

PAYMENT IN LIEU OF TAXES AGREEMENT

THIS PAYMENT IN LIEU OF TAXES AGREEMENT (this "Agreement"), made as of July 1, 2005, by and between NEPTUNE REGIONAL TRANSMISSION SYSTEM, LLC, a limited liability company duly organized and existing under the laws of the State of Delaware and authorized to do business in the State of New York ("Company"), and the NASSAU COUNTY INDUSTRIAL DEVELOPMENT AGENCY, a corporate governmental agency constituting a body corporate and politic and a public benefit corporation of the State of New York ("Agency"). Capitalized terms used but not otherwise defined herein shall have the meanings given to them in the Lease (as hereinafter defined).

W I T N E S S E T H

WHEREAS, the Agency is authorized and empowered by the provisions of Chapter 1030 of the 1969 Laws of New York, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended (the "Enabling Act") and Chapter 674 of the 1975 Laws of New York, as amended, constituting Section 922 of said General Municipal Law (said Chapter and the Enabling Act, as amended from time to time, being hereinafter collectively referred to as the "Act") to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of industrial, manufacturing, warehousing, commercial, research, recreation and civic facilities, among others, for the purpose of promoting, attracting and developing economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York, to improve their prosperity and standard of living, and to prevent unemployment and economic deterioration; and

WHEREAS, to accomplish its stated purposes, the Agency is authorized and empowered under the Act to acquire, construct, reconstruct and install one or more "projects" (as defined in the Act), or to cause said projects to be acquired, constructed, reconstructed and installed and to convey said projects or to lease said projects with the obligation to purchase; and

WHEREAS, on or about November 24, 2004, the Company presented an application for financial assistance (as amended and restated, the "Application") to the Agency, which Application requested that the Agency consider undertaking a project (the "Project") consisting of the following: (A) (1) the acquisition of an interest in an approximately 11.35 acre parcel of land owned by the State of New York or an agency thereof located at 508 Duffy Avenue, Hicksville, Town of North Hempstead, County of Nassau, New York (the "Land"), (2) the construction of a converter station consisting of three (3) buildings containing in the

aggregate approximately 27,750 square feet, together with related improvements, all located on the Land (the "Converter Station"), (3) the acquisition of an interest in easements, licenses and permits over land (including underwater lands) of others for cable for the transmission of electricity and associated fiber optics located in Nassau County (such easements, licenses and permits, together with the Land, the "Real Property"), (4) the acquisition and installation in and on the Real Property of certain furniture, fixtures, machinery and equipment, and the acquisition and installation of cable for the transmission of electricity and associated fiber optic cable (collectively, the "Equipment"), all of the foregoing to constitute the Nassau County portion of a facility for the transmission of high voltage direct current electricity and associated fiber optics between New Jersey and Nassau County, New York, a facility for the conversion of such electricity to and from alternating current and a cable connecting such facility to the Newbridge Road substation of the Long Island Power Authority (collectively, the "Project Facility"); (B) the granting of certain "financial assistance" (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including potential exemptions or partial exemptions from sales and use taxes, mortgage recording taxes and real property taxes (but not including special assessments and ad valorem levies) (collectively, the "Financial Assistance"); and (C) the lease (with an obligation to purchase), license or sale of the Project Facility to the Company or such other entity as may be designated by the Company and agreed upon by the Agency; and

WHEREAS, the Executive Director of the Agency (A) caused notice of a meeting of the Agency (the "IDA Meeting") with respect to the proposed deviation from the Agency's uniform tax exemption policy and guidelines to be mailed on May 23, 2005 to the chief executive officer of each affected tax jurisdiction in Nassau County, New York, and (B) conducted the IDA Meeting on June 23, 2005, and reviewed and responded to any comments or correspondence received from the affected tax jurisdictions at or before the IDA Meeting regarding the proposed deviation from the Agency's uniform tax exemption policy and guidelines; and

WHEREAS, the acquisition of the Project Facility, the straight lease of the Project Facility, and the granting of the Financial Assistance to the Company are for proper purposes under the Act, including, without limitation, the advancement of the job opportunities, health, general prosperity and economic welfare of the inhabitants of the State and the prevention of unemployment and economic deterioration pursuant to the provisions of the Act; and

WHEREAS, the granting of the Financial Assistance by the Agency to the Company has been determined by the Agency to be necessary to induce the Company to proceed with the Project; and

WHEREAS, the Company is a party to certain easements, licenses and permits (collectively, the "Easements") between the Company, as grantee, and the various parties thereto, each as grantor, pursuant to which the Company has acquired certain interests in the various parcels of real property more particularly described in Exhibit A to this Agreement; and

WHEREAS, the Agency is or will be the holder of an interest in the Real Property and the buildings, structure and improvements thereon (collectively, "Facility"), pursuant to an assignment of the Easements by the Company to the Agency; and

WHEREAS, the Agency proposes to undertake the Project as an authorized project under the Act and to lease the interest of the Agency in the Project Facility to the Company pursuant to a Lease Agreement dated as of the date hereof entered into between the Agency, as lessor, and the Company, as lessee (as amended, modified, supplemented or restated from time to time, the "Lease"); and

WHEREAS, under the present provisions of the Act and under the present Section 412-a of the Real Property Tax Law of the State of New York (the "RPTL"), the Agency is required to pay no taxes or assessments upon any of the property acquired by it or under its jurisdiction or supervision or under its control; and

WHEREAS, the payment and performance of the Company's obligations under this Agreement shall be secured by the Letter of Credit (as defined in Section 12.20 of the Lease);

NOW, THEREFORE, in consideration of the premises and the payments, agreements, and covenants hereinafter contained, the Company and the Agency covenant and agree as follows:

Section 1. Tax-Exempt Status of Project Facility.

A. Application.

(1) The Company shall complete, and the Agency shall file, an application for tax exemption pursuant to Section 412-a of the RPTL ("Application"). The Application shall be filed with the assessor for each of the various taxing entities having jurisdiction over the Project Facility (such taxing entities, and any successors thereto, being hereinafter collectively referred to as the "Taxing Entities" and each individually as a "Taxing Entity"). The Project Facility shall be entitled to the exemption set forth herein commencing as of July 1, 2007 (such date, the "PILOT Commencement Date").

(2) The Company hereby waives any claim or cause of action against the Agency, and releases the Agency from any liability to the Company, arising from any denial of an exemption from general real property taxes and assessments, except to the extent that such denial results solely from the wilful failure of the Agency, upon demand of the Company, to file the completed Application as set forth in this Agreement.

B. Special Assessments. The parties hereto understand that the tax exemption extended to the Agency by Section 874 of the General Municipal Law of the State of New York and Section 412-a of the RPTL does not entitle the Agency to exemption from special assessments and special ad valorem levies. Pursuant to the Lease, the Company will be required

to pay all special assessments and special ad valorem levies levied and/or assessed against the Project Facility.

C. Other Charges. If any taxes, assessments, service charges or other governmental charges become payable by the Company or the Agency on the Project Facility or the rents paid pursuant to the Lease or the occupancy of or any interest of the Company or the Agency in the Project Facility or any part thereof or any personal property used in connection with the business conducted and located therein, the amount of any such taxes, assessments or charges shall be paid by the Company as and when due. Furthermore, water charges, sewer rentals, sewage treatment charges, solid waste charges and any other charges in the nature of utility charges shall be paid as and when due directly by the Company and shall not be credited against nor be affected in any manner by any payment in lieu of general real property taxes and assessments in any year and shall be computed pursuant to the formula adopted by the relevant Taxing Entity.

Section 2. Payments.

A. Tax Payments. Prior to the PILOT Commencement Date, the applicable real property taxes and assessments levied and/or assessed against the Project Facility shall be payable in full by the Company to the applicable Taxing Entities as if the Agency were not the holder of an interest in the Project Facility or otherwise involved in the Project.

B. PILOT Payments.

(1) From the PILOT Commencement Date through and including June 30, 2027 or the earlier termination pursuant to the terms hereof (such date, the "PILOT Expiration Date"), the Company shall make payments in lieu of general real property taxes and assessments levied and/or assessed by the Taxing Entities against the Project Facility (collectively, the "PILOT Payments") as follows:

- (a) for the fiscal tax year commencing on July 1, 2007,
\$100,000.00;
- (b) for the fiscal tax year commencing on July 1, 2008,
\$200,000.00;
- (c) for the fiscal tax year commencing on July 1, 2009,
\$200,000.00;
- (d) for the fiscal tax year commencing on July 1, 2010,
\$300,000.00;
- (e) for the fiscal tax year commencing on July 1, 2011,
\$800,000.00;

\$800,000.00;

\$1,000,000.00;

\$1,100,000.00;

\$1,150,000.00;

\$1,200,000.00;

\$1,250,000.00;

\$1,300,000.00;

\$1,400,000.00;

\$1,500,000.00;

\$2,000,000.00;

\$2,500,000.00;

\$3,250,000.00;

\$3,250,000.00;

\$3,300,000.00; and

\$3,400,000.00.

(f) for the fiscal tax year commencing on July 1, 2012,

(g) for the fiscal tax year commencing on July 1, 2013,

(h) for the fiscal tax year commencing on July 1, 2014,

(i) for the fiscal tax year commencing on July 1, 2015,

(j) for the fiscal tax year commencing on July 1, 2016,

(k) for the fiscal tax year commencing on July 1, 2017,

(l) for the fiscal tax year commencing on July 1, 2018,

(m) for the fiscal tax year commencing on July 1, 2019,

(n) for the fiscal tax year commencing on July 1, 2020,

(o) for the fiscal tax year commencing on July 1, 2021,

(p) for the fiscal tax year commencing on July 1, 2022,

(q) for the fiscal tax year commencing on July 1, 2023,

(r) for the fiscal tax year commencing on July 1, 2024,

(s) for the fiscal tax year commencing on July 1, 2025,

(t) for the fiscal tax year commencing on July 1, 2026,

(2) From and after the PILOT Expiration Date and until the Agency's interest in the Project Facility is conveyed to the Company pursuant to the terms of the Lease and the Project Facility has been returned to the tax rolls, the Company shall make PILOT Payments equal to one hundred percent (100%) of the amount of general real property taxes and assessments that would have been levied and/or assessed against the Project Facility if the Project Facility were owned by the Company and the Agency were not otherwise involved in the Project.

"PILOT Obligations" shall mean all amounts required to be paid by the Company under this Agreement, including, without limitation, those amounts set forth in Sections 2.A and 2.B hereof.

C. Payments.

(1) Amounts due and payable under this Agreement shall be payable to the Treasurer of the County of Nassau (the "Treasurer"), One West Street, Mineola, NY 11501, or at such other address as the Treasurer may notify the Company of in writing.

(2) All PILOT Payments hereunder shall be allocated among the Taxing Entities in proportion to the amount of general real property taxes and assessments that would have been received by each Taxing Entity had the Project Facility not been tax exempt due to the status of the Agency.

D. Due Dates; Interest; and Penalties.

(1) All PILOT Payments are due on December 31st of the applicable fiscal tax year set forth in this Agreement, commencing on December 31, 2007, and the Company may or may not be billed for same.

(2) If any payment required under this Agreement is not made on or before the due date thereof, such payment shall be delinquent and the Company shall pay a late charge equal to the greater of (a) five (5%) percent of the payment, and for each month, or part thereof, that the payment is delinquent beyond the first month, the Company shall pay an additional late charge equal to one (1%) percent per month of the total amount payable; and (b) the late charge applicable from time to time to general real property tax levies and assessments that are not paid when due.

E. Partial Sale; Transferee's Obligation; Apportionment of Reduction to Local Taxing Entities. During the term of this Agreement, in the event that the Project Facility, or any portion thereof, is sold, transferred, assigned or otherwise disposed of by the Agency (a "Transfer"), the transferees thereof will thereafter pay the general real property taxes and assessments on such portion of the Project Facility, that was sold, transferred, assigned or otherwise disposed of, as may be required by applicable law. Notwithstanding anything to the contrary herein, the Agency shall not make any Transfer without the prior written consent of the Company and of the Lender; provided, however, that upon the occurrence of an Event of Default

and the expiration of all cure rights thereunder (including the cure rights provided to the Mortgagee pursuant to Section 12.19 of the Lease), the Agency may reconvey the Project Facility to the Company as set forth in the Lease.

F. Sale; Company's Obligation. In the event that the Agency sells, transfers, assigns or otherwise disposes of the Project Facility to any party other than the Company, the Company's obligation for PILOT Obligations shall be prorated to the date of the closing of the transaction and thereupon all obligations of the Company for payment of PILOT Obligations shall cease, but the Agency shall take such steps with the purchaser other than the Company to assure that each of the Taxing Entities shall suffer no loss of revenue until the Project Facility can be placed back on the tax rolls and taxes levied and billed therefor. Notwithstanding anything to the contrary herein, the Agency shall not make any Transfer without the prior written consent of the Company and of the Lender; provided, however, that upon the occurrence of an Event of Default and the expiration of all cure rights thereunder (including the cure rights provided to the Mortgagee pursuant to Section 12.19 of the Lease), the Agency may reconvey the Project Facility to the Company as set forth in the Lease.

Section 3. Effective Date; Duration of Agreement. This Agreement shall become effective upon the execution and delivery of the Lease and this Agreement by both the Company and the Agency and shall continue in effect until the earlier of (i) the termination of this Agreement pursuant to the terms of the Lease or of this Agreement, or (ii) the date on which the Project Facility is conveyed to the Company by the Agency pursuant to the Lease or this Agreement and has been placed back on the tax rolls.

Section 4. Events of Default. The following shall constitute an "Event of Default" under this Agreement:

A. Failure by the Company to make any payment specified herein and the continuance of such failure for a period of ten (10) days after receipt by the Company of written notice thereof from the Agency and/or any Taxing Entity.

B. Failure by the Company to comply with or perform any provision of this Agreement other than the payment provisions hereof and the continuance of such failure for a period of thirty (30) days after receipt by the Company of written notice thereof from the Agency, or, if such failure is capable of cure but cannot be cured within such thirty (30) day period, the failure of the Company to proceed with reasonable diligence after receipt of said notice to cure the same or the failure of the Company to continue with reasonable diligence its efforts to cure the same.

C. Default in the terms of the Lease or any other agreement between the Agency and the Company (beyond any applicable grace or notice period).

D. The occurrence of a Letter of Credit Event (as such term is defined in Section 12.20 of the Lease).

If the Company fails to make any payment pursuant to this Agreement when due, the amount or amounts so in default shall continue as an obligation of the Company until fully paid.

Upon (a) the occurrence and continuance of an Event of Default hereunder, (b) the expiration of the Mortgagee cure rights provided in Section 12.19 of the Lease, and (c) the termination of the Lease, the Company shall be required to make tax payments as if the Project Facility were owned by the Company and the Agency were not otherwise involved in the Project, such amounts to commence to be paid for the period subsequent to the date of termination of the Lease. In such event, the tax rate, assessed value, interest and penalties shall be those then in effect in the Taxing Entities in which the Project Facility is located.

Whenever any Event of Default shall have occurred and be continuing, the Agency may take any one or more of the following remedial steps: (i) draw on the Letter of Credit and apply all or any part of the proceeds thereof to satisfy the Company's obligations under this Agreement, (ii) sue to enforce any provision of this Agreement and to recover the payments of PILOT Obligations in default from the Company, together with all the costs and expenses of the Agency, its successors or assigns, paid or incurred in such recovery (including court costs and attorneys' fees and expenses) and interest at the rate charged by the respective Taxing Entities on overdue payments of taxes, or (iii) subject to the Mortgagee's cure rights provided in Section 12.19 of the Lease, terminate the Lease at any time, and the Company shall accept such termination and any tender of reconveyance of the Project Facility from the Agency.

The Agency, in enforcing payment by the Company of the PILOT Obligations, may take whatever action and exercise any or all of the rights and remedies specified in this Agreement or any other remedy provided by law.

Each and every Event of Default shall give rise to a separate cause of action hereunder, and separate suits may be brought hereunder as each cause of action arises.

No delay or omission in exercising any right or power accruing upon the occurrence of any Event of Default hereunder shall impair any such right or power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient. Further, no payment by the Company or receipt by the Agency or a Taxing Entity of a lesser amount than the correct amount or manner of payment due hereunder shall be deemed to be other than a payment on account, nor shall any endorsement or statement on any check or any letter accompanying any check or payment be deemed to effect or evidence an accord and satisfaction, and the Agency and/or any Taxing Entity may accept any check or payment as made without prejudice to the right to recover the balance or pursue any other remedy in this Agreement or otherwise provided at law or in equity.

No remedy herein conferred upon or reserved to the Agency is intended to be exclusive of any other available remedy, but each and every such remedy shall be cumulative and in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity. In order to entitle the Agency to exercise any remedy reserved to it in this

Agreement, it shall not be necessary to give any notice, other than such notice as may be herein expressly required

In no event shall the Agency be liable to any of the Taxing Entities for the payments specified herein, whether or not the Company makes such payments. The Company hereby agrees to indemnify, defend (with counsel selected by the Agency and reasonably acceptable to the Company) and hold harmless the Agency and its officers, members, agents (other than the Company), attorneys, servants and employees, past, present and future, against any such liability for such payments and against all penalties, interest, and other charges resulting from the delinquency of such payments, unless caused by the intentional misconduct of the Agency.

The Agency and the Company hereby acknowledge the right of each Taxing Entity, as beneficiary of this Agreement (on behalf of itself and all other Taxing Entities), to pursue any appropriate remedies, including an action or proceeding in the courts, to recover directly from the Company any payments of PILOT Obligations in default hereunder. The Company shall promptly notify the Agency of any action or proceeding brought, or other measure taken, by a Taxing Entity to recover such payments in default hereunder. It is understood that the right of any Taxing Entity herein acknowledged is in addition to, and shall not impair, the Agency's own rights arising from a breach of this Agreement.

In the event that the Project Facility is conveyed to the Company or any other party prior to expiration of the term of the Lease, this Agreement shall become null and void and any remaining tax exemption hereunder shall be canceled.

Section 5. Additional Facilities. If any structural additions shall be made to the buildings or other improvements included in the Project Facility subsequent to the Completion Date, or if any additional buildings or improvements shall be constructed on the Real Property (such structural additions, buildings and improvements being referred to hereinafter as "Additional Facilities"), the Company agrees to increase its PILOT Obligations hereunder in an amount, as determined by the Agency or a tax assessor selected by the Agency, equal to the increased tax payments that would have been payable on such increase if this Agreement were not in effect.

Section 6. Change of Law. In the event the Project Facility, or any part thereof, is declared to be subject to taxation for general real property taxes or assessments by an amendment to the Act, other legislative change or a final judgment of a court of competent jurisdiction, the obligations of the Company hereunder shall, to such extent, be null and void.

Section 7. Waiver of Tax Exemptions. The Company, in recognition of the benefits provided under this Agreement, and for so long as the Lease is in effect, hereby expressly waives any rights it may have for any exemption under Section 485-b of the RPTL or any other exemption under any other law or regulation (except, however, for the exemption provided under Article 18-A of the General Municipal Law) with respect to the Project Facility.

Section 8. Delivery of PILOT Statement. The Company shall deliver to the Treasurer and the Agency, on or before the dates set forth for payment of the PILOT Obligations in Section 2 hereof, in each year during the term of the Lease, a verified statement setting forth the amount of such payments and the dates of such payments.

Section 9. Limited Obligation. The obligations, covenants and agreements of the Agency hereunder shall not constitute or give rise to an obligation of the State of New York, the County of Nassau, and neither the State of New York nor the County of Nassau shall be liable thereon, and further, such obligations, covenants and agreements shall not constitute or give rise to a general obligation of the Agency.

Section 10. No Waiver. Failure by the Agency in any instance to insist upon the strict performance of any one or more of the obligations of the Company under this Agreement, or to exercise any election herein contained, shall in no manner be or be deemed to be a waiver by the Agency of any of the Company's defaults or breaches hereunder or of any of the rights and remedies of the Agency by reason of such defaults or breaches, or a waiver or relinquishment of any and all of the Company's obligations hereunder. No waiver, amendment, release or modification of this Agreement shall be established by conduct, custom or course of dealing. Further, no payment by the Company or receipt by the Agency, the Treasurer or a Taxing Entity of a lesser amount than the correct amount or manner of payment due hereunder shall be deemed to be other than a payment on account, nor shall any endorsement or statement on any check or any letter accompanying any check or payment be deemed to effect or evidence an accord and satisfaction, and any such payee may accept any check or payments as made without prejudice to the right to recover the balance or pursue any other remedy in this Agreement or otherwise provided at law or in equity.

Section 11. Notices.

A. All notices, certificates and other communications hereunder (collectively, "Notices") shall be in writing and shall be sufficiently given and shall be deemed given on the earlier of (1) three (3) Business Days after being sent to the applicable address stated below by registered or certified mail, return receipt requested, or by such other means as shall provide the sender with documentary evidence of such delivery, or (2) the date on which delivery is refused by the addressee, as evidenced by the affidavit of the Person who attempted to effect such delivery. Notwithstanding the foregoing, all Notices shall be deemed given one (1) Business Day after being sent by Federal Express or another equally reputable overnight delivery company and upon receipt if hand delivered.

B. The addresses to which notices, certificates and other communications hereunder shall be delivered are as follows:

IF TO THE COMPANY:

Neptune Regional Transmission System, LLC
501 Kings Highway East

Fairfield, CT 06825
Attn: Thomas G. Beaumonte

WITH A COPY TO:

Curtis Thaxter Stevens Broder & Micoleau LLC
P.O. Box 7320
One Canal Plaza, 10th floor
Portland, ME 04112-7320
Attn: Michael B. Peisner, Esq.

and

Skadden, Arps, Slate, Meagher & Flom, LLP
1440 New York Avenue, N.W.
Washington, DC 2005-2111
Attn: Jeffrey S. Christie, Esq.

IF TO THE AGENCY:

Nassau County Industrial Development Agency
1100 Franklin Avenue, Suite 300
Garden City, NY 11530
Attn: Executive Director

WITH A COPY TO:

Phillips Lytle LLP
1100 Franklin Avenue, 4th Floor
Garden City, NY 11530
Attn: Milan K. Tyler, Esq.

C. Upon being given the name and address of a Mortgagee, notwithstanding any provision herein to the contrary, notices thereafter given by either the Company or the Agency hereunder shall also be given to such Mortgagee, at such address or as otherwise directed by such Mortgagee.

Section 12. Change of Address. The Agency or the Company may, by notice given hereunder to each other, designate any further or different addresses to which subsequent notices, certificates or other communications to them shall be sent.

Section 13. Assignment of Agreement. This Agreement shall be binding upon the successors and permitted assigns of the Company but no assignment shall be effective to relieve the Company of any of its obligations hereunder unless expressly authorized and

approved in writing by the Agency in connection with an assignment of the Lease under Section 9.1 thereof, under the same standards as set forth therein.

Section 14. Independent Agreement. Notwithstanding any other provision of this Agreement, including the recitals hereof, the parties agree that the Lease shall be a separate and independent document from this Agreement, and irrespective of whether any provision of this Agreement or the entirety hereof shall be held invalid or unenforceable by any court of competent jurisdiction, the Lease shall be construed, interpreted, and otherwise regarded separate and apart from this Agreement. The parties hereto specifically note that the considerations and terms provided for in this Agreement and provided for in the Lease are the only considerations and terms for which the parties thereto have executed this Agreement.

Section 15. Invalidity. If any one or more phrases, sentences, clauses or provisions of this Agreement or the entirety hereof shall be declared invalid or unenforceable by any order, decree or judgment of any court of competent jurisdiction, then such phrase, sentence, clause or provision or the entirety of this Agreement shall be deemed to be reformed in such manner as shall be determined by such court, or in the absence of such a determination then in the reasonable judgment of the Agency, to render such phrase, sentence, clause or provision of this Agreement valid and enforceable under applicable law. The parties hereto agree to enter into such documents, agreements and instruments as the Agency reasonably determines are necessary to effect any such reformation. In the event that any one more of the phrases, sentences, clauses or provisions of this Agreement cannot be reformed to comply with applicable law, then this Agreement shall be construed as if such phrase, sentence, clause or paragraph had not appeared in this Agreement.

Section 16. Amendments. This Agreement may not be modified, amended, supplemented, or changed without the written consent of the Agency and the Company, and, as set forth in Section 24 hereof, the Mortgagee.

Section 17. Prior Agreements. This Agreement constitutes the entire agreement, and supersedes all prior agreements and understandings, whether written or oral, among the parties with respect to the subject matter hereof.

Section 18. Delivery of Agreement. The Agency covenants to use its reasonable efforts to deliver to each Taxing Entity a copy of this Agreement within fifteen (15) days after its execution.

Section 19. Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 20. Service of Process; Consent to Jurisdiction; Forum.

A. The Company represents that it is subject to service of process in the State of New York and covenants that it will remain so subject so long as the Lease shall be in effect.

If for any reason the Company should cease to be so subject to service of process in the State of New York, the Company hereby designates and appoints, without power of revocation, John W. Dax, Esq., c/o Cohen, Dax & Koenig, P.C., 90 State Street, Albany, NY 12207, and his successor(s) as its agent for service of process, and if such agent shall cease to act or otherwise cease to be subject to service of process in the State of New York, the Secretary of State of the State of New York, as the agents of the Company upon whom may be served all process, pleadings, notices or other papers which may be served upon the Company as a result of any of its obligations under this Agreement; provided, however, that the serving of such process, pleadings, notices or other papers shall not constitute a condition to the Company's obligations hereunder.

B. The Company irrevocably and unconditionally (1) agrees that any suit, action or other legal proceeding arising out of this Agreement or the other Transaction Documents may be brought in the courts of record of the State of New York in Nassau County or the courts of the United States, Eastern District of New York; (2) consents to the jurisdiction of each such court in any such suit, action or proceeding; and (3) waives any objection which it may have to the laying of venue of any such suit, action or proceeding in any of such courts. For such time as the Lease is in effect, the Company's agents designated above shall accept and acknowledge in the Company's behalf service of any and all process in any such suit, action or proceeding brought in any such court. The Company agrees and consents that any such service of process upon such agents and written notice of such service to the Company in the manner set forth in Section 11 hereof shall be taken and held to be valid personal service upon the Company whether or not the Company shall then be doing, or at any time shall have done, business within the State of New York and that any such service of process shall be of the same force and validity as if service were made upon the Company according to the laws governing the validity and requirements of such service in the State of New York, and waives all claim of error by reason of any such service. Such agents shall not have any power or authority to enter into any appearance or to file any pleadings in connection with any suit, action or other legal proceedings against the Company or to conduct the defense of any such suit, action or any other legal proceeding except as expressly authorized by the Company.

Section 21. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York, as the same may be in effect from time to time, without regard to principles of conflicts of laws.

Section 22. Nature of Obligations. This Agreement shall remain in full force and effect until each and every one of the PILOT Obligations shall have been irrevocably paid in full and all other obligations of the Company under this Agreement shall have been paid and performed in full.

Section 23. Indemnification. The Company agrees to indemnify, defend (with counsel selected by the Agency and reasonably acceptable to the Company) and hold harmless the Agency and its officers, members, agents (other than the Company), attorneys, servants and employees, past, present and future, against any liability arising from any default by

the Company in performing its obligations hereunder or any expense incurred hereunder, including, without limitation, attorneys' fees and expenses, except to the extent caused by the willful misconduct of the Agency.

Section 24. Rights of Mortgagee. The Company and every permitted successor and assign of the Company is hereby given the right by the Agency in addition to any other rights herein granted, without the Agency's prior consent but upon prior written notice to the Agency, to grant mortgages of, and security interest in, the Company's interest hereunder and, in connection with or separate from mortgages, grant assignments of the Company's interest in this Agreement as collateral security to or for the benefit of holders of indebtedness of the Company, including the Lender as defined in the Lease (each such mortgage and/or assignment and the Lender Mortgage as defined in the Lease, herein a "Mortgage" and the holder of a Mortgage a "Mortgagee"); provided, however, that the Company (and its permitted successors and assigns) shall not be entitled to any financial assistance in the form of exemptions from mortgage recording tax from the Agency with respect to any Mortgages other than the Lender Mortgage. Notwithstanding any provision herein to the contrary, no amendment, modification or voluntary termination by the Company of this Agreement shall be effective as to any Mortgagee or its successors or assigns unless agreed to in writing by such Mortgagee or its successors and assigns. If the Company and/or the Company's permitted successors and assigns shall grant such a Mortgage as herein provided, and if any such Mortgagee shall send to the Agency written notice of such Mortgage specifying the name and address of the Mortgagee, the Agency agrees that so long as any such Mortgage shall remain unsatisfied of record or until written notice of satisfactions is given by such Mortgagee, the following provisions shall apply:

(a) The Agency shall, upon the occurrence of any default hereunder, simultaneously serve a copy of notice thereof upon each of the Company and such Mortgagee, and no such notice to the Company shall be effective unless and until a copy of such notice is served upon each such Mortgagee. The Agency shall accept the cure of such default by or at the instigation of any such Mortgagee as if the same had been done by the Company.

(b) As to monetary defaults, the Mortgagee shall have an additional thirty (30) days after the end of the Company's cure period during which it may cure such default and the same shall not become an Event of Default until the expiration of such additional cure period.

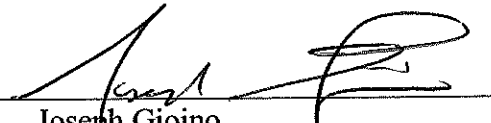
(c) As to any non-monetary defaults capable of being cured by the Mortgagee without the Mortgagee obtaining ownership, possession or control of the Project Facility, the Mortgagee shall have an additional ninety (90) days after the end of the Company's cure period during which it may cure such default or Recapture Event and the same shall not become an Event of Default or Recapture Event until the expiration of such additional cure period.

(d) As to defaults occurring during the period in which a Mortgagee is exercising its remedies under a Mortgage pursuant to Section 12.19(d) of the Lease, the same shall not be an Event of Default hereunder provided that the Mortgagee complies with its obligations under such Section 12.19(d) of the Lease.

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IN WITNESS WHEREOF, the Agency and the Company have made this Agreement to be executed in their respective names by their duly authorized officers, all on the date first above written.

NASSAU COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

By: 
Joseph Gioino
Executive Director

NEPTUNE REGIONAL TRANSMISSION
SYSTEM, LLC


By: 
Name: Edward M. Stern
Title: President and Chief Executive Officer

EXHIBIT A

(1) New York Office of General Services

Interim Permit In Anticipation of Grant of Underwater Utility Easement on State-owned Land between Neptune Regional Transmission System, LLC and NYS Office of General Services dated July 6, 2005, approved July 11, 2005, and recorded or to be recorded in the Nassau County Clerk's Office together with the easement to be issued as provided therein (collectively the "OGS Easement") covering the lands more particularly described as follows:

Parcel A (Nassau County)

A five hundred (500) foot wide easement through the waters of the Atlantic Ocean situate in the Town of Hempstead, County of Nassau, the centerline of said easement being described as a line starting at the point on the border between the County of Queens and the County of Nassau identified below and proceeding northeasterly through the following coordinates (WGS 1984) to the boundary of the submerged lands of Jones Beach (the "Easement Area") and including such area as needed, if any, from the last set of coordinates listed below on the same course as from the next to last set of coordinates, to make the easement hereby granted contiguous to the easements contemporaneously granted to Grantee by the People of the State of New York by and through the New York State Office of Parks, Recreation and Historic Preservation:

Queens-Nassau Border	-73.765416	40.542687
	-73.75432731693	40.54100549615
	-73.68755929533	40.55938813409
	-73.61700000000	40.55559999813
	-73.54006586926	40.55465325892
	-73.51556734182	40.56163097709
Jones Beach State Park Boundary	-73.510600	40.577617

(2) New York State Office of Parks, Recreation and Historic Preservation (“OPRHP”)

Agreement for Easements

Agreement for Easements between New York State Office of Parks, Recreation and Historic Preservation and Neptune Regional Transmission System, LLC (“NRTS”), dated as of June 23, 2005, recorded or to be recorded in the Nassau County Clerk’s Office agreeing to grant NRTS the following described Installation Easement, Converter Site Easement and Transmission Easement as such terms are defined therein.

(3) OPRHP

Installation Easement

A Grant of Temporary Easement – Installation between OPRHP and NRTS, dated June 23, 2005, recorded or to be recorded in the Nassau County Clerk’s Office granting NRTS an easement for temporary installation, placement, replacement, operation and maintenance of cables across, along and under Jones Beach, Jones Beach Causeway and Wantagh State Parkway in Nassau County New York covering the lands more particularly described as follows:

1. Easement in, through and under land in Nassau County, New York described below under the caption EASEMENT CORRIDOR (the “Easement Corridor”)
 - (a) from and to the southern boundary of OPRHP’s submerged land south of the south shore of Jones Island (which boundary is 2640 feet more or less from the high water line of Jones Island), north across such submerged land and Jones Island to the Jones Beach Causeway, and along the Jones Beach Causeway and the Wantagh State Parkway crossing under the Southern State Parkway to and from the portion of OPRHP 508 Duffy Avenue, North Hempstead, New York property described in the Converter Site Easement (the “Converter Station Site”) upon which will be constructed NRTS HVDC-HVAC electrical converter station (the “Converter Station”), (the “HVDC Route”), for installation, existence, operation, maintenance, repair, placement and replacement of HVDC electrical and fiber optic cables to be used for transmission of electricity and for communications (the “HVDC Cables”), and
 - (b) from and to the Converter Station Site along the Wantagh State Parkway to and from the land of the Long Island Railroad described in Attachment A-3 attached hereto that lies between Salisbury Drive and Long Island Power Authority’s Newbridge Road, Levittown substation site in Hempstead, New York (the “LIPA Substation Site”), and to and from the portion of the LIPA Substation Site described in Attachment A-3A attached hereto (the “HVAC Route”), for installation, existence, operation, maintenance, repair, placement and replacement of HVAC electrical and fiber optic cables to be used for transmission of electricity and for communications (the “HVAC Cables” and with the HVDC Cables the “Cables”);

with the areas within the Easement Corridor in which the HVDC Cables are to be located and the areas within the Easement Corridor in which the HVAC Cables are to be located to each be six (6) feet in width, with the HVAC Cables and the HVDC Cables to be separated by sixteen (16) feet, together with the right to install surface markers along the HVDC Route and the HVAC Route;

together with the right to go upon the land of GRANTOR within and adjacent to the Easement Corridor for the purpose of installing, maintaining, repairing, placing, replacing and removing the Cables within the Easement Corridor, and lay-down and storage of materials and equipment in connection therewith.

EASEMENT CORRIDOR (References are to State Plane New York Long Island NAD 83 Feet and WGS 84 Coordinates)

The Easement Corridor is the land along the HVDC Route and HVAC Route in the Towns of North Hempstead, Oyster Bay and Hempstead, Nassau County, New York described as follows:

Beginning at a point on said southern boundary of OPRHP's submerged land and the northerly boundary of submerged land that is the subject of an easement granted or to be granted to GRANTEE by the People of the State of New York acting by the Commissioner of General Services, that is on a straight line from a point in the Atlantic Ocean having coordinates East 1118851.99, North 144265.98 (Longitude -73.51557, Latitude 40.56163) to a point on Jones Island having coordinates East 1121635.97, North 156312.95 (Longitude -73.50530 Latitude 40.59465), said point being named 01 on the list of coordinates set forth below ("Coordinate List") and being shown as point 01 on the project development plan sheet ("Map") set forth below,

from said point 01 to and through consecutively numbered points 02 through 08 named on the Coordinate List and shown on the Map a parcel of land one hundred (100) feet wide from said starting point to point 08 referred to below having as its centerline (i) a straight line from said point in the Atlantic Ocean having coordinates East 1118851.99, North 144265.98 (Longitude -73.51557, Latitude 40.56163 to said point 01, (ii) then a straight line from said point 01 through points 02, 03 and 04 to point 05; then (iii) a line curving to the left between points 05 and 06 fifty (50) feet easterly of the easterly edge of the road pavement between such points as shown on the Map and then a line curving to the right from point 06 to point 07 and from point 07 to point 08 at the easterly edge of the Jones Beach Causeway fifty (50) feet easterly of the easterly edge of the road pavement between such points as shown on the Map; then (iv) a line fifty (50) feet easterly of and parallel to the easterly edge of the pavement of the north bound lane of the Jones Beach Causeway and the Wantagh State Parkway crossing under the Southern State Parkway to the westerly extension of the northerly boundary of the Converter Station Site; provided, that where the easterly boundary of the land owned by OPRHP upon which is located the Jones Beach Causeway and the Wantagh State Parkway (the "OPRHP Land") is less than one hundred (100) feet easterly of the easterly edge of the northbound lane of the Jones Beach Causeway and the Wantagh State Parkway, the easterly boundary of this easement parcel shall be the easterly

boundary of the OPRHP Land, and provided further that to assure that the Easement Corridor abuts the LIPA Substation Site the Easement Corridor includes the strip of land that is an extension of the portion of the LIPA Substation Site described in Attachment A-3A westerly to the easterly edge of the northbound lane of the Wantagh State Parkway, and provided further that to assure that the Easement Corridor abuts the Converter Station Site where the HVAC Cables are to enter/exit the Converter Station Site the Easement Corridor includes the land between the westerly boundary of the Converter Station Site and what would otherwise be the easterly boundary of the Easement Corridor.

WGS 84			State Plane New York NAD 83	
Name	Longitude	Latitude	East	North
01	-73.50530	40.59465	1121635.97	156312.95
02	-73.50536	40.59602	1121616.75	156810.35
03	-73.50542	40.59739	1121597.45	157309.98
04	-73.50548	40.59876	1121578.14	157809.61
05	-73.50559	40.60013	1121545.57	158307.56
06	-73.50632	40.60133	1121338.68	158742.38
07	-73.50772	40.60214	1120948.93	159036.75
08	-73.50793	40.60345	1120888.40	159514.59
Ocean	-73.51557	40.56163	1118851.99	144265.98

See Overall Longitudinal Area as described in number (6)- Cable License from Long Island Rail Road for the legal description referred to as Attachment A-3 referenced above. See LIRR Replacement Easement Area from LIPA described in number (5)- Easement from Long Island Power Authority for the legal description referred to as Attachment A-3A above.

(4) OPRHP

Converter Site Easement

A Grant of Easement – Converter Site between OPRHP and NRTS, dated June 23, 2005, recorded or to be recorded in the Nassau County Clerk’s Office granting NRTS easements in a parcel of real property commonly known as 508 Duffy Avenue, North Hempstead, New York covering the lands more particularly described as follows:

1. The exclusive right to the use of the surface, subsurface and area above the surface of the parcel of land described below under the caption CONVERTER STATION SITE, which use shall be for the purposes set forth in this CONVERTER SITE EASEMENT; provided, however, that GRANTOR retains the right to enter the CONVERTER STATION SITE from time to time on reasonable notice to assure itself that the use thereof complies with the provisions of this Converter Site Easement, and provided further, that the Converter Site Easement is subject to the location, operation and maintenance of a subsurface groundwater circulation well and associated

equipment and structures where now located and access for such purposes in connection with ongoing remediation of the General Instrument Site (not part of the CONVERTER STATION SITE) (New York Department of Environmental Conservation Site No. 1-30-020) where now located at the Southeast corner of the CONVERTER STATION SITE.

CONVERTER STATION SITE:

ALL that certain plot, piece or parcel of land situate, lying and being in the Town of North Hempstead, County of Nassau and State of New York, more particularly bounded and described as follows:

Beginning at a point on the easterly most line of the Wantagh State Parkway now or formerly of the New York Office of Parks, Recreation and Historic Preservation, distant 715.01 feet northerly of the northerly most line of Duffy Avenue being the intersection of said lines where the easterly line of the Wantagh State Parkway is the Division line of the Town of North Hempstead and the Town of Oyster Bay;

Running Thence North $06^{\circ}10'25''$ West, a distance of 775.40 feet to the southerly line of a New York State Perpetual Easement; thence

Along the New York State Perpetual Easement the next two (2) courses and distances

- 1.) South $71^{\circ}26'12''$ West a distance of 167.67 feet to a point;
 - 2.) thence southerly, South $72^{\circ}26'35''$ West a distance of 733.50 feet to a point inside the lands of the Wantagh State Parkway; thence through the lands of the Wantagh State Parkway, South $31^{\circ}22'58''$ East a distance of 49.47 feet to a point; thence South $43^{\circ}43'43''$ East a distance of 682.10 feet to a point;
- thence North $72^{\circ}26'35''$ East, a distance of 361.23 feet;
thence South $34^{\circ}34'03''$ East, a distance of 101.44 feet;
thence North $72^{\circ}26'35''$ East, a distance of 44.53 feet to the POINT AND OR PLACE OF BEGINNING.

Containing 458,017 square feet or 10.51 acres, more or less.

2. The right to use the surface, subsurface and area above the surface of the parcel of land described below under the caption ACCESS AREA for access to and from public ways from and to the CONVERTER STATION SITE for vehicular and pedestrian passage and utilities and fiber optic cables, including, without limitation, the location, use, maintenance, placement, repair and replacement of roadways, utility lines and poles, fiber optic cables, HVDC cables and HVAC cables, graveling and paving of roadways and cutting and trimming of trees and other vegetation in connection therewith and for temporary vehicular and pedestrian access and temporary utilities to the TEMPORARY CONSTRUCTION AREA (described below).

ACCESS AREA:

ALL that certain plot, piece or parcel of land situate, lying and being in the Town of North Hempstead, County of Nassau and State of New York, more particularly bounded and described as follows:

Beginning at a point on the easterly most line of the Wantagh State Parkway now or formerly of the New York Office of Parks, Recreation and Historic Preservation, distant 715.01 feet northerly of the northerly most line of Duffy Avenue being the intersection of said lines where the easterly line of the Wantagh State Parkway is the Division line of the Town of North Hempstead and the Town of Oyster Bay;

Running Thence South $72^{\circ}26'35''$ West, a distance of 44.53 feet to a point;
thence South $34^{\circ}34'03''$ East, a distance of 7.68 feet to a point;
thence South $06^{\circ}10'25''$ East, a distance of 422.85 feet to a point of curvature;
thence southerly, a distance of 14.50 feet along a curve to the right having a radius of 25.00 feet and a central angle of $33^{\circ}13'25''$ to a point of curvature;
thence southerly, a distance of 326.58 feet along a reverse curve to the left having a radius of 275.00 feet and a central angle of $68^{\circ}02'31''$ to a point on the westerly extension of the northerly line of Duffy Avenue;
thence North $35^{\circ}27'33''$ East, on the westerly extension of said line of Duffy Avenue, a distance of 41.35 feet to a point of curvature;
thence northerly, a distance of 269.39 feet along a non tangent curve to the right of which the radius point lies North $51^{\circ}22'14''$ East a radius of 235.00 feet, and having a central angle of $65^{\circ}40'46''$ to a point of curvature;
thence northerly, a distance of 37.69 feet along a reverse curve to the left having a radius of 65.00 feet and a central angle of $33^{\circ}13'25''$ to a point;
thence North $06^{\circ}10'25''$ West, a distance of 438.40 feet to the POINT AND OR PLACE OF BEGINNING.

3. The exclusive right to use the parcel of land described below under TEMPORARY CONSTRUCTION AREA for the laydown, storage and use of materials, equipment, vehicles, portable buildings and other property and location of and working by contractors, subcontractors, materialmen and other persons in connection with the construction of the Converter Station and installation of cables, roadways and utilities running to and from the Converter Station Site prior to and during the period of such construction and installation and thereafter the non-exclusive right to use so much of such Temporary Construction Area as may be reasonably necessary from time to time in connection with the maintenance, repair, replacement and removal of and addition to the converter station, cables, roadways and utilities.

TEMPORARY CONSTRUCTION AREA

ALL that certain plot, piece or parcel of land situate, lying and being in the Town of North Hempstead, County of Nassau and State of New York, more particularly bounded and described as follows:

Commencing at a point on the easterly most line of the Wantagh State Parkway now or formerly of the New York Office of Parks, Recreation and Historic Preservation, distant 715.01 feet northerly of the northerly most line of Duffy Avenue being the intersection of said lines where the easterly line of the Wantagh State Parkway is the Division line of the Town of North Hempstead and the Town of Oyster Bay;

running thence the following three (3) courses and distances:

- 1.) South 72°26'35" West, a distance of 44.53 feet; thence
- 2.) North 34°34'03" West, a distance of 101.44 feet; thence
- 3.) South 72°26'35" West, a distance of 132.98 feet to the to the POINT AND OR PLACE OF BEGINNING;

Thence continuing westerly along said line, a distance of 228.25 feet;

thence South 43°43'43" East, a distance of 108.08 feet;

thence North 72°26'35" East, a distance of 180.58 feet;

thence North 17°33'25" West, a distance of 97.00 feet to the POINT AND OR PLACE OF BEGINNING.

The Agreement for Easements, Installation Easement and Converter Site Easement (the numbers (2), (3) and (4) above) having been assigned to the Agency by the Company by an Assignment and Assumption Agreement dated as of July 15, 2005, recorded or to be recorded in the Nassau County Clerk's Office.

(5) Long Island Power Authority

Easement between Long Island Power Authority ("LIPA") and NRTS, dated July 15, 2005, recorded or to be recorded in the Nassau County Clerk's Office granting NRTS an easement in and across LIPA's real property from property belonging to Long Island Rail Road and the State of New York to an electrical substation on LIPA's property, and a replacement easement as set forth therein, respectively covering the lands described as follows.

LIPA Basic Easement Area

All That tract or parcel of land and premises, situate, lying and being in the Town of Hempstead, Nassau County, and State of New York, bounded and described as follows:

Beginning at a point on the southerly line of the Long Island Railroad (Central Branch ROW) a distance of 200.01 feet westerly along said southerly line from the point of intersection of said southerly line with the westerly sideline of Newbridge Road, said point having coordinates of N: 206827.416, E: 1111656.894; running thence;

- 1) South 01 degrees 43 minutes 52 seconds West, a distance of 135.57 feet to a point, thence
- 2) North 88 degrees 16 minutes 08 seconds West, a distance of 20.00 feet to a point, thence;

- 3) North 01 degrees 43 minutes 52 seconds East, a distance of 136.18 feet to a point on the southerly side line of the Long Island Railroad, running thence;
- 4) Along said southerly side line of the Long Island Railroad, South 88 degrees 16 minutes 08 seconds East, a distance of 20.00 feet to a point and PLACE OF BEGINNING.

Said description being in accordance with a survey entitled "ALTA Survey/ACSM Survey for Neptune Regional Transmission System at L.I.P.A. Long Island, New York", prepared by AIA Engineers, LTD, PLLC dated 6/05 as Project No. 490.

The coordinates shown refer to the New York State Plane Coordinate System (NAD 83) as established by the United States Coast and Geodetic Survey.

LIRR Replacement Easement Area from LIPA

All That tract or parcel of land and premises, situate, lying and being in the Town of Hempstead, Nassau County, and State of New York, bounded and described as follows:

Beginning at a point on the southerly line of the Long Island Railroad (Central Branch ROW) a distance of 220.01 feet westerly along said southerly line from the point of intersection of said southerly line with the westerly sideline of Newbridge Road, said point having coordinates of N: 206828.02, E: 1111698.213; running thence;

- 1) South 01 degrees 43 minutes 52 seconds West, a distance of 30.00 feet to a point, thence
- 2) North 88 degrees 16 minutes 08 seconds West, a distance of 311.87 feet to a point, thence;
- 3) South 78 degrees 03 minutes 15 seconds West, a distance of 254.57 feet to a point, thence;
- 4) North 18 degrees 19 minutes 00 seconds West, a distance of 30.19 feet to a point, thence
- 5) North 78 degrees 03 minutes 15 seconds East, a distance of 261.52 feet to a point, thence;
- 6) Along the southerly side line of the Long Island Rail Road, South 88 degrees 16 minutes 08 seconds East, a distance of 315.47 feet to a point and PLACE OF BEGINNING.

Said description being in accordance with a survey entitled "ALTA Survey/ACSM Survey for Neptune Regional Transmission System at L.I.P.A. Long Island, New York", prepared by AIA Engineers, LTD, PLLC dated 6/05 as Project No. 490.

The Easement from Long Island Power Authority was assigned to the Agency by the Company by an Assignment and Assumption Agreement dated as of July 15, 2005, recorded or to be recorded in the Nassau County Clerk's Office.

The coordinates shown refer to the New York State Plane Coordinate System (NAD 83) as established by the United States Coast and Geodetic Survey.

(6) Cable License from Long Island Rail Road

Cable License between Long Island Rail Road ("LIRR") and NRTS, dated June 29, 2005, recorded or to be recorded in the Nassau County Clerk's Office granting NRTS a license across and under lands that traverse and abut the Wantagh State Parkway and the LIPA Basic Easement Area and LIRR Replacement Easement Area described above under Easement from Long Island Power Authority, in Nassau County, New York, covering the lands more particularly described as follows:

Montauk Branch Traverse Area

All That tract or parcel of land and premises, situate, lying and being in the Town of Hempstead, Nassau County, and State of New York, bounded and described as follows:

BEGINNING at a point on the northerly line of the Long Island Railroad (Montauk Branch) with the intersection of the easterly curb line of the Wantagh State Parkway, said point having coordinates of N: 184116.611, E: 1118978.608; running thence;

- 1) Along said northerly line of the Long Island Railroad (Montauk Branch), North 78 degrees 48 minutes 08 seconds East, a distance of 30.00 feet to a point, thence;
- 2) South 11 degrees 38 minutes 40 seconds West, a distance of 72.67 feet to a point, on the southerly line of the Long Island Railroad, thence;
- 3) Along said southerly line of the Long Island Railroad, South 78 degrees 48 minutes 08 seconds West, a distance of 30.00 feet to a point on the easterly curb line of the Wantagh State Parkway, running thence;
- 4) Along said easterly curb line of the Wantagh State Parkway, North 11 degrees 38 minutes 40 seconds East, a distance of 72.67 feet to a point and PLACE OF BEGINNING.

Said description being in accordance with a survey entitled "Neptune Regional Transmission System (Neptune RTS) Land Route Desktop Study Property Line Along Wantagh Pkwy Long Island, New York", prepared by A.I.A. Engineers Ltd., dated 6/05 as Project No. NY 490, sheet 23 of 24.

Central Branch Traverse Area

All That tract or parcel of land and premises, situate, lying and being in the Town of Hempstead, Nassau County, and State of New York, bounded and described as follows:

BEGINNING at a point on the northerly line of the Long Island Railroad (Central Branch ROW) with the intersection of the easterly curb line of the Wantagh State Parkway, said point having coordinates of N: 206910.18, E: 1110965.77; running thence;

- 1) Along said northerly line of the Long Island Railroad (Central Branch ROW), South 88 degrees 16 minutes 08 seconds East, a distance of 120.56 feet to a point, thence;
- 2) South 18 degrees 19 minutes 00 seconds East, a distance of 63.87 feet to a point on the southerly line of the Long Island Railroad, thence;
- 3) Along said southerly side line of the Long Island Railroad, North 88 degrees 16 minutes 08 seconds West, a distance of 123.35 feet to a point on the easterly curb line of the Wantagh State Parkway, running thence;
- 4) Along said easterly curb line of the Wantagh State Parkway, North 15 degrees 59 minutes 24 seconds West, a distance of 62.99 feet to a point and PLACE OF BEGINNING.

Containing 7317.46 Square Feet or 0.168 acres.

Said description being in accordance with a survey entitled "ALTA Survey/ACSM Survey for Neptune Regional Transmission System Along Long Island Railroad (Central Branch ROW) Long Island, New York" prepared by A.I.A. Engineers, Ltd., dated 6/05 as Project No. NY 490 and also shown on "Neptune Regional Transmission System (Neptune RTS) Land Route Desktop Study Property Line Along Wantagh Pkwy", prepared by AIA Engineers, LTD, PLLC dated 6/05, Sheet No. 24 of 24.

Overall Longitudinal Area

All That tract or parcel of land and premises, situate, lying and being in the Town of Hempstead, Nassau County, and State of New York, bounded and described as follows:

Beginning at a point on the southerly line of the Long Island Railroad (Central Branch ROW) a distance of 190.46 feet westerly along said southerly line from the point of intersection of said southerly line with the westerly sideline of Newbridge Road, said point having coordinates of N: 206827.115, E: 1111666.497; running thence;

- 1) North 88 degrees 16 minutes 08 seconds West along the Southerly sideline of the Long Island Railroad, a distance of 697.25 feet to a point, thence
- 2) Leaving said southerly sideline of Long Island Railroad, North 01 degrees 43 minutes 52 seconds East, a distance of 60.00 feet to a point on the southerly sideline of Salisbury Park Drive, thence
- 3) Along the southerly side line of Salisbury Park Drive, South 88 degrees 16 minutes 08 seconds East, a distance of 697.25 feet to a point, thence

- 4) Leaving said southerly side line of Salisbury Park Drive, South 01 degrees 43 minutes 52 seconds West, a distance of 60.00 feet to a point and PLACE OF BEGINNING.

Said description being in accordance with a survey entitled "ALTA Survey/ACSM Survey for Neptune Regional Transmission System Along Long Island Railroad (Central Branch ROW) Long Island, New York" prepared by A.I.A. Engineers, Ltd., dated 6/05 as Project No. NY 490 and also shown on "Neptune Regional Transmission System (Neptune RTS) Land Route Desktop Study Property Line Along Wantagh Pkwy", prepared by AIA Engineers, LTD, PLLC dated 06/05, Sheet no. 24 of 24.

Cable Longitudinal Area

All That tract or parcel of land and premises, situate, lying and being in the Town of Hempstead, Nassau County, and State of New York, bounded and described as follows:

Beginning at a point on the southerly line of the Long Island Railroad (Central Branch ROW) a distance of 207.01 feet westerly along said southerly line from the point of intersection of said southerly line with the westerly sideline of Newbridge Road, said point having coordinates of N: 206827.622, E: 1111650.167; running thence;

- 1) North 88 degrees 16 minutes 08 seconds West along the southerly sideline of the Long Island Railroad, a distance of 6.04 feet to a point, thence
- 2) Leaving said southerly sideline of the Long Island Rail Road, North 00 degrees 00 minutes 00 seconds East, a distance of 10.00 feet to a point, thence
- 3) Along a curve to the left having a radius of 29.73 feet a curve length of 41.70 feet to a point, thence
- 4) North 88 degrees 09 minutes 49 seconds West, a distance of 587.56 feet to a point, thence
- 5) Along a curve to the right having a radius of 22.62 feet a curve length of 27.51 feet to a point, thence
- 6) North 19 degrees 48 minutes 22 seconds West, a distance of 8.78 feet to a point, thence
- 7) Along the southerly sideline of Salisbury Park Drive, South 88 degrees 16 minutes 08 seconds East, a distance of 6.45 feet to a point thence
- 8) South 19 degrees 48 minutes 22 seconds East, a distance of 6.42 feet to a point thence
- 9) Along a curve to the left having a radius of 16.62 feet a curve length of 20.28 feet to a point, thence
- 10) South 88 degrees 09 minutes 49 seconds East, a distance of 587.80 feet to a point, thence
- 11) Along a curve to the right having a radius of 35.73 feet a curve length of 54.94 feet to a point, thence

12) South 00 degrees 00 minutes 00 seconds West, a distance of 5.93 feet to a point and PLACE OF BEGINNING.

Said description being in accordance with a survey entitled "ALTA Survey/ACSM Survey for Neptune Regional Transmission System Along Long Island Railroad (Central Branch ROW) Long Island, New York" prepared by A.I.A. Engineers, Ltd., dated 6/05 as Project No. NY 490 and also shown on "Neptune Regional Transmission System (Neptune RTS) Land Route Desktop Study Property Line Along Wantagh Pkwy", prepared by AIA Engineers, LTD, PLLC dated 06/05, Sheet 24 of 24.

Bearings stated refer to the New York State Plane Coordinate System (NAD 83, LI Zone 3104) as established by the United States Coast and Geodetic Survey.

The Easement from Long Island Rail Road was assigned to the Agency by Neptune Regional Transmission System, LLC by an Assignment and Assumption Agreement dated as of July 15, 2005, recorded or to be recorded in the Nassau County Clerk's Office.