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RE: _____

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**TOWN OF WATERTOWN
WATER AND SEWER AUTHORITY**

**WATER CONNECTION AND SERVICE AGREEMENT
SEWER CONNECTION AND SERVICE AGREEMENT**

This Water Connection and Service Agreement and Sewer Connection and Service Agreement, (hereinafter AGREEMENT) entered into this 24th day of January, 2008, by and between **TOWN OF WATERTOWN**, a Municipal Corporation organized pursuant to the Laws of the State of Connecticut, acting herein through its Water and Sewer Authority (hereinafter AUTHORITY), and **Watertown Renewable Power, LLC**, a Connecticut Limited Liability Company, 35 Pratt Street, Suite 101, Essex, CT 06426 (hereinafter DEVELOPER).

WHEREAS, DEVELOPER holds a purchase option for a certain piece or parcel of real property located at Echo Lake Road (Map 104, Block 90, Lot 23A) in the Town of Watertown, County of Litchfield and State of Connecticut, and shown in a map entitled "Overall Site Plan prepared for Watertown Renewable Power, LLC, Echo Lake Road, Watertown, Connecticut by Meyers Associates P.C., Engineers-Surveyors-Planners, 60 Linden Street, Waterbury, Connecticut 06702. Scale 1=60' dated 7/18/07".

WHEREAS, DEVELOPER has applied for Connecticut Siting Council approval for the development of said real property into a 30 Megawatt Biomass Generating Project.

WHEREAS, DEVELOPER has previously obtained approval from AUTHORITY to provide water and sewer service to said 30 Megawatt Biomass Generating Project subject to execution of this AGREEMENT and further subject to AUTHORITY Staff review and approval of design and construction plans; and

WHEREAS, DEVELOPER desires water and sewer service to said real property sufficient to serve said 30 Megawatt Biomass Generating Project with a maximum of 0.6 million gallons per day (mgd) of potable process water and 0.1 mgd of wastewater discharge and connection(s) to AUTHORITY water and sewer systems; and

WHEREAS, AUTHORITY is agreeable to furnish the necessary water and sewer services requested by DEVELOPER pursuant to the following terms and conditions. NOW THEREFORE, in consideration of the mutual covenants, conditions and agreements herein set forth, the parties agree as follows:

WATER

1. AUTHORITY hereby grants permission, upon the terms stated herein, to DEVELOPER to make such water connections as may be convenient, necessary or required by it to AUTHORITY water main in or adjacent to Echo Lake Road. Except as

I hereby certify that this document is a true and correct copy of record, as appears on the Records of said Town of Watertown in Vol. 1587 on Page 196-204. Dated this 31st day of January 2008.
Attest: [Signature] [Title] Town Clerk

otherwise provided herein, DEVELOPER shall at its own cost and expense construct all necessary water lines and connections in order to connect to and effect water service from said Echo Lake Road water line.

2. AUTHORITY shall provide a construction design plan (if any is required) to modify the water main design plan for the approximate 1,200 linear foot Echo Lake Road extension to the 30 MW Biomass Generating Project. Said water main shall be 12-inch ductile iron pipe with appropriate appurtenances to effect property connections.

3. DEVELOPER shall provide and pay for construction, excavation installation of all materials for said water main including all 12—inch ductile iron pipe and all connection materials in accordance with AUTHORITY specifications. DEVELOPER shall be responsible for any necessary upgrade of the Fern Hill Booster Pumping Station pumps, electrical system and emergency generator required to supply the additional 0.6 million gallon flow during emergency conditions. DEVELOPER's contribution for any such Pumping Station improvements shall be at actual cost but shall not exceed one hundred and fifty thousand dollars (\$150,000.00). DEVELOPER shall also be responsible for all inspection costs reasonably related to the construction of the water main upgrade in the project area.

4. Said connection(s) and all water main(s) installation by DEVELOPER shall be performed in strict conformance with the applicable sections of AUTHORITY'S specifications entitled "TOWN OF WATERTOWN, WATER AND SEWER AUTHORITY, SANITARY SEWERS AND WATER MAINS, GENERAL AND DETAIL SPECIFICATIONS" (hereinafter referred to as the SPECIFICATIONS as now existing or as they may hereafter be amended) said specifications are hereby incorporated by reference into this AGREEMENT. A detailed water main and appurtenances plan of the proposed extension shall be submitted to and approved by AUTHORITY Staff prior to the commencement of any work. Said detailed plan shall become a part of this AGREEMENT and no change shall be made in design nor shall any work proceed under any change in design of the facilities from the original plans, unless written consent to such changes is given by AUTHORITY Staff.

5. AUTHORITY shall, at no cost to DEVELOPER, secure all necessary easements and permits for the extension of its service lines in public and private streets and ways within three (3) months following the DEVELOPER's issuance of a notice to proceed in accordance with Section 4 of the General Conditions of this Agreement.

6. All water lines and mains installed by DEVELOPER in public and/or private streets and ways outside the boundaries of the real property herein described shall become the exclusive property of AUTHORITY, except building service pipes. All building service pipes shall be owned by and maintained by DEVELOPER and/or successors and/or assigns at its sole cost and expense.

7. In accordance with Article 36 of AUTHORITY'S General Conditions DEVELOPER shall warrant all of DEVELOPER'S installation work for one (1) year

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after the date of final completion and acceptance of said construction improvements. The one (1) year period shall commence from date of final inspection and approval by AUTHORITY. AUTHORITY shall maintain all water mains (except building laterals).

8. Charges for any and all fire hydrants shall be made at the then prevailing rate charged for private hydrants by AUTHORITY.

9. AUTHORITY shall charge present water use charges for all water used according to the then schedule of charges for water now in effect or as it may be subsequently amended. DEVELOPER shall install, at its sole cost and expense, a meter pit with at least two meters so that the amount of water consumed by the generating plant can be accurately determined. Each meter will be billed no less than the minimum quarterly charge for water in accordance with the schedule of charges now in effect or as subsequently amended.

10. The use of water by the 30 MW Biomass Generating Project contemplated by this AGREEMENT shall be governed by the rules and regulations of AUTHORITY now in effect or as subsequently amended by AUTHORITY only pursuant to State Statute and Rules and Regulations of AUTHORITY. DEVELOPER shall inform any purchaser(s) of the Generating Project of the rates to be charged by AUTHORITY for water use as said rates are established by AUTHORITY.

11. DEVELOPER shall execute and deliver to AUTHORITY in a timely manner but prior to acceptance, all as-built drawings and/or related documents with respect to ownership, operation and maintenance of said water mains and facilities in form approved by the AUTHORITY, to become property of AUTHORITY pursuant of this AGREEMENT. Should DEVELOPER fail to provide said 'as built' drawings, operation and maintenance manuals, etc., the AUTHORITY may hire professional engineers, land surveyors and attorneys to supply the required documentation and deduct the costs from the DEVELOPERS bond or other source of DEVELOPER assets.

12. CUSTOMER WATER CONNECTION CHARGE. DEVELOPER shall pay to AUTHORITY a Customer Water Connection Charge pursuant to Connecticut General Statutes 7-239, in the amount of TWO HUNDRED DOLLARS (\$200.00) per connection. Said Water Connection Charge shall be payable at such time as the 30 MW Biomass Generating Project is connected to the water system, certificate of occupancy is granted and/or said project is sold or date occupied; whichever shall first occur.

SEWER

1. AUTHORITY hereby grants permission to DEVELOPER to make such connection(s) as may be convenient, necessary or required by it to an existing sanitary sewer main lying in or adjacent to Echo Lake Road. Such connection(s) and all sewer lines to be constructed by DEVELOPER shall be constructed at DEVELOPER'S sole cost and expense with no cost to AUTHORITY.

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2. AUTHORITY shall issue all necessary discharge and/or connection permits as required by DEVELOPER upon execution of this AGREEMENT by all persons required to sign.

3. Said connection and all sewer main installations by DEVELOPER shall be performed in strict conformance with the applicable sections of the AUTHORITY'S specifications entitled, "TOWN OF WATERTOWN, WATER AND SEWER AUTHORITY, SANITARY SEWERS AND WATER MAINS. GENERAL AND DETAIL SPECIFICATIONS' (hereinafter SPECIFICATIONS), said SPECIFICATIONS are hereby incorporated by reference into this AGREEMENT. A detailed sewer main and appurtenances plan of the proposed extension shall be submitted to and approved by AUTHORITY prior to the commencement of any work. Said detailed plan shall become a part of this AGREEMENT and no change shall be made in design nor shall any work proceed under any change in design of the facilities from the original plans, unless written consent to such changes is given by AUTHORITY Staff.

4. All sewer lines, sampling manholes and meter stations installed by DEVELOPER in public and/or private streets and ways outside the boundaries of the real property herein described shall become the exclusive property of AUTHORITY, except building connection laterals. All building connection laterals shall be owned by and maintained by DEVELOPER and/or successors and/or assigns at its sole cost and expense.

5. AUTHORITY shall, at no cost to DEVELOPER, secure all necessary easements and permits for the extension of its service lines in public and private streets and ways within three (3) months following the DEVELOPER'S issuance of a notice to proceed in accordance with Section 4 of the General Conditions of this Agreement.

6. In accordance with Article 36 of AUTHORITY'S General Conditions, DEVELOPER shall warrant all of DEVELOPER'S sewer main installation work for a period of one (1) year from date of final completion. The one (1) year period shall commence from date of final inspection and approval by AUTHORITY. AUTHORITY shall maintain all sewer mains (except building laterals).

7. DEVELOPER shall execute and deliver to AUTHORITY all "as-built" drawings operation and maintenance manuals, etc. before the final inspection is undertaken in form approved by AUTHORITY and/or related documents with respect to ownership, operation and maintenance of said sewer mains. Should DEVELOPER fail to provide said easements, "as-built" drawings, operation and maintenance manuals, etc., the AUTHORITY may hire professional engineers, land surveyors and attorneys to supply the required documentation and deduct the costs from the DEVELOPER'S bond or any other source of DEVELOPER assets.

8. DEVELOPER agrees to pay all sewer use charges assessed by the AUTHORITY in accordance with the existing rate or such other rate as may be established from time to time. The DEVELOPER shall be responsible for all ordinary sewer use charges. All sewer use charges shall be established (and from time to time may

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be amended) by AUTHORITY only pursuant to State Statute and Rules and Regulations of AUTHORITY. DEVELOPER shall inform any purchaser(s) of the Generating Project of the rates to be charged by AUTHORITY for sewer use as said rates are established by AUTHORITY.

9. DEVELOPER shall adhere to Articles 8, 9, 10 and 11 of the AGREEMENT by and between the Oakville Fire District and the City of Waterbury dated August 25 1951 which said articles prohibit certain sewage wastes and discharges into the sewer system. A copy of said AGREEMENT (as said AGREEMENT may be amended from time to time) is on file at the office of the Watertown Water and Sewer Authority and is hereby incorporated by reference into this AGREEMENT. DEVELOPER shall adhere to AUTHORITY'S Ordinance concerning discharge of waters and wastes into the public sewer systems (Watertown Ordinance #02-08-83-103). A copy of said ordinance is on file at the Office of the Watertown Water and Sewer Authority.

10. CUSTOMER SEWER CONNECTION CHARGE. DEVELOPER shall pay to AUTHORITY a Customer Sewer Connection Charge pursuant to Connecticut General Statutes 7-255 in the amount of FOUR HUNDRED DOLLARS (\$400.00). Said Customer Sewer Connection Charge shall be payable at such time as the 30 MW Biomass Generating Project is connected to the sanitary sewer system, certificate of occupancy is granted and/or said project is sold or date occupied; whichever shall first occur.

11. DEVELOPER expressly agrees to the Sewer Connection Charge set forth in this AGREEMENT. DEVELOPER expressly waives all rights of notice, appeal to AUTHORITY, rights of public hearing, rights of appeal to any Court, etc. as set forth in Connecticut General Statutes Chapter 103 — Municipal Sewerage Systems.

REIMBURSEMENT WATER AND SEWER

1. If DEVELOPER installs water or sewer mains outside the Property owned by it in consequence of this AGREEMENT, which benefits the property of others, the AUTHORITY shall assesses benefits and/or damages against said persons, then from the amounts actually collected from said assessments, the AUTHORITY shall reimburse DEVELOPER as follows:

(a) Ninety percent (90%) of the amount actually collected from any such assessment shall be paid to or reimbursed to DEVELOPER. All obligation of AUTHORITY to reimburse DEVELOPER shall terminate with respect to any assessment not imposed or levied within ten (10) years of the date of the AGREEMENT. EXCEPTION AUTHORITY reserves the right to use an installment method of assessment with respect to any special benefit conferred on property of others. In the event AUTHORITY does assess pursuant to an installment method, DEVELOPER shall be entitled to receive said 90% of the principal amount of said assessment at such time as same is collected by AUTHORITY.

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It is the intent of the parties that such assessments made within ten (10) years from the date of this AGREEMENT shall become vested (up to 90%) in favor of DEVELOPER and shall be reimbursed NINETY percent (90%) to DEVELOPER regardless of date assessments are actually collected. Any assessments made more than ten (10) years from date of this AGREEMENT shall be sole property of AUTHORITY. Any reimbursement due DEVELOPER pursuant to this AGREEMENT shall be paid to DEVELOPER only at such time as such assessment is actually collected by AUTHORITY.

(b) No other revenue received from said properties by way of taxation, assessment, use charges or otherwise shall accrue to the benefit of DEVELOPER.

(c) DEVELOPER shall not be entitled to reimbursement for any interest on any assessment actually collected by the AUTHORITY.

(d) With respect to any real property owned by anyone other than DEVELOPER, AUTHORITY may impose an assessment to the extent permitted by Statute at such time as such property is connected to and served by said Sanitary Sewer or Water System. Said assessment may be made up to the maximum amount permitted by Statute.

GENERAL CONDITIONS

1. It is agreed by the parties that the approval granted by this AGREEMENT shall be conceptual or preliminary in nature. This is intended to mean that AUTHORITY reserves the right to review and/or participate in the final design of the Water and Sanitary Sewer Systems, prior to granting final approval and the right for DEVELOPER to proceed with construction of the proposed Water and Sanitary Sewer Systems.

2. DEVELOPER shall reimburse, indemnify and save harmless the AUTHORITY, its agents, servants and employees from and against any and all loss, expense, damage, claims, suits, demands, judgments or other liabilities, including without limitation, reasonable attorney fees and court costs, which may arise from or out of this AGREEMENT for the construction of water and sewer facilities on said real property of DEVELOPER.

3. All reasonable fees and expenses incurred by the Town in conformance with this AGREEMENT, any amendments thereto, and the construction contemplated by this AGREEMENT, including, those for inspection, supervision, layout, engineering or legal work shall be paid by DEVELOPER to the AUTHORITY upon demand by the AUTHORITY. DEVELOPER reserves the right to require appropriate documentation in connection with any such fees and expenses.

4. No work that is intended to be reimbursable to AUTHORITY by DEVELOPER shall be initiated by AUTHORITY, its employees or contractors until such time as a formal notice to proceed is issued by DEVELOPER. This agreement may be canceled at any time for the convenience of the DEVELOPER. In the event that such

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cancellation occurs after a Notice To Proceed has been issued to AUTHORITY, DEVELOPER shall promptly reimburse AUTHORITY for all costs reasonably incurred in fulfilling its responsibilities under the terms of this AGREEMENT.

5. It is expressly understood and agreed that this AGREEMENT shall be recorded in the land records of the Town of Watertown and shall be fully binding and enforceable upon DEVELOPER and its successors, assigns, heirs, executors and administrators.

6. A performance bond or other mutually acceptable form of security shall be posted by DEVELOPER in order to guarantee full compliance with all obligations of DEVELOPER pursuant to this AGREEMENT. The amount of the bond shall be 100 percent of the estimated cost of the improvements envisioned by this agreement. Such estimate shall be as agreed between the DEVELOPER and the TOWN ENGINEER.

7. AUTHORITY will provide necessary shutdown of water and sewer services and relief of residual pressure prior to DEVELOPER effecting connections to AUTHORITY's existing lines.

IN WITNESS WHEREOF, We have hereunto set our hands and seals this 24th day of January, 2008.

Signed, Sealed and Delivered
in the Presence of:

WATERTOWN RENEWABLE ENERGY, LLC

By [Signature]
William G. Carter, Vice President. (DEVELOPER)

STATE OF CONNECTICUT

SS:

COUNTY OF MIDDLESEX

On this the 24th day of January, 2008, William Carter
(DEVELOPER), personally appeared before and executed the foregoing instrument for
the purposes therein contained.

In Witness I hereunto set my hand.

[Signature]

Diana D. Blair
Notary Public
My Commission Expires Aug. 31, 2012

Commissioner of the Superior Court
Notary Public
My Commission Expires:

IN WITNESS WHEREOF, We have hereunto set our hands and seals this 31st day of January, 2008.

Signed, Sealed and Delivered
in the Presence of:

TOWN OF WATERTOWN
WATER AND SEWER AUTHORITY

By *Charles A. Frigon*
Charles A. Frigon, Town Manager

STATE OF CONNECTICUT
COUNTY OF LITCHFIELD

SS: Watertown

Jan 31, 2008

On this the 31st day of January, 2008, Charles A. Frigon personally appeared before me for the TOWN OF WATERTOWN, WATER AND SEWER AUTHORITY, and executed tile foregoing instrument for the purposes therein contained.

In Witness I hereunto set my hand.

Lisa M. Cattaneo

Commissioner of the Superior Court
Notary Public
My Commission Expires:

LISA M. CATTANEO
NOTARY PUBLIC
MY COMMISSION EXPIRES MAR. 31, 2009

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TOWN CLERK