
<td>Human Development Index (IDH)</td>
<td>0.769</td>
<td>0.794</td>
<td>0.697</td>
<td>0.721</td>
</tr>
<tr>
<td>Human Poverty Index (IPH)</td>
<td>9.2</td>
<td>7.2</td>
<td>18.9</td>
<td>11.2</td>
</tr>
<tr>
<td>Life Expectancy Index</td>
<td>0.797</td>
<td>0.811</td>
<td>0.763</td>
<td>0.755</td>
</tr>
<tr>
<td>Illiteracy Rate</td>
<td>89.9</td>
<td>93.7</td>
<td>81.6</td>
<td>86.2</td>
</tr>
<tr>
<td>Per capita Income in (US$) PPA</td>
<td>5683</td>
<td>6584</td>
<td>3068</td>
<td>3964</td>
</tr>
<tr>
<td><strong>BASIC INDICATORS AND COVERAGE</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Undernourishment Rate</td>
<td>23.1</td>
<td>19.2</td>
<td>28.9</td>
<td>31.6</td>
</tr>
<tr>
<td>Access to electric power</td>
<td>80%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Access to potable water</td>
<td>86%</td>
<td>89.1%</td>
<td>59.7%</td>
<td>85.5%</td>
</tr>
<tr>
<td>Access to health care services</td>
<td>65%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

As the Park area of influence is relatively close to Tegucigalpa, in general its socioeconomic indicators may be appear high, notwithstanding, an index of almost 10% of poor population can be observed in the región, with a significant rate of illiteracy. These indexes are higher if studied for the communities adjacent to the Park, for example in San Buenaventura the estimated undernourishment rate is of almost 29%, in Santa Ana it is of about 32%. The following table shows some specific indicators for the two municipalities of the Park’s direct area of influence.

**Table 2: Specific Indexes for the Park’s direct area of influence**

<table>
<thead>
<tr>
<th>Municipality</th>
<th>Demographic</th>
<th>Education</th>
<th>Health</th>
<th>Economic</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Population</td>
<td>Under 18 years</td>
<td>Primary</td>
<td>Secondary</td>
</tr>
<tr>
<td>San Buenaventura</td>
<td>2,025</td>
<td>35%</td>
<td>7</td>
<td>1</td>
</tr>
<tr>
<td>Santa Ana</td>
<td>10,464</td>
<td>38%</td>
<td>13</td>
<td>1%^c</td>
</tr>
</tbody>
</table>

(a) None of the Municipalities has a Hospital, however, there is a hospital in the Municipality of Ojojona which provides assistance to the 3 Municipalities

(b) PEA = Economically Active Population

(c) The Institute also provides night classes and receives students from San Buenaventura and adjacent Municipalities

**Source:** EEHSA based on data provided by the 2001 Census; UNDP Report on Honduras Human Development, 2009; Interviews with municipal authorities.

**Education**

According to the last surveys conducted by EEHSA, most of the population did not complete primary education. Only a small portion successfully completed primary school, but from this, only a few completed the full secondary education cycle. Very few people attend the university.

**Local Economy**

The main economic activity in local communities is the sale of services (jobs in Tegucigalpa) and agriculture. The real estate sector has increased over the year, given the intention of many inhabitants from the Central District to leave the district to come to live to a place closer to the city.
In the municipalities of Santa Ana and San Buenaventura the following activities are mainly carried out:

- Agriculture
- Low scale Cattle breeding
- Poultry breeding

None of the activities above mentioned shall be affected by the installation of the Wind Project, and these can continue going on, as they are compatible among themselves.

Public Services

In the Municipalities of Santa Ana and San Buenaventura, there is no access to public services such as garbage collection, Access to potable water, and waste waters. Many of these services are satisfied at the local private level on a per house basis.

9.4 EEHSA´S PREVIOUS EXPERIENCE

EEHSA already has a strong history in community relations within the Park´s area of influence:

- It has conducted more than 32 open council meetings and public meetings, in the different stages of the Park since its development, construction and present operation, which have been with the participation of more than 2,980 people at both Municipal Corporations.
- EEHSA carries out environmental education activities in the educational sector, such as the celebration of the Tree Day and the natural resources week, which is an event that is carried out on an annual basis and incorporates the secondary education centers and the municipalities.
- It has made a total of 258 donations thus far, which account for an investment of L. 8, 245, 058.60 (US$ 412,252.93).
- In the planning of the donations program, EEHSA has projected to carry out two monthly donations in the municipalities of Santa Ana and San Buenaventura, in the areas of infrastructure, education and health.
- It conducted around 800 surveys of interest in the Park, among the communities of the municipalities of Santa Ana and San Buenaventura.
- It has signed Neighbor Agreements with representatives of some 1,700 houses (on a house per house basis).
- It has made several publications in order to bring the information related to wind energy generation to the communities for a better understanding of the Project on their behalf.
- It has collaborated with some 220 owners of land, supporting them in the achieving of their title deeds.
• It has provided economic assistance to Associations (related to the regime for generation of renewable energy, group associations, and other) at the national level.

• The 52% of EEHSA’s permanent employees are from the area of Santa Ana and San Buenaventura and for activities of the Park maintenance, an average 40 temporary employees will be hired for a 4 months period.

• EEHSA reached to a long term agreement with the Institutes of Santa Ana and San Buenaventura, agreement that enables the students to collaborate in the planting of trees in community areas and in the lands owned by these institutions, the responsibility of students is complying with a 42 hours social environmental service with support from trainers provided by the Environmental Department of EEHSA.

• As part of the Reforesting Plan of EEHSA, a total of 15,824 trees have been planted to date in the Park’s area of influence, having as a priority, the reforesting of the zones for reloading of underground water.

• The company’s green house “Vivero de los Vientos”, has a total of 36,648 plants of 26 different species, in order to comply with the different purposes and objectives of planting, thus enabling the restoring of native species, the degraded ecosystems and introducing some species providing an additional benefit, with the purpose of guaranteeing sustainability in the development of foresting and reforesting activities.

All this history, added to the open doors policy implemented to conduct communications with the communities and other relevant stakeholders, has allowed the achievement of a strong trust on behalf the inhabitants from the municipalities towards the Project. The present Plan shall aim at keeping such trust and relations with the communities during the Project operation.
9.5 SOCIAL DEVELOPMENT PROJECTS EXECUTED IN THE PAST.

The following list is a summary of the projects and most significant donations in which EEHSA has participated to date, as part of its social development activities.

<table>
<thead>
<tr>
<th>Municipality of Santa Ana</th>
<th>Municipality of San Buenaventura</th>
<th>Other Municipalities</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Donation of food and materials to the people affected by flows during Hurricane Agatha</td>
<td>• Electrification at Izopo Mountain for the part in San Buenaventura as well as for the part in Santa Ana</td>
<td>• Hospital San Juan Maria Vianney – Donación de equipos (computadoras)</td>
</tr>
<tr>
<td>• Support to the electrifying of communities such as Izopo Mountain (for the part in San Buenaventura as well as for the part in Santa Ana), Community of La Laguna, El Sauce, Barrio la Picona, Las Quebraditas, Cofradía, El Sauce</td>
<td>• Painting of the Izopo School</td>
<td>• CIMEQH – Donación cena navideña y agendas</td>
</tr>
<tr>
<td>• Donations to Churches such as the Catholic Church of Santa Cruz, Nueva Arcadia, Restoring of the Santa Ana Church, Restoring of the Santísima Trinidad Church, Santa Ana, Mesa Grande Church</td>
<td>• Classroom repair at the Kinder garden of the Izopo Village.</td>
<td>• AHPPER - Aporte para un estudio del CMCP</td>
</tr>
<tr>
<td>• Support to the Community Board of Babanato, for the improvement of the Access, support to the Health Committee of La Calí.</td>
<td>• Drilling of one well at El Izopo Village.</td>
<td>• Fundación COHEP – Colaboración para una celebración del Día del Niño</td>
</tr>
<tr>
<td>• Support to educational centers such as the José Cecilio del Valle School, the floor for the computing classroom, Schools in Las Mesitas and La Ciénaga, with the provision of tanks for their bath rooms, elaboration of a warehouse for the Jose Cecilio del Valle School, Air conditioning for the Juan Lindo School, gate for the Lempira, La Calí, Ciénaga, Francisco Morazán Schools, gate for the Los Encinos kinder garden, and Los Encinos School</td>
<td>• Materials to improve the floors in houses at El Izopo.</td>
<td>• Donación de Rótulos para el Zoológico Nacional El Picacho.</td>
</tr>
<tr>
<td>• Support with the painting and improvement of the Police Station</td>
<td>• Furnishings and Office Equipment for the lab of the San Buenaventura Institute.</td>
<td>• Empresa Nacional de Energía Eléctrica dos vehículos Nissan con la matrícula.</td>
</tr>
<tr>
<td>• To the Reforma Sports Club – Donation of sports uniforms</td>
<td>• To Lot owners and neighbors of the mountain poles and electrical materials were donated for the electrification project.</td>
<td></td>
</tr>
</tbody>
</table>
All of the above contributions are made in coordination and jointly with the corresponding Municipality and organized groups as per the case. In addition to that, it should be noted that EEHSA started in 2010 a Program for Management of Solid Waste, which includes activities such as: installation of garbage cans, talks in primary and secondary education centers, meetings with the water boards and trust boards of both municipalities.

The following are some photographs taken while in the conduction of these social development activities:

- Donation of fertilizers to 200 producers from Santa Ana and San Buenaventura, July 2012.
- Drilling of one well at Cerritos de Ayasta, February 2012.
- Donation of equipment for the accounting lab of the San Buenaventura Institute, November, 2011.
- Donation of plates to 180 families for improvement of their roofs, May 2012.
Donation of electrical materials for the Las Cuevitas Village, August 2011.

Donation of materials for the construction of 70 concrete floors for families of Izopo Village. April 2012.

Education Talk on Forest management at Francisco Morazán Primary School, May, 2012.

Planting of ornamental trees at 18 de Noviembre School, May, 2012.
9.6 COMMUNITY FEEDBACK

EEHSA has conducted several surveys in the communities benefited by the Park, with the purpose of known their degree of acceptance to the Project operation. Through these surveys, the Company has been able to identify many needs and expectations from the communities in regards to the operation and the social support expected.

The following is a list of most significant needs identified during the surveys, in which EEHSA considers that as operators of the Wind Park, it can contribute to:

- Generation of jobs
- Support to schools
- Electrification
- Support to health care centers
- Support to churches
- Improvement of accesses
- Potable water
- Training and development
- Safety
- Recreational Centers
- Public Lightning.

Additionally, the Cerro de Hula Wind Park will build a center for visitors, where the students, government or not government organizations and other institutions, may come to be informed on the process for development, construction and operation of the Park. It will also serve to
communicate on the different social and environmental activities in which EEHSA is leader in the communities of Santa Ana and San Buenaventura.

### 9.7 FUTURE ACTIONS AIMED AT LOCAL COMMUNITIES’ DEVELOPMENT.

EEHSA shall continue making social contributions during the commercial operation of the Cerro de Hula Wind Park, as part of the following Donations and Actions Plan.

**Donations:** During the Park operation, the program for donations and support to the development of the local communities of Santa Ana and San Buenaventura will continue, as well as through agreements with entities such as the Empresa Nacional de Energía Eléctrica (ENEE) in support of initiatives, as per the following criteria:

<table>
<thead>
<tr>
<th>Focus Area</th>
<th>Donation Amount</th>
<th>Aspects to be considered</th>
</tr>
</thead>
<tbody>
<tr>
<td>✓ Public Infrastructure (constructions, roads and electrification)</td>
<td>Lps. 30,000-50,000 ($1,600-2,800)</td>
<td>- Communities directly benefitted&lt;br&gt;- Number of people or families benefitted&lt;br&gt;- Contributions to third parties (Municipal corporation, neighbors, others)&lt;br&gt;- % of donation with regards to the total amount</td>
</tr>
<tr>
<td>✓ Health (Support to clinics, CESAMOs, Hospital, potable water)</td>
<td>Lps. 20,000-40,000 ($1,100-2,200)</td>
<td>- Number of people or benefitted families.&lt;br&gt;- % of the donation with regards to the total amount.</td>
</tr>
<tr>
<td>✓ Education (direct support to schools, kinder gardens and institutes)</td>
<td>Lps. 15,000-30,000 ($800-1,600)</td>
<td>- Number of students benefitted&lt;br&gt;- % of the donation with regards to the total amount</td>
</tr>
<tr>
<td>✓ Environment (reforesting, garbage management, recycling, any positive impact on the environment)</td>
<td>Lps. 5,000-18,000 ($280-1,000)</td>
<td>- Type of participant of the Project.&lt;br&gt;- Impact to the local environment&lt;br&gt;- Impact to the world environment&lt;br&gt;- Third parties Participation in the donation</td>
</tr>
<tr>
<td>✓ Other areas (these will be assessed as per the type of donation)</td>
<td>Lps. 5,000-15,000 ($280-800)</td>
<td>- Origin of the donation&lt;br&gt;- Direct Beneficiaries (families, the people)</td>
</tr>
<tr>
<td>✓ Agreements and Alliances with other interested groups “Stakeholders” (aimed at achieving measurable benefits in the above mentioned areas.)</td>
<td>Lps. 500,000 – 3,000,000 ($25,000- $150,000)</td>
<td>- Benefits to be generated&lt;br&gt;- Follow up and verification</td>
</tr>
</tbody>
</table>
Process:

1. Submitting of a written Project addressed to EEHSA
2. Filling out the Company’s internal format for presentation
3. Keeping a list of donations for a bimonthly evaluation, with their respective supporting documentation of execution.

The development of donations and other related activities, may be carried out through alliances with other interested groups (stakeholders) as has been done to date, such as: Municipalities, Water Boards, School Trust Boards, Churches, Community Trust Boards, ENEE and others, as may be necessary, as long as this relation is in support of the development of the above indicated policies.

Actions: These contributions are part of the actions and activities which enable the objective implementation of its support, such as the following:

<table>
<thead>
<tr>
<th>Area</th>
<th>Objective</th>
<th>Activities and Actions</th>
<th>Indicators</th>
</tr>
</thead>
</table>
| Human Resources             | Establishing a highly effective team committed with the Company.          | 1. Providing to all employees the same rights and benefits as per their job positions.  
2. Offering private medical insurance to employees, either at the local, national or international level, as per the position needs.  
3. Offering the employees equal opportunities for training, including aspects of labor safety, at least 4 employees trained per year.  
4. Offering the employees a clean working space under equal working conditions. | 1. Number of employees in payroll and affiliated with the IHSS  
2. Number of employees with additional medical insurance  
3. Number of hours of training per employee  
4. Number of employees on sick leave per year  
5. Percentage of employees of people living in the Project area. |
| Local Social Development    | Making significant contributions to the social development of the communities | 1. Making an annual average of 5 contributions per year in areas such as education in the communities’ kinder gardens, schools and institutes.  
2. Making an annual average of 5 contributions per year in areas such as health, that help improve the living condition of the inhabitants of the area.  
3. Making an annual average of 8 | 1. Number and amount of donations made in the areas of education, health and infrastructure.  
2. Number of people benefitted directly and indirectly from the contributions made in local social development.  
3. Records should show the |
| Environment | 1. Development of a reforesting program in the municipalities.  
2. Development of a recycling program, accompanied of an education program.  
3. Estabishing a Collection Center for waste to be recycled.  
4. Promoting the recollection of garbage by the Municipal Corporations  
5. Support in the establishing of Fire Brigades to fight forest fires with members of the communities. | 1. Monitoring of the sowing of at least 40,000 trees in the Municipalities of Santa Ana and San Buenaventura during the Project’s life  
2. Quantity of pamphlets elaborated and distributed as part of a program for education on recycling at the level of schools, institutes and houses.  
3. Quantity of wastes collected by the Recycling Program (annual increases are expected)  
4. Contribution to the municipality for the establishing of a system for periodic recollection of garbage in the municipalities.  
5. Number of Fire Brigades established  
6. Number of participations in the prevention of forest fires. |
| Contributions per year in infrastructure for the communities.  
4. Keeping updated the payment of leases with the owners of lands.  
5. Keeping up to date the payment of municipal taxes. | Payment of annual rent corresponding to the contracts with the owners of lands.  
4. Records should show the timely payment of municipal taxes. |
| Sustainable Development | Contributing to the country goals for sustainable development | Keeping the Wind Plant in optimal conditions so as to allow the generation of electric energy as per the generation plan established.  
1. Reduction of green house gasses through clean energy generation |
| 1. Quantity of Giga Watts hour (GWh) produced per year  
2. Number of CERs issued per year | 1. Quantity of Giga Watts hour (GWh) produced per year  
2. Number of CERs issued per year |
10 PUBLIC DISCLOSURE AND CONSULTATION PLAN

10.1 DESCRIPTION

EEHSA already has a strong history in community relations in the area, having held numerous town hall informative meetings throughout the area and assisted with many social development projects. This history, in addition to our open-door policy to handling any questions that our neighbors or participating landowners may have about the wind farm, has created a firm base of trust between the Project and the community. It is from this base that we will continue to follow through with our commitment to the community and to being a good neighbor.

EEHSA’S PRIOR EXPERIENCE:
- Has held more than 26 town hall meetings, informative briefings and talks throughout communities in Santa Ana and San Buenaventura, among other activities
- Has given lectures in all of the schools in the municipalities, and in the Institute of San Buenaventura
- Has contributed through over 247 donations in the municipalities, resulting in an investment of nearly L 7,318,522.48 Lempiras (about US$ 384,630.72) to date
- Conducted over 800 surveys on opinions of the Project in the communities of the municipalities
- Has signed Neighbor Agreements with representatives of about 1,700 households (door to door)
- Has prepared and shared publications with communities in order to provide information on wind energy in a way that people can understand the Project
- Has worked with 220 landowners in support of obtaining their land titles
- Has made contributions to Associations (such as renewable energy generation organizations, professional trade associations, and others) at the national level.

This history, in addition to our open-door policy for effectively communicating with the communities and other stakeholders, has created a firm base of trust between the Project and the residents of the municipalities. This Plan intends to maintain this trust and relationship with the communities during the operation of the Project.

10.2 OBJECTIVE

To ensure that all community members and stakeholders are given the appropriate opportunities to engage in the company’s project development, construction and operation processes and to express concerns and feedback throughout the lifespan of a project.

10.3 METHODOLOGY

Public consultation has no one form of being conducted, which is why EEHSA invites the participation and input of the public using the following array of methods:
- Town hall meetings (a minimum of three – one to introduce the project and its concept to the community and to explain land issues/agreements, one to share the environmental assessment results, and one to receive community feedback on social issues)
- Individual house visits (personalized visits focused on providing more information as requested on an individual basis)
- School presentations
- Education / Information distribution (brochures, posts to community boards, etc.)
- Municipality consultation
- Joint decision making (Neighbor Association)
- Open door policy
- Website page

Community feedback and input can be received at any time during a project’s lifecycle via mail, telephone, email, fax or a visit to our project offices. In addition, the town hall meetings and community surveys in particular allow for one-on-one conversations with members of the public to receive and share input on a more individual level.

The company also eagerly pursues opportunities to share information on the project at local and international renewable energy expositions and conferences, in addition to releasing media updates to the local media.

The Community Relations Coordinator is responsible for the implementation of this Plan, and as such has a direct local contact number as a dedicated communication line to receive concerns from the community related to the Project. The name and direct phone number of the Coordinator are made publicly available to all communities, so that local residents can immediately contact this person with any concerns.

10.4 PLAN PRINCIPLES

To ensure that our public consultation and disclosure practices are effectual, we uphold the following fundamental principles:

- Public consultation activities will have a clear purpose and a clearly defined audience.
- Public consultation activities will promote inclusiveness, with efforts made to include all stakeholders (potential and real).
- Public consultation activities will be accessible so that all stakeholders and community members can participate.
- Public consultation will promote a shared understanding (with the audience) of company and project principles, objectives, responsibilities, assessment criteria and expected outcomes.
- Consultation will provide stakeholders with the opportunity to give input and represent their community.
All public consultation activities will be objective, open, fair and conducted responsibly. Public consultation activities will focus on information sharing and mutual understanding. Important data and information generated during the project development and operation phases will be accessible for stakeholders. Dissenting views will be addressed and documented as equally as supportive views. Appointed staff will be dedicated to ensuring that the appropriate time and attention will be given to public consultation activities and issues. Outcomes of public consultation activities will influence the project decision making process.

EEHSA will keep records of all public consultation activities held. These records include a description of the activity held, the date and location of the activity, the number of people in attendance, the issues discussed, and the agreements that were reached (if any, and if applicable). These records are available to the public and to local authorities on a “by request” basis.

Additionally, EEHSA strives to respond to any information request or complaint or concern lodged by a stakeholder within 24 hours if not immediately.

10.5 Stakeholders

Relevant stakeholders included in the public consultation activities range from the following:
- Community residents
- Landowners
- Neighbors to the project
- Students
- Municipal authorities
- Local associations
- Non-governmental organizations (NGOs)

10.6 Benefits

The community both directly and indirectly benefits from our public consultation practices. Through community participation, residents and neighbors can feel empowered by being part of the decision making process – the project essentially becomes their project. And the success of our project indirectly means economic improvement for those participating communities.

10.7 Contact Information for Public

The following telephone numbers have been allocated specifically for receiving comments and opinions:
These direct local contact numbers will always be accessible in order for residents and landowners of the local community to give opinions or comments related to the Project, including concerns as outlined through the project’s Complaint Resolution Procedure.

### ACTIVITIES TO DATE

With the objective to ensure that all community members and stakeholders are given the appropriate opportunities to engage in the Project’s development process and to express concerns and feedback, following is a list of all public consultation events and informative presentations held or given by EEHSA to date.

#### 3.1 Public Meetings

<table>
<thead>
<tr>
<th>Activity</th>
<th>Date</th>
<th>Participants</th>
<th>Issues &amp; Agreements</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>23/Nov/2005</td>
<td>100</td>
<td>To get to know the experience of Mesoamerica Energy’s affiliates (EEHSA, PESRL, etc.) in wind power and highlight the public’s support of the steps taken by EEHSA in relation to the Project.</td>
</tr>
<tr>
<td>2.</td>
<td>6/Mar/2007</td>
<td>30</td>
<td>Activity held at the national level, for the purpose of sharing certain economic aspects of the Project.</td>
</tr>
<tr>
<td>3.</td>
<td>15/Jul/2007</td>
<td>50</td>
<td>Signing land lease agreements between EEHSA, the landowner and the Municipality.</td>
</tr>
<tr>
<td>4.</td>
<td>5/Mar/2008</td>
<td>8</td>
<td>The need to increase the price for wind energy in the new Renewables Incentive Law.</td>
</tr>
<tr>
<td>5.</td>
<td>7/May/2008</td>
<td>40</td>
<td>Signing land lease agreements between EEHSA, the landowner and the Municipality.</td>
</tr>
<tr>
<td>6.</td>
<td>22/Nov/2008</td>
<td>105</td>
<td>Public support for the Project after information shared on environmental impacts.</td>
</tr>
<tr>
<td>7.</td>
<td>23/Nov/2008</td>
<td>101</td>
<td>Public support for the Project after information shared on environmental impacts.</td>
</tr>
<tr>
<td>8.</td>
<td>20/Apr/2009</td>
<td>134</td>
<td>Share with participants the potential impacts of the Project during construction and</td>
</tr>
</tbody>
</table>
### Public Town Hall Meetings

<table>
<thead>
<tr>
<th>No.</th>
<th>Date</th>
<th>Page</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>9</td>
<td>21/Apr/2009</td>
<td>60</td>
<td>Share with participants the potential impacts of the Project during construction and operation. More than 70% of participants signed a letter of support for the Project.</td>
</tr>
<tr>
<td>10</td>
<td>22/Apr/2009</td>
<td>86</td>
<td>Share with participants the potential impacts of the Project during construction and operation. More than 80% of participants signed a letter of support for the Project.</td>
</tr>
<tr>
<td>11</td>
<td>23/Apr/2009</td>
<td>109</td>
<td>Share with participants the potential impacts of the Project during construction and operation. More than 80% of participants signed a letter of support for the Project.</td>
</tr>
<tr>
<td>12</td>
<td>24/Apr/2009</td>
<td>219</td>
<td>Share with participants the potential impacts of the Project during construction and operation. More than 95% of participants signed a letter of support for the Project.</td>
</tr>
<tr>
<td>13</td>
<td>16/May/2009</td>
<td>101</td>
<td>Share with participants the potential impacts of the Project during construction and operation. More than 95% of participants signed a letter of support for the Project.</td>
</tr>
<tr>
<td>14</td>
<td>25/Nov/2010</td>
<td>104</td>
<td>Participation of the communities of El Cruce and Babanato.</td>
</tr>
<tr>
<td>15</td>
<td>26/Nov/2010</td>
<td>99</td>
<td>Participation of the communities of Babanato, Quebraditas, El Cruce, La Laguna, La Ciénega, Los Patios, La Puerta and El Hatillo.</td>
</tr>
<tr>
<td>16</td>
<td>27/Nov/2010</td>
<td>51</td>
<td>Participation of the communities of Cerritos de Ayasta, La Bodega, El Cruce, El Cali, and Flor Olorosa.</td>
</tr>
<tr>
<td>17</td>
<td>27/Nov/2010</td>
<td>55</td>
<td>Participation of the communities of La Bodega, Cerritos de Ayasta, Rancho Quemado, Los Patios, Las Quebraditas, La Ciénega and La Cali.</td>
</tr>
<tr>
<td>19</td>
<td>30/Nov/2010</td>
<td>60</td>
<td>Participation of the communities of La Cali, El Sursular, and El Cruce.</td>
</tr>
<tr>
<td>20</td>
<td>01/Dec/2010</td>
<td>79</td>
<td>Participation of the communities of Los Encinos, Las Mesitas, and El Cruce.</td>
</tr>
</tbody>
</table>
construction process and the change to Gamesa turbines/siting

<table>
<thead>
<tr>
<th>Meeting Description</th>
<th>Date</th>
<th>Participants</th>
</tr>
</thead>
<tbody>
<tr>
<td>21. Public town hall meeting in Montaña de Izopo, San Buenaventura, regarding the construction process and the change to Gamesa turbines/siting</td>
<td>05/Dec/2010</td>
<td>158</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Participation of the communities of Montaña de Izopo, Las Anonas, Quebraditas, Lucumupe, El Horno, El Terrero and more.</td>
</tr>
<tr>
<td>22. Public town hall meeting in Ojojona regarding the construction process and the change to Gamesa turbines/siting</td>
<td>08/Jan/2011</td>
<td>297</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Participation of the communities of the Municipality of Ojojona (El Aguacatal, Guerisne, Saracaran, Santa Cruz, Guayabal and more).</td>
</tr>
<tr>
<td>23. Informative meeting regarding construction progress</td>
<td>25/Apr/2011</td>
<td>145</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Share with landowners and other community participants an update on the progress of construction works.</td>
</tr>
<tr>
<td>24. Public town hall meeting in San Buenaventura regarding construction closure and operation phase</td>
<td>29/Nov/2011</td>
<td>114</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Share with landowners and other community participants information on the activities of construction closure and start of the operation phase.</td>
</tr>
<tr>
<td>25. Public town hall meeting in Montaña de Izopo, San Buenaventura regarding construction closure and operation phase</td>
<td>30/Nov/2011</td>
<td>83</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Share with landowners and other community participants information on the activities of construction closure and start of the operation phase.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Share with landowners and other community participants information on the activities of construction closure and start of the operation phase.</td>
</tr>
</tbody>
</table>

**TOTAL PARTICIPANTS**: 2,709

The following applied to each of the meetings:

a. The meetings were an open invitation to the public, made by both the Municipality and EEHSA;
b. Official representatives of the Municipalities were present at all of the meetings;
c. During the meetings, a Question & Answer Session was held in order for EEHSA to receive and respond to feedback and input from the participants.

**SCHOOL PRESENTATIONS**

During the week of April 21st through 24th, 2009, EEHSA gave presentations to all schools (elementary, middle and high schools) in the Municipalities of Santa Ana and San Buenaventura, in order to share basic Project information with the students, including: the basics of wind power, how electricity and renewable technologies work, and the impacts and benefits of the Project in particular.
Following is a list of the schools visited during this time:

<table>
<thead>
<tr>
<th>Date</th>
<th>Institution / Community</th>
<th>Participants</th>
<th>Topic / Theme</th>
</tr>
</thead>
<tbody>
<tr>
<td>21/Apr/09</td>
<td>Juan Lindo School</td>
<td>43</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Jose Cecilio del Valle School</td>
<td>37</td>
<td></td>
</tr>
<tr>
<td></td>
<td>1º de Agosto School</td>
<td>17</td>
<td></td>
</tr>
<tr>
<td></td>
<td>El Futuro School</td>
<td>33</td>
<td></td>
</tr>
<tr>
<td>22/Apr/09</td>
<td>18 de Noviembre School</td>
<td>29</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Ramon Rosa School</td>
<td>26</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Lempira School</td>
<td>18</td>
<td></td>
</tr>
<tr>
<td>23/Apr/09</td>
<td>Marcos Carias School</td>
<td>21</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Pueblo de Canadá School</td>
<td>37</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Miguel Paz Barahona School</td>
<td>23</td>
<td></td>
</tr>
<tr>
<td>24/Apr/09</td>
<td>Vicente School</td>
<td>24</td>
<td></td>
</tr>
<tr>
<td></td>
<td>San Buenaventura School</td>
<td>58</td>
<td></td>
</tr>
<tr>
<td></td>
<td>San Buenaventura Institute</td>
<td>127</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>TOTAL PARTICIPANTS 493</td>
<td></td>
</tr>
</tbody>
</table>

Since then, the following school visits and presentations have been made:

<table>
<thead>
<tr>
<th>Date</th>
<th>Institution / Community</th>
<th>Participants</th>
<th>Topic / Theme</th>
</tr>
</thead>
<tbody>
<tr>
<td>26/May/11</td>
<td>1 de Agosto School</td>
<td>101</td>
<td>Talks on Health and Environmental Awareness</td>
</tr>
<tr>
<td>30/May/11</td>
<td>18 de Noviembre School</td>
<td>254</td>
<td>Talks on Health and Environmental Awareness</td>
</tr>
<tr>
<td>31/May/11</td>
<td>Jose Cecilio del Valle School</td>
<td>279</td>
<td>Talks on Health and Environmental Awareness</td>
</tr>
<tr>
<td>01/Jun/11</td>
<td>Marcos Carías Reyes School</td>
<td>66</td>
<td>Talks on Health and Environmental Awareness</td>
</tr>
<tr>
<td>02/Jun/11</td>
<td>Francisco Morazán School</td>
<td>88</td>
<td>Talks on Health and Environmental Awareness</td>
</tr>
<tr>
<td>03/Jun/11</td>
<td>Juan Lindo School</td>
<td>110</td>
<td>Talks on renewable energy and the environment</td>
</tr>
<tr>
<td>10/Sep/11</td>
<td>Alfonzo Guillen Zelaya School</td>
<td>125</td>
<td>Talks on renewable energy and the environment</td>
</tr>
<tr>
<td>11/Oct/11</td>
<td>Republica de Mexico School</td>
<td>100</td>
<td>Talks on renewable energy and the environment</td>
</tr>
</tbody>
</table>


**SURVEYS AND HOUSE VISITS**

With the objective of obtaining feedback and input on the Project from community members on a house by house basis, EEHSA conducted a survey of those people living in the different communities within the Project area.

These surveys were executed during May 2009 and reached a total of 781 households.

It is important to note that according to the results of this survey, more than 80% of households expressed support for the Project.

After the surveys were conducted, EEHSA arranged additional house by house visits to deliver more information about the Project to those households that indicated in their survey that they had not received information on the Project or would like to receive more information. During these visits, EEHSA’s personnel explained and distributed the following information: a brochure, a Calendar and a Neighbor Agreement.

The brochure included general information on the Project (location, benefits and impacts). It contained mostly visual descriptions in consideration for those community members who cannot read. It also introduced “Eolín,” a character created to represent the Project in educational and informative materials. The Calendar was composed of project images and community activities, and included important dates and messages related to wind power. The Neighbor Agreement explained the commitment of EEHSA to resolve any issue, emergency, or neighbor complaint that may arise during construction or operation of the Project.

House visits were made between January and February 2010 in order to gather signatures of the Neighbor Agreement. EEHSA’s personnel covered 76 communities in both Municipalities affected by the Project. A total of 2,009 households were visited – of these, 1,676 signed in acknowledgement of the Agreement (or 83% of the total). Considering an average of 5 people per
household in these areas, the Neighbor Agreements reached a total of 8,564 people from both municipalities (where the total population of both is approximately 13,000 people).

House visits continue to be made to those neighbors and residents who have expressed concerns related to the Project.

**UPCOMING ACTIVITIES**

In the near future, EEHSA is planning on holding the following meetings and presentations in an effort to uphold its commitment to public consultation and disclosure throughout the operation phase, in addition to continually maintaining its open-door policy:

Informative meetings in the last trimester in 2012 are planned for the municipalities of Santa Ana and San Buenaventura. These meetings will cover issues regarding OM phase of the Project and all of the respective updates to OM plans and procedures involving the community.
11 CLOSURE AND ABANDONMENT PLAN

11.1 DEFINITION

The Closure and Abandonment Plan is the set of actions to be implemented in order to return the areas affected by the facilities used for construction and operation of the Cerro de Hula Wind Farm and the transmission line to their original state, considering environmental conservation and protection standards, along with compliance with the current legal framework.

11.2 OBJECTIVE

The Park Closure and Abandonment Plan should include the dismantling of installations such as the wind turbines and the transmission line. The dismantled materials will be sold as scrap metal and for recycling in general. Disposal in authorized dumps will only be considered when it is not possible to recycle the parts. The complete Closure and Abandonment Plan will be submitted to the proper authorities, two years prior to closure of the Park, as required by national legislation.

11.3 REQUIREMENTS

The basic requirements, in general terms, that must be met to implement the Plan are as follows:

1. Communication to the proper authorities regarding implementation of the Plan.
2. Disassemble, move and protect all structures.
3. Clean the site to a standard that provides long-term environmental protection.
4. Restoration of affected areas.
5. Presentation of the abandonment report to the appropriate entity.
6. Monitoring effectiveness of the applied measures.
12  APPENDIX

12.1  IFC PERFORMANCE STANDARDS ON ENVIRONMENTAL AND SOCIAL SUSTAINABILITY

12.1.1 Performance Standard 1

Underscores the importance of managing environmental and social performance throughout the life of a project. An effective Environmental and Social Management System (ESMS) is a dynamic and continuous process initiated and supported by management, and involves engagement between the client, its workers, local communities directly affected by the project (the Affected Communities) and, where appropriate, other stakeholders. Drawing on the elements of the established business management process of “plan, do, check, and act,” the ESMS entails a methodological approach to managing environmental and social risks and impacts in a structured way on an ongoing basis. A good ESMS appropriate to the nature and scale of the project promotes sound and sustainable environmental and social performance, and can lead to improved financial, social, and environmental outcomes.

Objectives

- To identify and evaluate environmental and social risks and impacts of the project.
- To adopt a mitigation hierarchy to anticipate and avoid, or where avoidance is not possible, minimize, and, where residual impacts remain, compensate/offset for risks and impacts to workers, Affected Communities, and the environment.
- To promote improved environmental and social performance of clients through the effective use of management systems.
- To ensure that grievances from Affected Communities and external communications from other stakeholders are responded to and managed appropriately.
- To promote and provide means for adequate engagement with Affected Communities throughout the project cycle on issues that could potentially affect them and to ensure that relevant environmental and social information is disclosed and disseminated.
12.1.2 Performance Standard 2

Recognizes that the pursuit of economic growth through employment creation and income generation should be accompanied by protection of the fundamental rights of workers. For any business, the workforce is a valuable asset, and a sound worker-management relationship is a key ingredient in the sustainability of a company. Failure to establish and foster a sound worker-management relationship can undermine worker commitment and retention, and can jeopardize a project. Conversely, through a constructive worker-management relationship, and by treating the workers fairly and providing them with safe and healthy working conditions, clients may create tangible benefits, such as enhancement of the efficiency and productivity of their operations.

The requirements set out in this Performance Standard have been in part guided by a number of international conventions and instruments, including those of the International Labour Organization (ILO) and the United Nations (UN).

Objectives

- To promote the fair treatment, non-discrimination, and equal opportunity of workers.
- To establish, maintain, and improve the worker-management relationship.
- To promote compliance with national employment and labor laws.
- To protect workers, including vulnerable categories of workers such as children, migrant workers, workers engaged by third parties, and workers in the client’s supply chain.
- To promote safe and healthy working conditions, and the health of workers.
- To avoid the use of forced labor.
12.1.3 Performance Standard 3

Recognizes that increased economic activity and urbanization often generate increased levels of pollution to air, water, and land, and consume finite resources in a manner that may threaten people and the environment at the local, regional, and global levels. There is also a growing global consensus that the current and projected atmospheric concentration of greenhouse gases (GHG) threatens the public health and welfare of current and future generations. At the same time, more efficient and effective resource use and pollution prevention and GHG emission avoidance and mitigation technologies and practices have become more accessible and achievable in virtually all parts of the world. These are often implemented through continuous improvement methodologies similar to those used to enhance quality or productivity, which are generally well known to most industrial, agricultural, and service sector companies.

This Performance Standard outlines a project-level approach to resource efficiency and pollution prevention and control in line with internationally disseminated technologies and practices. In addition, this Performance Standard promotes the ability of private sector companies to adopt such technologies and practices as far as their use is feasible in the context of a project that relies on commercially available skills and resources.

Objectives

- To avoid or minimize adverse impacts on human health and the environment by avoiding or minimizing pollution from project activities.
- To promote more sustainable use of resources, including energy and water.
- To reduce project-related GHG emissions.
12.1.4 Performance Standard 4

Recognizes that project activities, equipment, and infrastructure can increase community exposure to risks and impacts. In addition, communities that are already subjected to impacts from climate change may also experience an acceleration and/or intensification of impacts due to project activities. While acknowledging the public authorities’ role in promoting the health, safety, and security of the public, this Performance Standard addresses the client’s responsibility to avoid or minimize the risks and impacts to community health, safety, and security that may arise from project related-activities, with particular attention to vulnerable groups.

In conflict and post-conflict areas, the level of risks and impacts described in this Performance Standard may be greater. The risks that a project could exacerbate an already sensitive local situation and stress scarce local resources should not be overlooked as it may lead to further conflict.

Objectives

- To anticipate and avoid adverse impacts on the health and safety of the Affected Community during the project life from both routine and non-routine circumstances.
- To ensure that the safeguarding of personnel and property is carried out in accordance with relevant human rights principles and in a manner that avoids or minimizes risks to the Affected Communities.
12.1.5 Performance Standard 5

Recognizes that project-related land acquisition and restrictions on land use can have adverse impacts on communities and persons that use this land. Involuntary resettlement refers both to physical displacement (relocation or loss of shelter) and to economic displacement (loss of assets or access to assets that leads to loss of income sources or other means of livelihood) as a result of project-related land acquisition and/or restrictions on land use. Resettlement is considered involuntary when affected persons or communities do not have the right to refuse land acquisition or restrictions on land use that result in physical or economic displacement. This occurs in cases of (i) lawful expropriation or temporary or permanent restrictions on land use and (ii) negotiated settlements in which the buyer can resort to expropriation or impose legal restrictions on land use if negotiations with the seller fail.

Unless properly managed, involuntary resettlement may result in long-term hardship and impoverishment for the Affected Communities and persons, as well as environmental damage and adverse socio-economic impacts in areas to which they have been displaced. For these reasons, involuntary resettlement should be avoided. However, where involuntary resettlement is unavoidable, it should be minimized and appropriate measures to mitigate adverse impacts on displaced persons and host communities should be carefully planned and implemented. The government often plays a central role in the land acquisition and resettlement process, including the determination of compensation, and is therefore an important third party in many situations. Experience demonstrates that the direct involvement of the client in resettlement activities can result in more cost-effective, efficient, and timely implementation of those activities, as well as in the introduction of innovative approaches to improving the livelihoods of those affected by resettlement.

To help avoid expropriation and eliminate the need to use governmental authority to enforce relocation, clients are encouraged to use negotiated settlements meeting the requirements of this Performance Standard, even if they have the legal means to acquire land without the seller’s consent.
Objectives

- To avoid, and when avoidance is not possible, minimize displacement by exploring alternative project designs.
- To avoid forced eviction.
- To anticipate and avoid, or where avoidance is not possible, minimize adverse social and economic impacts from land acquisition or restrictions on land use by (i) providing compensation for loss of assets at replacement cost and (ii) ensuring that resettlement activities are implemented with appropriate disclosure of information, consultation, and the informed participation of those affected.
- To improve, or restore, the livelihoods and standards of living of displaced persons.
- To improve living conditions among physically displaced persons through the provision of adequate housing with security of tenure at resettlement sites.
12.1.6 Performance Standard 6

Recognizes that protecting and conserving biodiversity, maintaining ecosystem services, and sustainably managing living natural resources are fundamental to sustainable development. The requirements set out in this Performance Standard have been guided by the Convention on Biological Diversity, which defines biodiversity as “the variability among living organisms from all sources including, inter alia, terrestrial, marine and other aquatic ecosystems and the ecological complexes of which they are a part; this includes diversity within species, between species, and of ecosystems.”

Ecosystem services are the benefits that people, including businesses, derive from ecosystems. Ecosystem services are organized into four types: (i) provisioning services, which are the products people obtain from ecosystems; (ii) regulating services, which are the benefits people obtain from the regulation of ecosystem processes; (iii) cultural services, which are the nonmaterial benefits people obtain from ecosystems; and (iv) supporting services, which are the natural processes that maintain the other services.

Ecosystem services valued by humans are often underpinned by biodiversity. Impacts on biodiversity can therefore often adversely affect the delivery of ecosystem services. This Performance Standard addresses how clients can sustainably manage and mitigate impacts on biodiversity and ecosystem services throughout the project’s lifecycle.

Objectives

- To protect and conserve biodiversity.
- To maintain the benefits from ecosystem services.
- To promote the sustainable management of living natural resources through the adoption of practices that integrate conservation needs and development priorities.
12.1.7 Performance Standard 7

Recognizes that Indigenous Peoples, as social groups with identities that are distinct from mainstream groups in national societies, are often among the most marginalized and vulnerable segments of the population. In many cases, their economic, social, and legal status limits their capacity to defend their rights to, and interests in, lands and natural and cultural resources, and may restrict their ability to participate in and benefit from development. Indigenous Peoples are particularly vulnerable if their lands and resources are transformed, encroached upon, or significantly degraded. Their languages, cultures, religions, spiritual beliefs, and institutions may also come under threat. As a consequence, Indigenous Peoples may be more vulnerable to the adverse impacts associated with project development than non-indigenous communities. This vulnerability may include loss of identity, culture, and natural resource-based livelihoods, as well as exposure to impoverishment and diseases.

Private sector projects can create opportunities for Indigenous Peoples to participate in, and benefit from project-related activities that may help them fulfill their aspiration for economic and social development. Furthermore, Indigenous Peoples may play a role in sustainable development by promoting and managing activities and enterprises as partners in development. Government often plays a central role in the management of Indigenous Peoples’ issues, and clients should collaborate with the responsible authorities in managing the risks and impacts of their activities.

Objectives

- To ensure that the development process fosters full respect for the human rights, dignity, aspirations, culture, and natural resource-based livelihoods of Indigenous Peoples.
- To anticipate and avoid adverse impacts of projects on communities of Indigenous Peoples, or when avoidance is not possible, to minimize and/or compensate for such impacts.
- To promote sustainable development benefits and opportunities for Indigenous Peoples in a culturally appropriate manner.
- To establish and maintain an ongoing relationship based on Informed Consultation and Participation (ICP) with the Indigenous Peoples affected by a project throughout the project’s life-cycle.
- To ensure the Free, Prior, and Informed Consent (FPIC) of the Affected Communities of Indigenous Peoples when the circumstances described in this Performance Standard are present.
- To respect and preserve the culture, knowledge, and practices of Indigenous Peoples.
12.1.8 Performance Standard 8

Recognizes the importance of cultural heritage for current and future generations. Consistent with the Convention Concerning the Protection of the World Cultural and Natural Heritage, this Performance Standard aims to ensure that clients protect cultural heritage in the course of their project activities. In addition, the requirements of this Performance Standard on a project’s use of cultural heritage are based in part on standards set by the Convention on Biological Diversity.

Objectives

- To protect cultural heritage from the adverse impacts of project activities and support its preservation.
- To promote the equitable sharing of benefits from the use of cultural heritage.