

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY

(TOWN OF BROOKHAVEN, NEW YORK)

and

CROSS-SOUND CABLE COMPANY, LLC

and

CROSS-SOUND CABLE COMPANY (NEW YORK), LLC

---

LEASE AGREEMENT

---

Dated as of September 1, 2013

Town of Brookhaven Industrial Development Agency  
(Cross-Sound Cable Company, LLC/Cross-Sound Cable Company (New York), LLC 2013  
Facility)

ATTACHMENT TO PROPERTY ADDRESS

---

Location and Description of Property Conveyed:

<b>Physical Address</b>	<b>Tax Map No.</b>
<b>Cable Parcels</b>	
Riverhead Calverton 11933	0200-299.01-90.00-003.062
Riverhead Calverton 11933	0200-299.01-90.00-003.063
Riverhead Calverton 11933	0200-299.01-90.00-003.064
Riverhead Calverton 11933	0200-299.01-90.00-003.065
Riverhead Calverton 11933	0200-299.01-90.00-003.067
<b>Converter Station</b>	
1 Lilco Road, Shoreham, NY 11786	0200-039.00-02.00-002.000

all in Shoreham, Town of Brookhaven

TABLE OF CONTENTS

Page No.

ARTICLE I DEFINITIONS .....	2
ARTICLE II REPRESENTATIONS AND COVENANTS .....	2
Section 2.1 Representations and Covenants of Agency.....	2
Section 2.2 Representations and Covenants of CSC. ....	3
Section 2.3 Representations and Covenants of CSC NY.....	4
ARTICLE III FACILITY SITE AND TITLE INSURANCE .....	5
Section 3.1 Agreement to Convey to Agency.....	5
Section 3.2 LIPA Ground Lease. ....	5
Section 3.3 Subordination of Lease Agreement. ....	5
Section 3.4 Public Authorities Law Representations.....	5
ARTICLE IV ACQUISITION, CONSTRUCTION AND EQUIPPING OF FACILITY.....	6
Section 4.1 Acquisition, Construction and Equipping of Facility. ....	6
Section 4.2 Reserved.....	6
Section 4.3 Remedies to be Pursued Against Contractors, Subcontractors, Materialmen and their Sureties. ....	6
ARTICLE V DEMISING CLAUSES AND RENTAL PROVISIONS .....	7
Section 5.1 Demise of Facility.....	7
Section 5.2 Duration of Lease Term; Quiet Enjoyment. ....	7
Section 5.3 Rents and Other Amounts Payable. ....	7
Section 5.4 Obligations of Company Hereunder Unconditional. ....	8
ARTICLE VI MAINTENANCE, MODIFICATIONS, TAXES AND INSURANCE.....	8
Section 6.1 Maintenance and Modifications of Facility by Company.....	8
Section 6.2 Installation of Additional Equipment.....	8
Section 6.3 Taxes, Assessments and Utility Charges. ....	9
Section 6.4 Insurance Required. ....	10
Section 6.5 Additional Provisions Respecting Insurance. ....	11
Section 6.6 Application of Net Proceeds of Insurance. ....	12
Section 6.7 Right of Agency to Pay Taxes, Insurance Premiums and Other Charges. ....	12
ARTICLE VII DAMAGE, DESTRUCTION AND CONDEMNATION .....	13
Section 7.1 Damage or Destruction of the Facility.....	13
Section 7.2 Condemnation. ....	14
Section 7.3 Condemnation of Company-Owned Property. ....	15
Section 7.4 Waiver of Real Property Law Section 227. ....	15

ARTICLE VIII SPECIAL COVENANTS .....	15
Section 8.1 No Warranty of Condition or Suitability by Agency.....	15
Section 8.2 Hold Harmless Provisions.....	15
Section 8.3 Right to Inspect Facility.....	16
Section 8.4 Company to Maintain Its Existence.....	16
Section 8.5 Qualification in State.....	17
Section 8.6 Agreement to File Annual Statements and Provide Information.....	17
Section 8.7 Books of Record and Account; Financial Statements.....	17
Section 8.8 Compliance With Orders, Ordinances, Etc.....	17
Section 8.9 Discharge of Liens and Encumbrances.....	19
Section 8.10 Identification of Equipment.....	19
Section 8.11 Depreciation Deductions and Investment Tax Credit.....	19
Section 8.12 Employment Opportunities; Notice of Jobs.....	20
ARTICLE IX RELEASE OF CERTAIN LAND; ASSIGNMENTS AND SUBLEASING;..	20
Section 9.1 Restriction on Sale of Facility; Release of Certain Land.....	20
Section 9.2 Removal of Equipment.....	20
Section 9.3 Assignment, Subleasing and Encumbering.....	21
Section 9.4 Merger of Agency.....	22
ARTICLE X EVENTS OF DEFAULT AND REMEDIES .....	22
Section 10.1 Events of Default Defined.....	22
Section 10.2 Remedies on Default.....	24
Section 10.3 Remedies Cumulative.....	25
Section 10.4 Agreement to Pay Attorneys' Fees and Expenses.....	25
Section 10.5 No Additional Waiver Implied by One Waiver.....	25
ARTICLE XI EARLY TERMINATION OF LEASE AGREEMENT; OPTION IN FAVOR OF COMPANY.....	25
Section 11.1 Early Termination of Lease Agreement.....	25
Section 11.2 Conditions to Early Termination of Lease Agreement.....	26
Section 11.3 Obligation to Purchase Facility.....	26
Section 11.4 Conveyance on Purchase.....	26
ARTICLE XII MISCELLANEOUS.....	26
Section 12.1 Notices.....	26
Section 12.2 Binding Effect.....	27
Section 12.3 Severability.....	27
Section 12.4 Amendments, Changes and Modifications.....	27
Section 12.5 Execution of Counterparts.....	27
Section 12.6 Applicable Law.....	27
Section 12.7 Reserved.....	27
Section 12.8 Survival of Obligations.....	27
Section 12.9 Table of Contents and Section Headings Not Controlling.....	28
Section 12.10 Consent or Approval of Agency and Company.....	28

EXHIBIT A	Legal Description of Real Property
EXHIBIT B	Equipment
EXHIBIT C	Compliance with Labor Law, Executive Law and Civil Rights Law
SCHEDULE A	Schedule of Definitions

## LEASE AGREEMENT

THIS LEASE AGREEMENT, dated as of September 1, 2013 (this "**Lease Agreement**"), is between the TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY, a public benefit corporation of the State of New York, having its office at 1 Independence Hill, 3rd Floor, Farmingville, New York 11738 (the "**Agency**"), and CROSS-SOUND CABLE COMPANY (NEW YORK), LLC, a limited liability company duly organized and validly existing under the laws of the State of New York, having an office at 200 Donald Lynch Boulevard, Suite 300, Marlborough, Massachusetts 01752-4707 ("**CSC NY**"), and CROSS-SOUND CABLE COMPANY, LLC, a limited liability company duly organized and validly existing under the laws of the State of Connecticut and authorized to do business in the State of New York, having an office at 200 Donald Lynch Boulevard, Suite 300, Marlborough, Massachusetts 01752-4707 ("**CSC**"; and together with CSC NY, collectively, the "**Company**").

### R E C I T A L S

WHEREAS, Title 1 of Article 18-A of the General Municipal Law of the State of New York was duly enacted into law as Chapter 1030 of the Laws of 1969 of the State of New York (the "**State**"); and

WHEREAS, the aforesaid act authorizes the creation of industrial development agencies for the Public Purposes of the State; and

WHEREAS, the aforesaid act further authorizes the creation of industrial development agencies for the benefit of the several counties, cities, villages and towns in the State and empowers such agencies, among other things, to acquire, construct, renovate, refurbish, equip, lease, sell and dispose of land and any building or other improvement, and all real and personal property, including but not limited to machinery and equipment deemed necessary in connection therewith, whether now in existence or under construction, which shall be suitable for manufacturing, warehousing, research, commercial, recreation or industrial facilities, in order to advance job opportunities, health, general prosperity and the economic welfare of the people of the State and to improve their standard of living; and

WHEREAS, pursuant to and in accordance with the provisions of the aforesaid act and of Chapter 358 of the Laws of 1970 of the State (collectively, the "**Act**"), the Agency was created and is empowered under the Act to undertake the providing, financing and leasing of the Facility defined below; and

WHEREAS, the Long Island Lighting Company d/b/a LIPA ("**LIPA**") and CSC NY entered into a certain ground lease agreement (the "**Agreement of Lease**") dated as of August 2, 2000, whereby certain land was leased, and certain easements were granted, to CSC NY, and as amended, or may be amended, from time to time; and

WHEREAS, the Facility shall consist of the acquisition of leasehold interests in an approximately 3.2 acre parcel of land and one or more easements in the Town of Brookhaven (the "**Town**"), Suffolk County, New York (further identified as portions of Tax Map. Nos. 0200-299.01-90.00-003.062, 0200-299.01-90.00-003.063, 0200-299.01-90.00-003.064, 0200-299.01-90.00-003.065, 0200-299.01-90.00-003.067, and 0200-039.00-02.00-002.000) (the "**Land**"), and

the maintaining of a converter station and underwater power cable (the “**Improvements and Equipment**”; and, together with the Land, the “**Facility**”), all to be leased by the Company as the respective interests of CSC and CSC NY may appear, to the Agency for further sublease by the Agency to the Company; and

WHEREAS, the underwater power cable Improvements and Equipment are located on Tax Map Nos. 0200-299.01-90.00-003.062, 0200-299.01-90.00-003.063, 0200-299.01-90.00-003.064, 0200-299.01-90.00-003.065, 0200-299.01-90.00-003.067, and the converter station Improvements and Equipment are currently located on Tax Map. No. 0200-039.00-02.00-002.000 along with other land and other improvements not owned or leased by the Company; and

WHEREAS, the Agency proposes to acquire a leasehold interest the Facility and lease the Facility to the Company; and

WHEREAS, the Agency proposes to lease the Facility to the Company, and the Company desires to rent the Facility from the Agency, upon the terms and conditions set forth in this Lease Agreement; and

## AGREEMENT

For and in consideration of the premises and the mutual covenants hereinafter contained, the parties hereto do hereby mutually agree as follows:

### ARTICLE I

#### DEFINITIONS

All capitalized terms used in this Lease Agreement and not otherwise defined herein shall have the meanings assigned thereto in the Schedule of Definitions attached hereto as Schedule A.

### ARTICLE II

#### REPRESENTATIONS AND COVENANTS

Section 2.1 Representations and Covenants of Agency. The Agency makes the following representations and covenants as the basis for the undertakings on its part herein contained:

(a) The Agency is duly established and validly existing under the provisions of the Act and has full legal right, power and authority to execute, deliver and perform each of the Agency Documents and the other documents contemplated thereby. Each of the Agency Documents and the other documents contemplated thereby has been duly authorized, executed and delivered by the Agency.

(b) The Agency will acquire a leasehold interest in the Facility and will lease the Facility to the Company pursuant to this Lease Agreement, all for the Public Purposes of the State.

(c) By resolution adopted on July 17, 2013, the Agency determined that, based upon the review by the Agency of the materials submitted and the representations made by the Company relating to the Facility, the Facility would not have a "significant impact" or "significant effect" on the environment within the meaning of the SEQR Act.

(d) Neither the execution and delivery of any of the Agency Documents and the other documents contemplated thereby or the consummation of the transactions contemplated thereby nor the fulfillment of or compliance with the provisions of any of the Agency Documents and the other documents contemplated thereby will conflict with or result in a breach of or constitute a default under any of the terms, conditions or provisions of the Act, any other law or ordinance of the State or any political subdivision thereof or the Agency's Certificate of Establishment or By-Laws, as amended, or of any corporate restriction or any agreement or instrument to which the Agency is a party or by which it is bound, or result in the creation or imposition of any Lien of any nature upon any of the Property of the Agency under the terms of the Act or any such law, ordinance, Certificate of Establishment, By-Laws, restriction, agreement or instrument, except for Permitted Encumbrances.

(e) Each of the Agency Documents and the other documents contemplated thereby, as they pertain to the Agency, constitutes a legal, valid and binding obligation of the Agency enforceable against the Agency in accordance with its terms.

(f) The Agency has been induced to enter into this Lease Agreement by the undertaking of the Company to utilize the Facility in the Town of Brookhaven, Suffolk County, New York.

Section 2.2 Representations and Covenants of CSC. CSC makes the following representations and covenants as the basis for the undertakings on its part herein contained:

(a) CSC is a limited liability company duly organized and validly existing under the laws of the State of Connecticut and is authorized to do business in the State of New York, is in good standing under the laws of the Connecticut and is in good standing under the laws of the State of New York, and it has full legal right, power and authority to execute, deliver and perform each of the Company Documents and the other documents contemplated thereby. Each of the Company Documents and the other documents contemplated thereby has been duly authorized, executed and delivered by CSC.

(b) Neither the execution and delivery of any of the Company Documents and the other documents contemplated thereby or the consummation of the transactions contemplated thereby nor the fulfillment of or compliance with the provisions of any of the Company Documents and the other documents contemplated thereby will conflict with or result in a breach of or constitute a default under any of the terms, conditions or provisions of any law or ordinance of the State or any political subdivision thereof or of CSC's Articles of Organization, Operating Agreement, or result in the creation or imposition of any Lien of any nature upon any of the Property of CSC under the terms of any such law, ordinance, Articles of Organization, Operating Agreement, restriction, agreement or instrument, except for Permitted Encumbrances. The Facility and the design, acquisition, construction, equipping and operation thereof will conform with all applicable zoning, planning, building and environmental laws, ordinances, rules and



regulations of governmental authorities having jurisdiction over the Facility. CSC shall defend, indemnify and hold harmless the Agency for expenses, including reasonable attorneys' fees, resulting from any failure by the CSC to comply with the provisions of this subsection.

(c) Each of the Company Documents and the other documents contemplated thereby constitutes a legal, valid and binding obligation of CSC as it relates to the Improvements and the Equipment enforceable against CSC in accordance with its terms.

(d) Reserved.

(e) The Facility is and will continue to be a "project" as such quoted term is defined in the Act. CSC will not take any action, or fail to take any action, which would cause the Facility to not constitute a "project" as such quoted term is defined in the Act.

(f) CSC hereby represents to the Agency that the Agency's involvement with the Facility (a) will not result in the removal of an industrial or manufacturing plant from one area of the State to another area of the State nor an abandonment of one or more plants of CSC located in the State, or (b) is reasonably necessary to discourage CSC from removing such other plant or facility to a location outside the State, or is reasonably necessary to preserve the competitive position of CSC in its industry and is an inducement to CSC to maintain and expand the Facility within the Town of Brookhaven.

Section 2.3 Representations and Covenants of CSC NY. CSC NY makes the following representations and covenants as the basis for the undertakings on its part herein contained:

(a) CSC NY is a limited liability company duly organized and validly existing under the laws of the State of New York, is in good standing under the laws of the State and it has full legal right, power and authority to execute, deliver and perform each of the Company Documents and the other documents contemplated thereby. Each of the Company Documents and the other documents contemplated thereby has been duly authorized, executed and delivered by CSC NY.

(b) Neither the execution and delivery of any of the Company Documents and the other documents contemplated thereby or the consummation of the transactions contemplated thereby nor the fulfillment of or compliance with the provisions of any of the Company Documents and the other documents contemplated thereby will conflict with or result in a breach of or constitute a default under any of the terms, conditions or provisions of any law or ordinance of the State or any political subdivision thereof or of CSC NY's Articles of Organization, Operating Agreement, or result in the creation or imposition of any Lien of any nature upon any of the Property of CSC NY under the terms of any such law, ordinance, Articles of Organization, Operating Agreement, restriction, agreement or instrument, except for Permitted Encumbrances. The Facility and the design, acquisition, construction, equipping and operation thereof will conform with all applicable zoning, planning, building and environmental laws, ordinances, rules and regulations of governmental authorities having jurisdiction over the Facility. CSC NY shall defend, indemnify and hold harmless the Agency for expenses, including reasonable attorneys' fees, resulting from any failure by CSC NY to comply with the provisions of this subsection.

(c) Each of the Company Documents and the other documents contemplated thereby constitutes a legal, valid and binding obligation of CSC NY as it relates to the Land enforceable against CSC NY in accordance with its terms.

(d) Reserved.

(e) The Facility is and will continue to be a “project” as such quoted term is defined in the Act. CSC NY will not take any action, or fail to take any action, which would cause the Facility to not constitute a “project” as such quoted term is defined in the Act.

(f) CSC NY hereby represents to the Agency that the Agency's involvement with the Facility (a) will not result in the removal of an industrial or manufacturing plant from one area of the State to another area of the State nor an abandonment of one or more plants of CSC NY located in the State, or (b) is reasonably necessary to discourage CSC NY from removing such other plant or facility to a location outside the State, or is reasonably necessary to preserve the competitive position of CSC NY in its industry and is an inducement to CSC NY to maintain and expand the Facility within the Town of Brookhaven.

### ARTICLE III

#### FACILITY SITE AND TITLE INSURANCE

Section 3.1 Agreement to Convey to Agency. The Company has conveyed or has caused to be conveyed to the Agency (i) a leasehold interest in the Land, including any buildings, structures or other improvements thereon, and (ii) a leasehold interest in the Improvements and Equipment, in each case except for Permitted Encumbrances, and will convey or cause to be conveyed to the Agency a leasehold interest in the Equipment and Improvements acquired after the date hereof.

Section 3.2 LIPA Ground Lease. This Lease Agreement and all modifications, amendments, renewals and extensions hereof, is made subject to that certain Agreement of Lease between Long Island Lighting Company d/b/a LIPA and CSC NY, originally dated as of August 2, 2000, and as amended, or may be amended, from time to time.

Section 3.3 Subordination of Lease Agreement. This Lease Agreement and any and all modifications, amendments, renewals and extensions hereof is subject and subordinate to (i) any Mortgage and to any and all modifications, amendments, consolidations, extensions, renewals, replacements and increases thereof and (ii) the LIPA Lease Agreement.

Section 3.4 Public Authorities Law Representations. The parties hereto hereby acknowledge that the Facility and the interest therein to be conveyed by this Lease Agreement is not “Property” as defined in Article 9, Title 5-A of the Public Authorities Law of the State because the Facility and the interests therein are securing the Company’s obligations to the Agency under the Environmental Compliance and Indemnification Agreement and this Lease Agreement, including the Company’s obligation to acquire, construct, equip and maintain the Facility on behalf of the Agency and the Company’s obligation to indemnify and hold harmless the Agency.

## ARTICLE IV

### ACQUISITION, CONSTRUCTION AND EQUIPPING OF FACILITY

#### Section 4.1 Acquisition, Construction and Equipping of Facility.

(a) The Company agrees that, on behalf of the Agency, it has acquired, constructed and equipped the Facility.

(b) Reserved.

(c) A leasehold interest in all materials, equipment, machinery and other items of Property located at or in the Facility incorporated or installed in the Facility shall vest in the Agency immediately upon the Company's obtaining an interest in or to the materials, equipment, machinery and other items of Property located at or in the Facility. The Company shall execute, deliver and record or file all instruments necessary or appropriate to so vest a leasehold interest to such Property in the Agency and shall take all action necessary or appropriate to protect such leasehold interest against claims of any third Persons.

(d) Reserved.

(e) The Agency shall enter into, and accept the assignment of, such contracts as the Company may request in order to effectuate the purposes of this Section 4.1.

(f) The Company, as agent for the Agency, shall comply with all provisions of the Labor Law, the Executive Law and the Civil Rights Law of the State applicable to any construction and equipping of the Facility and shall include in all construction contracts all provisions that be required to be inserted therein by such provisions. The Company shall comply with the relevant policies of the Agency with respect to such laws, which are set forth as Exhibit C attached hereto. Except as provided in the preceding two sentences, the provisions of this subsection do not create any obligations or duties not created by applicable law outside of the terms of this Lease Agreement.

#### Section 4.2 Reserved.

Section 4.3 Remedies to be Pursued Against Contractors, Subcontractors, Materialmen and their Sureties. In the event of a default by any contractor, subcontractor, materialman or other Person under any contract made by it in connection with the Facility, or in the event of a breach of warranty or other liability with respect to any materials, workmanship or performance guaranty, the Company at its expense, either separately or in conjunction with others, may pursue any and all remedies available to it and the Agency, as appropriate, against the contractor, subcontractor, materialman or other Person so in default and against any surety for the performance of such contract. The Company, in its own name or in the name of the Agency, may prosecute or defend any action or proceeding or take any other action involving any such contractor, subcontractor, materialman or surety or other Person which the Company deems reasonably necessary, and in such event the Agency, at the Company's expense, hereby agrees to cooperate fully with the Company and to take all action necessary to effect the substitution of the Company for the Agency in any such action or proceeding.

## ARTICLE V

### DEMISING CLAUSES AND RENTAL PROVISIONS

Section 5.1 Demise of Facility. The Agency hereby subleases the Facility, upon the terms and conditions of this Lease Agreement, to CSC NY and CSC as their interests appeared prior to execution and delivery of the Company Lease Agreement, and CSC NY and CSC hereby take the Facility from the Agency as their interests appeared prior to the execution and delivery of the Company Lease Agreement.

Section 5.2 Duration of Lease Term; Quiet Enjoyment.

(a) The Agency shall deliver to the Company sole and exclusive possession of the Facility (subject to Sections 8.3 and 10.2 hereof) and the leasehold estate created hereby shall commence on the Closing Date and the Company shall accept possession of the Facility on the Closing Date.

(b) Except as provided in Section 10.2 hereof, the leasehold estate created hereby shall terminate at 11:59 p.m. EST (Eastern Standard Time) on November 30, 2031 or on such earlier date as may be permitted by Section 11.1 hereof; the Agency shall reconvey its interests in the Facility to the Company as of such date and within thirty (30) days thereof.

(c) Except as provided in Sections 8.3 and 10.2 hereof, the Agency shall neither take nor suffer or permit any action to prevent the Company during the Lease Term from having quiet and peaceable possession and enjoyment of the Facility and will, at the request of the Company and at the Company's cost, cooperate with the Company in order that the Company may have quiet and peaceable possession and enjoyment of the Facility as hereinabove provided.

Section 5.3 Rents and Other Amounts Payable.

(a) The Company shall pay basic rent for the Facility as follows: One Dollar (\$1.00) per year commencing on the Closing Date and on each January 1 thereafter during the term of this Lease Agreement.

(b) In addition to the payments of rent pursuant to Section 5.3(a) hereof, throughout the Lease Term, the Company shall pay to the Agency as additional rent, within ten (10) days of receipt of demand therefor, the expenses of the Agency and the members thereof incurred (i) by reason of the Agency's ownership or leasing of the Facility, or (ii) in connection with the carrying out of the Agency's duties and obligations under the Agency Documents, the payment of which is not otherwise provided for under this Lease Agreement. The foregoing shall not be deemed to include any annual or continuing administrative or management fee beyond any initial administrative fee or fee for services rendered by the Agency.

(c) The Company, under the provisions of this Section 5.3, agrees to make the above-mentioned payments in immediately available funds and without any further notice in lawful money of the United States of America. In the event the Company shall fail timely to make any payment required in Section 5.3(a) or 5.3(b), the Company shall pay the same together with interest on such payment at a rate equal to two percent (2%) plus the Prime Rate, but in no event

at a rate higher than the maximum lawful prevailing rate, from the date on which such payment was due until the date on which such payment is made.

Section 5.4 Obligations of Company Hereunder Unconditional. The obligations of the Company to make the payments required in Section 5.3 hereof, and to perform and observe any and all of the other covenants and agreements on its part contained herein, shall be a general obligation of CSC NY with respect to the Land and CSC with respect to the Improvements and Equipment, and shall be absolute and unconditional irrespective of any defense or any rights of setoff, recoupment or counterclaim it may otherwise have against the Agency. The Company agrees it will not (i) suspend, discontinue or abate any payment required hereunder, or (ii) fail to observe any of its other covenants or agreements in this Lease Agreement. Subject to the foregoing provisions, nothing contained in this Section shall be construed to release the Agency from the performance of any of the agreements on its part contained in this Lease Agreement or to affect the right of the Company to seek reimbursement, and in the event the Agency should fail to perform any such agreement, the Company may institute such separate action against the Agency as the Company may deem necessary to compel performance or recover damages for non-performance, and the Agency covenants that it will not, subject to the provisions of Section 8.3 and Article X hereof, take, suffer or permit any action which will adversely affect, or create any defect in, its leasehold interests in the Facility or which will otherwise adversely affect the rights or estate of the Company hereunder, except upon written consent of the Company.

## ARTICLE VI

### MAINTENANCE, MODIFICATIONS, TAXES AND INSURANCE

#### Section 6.1 Maintenance and Modifications of Facility by Company.

(a) The Company shall not abandon the Facility or cause or permit any waste to the Improvements. During the Lease Term, the Company shall not remove any part of the Facility outside of the jurisdiction of the Agency and shall (i) keep the Facility in as reasonably safe condition as its operations shall permit; (ii) make repairs and replacements to the Facility (whether ordinary or extraordinary, structural or nonstructural, foreseen or unforeseen) as the Company shall determine in its sole discretion; and (iii) operate the Facility in a sound and economic manner.

(b) Without any requirement to obtain any consent of the Agency, but upon prior written notice to the Agency, the Company from time to time may make any structural additions, modifications or improvements to the Facility or any part thereof, provided such actions do not adversely affect the structural integrity or value of the Facility. All such additions, modifications or improvements made by the Company shall become a part of the Facility and the Property of the Agency. The Company agrees to deliver to the Agency all documents which may be necessary or appropriate to convey to the Agency a leasehold interest in such Property.

Section 6.2 Installation of Additional Equipment. Subject to the provisions of Section 8.10 hereof, the Company or any permitted sublessee of the Company from time to time may install additional machinery, equipment or other personal property in the Facility (which may be attached or affixed to the Facility), and such machinery, equipment or other personal

property shall not become, or be deemed to become, a part of the Facility. The Company from time to time may create or permit to be created any Lien on such machinery, equipment or other personal property. Further, the Company from time to time may remove or permit the removal of such machinery, equipment and other personal property from the Facility, provided that any such removal of such machinery, equipment or other personal property shall not occur if any such removal shall adversely affect the structural integrity of the Facility or impair the overall operating efficiency of the Facility for the purposes for which it is intended, and provided further, that if any damage is occasioned to the Facility by such removal, the Company agrees promptly to repair such damage at its own expense.

**Section 6.3 Taxes, Assessments and Utility Charges.**

(a) As more specifically provided in subsection (e) below, the Company agrees to pay, as the same become due and before any fine, penalty, interest (except interest which is payable in connection with legally permissible installment payments) or other cost may be added thereto or become due or be imposed by operation of law for the non-payment thereof, (i) all taxes, payments in lieu of taxes and governmental charges of any kind whatsoever which may at any time be lawfully assessed or levied against or with respect to the Facility and any machinery, equipment or other Property installed or brought by the Company therein or thereon, including, without limiting the generality of the foregoing, any sales or use taxes imposed with respect to the Facility or any part or component thereof, or the rental or sale of the Facility or any part thereof, and any taxes levied upon or with respect to the income or revenues of the Agency from the Facility; (ii) all utility and other charges, including service charges, incurred or imposed for or with respect to the operation, maintenance, use, occupancy, upkeep and improvement of the Facility; (iii) all assessments and charges of any kind whatsoever lawfully made by any governmental body for public improvements; and (iv) all payments under any PILOT Agreement covering the Facility and any Recapture Agreement covering the Facility; provided that, with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the Company shall be obligated under this Lease Agreement to pay only such installments as are required to be paid during the Lease Term.

(b) The Company may in good faith contest any such taxes, assessments and other charges; provided however any judicial review of an assessment on the Facility shall be subject to the terms and conditions as provided in the PILOT Agreement. In the event of any such proceedings, the Company may permit the taxes, assessments or other charges so contested to remain unpaid during the period of such proceedings and any appeal therefrom, provided, however, that neither the Facility nor any part thereof or interest therein would be in any immediate danger of being sold, forfeited or lost by reason of such proceedings.

(c) The Agency agrees that if it or the Company contests any taxes, assessments or other charges provided for in paragraph (b) hereof, all sums returned, as a result thereof, will be promptly transmitted by the Agency to the Company and that the Company shall be entitled to retain all such amounts.

(d) Within thirty (30) days of receipt of written request therefor, the Company shall deliver to the Agency official receipts of the appropriate taxing authorities or other proof reasonably satisfactory to the Agency evidencing payment of any tax.

(e) Beginning with the fiscal full tax years of the applicable Taxing Authorities after March 1, 2014 and until the effective date of any PILOT Agreement, the Company agrees to make payments in lieu of all real estate taxes and assessments equal to one hundred percent (100%) of the taxes and assessments which would be levied upon the Facility by the respective Taxing Authorities as if the Agency did not have a leasehold interest in the Facility (in addition to paying all applicable special ad valorem levies, special assessments and service charges against real property located in the Town of Brookhaven which are or may be legally imposed for special improvements or special district improvements). Until the provisions of the foregoing sentence become effective, the Company shall pay all taxes and assessments which are levied upon the Facility by the respective Taxing Authorities.

Section 6.4 Insurance Required. At all times throughout the Lease Term, including, when indicated herein, during any future Construction Period, the Company shall, at its sole cost and expense, maintain or cause to be maintained insurance against such risks and for such amounts as are customarily insured against by businesses of like size and type and shall pay, as the same become due and payable, all premiums with respect thereto, including, but not necessarily limited to (but without duplication of insurance provided by either CSC or CSC NY, as applicable, covering the same risks and insured(s)):

(a) Insurance against loss or damage by fire, lightning and other casualties customarily insured against, with a uniform standard extended coverage endorsement, such insurance to be in an amount not less than the full replacement value of the completed Improvements, exclusive of footings and foundations, as determined by a recognized appraiser or insurer selected by the Company. During any future Construction Period, such policy shall be written in the so-called "Builder's Risk Completed Value Non-Reporting Form" and shall contain a provision granting the insured permission to complete and/or occupy.

(b) Workers' compensation insurance, disability benefits insurance and each other form of insurance which the Company or any permitted sublessee is required by law to provide, covering loss resulting from injury, sickness, disability or death of employees of the Company or any permitted sublessees who are located at or assigned to the Facility.

(c) Insurance protecting the Agency and the Company against loss or losses from liability imposed by law or assumed in any written contract (including the contractual liability assumed by the Company under Section 8.2 hereof) or arising from personal injury, including bodily injury or death, or damage to the property of others, caused by an accident or other occurrence, with a limit of liability of not less than \$1,000,000 (combined single limit for personal injury, including bodily injury or death, and property damage); comprehensive automobile liability insurance covering all owned, non-owned and hired autos, with a limit of liability of not less than \$1,000,000 (combined single limit or equivalent for personal injury, including bodily injury or death, and property damage); and blanket excess liability coverage, in an amount not less than \$5,000,000 combined single limit or equivalent, protecting the Agency and the Company against any loss or liability or damage for personal injury, including bodily injury or death, or property damage. This coverage shall also be in effect during any future Construction Period.

(d) During any future Construction Period (and for at least one year thereafter in the case of Products and Completed Operations as set forth below), the Company shall cause the general contractor to carry liability insurance of the type and providing the minimum limits set forth below:

(i) Workers' compensation and employer's liability with limits in accordance with applicable law.

(ii) Comprehensive general liability providing coverage for:

Premises and Operations  
Products and Completed Operations  
Owners Protective  
Contractors Protective  
Contractual Liability  
Personal Injury Liability  
Broad Form Property Damage  
(including completed operations)  
Explosion Hazard  
Collapse Hazard  
Underground Property Damage Hazard

Such insurance shall have a limit of liability of not less than \$1,000,000 (combined single limit for personal injury, including bodily injury or death, and property damage).

(iii) Comprehensive auto liability, including all owned, non-owned and hired autos, with a limit of liability of not less than \$1,000,000 (combined single limit for personal injury, including bodily injury or death, and property damage).

(iv) Excess "umbrella" liability providing liability insurance in excess of the coverages in (i), (ii) and (iii) above with a limit of not less than \$5,000,000.

(e) A policy or policies of flood insurance in an amount not less than the maximum amount of flood insurance available with respect to the Facility under the Flood Disaster Protection Act of 1973, as amended, whichever is less. This requirement will be waived upon presentation of evidence satisfactory to the Agency that no portion of the Land is located within an area identified by the U.S. Department of Housing and Urban Development as having special flood hazards.

#### Section 6.5 Additional Provisions Respecting Insurance.

(a) All insurance required by Section 6.4 hereof shall be procured and maintained in financially sound and generally recognized responsible insurance companies selected by the entity required to procure the same and authorized to write such insurance in the State. The company issuing the policies required by Section 6.4(a) and (e) shall be rated "A" or better by



A.M. Best Co., Inc. in Best's Key Rating Guide. Such insurance may be written with deductible amounts comparable to those on similar policies carried by other companies engaged in businesses similar in size, character and other respects to those in which the procuring entity is engaged. All policies evidencing the insurance required by Section 6.4(a) hereof shall provide for payment of the losses to the Company or the Agency as their respective interests may appear and shall provide for at least thirty (30) days prior written notice of the restriction, cancellation or modification thereof to the Agency. The policy evidencing the insurance required by Section 6.4(c) hereof shall name the Agency as additional insured. All policies evidencing the insurance required by Sections 6.4(d)(ii), (iii) and (iv) shall name the Agency and the Company as additional insureds. The policies under Section 6.4(a) shall contain appropriate waivers of subrogation.

(b) The policies (or certificates and binders) of insurance required by Sections 6.4(a) and (e) hereof shall be deposited with the Agency on or before the Closing Date. A copy of the policies (or certificates and binders) of insurance required by Sections 6.4(d)(ii), (iii) and (iv) hereof shall be delivered to the Agency on or before the Closing Date. The Company shall deliver to the Agency before the first Business Day of each calendar year thereafter a certificate dated not earlier than the immediately preceding month reciting that there is in full force and effect, with a term covering at least the next succeeding calendar year, insurance of the types and in the amounts required by Section 6.4 hereof and complying with the additional requirements of Section 6.5(a) hereof. Prior to the expiration of each such policy or policies, the Company shall furnish to the Agency and any other appropriate Person a new policy or policies of insurance or evidence that such policy or policies have been renewed or replaced or are no longer required by this Lease Agreement. The Company shall provide such further information with respect to the insurance coverage required by this Lease Agreement as the Agency may from time to time reasonably require.

Section 6.6 Application of Net Proceeds of Insurance. The Net Proceeds of the insurance carried pursuant to the provisions of Section 6.4 hereof shall be applied as follows: (i) the Net Proceeds of the insurance required by Sections 6.4(a) and (e) hereof shall be applied as provided in Section 7.1 hereof, and (ii) the Net Proceeds of the insurance required by Sections 6.4(b), (c), and (d) hereof shall be applied toward extinguishment or satisfaction of the liability with respect to which such insurance proceeds may be paid.

Section 6.7 Right of Agency to Pay Taxes, Insurance Premiums and Other Charges. If the Company fails (i) to pay any tax, together with any fine, penalty, interest or cost which may have been added thereto or become due or been imposed by operation of law for nonpayment thereof, payments in lieu of taxes pursuant to any PILOT Agreement covering the Facility, assessment or other governmental charge required to be paid by Section 6.3 hereof, (ii) to maintain any insurance required to be maintained by Section 6.4 hereof, (iii) to pay any amount required to be paid by any law or ordinance relating to the use or occupancy of the Facility or by any requirement, order or notice of violation thereof issued by any governmental person, (iv) to pay any mechanic's Lien which is recorded or filed against the Facility or any part thereof (unless contested in accordance with the provisions of Section 8.9(b) hereof), or (v) to pay any other amount or perform any act hereunder required to be paid or performed by the Company hereunder, the Agency, may pay or cause to be paid such tax, or payments in lieu of taxes

pursuant to any PILOT Agreement covering the Facility, assessment or other governmental charge or the premium for such insurance or any such other payment or may perform any such act. No such payment shall be made or act performed by the Agency until at least ten (10) days shall have elapsed since notice shall have been given by the Agency, with a copy of such notice being given to the Company (or by the Agency to the Company), and in the case of any tax, assessment or governmental charge or the amounts specified in clauses (iii) and (iv) hereof, no such payment shall be made in any event if the Company is contesting the same in good faith to the extent and as permitted by this Lease Agreement unless an Event of Default hereunder shall have occurred and be continuing. No such payment by the Agency, shall affect or impair any rights of the Agency hereunder arising in consequence of such failure by the Company. The Company shall, on demand, reimburse the Agency for any amount so paid or for expenses or costs incurred in the performance of any such act by the Agency pursuant to this Section (which shall include all reasonable legal fees and disbursements), together with interest thereon from 10 days after the date of notice of such payment of such amount, expense or cost by the Agency at two percent (2%) in excess of the Prime Rate.

## ARTICLE VII

### DAMAGE, DESTRUCTION AND CONDEMNATION

#### Section 7.1 Damage or Destruction of the Facility.

(a) If the Facility or any part or component thereof shall be damaged or destroyed (in whole or in part) at any time during the Lease Term:

- (i) the Agency shall have no obligation to replace, repair, rebuild, restore or relocate the Facility; and
- (ii) there shall be no abatement or reduction in the amounts payable by the Company under this Lease Agreement or any PILOT Agreement covering the Facility (whether or not the Facility is replaced, repaired, rebuilt, restored or relocated); and
- (iii) the Company shall promptly give written notice thereof to the Agency; and
- (iv) upon the occurrence of such damage or destruction, the Net Proceeds derived from the insurance shall be paid to the Company.

(b) Any such replacements, repairs, rebuilding, restorations or relocations of the Facility by the Company after the occurrence of such damage or destruction shall be made by the Company in the Company's sole discretion and be subject to the following conditions:

- (i) the Facility shall continue to constitute a "project" as such term is defined in the Act; and
- (ii) the Facility will be subject to no liens, other than Permitted Encumbrances.

(c) All such repair, replacement, rebuilding, restoration or relocation of the Facility shall be effected with due diligence in a good and workmanlike manner in compliance with all applicable legal requirements, shall be promptly and fully paid for by the Company in accordance with the terms of the applicable contracts, and shall automatically become a part of the Facility as if the same were specifically described herein. Any balance of such Net Proceeds remaining after payment of all costs of replacement, repair, rebuilding, restoration or relocation shall be retained by the Company.

(d) The Company shall have the right to settle and adjust all claims under any policies of insurance required by Section 6.4(a) hereof on behalf of the Agency and on its own behalf.

(e) If the Company shall exercise its option to terminate this Lease Agreement pursuant to Section 11.1 hereof, the Net Proceeds derived from the insurance required pursuant to Sections 6.4(b), (c) or (d) of this Lease Agreement shall be applied to the payment of the amounts required to be paid by Section 11.2 hereof and any balance remaining thereafter shall be retained by the Company. If an Event of Default hereunder shall have occurred and the Agency shall have exercised its remedies under Section 10.2 hereof, such Net Proceeds derived from the insurance required pursuant to Sections 6.4(b), (c) or (d) of this Lease Agreement shall be applied to the payment of the amounts required to be paid by Section 10.2 and Section 10.4 hereof and any balance remaining thereafter shall be retained by the Company.

#### Section 7.2 Condemnation.

(a) If title to or use of the Facility shall be taken by Condemnation (in whole or in part) at any time during the Lease Term:

- (i) the Agency shall have no obligation to replace, repair, rebuild, restore or relocate the Facility or acquire, by construction or otherwise, facilities of substantially the same nature as the Facility ("Substitute Facilities"); and
- (ii) there shall be no abatement or reduction in the amounts payable by the Company under this Lease Agreement or any PILOT Agreement covering the Facility (whether or not the Facility is replaced, repaired, rebuilt, restored or relocated or Substitute Facilities acquired); and
- (iii) the Company shall promptly give written notice thereof to the Agency; and
- (iv) upon the occurrence of such Condemnation, the Net Proceeds derived therefrom shall be paid to the Company; and

(b) Any such replacements, repairs, rebuilding, restorations or relocations of the Facility by the Company after the occurrence of such condemnation shall be made in the Company's sole discretion and shall be subject to the following conditions:

- (i) the Facility shall continue to constitute a "project" as such term is defined in the Act; and

(ii) the Facility will be subject to no liens, other than Permitted Encumbrances; and

(c) All such repair, replacement, rebuilding, restoration or relocation of the Facility or acquisition of Substitute Facilities shall be effected with due diligence in a good and workmanlike manner in compliance with all applicable legal requirements, shall be promptly and fully paid for by the Company in accordance with the terms of the applicable contracts, and shall automatically become a part of the Facility as if the same were specifically described herein. Any balance of the Net Proceeds from such condemnation remaining after payment of all costs of replacement, repair, rebuilding, restoration, relocation or acquisition of Substitute Facilities shall be retained by the Company.

(d) Except upon the occurrence of an Event of Default, the Company shall have the right to settle and adjust all claims under any Condemnation proceedings on behalf of the Agency and on its own behalf.

(e) If the Company shall exercise its option to terminate this Lease Agreement pursuant to Section 11.1 hereof, the Net Proceeds from such Condemnation shall be applied to the payment of the amounts required to be paid by Section 11.2 hereof and any balance remaining thereafter shall be retained by the Company. If an Event of Default hereunder shall have occurred and the Agency shall have exercised its remedies under Section 10.2 hereof, such Net Proceeds shall be applied to the payment of the amounts required to be paid by Section 10.2 and Section 10.4 hereof and any balance remaining thereafter shall be retained by the Company.

Section 7.3 Condemnation of Company-Owned Property. The Company shall be entitled to the proceeds of any Condemnation award or portion thereof made for damage to or taking of any Property which, at the time of such damage or taking, is not part of the Facility.

Section 7.4 Waiver of Real Property Law Section 227. The Company hereby waives the provisions of Section 227 of the Real Property Law of the State or any law of like import now or hereafter in effect.

## ARTICLE VIII

### SPECIAL COVENANTS

Section 8.1 No Warranty of Condition or Suitability by Agency. THE AGENCY MAKES NO WARRANTY, EITHER EXPRESS OR IMPLIED, AS TO THE CONDITION, DESIGN, OPERATION, MERCHANTABILITY OR FITNESS OF, OR TITLE TO, THE FACILITY OR THAT IT IS OR WILL BE SUITABLE FOR THE COMPANY'S PURPOSES OR NEEDS.

Section 8.2 Hold Harmless Provisions.

(a) The Company (CSC NY with respect to the Land and CSC with respect to the Improvements and Equipment) agrees that the Agency, its directors, members, officers, agents (except the Company) and employees shall not be liable for and agrees to defend, indemnify, release and hold the Agency, its directors, members, officers, agents (except the Company) and

employees harmless from and against any and all (i) liability for loss or damage to Property or injury to or death of any and all Persons that may be occasioned by, directly or indirectly, any cause whatsoever pertaining to the Facility or arising by reason of or in connection with the occupation or the use thereof or the presence of any Person or Property on, in or about the Facility or the Land, or (ii) liability arising from or expense incurred by the Agency's acquiring, constructing, equipping, owning and leasing of the Facility, including without limiting the generality of the foregoing all claims arising from the breach by the Company of any of its covenants contained herein, and all causes of action and attorneys' fees (whether by reason of third party claims or by reason of the enforcement of any provision of this Lease Agreement (including without limitation this Section) or any of the other documents delivered on the Closing Date by the Agency) and any other expenses incurred in defending any claims, suits or actions which may arise as a result of any of the foregoing, provided that any such losses, damages, liabilities or expenses of the Agency are not incurred or do not result from the gross negligence or intentional or willful wrongdoing of the Agency or any of its directors, members, agents (except the Company) or employees. The foregoing indemnities shall apply notwithstanding the fault or negligence in part of the Agency, or any of its members, directors, officers, agents or employees, and irrespective of the breach of a statutory obligation or the application of any rule of comparative or apportioned liability. The foregoing indemnities are limited only to the extent of any prohibitions imposed by law, and upon the application of any such prohibition by the final judgment or decision of a competent court of law, the remaining provisions of these indemnities shall remain in full force and effect.

(b) Notwithstanding any other provisions of this Lease Agreement, the obligations of the Company pursuant to this Section 8.2 shall remain in full force and effect after the termination of this Lease Agreement until the expiration of the period stated in the applicable statute of limitations during which a claim, cause of action or prosecution relating to the matters herein described may be brought and payment in full or the satisfaction of such claim, cause of action or prosecution relating to the matters herein described and the payment of all expenses and charges incurred by the Agency, or its members, directors, officers, agents and employees, relating to the enforcement of the provisions herein specified.

(c) In the event of any claim against the Agency or its members, directors, officers, agents or employees by any employee or contractor of the Company or anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, the obligations of the Company hereunder shall not be limited in any way by any limitation on the amount or type of damages, compensation, disability benefits or other employee benefit acts.

**Section 8.3 Right to Inspect Facility.** The Agency and its duly authorized agents shall have the right at all reasonable times to inspect the Facility upon delivery of prior written notice to the Company.

**Section 8.4 Company to Maintain Its Existence.** The Company agrees that during the Lease Term it will maintain its existence and will not dissolve, liquidate or otherwise dispose of substantially all of its assets, will not consolidate with or merge into another entity or permit one or more entities to consolidate with or merge into it.

Section 8.5 Qualification in State. The Company throughout the Lease Term shall continue to be duly authorized to do business in the State.

Section 8.6 Agreement to File Annual Statements and Provide Information. The Company shall file with the New York State Department of Taxation and Finance an annual statement of the value of all sales and use tax exemptions claimed in connection with the Facility in compliance with Sections 874(8) and (9) of the New York State General Municipal Law. The Company shall submit a copy of such annual statement to the Agency at the time of filing with the Department of Taxation and Finance. The Company further agrees whenever requested by the Agency to provide and certify or cause to be provided and certified such information concerning the Company, its finances, its operations, its employment and its affairs necessary to enable the Agency to make any report required by law, governmental regulation, including, without limitation, any reports required by the Act, the Public Authorities Accountability Act of 2005, or the Public Authorities Reform Act of 2009, each as amended from time to time, or any of the Agency Documents or Company Documents. Such information shall be provided within thirty (30) days following written request from the Agency.

Section 8.7 Books of Record and Account; Financial Statements. The Company at all times agrees to maintain proper accounts, records and books in which full and correct entries shall be made, in accordance with generally accepted accounting principles, of all transactions and events relating to the business and affairs of the Company. The Company shall furnish to the Agency, within thirty (30) days of their filing, copies of all reports, if any, filed with the Securities and Exchange Commission, pursuant to the Securities Exchange Act of 1934, as amended, relative to the Company.

Section 8.8 Compliance With Orders, Ordinances, Etc.

(a) The Company, throughout the Lease Term, agrees that it will promptly comply, and cause any sublessee or occupant of the Facility to comply, with all statutes, codes, laws, acts, ordinances, orders, judgments, decrees, injunctions, rules, regulations, permits, licenses, authorizations, directions and requirements, ordinary or extraordinary, which now or at any time hereafter may be applicable to the Facility or any part thereof or to the acquisition, construction and equipping thereof, or to any use, manner of use or condition of the Facility or any part thereof, of all federal, state, county, municipal and other governments, departments, commissions, boards, courts, authorities, officials and officers having jurisdiction to the Facility or any part thereof, or to the acquisition, construction and equipping thereof, or to any use, manner of use or condition of the Facility or any part thereof or to companies or associations insuring the premises.

(b) The Company, throughout the Lease Term, shall not cause or permit the Facility to be used to generate, manufacture, refine, transport, treat, store, handle, dispose, transfer, produce or process Hazardous Substances, except in material compliance with all applicable federal, state and local laws or regulations, nor shall the Company cause or permit, as a result of any intentional or unintentional act or omission on the part of the Company or any contractor, subcontractor, tenant or subtenant, a release of Hazardous Substances onto the Facility or onto any other property. The Company shall materially comply with and ensure material compliance by all contractors, subcontractors, tenants and subtenants with all applicable federal, state and

local laws, ordinances, rules and regulations, whenever and by whomever triggered, and shall obtain and materially comply with, and ensure that all contractors, subcontractors, tenants and subtenants obtain and materially comply with, any and all approvals, registrations or permits required thereunder. The Company shall, throughout the Lease Term, (i) conduct and complete all investigations, studies, sampling and testing, and all remedial, removal and other actions necessary to clean up and remove all Hazardous Substances, on, at, or from the Facility (A) in accordance with all applicable federal, state and local laws, ordinances, rules, regulations and policies, and (B) in accordance with the orders and directives of all federal, state and local governmental authorities; and (ii) defend, indemnify and hold harmless the Agency, its employees, agents, officers, members and directors, from and against any claims, demands, penalties, fines, liabilities, settlements, damages, costs, or expenses of whatever kind or nature, known or unknown, contingent or otherwise, arising out of, or in any way related to (A) the presence, disposal, release or threatened release of any Hazardous Substances which are on, at or from the Facility at any time during the Lease Term and are affecting the soil, water, vegetation, buildings, personal property, persons, animals or otherwise, (B) any bodily injury, personal injury (including wrongful death) or property damage (real or personal) arising out of or related to such Hazardous Substances, (C) any lawsuit brought or threatened, settlement reached or government order relating to such Hazardous Substances, and/or (D) any violation of laws, orders, regulations, requirements or demands of government authorities, or any policies or requirements of the Agency, which are based upon or in any way related to such Hazardous Substances, including, without limitation, attorney and consultant fees, investigation and laboratory fees, court costs and litigation expenses. In the event the Company tenders a deed in lieu of foreclosure, the Company shall deliver the Facility so that the condition of the Facility shall conform with all applicable federal, state and local laws, ordinances, rules or regulations affecting the Facility. The provisions of this Section shall be in addition to any and all other obligations and liabilities the Company may have to the Agency at common law, and shall survive the transactions contemplated herein.

(c) Notwithstanding the provisions of subsections (a) and (b) hereof, the Company may in good faith contest the validity or the applicability of any requirement of the nature referred to in such subsections (a) and (b) by appropriate legal proceedings conducted in good faith and with due diligence. In such event, the Company may fail to comply with the requirement or requirements so contested during the period of such contest and any appeal therefrom, unless the Agency shall notify the Company that by failure to comply with such requirement or requirements, the Facility or any part thereof may be subject to loss (including loss of value), penalty or forfeiture, in which event the Company shall promptly take such action with respect thereto or provide such security as shall be satisfactory to the Agency. If at any time the then existing use or occupancy of the Facility shall, pursuant to any zoning or other law, ordinance or regulation, be permitted only so long as such use or occupancy shall continue, the Company shall use its best efforts to not cause or permit such use or occupancy to be discontinued without the prior written consent of the Agency.

(d) Notwithstanding the provisions of this Section 8.8, if, because of a breach or violation of the provisions of subsections (a) or (b) hereof (without giving effect to subsection (c) hereof), the Agency, or any of its members, directors, officers, agents or employees shall be threatened with a fine, liability, expense or imprisonment, then, upon notice from the Agency, the Company shall immediately provide legal protection and/or pay amounts necessary in the

opinion of the Agency, and its members, directors, officers, agents and employees, deemed sufficient to the extent permitted by applicable law, to remove the threat of such fine, liability, expense or imprisonment.

(e) Notwithstanding any provisions of this Section 8.8, the Agency retains the right to defend itself in any action or actions which are based upon or in any way related either to Hazardous Substances that are present, stored, used, or disposed at, on or from the Facility during the Lease Term or the Release or threat of Release of a Hazardous Substance at, on or from the Facility during the Lease Term. In any such defense of itself, the Agency shall select its own counsel, and any and all costs of such defense, including, without limitation, reasonable attorney and consultant fees, investigation and laboratory fees, court costs, and litigation expenses, shall be paid by the Company.

**Section 8.9 Discharge of Liens and Encumbrances.**

(a) The Company, throughout the Lease Term, shall not permit or create or suffer to be permitted or created any Lien, except for Permitted Encumbrances, upon the Facility or any part thereof by reason of any labor, services or materials rendered or supplied or claimed to be rendered or supplied with respect to the Facility or any part thereof.

(b) Notwithstanding the provisions of subsection (a) hereof, the Company may in good faith contest any such Lien. In such event, the Company may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom, unless the Agency shall notify the Company that by nonpayment of any such item or items, the Facility or any part thereof may be subject to loss (including loss of value) or forfeiture, in which event the Company shall promptly secure payment of all such unpaid items by filing a bond, in form and substance satisfactory to the Agency, thereby causing such Lien to be removed or by taking such other actions as may be satisfactory to the Agency to protect its interests. Mechanics' Liens shall be discharged or bonded within sixty (60) days of the filing or perfection thereof.

**Section 8.10 Identification of Equipment.** All Equipment which is or may become the Property of the Agency pursuant to the provisions of this Lease Agreement shall be properly identified by the Company by such appropriate records, including computerized records, as may be approved by the Agency. All Equipment and other Property of whatever nature affixed or attached to the Land or used or to be used by the Company in connection with the Land or the Improvements shall be deemed presumptively to be leased to the Agency, unless the same were utilized for purposes of construction of the Facility or were installed by the Company and title thereto was retained by the Company as provided in Section 6.2 of this Lease Agreement and such Equipment and other Property were properly identified by such appropriate records as were approved by the Agency.

**Section 8.11 Depreciation Deductions and Investment Tax Credit.** The parties agree that, as between them, the Company shall be entitled to all depreciation deductions with respect to any depreciable property comprising a part of the Facility and to any investment credit with respect to any part of the Facility.



Section 8.12 Employment Opportunities; Notice of Jobs. The Company covenants and agrees that, in consideration of the participation of the Agency in the transactions contemplated herein, it will except as otherwise provided by collective bargaining contracts or agreements to which it is a party, cause any new employment opportunities created in connection with the Facility to be listed with the New York State Department of Labor, Community Services Division and with the administrative entity of the service delivery area created pursuant to the Job Training Partnership Act (PL 97-300) in which the Facility is located (collectively, the "Referral Agencies"). The Company also agrees that it will except as otherwise provided by collective bargaining contracts or agreements to which it is a party, first consider for such new employment opportunities persons eligible to participate in federal job training partnership programs who shall be referred by the Referral Agencies.

## ARTICLE IX

### RELEASE OF CERTAIN LAND; ASSIGNMENTS AND SUBLEASING;

#### Section 9.1 Restriction on Sale of Facility; Release of Certain Land.

(a) Except as otherwise specifically provided in this Article IX and in Article X hereof, the Agency shall not sell, convey, transfer, encumber or otherwise dispose of its interest in the Facility or any part thereof or any of its rights under this Lease Agreement, without the prior written consent of the Company.

(b) The Agency and the Company from time to time may release from the provisions of this Lease Agreement and the leasehold estate created hereby any part of, or interest in, the Land which is not necessary, desirable or useful for the Facility. In such event, the Agency, at the Company's sole cost and expense, shall execute and deliver any and all instruments necessary or appropriate to so release such part of, or interest in, the Land and convey such title thereto or interest therein to the Company or such other Person as the Company may designate. As a condition to such conveyance, the Agency shall be provided with a copy of the instrument transferring such title or interest in such Land, an appropriate legal description of the Land to be conveyed, together with a certificate of an Authorized Officer of the Company stating that such part of, or interest in, the Land is not necessary, desirable or useful for the Facility.

(c) No conveyance of any part of, or interest in, the Land effected under the provisions of this Section 9.1 shall entitle the Company to any abatement or diminution of the rents payable by it under this Lease Agreement or any abatement or diminution of the amounts payable by it under any PILOT Agreement covering the Facility.

#### Section 9.2 Removal of Equipment.

(a) The Agency shall not be under any obligation to remove, repair or replace any inadequate, obsolete, worn out, unsuitable, undesirable or unnecessary item of Equipment. In any instance where the Company determines that any item of Equipment has become inadequate, obsolete, worn out, unsuitable, undesirable or unnecessary, the Company may remove such items from the Facility and may sell, trade-in, exchange or otherwise dispose of the same, as a whole or in part, provided that such removal will not materially impair the operation of the Facility for

the purpose for which it is intended or change the nature of the Facility so that it does not constitute a “project” under the Act.

(b) The Agency shall execute and deliver to the Company all instruments necessary or appropriate to enable the Company to sell or otherwise dispose of any such item of Equipment. The Company shall pay any costs (including counsel fees) incurred in transferring title to any item of Equipment removed pursuant to this Section 9.2.

(c) The removal of any item of Equipment pursuant to this Section shall not entitle the Company to any abatement or diminution of the rents payable by it under this Lease Agreement or any abatement or diminution of the amounts payable by it under any PILOT Agreement covering the Facility.

### Section 9.3 Assignment, Subleasing and Encumbering.

(a) This Lease Agreement may not be assigned, in whole or in part, and the Facility may not be subleased, in whole or in part, without the prior written consent of the Agency in each instance. Any assignment or sublease shall be on the following conditions, as of the time of such assignment or sublease:

- (i) no assignment or sublease shall relieve the Company from primary liability for any of its obligations hereunder, unless agreed to by the Agency;
- (ii) any assignee shall assume the obligations of the Company hereunder to the extent of the interest assigned;
- (iii) the Company shall, within ten (10) days after the delivery thereof, furnish or cause to be furnished to the Agency a true and complete copy of such assignment or sublease and the instrument of assumption in the case of an assignment;
- (iv) neither the validity nor the enforceability of the Lease Agreement shall be adversely affected thereby;
- (v) the Facility shall continue to constitute a “project” as such quoted term is defined in the Act; and
- (vi) the sublessee will execute and deliver an agency compliance agreement, in form and substance satisfactory to the Agency.

(b) If the Agency shall so request, as of the purported effective date of any assignment or sublease pursuant to subsection (a) of this Section 9.3, the Company at its cost shall furnish the Agency with an opinion, in form and substance satisfactory to the Agency, (i) of Transaction Counsel as to item (v) above, and (ii) of Independent Counsel as to items (i), (ii) and (iv) above.

Section 9.4 Merger of Agency.

(a) Nothing contained in this Lease Agreement shall prevent the consolidation of the Agency with, or merger of the Agency into, or transfer of title to the entire Facility to, any other public benefit corporation or political subdivision which has the legal authority to own and lease the Facility, provided that upon any such consolidation, merger or transfer, the due and punctual performance and observance of all the agreements and conditions of this Lease Agreement to be kept and performed by the Agency shall be expressly assumed in writing by the public benefit corporation or political subdivision resulting from such consolidation or surviving such merger or to which the Facility shall be transferred.

(b) Within thirty (30) days after the consummation of any such consolidation, merger or transfer of title, the Agency shall give notice thereof in reasonable detail to the Company. The Agency shall furnish promptly such additional information with respect to any such transaction as the Company may reasonably request.

ARTICLE X

EVENTS OF DEFAULT AND REMEDIES

Section 10.1 Events of Default Defined.

- (a) The following shall be "Events of Default" under this Lease Agreement:
- (i) the failure by the Company to pay or cause to be paid, on the date due, the amount specified to be paid pursuant to Section 5.3 and such failure continues for a period of 10 days after written notice thereof from the Agency to the Company;
  - (ii) the failure by the Company to observe and perform any covenant contained in Sections 6.4, 6.5, 8.4, 8.6, 8.12 and 9.3 hereof which is not cured within fifteen (15) days after written notice;
  - (iii) the failure by the Company to pay or cause to be paid on the dates due, the amounts specified to be paid pursuant to any PILOT Agreement covering the Facility beyond any cure periods contained in such PILOT Agreement;
  - (iv) the invalidity, illegality or unenforceability of any PILOT Agreement covering the Facility, or the failure due to an action or inaction on the part of the Company to observe and perform any material covenant contained in any PILOT Agreement covering the Facility;
  - (v) sale or closure of the Facility;
  - (vi) any representation or warranty of the Company herein or in any of the Company Documents or the application for financial assistance filed by

the Company with the Agency shall prove to have been false or misleading in any material respect;

- (vii) the failure by the Company to observe and perform any material covenant, condition or agreement hereunder on its part to be observed or performed (except obligations referred to in 10.1(a)(i), (ii) and (xi)) for a period of thirty (30) days after written notice, specifying such failure and requesting that it be remedied, given to the Company by the Agency;
- (viii) the dissolution or liquidation of the Company; or the failure by the Company to release, stay, discharge, lift or bond within thirty (30) days any execution, garnishment, judgment or attachment of such consequence as may impair its ability to carry on its operations; or the failure by the Company generally to pay its debts as they become due; or an assignment by the Company for the benefit of creditors; or the commencement by the Company (as the debtor) of a case in Bankruptcy or any proceeding under any other insolvency law; or the commencement of a case in Bankruptcy or any proceeding under any other insolvency law against the Company (as the debtor) in which a court having jurisdiction in the premises enters a decree or order for relief against the Company as the debtor in such case or proceeding, or which case or proceeding is consented to by the Company or remains undismissed for forty (40) days, or in which the Company consents to or admits the material allegations against it; or a trustee, receiver or agent (however named) is appointed or authorized to take charge of substantially all of the property of the Company for the purpose of enforcing a lien against such Property or for the purpose of general administration of such Property for the benefit of creditors;
- (ix) a material breach of any covenant or representation contained in Section 8.8 hereof with respect to environmental matters shall have occurred; and such default shall continue for a period of fifteen (15) days after receipt by the Company of notice of default;

(b) Notwithstanding the provisions of Section 10.1(a), if by reason of force majeure any party hereto shall be unable in whole or in part to carry out its obligations under Sections 4.1 and 6.1 of this Lease Agreement, and if such party shall give notice and full particulars of such force majeure in writing to the other party within a reasonable time after the occurrence of the event or cause relied upon, such obligations under this Lease Agreement of the party giving such notice (and only such obligations), so far as they are affected by such force majeure, shall be suspended during continuance of the inability, which shall include a reasonable time for the removal of the effect thereof. The term "force majeure" as used herein shall include, without limitation, acts of God, strikes, lockouts or other industrial disturbances, acts of public enemies, acts, priorities or orders of any kind of the government of the United States of America or of the State or any of their departments, agencies, governmental subdivisions, or officials, any civil or military authority, insurrections, riots, epidemics, landslides, lightning, earthquakes, fire,

hurricanes, storms, floods, washouts, droughts, arrests, restraint of government and people, civil disturbances, explosions, breakage or accident to machinery, transmission pipes or canals, shortages of labor or materials or delays of carriers, partial or entire failure of utilities, shortage of energy or any other cause or event not reasonably within the control of the party claiming such inability and not due to its fault. The party claiming such inability shall remove the cause for the same with all reasonable promptness. It is agreed that the settlement of strikes, lockouts and other industrial disturbances shall be entirely within the discretion of the party having difficulty, and the party having difficulty shall not be required to settle any strike, lockout and other industrial disturbances by acceding to the demands of the opposing party or parties.

Section 10.2 Remedies on Default.

(a) Whenever any Event of Default shall have occurred, the Agency may take, to the extent permitted by law, any one or more of the following remedial steps:

- (i) declare, by written notice to the Company, to be immediately due and payable, whereupon the same shall become immediately due and payable: (A) all unpaid installments of rent payable pursuant to Section 5.3(a) and (b) hereof, (B) all unpaid and past due payments in lieu of taxes pursuant to any PILOT Agreement covering the Facility, and (C) all other payments due under this Lease Agreement; provided, however, that if an Event of Default specified in Section 10.1(a)(ix) hereof shall have occurred, such installments of rent and other payments due under this Lease Agreement shall become immediately due and payable without notice to the Company or the taking of any other action by the Agency except as otherwise required in this Lease Agreement or any PILOT Agreement;
- (ii) terminate this Lease Agreement, reconvey its interests in the Facility to the Company and terminate any PILOT Agreement covering the Facility (in connection with which the Agency shall have the right to execute an appropriate termination of lease with respect to the Facility and to place the same on record in the Suffolk County Clerk's Office, at the expense of the Company), and in such event the Company waives delivery and acceptance of such termination of lease and the Company hereby appoints the Agency its true and lawful agent and attorney-in-fact (which appointment shall be deemed to be an agency coupled with an interest), with full power of substitution to file on its behalf all affidavits, questionnaires and other documentation necessary to accomplish the recording of such termination of lease; or
- (iii) take any other action at law or in equity which may appear necessary or desirable to collect the payments then due or thereafter to become due hereunder and under any PILOT Agreement covering the Facility (other than taking possession thereof or causing possession to be taken), to enforce the obligations, agreements or covenants of the Company under

this Lease Agreement and under any PILOT Agreement covering the Facility.

(b) No action taken pursuant to this Section 10.2 shall relieve the Company from its obligation to make all payments required by Section 5.3 hereof or under any PILOT Agreement covering the Facility.

Section 10.3 Remedies Cumulative. 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 Lease Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Agency to exercise any remedy reserved to it in this Article X, it shall not be necessary to give any notice, other than such notice as may be herein expressly required in this Lease Agreement.

Section 10.4 Agreement to Pay Attorneys' Fees and Expenses. In the event the Company should default under any of the provisions of this Lease Agreement and the Agency should employ attorneys or incur other expenses for the collection of amounts payable hereunder or the enforcement of performance or observance of any obligations or agreements on the part of the Company herein contained, the Company shall, on demand therefor, pay to the Agency the reasonable fees of such attorneys and such other expenses so incurred.

Section 10.5 No Additional Waiver Implied by One Waiver. In the event any agreement contained herein should be breached by any party and thereafter waived by any other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

## ARTICLE XI

### EARLY TERMINATION OF LEASE AGREEMENT; OPTION IN FAVOR OF COMPANY

Section 11.1 Early Termination of Lease Agreement. The Company shall have the option to terminate this Lease Agreement at any time upon filing with the Agency a certificate signed by an Authorized Representative of the Company stating the Company's intention to do so pursuant to this Section and effective no earlier than the date upon which such payments required by Section 11.2 hereof shall be made (which date shall not be less than forty-five (45) nor more than ninety (90) days from the date such certificate is filed) and upon compliance with the requirements set forth in Section 11.2 hereof.

Section 11.2 Conditions to Early Termination of Lease Agreement. In the event the Company exercises its option to terminate this Lease Agreement in accordance with the provisions of Section 11.1 hereof, the Company shall make the following payments:

(a) To the Agency or the Taxing Authorities (as such term is defined in any PILOT Agreement covering the Facility), as appropriate pursuant to any PILOT Agreement covering the Facility: all amounts due and payable under any PILOT Agreement covering the Facility as of the date of the conveyance described in Section 11.3 hereof.

(b) To the Agency: an amount certified by the Agency sufficient to pay all unpaid fees and expenses of the Agency incurred under the Agency Documents.

(c) To the appropriate Person: an amount sufficient to pay all other fees, expenses or charges, if any, due and payable or to become due and payable under the Company Documents.

Section 11.3 Obligation to Purchase Facility. Upon termination or expiration of the Lease Term, in accordance with Sections 5.2 or 11.1 hereof, the Company shall purchase the Agency's interest in the Facility from the Agency for the purchase price of One Dollar (\$1.00) plus all unpaid payments in lieu of taxes pursuant to any PILOT Agreement covering the Facility through the date upon which this Lease Agreement terminates or expires. The Company shall purchase the Agency's interest in the Facility by giving written notice to the Agency (which may be contained in the certificate referred to in Section 11.1 hereof) (i) declaring the Company's election to purchase, and (ii) fixing the date of closing of such purchase, which shall be the date on which this Lease Agreement is to be terminated.

Section 11.4 Conveyance on Purchase. At the closing of any purchase of the Agency's interest in the Facility pursuant to Section 11.3 hereof, the Agency shall, upon receipt of the purchase price, deliver to the Company all necessary documents (i) to convey to the Company the Agency's leasehold estate or title to the Property being purchased, as such Property exists, subject only to the following: (A) any Liens to which leasehold estate or title to such Property was subject when conveyed to the Agency, (B) any Liens created at the request of the Company, to the creation of which the Company consented or in the creation of which the Company acquiesced, (C) any Permitted Encumbrances, and (D) any Liens resulting from the failure of the Company to perform or observe any of the agreements on its part contained in this Lease Agreement or arising out of an Event of Default hereunder, and (ii) to release and convey to the Company all of the Agency's rights and interest in and to any rights of action or any Net Proceeds of insurance or Condemnation awards with respect to the Facility (but not including any Unassigned Rights). Upon the conveyance of the Agency's interest in the Facility by the Agency to the Company pursuant to this Article XI, the PILOT Agreement shall terminate. All actions taken pursuant to this Section 11.4 shall be at the sole cost and expense of the Company.

## ARTICLE XII

### MISCELLANEOUS

Section 12.1 Notices. All notices, certificates and other communications hereunder shall be in writing and shall be either delivered personally or sent by certified mail, postage

prepaid, return receipt requested, addressed as follows or to such other address as any party may specify in writing to the other:

To the Agency:

Town of Brookhaven Industrial Development Agency  
1 Independence Hill, 3rd Floor  
Farmingville, New York 11738  
Attention: Executive Director

To the Company:

Cross-Sound Cable Company, LLC  
Cross-Sound Cable Company (New York), LLC  
200 Donald Lynch Boulevard, Suite 300,  
Marlborough, Massachusetts 01752-4707  
Attention: Chief Financial Officer

With copies for Company to:

Nixon Peabody LLP  
1300 Clinton Square  
Rochester, New York 14604  
Attention: John Hood

Section 12.2 Binding Effect. This Lease Agreement shall inure to the benefit of and shall be binding upon the parties and their respective successors and assigns.

Section 12.3 Severability. In the event any provision of this Lease Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 12.4 Amendments, Changes and Modifications. This Lease Agreement may not be amended, changed, modified, altered or terminated except in a writing executed by the parties hereto.

Section 12.5 Execution of Counterparts. This Lease 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 12.6 Applicable Law. This Lease Agreement shall be governed exclusively by the applicable laws of the State, without regard or reference to its conflict of laws principles.

Section 12.7 Reserved.

Section 12.8 Survival of Obligations. This Lease Agreement shall survive the performance of the obligations of the Company to make payments required by Section 5.3 and all indemnities shall survive the foregoing and any termination or expiration of this Lease Agreement.



Section 12.9 Table of Contents and Section Headings Not Controlling. The Table of Contents and the headings of the several Sections in this Lease Agreement have been prepared for convenience of reference only and shall not control or affect the meaning of or be taken as an interpretation of any provision of this Lease Agreement.

Section 12.10 Consent or Approval of Agency and Company. Any consent or approval required of the Agency or the Company shall not be unreasonably withheld, conditioned or delayed unless otherwise specifically provided herein

Section 12.11 New Tax Map Number. In the event a separate Tax Map No is created on the assessment rolls of the Town for the converter station Improvements and Equipment (“**New Converter Station Tax Map. No.**”) other than Tax Map. No. 0200-039.00-02.00-002.000, the Agency’s exemption from property tax assessments and taxes and the terms and provisions of this Lease Agreement shall be deemed to apply immediately to the New Converter Station Tax Map No. as well as the Tax Map Nos. for the underwater cable Improvements and Equipment, and the Agency’s exemption from property tax assessments and taxes and this Lease Agreement shall thereafter no longer be deemed to apply to Tax Map. No. 0200-039.00-02.00-002.000.

(Remainder of Page Intentionally Left Blank – Signature Page Follows)

IN WITNESS WHEREOF, the Agency and the Company have caused this Lease Agreement to be executed in their respective names by their duly authorized officers, all as of September 1, 2013.

**TOWN OF BROOKHAVEN INDUSTRIAL  
DEVELOPMENT AGENCY**

By: Lisa MG Mulligan  
Name: Lisa MG Mulligan  
Title: Chief Executive Officer

**CROSS-SOUND CABLE COMPANY, LLC**

By: \_\_\_\_\_  
Name: Jason Spreyer  
Title: Chief Financial Officer

**CROSS-SOUND CABLE COMPANY (NEW  
YORK), LLC**

By: \_\_\_\_\_  
Name: Jason Spreyer  
Title: Chief Financial Officer

IN WITNESS WHEREOF, the Agency and the Company have caused this Lease Agreement to be executed in their respective names by their duly authorized officers, all as of September 1, 2013.

**TOWN OF BROOKHAVEN INDUSTRIAL  
DEVELOPMENT AGENCY**

By: \_\_\_\_\_  
Name: Lisa MG Mulligan  
Title: Chief Executive Officer

**CROSS-SOUND CABLE COMPANY, LLC**

By:  \_\_\_\_\_  
Name: Jason Spreyer  
Title: Chief Financial Officer

**CROSS-SOUND CABLE COMPANY (NEW  
YORK), LLC**

By:  \_\_\_\_\_  
Name: Jason Spreyer  
Title: Chief Financial Officer

STATE OF NEW YORK    )  
  : SS.:  
COUNTY OF SUFFOLK    )

On the 30<sup>th</sup> day of September in the year 2013, before me, the undersigned, personally appeared **Lisa MG Mulligan**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument, and acknowledged to me that she executed the same in her capacity, and that by her signature on the within instrument, the individual, or the person or entity on behalf of which the individual acted, executed the instrument.

Carol C. Dono  
Notary Public

CAROL C. DONO  
Notary Public, State of New York  
No. 01DO5052424  
Qualified in Suffolk County  
Commission Expires January 2, 2014

STATE OF NEW YORK    )  
  : SS.:  
COUNTY OF                    )

On the \_\_\_\_ day of September in the year 2013, before me, the undersigned, personally appeared **Jason Spreyer**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument, and acknowledged to me that he executed the same in his capacity, and that by his signature on the within instrument, the individual, or the person or entity on behalf of which the individual acted, executed the instrument.

\_\_\_\_\_  
Notary Public

STATE OF NEW YORK )  
: SS.:  
COUNTY OF SUFFOLK )

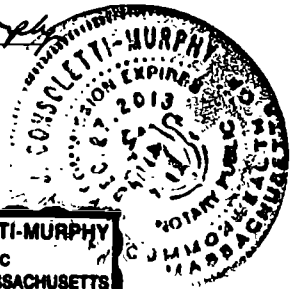
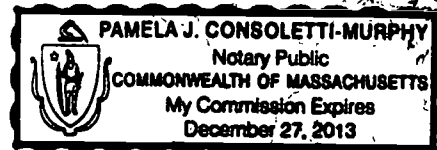
On the \_\_\_ day of September in the year 2013, before me, the undersigned, personally appeared **Lisa MG Mulligan**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument, and acknowledged to me that she executed the same in her capacity, and that by her signature on the within instrument, the individual, or the person or entity on behalf of which the individual acted, executed the instrument.

\_\_\_\_\_  
Notary Public

*COMMONWEALTH OF MASSACHUSETTS*  
STATE OF NEW YORK )  
: SS.:  
COUNTY OF *Middlesex* )

On the 27<sup>th</sup> day of September in the year 2013, before me, the undersigned, personally appeared **Jason Spreyer**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument, and acknowledged to me that he executed the same in his capacity, and that by his signature on the within instrument, the individual, or the person or entity on behalf of which the individual acted, executed the instrument.

*Pamela J. Consoletti-Murphy*  
Notary Public



## EXHIBIT A

### Legal Description of Real Property

#### REAL PROPERTY – HVDC SUBSTATION SITE

##### Lease

The Agreement of Lease dated as of August 2, 2000 by and between the Long Island Lighting Company, doing business as LIPA (“LIPA”) and TransEnergie U.S. LTD. (“TEUS”), as amended by (i) Letter Agreement dated as of August 14, 2000, (ii) Letter Agreement dated as of September 22, 2000, (iii) First Amendment to Lease dated as of November 13, 2000 and (iv) Letter Agreement dated as of November 26, 2001; and as assigned by Assignment and Assumption dated as of November 13, 2000 between TEUS and Cross-Sound Cable Company (New York), LLC (the “Company”) and (v) Addendum to Lease dated February 22, 2006, a memorandum of which was recorded on March 10, 2006 in the Suffolk County Clerk’s Office at Liber: 12439, Page 971 whereby LIPA leased to the Company the following:

##### Leasehold Site

ALL that certain plot, piece or parcel of land, situate, lying and being at Shoreham, Town of Brookhaven, County of Suffolk and State of New York, being part of lands now or formerly of Long Island Lighting Company d/b/a LIPA situated on the northerly side of North Country Road, being known as part of District 0200, Section 083.00, Block 01.00, part of Lot 001.002 as shown on the Suffolk County Tax Map for the Town of Brookhaven, and also shown on a certain map entitled "ALTA/ASCM Land Title Survey, Lease Parcels and Easements at Shoreham Power Station, Town of Brookhaven, Suffolk County, New York", originally dated April 30, 2001 and revised as of November 20, 2001, prepared by Surveying and Mapping Consultants, Inc., (filed in the miscellaneous map index in the Office of the Clerk of Suffolk County on December 14, 2001 as map number A-516) and being more particularly bounded and described as follows:

BEGINNING at a point on the easterly boundary of Access Easement-EA2, as shown on the aforementioned map;

RUNNING THENCE the following fifteen (15) courses:

1. Continuing along the easterly boundary of Access Easement EA-2, North 14 degrees 11 minutes 38 seconds East, 81.18 feet;
2. Along the easterly boundary of Utility easement- EA1L, North 11 degrees 19 minutes 01 second East, 116.09 feet, by Utility Easement EA2, to a point;

*Cross Sound New York Mortgage*

3. North 82 degrees 07 minutes 49<sup>2</sup> seconds East, 49.53 feet to a point;
4. North 75 degrees 20 minutes 18 seconds East, 354.79 feet, to a point;
5. South 15 degrees 01 minute 27 seconds East, 112.40 feet, to a point;
6. South 82 degrees 05 minutes 58 seconds East, 14.63 feet, to a point;
7. South 16 degrees 38 minutes 31 seconds East, 19.54 feet, to a point;
8. North 76 degrees 08 minutes 41 seconds East, 12.16 feet, to a point;
9. South 07 degrees 55 minutes 11 seconds East, 11.26 feet, to a point;
10. South 12 degrees 00 minutes 56 seconds West, 110.92 feet, to a point;
11. South 22 degrees 03 minutes 50 seconds West, 69.01 feet, to a point;
12. South 74 degrees 54 minutes 29 seconds West, 414.41 feet, to a point;
13. North 20 degrees 36 minutes 59 seconds West, 88.70 feet, to a point;
14. North 17 degrees 06 minutes 35 seconds East, 43.66 feet, to a point;
15. North 82 degrees 24 minutes 59 seconds West, 30.31 feet, to the point or place of BEGINNING.

SCHEDULE II

DESCRIPTION OF EASEMENTS

**Parcel II Sub-Easement (comprised of Parcels IIA, IIB and IIC):**

Declaration of Easement from Long Island Lighting Company to the Cross-Sound Cable Company, LLC dated January 10, 2002 and recorded on December 15, 2004 in the Office of the Suffolk County Clerk at Liber 12360, Page 566 granting to the Company the following:

**Parcel II A:**

**ACCESS EASEMENT AREA  
(Part of Roadway Access Easement – EA2)**

ALL that certain plot, piece or parcel of land, lying and being at Shoreham, Town of Brookhaven, County of Suffolk and State of New York, being part of lands now or formerly of Keyspan Energy Development Corporation, situated on the Northerly side of North Country Road, being known as part of District 0200, Section 083.00, Block 01.00 and part of Lot 001.002 as shown on the Suffolk County Tax Map for the Town of Brookhaven, and also shown on a certain map entitled "ALTA/ASCM Land Title Survey, Lease Parcels and Easements at Shoreham Power Station, Town of Brookhaven, Suffolk County, New York", originally dated April 30, 2001 and revised as of November 20, 2001, prepared by Surveying and Mapping Consultants, Inc. (filed in the miscellaneous map index in the Office of the Clerk of Suffolk County on December 14, 2001, as Map number A-516) and being more particularly bounded and described as follows:

BEGINNING at a point on the Northerly side of North Country Road, said point being North 60 degrees 20 minutes 22 seconds West, 222.34 feet from an angle point near a concrete monument:

RUNNING THENCE Westerly along the Northerly side of North Country Road the following two (2) courses and distances:

1. North 60 degrees 20 minutes 22 seconds West, 33.01 feet to a point;
2. North 70 degrees 16 minutes 42 seconds West, 86.29 feet to a point;

THENCE the following four (4) courses and distances:

1. Along a curve to the left having a radius of 80.00 feet an arc distance. of 133.38 feet (said arc having a chord of North 61 degrees 57 minutes 25 seconds East, 118.46 feet) to a point;
2. North 14 degrees 11 minutes 38 seconds East, 251.37 feet to a point;
3. South 25 degrees 51 minutes 11 seconds East, 46.63 feet to a point;



4. South 14 degrees 11 minutes 38 seconds West, 312.42 feet to the point or place of BEGINNING.

**Parcel II B:**

SAID AREA BEING BOUNDED AND DESCRIBED AS FOLLOWS:

COMENCING AT A POINT ON THE NORTHERLY SIDE OF NORTH COUNTRY ROAD, SAID POINT BEING NORTH 60 DEGREES 20 MINUTES 22 SECONDS WEST, 222.34 FEET FROM AN ANGLE POINT NEAR A CONCRETE MONUMENT:

RUNNING THENCE WESTERLY ALONG THE NORTHERLY SIDE OF NORTH COUNTRY ROAD THE FOLLOWING TWO (2) COURSES AND DISTANCES:

1. NORTH 60 DEGREES 20 MINUTES 22 SECONDS WEST, 33.01 FEET TO A POINT;
2. NORTH 70 DEGREES 16 MINUTES 42 SECONDS WEST, 86.29 FEET TO A POINT;

THENCE THE FOLLOWING TWO (2) COURSES AND DISTANCES:

1. ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 80.00 FEET AN ARC DISTANCE OF 133.38 FEET (SAID ARC HAVING A CHORD OF NORTH 61 DEGREES 57 MINUTES 25 SECONDS EAST, 118.46 FEET) TO A POINT;
2. NORTH 14 DEGREES 11 MINUTES 38 SECONDS EAST, 251.37 FEET TO THE POINT OF BEGINNING OF "NEW" PARCEL II B;

THENCE THROUGH PROPERTY NOW OR FORMERLY OF KEYSpan ENERGY DEVELOPMENT CORP. THE FOLLOWING EIGHT (8) COURSES AND DISTANCES:

1. NORTH 14 DEGREES 11 MINUTES 38 SECONDS EAST, 92.85 FEET;
2. SOUTH 39 DEGREES 42 MINUTES 4 SECONDS EAST, 6.00 FEET;
3. NORTH 14 DEGREES 11 MINUTES 38 SECONDS EAST, 17.00 FEET;
4. NORTH 39 DEGREES 42 MINUTES 4 SECONDS WEST, 6.00 FEET;
5. NORTH 14 DEGREES 11 MINUTES 38 SECONDS EAST, 65.58 FEET;
6. SOUTH 77 DEGREES 14 MINUTES 40 SECONDS EAST, 30.01 FEET;
7. SOUTH 14 DEGREES 11 MINUTES 38 SECONDS WEST, 211.87 FEET;
8. NORTH 25 DEGREES 51 MINUTES 11 SECONDS WEST, 46.63 FEET TO THE POINT OR PLACE OF BEGINNING.

**Parcel II C:**

SAID AREA BEING BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE NORTHERLY SIDE OF NORTH COUNTRY ROAD, SAID POINT BEING NORTH 60 DEGREES 20 MINUTES 22 SECONDS WEST, 222.34 FEET FROM AN ANGLE POINT NEAR A CONCRETE MONUMENT:

THENCE NORTHERLY AND SOUTHEASTERLY THROUGH PROPERTY NOW OR FORMERLY KEYSpan THE FOLLOWING TWO (2) COURSES AND DISTANCES:

1. NORTH 14 DEGREES 11 MINUTES 38 SECONDS EAST, 45.65 FEET;

2. ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 60.00 FEET AND AN ARC DISTANCE OF 78.05 FEET (SAID ARC HAVING A CHORD OF SOUTH 23 DEGREES 4 MINUTES 22 SECONDS EAST, 72.66 FEET) TO A POINT ON SAID NORTHERLY SIDE OF NORTH COUNTRY ROAD;

THENCE ALONG SAID NORTHERLY SIDE OF NORTH COUNTRY ROAD NORTH 60 DEGREES 20 MINUTES 22 SECONDS WEST, 45.65 FEET TO THE POINT OF BEGINNING.

**Parcel III Sub Easement:**

Declaration of Easement from Long Island Lighting Company to the Cross-Sound Cable Company, LLC dated January 10, 2002 and recorded on December 15, 2004 in the Office of the Suffolk County Clerk at Liber 12360, Page 567 granting to the Company the following:

**UTILITY EASEMENT – EA1K**

ALL that certain plot, piece or parcel of land .situate, lying and being at Shoreham, in the Town of Brookhaven, County of Suffolk and State of New York being part of lands now or formerly of Keyspan Energy Development Corporation, situated on the northerly side of North Country Road, also being known as part of District 0200, Section 083.00, Block 01.00, part of Lot 001.002 on the Suffolk County Tax Map for the Town of Brookhaven, and also shown on a certain map entitled "ALTA/ASCM Land Title Survey, Lease Parcels and Easements at Shoreham Power Station, Town of Brookhaven, Suffolk County, New York", originally dated April 30, 2001 and revised as of November 20, 2001, prepared by Surveying and Mapping Consultants, Inc., (filed in the miscellaneous map index in the Office of the Clerk of Suffolk County on December 14,2001 as map number A-516) and being more particularly bounded and described as follows:

BEGINNING at a point located North 75 degrees 30 minutes 22 seconds East, 95.48 feet from the northwesterly corner of the Site Boundary, as shown on the aforementioned map;

RUNNING THENCE:

1. North 12 degrees 28 minutes 55 seconds East, 24.84 feet, to a point;

2. North 39 degrees 11 minutes 06 seconds East, 436.99 feet to a point being 30.00 feet from the centerline of the Intake Canal, as shown on the aforementioned map;
3. Northerly along a curve to the right having a radius of 980.00 feet, an arc distance of 538.27 feet (said arc having a chord of North 22 degrees 09 minutes 03 seconds West, 531.53 feet), through said Intake Canal being 30.00 feet from the centerline, to a point;
4. North 06 degrees 11 minutes 02 seconds West, 94.64 feet to a point in the northerly line of land now or formerly of Keyspan Energy Development Corporation, that is the point of beginning of Utility Easement-EA3, as shown on the aforementioned map;
5. North 83 degrees 48 minutes 58 seconds East, 30.00 feet, along the northerly line of land now or formerly of Keyspan Energy Development Corporation, to a point in the centerline of said Intake Canal;
6. South 06 degrees 11 minutes 02 seconds East, 94.64 feet, along the centerline of the Intake Canal as shown on the aforementioned map, to a point:
7. Southerly along a curve to the left having a radius of 950.00 feet an arc distance of 545.52 feet along the centerline of said Intake Canal, to a point;
8. South 39 degrees 11 minutes 06 seconds West, 453.97 feet, to a point;
9. South 12 degrees 28 minutes 55 seconds West, 2.45 feet, to a point on the northerly line of the Site Boundary as shown on the aforementioned map;
10. South 75 degrees 30 minutes 22 seconds West, 33.66 feet, to the point of BEGINNING.

**Parcel IV Sub-Easement:**

Declaration of Easement from Long Island Lighting Company to the Cross-Sound Cable Company, LLC dated January 10, 2002 and recorded on December 15, 2004 in the Office of the Suffolk County Clerk at Liber 12360, Page 567 granting to the Company the following:

**CONSTRUCTION AND MAINTENANCE  
EASEMENT FOR CROSS-SOUND CABLE -E5**

ALL that certain plot, piece or parcel of land, situate, lying and being at Shoreham, Town of Brookhaven, County of Suffolk and State of New York, being part of lands now or formerly of Keyspan Energy Development Corporation, situated on the northerly side of North Country Road, being known as part of District 0200, Section 083.00, Block 01.00, part of Lot 001.002 as shown on the Suffolk County Tax Map for the Town of Brookhaven, and also shown on a certain map entitled "ALTA/ASCM Land Title Survey, Lease Parcels and Easements at Shoreham Power Station, Town of Brookhaven, Suffolk County, New York", originally dated April 30,

2001 and revised as of November 20, 2001, prepared by Surveying and Mapping Consultants, Inc., (filed in the miscellaneous map index in the Office of the Clerk of Suffolk County on December 14, 2001 as map number A-516) and being more particularly bounded and described as follows:

BEGINNING at a point which is the northwesterly corner of the Site Boundary- Development Area, as shown on the above referenced map;

RUNNING THENCE along the northerly line of the Site Boundary-Development Area, North 75 degrees 30 minutes 22 seconds East, 496.89 feet;

THENCE North 75 degrees 12 minutes 06 seconds East, 68.58 feet;

THENCE North 27 degrees 17 minutes 18 seconds East, 14.04 feet;

THENCE North 75 degrees 04 minutes 29 seconds East, 54.61 feet, to a point on the centerline of the Intake Canal as shown on the above referenced map;

THENCE the following four (4) courses and distances along the center line of said Intake Canal:

1. North 13 degrees 40 minutes 49 seconds West, 32.30 feet;
2. Northwesterly, along the arc of a curve bearing to the left, having a radius of 40.00 feet and an arc length of 27.76 feet;
3. Northwesterly, along the arc of a curve bearing to the right, having a radius of 950.00 feet and an arc length of 783.53 feet;
4. North 06 degrees 11 minutes 02 seconds West, 94.64 feet;

THENCE South 83 degrees 48 minutes 58 seconds West, 181.86 feet;

THENCE South 06 degrees 11 minutes 02 seconds East, 219.32 feet;

THENCE South 70 degrees 40 minutes 30 seconds East, 40.17 feet;

THENCE South 09 degrees 16 minutes 52 seconds East, 306.76 feet;

THENCE South 29 degrees 35 minutes 11 seconds East, 185.54 feet;

THENCE South 39 degrees 35 minutes 43 seconds West, 340.37 feet, to the point or place of BEGINNING.

**Parcel V Sub-Easement:**

Declaration of Easement from Long Island Lighting Company to the Cross-Sound Cable Company, LLC dated January 10, 2002 and recorded on December 15, 2004 in the Office of the Suffolk County Clerk at Liber 12360, Page 567 granting to the Company the following:

**UTILITY EASEMENT – EA1L:**

All that certain plot, piece or parcel of land, situate, lying and being at Shoreham, Town of Brookhaven, County of Suffolk and State of New York, being part of lands now or formerly of Long Island Lighting Company d/b/a LIPA situated on the northerly side of North Country Road, being known as part of District 0200, Section 083.00, Block 01.00, part of Lot 001.002 as shown on the Suffolk County Tax Map for the Town of Brookhaven, and also shown on a certain map entitled "ALTA/ASCM Land Title Survey, Lease Parcels and Easements at Shoreham Power Station, Town of Brookhaven, Suffolk County, New York", originally dated April 30, 2001 and revised as of November 20, 2001, prepared by Surveying and Mapping Consultants, Inc., (filed in the miscellaneous map index in the Office of the Clerk of Suffolk County on December 14, 2001 as map number A-516) and being more particularly bounded and described as follows:

BEGINNING at a point in the northerly side of North Country Road, said point being North 60 degrees 20 minutes 22 seconds West, 176.69 feet from an angle point near a concrete monument;

RUNNING THENCE Northerly along a curve having a radius of 60.00 feet an arc distance of 78.05 feet by Access Easement-EA2, as shown on the aforementioned map;

THENCE North 14 degrees 11 minutes 38 seconds East, 478.64 feet to the true point of beginning;

THENCE running through and along lands now or formerly of Long Island Lighting Company d/b/a LIPA the following twelve (12) courses and distances:

1. North 77 degrees 14 minutes 40 seconds West, 30.01 feet, to a point;
2. North 11 degrees 19 minutes 01 second East, 288.73 feet, to a point;
3. North 15 degrees 27 minutes 16 seconds East, 382.61 feet, to a point;
4. North 05 degrees 16 minutes 41 seconds East, 182.57 feet, to a point;
5. North 08 degrees 43 minutes 54 seconds East, 183.13 feet, to a point;
6. North 12 degrees 28 minutes 55 seconds East, 66.41 feet, to a point that is the point of beginning of Utility Easement -EAIK, as shown on the aforementioned map;
7. North 75 degrees 30 minutes 22 seconds East, 33.66 feet, by the Site Boundary, as shown on the aforementioned map, to a point;

8. South 12 degrees 28 minutes 55 seconds West, 80.70 feet, to a point;
9. South 08 degrees 43 minutes 54 seconds West, 181.24 feet, to a point;
10. South 05 degrees 16 minutes 41 seconds West, 184.34 feet, to a point;
11. South 15 degrees 27 minutes 16 seconds West, 384.19 feet, to a point;
12. South 11 degrees 19 minutes 01 second West, 288.40 feet to the true point of BEGINNING.

**Parcel VI Underwater Easement:**

Easement Agreement from the People of the State of New York to the Cross-Sound Cable Company, LLC, dated May 13, 2004 and recorded January 10, 2005 in the Office of the Clerk of Suffolk County in Liber 12365, Page 113, as amended by Order Amending Declaration of Easement dated February 22, 2006 and recorded at the Department of State in Volume 48 of the Miscellaneous Deeds of Title Papers at Page 10 and on February 23, 2006 and in the Office of the Clerk of Suffolk County on March 10, 2006 in Liber 12439, Page 972 and as further amended by Order dated August 24, 2011, recorded or to be recorded at the Department of State, granting the Company the following:

ALL that certain thirty (30) foot wide easement through the waters of the Long Island Sound, situate in the Town of Brookhaven, County of Suffolk, State of New York, the centerline of said easement being bounded and described as follows:

COMMENCING at the Northwesterly corner of lands now or formerly of Keyspan Energy Development Corporation, Liber 11934 of Deeds at Page 267;

RUNNING THENCE along the Northerly boundary of said parcel of land, North 83 degrees 48 minutes 58 seconds East, a distance of 257.39 feet to the Point of Beginning, having the coordinates of North 292,817 and East 1,296,978;

THENCE from said Point of Beginning along the centerline of said 30 foot wide easement, through the waters of Long Island Sound, the following sixteen (16) courses and distances:

1. North 05 degrees 35 minutes 19 seconds West, 660.04 feet to a point;
2. North 04 degrees 49 minutes 04 seconds West, 138.70 feet to a point;
3. North 09 degrees 11 minutes 13 seconds West, 331.96 feet to a point;
4. North 06 degrees 53 minutes 14 seconds West, 164.29 feet to a point;
5. North 09 degrees 02 minutes 50 seconds West, 167.89 feet to a point;

6. North 04 degrees 26 minutes 01 second West, 164.29 feet to a point;
7. North 02 degrees 36 minutes 49 seconds East, 256.57 feet to a point;
8. North 18 degrees 25 minutes 30 seconds West, 644.26 feet to a point;
9. North 14 degrees 55 minutes 07 seconds West, 313.16 feet to a point;
10. North 49 degrees 24 minutes 16 seconds West, 306.48 feet to a point;
11. North 37 degrees 53 minutes 53 seconds West, 253.98 feet to a point;
12. North 49 degrees 01 minute 29 seconds West, 754.84 feet to a point;
13. North 22 degrees 40 minutes 51 seconds West, 929.01 feet to a point;
14. North 23 degrees 26 minutes 23 seconds West, 832.71 feet to a point;
15. North 10 degrees 58 minutes 49 seconds West, 4834.13 feet to a point; and
16. North 10 degrees 53 minutes 01 second West, 38774.33 feet, to a point at the terminus of said easement on the boundary line between the State of New York and the State of Connecticut, said point having the coordinates of North 340,941.5 and East 1,286,628.3.

As to Parcel VI all bearings and coordinates being referenced to the New York State Plane Coordinate System, Long Island Zone, NAD 83 feet.

As to Parcel VI, all as shown on a map entitled, "State of New York, Office of General Services, Submerged Land Application Map in the application of Cross-Sound Cable Company, LLC, for an Easement of Lands under the waters of the Long Island Sound, situate in the Town of Brookhaven, County of Suffolk, State of New York", dated June 10, 2003, prepared by Welsh Engineering and Land Surveying, P.C., and filed in the New York State Office of General Services at Albany as O.G.S. Map No. 1961.

ATTACHMENT TO LEASE AGREEMENT  
BETWEEN

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY, GRANTOR  
AND  
CROSS-SOUND CABLE COMPANY, LLC/CROSS-SOUND CABLE COMPANY (NEW  
YORK), LLC, COLLECTIVELY, GRANTEE

---

Location and Description of Property Conveyed:

Physical Address	Tax Map No.
<b>Cable Parcels</b>	
Riverhead Calverton 11933	0200-299.01-90.00-003.062
Riverhead Calverton 11933	0200-299.01-90.00-003.063
Riverhead Calverton 11933	0200-299.01-90.00-003.064
Riverhead Calverton 11933	0200-299.01-90.00-003.065
Riverhead Calverton 11933	0200-299.01-90.00-003.067
<b>Converter Station</b>	
1 Lilco Road, Shoreham, NY 11786	0200-039.00-02.00-002.000

all in Shoreham, Town of Brookhaven



## EXHIBIT B

### Equipment

All equipment, fixtures, machinery, building materials and items of personal property acquired, constructed or installed and/or to be acquired, constructed or installed in connection with the completion of the Town of Brookhaven Industrial Development Agency's/Cross-Sound Cable Company, LLC/Cross-Sound Cable Company (New York), LLC, LLC 2013 Facility located at 1 Lilco Road, Shoreham, Town of Brookhaven, Suffolk County, New York.

## EXHIBIT C

### COMPLIANCE WITH LABOR LAW, EXECUTIVE LAW AND CIVIL RIGHTS LAW

The purpose of the Town of Brookhaven Industrial Development Agency (the “Agency”) is to provide benefits that reduce costs and financial barriers to the creation and to the expansion of business and enhance the number of jobs in the Town of Brookhaven.

The Agency has consistently sought to ensure that skilled and fair paying construction jobs be encouraged in straight-lease transactions with the Agency.

Now therefore, the parties to the attached Lease Agreement (the “Agreement”) further agree to be bound by the following, which are hereby made a part of the Agreement.

I. The Company agrees that:

(a) no laborer, workman or mechanic, in the employ of the Company or any contractor, subcontractor or other person doing or contracting to construct and equip the Facility shall be permitted or required to work more than eight hours in any one calendar day or more than five days in any one week, except in the emergencies set forth in the Labor Law; and

(b) to the extent applicable and required by law, the Company shall comply with the provisions of the Labor Law of the State of New York (the “**Labor Law**”), including Section 220 thereof. While such Labor Law does not presently require or obligate the Company to pay the prevailing rate of wages as such term is defined in Section 220-d thereof, the Company acknowledges that it has been advised that it is the policy of the Agency to encourage the Company to voluntarily comply with such provisions.

II. To the extent required by law, the Company agrees that:

(a) in the hiring of employees for the performance of work in acquiring, constructing and equipping the Facility, or for the manufacture, sale or distribution of materials, equipment or supplies in connection with the acquisition, construction and equipping of the Facility, neither the Company nor any contractor, subcontractor nor any person acting on behalf of the Company shall by reason of race, creed, color, disability, sex, or national origin, marital status or Vietnam veteran era status discriminate against any citizen of the State of New York who is qualified and available to perform the work to which the employment relates;

(b) neither the Company nor any contractor, subcontractor, nor any person on their behalf shall, in connection with the acquisition, construction and equipping of the Facility, discriminate against or intimidate any employee hired for the performance of work involved in acquiring, constructing and equipping the

Facility on account of race, creed, color, disability, sex, national origin, marital status or Vietnam era veteran status; and

(c) the aforesaid provisions of this section covering every contract for the manufacture, sale or distribution of materials, equipment or supplies in connection with the acquisition, construction and equipping of the Facility shall be limited to operations performed within the territorial limits of the State of New York.

III. To the extent required by law, the Company will comply with the applicable provisions of Sections 291-299 of the Executive Law, and with the Civil Rights Law, will furnish all information and reports deemed necessary by the State Division of Human Rights, and will permit access to its books, records and accounts by the State Division of Human Rights, the Attorney General and the Industrial Commissioner for the purposes of investigation to ascertain compliance with the non-discrimination clauses, the Executive Law and the Civil Rights Law.

## SCHEDULE A

### SCHEDULE OF DEFINITIONS

“Act” means, collectively, Title 1 of Article 18-A of the General Municipal Law of the State, enacted into law as Chapter 1030 of the Laws of 1969 of the State, as amended, together with Chapter 358 of the Laws of 1970 of the State, as amended.

“Agency” means (i) the Town of Brookhaven Industrial Development Agency, its successors and assigns, and (ii) any local governmental body resulting from or surviving any consolidation or merger to which the Agency or its successors may be a party.

“Agency Documents” means the Company Lease Agreement, the Lease Agreement, the Environmental Compliance and Indemnification Agreement, any PILOT Agreement and any Recapture Agreement.

“Approving Resolution” means the resolution adopted by the Agency on July 17, 2013, authorizing the execution and delivery of the Agency Documents, as such resolution may be amended and supplemented from time to time.

“Authorized Representative” means, in the case of the Agency, the Chairman, the Vice Chairman, the Executive Director and Chief Executive Officer or the Deputy Executive Director of the Agency; in the case of the Company, any Member; and, in the case of any of the foregoing, such additional persons as, at the time, are designated to act on behalf of the Agency or the Company, as the case may be, by written certificate furnished to the Agency or the Company, as the case may be, containing the specimen signature of each such person and signed on behalf of (i) the Agency by the Chairman, the Vice Chairman, the Executive Director and Chief Executive Officer or the Deputy Executive Director of the Agency, or (ii) the Company by any Member of the Company.

“Business Day” means any day other than a Saturday, a Sunday, a legal holiday or a day on which banking institutions in New York, New York are authorized by law or executive order to remain closed.

“Closing Date” means September 30, 2013.

“Company” means, collectively, (i) Cross-Sound Cable Company (New York), LLC, a limited liability company duly organized and validly existing under the laws of the State of New York, and its successors and assigns and (ii) Cross-Sound Cable Company, LLC, a limited liability company duly organized and validly existing under the laws of the State of Connecticut and authorized to do business in the State of New York, and its successors and assigns.

“Company Documents” means the Company Lease Agreement, the Lease Agreement, the Environmental Compliance and Indemnification Agreement, any PILOT Agreement and any Recapture Agreement.

**“Company Lease Agreement”** means the Company Lease Agreement, dated as of September 1, 2013, by and between the Company, as lessor, and the Agency, as lessee, with respect to the Facility, as the same may be amended from time to time.

**“Condemnation”** means the taking of title to, or the use of, Property under the exercise of the power of eminent domain by any governmental entity or other Person acting under governmental authority.

**“Construction Period”** means any future structural additions or capital improvements to the Facility.

**“Environmental Compliance and Indemnification Agreement”** means the Environmental Compliance and Indemnification Agreement, dated as of September 1, 2013, among the Agency and the Company.

**“Equipment”** means all machinery, equipment and other personal property used and to be used in connection with the Facility, as described in Exhibit B to the Lease Agreement.

**“Event of Default”** (a) when used with respect to the Lease Agreement, means any of the events defined as Events of Default by Section 10.1 of the Lease Agreement.

**“Facility”** means the Land, the Improvements and the Equipment leased to the Company under the Lease Agreement.

**“Facility Services”** means all services necessary for the acquisition, construction and equipping of the Facility.

**“Hazardous Substance”** means, without limitation, any flammable, explosive, radon, radioactive materials, asbestos, urea formaldehyde foam insulation, polychlorinated biphenyls, petroleum, petroleum constituents, petroleum products, methane, hazardous materials, hazardous wastes, hazardous or toxic substances or related materials, pollutants, or toxic pollutants, as defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. Sections 9601, et seq.), the Resource Conservation and Recovery Act, as amended (42 U.S.C. Sections 6901, et seq.), the Hazardous Materials Transportation Act, as amended (49 U.S.C. Sections 1801, et seq.), the Toxic Substances Control Act, as amended (15 U.S.C. Sections 2601, et seq.), the Federal Water Pollution Control Act, as amended (33 U.S.C. Sections 1251 et seq.), Articles 17 and 27 of the New York State Environmental Conservation Law, or any other applicable Environmental Law and the regulations promulgated thereunder.

**“Improvements”** means all those buildings, improvements, structures and other related facilities (i) affixed or attached to the Land and (ii) not part of the Equipment, all as they may exist from time to time.

**“Independent Counsel”** means an attorney or attorneys or firm or firms of attorneys duly admitted to practice law before the highest court of any state of the United States of America or in the District of Columbia and not a full time employee of the Agency, the Company or, the Sublessees.

“Land” means the real property interest leased by the Agency to the Company pursuant to the Lease Agreement and more particularly described in Exhibit A attached thereto.

“Lease Agreement” means the Lease Agreement, dated as of September 1, 2013 between the Agency, as lessor, and the Company, as lessee, with respect to the Facility, as the same may be amended from time to time.

“Lease Term” means the duration of the leasehold estate created by the Lease Agreement as specified in Section 5.2 of the Lease Agreement.

“Lender” means any lender making a Loan to the Company secured by a mortgage on the Facility or a pledge of interests in the Company; provided, however, a Lender shall be a Lender hereunder only for such time as its loans are outstanding.

“Lien” means any interest in Property securing an obligation owed to a Person, whether such interest is based on the common law, statute or contract, and including but not limited to the security interest arising from a mortgage, encumbrance, pledge, conditional sale or trust receipt or a lease, consignment or bailment for security purposes. The term “Lien” includes reservations, exceptions, encroachments, easements, rights-of-way, covenants, conditions, restrictions, leases and other similar title exceptions and encumbrances, including but not limited to mechanics’, materialmen’s, warehousemen’s, carriers’ and other similar encumbrances, affecting real property. For the purposes of this definition, a Person shall be deemed to be the owner of any Property which it has acquired or holds subject to a conditional sale agreement or other arrangement pursuant to which title to the Property has been retained by or vested in some other Person for security purposes.

“Loan” or “Loans” means any loan made by a Lender to the Company, which Loan is secured by a Mortgage on the Facility or a pledge of interests in the Company.

“Loan Documents” means any mortgages, notes, assignments or other documents executed and delivered by the Company to any Lender in connection with any Loan.

“Mortgage” means the any instrument or instruments executed and delivered from time to time in connection with the permanent financing or refinancing of the acquisition, construction, renovation and equipping of the Facility, given by the Company to a Lender as security for the Loan, as the same may be modified, amended, renewed or extended from time to time.

“Net Proceeds” means so much of the gross proceeds with respect to which that term is used as remain after payment of all expenses, costs and taxes (including attorneys’ fees) incurred in obtaining such gross proceeds.

“Permitted Encumbrances” means (i) all Liens against the Facility, (ii) utility, access and other easements and rights-of-way, restrictions, (iii) mechanics’, materialmen’s, warehousemen’s, carriers’ and other similar Liens which are approved in writing by the Agency or its counsel, and (iv) Liens for taxes not yet delinquent.

“Person” or “Persons” means an individual, partnership, limited liability company, corporation, trust or unincorporated organization, and a government or agency or political subdivision or branch thereof.

“PILOT Agreement” means any Payment-in-Lieu-of-Tax Agreement covering the Facility, by and between the Company and the Agency, as amended from time to time.

“Plans and Specifications” means the plans and specifications for the Improvements, prepared for the Company and approved by the Agency, as revised from time to time in accordance with the Lease Agreement.

“Prime Rate” means the rate designated by The Wall Street Journal from time to time as the “prime rate.”

“Property” means any interest in any kind of property or asset, whether real, personal or mixed, or tangible or intangible.

“Public Purposes” means the State’s objective to create industrial development agencies for the benefit of the several counties, cities, villages and towns in the State and to empower such agencies, among other things, to acquire, construct, reconstruct, lease, improve, maintain, equip and sell land and any building or other improvement, and all real and personal properties, including, but not limited to, machinery and equipment deemed necessary in connection therewith, whether or not now in existence or under construction, which shall be suitable for manufacturing, warehousing, research, commercial, recreation or industrial facilities, including industrial pollution control facilities, in order to advance job opportunities, health, general prosperity and the economic welfare of the people of the State and to improve their standard of living.

“Recapture Agreement” means any Recapture Agreement covering the Facility by and between Company and the Agency, as amended from time to time.

“Schedule of Definitions” means the words and terms set forth in this Schedule of Definitions attached to the Lease Agreement, as the same may be amended from time to time.

“SEQR Act” means the State Environmental Quality Review Act and the regulations thereunder.

“State” means the State of New York.

“Substitute Facilities” means facilities of substantially the same nature as the proposed Facility.

“Taxing Authorities” means the Town of Brookhaven any existing incorporated village or any village which may be incorporated after the date hereof, within which the Facility is or may be wholly or partially located, Suffolk County, Shoreham Wading River Central School District and appropriate special districts.

“Transaction Counsel” means the law firm of Nixon Peabody LLP.

**“Transaction Documents”** means the Agency Documents and the Company Documents.

**“Unassigned Rights”** means the rights of the Agency and moneys payable pursuant to and under Sections 5.3(b), 6.4(b), (c) and (d), 6.7, 8.1, 8.2, 8.4, 8.6, 8.8, 8.9, 8.12 and 10.2(a)(i)(B) (in each case with respect to Section 10.2 upon a continuing default in payment by the Company under the PILOT Agreement), 10.4, 11.2(b) and 12.8 of the Lease Agreement.