

~~New York Independent System Operator, Inc.~~
~~Original Service Agreement No. 1488~~
~~FERC Electric Tariff, Original Volume No. 1~~

FIRST AMENDED AND RESTATED

INTERCONNECTION AGREEMENT

BETWEEN

NIAGARA MOHAWK POWER CORPORATION d/b/a NATIONAL GRID

AND

SELKIRK COGEN PARTNERS, L.P.

~~*Phase I*~~

Date Effective: ~~October 20~~ April 1, 1992-2012

Issued by: ~~William Malec~~
~~Director of Transmission Commercial Services~~
~~National Grid USA for Niagara Mohawk Power Corporation~~

Issued on: ~~October 30, 2009~~ Effective: December 30, 2009

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INTERCONNECTION AGREEMENT

This FIRST AMENDED and RESTATED INTERCONNECTION AGREEMENT (hereinafter referred to as the "AGREEMENT") is made as of October 20-April 1, 1992-2012, between Niagara Mohawk Power Corporation (hereinafter referred to as "NIAGARA MOHAWK d/b/a National Grid ("NATIONAL GRID") and SELKIRK COGEN PARTNERS, L.P., (hereinafter referred to as the "PRODUCER") each hereinafter sometimes referred to individually as a "Party" or both referred to collectively as the "Parties".

~~WHEREAS, PRODUCER has entered into a POWER PURCHASE AGREEMENT with NIAGARA MOHAWK or hereinafter referred to as "PURCHASER", dated as of December 7, 1987, as amended on December 14, 1989 and January 25, 1990 and as may be amended from time to time (hereinafter referred to as the "POWER PURCHASE AGREEMENT") for the sale of electricity, and which POWER PURCHASE AGREEMENT was approved by the New York Public Service Commission (hereinafter referred to as the "COMMISSION") by orders issued April 7, 1988 and February 14, 1990; and~~

~~WHEREAS, NIAGARA MOHAWK's obligation to purchase power under the POWER PURCHASE AGREEMENT is contingent upon the interconnection of NIAGARA MOHAWK's system and the power production facility located in Selkirk, New York to be constructed, owned, operated and maintained by the PRODUCER (the "PRODUCTION FACILITY").~~

WHEREAS, PRODUCER owns and operates a 79 MW natural gas fueled generating facility (PRODUCER FACILITY); and

WHEREAS, PRODUCER FACILITY is currently interconnected to NATIONAL GRID under an interconnection agreement dated October 20, 1992 ("1992 AGREEMENT"); and

WHEREAS, PRODUCER AND NATIONAL GRID desire to amend and

restate the 1992 AGREEMENT, including extending the term of the 1992 AGREEMENT;

WHEREAS, PRODUCER AND NATIONAL GRID have agreed to enter into this AGREEMENT for the purpose of documenting certain terms and conditions related to the interconnection of the two facilities.

NOW THEREFORE, in consideration of the mutual obligations, agreements, and undertakings set forth herein, the Parties to this AGREEMENT covenant and agree as follows:

1. Agreement to Interconnect; Operation and Maintenance; Description of Interconnection Facility

1.1 ~~NIAGARA MOHAWK~~ NATIONAL GRID and PRODUCER agree to ~~become~~ remain interconnected in accordance with the terms and conditions contained herein.

1.2 ~~NIAGARA MOHAWK~~ NATIONAL GRID and PRODUCER are interconnected by means of an INTERCONNECTION FACILITY (as defined in Article 1.3), which ~~NIAGARA MOHAWK~~ NATIONAL GRID shall operate, own and maintain, in accordance with GOOD UTILITY PRACTICE, at the PRODUCER's expense. "GOOD UTILITY PRACTICE" as used in this AGREEMENT means ~~those~~ any of the practices, methods, and acts consistent with the requirements of the New York Power Pool Operating Agreement and NIAGARA MOHAWK's operating policies that at a particular time engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment, would in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result in at a manner reasonable cost consistent with regulations good business practices, reliability, safety, environmental protection, economy and expedition. GOOD UTILITY

PRACTICE is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region in which PRODUCER is located.

1.3 The INTERCONNECTION FACILITY includes all those facilities ~~including the three breaker 115kV station and the two 115kV taps to NIAGARA MOHAWK's existing system between the Delivery Point and the Interconnection Point~~ and real property upon which said facilities are located necessary to effect the transfer of electricity produced at the PRODUCTION FACILITY into ~~NIAGARA MOHAWK's NATIONAL GRID's~~ transmission system ~~in~~. The ~~amounts and specifications as set forth in the POWER PURCHASE AGREEMENT. The INTERCONNECTION FACILITY connects the PRODUCTION FACILITY at a point known as the RECEIVING POINT. The INTERCONNECTION FACILITY connects with NIAGARA MOHAWK's transmission system at a point known as the INTERCONNECTION POINT. The INTERCONNECTION POINT and RECEIVING POINT is and DELIVERY POINT~~ are as indicated on a ~~the~~ one-line diagram attached hereto as Schedule A, ~~which diagram is in its final and acceptable form. Any reference to "substation portion of the INTERCONNECTION FACILITY" means the substation site built to facilitate the interconnection of the PRODUCTION FACILITY with NIAGARA MOHAWK's transmission system.~~

1.4 The PRODUCTION FACILITY includes the gas-fired cogeneration plant currently rated at approximately 79 MW and all related equipment. ~~NIAGARA MOHAWK NATIONAL GRID~~ agrees that the installation of the electrical connections has met, and PRODUCER agrees that the operation of the PRODUCTION FACILITY must meet or exceed, the requirements of ~~NIAGARA MOHAWK's the New York Independent System Operator (NYISO) and NATIONAL GRID's~~ Electric System Bulletin No. 756-B, as well as any other pertinent ~~NIAGARA MOHAWK NATIONAL GRID~~ bulletins.

2. Representations and Warranties of Parties

2.1 PRODUCER is a limited partnership duly organized and validly existing under the laws of the State of Delaware. PRODUCER is qualified to do business under the laws of the State of New York, is in good standing under the laws of the State of New York, has the power and authority to own its properties, to carry on its business as now being conducted, and to enter into this AGREEMENT and the transactions contemplated herein and perform and carry out all covenants and obligations on its part to be performed under and pursuant to this AGREEMENT, and is duly authorized to execute and deliver this AGREEMENT and consummate the transactions contemplated herein.

~~2.2 With respect to the PRODUCTION FACILITY, PRODUCER is a "qualifying cogenerator" as defined in Section 3 of the Federal Power Act, as amended by Section 201 of the Public Utilities Regulatory Policies Act of 1978, and, the PRODUCTION FACILITY is considered a "Qualifying Facility" within the meaning of Internal Revenue Service ("IRS") Notice 88-129, 1988-2 C.B. 541 (the "IRS of Notice"). PRODUCER will satisfy the "5% test" as defined in IRS Notice 88-129 during the term of this AGREEMENT.~~

~~2.3~~ 2.2 PRODUCER is not prohibited from entering into this AGREEMENT and discharging and performing all covenants and obligations on its part to be performed under and pursuant to

this AGREEMENT. The execution and delivery of this AGREEMENT, the consummation of the transactions contemplated herein and the fulfillment of and compliance with the provisions of this AGREEMENT will not conflict with or constitute a breach of or a default under any of the terms, conditions or provisions of any law, rule or regulation, any order, judgment, writ, injunction,

decree, determination, award or other instrument or legal requirement of any court or other agency of government, the certificate of limited partnership or the partnership agreement of PRODUCER or any contractual limitation, corporate restriction or outstanding trust indenture, deed of trust, mortgage, loan agreement, lease, other evidence of indebtedness or any other agreement or instrument to which PRODUCER is a Party or by which it or any of its property is bound and will not result in a breach of or a default under any of the foregoing. This AGREEMENT is the legal, valid and binding obligation of PRODUCER enforceable in accordance with its terms.

~~2.4~~ 2.3 ~~NIAGARA MOHAWK NATIONAL GRID~~ is a corporation duly organized, validly existing and qualified to do business under the laws of the State of New York, is in good standing under its certificate of incorporation and the laws of the State of New York, has the corporate authority to own its properties, to carry on its business as now being conducted, and to enter into this AGREEMENT and the transactions contemplated herein and perform and carry out all covenants and obligations on its part to be performed under and pursuant to this AGREEMENT, and is duly authorized to execute and deliver this AGREEMENT and consummate the transactions contemplated herein.

2.4 ~~2.5~~ ~~NIAGARA MOHAWK NATIONAL GRID~~ is not prohibited from entering into this AGREEMENT and discharging and performing all covenants and obligations on its part to be performed under and pursuant to this AGREEMENT. The execution and delivery of this AGREEMENT, the consummation of the transactions contemplated herein and the fulfillment of and compliance with the provisions of this AGREEMENT will not conflict with or constitute a breach of or a default under any of the terms, conditions or provisions of any law, rule

or regulation, any order, judgment, writ, injunction, decree, determination, award or other instrument or legal requirement of any court or other agency of government, the certificate of incorporation or bylaws of ~~NIAGARA MOHAWK~~ NATIONAL GRID or any contractual limitation, corporate restriction or outstanding trust indenture, deed of trust, mortgage, loan agreement, lease, other evidence of indebtedness or any other agreement or instrument to which ~~NIAGARA MOHAWK~~ NATIONAL GRID is a Party or by which it or any of its property is bound and will not result in a breach of or a default under any of the foregoing. This AGREEMENT is the legal, valid and binding obligation of ~~NIAGARA MOHAWK~~ NATIONAL GRID enforceable in accordance with its terms.

3. Interconnection Study

3.1 ~~NIAGARA MOHAWK~~ NATIONAL GRID has prepared at PRODUCER'S expense, the studies necessary to determine the interconnection plan.

4. Obtaining Rights-of-Way

4.1.1 PRODUCER has acquired all rights of way needed for placement, construction, and maintenance of all necessary or desirable facilities relating to substation facilities and including, if any, access roads, system enhancements and improvements or equipment incidental thereto in fee, or such other property interest as ~~NIAGARA MOHAWK~~ NATIONAL GRID may reasonably require, including but not limited to a leasehold interest and/or an easement, if approved by ~~NIAGARA MOHAWK~~ NATIONAL GRID.

4.1.2 ~~NIAGARA MOHAWK~~ NATIONAL GRID has acquired all rights

of way needed for placement, construction, and maintenance of all necessary or desirable facilities relating to electric transmission facilities and including, if any, access roads, system enhancements and improvements or equipment incidental thereto in fee.

4.2 All expenditures incurred in acquiring the necessary rights-of-way and associated permits and authorizations shall be borne by PRODUCER. PRODUCER shall reimburse ~~NIAGARA MOHAWK~~ NATIONAL GRID for all costs ~~NIAGARA MOHAWK~~ NATIONAL GRID incurs in carrying out the responsibilities hereunder as provided in Articles 11 and 12 of this AGREEMENT.

5. Construction of Interconnection Facility

5.1 The substation portion of the INTERCONNECTION FACILITY has been designed and constructed by the PRODUCER and its third-party contractor. The remaining portion of the INTERCONNECTION FACILITY has been designed and constructed by ~~NIAGARA MOHAWK~~ NATIONAL GRID. Such design and construction shall be at PRODUCER's expense, regardless of who performed such construction.

5.2 PRODUCER shall also provide ~~NIAGARA MOHAWK~~ NATIONAL GRID with all documentation necessary to verify the cost of the INTERCONNECTION FACILITY, other than those costs incurred in connection therewith by ~~NIAGARA MOHAWK~~ NATIONAL GRID, documentation of which ~~NIAGARA MOHAWK~~ NATIONAL GRID shall provide to PRODUCER. Each Party shall have the right to any supporting documents or evidence which such Party reasonably deems necessary to further substantiate such costs.

6. ~~Transfer of Interconnection Facility~~ [RESERVED]

~~6.1 Upon the satisfaction of the conditions set forth below, which shall be no later than March 1, 1993, PRODUCER shall convey and transfer or assign to NIAGARA MOHAWK by an easement in the form attached as Schedule B (the "Easement") and pursuant to the Bill of Sale and Assignment and Assumption Agreement in the form attached as Schedule C (the "Bill of Sale") all of its right, title and interest in PRODUCER'S portion of the INTERCONNECTION FACILITY free and clear of all liens and encumbrances, except as NIAGARA MOHAWK in its reasonable discretion shall otherwise agree. The date on which PRODUCER conveys and transfers PRODUCER'S portion of the INTERCONNECTION FACILITY pursuant hereto shall be referred to as the "Transfer Date." NIAGARA MOHAWK'S acceptance of the PRODUCER'S portion of the INTERCONNECTION FACILITY shall be conditioned upon the delivery reasonably satisfactory to NIAGARA MOHAWK of the following: (a) on or before the Transfer Date, PRODUCER shall provide to NIAGARA MOHAWK an instrument survey of the lands conveyed by and/or described in the documents of title transfer, which said survey shall be prepared in accordance with the Code of Practice for land title surveys adopted by the New York State Association of Professional Land Surveyors; (b) before the Transfer Date, PRODUCER shall provide to NIAGARA MOHAWK copies of the Easement and Bill of Sale together with fully guaranteed tax searches made by an incorporated abstract company and a title insurance policy, containing only standard exceptions, insuring marketability of the lands and interest in lands to be transferred to NIAGARA MOHAWK; (c) before the Transfer Date, NIAGARA MOHAWK shall be given the opportunity to inspect the substation portion of the INTERCONNECTION FACILITY and review all appropriate approvals, certificates, permits and authorizations and PRODUCER shall be responsible for correcting, at PRODUCER'S expense, any situations which NIAGARA MOHAWK reasonably deems unacceptable or any~~

~~deficiencies which could impede the transfer of title pursuant to this AGREEMENT; (d) on or before the Transfer Date, PRODUCER shall convey to NIAGARA MOHAWK copies of all documents reasonably requested by NIAGARA MOHAWK'S Engineering Department relating to the substation portion of the INTERCONNECTION FACILITY, including but not limited to as built drawings, in both hard copy as well as in the form of computer readable data that will generate the drawings; (e) on or before the Transfer Date PRODUCER shall convey to NIAGARA MOHAWK all licenses, certificates, permits and approvals obtained by PRODUCER pursuant to Section 10.2., and (f) on the Transfer Date, PRODUCER shall pay to NIAGARA MOHAWK all then incurred and unpaid reimbursable costs as set forth in Article 11 hereof.~~

~~6.2 PRODUCER shall grant to NIAGARA MOHAWK reasonable rights of access to PRODUCER'S property interests acquired pursuant to this Article 6 and prior to the Transfer Date.~~

7. Construction of System Facilities

7.1 There are no required reinforcements and additions to ~~NIAGARA MOHAWK'S~~ NATIONAL GRID'S transmission system necessary to connect the INTERCONNECTION FACILITY to said transmission system (hereinafter referred to as the "SYSTEM FACILITIES").

8. Modification to Interconnection Facility Due to Transmission System

8.1 If, during the term of this AGREEMENT, ~~NIAGARA MOHAWK~~ NATIONAL GRID reasonably determines that it is necessary to relocate or rearrange its transmission system, and such relocation or rearrangement affects the INTERCONNECTION FACILITY

so that a change is required, in accordance with GOOD UTILITY PRACTICES, to a portion of the INTERCONNECTION FACILITY and/or a new INTERCONNECTION FACILITY is required, ~~NIAGARA MOHAWK NATIONAL GRID~~ shall use its best efforts to give ~~the~~ PRODUCER no less than one (1) year's written notice of such relocation or rearrangement and shall attempt in good faith to defer such relocation or rearrangement until the new INTERCONNECTION FACILITY can be reconfigured so that PRODUCER'S provision of capacity to PURCHASER as specified in the POWER PURCHASE AGREEMENT may continue without interruption.

8.2 If ~~NIAGARA MOHAWK NATIONAL GRID~~ is required or ordered by governmental authority to relocate or rearrange its transmission system so that a new INTERCONNECTION POINT is required, ~~NIAGARA MOHAWK NATIONAL GRID~~ shall promptly so notify PRODUCER.

8.3 Whether such relocation or rearrangement is ordered or required by governmental authority or is by ~~NIAGARA MOHAWK'S NATIONAL GRID'S~~ own determination, ~~NIAGARA MOHAWK NATIONAL GRID~~ shall perform or have performed, with PRODUCER's prior written consent and at PRODUCER'S expense, the studies necessary to identify a new INTERCONNECTION POINT and shall inform the PRODUCER of its estimate of the costs of the construction of a new INTERCONNECTION FACILITY, and PRODUCER shall, at its option, either (a) reimburse ~~NIAGARA MOHAWK NATIONAL GRID~~ for the actual costs of such construction promptly upon completion thereof; (b) construct, at its own expense, a new INTERCONNECTION FACILITY in accordance with the terms of this AGREEMENT; or (c) terminate this AGREEMENT upon no less than thirty (30) days written notice to ~~NIAGARA MOHAWK NATIONAL GRID~~; provided, however, that if the relocation or rearrangement is ordered or required by

governmental authority, ~~NIAGARA MOHAWK NATIONAL GRID~~ shall exercise reasonable efforts to obtain reimbursement by the governmental authority for the costs to PRODUCER of such relocation or rearrangement. ~~NIAGARA MOHAWK NATIONAL GRID~~ shall not be responsible for reimbursing PRODUCER for any costs associated with such relocation or rearrangement.

8.4 If the PRODUCER elects to construct a new INTERCONNECTION FACILITY, construction, title, and payment shall be in accordance with the terms and conditions of this AGREEMENT. If PRODUCER does not give consent to ~~NIAGARA MOHAWK NATIONAL GRID~~ to complete the studies necessary to identify a new INTERCONNECTION POINT, ~~NIAGARA MOHAWK NATIONAL GRID~~ may, in accordance with Article 16, terminate this AGREEMENT and have no further obligations hereunder.

9. Abandonment or Retirement of Interconnection Facility

9.1 If ~~NIAGARA MOHAWK NATIONAL GRID~~ reasonably determines that it is necessary or is ordered by government authority to abandon or to retire the entire INTERCONNECTION FACILITY so that it can relocate or rearrange its transmission system, which affects the INTERCONNECTION FACILITY, ~~NIAGARA MOHAWK NATIONAL GRID~~ shall use its best efforts to give the PRODUCER no less than one (1) year's written notice of such abandonment or retirement and shall use its best efforts to defer such abandonment or retirement until a new INTERCONNECTION FACILITY has been constructed, so that PRODUCER'S provision of capacity to PURCHASER as specified in the POWER PURCHASE AGREEMENT may continue without interruption.

9.2 Whether such abandonment or retirement is required by

governmental authority or is by ~~NIAGARA MOHAWK'S~~ NATIONAL GRID'S own determination, ~~NIAGARA MOHAWK~~ NATIONAL GRID shall perform or have performed, with PRODUCER'S prior written consent and at PRODUCER'S expense, the studies necessary to identify a new INTERCONNECTION POINT and shall inform PRODUCER of its estimate of the costs of the construction of a new INTERCONNECTION FACILITY, and/or PRODUCER shall, at its option, either (a) reimburse ~~NIAGARA MOHAWK~~ NATIONAL GRID for the actual costs of such construction promptly upon completion thereof; (b) construct at its own expense, a new INTERCONNECTION FACILITY subject to the terms of this AGREEMENT; or (c) terminate this AGREEMENT, upon no less than thirty (30) days written notice to ~~NIAGARA MOHAWK~~ NATIONAL GRID; provided, however, that if the abandonment or retirement of the entire INTERCONNECTION FACILITY is ordered or required by governmental authority, ~~NIAGARA MOHAWK~~ NATIONAL GRID shall exercise its best efforts to obtain reimbursement by such governmental authority for the costs to PRODUCER of such abandonment or retirement. ~~NIAGARA MOHAWK~~ NATIONAL GRID shall not be responsible for reimbursing PRODUCER for any costs associated with such abandonment or retirement.

9.3 If the PRODUCER elects to construct a new INTERCONNECTION FACILITY, construction, title and payment shall be in accordance with the terms and conditions of this AGREEMENT. If PRODUCER does not give consent to ~~NIAGARA MOHAWK~~ NATIONAL GRID to complete the studies necessary to identify a new INTERCONNECTION POINT, ~~NIAGARA MOHAWK~~ NATIONAL GRID may terminate this AGREEMENT, in accordance with Article 16, and have no further obligations hereunder.

10. Compliance With Laws and Obtaining Permits and Licenses

10.1 ~~NIAGARA MOHAWK~~ NATIONAL GRID and PRODUCER each agree to comply with all applicable federal, state and local laws, ordinances, rules, regulations, permits, licenses, approvals, certificates, and requirements thereunder in connection with all its activities performed pursuant to this AGREEMENT, including, but not limited to all design, environmental, regulatory, engineering, construction, and property acquisition activities.

10.2 ~~NIAGARA MOHAWK~~ NATIONAL GRID and PRODUCER each further agree to obtain all necessary environmental and regulatory licenses, certificates, permits and approvals at PRODUCER'S sole expense, and in PRODUCER's case, with respect to any and all licenses, certificates, permits and approvals obtained subsequent to execution and delivery of this AGREEMENT, to obtain ~~NIAGARA MOHAWK's~~ NATIONAL GRID's review and approval prior to their submittal to any of the appropriate agencies or governmental authorities.

10.3 PRODUCER agrees to indemnify and save ~~NIAGARA MOHAWK~~ NATIONAL GRID harmless from all liability, civil and criminal, costs and expenses (including reasonable attorney's fees) arising from violations by PRODUCER of all applicable laws, ordinances, rules, regulations, permits, licenses, approvals, certificates and requirements thereunder. PRODUCER agrees to bear fully all civil and criminal penalties that may arise from its activities or from its violations of or its failure to comply with the aforementioned laws and requirements, whether such penalties are assessed against PRODUCER or ~~NIAGARA MOHAWK~~ NATIONAL GRID. The provisions of this paragraph shall survive termination of this AGREEMENT.

10.4 If either Party observes that any requirement specified in this AGREEMENT is at variance with any governing laws, ordinances, rules, regulations, permits, licenses, approvals, certificates and requirements thereunder, such Party shall promptly notify the other Party thereof in writing before incurring any further liability, expense or obligation. ~~NIAGARA-MOHAWK-NATIONAL GRID~~ and PRODUCER shall in good faith attempt to reform this AGREEMENT to comply with the aforementioned laws, ordinances, rules, regulations, permits, licenses, approvals, or certificates at PRODUCER'S sole cost and expense. If ~~NIAGARA-MOHAWK-NATIONAL GRID~~ and PRODUCER are unable to do so, either Party may terminate this AGREEMENT.

11. Cost Payments

11.1 PRODUCER shall reimburse ~~NIAGARA-MOHAWK-NATIONAL GRID~~ for any cost, or expense that will be incurred by ~~NIAGARA-MOHAWK-NATIONAL GRID~~ pursuant to this AGREEMENT for the acquisition, construction, design and installation of the INTERCONNECTION FACILITY in accordance with the terms of this Article 11 and any tax in accordance with the terms of Article 12. If requested by ~~NIAGARA-MOHAWK-NATIONAL GRID~~, such reimbursement shall be made in advance of incurring the aforementioned costs and expenses based on ~~NIAGARA-MOHAWK's~~ NATIONAL GRID's good faith estimate of such costs and expenses.

11.2 PRODUCER shall pay ~~NIAGARA-MOHAWK-NATIONAL GRID~~ on a monthly basis ~~beginning with the earlier of the first full month after the date of transfer of the INTERCONNECTION FACILITY or March 1, 1993,~~ for the actual invoiced costs of operation, maintenance, insurance ~~and,~~ repair and retirement of the INTERCONNECTION FACILITY. ~~based on an annual fee of \$39,000,~~

~~which payment shall constitute full payment of the operation, maintenance, insurance and repairs which NIAGARA MOHAWK incurs in connection with the INTERCONNECTION FACILITY after the date of transfer of the INTERCONNECTION FACILITY through the term of this AGREEMENT.~~

11.3 PRODUCER agrees to pay all invoices within thirty (30) days from date of the invoice. In accordance with ~~NIAGARA MOHAWK-POWER CORPORATION'S~~ NATIONAL GRID'S P.S.C. 207 Electricity, if any invoice remains unpaid thirty (30) days from the invoice date, ~~NIAGARA MOHAWK-~~NATIONAL GRID shall apply to the unpaid balance, and PRODUCER shall pay, a finance charge at the rate of one and one-half percent (1.5%) per month, but in no event more than the maximum allowed by law.

11.4 PRODUCER shall indemnify, defend and hold harmless ~~NIAGARA MOHAWK-~~NATIONAL GRID for any and all third-party claims, suits, liabilities or damages (including reasonable attorney's fees) arising from ~~NIAGARA MOHAWK'S~~ NATIONAL GRID obligations under this Agreement, except to the extent said claims, suits, liabilities or damages are caused in whole or in part by the gross negligence or intentional acts or omissions of ~~NIAGARA-MOHAWK-~~NATIONAL GRID.

12. Taxes

12.1 PRODUCER shall reimburse, indemnify, and hold harmless ~~NIAGARA MOHAWK-~~NATIONAL GRID for any and all net federal, state or local or other taxes levied or assessed on ~~NIAGARA MOHAWK~~ or any increased tax liability assessed against or to be incurred by ~~NIAGARA MOHAWK-~~NATIONAL GRID, as a result of its performance of this AGREEMENT in accordance with the terms hereof including real

estate taxes and transfer taxes associated with ~~NIAGARA MOHAWK'S~~
NATIONAL GRID's obtaining ownership of the INTERCONNECTION
FACILITY but excluding any federal tax based on the net income of
~~NIAGARA MOHAWK~~ NATIONAL GRID other than as provided below ~~and~~
~~except as may result from the PRODUCTION FACILITY's loss of~~
~~status as a Qualifying Facility and/or any other disqualification~~
~~event described in the IRS QF Notice.~~ Furthermore, PRODUCER shall
fully reimburse ~~NIAGARA MOHAWK~~ NATIONAL GRID for any net actual
federal income tax or New York tax, if any, arising out of any
payment or reimbursement of any tax by PRODUCER under this
Article. All real estate tax payments shall be made in accordance
with ~~NIAGARA MOHAWK~~ NATIONAL GRID real estate tax policies and
procedures. PRODUCER's payment to ~~NIAGARA MOHAWK~~ NATIONAL GRID
under this AGREEMENT shall be made in accordance with Article 11.
PRODUCER'S liability for taxes to ~~NIAGARA MOHAWK~~ NATIONAL GRID
under this Article 12.1 shall be limited to taxes as previously
stated and arising from ~~the acquisition, construction,~~
~~installation or transfer of the INTERCONNECTION FACILITY, and~~
~~PRODUCER shall not be liable for any taxes attributable to~~
~~payments for the operation, maintenance, insurance and, repair~~
and retirement of the INTERCONNECTION FACILITY pursuant to
Article 11.2.

12.2 PRODUCER shall not be liable to ~~NIAGARA MOHAWK~~ NATIONAL
GRID for any taxes incurred as a result of ~~NIAGARA MOHAWK'S~~
NATIONAL GRID's retention of the INTERCONNECTION FACILITY after
expiration or termination of this AGREEMENT, or any successor
agreement, in accordance with Article 15 or 16 herein or
relocation or abandonment as provided in Article 8 or 9 herein.

12.3 Notwithstanding the foregoing, PRODUCER shall have the
right to require ~~NIAGARA MOHAWK~~ NATIONAL GRID to contest, appeal

or seek abatement of any tax, levy or assessment against ~~NIAGARA-MOHAWK-NATIONAL GRID~~ and for which PRODUCER may be required to reimburse ~~NIAGARA-MOHAWK-NATIONAL GRID~~ under this Article if: (i) PRODUCER shall have furnished to ~~NIAGARA-MOHAWK-NATIONAL GRID~~, at PRODUCER's sole expense, an opinion of independent tax counsel selected by PRODUCER, in form and substance reasonably satisfactory to ~~NIAGARA-MOHAWK-NATIONAL GRID~~, to the effect that it is more likely than not that such contest, appeal or abatement will be successful, and (ii) the subject matter of such contest, appeal or abatement is greater than \$50,000. ~~If Article 12.3 (i) and (ii) are satisfied and where the PRODUCER's senior unsecured debt is rated lower than INVESTMENT GRADE, PRODUCER shall provide collateral to NIAGARA-MOHAWK in a manner reasonably satisfactory to NIAGARA-MOHAWK for the amount of the tax asserted and all costs expected to be incurred by NIAGARA-MOHAWK in connection with such contest, appeal or abatement. NIAGARA-MOHAWK-NATIONAL GRID shall control any such contest, appeal or abatement, including, but not limited to, the selection of counsel and the forum for such contest, appeal or abatement. Unless prepayment of tax is necessary in the forum selected (in which case PRODUCER shall make such prepayment in the form of an interest free loan to NIAGARA-MOHAWK-NATIONAL GRID to be applied for that purpose, and NIAGARA-MOHAWK-NATIONAL GRID shall return to PRODUCER, at the conclusion of such contest, appeal or abatement, any refund it actually receives of the amount of such prepayment and any interest it actually receives thereon), no reimbursement shall be payable by PRODUCER to NIAGARA-MOHAWK-NATIONAL GRID under this Article until such tax, levy or assessment is issued by a final and non-appealable order by a court or agency of competent jurisdiction. PRODUCER shall reimburse NIAGARA-MOHAWK-NATIONAL GRID for all costs incurred by NIAGARA-MOHAWK-NATIONAL GRID in connection with such contest, appeal or abatement request,~~

including but not limited to interest charges, penalties, additions to tax, and attorneys' fees, as such costs are incurred by ~~NIAGARA MOHAWK NATIONAL GRID~~.

13. Suspension of Deliveries

13.1 Prior to any suspension or reduction of deliveries of electricity from the Production Facility (any such event being hereinafter referred to as a "Suspension of Delivery"), ~~NIAGARA MOHAWK NATIONAL GRID~~ shall use its best efforts to provide not less than twenty-four hours advance notice (a "Notice of Suspension") to the PRODUCER of such Suspension of Delivery, containing a reasonably detailed statement of the reasons for such Suspension of Delivery and the likely duration thereof. If such notice is provided verbally, ~~NIAGARA MOHAWK NATIONAL GRID~~ shall confirm such verbal notice as promptly as possible in writing but in no event later than ten (10) days thereafter. ~~NIAGARA MOHAWK NATIONAL GRID~~ shall use all reasonable efforts to promptly remedy the condition giving rise to the Suspension of Delivery or take other appropriate action so that full deliveries of electricity can be restored as soon as practicable. ~~NIAGARA MOHAWK NATIONAL GRID~~ shall use its best efforts to provide as much advance notice of an emergency Suspension of Delivery as possible under the circumstances (and if no advance notice is possible, shall provide oral and written notice thereof as promptly as possible after the occurrence thereof) and shall use all reasonable efforts to promptly remedy the emergency circumstances giving rise to the Suspension of Delivery or take other appropriate action so that full deliveries of electricity can be restored as soon as practicable. Notwithstanding the above, ~~NIAGARA MOHAWK NATIONAL GRID~~ shall not be liable to PRODUCER for any damages, including but not limited to, lost

profit or revenue caused or resulting from any breach of the requirements contained in this Article 13.1.

14. Notices

14.1 All written notifications pursuant to this AGREEMENT shall be in writing and shall be personally delivered or mailed by certified or registered first class mail, return receipt requested, as follows:

To NIAGARA MOHAWK ; <u>NATIONAL GRID</u>	To:
PRODUCER+	
MANAGER <u>Director</u> , Transmission CONTRACTS <u>Commercial</u> Project	
MANAGER <u>General Manger</u>	
NIAGARA MOHAWK POWER CORPORATION <u>NATIONAL GRID</u>	
SELKIRK COGEN PARTNERS, L.P.	
300 Eric Boulevard West	County Route 55
<u>40 Sylvan Road</u>	<u>24 Power Park Drive</u>
Syracuse <u>Waltham</u> , New York 13202 <u>MA 02451</u>	
Selkirk, NY 12158	

~~With a copy to:~~
~~Selkirk Cogen Partners, L.P.~~
~~e/o J. Makowski Assoc., Inc.~~
~~One Bowdoin Square~~
~~Boston, MA 02114 2910~~

Either Party may change its address for notices by notice to the other in the manner provided above.

14.2 The above-mentioned representatives or their designees shall be authorized to act on behalf of the Parties, and their

instructions, requests, and decisions will be binding upon the Parties as to all matters pertaining to this AGREEMENT and the performance of the Parties hereunder. Only these representatives shall have the authority to commit funds or make binding obligations on behalf of the Parties. These representatives shall be responsible for tracking work, costs, schedules and all other matters related to this AGREEMENT, and for the performance of any third Parties.

15. Term

15.1 This AGREEMENT shall ~~be~~become effective on ~~as of the date of execution by both parties~~the date first above written (the "EFFECTIVE DATE"), subject to its approval or acceptance for filing by the Federal Energy Regulatory Commission ("FERC") (if applicable) or if filed unexecuted, upon the date specified by FERC.

~~15.2 This AGREEMENT shall expire no later than twenty (20) years from the COMMERCIAL OPERATION DATE (as defined in the POWER PURCHASE AGREEMENT) of the PRODUCTION FACILITY, or upon expiration or termination of the POWER PURCHASE AGREEMENT, whichever occurs later; provided, however, that if the POWER PURCHASE AGREEMENT is extended as provided therein, this AGREEMENT shall also be extended for an identical term.~~

15.2 Subject to termination as provided herein, this AGREEMENT shall continue in effect for five (5) years from the EFFECTIVE DATE of the AGREEMENT. This AGREEMENT shall be renewable at the end of the current term for successive one year terms unless either Party gives written notice of its intention not to renew at least ninety (90) days prior to the expiration of

the current term or any annual extension.

15.3 This AGREEMENT shall not merge with or be terminated or superseded by any future agreement between the Parties that does not specifically so provide.

16. Termination for Breach/Default

No termination shall become effective until the Parties have complied with all applicable Laws and Regulations applicable to such termination, including filing with FERC a notice of termination of this AGREEMENT, which notice has been accepted for filing by FERC.

16.1 Subject to the provisions set forth in Section 16.2 below, ~~NIAGARA MOHAWK NATIONAL GRID~~ may, by written notice to PRODUCER, terminate this AGREEMENT in the event PRODUCER abandons its work or facilities; becomes insolvent; or assigns or sublets this AGREEMENT in a manner which is inconsistent with the terms and conditions of this AGREEMENT; or loses control of the work or facilities for any cause, except as provided in Article 17~~7~~ or Article 20; or refuses, neglects or fails in any material respect to prosecute its work or facilities with diligence; or is violating any of the material conditions, terms, obligations, or covenants of this AGREEMENT; or is not executing this AGREEMENT in good faith.

16.2 If within a period of sixty (60) days of such notice from ~~NIAGARA MOHAWK NATIONAL GRID~~, as set forth in Section 16.1 above ~~(or such longer period as is reasonable under the circumstances so long as PRODUCER has begun and is diligently attempting to cure)~~, PRODUCER cures the default or breach cited

by ~~NIAGARA MOHAWK~~ NATIONAL GRID in such notice, to the reasonable satisfaction of ~~NIAGARA MOHAWK~~ NATIONAL GRID, such notice shall become null and void and of no effect. Otherwise, such notice shall remain in effect, and the obligations of ~~NIAGARA MOHAWK~~ NATIONAL GRID under this AGREEMENT shall cease and terminate at the expiration of the later of such sixty (60) day period or the date set forth in such notice.

16.3 Each Party shall be liable to the other Party for all reasonable costs, expenses, liabilities and obligations, including reasonable attorneys fees, incurred by the non-breaching Party that result from or relate to a material breach or default of this AGREEMENT; provided, however, that neither Party shall be liable to the other for any indirect or consequential damages including but not limited to loss of profit or revenue, or replacement power costs arising from the indemnification in this paragraph 16.3.

16.4 In the event of a billing dispute between NATIONAL GRID and PRODUCER, NATIONAL GRID will not apply to remove the INTERCONNECTION facilities from service or to terminate transmission service thereon as long as PRODUCER: (i) continues to make all payments not in dispute and (ii) pays into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If PRODUCER fails to meet these two requirements, then a default shall be deemed to exist, to which the procedures set forth in this section for the removal of the INTERCONNECTION FACILITIES from service shall apply.

~~16.4~~16.5 Termination of this AGREEMENT shall not relieve PRODUCER or ~~NIAGARA MOHAWK~~ NATIONAL GRID of any of its liabilities and obligations hereunder, owed or continuing at the

time of termination hereof, and PRODUCER and ~~NIAGARA MOHAWK~~
NATIONAL GRID may take whatever judicial or administrative
actions as appear necessary or desirable to enforce its rights
hereunder. The rights specified herein are not exclusive and
shall be in addition to all other remedies available either at
law or in equity, for default or breach of any provision of this
AGREEMENT; provided that in no event shall ~~NIAGARA MOHAWK~~
NATIONAL GRID or PRODUCER be liable for any special, indirect or
consequential cost, expense or damage.

16.6 In the event of termination of this AGREEMENT in
accordance with section 16, NATIONAL GRID will physically
disconnect the PRODUCTION FACILITY from the TRANSMISSION SYSTEM
and at NATIONAL GRID's sole determination remove any and all of
NATIONAL GRID's INTERCONNECTION FACILITY equipment. All costs
required to effectuate such disconnection shall be borne by the
terminating Party unless termination resulted from the non-
terminating Party's default of this Agreement or such non-
terminating Party otherwise is responsible for these costs under
this Agreement.

~~16.5~~16.7 Upon termination, ~~NIAGARA MOHAWK~~ NATIONAL GRID
shall give any regulatory or judicial authorities such notice as
is required by law. The Parties agree that the termination shall
be effective as of the date set forth in the notice of
termination.

17. Force Majeure

17.1 Neither Party shall be considered to be in default or
breach hereunder, and shall be excused from performance
hereunder, if and to the extent that it shall be delayed in or

prevented from performing or carrying out any provision of this AGREEMENT by reason of or through storm, flood, lightning strikes, earthquake, fire, ice, snow, epidemic, war, invasion, riot, civil disturbance, sabotage, explosion, insurrection, military or usurped power, strikes, stoppage of labor, labor dispute, failure of contractors or supplies of material, action of any court or governmental authority, or any civil or military authority de facto or de jure, change in law, act of God or the public enemy, or any other cause beyond such Party's control, including, without limitation, disconnection or limited operation of ~~NIACARA MOHAWK's~~ NATIONAL GRID's electric system due to failure of facilities, unscheduled repairs or maintenance, fuel or energy shortages, or equipment breakdown beyond the Party's reasonable control; provided, however, that neither Party may claim force majeure for any delay or failure to perform or carry out any provision of this AGREEMENT to the extent that such Party has been negligent and such negligence contributed to that Party's delay or failure to perform or carry out its duties and obligations hereunder.

17.2 The Party claiming force majeure shall use due diligence to resume performance or the provision of service hereunder as soon as practicable.

17.3 Neither Party shall be liable to the other Party for or on account of any loss, damage, injury or expense, resulting from or arising out of the performance or nonperformance of this AGREEMENT due to an event of force majeure.

18. Relationship of Parties

18.1 Nothing contained in this AGREEMENT shall be construed

or deemed to cause, create, constitute, give effect to, or otherwise recognize PRODUCER and ~~NIAGARA MOHAWK~~NATIONAL GRID to be partners, joint venturers, employer and employee, principal and agent, or any other business association, with respect to any matter.

18.2 Unless otherwise agreed to in writing signed by both Parties, neither Party shall have any authority to create or assume in the other Party's name or on its behalf any obligation, express or implied, or to act or purport to act as the other Party's agent or legally empowered representative for any purpose whatsoever.

18.3 Neither Party shall be liable to any thirdparty in any way for any engagement, obligation, commitment, contract, representation or for any negligent act or omission to act of the other Party, except as expressly provided for herein.

19. Third-Party Beneficiary

19.1 No person or Party shall have any rights or interests, direct or indirect, in this AGREEMENT or the services or facilities to be provided hereunder, or both, except the Parties, their successors, and authorized assigns.

19.2 The Parties specifically disclaim any intent to create any rights in any person or Party as a third-party beneficiary to this AGREEMENT or to the services or facilities to be provided hereunder, or both.

20. Assignment

20.1 Except as otherwise provided in this Article 20, neither Party shall assign, pledge or otherwise transfer this AGREEMENT or any right or obligation under this AGREEMENT, by operation of law or otherwise, without first obtaining the other Party's written consent, which consent shall not be unreasonably withheld.

20.2 Upon thirty (30) days prior written notice to ~~NIAGARA-MOHAWK-NATIONAL GRID~~, PRODUCER may, without the consent of ~~NIAGARA-MOHAWK-NATIONAL GRID~~, assign its interests in this AGREEMENT, in whole or in part, to: (a) one or more financial institutions ("Lenders") in connection with the construction and/or permanent financing of the FACILITY or any successor to such Lenders; (b) ~~General Electric Company~~ SABIC IP (or any division or direct or indirect subsidiary thereof) ("~~GESABIC~~") in connection with an agreement for the sale of the thermal output of the FACILITY; or (c) an entity controlling, controlled by, or under common control with PRODUCER ("Affiliate"); provided, however, that in each such case, such assignment shall not relieve PRODUCER of its obligations under this AGREEMENT, unless the assignee shall expressly assume all of PRODUCER'S obligations under this AGREEMENT; provided, further, that ~~NIAGARA-MOHAWK-NATIONAL GRID~~ shall execute and deliver a consent to any such assignment in form and substance as PRODUCER may reasonably request, together with an opinion of counsel with respect to this AGREEMENT or such consent. If Lenders or ~~GESABIC~~ succeed to the interest of PRODUCER in this AGREEMENT by foreclosure or otherwise, ~~NIAGARA-MOHAWK-NATIONAL GRID~~ shall accord such Lenders and ~~GESABIC~~, their successors and assigns, the same rights as PRODUCER hereunder.

20.3 Any company or entity which shall succeed by purchase,

merger or consolidation to the properties, substantially or entirely, of either ~~NIAGARA MOHAWK NATIONAL GRID~~ or PRODUCER, as the case may be, shall be entitled to the rights and shall be subject to the obligations of its predecessor in title under this AGREEMENT provided that, at least thirty (30) days prior to the effective date of the proposed assignment, the assignee shall unconditionally assume, and agree to be bound by, all of the terms and conditions of this AGREEMENT, and the assignee makes certain additional representations and warranties as appropriate for assignee as contained in Article 2.

20.4 This AGREEMENT shall bind and inure to the benefit of the Parties to this AGREEMENT, their successors and permitted assigns.

21. Waiver

21.1 No provision of this AGREEMENT may be waived except by mutual agreement of the Parties as expressed in writing and signed by both Parties.

21.2 No express waiver in any specific instance as provided in a required writing shall be construed as a waiver of future instances unless specifically so provided in the required writing.

21.3 No express waiver of any specific default shall be deemed a waiver of any other default whether or not similar to the default waived, or a continuing waiver of any other right or default by a Party.

21.4 The failure of either Party to insist in any one or more instances upon the strict performance of any of the provisions of this AGREEMENT, or to exercise any right herein, shall not be construed as a waiver or relinquishment for the future of such strict performance of such provision or the

exercise of such right.

22. Amendment/Modification

22.1 This AGREEMENT may be amended or modified only if the amendment or modification is in writing and executed by both Parties.

22.2 Any amendment or modification that is not in writing and signed by both Parties shall be null and void from its inception.

22.3 No express amendment or modification in any specific instance as provided herein shall be construed as an amendment or modification of future instances, unless specifically so provided in the required writing.

23. Choice of Law/Jurisdiction/Service of Process

23.1 This AGREEMENT shall be deemed to be executed in the State of New York and shall be interpreted and enforced according to the Laws of the State of New York.

23.2 ~~NIAGARA MOHAWK~~ NATIONAL GRID and PRODUCER agree to submit to the jurisdiction of the courts in the State of New York for the purposes of interpretation and enforcement of this Agreement; provided, however, that this Article shall not serve to divest an administrative agency of competent jurisdiction from interpreting or enforcing this AGREEMENT.

23.3 ~~NIAGARA MOHAWK~~ NATIONAL GRID and PRODUCER waive personal service by manual delivery and agree that service of process on either Party in any action concerning or arising out of this AGREEMENT may be made by registered or certified mail, return receipt requested, delivered to such Party at its address set forth in the preamble hereto.

24. Severability

24.1 If any term of this AGREEMENT, or the interpretation or application of any term or provision to any prior circumstance, is held to be unenforceable, illegal, or invalid by a court or agency of competent jurisdiction, the remainder of this AGREEMENT, or the interpretation or application of all other terms or provisions to persons or circumstances other than those that are unenforceable, illegal, or invalid, shall not be affected thereby and each term and provision shall be valid and be enforced to the fullest extent permitted by law.

25. Headings

25.1 The headings in this AGREEMENT are included herein for convenience of reference only and shall not constitute a part of this AGREEMENT for any other purpose, or limit or be used as an aid in construing the provisions of this AGREEMENT.

26. Integration/Merger/Survivability

26.1 This AGREEMENT sets forth the entire understanding and agreement of the Parties as to the subject matter of this AGREEMENT.

26.2 This AGREEMENT merges and supersedes all prior agreements, commitments, representations, writings and discussions between the Parties regarding the subject matter herein; provided, however, that this Agreement shall supersede the 1992 AGREEMENT only with effect from and after the Effective Date.

26.3 Neither Party shall be bound or liable to the other Party for any prior obligations, affirmations of fact, conditions, warranties, representations, understandings,

promises, assurances, inducements, or agreements of any kind, whether written or oral, made by any agent or person in the other Party's employ with respect to the subject matter of this AGREEMENT, unless explicitly embodied herein.

IN WITNESS WHEREOF, the Parties hereto have caused this instrument to be executed as of the day and year first above written.

SELKIRK COGEN PARTNERS, L.P.
NATIONAL GRID

~~NIAGARA MOHAWK POWER CORPORATION~~

By: _____

By: _____

~~Selkirk, Inc., Managing~~
~~General Partner~~
Title: Vice President
and Planning Director

~~Clement E. Nadeau~~
~~Vice President Power~~
Title: Transactions

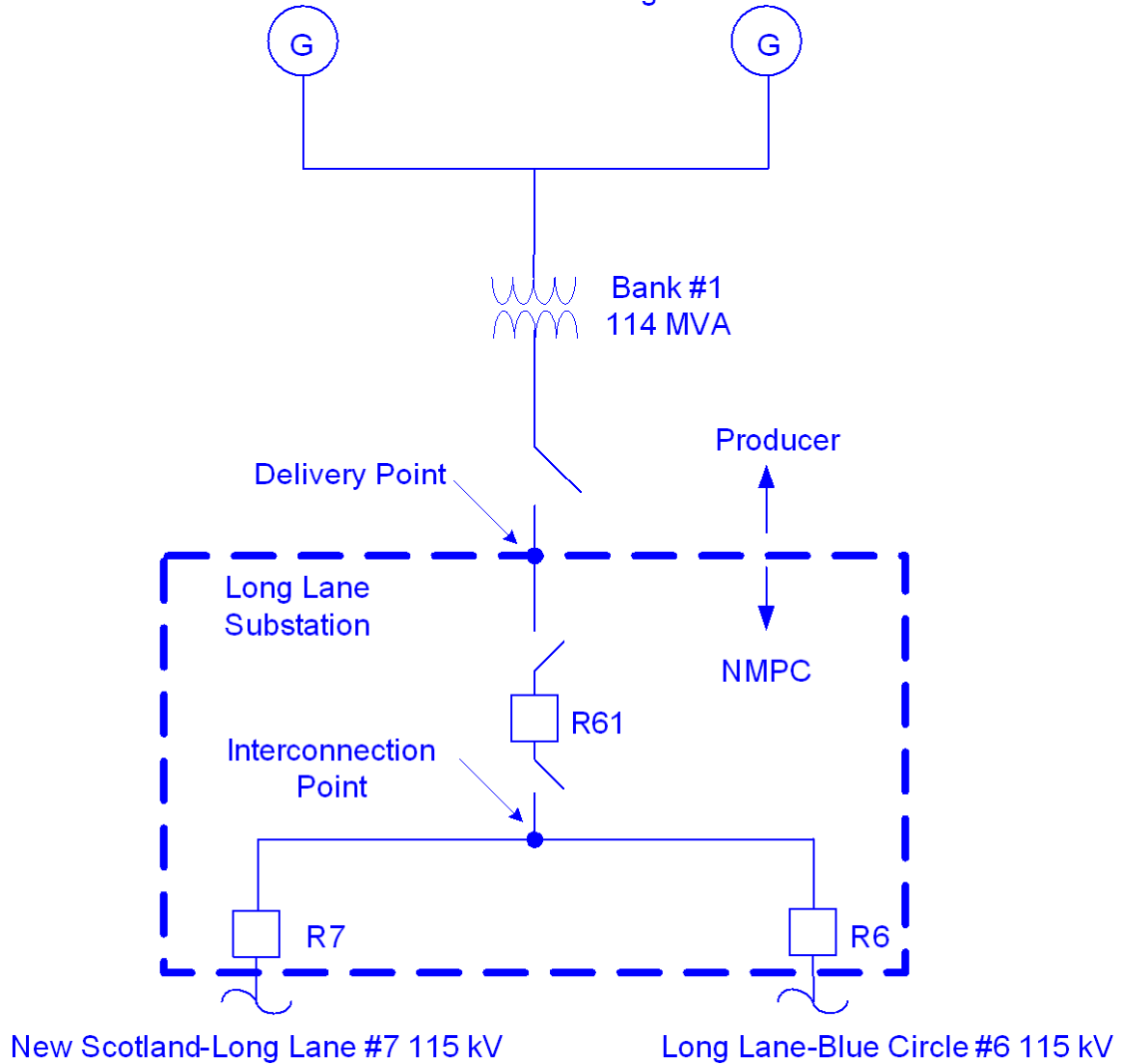
Date: 10/16/92
Date: _____

Transmission Commercial
Date: October 20, 1992
Date: _____

SCHEDULE A
NIAGARA MOHAWK POWER CORPORATION
DIAGRAM IDENTIFYING ~~RECEIVING~~ DELIVERY POINT
AND INTERCONNECTION POINT DIAGRAM

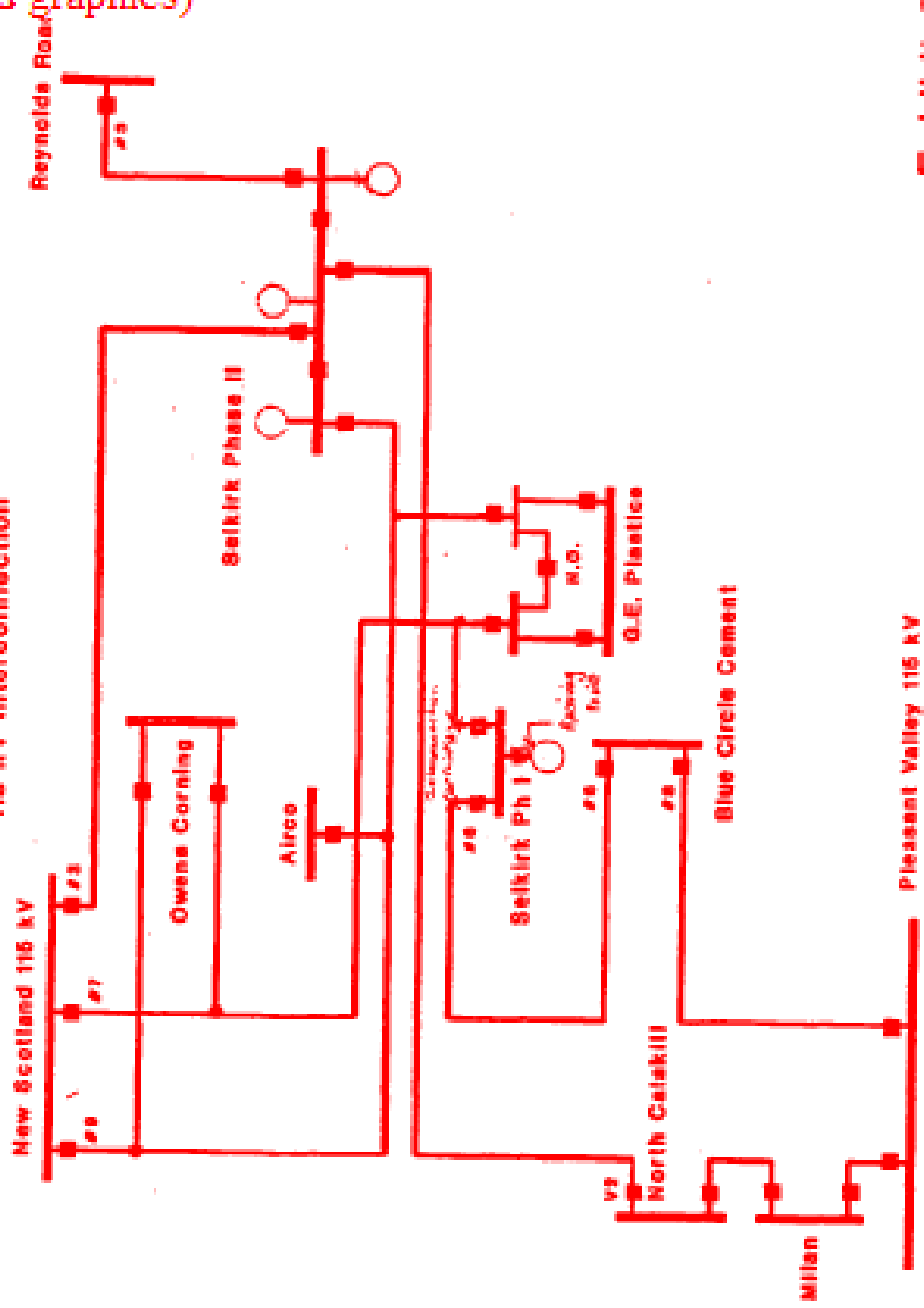
(Added graphics)

Selkirk Co-Gen Partners
Phase I
Interconnection Diagram



(Deleted graphics)

**Selkirk Cogen Project
Phase II
115 kV Interconnection**



~~SCHEDULE B~~
~~NIAGARA MOHAWK POWER CORPORATION~~
~~GENERAL ELECTRIC SUBSTATION EASEMENT~~

~~{FORM OF INDENTURE (GRANT OF EASEMENT)}~~

~~THIS INDENTURE, made the _____ day of _____,~~
~~in the Year One Thousand Nine Hundred Ninety Two, by and between~~
~~GENERAL ELECTRIC COMPANY with an office at One Plastics Avenue,~~
~~Pittsfield, MA 01201, hereinafter called the Grantor, and NIAGARA~~
~~MOHAWK POWER CORPORATION, a public service corporation of the~~
~~State of New York having its principal office and place of~~
~~business at 300 Erie Boulevard West, Syracuse, New York, 13202,~~
~~hereinafter called the Company.~~

~~WITNESSETH:~~

~~That the Grantor, in consideration of One Dollar (\$1.00)~~
~~and other valuable consideration paid by the Company, the receipt~~
~~whereof is hereby acknowledged, has granted and released and does~~
~~hereby grant and release to the Company, its successors and~~
~~assigns, the permanent right of way and easement to build,~~
~~rebuild, relocate, operate, repair, maintain and, at its pleasure,~~
~~remove _____ electric lines, including such poles, towers,~~
~~crossarms, wires, transformers, cables, underground conduit,~~
~~counterpoise wires or cables, guys, stubs, anchors, brace poles,~~
~~ways and such other appurtenant or supporting apparatus or~~
~~structures as said Company may now or shall from time to time deem~~
~~necessary, and to transmit and distribute electricity, including~~
~~telephone transmission, upon, over, under, through, across and~~
~~beyond a parcel of land which the Grantor owns, being a part of~~

~~_____ Lot No. _____, Block No. _____,~~
~~in the _____ of _____, County~~
~~of _____, State of New York, the said parcel of~~
~~land being bounded and described as follows:~~

~~Together with the right to construct roads and driveways on said~~
~~parcel of land and the right of reasonable access over the~~
~~Grantor's premises thereto from the highway adjoining said~~
~~premises and of passage thereover on foot or with vehicles so far~~
~~as the same shall be deemed necessary for the full enjoyment~~
~~hereof or for reaching the Company's right of way on neighboring~~
~~lands.~~

~~With the right to maintain and manage said right of way to~~
~~preserve the environment and to trim, cut and remove all trees,~~
~~limbs, brush or other obstructions either mechanically or by the~~
~~use of approved herbicides on said parcel of land and any trees~~
~~outside of said area which, in the opinion of the Company, may be~~
~~likely to fall upon said lines or to interfere with the~~
~~satisfactory operation thereof. The Grantor covenants as a~~
~~covenant running with the land that, without written consent of~~

~~the Company: No buildings or other structures of any kind shall~~
~~be erected or suffered upon said parcel of land; that no other~~
~~electric lines or wires, poles or other structures shall be~~
~~permitted to cross the right of way hereby granted, except at the~~
~~Company's standard clearance distance from its lines; that no~~

~~trees shall be planted on said parcel of land; that no equipment or materials shall be stored on said parcel of land and that the grade of the said parcel of land shall not be changed.~~

~~This grant is made on the express undertaking of the parties hereto that if, in entering the premises for the purpose of reconstructing, maintaining or repairing said lines any damage is done to the property of the Grantor, the then owner can name the amount of such damage done, and if the Company, its successors, assigns or agents, as may be, objects to the said amount claimed, then each party shall choose a person and, if they cannot agree, the two shall choose a third person, and the decision of any two of said persons in respect to said damages shall be final and binding upon all parties.~~

~~Except for the rights herein granted to the Company, the Grantor shall have the right to fully use and enjoy said premises. This grant and easement shall at all times be deemed to be a continuing covenant running with the land for the benefit and use of all the properties and premises of the Company, its successors and assigns, used and useful in the transmission and/or~~

~~distribution of electricity and shall enure to and be binding upon the successors, heirs and assigns of the Grantor.~~

~~TO HAVE AND TO HOLD the rights hereby granted unto the said Company, its successors and assigns forever; and that the said Grantor hereby covenants as follows:~~

~~First: That the Company shall quietly enjoy the rights hereby granted.~~

~~Second: That the Grantor will forever warrant the title
of the rights hereby granted.~~

~~For the Title of the Grantor see the following
conveyance(s):~~

~~IN WITNESS WHEREOF the Grantor has executed this Instrument the
day and year first above written.~~

Witness: _____ - GENERAL ELECTRIC COMPANY

By: _____
Name:
Title:

Notary Public

~~SCHEDULE C~~
~~NIAGARA MOHAWK POWER CORPORATION~~
~~FORM OF BILL OF SALE~~

~~AGREEMENT AND BILL OF SALE~~

~~THIS AGREEMENT, made the _____ day of _____, 1992, by and between _____, a _____ corporation with its principal office at _____ (hereinafter referred to as "Seller"), and NIAGARA MOHAWK POWER CORPORATION, a corporation organized and existing under the laws of the State of New York, with its principal office at 300 Erie Boulevard West, Syracuse, New York (hereinafter referred to as "Buyer").~~

~~W I T N E S S E T H :~~

~~That Seller, in consideration of ONE DOLLAR (\$1.00) lawful money of the United States, paid by Seller to Buyer, the receipt of which is hereby acknowledged, and of the mutual covenants and agreements contained herein, does hereby sell, assign, transfer, grant, convey and deliver unto the Buyer, and the Buyer does hereby purchase, the property of Seller described as _____ (hereinafter referred to as the "Property"). Seller covenants and agrees to pay all costs and expenses incurred by Buyer when maintaining, repairing, operating, removing, replacing or rebuilding the Property or additions thereto, in accordance with the Interconnection Agreement dated _____, 19____, by and between Buyer and Seller.~~

~~The Seller hereby warrants the following:~~

- ~~1. That it is the lawful owner of the Property; and~~
- ~~2. That the Seller knows of no other party with an interest or claiming an interest of any sort in the Property; and~~
- ~~3. That the Property is free from any mortgage, lien, encumbrance or other interest affecting Seller's right to sell the Property; and~~
- ~~4. That the Property is constructed and installed in compliance with all applicable standards, codes, laws, statutes or regulations and that the Property and is in good and proper working condition.~~
- ~~5. The execution, delivery and performance of this Bill of Sale in accordance with its terms do not violate any provision of any law, ordinance, resolution, rule or regulation or constitute a default under any contract, agreement, commitment, order, judgment or decree to which Seller is a party or by which it or the Property are bound, which violation or default might, individually or in the aggregate, adversely affect the Property.~~
- ~~6. The execution and delivery of this Bill of Sale and Agreement and the performance by Seller of its obligations hereunder have been duly authorized by all required action by Seller. Seller has the right, power and authority to make and perform its obligations under this Bill of Sale, and this Bill of Sale is a valid and binding obligation of Seller enforceable against Seller in accordance with its terms.~~

~~The Seller shall indemnify, defend and hold Buyer harmless and free from all cost, loss, damages or injury, to property or persons (including injuries resulting in death) arising out of or caused by or in any way connected with any misrepresentation or breach of any warranty contained herein, and any and all claims for loss or damage which may be made relating to the right and authority of~~

~~Seller to convey the Property or which may arise from or be related to the act of conveyance by Seller, or both.~~

~~The Seller makes no other warranties or representations either expressed or implied of the goods or equipment transferred herewith.~~

~~IN WITNESS WHEREOF, the Seller herein has hereunto signed and sealed this Agreement on the day and year first above written.~~

BY: _____
TITLE: _____

~~State of New York~~ —)
 —) ss.:
~~County of Onondaga~~ —)

~~On this — day of —, 1992 before me appeared —, being duly sworn by me, and he/she deposed that he/she resides at —, that he/she is the — of —, the corporation described in and which executed the foregoing instrument; that he/she knows the seal of said corporation; that the seal affixed to this instrument is such corporate seal; that the seal was affixed by order of the Board of Directors of said corporation; and that he/she affixed her/his name thereto by like order.~~

~~Notary Public~~