

Execution Copy

GROUND LEASE

BY AND BETWEEN

Fishers Island Electric Corporation

and

The Connecticut Municipal Electric Energy Cooperative

TABLE OF CONTENTS

Page No.

ARTICLE 1	CERTAIN DEFINITIONS	
ARTICLE 2	TERM; CONTINGENCIES	
ARTICLE 3	RENT	
ARTICLE 4	PAYMENT OF IMPOSITIONS	
ARTICLE 5	INSURANCE	
ARTICLE 6	REPAIR AND MAINTENANCE	
ARTICLE 7	COMPLIANCE WITH APPLICABLE LAWS	
ARTICLE 8	CONSTRUCTION AND OWNERSHIP OF IMPROVEMENTS	
ARTICLE 9	SURRENDER	
ARTICLE 10	ENTRY ON PROPERTY BY LESSOR, ETC.	
ARTICLE 11	INDEMNIFICATION OF LESSOR	
ARTICLE 12	DAMAGE OR DESTRUCTION	
ARTICLE 13	CONDEMNATION	
ARTICLE 14	ASSIGNMENTS, SUBLEASES, TRANSFERS OF LESSEE'S INTEREST	
ARTICLE 15	CONDITIONAL LIMITATIONS - DEFAULT PROVISIONS	
ARTICLE 16	INVALIDITY OF PARTICULAR PROVISIONS	
ARTICLE 17	NOTICES	
ARTICLE 18	QUIET ENJOYMENT	
ARTICLE 19	OPTION TO EXTEND TERM	
ARTICLE 20	ENVIRONMENTAL PROVISIONS	
ARTICLE 21	MISCELLANEOUS	

- Exhibit A-1 Legal Description of Demised Premises**
- Exhibit A-2 Legal Description of Property**
- Exhibit A-3 Plans of the Lessee Facility**
- Exhibit B List of Permitted Hazardous Substances.**
- Exhibit C Acknowledgement and Estoppel Letter**
- Exhibit D Subordination, Non-Disturbance and Attornment Agreement**
- Exhibit E Procedure for Exercise of Right to Purchase Lessee Facility in the Event of
PSA Termination.**

GROUND LEASE BY AND BETWEEN

Connecticut Municipal Electric Energy Cooperative

and

Fishers Island Electric Corporation

THIS GROUND LEASE (the "Lease") is made and effective as of this ____ day of June, 2010 (the "Effective Date"), by and between the Fishers Island Electric Corporation, with its principal office at 1866 Central Avenue, Fishers Island, Southold, New York (hereafter referred to as the "Lessor" or "FIEC") and the Connecticut Municipal Electric Energy Cooperative, a corporation organized pursuant to chapter 101a of the Connecticut General Statutes, with its principal office at 30 Stott Avenue, Norwich, Connecticut (hereafter referred to as the "Lessee" or "CMEEC") (individually, both of Lessor and Lessee are sometimes referred to as a "Party" and collectively referred to as the "Parties").

W I T N E S S E T H:

ARTICLE 1 CERTAIN DEFINITIONS

Section 1.01 Definitions. The terms defined in this Section 1.01 shall, for all purposes of this Lease and all agreements supplemental hereto, have the following meanings:

(1) "**Applicable Laws**" shall mean all laws, ordinances, orders, rules and regulations and requirements of all federal, state and municipal governments, courts, departments, commissions, boards and officers, and any decree, judgment, order from any court of competent jurisdiction or any governmental agency with jurisdiction over the Property, and any rule or requirement of any national or local Board of Fire Underwriters, or any other body exercising functions similar to those of any of the foregoing, foreseen or unforeseen, ordinary as well as extraordinary and any direction of any public officer or officers, pursuant to law, which shall impose any violation, order or duty upon Lessor or Lessee with respect to the Demised Premises, the Lessee Facility, or the use, maintenance, repair or operation, thereof, including any Environmental Laws.

(2) "**Demised Premises**" shall mean the parcel of land more particularly described in **Exhibit A-1**, attached hereto and incorporated herein.

(3) "**Environmental Laws**" is defined in Section 20 herein.

(4) **"Financing Agreement"** shall mean the agreements and related documentation agreed to by and between the Lessee and the financial institution which provides for the financing or re-financing of the Lessee Facility by the Lessee.

(5) **"Financial Institution"** shall mean the financial institution providing for the financing or re-financing of the Lessee Facility by the Lessee whose identity and appropriate address for providing notice shall be promptly provided to Lessor by Lessee.

(6) **"Hazardous Substances"** is defined in Article 20 herein.

(7) **"Interconnection Agreement"** or "IA" shall mean that agreement by and between CMEEC and FIEC, dated as of _____, as it may be amended, which defines the procedures and protocols for operation of the Lessee Facility and the arrangements for the electrical interconnection of the Lessee Facility with the electric distribution system of FIEC. The Interconnection Agreement shall govern with respect to its subject matter.

(8) **"Island Mode Operation"** shall mean the operating condition when the underwater cables connecting the FIEC's electric distribution system to GU's facilities located in Connecticut experiences an outage in service, caused by or arising from an interruption in service of said cables or of the GU system or of the New England regional transmission grid and the Lessee Facility is required to operate in order to maintain the electric supply of the FIEC system.

(9) **"Lease Year"** shall mean each consecutive 12 month period during the Term, with the first Lease Year commencing on the first day of the month in which the Commencement Date falls.

(10) **"Lessee Facility"** shall mean, collectively, up to, but not in excess of, one electric generating units (sometimes herein referred to as the "**Unit**"), with such Unit capable of generating up to, but not in excess of, two and one half (2.5) megawatts of electricity, including associated ancillary equipment and structures and all required telecommunications monitoring and signaling facilities, electrical interconnection and metering facilities and equipment and, if applicable, natural gas supply metering, ducts and piping facilities associated with the Unit, and/or above-ground double-hull tanks for the storage of fuel oil and urea for the operation of such facilities, installed and constructed on the Demised Premises pursuant to the terms of this Lease, including Article 2 (**Term; Contingencies**) and Article 9 (**Construction and Ownership of Improvements**). Lessee shall, at its sole cost, store all fuel oil and urea located on the Demised Premises only in above-ground, double-hulled tanks, all of which, together with such other secondary containment measures as may be appropriate and required by Applicable Law, are designed and to be maintained in accordance with Applicable Law. All fuel, oil, solvents and any other Hazardous Substances, used in the maintenance, repair and operation of the Lessee Facility shall be transported, stored and disposed of in accordance with all Applicable Laws and "best management practices". Lessee shall be

solely responsible for the safety and security of the Demised Premises and the Lessee Facility.

(11) **"Lessee's Investment"** shall mean the total cost of investment by Lessee in the development, construction and installation of the Lessee's Facility.

(12) **"Local Electric Utility" ("LEU")** shall mean the electric utility in whose retail service area the Demised Premises is located, i.e., FIEC or any successor entity.

(13) **"Permitted Use"** shall mean the use of the Lessee Facility, in accordance with all Applicable Laws and the terms and conditions of this Lease, for the generation of, transmission and distribution of electricity for the purposes of providing electric generation capacity and energy and such additional uses as are authorized under the Interconnection Agreement.

(14) **"Property"** shall mean the contiguous parcel of land, consisting of approximately _____ square feet located at _____, situated in Fishers Island, Southold, New York and owned in fee by FIEC and identified in Exhibit A-2. The Demised Premises is contained within and comprises a portion of the Property.

(15) **"Power Supply Arrangement" or "PSA"** shall mean the arrangement for the provision of electric supply at wholesale by Groton Utilities ("GU") to FIEC for FIEC's full requirements for electric power capacity and energy subject to the applicable provisions of GU's tariffs and rates, as in existence on the Effective Date, as such tariff and rates may be amended in the future.

Section 1.02 Demised Premises. In consideration of the rents and covenants hereinafter contained to be paid, performed and observed by Lessee, Lessor does hereby demise and lease unto Lessee and Lessee does hereby hire from Lessor, the "**Demised Premises.**" For as long as this Lease is in force and effect, the Lessee shall have the exclusive right to develop, permit, construct, install and operate and maintain the Lessee Facility and to construct and operate and maintain all the required fuel, electrical and telecommunications interconnections required for such operation on and within the Demised Premises.

Section 1.03 Appurtenant Rights. The area of the Property subject to the Lessee's exclusive Appurtenant Rights described below in section 1.03(a) is depicted on Exhibit A-1 and is hereinafter referred to as the "Appurtenant Area." For so long as this Lease is in force and effect, the Lessee shall have the following non-exclusive rights to the Appurtenant Area (collectively defined and referred to in this Lease, as the "**Appurtenant Rights**"):

(a) the right of ingress and egress, for the Lessee, its agents, contractors and employees, to and from the Demised Premises, over those roadways, if any, presently located on the Property (the "**Common Roadways**") or from currently existing public ways directly onto the Demised Premises or the Property which Lessee agrees is

sufficient to permit Lessee to install the Lessee Facility at the commencement of the Lease Term and to remove the Lessee Facility, at on or before the termination of the End of Term License following the expiration, or sooner termination, of the Lease Term, and to supply fuel oil and urea and other necessary inputs to the Lessee Facility and to operate and maintain the Lessee Facility and to conduct periodic inspection and operation and maintenance activities related to the Lessee Facility. Lessor expressly disclaims any obligation to repair or maintain any such Common Roadways or public ways having direct access to the Property or Demised Premises; and

(b) Subject to the provisions of the IA, the right to install, operate, service and maintain, at Lessee's cost, electric interconnection equipment to connect the Lessee Facility to the existing electric distribution and/or transmission grid and to install and operate, service and maintain, at Lessee's sole cost, leased or owned telecommunications lines connecting to the Lessee Facility.

(c) Subject to the provisions of the IA, the right to enter into interconnection agreements with the LEU, and, if and to the extent applicable, Groton Utilities, the ISO New England ("ISO-NE") and/or the New York Independent System Operator ("NYISO") to permit the operation of the Units in parallel with the distribution and/or transmission systems of the LEU, GU, ISO-NE and/or NYISO as required to comply with the ISO-NE and/or NYISO market rules applicable to operation of the Lessee Facility.

Lessee shall not unreasonably interfere with the use of the Common Roadways or act in a manner which would unreasonably interfere with the use of the Common Roadways by others to whom such rights may, from time to time, be granted, provided that any such subsequent grant of rights to the use of the Common Roadways by others does not unreasonably interfere with the use of the Common Roadways by Lessee. Lessee shall indemnify, defend and hold Lessor harmless from and against any cost, expense, damage or liability (including attorney's fees, court costs and other necessary disbursements) incurred by reason of the exercise by Lessee of the Appurtenant Rights granted in Sections 1.03 (b) and (c).

Section 1.04 Lessee acknowledges that it has examined and inspected the Demised Premises, and the means of access thereto, including the Common Roadways, and Lessee agrees to accept possession of the Demised Premises in its "AS IS" condition", "with all faults", on the Effective Date and agrees that Lessor shall have no obligation to perform any work, supply any materials, incur any expenses, provide Lessee with any allowance, funds, rent credits, or make any installations in order to prepare the Demised Premises for Lessee's use. The taking of possession of the Demised Premises by Lessee shall be conclusive evidence as against Lessee that, at the time such possession was taken, the Demised Premises was in good and satisfactory condition. Lessee relies on no warranties or representations, express or implied, of Lessor, or any agent or other party associated with Lessor as to the nature, condition or repair of the Demised Premises, or its fitness for any particular purpose. Notwithstanding the foregoing, Lessor warrants and represents that it is the owner in fee simple of the Property (excepting the

Common Roadways) and the Demised Premises and that it has all the requisite ownership interests and rights in the Demised Premises and the Property to grant the Lessee the rights afforded to the Lessee by this Lease.

ARTICLE 2

TERM; CONTINGENCIES

Section 2.01 Term. The term of this Agreement shall commence on the Effective Date and shall terminate on the earlier of (a) that date which, is ten years following the Commencement Date or (b) the date on which termination, without renewal or extension, of the Power Supply Arrangement occurs, accompanied by written notice from the Lessee to the Lessor transmitted within thirty (30) days of the date of such termination of the Power Supply Arrangement (the "PSA Termination Notice"), with such time period referred to herein as the "**Term**". The Term, if then in effect, shall be extended on Lessee's exercise of its renewal option in the manner provided in Article 19 of this Agreement. The Term shall be exclusive of the time period following termination afforded Lessee and/or the Financial Institutions for removal of the Facility as provided in Article 9 of this Agreement.

Section 2.02 Contingencies. The "Commencement Date" shall be deemed to have occurred, upon the fulfillment of both contingencies specified in (a) through (c) below.

- (a) Lessee's receipt of all applicable environmental, land use and all other permits and approvals required to construct, install and operate the Lessee Facility (collectively, the "**Approvals**").
- (b) The achievement of commercial operation of the Lessee Facility.
- (c) The Parties agree to execute and deliver to each other a writing confirming the Commencement Date and Term of this Lease, as described in this Sections 2.01 and 2.02, upon the request of either Party.

Lessee agrees that it shall pursue the securing of all the Approvals with good faith and diligence.

Either Party may terminate this Lease if all Approvals have not been procured on or before December 31, 2011, subject to the understanding of the Parties that TIME IS OF THE ESSENCE IN COMPLIANCE WITH THE OBLIGATION TO SECURE THE APPROVALS. Lessor shall provide reasonable cooperation, assistance and support to Lessee in connection with Lessee's efforts to obtain the Approvals. Lessee shall be solely responsible for all costs and expenses of obtaining, or attempting to obtain, all required Approvals. Lessee expressly agrees that Lessor shall have no liability to Lessee, if Lessee shall be unable to procure any Approval within the period stated above and Lessee's sole remedy in such case shall be to terminate the Lease. In the event of

termination of this Lease as provided in this section, following such termination neither Party shall have any further rights or obligations hereunder.

- (d) Notwithstanding the provisions of this Article, the Lessee may, from and following the Effective Date, undertake and perform such site investigations, surveys and other site preparation activities on the Demised Premises in conformity with Applicable Laws consistent with the development of the Lessee Facilities and shall be granted access to perform such activities as provided in the Lease; provided that in the event that the Commencement Date does not occur due to termination of the Lease as provided in Section 2.02(a) above, Lessee agrees to promptly restore the Demised Premises to their condition prior to the conduct of such activity by the Lessee. Lessee shall have the obligation on a daily basis to make safe conditions existing on the Demised Premises or on the Property, resulting from any activities of the Lessee during the Term hereof.

ARTICLE 3 RENT

Section 3.01 In view of the services to be provided by the Lessee Facility for the benefit of Lessor, the Parties agree that the consideration for the Lease due from Lessee shall be in the amount of \$1.00 and that such consideration is valid and reasonable.

Section 3.02 Nothing in this Lease contained shall require the Lessee to pay any franchise, estate, inheritance, succession, capital levy on transfer tax, or any other tax, assessment, charge or levy upon the net rent payable to the Lessor.

Section 3.03 This Lease shall be a “triple net” lease. All costs of maintenance, repair, utilities and taxes (except to the extent provided in Article 4 hereof), insurance and any other expense in connection with the ownership, operation and maintenance of the Lessee’s Facility shall be the obligation of the Lessee but not property taxes which are addressed in Article 4 hereof, except when the Lessee Facility is operating in Island Mode as provided in the Interconnection Agreement.

Section 3.04 In the event that Lessee fails to remove the Lessee Facility or complete any environmental remediation of the Demised Premises or Property as required pursuant to section 20.03(g) hereof following termination of the Lease and the expiry of the additional period allowed pursuant to section 9.01 hereof, Lessee shall be obligated to pay Lessor rent (the **“Holdover Rent”**), payable monthly on or before the first day of each calendar month during such period, equal to \$1000.00 per month. Lessee’s obligation to pay such Holdover Rent shall terminate upon Lessee’s removal of the Lessee Facility from the Property and completion of the environmental remediation as required by section 20.03(g).

ARTICLE 4

PAYMENT OF IMPOSITIONS

Section 4.01 Except as provided in Section 4.02, Lessee shall pay, before any fine, penalty, interest or cost may be added thereto, or become due or be imposed by operation of law for the non-payment thereof, all taxes, assessments, water and sewer rents, rates and charges, transit taxes, charges for public utilities, excises, levies, license and permit fees and other governmental charges, general and special, ordinary and extraordinary, unforeseen and foreseen, of any kind and nature whatsoever which at any time prior to or during the term of this Lease may be assessed, levied, confirmed, imposed upon, or grow or become due and payable out of or in respect of, or become a lien on, (i) the Lessee Facility or any part thereof or any appurtenances thereto (except as provided in section 4.02(b) below), (ii) the income or other payments received by Lessee from the operation of the Lessee Facility, (iii) any use or operation of the Demised Premises and the Lessee Facility, (iv) such franchises as may be appurtenant to the use of the Demised Premises and the Lessee Facility, and (v) this transaction or any document to which Lessee is a party, creating or transferring an interest or estate in the Demised Premises and/or the Lessee Facility (all such taxes, assessments, water and sewer rents, transit taxes, rates and charges, charges for public utilities, excises, levies, license fees and other governmental charges being hereinafter referred to as "**Impositions**").

Section 4.02 (a) Nothing herein contained shall require Lessee to pay municipal, county, state or federal income taxes assessed against Lessor, nor municipal, county, state or federal capital levy, estate, succession, inheritance or transfer taxes of Lessor, or corporation franchise taxes imposed upon any corporate owner of the fee of the Demised Premises; provided, however, that if, at any time during the term of this Lease, the methods of taxation prevailing at the commencement of the term hereof shall be altered so that in lieu of or as a substitute for the whole or any part of the taxes, assessments, levies, impositions or charges now levied, assessed or imposed on real estate and the improvements thereon, there shall be levied, assessed and imposed (i) a tax, assessment, levy, imposition or charge, wholly or partially as a capital levy or otherwise, on the rents received from the Lessee, or (ii) a tax, assessment, levy (including but not limited to any municipal, county, state or federal levy), imposition or charge measured by or based in whole or in part upon the rents from the Demised Premises and imposed upon Lessor, or (iii) a license fee measured by the rent payable to Lessor under this Lease, then all such taxes, assessments, levies, impositions or charges or the part thereof so measured or based, shall be deemed to be included within the term "Impositions" for the purposes hereof to the extent such "Impositions" would be payable if the Demised Premises were the only property of Lessor subject to such Impositions, and Lessee shall pay and discharge the same as herein provided with respect to the payment of Impositions.

(b) Notwithstanding anything in this Lease to the contrary, (i) the Parties shall cooperate and coordinate with each other respect to any filing or application or appeal or prosecution thereof to, with or before the governmental authorities (the "Taxing Authorities") authorized to assess and/or levy taxes based on or measured with respect to property value ("Property Taxes") regarding Property Taxes assessed and/or levied upon the Demised Premises and/or the Lessee Facility; (ii) the Parties shall undertake diligent

and good faith efforts to utilize any valid exemptions or reductions available under Applicable Law with respect to such Property Taxes otherwise assessed or levied by the Taxing Authorities on the Demised Premises and/or the Lessee Facility; (iii) the Lessor shall be responsible for the payment of the first \$500.00 per each full or partial tax year, as determined by the Taxing Authorities, following the Effective Date of Property Taxes otherwise due to the Taxing Authorities, if any, with respect to Lessee Facility and/or the Demised Premises; with the responsibility for payment of any amounts in excess of such amount otherwise due to the Taxing Authorities with respect to the Lessee Facility and/or the Demised Premises to be shared equally between the Lessor and Lessee; and (iv) either Party (the "Transmitting Party") who receives a bill, invoice or charge (the "Tax Bill") from one or more of the Taxing Authorities for Property Taxes validly due with respect to the Demised Premises or the Lessee Facility shall promptly transmit a copy of such Tax Bill to the other Party (the "Receiving Party") in no event later than ten (10) days before such Tax Bill becomes overdue or delinquent, and the Receiving Party shall, as applicable, pay and/or reimburse the Transmitting Party for the Receiving Party's share of such Tax Bill, as provided herein, no later than the due date of the Tax Bill.

Section 4.03 Lessee, upon request of Lessor, will furnish to Lessor, within ten (10) days before the date when any Imposition assessed against the Lessee and/or the Lessee Facility would become delinquent, official receipts of the appropriate taxing authority, or other evidence satisfactory to Lessor, evidencing the payment thereof.

Section 4.04 Subject to the provisions of section 4.02, Lessee shall have the right to contest the amount or validity, in whole or in part, of any Imposition assessed solely against the Lessee and/or the Lessee Facility and against the Property or the Demised Premises by appropriate proceedings diligently conducted in good faith,

Section 4.05 Subject to the provisions of section 4.02, (i) Lessor shall not be required to join in any proceedings referred to in Section 4.04 hereof unless the provisions of any law, rule or regulation at the time in effect shall require that such proceedings be brought by and/or in the name of Lessor or any owner of the Property, or Demised Premises, and the Lessee Facility, in which event Lessor shall join in such proceedings or permit the same to be brought in its name.

ARTICLE 5 INSURANCE

Section 5.01 Lessee, at its sole cost and expense, shall keep the Demised Premises and the Lessee Facility insured, during the term of this Lease, with (a) comprehensive general public liability insurance against claims for bodily injury, death or property damage, occurring on, in or about the Demised Premises and the Lessee Facility, such insurance to afford minimum protection during the term of this Lease of not less than \$10,000,000.in respect of bodily injury or death and property damage written on a per occurrence basis with a flat limit and including, without limitation, coverage for Lessee's contractual and indemnity liability hereunder, and coverage for products and

completed operations liability; (b) property insurance coverage with maximum coverage equal to the Lessee's Investment in the Lessee Facility; (c) all insurance that Lessee is required by Applicable Law to maintain with respect to the Lessee's Facility; and (d) worker's compensation insurance coverage for Lessee's employees as required by Applicable Law. Lessee shall not violate or permit to be violated any of the conditions or provisions of any policy provided for in Section 5.01

Section 5.02 All insurance provided for in this Article shall be effected under valid and enforceable policies issued by insurers of recognized responsibility, licensed to do business in the States of Connecticut and New York and bearing A.M. Best's ratings of "A" or better and shall not be cancellable or subject to amendment on less than thirty (30) days prior notice.. Upon execution of this Lease, and thereafter not less than thirty (30) days prior to the date of expiration, cancellation or material reduction of coverage of any policy required hereunder of the policies theretofore furnished pursuant to this Article, notice of such expiration, cancellation or material reduction in coverage shall be delivered by Lessee to Lessor, with all applicable additional insured endorsements. Lessee shall provide Lessor a certificate of renewal of coverage no later than thirty (30) days prior to the date of expiration of any coverages required hereunder.

Section 5.03 All policies of insurance provided for in Sections 5.01, except property insurance, shall name Lessor as an additional insured on a primary and non-contributory basis. Lessor shall be named as an additional insured, to the extent of its interest, on the property insurance procured pursuant to section 5.01 above. To the extent that Lessee recovers for any property insurance claim from its insurer, Lessee hereby waives any claim against Lessor for any damage to such property for which the recovery was made.

ARTICLE 6 REPAIR AND MAINTENANCE

Section 6.01 Lessor consents to the use of the Demised Premises for the purposes of construction and operation of the Lessee Facility including the removal or relocation of any improvements located on the Demised Premises, existing on the Effective Date. During the term of this Lease, Lessee will, at its sole cost, take good care of the Demised Premises, the Lessee Facility and all other improvements constructed by Lessee on the Demised Premises and Lessee shall be solely responsible for maintaining and keeping the Demised Premises and Lessee Facility in good order and condition.

When used in this Article 6, the term "repairs" shall include all necessary replacements, renewals, alterations, additions and betterments. All repairs made by Lessee shall be equal in quality and class to the original work. The Lessee Facility, and all operations at the Lessee Facility, shall be conducted in accordance with all Applicable Laws and "best management practices". Lessor shall not be obligated in any manner whatsoever to make any repairs or alterations or replacements in or to or of the Demised Premises and/or to the Lessee Facility. Lessee shall be responsible for all costs and

expenses of maintenance, repair or replacement to the Demised Premises, whether structural or non-structural in nature.

Section 6.02 Lessee shall also be responsible for all repairs and replacements in and to the Common Roadways and any other property, facility or system located on the Property, the need for which arises directly out of: (i) Lessee's use or misuse of the Demised Premises, Lessee Facility, Common Roadways, or any such other property, facility or system; (ii) the installation or use of any Lessee's property; (iii) the moving of any Lessee's property into or out of the Property; or (iv) any other act or omission of Lessee or any agent, employee or contractor of Lessee.

ARTICLE 7 COMPLIANCE WITH APPLICABLE LAWS.

Section 7.01 During the term of this Lease, Lessee, at its sole cost and expense, shall promptly comply with all present and future Applicable Laws, which may be applicable to the Demised Premises, the Lessee Facility, including the transportation, storage, use and/or disposal of all fuels, oils, solvents and other Hazardous Materials used in connection with the Lessee Facility, or the owners or operators thereof, whether or not such law, ordinance, order, rule, regulation, or requirement shall necessitate structural changes or improvements, or the removal of any encroachment or projections, structural or otherwise, unto or over other property contiguous or adjacent thereto. Lessee shall be solely responsible for signing all hazardous waste manifests required for the transportation and disposal of all Hazardous Materials from the Demised Premises, or the Lessee Facility.

Section 7.02 Lessee shall have the right to contest by appropriate proceedings diligently conducted in good faith, in the name of Lessee, without cost or expense to Lessor, the validity or application of any law, ordinance, order, rule, regulation or requirement of the nature referred to in Section 7.01 hereof. If, by the terms of such law, ordinance, order, rule, regulation or requirement, compliance therewith, pending the prosecution of any such proceeding, may legally be delayed against the Property or the Demised Premises, or Lessee's leasehold interest therein, or the Lessee Facility thereon, Lessee may delay compliance therewith until the final determination of such proceeding. If any lien, charge or civil liability would be incurred by reason of any such delay, Lessee, nevertheless, with the prior written consent of Lessor (such consent not to be unreasonably withheld), may contest as aforesaid and delay as aforesaid, provided that such delay would not subject Lessor to civil or criminal liability and Lessee prosecutes the contest with due diligence.

ARTICLE 8 CONSTRUCTION AND OWNERSHIP OF IMPROVEMENTS

Section 8.01 Lessee may construct the Lessee's Facility on the Demised Premises at Lessee's sole cost and expense. Lessee shall have sole ownership and title to the Lessee's Facility. Lessee shall construct or cause to be constructed the Lessee's

Facility in accordance with the Plans, as attached hereto, identified as Exhibit A-3. Any material modification thereto shall be subject to the Lessor's consent, such consent not to be unreasonably withheld.

Section 8.02 Any entry by Lessee in or on the Property, including the Demised Premises, and all construction and installation activities of Lessee and its agents, employees and contractors, shall be at Lessee's sole risk. All contractors performing work on the Lessee Facility or in connection with the installation of the Lessee Facility shall be reasonably acceptable to the Lessor and shall carry appropriate insurance, which shall name the Lessor as an additional insured on a primary and non-contributory basis. Lessee shall arrange to have certificates of insurance evidencing such coverage delivered to Lessor; said coverages shall not be subject to cancellation or material reduction in coverage without thirty (30) days advance notice to Lessee and Lessor and the insurers shall be rated no lower than "A-" by A.M. Best and authorized to do business in the States of New York and Connecticut.

Section 8.03 Lessee shall undertake all of Lessee's construction, installation, maintenance and operation activities in accordance with all Applicable Laws. Lessee shall ensure that the Lessee Facility shall be completed and operated free of all liens and encumbrances except for such encumbrances as may be required by the Financing Agreement and shall cause the removal of any liens asserted or imposed against the Property resulting and arising from the construction and operation of the Lessee Facility, other than as may be required under the Financing Agreement. Lessor covenants that it shall not suffer or allow any lien or encumbrance to be imposed on the Lessee Facility or upon Lessee's rights under this Lease due to any action or omission of Lessor. All permits which may be required by Lessee for the ownership, maintenance and/or operation of the Lessee Facility shall be procured and paid for by Lessee only. Lessee shall indemnify and save Lessor free and harmless from and against any and all claims, liabilities, costs, and expenses, including reasonable attorney's fees, court costs and other necessary disbursements, arising from or out of the performance of any installation, construction, operation or maintenance of the Lessee Facility and from and against any and all claims arising from any act or neglect of Lessee or any contractor, agent or employee of Lessee, or from any failure to act, or for any other reason whatsoever arising out of said entry.

Section 8.04 The Parties acknowledge and intend that the Lessee Facility, including the storage tanks, and all interconnection facilities related thereto shall at all times constitute personal property and shall not constitute or be deemed to be a fixture or a part of the real property comprising the Demised Premises or the Property.

Section 8.05 In the event of termination of the Agreement, the Lessor shall have a right to purchase the Facility pursuant to the procedures set forth in Exhibit E attached hereto.

Section 8.06 Any material physical modifications, additions or replacements to the Lessee Facility undertaken by Lessee following the completion of the installation and

construction of the Lessee Facility pursuant to section 8.01, shall require the prior written consent of the Lessor, which consent, provided and such Subsequent Modifications comply with all applicable Approvals, shall not be unreasonably withheld.

ARTICLE 9 SURRENDER

Section 9.01 No later than one hundred and eighty (180) days following either: (i) the last day of the term hereof or (ii) any earlier termination of this Lease, or (iii) upon any re-entry by Lessor upon the Demised Premises pursuant to Article 20 hereof, Lessee shall, at its sole cost:

- (a) Remove all of the Lessee Facility from the Demised Premises and the Property, in compliance with all Applicable Laws,
- (b) Except for the improvements that have been demolished and removed in accordance with Article 6, surrender the Demised Premises, free and clear of the Lessee Facility and the Lessee's interconnections referred to in Section 1.03(b) into the possession and use of the Lessor without delay, in substantially the same condition the Demised Premises were in on the Effective Date, reasonable wear and tear excepted, free and clear of all tenancies and occupancies and free and clear of all liens and encumbrances permitted or created by Lessee. Any damage to the Property, including the Demised Premises, the Common Roadways caused by the removal of the Lessee Facility, or Lessee's interconnections, shall be repaired by and at the sole expense of Lessee.

Section 9.02 During the period following expiration or termination of this Lease until the earlier of removal of the Lessee Facility or the expiration of the one hundred and eighty (180) day period described in section 9.01 above, Lessee shall be afforded an irrevocable license to the Demised Premises and access thereto for the purpose of removing the Lessee Facility (the **"End of Term License"**). Lessee shall be subject to the terms and conditions of the Lease during the End of Term License.

Section 9.03 Lessee shall not be obligated to remove the Lessee Facility and perform such other activities as are related to surrender of the Lessee Facility as provided herein in the event that the Lessor exercises and makes effective its right to purchase the Lessee Facility as provided in section 8.05 and Exhibit E hereof.

ARTICLE 10 ENTRY ON PROPERTY BY LESSOR, ETC.

Section 10.01 Lessee will permit Lessor and its authorized representatives to enter the Demised Premises and the Lessee Facility at all reasonable times for the purpose of (a) inspecting the same during normal business hours upon advance notice to

Lessee and (b) making any necessary repairs thereto and performing any other work therein that may be reasonably necessary by reason of Lessee's default in the making of any such repairs or performing any such work, which is Lessee's obligation hereunder. Nothing herein shall imply any duty upon the part of Lessor to do any such work or repairs, and performance thereof by Lessor shall not constitute a waiver of Lessee's default in failing to perform the same. If Lessee is not in default, Lessor shall exercise the rights reserved in this Section 10.01 in such a manner as not to interfere with the business of the Lessee, or its contractors. Lessee shall be obligated to reimburse Lessor, upon written demand therefore, for all of Lessor's costs and expenses incurred in making necessary repairs as provided under this section 10.01.

ARTICLE 11 INDEMNIFICATION OF LESSOR

Section 11.01 To the fullest extent permitted by Applicable Law, Lessee will indemnify and save harmless Lessor against and from all liabilities, obligations, damages, penalties, claims, costs, charges and expenses, including reasonable environmental consultants' and attorneys' fees, court costs and other necessary disbursements (any of the foregoing being referred to as "**Losses**"), which may be imposed upon or incurred by or asserted against Lessor by reason of the following occurring during the term of this Lease: (a) any work or thing done in, on or about the Property, including the Demised Premises, Common Roadways and the Lessee Facility or any part thereof by Lessee; (b) any use, possession, occupation, condition, operation, maintenance or management of the Lessee Facility or any part thereof by Lessee; (c) any use, possession, occupation, condition, operation, maintenance or management of the Demised Premises, or any part thereof (excluding any Losses caused by any Pre-Existing Conditions (as defined in Section 20.02(B)) by Lessee; (d) any negligence on the part of Lessee or any of its agents, contractors, servants, employees, sublessees, licensees or invitees relating to the Demised Premises or Lessee Facility; (e) any accident, injury or damage to any person or property occurring in, on or about the Demised Premises and the Lessee Facility or any part thereof, except such accidents, injuries or damages that are (A) due to Pre-Existing Conditions), or (B) caused by the negligence or intentional acts of the Lessor or Lessor's agents; (f) any failure by Lessee to perform or comply with any of the covenants, agreements, terms or conditions contained in this Lease on its part to be performed or complied with; or (g) any tax attributable to the execution, delivery or recording of this Lease or any modification hereof except taxes payable by Lessor under Section 4.02 hereof.

In case any action or proceeding is brought against Lessor by reason of any such claim, Lessee, upon written notice from Lessor, will at Lessee's expense, resist or defend such action or proceeding by counsel approved by Lessor in writing, such approval not to be unreasonably withheld.

ARTICLE 12 DAMAGE OR DESTRUCTION

Section 12.01 Notwithstanding anything contained in this entire Article 12, in the event of a casualty to any of the Lessee Facility resulting in the destruction of substantially all of the Lessee Facility, if the insurance proceeds recoverable as the result of such casualty are not sufficient to enable the complete reconstruction of the Lessee Facility to substantially the same condition it was in immediately prior to such casualty, then in such event, Lessee, at its option, may terminate and cancel this Lease upon written notice to Lessor given within thirty (30) days following the occurrence of said casualty. Lessee shall fully comply with its obligations under Article 9 (Surrender) in the event of any termination of the Lease under this Section 12.01.

ARTICLE 13 CONDEMNATION

Section 13.01 If, at any time during the term of this Lease, title to the whole or substantially all of the Demised Premises and the Lessee Facility shall be taken by the exercise of the right of condemnation or eminent domain, this Lease shall terminate and expire on the date of such taking. In such event, Impositions, if any, will be apportioned. For the purposes of this section "substantially all of the Demised Premises and the Lessee Facility" shall be deemed to have been taken if the portion of the Demised Premises and the Lessee Facility not so taken, cannot continue to be operated by Lessee to generate electricity and supply electricity to the Lessor's electric distribution system in substantially the same manner as occurred. immediately prior to such condemnation .

Section 13.02 In the event of the taking of the whole or substantially all of the Demised Premises and the Lessee Facility, the right of Lessor and Lessee to share in the proceeds of any award received, shall be as follows and in the following order of priority:

(a) Lessor shall receive the entire portion of said award attributable to the land constituting the Demised Premises and for the value of this Lease and the leasehold estate created hereby; and

(b) Lessee shall receive the portion of said award attributable to any taking of the Lessee Facility; and

Section 13.03 In the case of any taking covered by the provisions of this Article, each Party shall be entitled to reimbursement from any award or awards of all reasonable costs, fees and expenses incurred in the determination and collection of any awards.

ARTICLE 14 ASSIGNMENTS, SUBLEASES, TRANSFERS OF LESSEE'S INTEREST

Section 14.01 (a) Each Party grants to the other its consent to a collateral assignment of this Lease to the other Party's lenders; and (b) CMEEC is authorized to sell, convey, lease, assign, mortgage, encumber or transfer all or part of its interest herein or under the Lease to one or more Assignees. "Assignees" for purposes of this Article shall mean any one or more parties involved in the development, financing or refinancing of the Lessee Facility, including without limitation any lender to Lessee or with respect to the Lessee Facility or any purchaser or lessee of the Lessee Facility. Lessee or an Assignee that has assigned an interest under this Article shall give notice of the assignment to the Lessor, provided that the failure to give such notice shall not constitute a default under this Lease but rather shall only have the effect of not binding the Lessor with respect to such assignment until such notice shall have been given. In the event of an assignment under this Article, the non-assigning Party agrees to execute a reasonable consent document with respect to the Lease at the request of the assigning Party or its lenders, with the reasonable, documented costs of securing such consent document to be reimbursed to Lessor by Lessee. Any Assignee shall be an entity authorized to own and operate the Lessee Facility under New York State law, including pursuant to any required authorizations or approvals issued or to be issued by the New York State Public Service Commission. Any Assignee, other than assignees under such assignments as may be authorized under the Financing Agreement, shall be subject to the prior consent of the Lessor, such consent not to be unreasonably withheld. Lessee shall provide Lessor with such information as is reasonably requested by Lessor regarding the Assignee and the terms of the assignment. Unless otherwise agreed by Lessor, the Lessee shall remain subject to the Lessee's obligations set forth in this Lease, notwithstanding any such assignment.

Section 14.02 Lessee shall promptly provide written notice to Lessor of the name and address of the Financial Institution ("Lessee's Notice of Financial Institution"). Within five (5) days after receipt by Lessor of Lessee's Notice of Financial Institution, Lessor shall provide the Financial Institution with an Acknowledgement and Estoppel in the form attached hereto as Exhibit C. Following the Lessor's receipt of the Lessee's Notice of Financial Institution, (i) Lessor shall, simultaneously with the provision of any notice to Lessee, as provided hereunder, also provide such notice to the Financial Institution and (ii) this Lease may not be changed, modified, terminated or discharged, in whole or in part without the consent of the Financial Institution. During the Term and during the period following expiration or termination of this Lease until the earlier of removal of the Lessee Facility or the expiration of the one hundred and eighty (180) day period described in section 9.01 above, Lessor hereby grants the Financial Institution an irrevocable license to use the Demised Premises and have access thereto for the purpose of removing the Lessee Facility.

Section 14.03 Except as disclosed to the Lessee in writing, there are no liens, encumbrances, leases mortgages, or other exceptions to Lessor's fee title ownership in the Property (collectively, the "Lessor's Liens"). Lessor shall cooperate with Lessee to obtain a non-disturbance agreement from each party which holds a Lessor's Lien (recorded or unrecorded) that might interfere with Lessee's or the Financial Institution's rights under this Lease, which agreement shall provide that the lien holder shall not

disturb Lessee's possession or rights under this Lease or terminate this Lease so long as Lessor is not entitled to terminate this Lease. The form of such agreement shall substantially conform to the form attached hereto as Exhibit D.

ARTICLE 15

CONDITIONAL LIMITATIONS - DEFAULT PROVISIONS

Section 15.01 If any one or more of the following events (herein sometimes called "**Events of Default**") shall happen:

- (a) if default shall be made in the due and punctual payment of any sums(s) payable under this Lease (on account of Impositions or otherwise) or any part thereof when and as the same shall by this Lease be required to be paid by Lessee to Lessor, and such default shall continue for a period of ten (10) days after written notice thereof from Lessor to Lessee;
- (b) if Lessee abandons the Demised Premises or Lessee Facility;
- (c) if Lessee uses, or permits the use of, the Demised Premises for other than the Permitted Use specified in this Lease and Lessor provides notice to Lessee of such non-conforming use and Lessee fails to cure such non-conformity within thirty (30) days of such notice ;
- (d) if Lessee removes a substantial portion of the Lessee Facility from the Demised Premises;
- (e) if default shall be made by Lessee in the performance of or compliance with any of the covenants, agreements, terms or provisions contained in this Lease, other than those referred to in paragraph (a) above, and such default shall result in a dangerous or hazardous condition, or shall subject Lessor to any civil or criminal liability, and such default shall continue for a period of twenty-four (24) hours after notice thereof from Lessor to Lessee;
- (f) if default shall be made by Lessee in the performance of or compliance with any of the covenants, agreements, terms or provisions contained in this Lease, other than those referred to in the foregoing paragraphs (a) - (e), or of the Interconnection Agreement and such default shall continue for a period of thirty (30) days after notice thereof from Lessor to Lessee, except that in connection with a default not susceptible of being cured with due diligence within thirty (30) days of such notice, the time of Lessee within which to cure the same shall be extended for such time as may be necessary to cure the same with all due diligence, provided Lessee commences promptly and proceeds diligently to cure the same and further provided that such period of time shall not be so extended as to subject Lessor to any criminal liability;

Then and in any such event, Lessor, at any time thereafter may give additional written notice to Lessee and to the Financial Institution specifying such Event or Events of Default and stating that this Lease and the term hereby demised shall expire and terminate on the date specified in such notice, which shall be at least five (5) business days after the giving of such notice, and, upon the date specified in such notice, subject to the provisions of this Article 15 and Section 20.02 hereof, this Lease and the term hereby demised and all rights of Lessee under this Lease shall expire and terminate. Lessor agrees to accept performance or payment by the Financial Institution identified to Lessor under this Lease of any obligation, with the same force and effect as though performed by Lessee if such performance or payment is made within the time frames specified above and Lessee shall have no right or claim against Lessor as a result thereof.

Section 15.02 Upon any such expiration or termination of this Lease , Lessee shall quit and peacefully surrender the Demised Premises to Lessor, and Lessee shall comply with its surrender obligations in Article 9 (Surrender) and, following the one hundred and eighty (180) day period following such expiration or termination of this Lease as provided in Article 9, Lessor, upon or at any time thereafter, may, without further notice, enter upon and re-enter the Demised Premises and possess and repossess itself thereof by summary proceedings, ejectment, or otherwise and may dispossess Lessee and remove Lessee and all other persons and property from the Demised Premises and may have, hold and enjoy the Demised Premises and the right to receive all rental income of and from the same. .

Section 15.03 No failure by Lessor to insist upon the strict performance of any covenant, agreement, term or condition of this Lease or to exercise any right or remedy consequent upon a breach thereof and no acceptance of full or partial rent during the continuance of any such breach shall constitute a waiver of any such breach or of such covenant, agreement, term or condition. No covenant, agreement, term or condition of this Lease to be performed or complied with by Lessee, and no breach thereof, shall be waived, altered or modified except by a written agreement executed by Lessor. No waiver of any breach shall affect or alter this Lease , but each and every covenant, agreement, term or condition of this Lease shall continue in full force and effect with respect to any other then existing or subsequent breach thereof.

Section 15.04 In the event of any breach by Lessee of any of the covenants, agreements, terms or conditions contained in this Lease , Lessor shall be entitled to enjoin such breach or threatened breach and shall have the right to invoke any right and remedy allowed at law or in equity or by statute.

Section 15.05 Each right and remedy of Lessor provided for in this Lease shall be cumulative and shall be in addition to every other right or remedy provided for in this Lease or now or hereafter existing at law or in equity or by statute or otherwise, and the exercise or beginning of the exercise by Lessor of any one or more of the rights or remedies provided for in this Lease or now or hereafter existing at law or in equity or by statute or otherwise shall not preclude the simultaneous or later exercise by Lessor of any or all other rights or remedies provided for in this Lease or now or hereafter existing at law or in equity or by statute or otherwise.

ARTICLE 16
INVALIDITY OF PARTICULAR PROVISIONS

Section 16.01 If any term or provision of this Lease or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Lease shall be valid and be enforced to the fullest extent permitted by law.

ARTICLE 17
NOTICES

Section 17.01 Any notice or communication by any party to the other required or permitted hereunder shall be in writing and shall be deemed duly served as of (a) the date it is delivered by hand or by fax (with appropriate acknowledgement of receipt), (b) three (3) Business Days after having been mailed by certified mail, postage prepaid, return receipt requested, or (c) the next Business Day after having been sent for delivery on the next Business Day, shipping prepaid, by a nationally recognized overnight courier, in each case to the receiving party at the address set forth below, or at such other address as a party may designate by written notice to other party sent in accordance with this Section 17.01.

Lessor's Notice Address:

Fishers Island Electric Corporation
Attention: President
Drawer E
Fishers Island, Southold
New York 06390

With copies to:

Christopher D. Roosevelt, Esq.
Banks, Shapiro, Gettinger & Waldinger, LLP
118 North Bedford Rd. P.O. Box 320
Mount Kisco, NY 10549-0320

and

Christopher D. Roosevelt, Esq.
88 Ely's Ferry Rd.
Lyme, CT 06371-3409

Lessee's Notice Address:

Maurice R. Scully, CEO
Connecticut Municipal Electric Energy Cooperative
30 Stott Avenue
Norwich, CT 06360

With a copy to:

General Counsel
Connecticut Municipal Electric Energy Cooperative
30 Stott Avenue
Norwich, CT 06360

Nothing herein contained shall preclude the giving of any such written notice by personal service, in which event notice shall be deemed given when actually received. The address to which notices shall be mailed as aforesaid to either party may be changed by written notice given by such party to the other as hereinabove provided.

ARTICLE 18
QUIET ENJOYMENT

Section 18.01 Lessor covenants and agrees that it has good right and lawful authority to lease the Demised Premises to Lessee and that Lessee, upon paying the net rent and all additional rent and other charges herein provided for and observing and keeping all covenants, agreements and conditions of this Lease on its part to be observed and kept, shall quietly have and enjoy the Demised Premises and the Lessee Facility during the term of this Lease without hindrance or molestation by any one claiming by or through Lessor, subject, however, to all exceptions, reservations and conditions of this Lease .

ARTICLE 19

OPTION TO EXTEND TERM

Section 19.01 Provided Lessee is not then in default of any of the provisions of this Lease (beyond any applicable grace period), to be paid, performed and observed by Lessee at both the time of the exercise of the option and at the commencement of the Extension Term, Lessee, at its option, shall have the right to extend the term of this Lease for an additional period of five (5) years (an "**Extension Term**"). If exercised by Lessee, the Extension Term shall commence at the Expiration Date of the initial term of this Lease. The exercise of said right and option shall act as and be a renewal of all the terms, covenants and conditions of this Lease, except Lessee shall have no further extension option under this Article 19. Written notice of the exercise of such option shall be given to the Lessor no later than one year prior to the expiration of the then current term of this Lease, or such option shall lapse and be of no further force or effect. Time shall be of the essence with respect to the provision of notice for the exercise of the option to extend the term.

ARTICLE 20

ENVIRONMENTAL PROVISIONS

Section 20.01 Certain Definitions.

"Enforcement Action" means any action, proceeding or investigation instituted by the U.S. Environmental Protection Agency, the applicable state agencies charged with enforcement of the Environmental Laws or any other federal, state or local governmental agency, related to any suspected or actual violation of any Environmental Laws with respect to the Property and/or any business conducted thereon.

"Environmental Assessment" " means a review by an environmental engineering or consulting firm of all data and other information available regarding the status of the compliance of the Lessee and Demised Premises, and the Property, with applicable Environmental Laws including but not limited to (i) a physical examination of the Demised Premises and the Property, (ii) a review of all operating practices and protocols of Lessee including but not limited to those directly involving the handling, processing, use, transport, generation, disposal or treatment of a Hazardous Substance, (iii) a complete review of all permits and the like, (iv) contact with and review of the records of the applicable region of the United States Environmental Protection Agency and appropriate State agencies and authorities, (v) review of local or municipal records, (vi) conversations with officials of Lessee and appropriate State and local officials, (vii) when deemed appropriate by Lessor, subsurface investigation of the Demised Premises and the Property and surrounding areas and, biological, physical and chemical testing of water, soil, materials and air samples for suspected Hazardous Substances.

"Environmental Laws" mean and include the Resource Conservation and Recovery Act of 1976, 42 U.S.C. §§ 6901-6987, as amended by the Hazardous and Solid Waste Amendments of 1984, the Comprehensive Environmental Response, Compensation and Liability Act, as amended by the Superfund Amendments and Reauthorization Act of

1986, 42 U.S.C. §§ 9601-9657, as the same may be amended from time to time ("CERCLA"), the Hazardous Materials Transportation Act of 1975, 49 U.S.C. § 1801-1812, the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act (42 U.S.C. §6901, et seq., as the same may be amended from time to time) ("RCRA"), the Toxic Substances Control Act (15 U.S.C. §2601 et seq., as the same may be amended from time to time) ("TSCA"), the Clean Air Act, 42 U.S.C. §§ 7401 et seq. ("CAA"), the Federal Insecticide, Fungicide and Rodenticide Act, 7 U.S.C. §§ 136 et seq., as the same may be amended from time to time ("FIFRA"), the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq., as the same may be amended from time to time) ("FWPCA") and/or the Safe Drinking Water Act (42 U.S.C. §300f et seq., as the same may be amended from time to time) ("SDWA"), as the foregoing may be amended from time to time, and any and all similar applicable federal, state or local law, statute, regulation, ordinance, rule, permit, license, order, requirement, or approval, any applicable rule of common law and any applicable determination, judgment, directive, or order or decision of any executive or judicial body based upon federal, state or local law or regulations, now or hereafter in effect, relating to the protection of the environment, natural resources, or public health and safety.

'Hazardous Substances' shall mean and include any, each and all substances or materials regulated pursuant to any Environmental Laws, including, but not limited to, any such substance, emission or material defined as or deemed during the Term of this Lease, under federal, state or common law, to be a regulated substance or regulated waste, hazardous substance, toxic substance, pesticide, explosive, radioactive material, hazardous waste or any similar or like classification or categorization thereunder, which is defined as a "hazardous waste," "hazardous substance," "hazardous material," toxic substance, pollutant or contaminant under any federal, state or local statute, law, regulation, code, rule, ordinance, order, guideline, license, permit, action, policy, requirement, standard, approval, plan, authorization, concession, franchise, or amendments thereto; or which is toxic, explosive, corrosive, flammable, infectious, radioactive, carcinogenic, mutagenic, or otherwise hazardous and is restricted or regulated by any governmental authority, agency, department, commission, board, agency or instrumentality of the United States, any state or any political subdivision thereof; or without limitation, which contains gasoline, diesel fuel or other petroleum hydrocarbons or byproducts; or without limitation, which contains polychlorinated biphenyl's (PCBs) or friable- asbestos containing materials.

"Release" means any spilling, leaking, migrating, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing into the environment of any Hazardous Substance which causes the Demised Premises or the Property not to be in compliance with any applicable Environmental Laws.

"Remedial Action" means any action taken to remediate, decontaminate, detoxify or otherwise clean-up the Demised Premises in accordance with all Environmental Laws including, at Lessor's discretion, the most current National Contingency Plan promulgated by the U.S. Environmental Protection Agency.

Section 20.02 Pre-Existing Conditions.

Lessee shall have no liability for any environmental contamination or condition existing on the Property which is not caused, created or exacerbated by Lessee, its agents or contractors ("**Pre-Existing Conditions**"). Lessor shall defend, hold harmless and indemnify Lessee from any costs or expenses incurred by Lessee arising from such Pre-existing Conditions. Lessor's obligations hereunder shall survive any termination of the Lease .

Section 20.03 Lessee's Obligations.

- (a) Except for the Hazardous Substances specifically identified on Exhibit B attached hereto ("Permitted Hazardous Substances"), Lessee shall not store, generate, transport, use or dispose of or from the Property, including the Demised Premises, any Hazardous Substances without the Lessor's prior consent, which may be withheld in the Lessor's sole discretion. The parties expressly acknowledge and agree that, for the purposes of this Lease , the term "Hazardous Substances" shall include gasoline, diesel fuel and kerosene); and, except in compliance with all applicable Environmental Laws, no Permitted Hazardous Substances shall be generated, treated, stored or disposed of, or otherwise deposited in or located on the Property, including the Demised Premises, by Lessee, including without limitation the surface and subsurface waters of the Demised Premises.
- (b) Not in limitation of any other provisions of this Lease regarding or regulating Lessee's use of the Demised Property, Lessee shall give written notice to Lessor of any activity involving the use, generation, transport, treatment, handling, storage or disposal of any Hazardous Substances (including any materials which include Hazardous Substances as components and which are susceptible, in the event of accident or damage, to result in the Release of a Hazardous Substance). Lessee shall also provide such notice upon any material change in its use of any Hazardous Substances (including change in the volume of such use). Such notice shall set forth in such detail, acceptable to Lessor, a description of the proposed use, the Hazardous Substances involved, a Hazardous Substance management plan describing the actions to be taken by Lessee to assure Lessee's compliance with the requirements of this Lease, applicable Environmental Laws, permits and the like. Lessee shall not commence any such proposed use or activity without the prior written consent of Lessor.
- (c) Lessee shall, at all times during the term of this Lease, procure, maintain in effect and comply with all conditions of any and all permits, licenses and other governmental and regulatory approvals necessary (or determined to be necessary by applicable governmental agencies) to the ownership and operation of the Lessee Facility, all insurance underwriter standards to which Lessee is subject or which its continued liability and casualty insurance coverages are conditioned and any and all applicable governmental or

industrial association promulgated rules, guidances and standards (such as applicable standards published by the American Society of Testing and Materials) in connection with Lessee's use of the Demised Premises and the Lessee Facility including, without limitation, its handling, treatment, use, generation, transport, storage or disposal of any Hazardous Substances at or upon the Demised Premises, or on or over any other property of Lessor adjacent to or abutting the Demised Premises.

- (d) Lessee shall, at all times during the term of this Lease, exercise prudence, skill and care (with reference to current technology and best practices in the industry available throughout the Term of this Lease) in the handling, use, generation, treatment, transport, disposal or management of any Hazardous Substances; and not store or accumulate Hazardous Substances in quantities in excess of those required in the ordinary course of Lessee's business or in quantities known or suspected to pose a health or safety hazard to occupants, employees or visitors to the Demised Premises or any adjacent properties. Applicable Laws shall not be construed to limit the level of duty of prudence, skill and care required.
- (e) No activity shall be undertaken on the Demised Premises by Lessee which would cause (i) the Demised Premises to become a hazardous waste treatment, storage or disposal facility within the meaning of, or otherwise bring the Demised Premises within the ambit of, RCRA, or any similar state laws, regulations or local ordinances, (ii) a release or threatened release of hazardous waste from the Demised Premises within the ambit of, CERCLA, or TSCA, or any similar state laws, regulations or local ordinances, or (iii) the discharge of pollutants or effluents into any Water source or system, or the discharge into the air of any emissions, which would require a permit under the Federal Water Pollution Act, 33 U.S.C. Section 1251 et seq., or the Clean Air Act, 42 U.S.C. Section 7401, et seq., or any similar state laws, regulations or local ordinances;
- (f) Lessee shall not hereafter cause or suffer to occur, a discharge, spillage, uncontrolled loss, seepage or filtration of oil or petroleum or chemical liquids or solids, liquid or gaseous products or hazardous waste (a "spill"), as those terms are used in Chapter 446k of the Connecticut General Statutes Revision of 1958, as the same may be amended from time to time, or any analogous provision of the laws of the State of New York, at, upon, under or within the Demised Premise or any contiguous real estate, nor shall Lessee be involved in operations at or near the Demised Premises which could support a claim or cause of action or lead to the imposition on Lessor or any other owner of the Demised Premises of liability or the creation of a lien on the Demised Premises, under RCRA, CERCLA, TSCA, or any other Environmental Laws;

On or before three (3) months prior to the expiry of the Initial Term, or, if extended after the expiry of the Extended Term, Lessee shall cause to be performed a Phase II

Environmental Assessment (the "EA") of the Demised Premises, unless otherwise waived by Lessor. Lessee shall on or before the expiry of the Initial Term cause to be performed at its sole cost and expense remediation of environmental contamination identified by such EA which is due to or results from Lessee's activities on the Demised Premises or the Property.

Section 20.04 Notices. Lessee shall promptly (but in no event later than twenty-four hours (24) hours) from the date Lessee becomes aware of the event requiring notice hereunder) give notice to Lessor of the occurrence of any of the following events:

(a) A Release has occurred upon the Demised Premises or attributable to the Demised Premises which results from the activities of Lessee, the ISO-NE, or any of their respective officers, employees, agents, contractors or invitees.

(b) Any Enforcement Action has been instituted or threatened against or involving, in any way, Lessee or the Demised Premises.

(c) Any claim has been made or threatened by any person against Lessee, the Demised Premises or the Property relating to damage, contribution, cost recovery, compensation, loss or injury resulting from or claimed to result from any Hazardous Substances located on, under or migrating through the Demised Premises.

(d) The commencement of any investigation of the environmental status of the Property, or the Demised Premises made by any governmental agency.

(e) A proposed change in the inventory of Hazardous Substances to be used in connection with Lessee's business or an event within the scope of Section 20.02 (c) and any new permit to be obtained or obtained by Lessee in connection with the operation of the Lessee Facility.

Section 20.05 Lessor may, but shall not be required, to, undertake further Environmental Assessments of the Demise Premises, from time to time, as Lessor determines may be appropriate to assess the performance and compliance of Lessee with the environmental provisions of this Lease or to assess the environmental status of the Demised Premises. Lessee agrees to cooperate fully with Lessor and its environmental consultants and agents in performing such Environmental Assessment including providing information about Lessee's operations at the Demised Premises and the Lessee Facility, use of Hazardous Substances and Lessee's compliance with applicable Environmental Laws and the provisions of this Article 20.

(a) All costs and expenses incurred by Lessor in connection with any such Environmental Assessment shall be borne by Lessor except that in the event such Environmental Assessment shows that Lessee has failed to comply with the provisions of this Lease, then all such reasonably documented costs and expenses incurred by Lessor as a result thereof shall be paid for by Lessee as additional rent hereunder, payment due within twenty (20) days of invoice delivered to Lessee.

(b) Except in an emergency, Lessor's Environmental Assessment shall be conducted only after advance notice thereof provided to Lessee at least seventy-two (72) hours in advance and will be conducted in a manner reasonably designed to minimize the interruption of Lessee's use of the Demised Premises and Lessee Facility.

(c) Lessee will not, without the prior written consent of Lessor, which may be withheld in Lessor's sole discretion, undertake any physically invasive procedures or physical testing of any element of the Demised Premises for purposes of assessing the environmental status thereof, including, but not limited to, sampling soils, water or material, excavating trenches, taking borings, etc. Lessor may condition its consent (if given) on requiring Lessee to satisfy such safety procedures, protocols, split sample arrangements and other similar requirements as Lessor may reasonably request. Lessor shall have access to data developed by Lessee as Lessor may reasonably request.

Section 20.06

(a) In the event of Remedial Action or upon the expiration of the Lease or otherwise, any Hazardous Substances introduced by the activities of Lessee, ISO-NE, or any of their respective officers, employees, agents, contractors or invitees, are removed from the Demised Premises, all such material shall be deemed exclusively the property of the Lessee and Lessee will sign any Hazardous Waste Manifest or like document evidencing responsibility for or ownership of such materials.

(b) Lessee agrees to maintain the confidentiality of any information about the environmental status of the Demised Premises, or the Property developed, communicated or which becomes known to Lessee during the term of this Lease. No such information shall be given or provided to any third party without the consent of Lessor, provided the restrictions contained herein shall not prohibit Lessee from complying with the terms of any Applicable Laws.

Section 20.07 Lessee's Indemnity. Lessee hereby indemnifies, agrees to defend (by counsel acceptable to Lessor), protect, exonerate and hold harmless Lessor, its members, investors (if any), successors, mortgagees and assigns and the partners, directors, officers, employees, agents and attorneys of each (the "Lessor Parties") from and against any and all claims, proceedings, lawsuits, damages, liabilities, penalties, fines, judgments, forfeitures, losses, including losses based on strict liability, losses foreseen and unforeseen, and direct and indirect consequential losses, (including but not limited to diminution in the value of the Demised Premises, or or the Property, damage for the imposition of restrictions on the further use of rentable or usable space or of any of the amenities on the Property), costs or expenses (including attorneys' fees and customary disbursements, consultant fees and expert fees and the cost of any necessary or advisable Remedial Action) arising from or caused in whole or in part directly or indirectly by:

- (a) The presence in, on, under or about the Demised Premises of any Hazardous Substances introduced by the activities of Lessee, ISO-NE or any of their respective officers, employees, agents, contractors or invitees (and excluding any Pre-Existing Conditions),
- (b) A Release which results from the activities of Lessee, ISO-NE, or any of their respective officers, employees, agents, contractors or invitees, excluding any Pre-Existing Conditions not exacerbated by the activities of Lessee, ISO-NE, or any of their respective officers, employees, agents, contractors or invitees, or
- (c) Lessee's failure to comply with any Environmental Law.

Lessee's obligation under this Section 20.07 shall include, without limitation and whether foreseeable or unforeseeable, any and all costs incurred in connection with any investigation of site condition and any and all cost of any required or necessary Remedial Action which results from the activities of Lessee, ISO-NE, or any of their respective officers, employees, agents, contractors or invitees. Lessee's obligations under this Section 20.07 shall survive the expiration or earlier termination of this Lease.

ARTICLE 21 MISCELLANEOUS

Section 21.01 Each covenant and agreement in this Lease shall be construed to be a separate and independent covenant and agreement, and the breach of any such covenant or agreement by Lessor shall not discharge or relieve Lessee from Lessee's obligations to perform every covenant and agreement of this Lease to be performed by Lessee.

Section 21.02 The captions of this Lease and the table of contents preceding this Lease are for convenience and reference only and in no way define, limit or describe the scope or intent of this Lease .

Section 21.03 It is the intention of the Parties hereto that the estate acquired hereunder by Lessee shall not merge with or into any other estate, whether lesser or greater, in the Demised Premises now held or hereafter acquired by Lessee or by any disclosed or undisclosed principal of Lessee.

Section 21.04 This Lease shall be construed and enforced in accordance with the laws of the State of New York.

Section 21.05 The covenants and agreements herein contained shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors and assigns, except as otherwise provided herein.

Section 21.06 Lessee and Lessor agree that they will do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered all and every further acts, deeds, conveyances, leases, assignments, transfers and assurances in the law as Lessor and/or Lessee shall require in order to carry out the purposes and intent of this agreement. Neither Lessor nor Lessee shall record this Lease but the parties do agree to execute and deliver a Memorandum of Lease, drawn in accordance with the statutes of the State of New York that reflects the requirements of the statutes as well as the provisions of this Lease and to cause the same to appear of record promptly following the execution and delivery of this Lease by Lessor and Lessee. Upon and following termination of the Lease, Lessee shall be obligated to execute and deliver to Lessor a termination of the Memorandum of Lease suitable for recording.

Section 21.07 As used throughout this entire Lease , the phrase "term of this Lease " or "Lease Term" or words of similar import shall mean the period of time commencing on the Commencement Date and terminating upon the expiration or earlier termination of the term of this Lease or the cancellation of this Lease pursuant to any of the provisions of this Lease or pursuant to law, and shall include both the initial term as well as the Extension Term if the Lessee shall properly exercise the same.

Section 21.08 "Lessor" and "Lessee", together with any pronoun or pronouns in connection therewith (and the possessive form of any such pronoun or pronouns), shall include the singular, plural, masculine, feminine and neuter, as the context may require. Whenever used, the singular shall include the plural, the plural the singular, and the use of any gender shall include all genders.

Section 21.09 Nothing in this Lease shall in any way be construed to constitute a partnership, co-partnership or joint venture between Lessor and Lessee.

Section 21.10 In case Lessor shall retain an attorney to enforce the provisions of this Lease or if suit shall be brought for recovery or possession of the Demised Premises, for the recovery of rent or any other amount due under the provisions of this Lease , or because of the breach of any other covenant herein contained on the part of Lessee to be kept or performed (provided that Lessor successfully prosecutes such action against Lessee), or in the event, after execution hereof, that Lessor shall require the services of an attorney to draft any documents requested by Lessee or to review any documents presented to it by Lessee, Lessee shall pay to Lessor all reasonable expenses incurred therefor, including the reasonable fee of such attorney so retained by Lessor. In the event that Lessee shall retain an attorney to enforce the provisions of this Lease against Lessor, Lessor shall pay to Lessee all reasonable expenses incurred therefore in the event that Lessee shall successfully prosecute such action against Lessor and, in such case, Lessee shall not be under any obligation to pay the expenses or Lessor in, including Lessor's attorneys' fees, incurred in the defense of such action by Lessee.

Section 21.11 Lessor agrees that it shall not permit or allow any encumbrance or lien or claim to be asserted against the Demised Premises other than the lien in favor of

the Financial Institution without Lessee's consent, such consent not to be unreasonably withheld. Any such encumbrance, lien or claim shall, as a condition to the creation of such encumbrance, lien or claim comply with the provisions of section 14.03 hereof applicable to any Lessor's Lien, as defined in said section. Lessor shall provide Lessee and Lessee's Financial Institution with prompt written notice of the assertion of any such other lien, claim or encumbrance and extinguish and/or have the same removed of record within thirty (30) days from the assertion thereof.

Section 21.12 If any of the provisions of this Lease shall to any extent be invalid or unenforceable, the remainder of this Lease shall not be affected thereby and every provision of this Lease shall be valid and enforceable to the fullest extent permitted by law.

Section 21.13 The failure of Lessor to insist in any one (1) or more instances upon the strict performance of any one (1) or more of the agreements, terms, covenants, conditions or obligations of this Lease, or to exercise any right, remedy or election herein contained, shall not be construed as a waiver or relinquishment for the future of the performance of such one (1) or more obligations of this Lease or of the right to exercise such election, but the same shall continue and remain in full force and effect with respect to any subsequent breach, act or omission, whether of a similar nature or otherwise.

Section 21.14 Obligations under this Lease which accrue during the Term shall survive the Expiration Date or sooner termination of the Term, as same may be extended hereunder.

Section 21.15 This Lease (including any Schedules and Exhibits referred to herein and all supplementary agreements provided for herein) contains the entire Lease between the parties relating to the Lease of the Demised Premises and all prior statements, representations, negotiations and agreements are merged into this Lease. All of the Schedules and Exhibits attached hereto are incorporated in and made a part of this Lease, but, in the event of any inconsistency between the terms and provisions of this Lease and the terms and provisions of the Schedules and Exhibits hereto, the terms and provisions of this Lease shall control. This Lease may not be changed, modified, terminated or discharged, in whole or in part, except by a writing, executed by the party against whom enforcement of the change, modification, termination or discharge is to be sought. Wherever appropriate in this Lease, personal pronouns shall be deemed to include the other genders and the singular to include the plural. All Article and Section references set forth herein shall, unless the context otherwise specifically requires, be deemed references to the Articles and Sections of this Lease.

Section 21.16 Lessor agrees to execute, as owner of the fee to the Demised Premises, any documents necessary for Lessee's use and occupancy of the Demised Premises, such as, yet not necessarily limited to, Lessee Facility Permits, Zoning Applications, etc., provided that the execution of such documents do not impose any

affirmative obligations upon Lessor and provided further that all costs and expenses in connection therewith are paid by Lessee.

Section 21.17 Lessee shall not display or erect any lettering, sign or advertisement if the same can be seen from outside of the Demised Premises without the prior written approval of the Lessor in each instance.

Section 21.18 This Lease represents the result of negotiations between Lessor and Lessee, each of which has been (or has had opportunity to be) represented by counsel of its own selection, and neither of which as acted under duress or compulsion, whether legal, economic or otherwise. Consequently, Lessor and Lessee agree that the language in all parts of this Lease shall in all cases be construed as a whole according to its fair meaning and neither strictly for or against Lessor or Lessee.

Section 21.19 Each of the Parties represents and warrants to the other it did not engage any broker or individual or entity providing similar services by such Party in connection with the procurement, negotiation or execution of this Lease. Each of the Parties agrees to indemnify, hold harmless and defend the other Party from any breach of this representation and warranty by such Party.

IN WITNESS WHEREOF, the parties have caused this Ground Lease to be executed this ____ day of June, 2010.

WITNESS

LESSOR

NAME

NAME

ACKNOWLEDGEMENT

State of Connecticut [New York]
County of _____

On this the _____ day of _____, 2010, before me, _____, the undersigned officer, personally appeared _____, known to me (or satisfactorily proven) to be the person whose name _____ subscribed to the within instrument and acknowledged that he executed the same for the purposes therein contained.

In witness whereof I hereunto set my hand.

Date: _____

Notary Public

Print Name: _____

My Commission Expires:

WITNESS

LESSEE

NAME

NAME

ACKNOWLEDGEMENT

State of Connecticut [New York]

County of _____

On this the _____ day of _____, 2010, before me, _____, the undersigned officer, personally appeared _____, known to me (or satisfactorily proven) to be the person whose name _____ subscribed to the within instrument and acknowledged that he executed the same for the purposes therein contained.

In witness whereof I hereunto set my hand.

Date: _____

Notary Public

Print Name: _____

My Commission Expires:

Exhibit A-1
LEGAL DESCRIPTION AND PLAN SHOWING LOCATION OF DEMISED
PREMISES

Exhibit A-2

Legal Description and Plan of Property

Exhibit A-3
PLANS AND SPECIFICATIONS OF THE LESSEE FACILITY

EXHIBIT B

(List of Approved Hazardous Substances)

Battery Acid
Diesel Coolant (propylene glycol)
Ultra low sulfur diesel fuel
Diesel Generator Lubricant Oil
Selective Catalytic Converter Blocs
Diesel Particulate Filters
Urea
Waste oils resulting from utilization of the foregoing,

EXHIBIT C

ACKNOWLEDGEMENT AND ESTOPPEL

WHEREAS, _____ (“Lessor”) has heretofore leased certain lands described on Exhibit A-1 attached hereto (the “Demised Premises”) to _____ (“Lessee”) pursuant to a Ground Lease, a true, correct and complete copy of which is attached hereto as Exhibit B, (as the same may have been amended, modified, substituted or extended, the “Lease”) (All capitalized terms not otherwise defined herein shall have the meanings set forth in the Lease.);

WHEREAS, Lessee has notified Lessor that Banc of America Public Capital Corp, a Kansas corporation (“Lender”) is providing financing for the Facility; and

WHEREAS, Lender is unwilling to continue to provide financing for the Facility unless Lessor confirms to Lender certain matters regarding the Lease,

NOW THEREFORE, in consideration of ten dollars (\$10.00) and other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, Lessor hereby certifies to and agrees with Lender as follows:

1. Lessor hereby acknowledges that (a) Lessor has received Lessee’s Notice of Financial Institution, (b) Lender is a “Financial Institution” as defined in the Lease for all purposes under the Lease and (c) Lender’s address for notices to be given pursuant to the Lease (unless and until the same is changed by notice to Landlord) is:

Banc of America Public Capital Corp
2059 Northlake Parkway, 4th Floor
Tucker, GA 30084
Attention: Contract Administration
Fax No.: (404) 532-3259

2. All of the Financial Institution protection provisions contained in the Lease, including but not limited to those contained in Section 14.02 thereof, and all other provisions inuring to the benefit of the Financial Institution contained in the Lease, are hereby incorporated into this agreement by reference and restated and confirmed by Lessor for the benefit of Lender, its successors and assigns.

3. Lessor hereby certifies as follows:

(a) Lessor is the owner of the fee simple estate in the Demised Premises and is the landlord under the Lease.

(b) Lessee is the owner of the Lessee Facility and the leasehold estate in the Demised Premises and is the tenant under the Lease.

(c) The Lease is in full force and effect in accordance with its terms and has not been further assigned, supplemented, modified or otherwise amended except as set forth in Exhibit B attached hereto and each of the obligations on Lessor's part to be performed to date under the Lease have been performed.

(d) To the best of Lessor's knowledge, each of the obligations on Lessee's part to be performed to date under the Lease have been performed.

(e) To the best of Lessor's knowledge, Lessee has no offsets, counterclaims, defenses, deductions or credits whatsoever with respect to the Lease.

(f) There are, with respect to the Lease, no options to renew or extend, and no security deposits escrows or prepaid rent or liens, except as set forth therein.

This Acknowledgement and Estoppel and the representations and agreements made herein are given with the understanding that this Acknowledgement and Estoppel constitutes a material inducement for Lender in continuing to provide financing for Lessee Facility and that Lender shall rely hereon. This Acknowledgement and Estoppel and the representations and agreements made herein shall inure to the benefit of Lender, its successors and assigns and shall be binding on Lessor, its successors and assigns.

Executed as of this ____ day of _____, 2010.

LESSOR:

By: _____

Name:

Title:

Exhibit D

**SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT
AGREEMENT**

This SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT (this "Agreement") dated the _____ day of _____, _____ between _____ whose address is _____ ("Lender"), and _____ a, _____ ("Tenant").

RECITALS:

A. Tenant has entered into a Lease Agreement dated _____, _____ (the "Lease") with _____ ("Landlord"), covering certain premises more fully described in the Lease (the "Premises"), which Premises are a part of that the real property located in _____, _____ (the "Property");

B. Lender has made a loan to Landlord in the sum of \$ _____ secured by a [Multifamily] [Deed of Trust] [Mortgage] [Deed to Secure Debt], Assignment of Rents and Security Agreement on the Landlord's interest in the Property (the "Security Instrument"), recorded in the official records of _____ (the "Public Records"); and

C. Tenant has agreed to the subordination of the Lease to the Security Instrument on the condition that it is assured of continued occupancy of the Premises under the terms of the Lease and this Agreement.

NOW, THEREFORE, in consideration of the mutual promises, covenants and agreements herein contained, the parties hereto, intending to be legally bound hereby, promise, covenant and agree as follows:

1. The Lease and all estates, rights, options, liens and charges therein contained or created under the Lease are and shall be subject and subordinate to the lien and effect of the Security Instrument insofar as it affects the real and personal property or which the Premises form a part, and to all renewals, modifications, consolidations, replacements and extensions thereof, and to all advances made or to be made thereunder, to the full extent of amounts secured thereby and interest thereon.

2. In the event Lender or any trustee for Lender takes possession of the Property, as mortgagee-in-possession or otherwise, or forecloses the Security Instrument or otherwise causes the Property to be sold pursuant to the Security Instrument, Lender agrees not to affect, terminate or disturb Tenant's right to quiet enjoyment and possession of the Premises under the terms of the Lease or any of Tenant's other rights under the Lease in the exercise of Lender's rights under the Security Instrument so long as Tenant is not then in default under any of the terms, covenants or conditions of the Lease or this Agreement.

3. In the event that Lender succeeds to the interest of the Landlord under the Lease and/or Landlord's fee title to the Property, or if anyone else acquires title to or the right to possession of the Property upon the foreclosure of the Security Instrument or by other sale pursuant to the Security Instrument, or upon the sale of the Property by Lender or its successors or assigns or any trustee for Lender after foreclosure or other sale pursuant to the Security Instrument or acquisition of title in lieu thereof or otherwise, Lender or its successors or assigns or the then owner of Landlord's fee title to the Property after foreclosure or other sale pursuant to the Security Instrument (hereinafter collectively referred to in this paragraph as "Successor Landlord") and Tenant hereby agree to recognize one another as landlord and tenant, respectively, under the Lease and to be bound to one another under all of the terms, covenants and conditions of the Lease, and Successor Landlord shall assume all of the obligations of the Landlord under the Lease. Accordingly, from and after such event, Successor Landlord and Tenant shall have the same remedies against each other for the breach of an agreement contained in the Lease as Tenant and Landlord had before Successor Landlord succeeded to the interest of the Landlord; provided, however, that Successor Landlord shall not be:

- (a) liable for any act or omission of any prior landlord (including Landlord); or
- (b) subject to any offsets or defenses that Tenant might have against any prior landlord (including Landlord); or
- (c) bound by any rent or additional rent that Tenant might have paid for more than one month in advance to any prior landlord (including Landlord); or
- (d) bound by any amendment or modification of the Lease made after the date of this Agreement without Lender's prior written consent; or
- (e) liable for return of any security deposit.

4. Although the foregoing provisions of this Agreement shall be self-operative, Tenant agrees to execute and deliver to Lender or to any person to whom Tenant herein agrees to attorn, such other instrument or instruments as Lender or such other person shall from time to time request in order to confirm such provision.

5. Tenant hereby warrants and represents, covenants and agrees to and with Lender:

(a) not to alter or modify the Lease in any respect without prior written consent of Lender;

(b) to deliver to Lender at the address indicated above a duplicate of each notice of default delivered to Landlord at the same time as such notice is given to Landlord;

(c) that Tenant is now the sole owner of the leasehold estate created by the Lease and shall not hereafter transfer the Lease except as permitted by the terms thereof;

(d) not to seek to terminate the Lease by reason of any default of Landlord without prior written notice thereof to Lender and the lapse thereafter of such time as under the Lease was offered to Landlord in which to remedy the default, and the lapse of 30 days after the expiration of such time as Landlord was permitted to cure such default; provided, however, that with respect to any default of Landlord under the Lease which cannot be remedied within such time, if Lender commences to cure such default within such time and thereafter diligently proceeds with such efforts and pursues the same to completion, Lender shall have such time as is reasonably necessary to complete curing such default. Notwithstanding the foregoing, in the event either Lender or Landlord do not cure or commence curing such default within the time provided to Landlord under the Lease and the nature of the default threatens Tenant's ability to conduct its daily business or threatens to materially or adversely damage tenant's property located on the Leased Premises, Tenant shall be permitted to exercise its right under the Lease;

(e) not to pay any rent or other sums due or to become due under the Lease more than 30 days in advance of the date on which the same are due or to become due under the Lease;

(f) to certify promptly in writing to Lender in connection with any proposed assignment of the Security Instrument, whether or not any default on the part of Landlord then exists under the Lease; and

(g) upon receipt from Lender of notice of any default by Landlord under the Security Instrument, to pay to Lender directly all rent and other sums due under the Lease.

6. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their successors and assigns.

7. This Agreement shall be governed by and construed in accordance with the laws of the jurisdiction in which the Property is located.

8. If, the Security Instrument is a deed of trust, then, this Agreement is entered into by one or more trustees of Lender in his or her capacity as Trustee and not individually. Tenant agrees that:

(a) neither the trustees, nor the officers, employees, agents or shareholders of the Lender shall be personally liable hereunder; and

(b) Tenant and all others shall look solely to the interest of the Lender in the Property for the payment of any claim hereunder or for the performance of any obligation, agreement, contribution or term to be performed or observed by it hereunder or under the Security Instrument of any other agreement or document securing or collateral to the Security Instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement by their duly authorized officers as of the date and year first above written.

TENANT:

By:

Name:

Title:

LENDER:

By:

Name:

Title:

Exhibit E

Procedure for Exercise of Right to Purchase Facility in the Event of PSA Termination.

1. In the event that the Power Supply Arrangement is terminated, without renewal or extension (the “**PSA Termination Event**”) followed or preceded by the Lessee’s timely PSA Termination Notice, the Lessor may elect to purchase the Lessee Facility, provided it provides written notice to the Lessee of such election (the “**Election Notice**”) within thirty (30) days following the later of such PSA Termination Event or the date of the PSA Termination Notice. In the event the Lessor does not timely elect to purchase the Lessee Facility as provided herein, the Lessee shall allow CMEEC to remove and salvage the Lessee Facility pursuant to the provisions of this Exhibit E and Article 9 of the Agreement. The date of the notice of such election by the Lessor, if made, shall be referred to as the “**Election Date.**” If the Lessor fails to exercise such election as evidenced by the timely transmittal of the Election Notice, CMEEC shall retain title to the Lessee Facility and shall have all rights to remove and salvage the Lessee Facility as provided in Article 9 of the Agreement.

2. In the event that the Lessor timely exercises its right to purchase the Lessee Facility pursuant to section 1 above, the Lessor shall tender to CMEEC in cash the purchase price of the Lessee Facility, pursuant to the procedures in section 3 below, which purchase price shall be established as the greater of the following:

(a) Purchase Price = $A \times (20-B)/20$

Where A is the documented cost of installation and construction of the Lessee Facility; and B is the number of 12 calendar months from the Commencement Date to the PSA Termination Event.

(b) if elected by either Party (following the transmittal of notice of such election by such Party to the other within ten (10) days following the Election Date), the fair market value of the Lessee Facility plus the site improvement investments made by CMEEC in connection with the siting and installation of the Lessee Facility, as determined by an appraiser with expertise in valuing electric generation equipment and facilities selected by the mutual agreement of the Parties. The appraiser so selected shall provide his/her opinion of fair market value within thirty (30) days following such selection. In the event of a failure to mutually agree upon the identity of the appraiser, the Parties shall submit the issue of appraisal of the Lessee Facility to dispute resolution pursuant to section 5 below, with such dispute resolution process finally determining the valuation of the Lessee Facility within fifty-two (52) days following the Election Date. The date of determination of the fair market value of the Lessee Facility pursuant to this section 2(b) shall be referred to as the “**Valuation Date**”.

3. The Lessor shall make such payment to CMEEC on or before (a) thirty (30) days following the date of the Lessor’s election to purchase the Lessee Facility (if the

valuation procedure in 2(b) is not elected) and ten (10) days following the Valuation Date, if any, (either (a) or (b) are referred to as the “**Closing Outside Date**”) at a closing to be mutually agreed by the Parties but occurring no later than the Closing Outside Date, at which time in consideration for such payment CMEEC shall convey the Lessee Facility to the Lessor in its “AS IS, WHERE IS” condition, shall deliver and transfer to the LESSOR title in the Lessee Facility and shall execute such other documents as LESSOR may reasonably request to effect such transfer in title. Following such conveyance, CMEEC shall be relieved of and released from any obligation to decommission or remove the Lessee Facility. If the LESSOR does not make payment to CMEEC as provided herein and pursuant to the time periods herein described, the LESSOR’s right to purchase the Lessee Facility shall lapse and CMEEC shall thereafter retain title to the Lessee Facility and remove the Lessee Facility as provided in Article 9 of the Agreement.

4. In the event of timely election by the LESSOR of its right to purchase the Lessee Facility as provided herein, the irrevocable license granted CMEEC and the Financial Institution pursuant to Article 9 of the Agreement shall be extended for an additional period of one hundred and eighty (180) days during all periods prior to transfer of the Lessee Facility to the LESSOR as provided under this Exhibit E and for an additional period of one hundred and eighty (180) days following the Outside Closing Date in the event of the lapse of the LESSOR’s right to purchase the Lessee Facility, in the event that the LESSOR fails to effect the closing of the purchase of the Lessee Facility pursuant to section 3 on or before the Closing Outside Date.

5. In the event of a dispute with respect to the selection of an appraiser pursuant to section 2(b) hereof, the issue of valuation shall be settled by arbitration administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrators may be entered in any court having jurisdiction thereof. The location of the arbitration shall be Hartford, CT. Within seven (7) days after the commencement of arbitration, each party shall select one person to act as arbitrator and the two selected shall select a third arbitrator within seven (7) days of their appointment. If the arbitrators selected by the parties are unable or fail to agree upon the third arbitrator, the third arbitrator shall be selected by the American Arbitration Association. It is the intent of the Parties that, barring extraordinary circumstances, arbitration proceedings will be concluded within forty-five (45) days from the date the arbitrator(s) are appointed. The arbitral tribunal may extend this time limit in the interests of justice. Failure to adhere to this time limit shall not constitute a basis for challenging the award.