

POWER PURCHASE AGREEMENT
BETWEEN
NEW YORK STATE ELECTRIC & GAS CORPORATION
AND
CORNELL UNIVERSITY

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POWER PURCHASE AGREEMENT

THIS POWER PURCHASE AGREEMENT ("Agreement"), made and entered into as of this 1st day of December, 2011, to be effective on the Effective Day as set forth in Article 1, Term is between NEW YORK STATE ELECTRIC & GAS CORPORATION, a New York corporation with an office for the transaction of business in Kirkwood, New York ("NYSEG"), and CORNELL UNIVERSITY, a private university located in Ithaca, New York ("Cornell"). NYSEG and Cornell shall each be considered a "Party" and collectively, they shall be referred to as the "Parties."

WITNESSETH;

WHEREAS, NYSEG is a corporation organized under the Transportation Corporations Law of the State of New York and is an "electric corporation" as defined in Section 2, subdivision 13, of the New York State Public Service Law ("PSL");

WHEREAS, Cornell is a private university, and owns, operates, and maintains electric generating equipment and appurtenant facilities, including interconnection facilities (together, the "Facility"), located at the Cornell campus ("Campus"), which is located in NYSEG's electric service territory in Tompkins County, New York;

WHEREAS, Cornell will operate the Facility in parallel with NYSEG's electric generation, transmission and distribution system ("NYSEG's System") for purposes of supplying a portion of its own electricity needs;

WHEREAS, some of the electricity produced by the Facility shall be sold to, and purchased by, NYSEG in accordance with the terms and conditions of this Agreement;

WHEREAS, the Facility constitutes a "qualifying facility" under the Public Utility Regulatory Policies Act of 1978 ("PURPA") and its related regulations, as that law and regulations may be amended and the Facility is a "co-generation facility" as that term is defined in section 2 (2-a) of the New York Public Service Law;

WHEREAS, the Parties have executed an interconnection agreement dated as of November 19, 2009 (the "Interconnection Agreement") that governs, among other matters, the interconnection of the Facility to NYSEG's System;

WHEREAS, NYSEG allows Cornell to so operate the Facility in parallel with NYSEG's System in accordance with the Interconnection Agreement; and

NOW, THEREFORE, in consideration of the above premises and other good and valuable consideration given one Party to the other, the sufficiency of which each Party acknowledges, Cornell and NYSEG agree as follows:

ARTICLE 1. TERM

This Agreement shall become effective as of January 1, 2012 at 12:01 AM (the "Effective Date"), and this Agreement shall continue in full force and effect until 11:59 PM on December 31, 2012, unless sooner terminated in accordance with the terms hereof.

ARTICLE 2. SALE BY CORNELL TO NYSEG

2.1 A portion of the electric energy generated by the Cornell Facility and delivered to the NYSEG system shall be sold to NYSEG under this Agreement. The amount of such energy proffered for delivery to NYSEG shall be determined by Cornell in its sole discretion. Cornell has a PTID from the NYISO (i.e. Cornell 23752) that reflects its generator configuration prior to the addition of the natural gas turbine generators. The Parties agree to work together to obtain a PTID from the NYISO that reflects the current facility configuration thus allowing Cornell's generation to be bid into the NYISO by NYSEG.

2.3 The amount of kilowatt-hours deemed delivered to and purchased by NYSEG ("Delivered Energy") during any particular hour during the term of this Agreement shall be measured by NYSEG, as the metering authority, by all NYSEG-owned meters at Cornell Maple Ave. substation on an hourly basis.

2.4 Except as otherwise provided in the Interconnection Agreement, Delivered Energy shall be measured by an appropriate meter or meters and associated equipment owned and maintained by NYSEG, at Cornell's cost and expense.

ARTICLE 3. SCHEDULING OF ENERGY

Cornell shall provide NYSEG with a daily schedule of output, in hourly increments, no later than noon two business days prior. Should the status of the Facility's output change, Cornell may notify NYSEG up to one hour prior to the time set forth in section 4.2.2 of the NYISO Market Administration and Control Area Services Tariff ("NYISO Tariff") for provision of bids to supply Energy in the Day-Ahead Market, as that section of the NYISO Tariff may be amended.

Contact information associated with the schedules:

For NYSEG:

Via Telephone: 607-762-8746

Via Email: NYSEGET@NYSEG.COM

Via Fax: 607-762-8885

For Cornell:

Via Email (primary): tspl@cornell.edu

Via Telephone (secondary): 607-592-2198 (Cell)

Timothy S. Peer, P.E.
Central Energy Plant Manager
Energy and Sustainability Department
Humphreys Service Building
Ithaca, New York 14853-3701

ARTICLE 4. RATES FOR ENERGY DELIVERED TO NYSEG

Subject to the terms and conditions of this Agreement, NYSEG shall pay Cornell in accordance with NYSEG's SC-10 buy back tariff, as it may be amended or superseded, for the amounts of Delivered Energy deemed delivered to NYSEG.

ARTICLE 5. PAYMENT AND DISPUTED INVOICES

5.1 Payment. NYSEG shall issue a statement to Cornell on or before the 20th day of each month showing the amount due from NYSEG to Cornell for the Delivered Energy delivered in accordance with this Agreement during the preceding calendar month. Upon receipt of each

billing statement, Cornell shall examine the statement to ensure that it has been calculated correctly. Within ten (10) days of its receipt of NYSEG's statement, Cornell shall notify NYSEG in writing of any errors therein which Cornell in good faith believes has been made along with the facts providing the basis for such belief. NYSEG shall review Cornell's notification, and shall make appropriate adjustments, if any. Upon acceptance, NYSEG shall pay Cornell the agreed to amount via ACH.

5.2 Disputes and Adjustments of Invoices. The Parties may, in good faith, dispute the correctness of any invoice or any adjustment to an invoice rendered under this Agreement or adjust any invoice for any arithmetic or computational error within one (1) month of the date the invoice, or adjustment to an invoice, was rendered. In the event an invoice or portion thereof, or any other claim or adjustment arising hereunder, is disputed, payment of the undisputed portion of the invoice shall be required to be made when due, with notice of the objection given to NYSEG. Payment of the disputed amount shall not be required until the dispute is resolved. Upon resolution of the dispute, any required payment shall be made within twenty (20) Business Days of such resolution along with interest accrued at the Interest Rate from and including the due date to but excluding the date paid. Inadvertent overpayments shall be returned upon request or deducted by NYSEG from subsequent payments, with interest. "Interest Rate" means, for any date, the lesser of (a) the per annum rate of interest equal to the prime lending rate as may from time to time be published in *The Wall Street Journal* under "Money Rates" on such day (or if not published on such day on the most recent preceding day on which published), plus two percent (2%) and (b) the maximum rate permitted by applicable law.

Contact information for invoices and billing are provided below:

For NYSEG:

See Exhibit A

For Cornell:

John McCarthy Director
Facilities Business Service Center
107 Humphreys Service Building
Ithaca, New York 14853-3701

Via Email: jm377@cornell.edu

Via Telephone: 607-254-8001

Via Fax: 607-255-4225

ARTICLE 6. ACCESS TO PROPERTY

NYSEG's duly authorized agents or representatives shall have reasonable access to the metering equipment owned by NYSEG and located on the premises of Cornell, upon reasonable notice and at reasonable times, for the purpose of meter reading and metering equipment inspection and maintenance and as required by NYSEG to meet its obligations under this Agreement.

ARTICLE 7. LIMITATION OF LIABILITY

Neither Party, nor its respective officers, directors, agents, employees, parents, affiliates, successors or assigns, shall be liable to the other Party or its officers, directors, agents, employees, successors or assigns for claims, suits, actions or causes of action or otherwise for incidental, punitive, special, indirect, multiple or consequential damages (including, without limitation, attorneys' fees or litigation costs) connected with, or resulting from, performance or non-performance of this Agreement, or any actions undertaken in connection with or related to this Agreement, including, without limitation, any such damages which are based upon causes of action for breach of contract, tort (including negligence and misrepresentation), breach of warranty or strict liability. Nothing herein is intended to limit the liability of a Party for direct damages connected with, or resulting from, performance or non-performance of this Agreement, or any actions undertaken in connection with or related to this Agreement, including, without limitation, any such damages which are based upon causes of action for breach of contract, tort (including negligence and misrepresentation), breach of warranty or strict liability. The provisions of this Article 7 shall apply regardless of fault and shall survive termination, cancellation, suspension, completion, or expiration of this Agreement.

ARTICLE 8. INDEMNIFICATION

A Party shall indemnify, save harmless and defend the other Party, its directors, officers, agents, and employees against all claims, demands, liabilities, judgments, costs, and expenses (including reasonable attorneys' fees) related to property damage, bodily injuries or death suffered by third parties resulting from any act or failure to act by the other Party under this Agreement. This Article 8 shall survive any termination or the expiration of this Agreement.

ARTICLE 9. BREACH AND TERMINATION

9.1 The failure of either Party to observe and perform any covenant, condition or agreement on its part to be performed under this Agreement and the continuance of such failure for a period of twenty (20) days after written notice to the defaulting Party specifying the nature of such default and requesting that it be remedied, shall constitute a breach of this Agreement.

9.2 Whenever any breach of this Agreement shall occur, the non-defaulting Party may, upon twenty (20) days prior written notice to the defaulting Party, terminate this Agreement and thereupon this Agreement shall cease and terminate; provided that any remaining amounts required to be paid by one party to the other under this Agreement shall be due and payable within ten (10) days of the Party's receipt of said written notice of termination.

9.3 No termination of this Agreement shall relieve the defaulting Party of any liability for its default hereunder, and the non-defaulting Party may take whatever action at law or in equity as may be necessary or desirable to enforce performance and observance of any obligations or covenants under this Agreement, and the rights given hereunder shall be in addition to all other remedies available to the Parties, either in law, at equity or otherwise, for the breach of this Agreement.

ARTICLE 10. REGULATORY AUTHORITY

Following execution, NYSEG shall promptly file a copy of this Agreement with the NYPSC for its effectiveness under Section 110 of the PSL, which effectiveness shall be deemed to begin on the Effective Date. If this Agreement is modified by the NYPSC in any manner, either Party may terminate this Agreement upon 5 days written notice to the other Party and the Agreement shall thereafter be null and void. NYSEG shall provide Cornell with a copy of its filing with the NYPSC.

ARTICLE 11. CONFIDENTIALITY

11.1 During the term of this Agreement, certain information that is considered proprietary or confidential may be disclosed or exchanged between the Parties. The term "Confidential Information" shall mean information disclosed hereunder by one Party to the other Party in accordance with the following procedure:

- (a) When disclosed in writing, Confidential Information shall be labeled as being confidential; and
- (b) When disclosed orally, Confidential Information shall be identified as confidential at the time of disclosure, with subsequent confirmation to the other Party in writing within thirty (30) days after disclosure, identifying the date and type of information disclosed.

In addition, the existence and terms and conditions of this Agreement shall be deemed to be Confidential Information and shall be treated as such by each Party.

Each Party shall hold in confidence the other's Confidential Information and shall disclose such information within its organization only to those persons whose work requires such disclosure, and shall not, without the prior written consent of the other Party, disclose such information to any person except its own employees, affiliates and contractors who have a need to know and are bound to keep such information confidential. These obligations shall not apply to any confidential information to the extent that it:

- (a) is or becomes a matter of public knowledge through no fault of the receiving Party;
- (b) is lawfully in the possession of the receiving Party in written or other recorded form before the time of disclosure by the disclosing Party;
- (c) is lawfully acquired by the receiving Party from a source that is not under obligation to the disclosing Party regarding disclosure of such information;
- (d) is disclosed by the disclosing Party to any third party on a non-confidential basis;

- (e) is required to be disclosed by operation of law, including, without limitation, regulatory or governmental rules requiring approval prior to marketing products; or
- (f) is developed by the receiving Party independently.

ARTICLE 12. FORCE MAJEURE

12.1 Notwithstanding anything in this Agreement to the contrary, neither Cornell nor NYSEG shall be liable in damages, or otherwise responsible to the other, for its failure to carry out any of its obligations under this Agreement, other than any obligation to pay an amount when due, if and only to the extent that it is unable to so perform, or is prevented from performing, by an event of force majeure.

12.2 The term "force majeure" as used herein means those causes beyond the reasonable control of the Party affected, which by the exercise of reasonable diligence, including Good Utility Practice (as that term is defined in the Interconnection Agreement or if the Interconnection Agreement is no longer in effect, as defined by applicable NYISO rules and regulations then in effect, or its successor entity) that Party is unable to prevent, avoid, mitigate, or overcome, including the following: any act of God, labor disturbance (including a strike, or other labor dispute), act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, solar magnetic or other electric system disturbance, order, regulation or restriction imposed by governmental, military or lawfully-established civilian authorities, or any other cause of a similar nature beyond a Party's reasonable control.

12.3 If a Party shall rely on the occurrence of an event of force majeure as a basis for being excused from performance of its obligations under this Agreement, then the Party relying on the event or condition shall: (i) provide prompt written notice of such force majeure event or condition to the other Party, giving a detailed written explanation of the event, including an estimation of its expected duration and the probable impact on the performance of its obligations hereunder; (ii) exercise all reasonable efforts in accordance with Good Utility Practice to continue to perform its obligations under this Agreement; (iii) expeditiously take action to correct or cure the event or condition excusing performance; provided, however, that settlement of labor disputes will be completely within the sole discretion of the Party affected by such labor dispute; and (iv) provide prompt notice to the other Party of the cessation of the event or condition giving rise to its excusal from performance.

ARTICLE 13. MISCELLANEOUS PROVISIONS

13.1 Notices. All notices, certificates or other communications hereunder shall be in writing and shall be sufficiently given and shall be deemed given when mailed by United States registered or certified mail, postage prepaid, return receipt requested, addressed as follows:

(a) To Cornell:

Timothy S. Peer, P.E.
Plant Manager
Energy and Sustainability Department
Humphreys Service Building
Ithaca, New York 14853-3701

(b) To NYSEG:

New York State Electric & Gas Corporation
James A. Carrigg Center
18 Link Dr
Binghamton, New York 13902-5224
Attn: Vice President, Energy Supply

with copies to:

Rochester Gas and Electric Corporation
89 East Avenue
Rochester, N.Y. 14649
Attn: Legal Department

13.2 Binding Effect. This Agreement shall inure to the benefit of and shall be binding upon the Parties and their respective successors, NYSEG's assigns and Cornell's permitted assigns.

13.3 Severability and Modification. If any article, phrase, provision or portion of this Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction, such article, phrase, provision, or portion so adjudged shall be deemed separate, distinct, and independent and the remainder of this Agreement shall be and remain in full force and effect and shall not be invalidated or rendered illegal or unenforceable or otherwise affected by such holding or adjudication.

13.4 Prior Agreement Superseded. This Agreement contains the entire understanding of the Parties relating to the subject matter hereof, and this Agreement shall completely and fully supersede all other prior understandings or agreements, both written and oral, between the Parties

supersede all other prior understandings or agreements, both written and oral, between the Parties relating to the subject matter hereof. This Agreement in no manner supersedes or amends the Interconnection Agreement.

13.5 Applicable Law. This Agreement shall be governed and construed in accordance with the law of the State of New York, except its conflict of law provisions.

13.6 Non-Waiver. No delay or omission in the exercise of any right under this Agreement shall impair any such right or shall be taken, construed or considered as a waiver or relinquishment thereof, but any such right may be exercised from time to time and as often as may be deemed expedient. In the event that any agreement or covenant herein shall be breached and thereafter waived, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

13.7 Agency. This Agreement is not intended, and shall not be construed, to create any association, joint venture, agency relationship or partnership between the Parties or to impose any such obligation or liability upon either Party.

13.8 Assignment. This Agreement may not be assigned, by operation of law or otherwise, by either Party without the prior written consent of the other Party, which consent shall not be unreasonably withheld, conditioned or delayed, and any attempted assignment without said consent shall not be effective.

13.9 Amendments. This Agreement shall not be amended unless such amendment shall be in writing and signed by both Parties.

13.10 Article Headings. Article headings appearing in this Agreement are inserted for convenience only, and shall not be construed as interpretation of text.

13.11 Interpretation. In the event of any dispute concerning the construction or interpretation of this Agreement or any ambiguity hereof, there shall be no presumption that this Agreement or any provision hereof be construed against the Party who drafted this Agreement.

13.12 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but such counterparts shall together constitute but one and the same document.

13.13 Conflict with Interconnection Agreement. In the event of any conflict between the terms and conditions of this Agreement and the Interconnection Agreement, the Interconnection Agreement shall control.

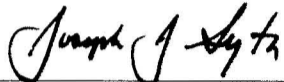
13.14 No Obligation. Except for final billing obligations and the indemnification obligations set forth in Article 8, nothing in this document creates an obligation for one Party to the other Party beyond the term of this Agreement.

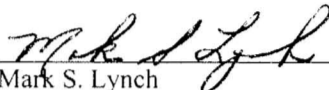
13.15 Implementation of PURPA. Cornell represents and warrants that the Facility is a qualifying facility as defined under PURPA and its related regulations (a "PURPA QF") and will remain a PURPA QF throughout the term of this Agreement. Should the Facility lose its PURPA QF status at any time during the term of this Agreement, Cornell shall notify NYSEG in writing within ten (10) days following the loss of that status. NYSEG may terminate this Agreement and all obligations binding upon NYSEG hereunder upon thirty (30) days' prior written notice to Cornell if, at any time during the term of this Agreement the Facility loses its PURPA QF status. Except as expressly stated in this Agreement, nothing herein is intended to, nor shall be construed as, a waiver by Cornell of the rights Cornell has as a result of its status as a PURPA QF or as a "co-generation facility" as that term is defined in section 2 (2-a) of the New York Public Service Law.

[SIGNATURE PAGE FOLLOWS]

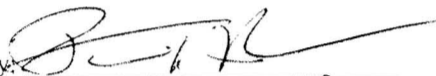
IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute
this Agreement as of the date first above written.

NEW YORK STATE ELECTRIC & GAS CORPORATION (Buyer)

By: 
Name: Joseph J. Syta
Title: Vice President, Controller and Treasurer
Date: 12/11/11

By: 
Name: Mark S. Lynch
Title: President
Date: 12/13/11

CORNELL UNIVERSITY (Seller)

By: 
Name: Joanne DeStefano *DeStefano*
Title: Vice President, Finance and CFO
Date: 11/30/11

