

**CONTRACT SUMMARY**  
**RE: Pareto Energy Ltd.**  
**Energy Services Agreement**

<b>TYPE OF CONTRACT:</b>	Services
<b>GOVERNING LAW:</b>	State of Connecticut
<b>PARTIES:</b>	City of Stamford ("City" or "Buyer") Pareto Energy Ltd. ("Seller")
<b>PURPOSE:</b>	Seller will have exclusive right to design, build, operate and maintain electricity , steam and chilled water production facilities at Government Center and City will purchase heating and cooling energy requirements for Government Center from Seller
<b>PROJECT LOCATION:</b>	City of Stamford Government Center
<b>CONTRACT PRICE:</b>	Each month, City shall pay "Total Monthly Energy Charges" which is the total amount City would have paid CL&P and to Yankee Gas if the Combined Facilities had not been installed. If, at the end of each calendar year, an independent reveals that the total charges paid by City exceed the Seller's expenses for operation and maintenance for the same period, Seller will pay City 70% of the amount by which City's payment exceeded Seller's expenses. City may request the EID Board to further review or confirm the calculations. (Invoices shall be adjusted to reflect any inaccurate meter readings later discovered.)
<b>SERVICE COMMENCEMENT DATE:</b>	Mutually agreed upon date upon which Seller shall first deliver Electricity and Thermal Energy to Government Center and upon which Seller's affiliate assumes operation of City's Combined Facilities (defined as Electric Generating Facilities (natural gas fired generators, fuel cells, etc. in Government Center, as described in Attachment A) and Thermal Energy Production Facilities (chillers, boilers, cooling towers, etc. in Government Center, as described in Attachment B)). In no event shall service commencement date be later than 390 days from date of Agreement, unless extended by mutual consent due to delay in delivery of specially ordered equipment or regulatory approval.
<b>PERIOD/END DATE:</b>	Twenty Years
<b>PURCHASE OPTION:</b>	City may, upon 90 days' notice to Seller, buy out or refinance this Agreement at any time and acquire the Combined Facilities for the fair market value or book value, based on IRS regulations regarding buyout of leased property that earns investment tax credits
<b>SCOPE OF SERVICES:</b>	Within 90 days of date of Agreement (Prior to Construction and Operation of Facilities) – <ul style="list-style-type: none"><li>- Seller shall complete engineering design of Combined Facilities and design and approve operation and maintenance plan approved by City</li><li>- Seller will complete financing arrangements, to City's satisfaction for Combined Facilities and cooperate with City in submitting grant applications</li></ul> Beginning on Service Commencement Date - <ul style="list-style-type: none"><li>- Seller to produce and deliver for sale to City, City's Thermal Energy requirements for Government Center, which will be produced by Seller from the Thermal Energy Production Facilities. Seller may, at its sole discretion, provide Thermal Energy requirements from a centralized plant owned and operated by Seller or Seller's affiliate, in which case Seller will maintain the Thermal Energy Production Facilities in "mothball condition."</li><li>- Seller to produce and deliver for sale to City, City's Electricity requirements for Government Center</li></ul> Seller to furnish, install and maintain all metering equipment
<b>BUYER'S MINIMUM PURCHASE OBLIGATION</b>	Starting on the Service Commencement Date, City shall commit to purchase from Seller at least 80% of City's average usage of Thermal Energy and Electricity over the 5 preceding the date of the Agreement
<b>IMPORTANT TERMS/ CONDITIONS PRECEDENT:</b>	<ul style="list-style-type: none"><li>- City to obtain non-disturbance agreements, waivers, licenses, etc. necessary for Seller to perform its obligations under Agreement, including any necessary condemnation proceedings</li><li>- Seller to secure all permits necessary for operation of Combined Facilities at its cost</li><li>- Seller to retain ownership of Combined Facilities, except as set forth in</li></ul>

Agreement

- Seller to pay for all natural gas needed for Combined Facilities, which shall be separately metered
- Seller responsible for installing and metering Electricity delivered to City
- Seller to grant City a credit for cost of water usage for the Thermal Energy Production Facilities
- Seller may suspend service if City fails to cure or diligently commence to cure contamination of steam, condensate or chilled water caused by City within 30 days of notice
- Seller to give City 10 days notice of all scheduled outages for repairs, etc. and shall arrange for supply of power from CL&P grid during outages
- Seller to pay City and include in operating costs 1) up to \$50,000 for City to retain independent engineer to review design and supervise construction of Combined Facilities; and 2) up to \$25,000 per year for City to retain independent engineer to review operations and maintenance of Combined Facilities

**SELLER'S REPRESENTATIONS**

- No governmental approval (other than previously obtained or disclosed to City) is required for Seller to perform the Agreement which Seller has reason to believe it will be unable to obtain
- This agreement does not violate the corporate charter or bylaws of Seller or any contractual obligation of Seller
- - This agreement would not require Seller to be in default under any contractual obligation

**BUYER'S REPRESENTATIONS**

- No governmental approval (other than previously obtained or disclosed to Seller) is required for City to perform the Agreement which City has reason to believe it will be unable to obtain
- This agreement does not violate any Partnership Agreement of City or any contractual obligation of Seller
- This agreement would not require City to be in default under any contractual obligation

**RIGHTS TO ASSIGN:**

No right without prior written consent of other party, except to subsidiary or affiliate

**SUB-CONTRACTORS:**

Agreement silent

**INSURANCE:**

Seller must hold:

- (1) Commercial General Liability insurance: \$1 million aggregate
- (2) Commercial Auto Liability insurance: \$1 million minimum
- (3) Workers' Compensation Insurance: \$500,000 minimum
- (4) Excess Liability insurance: \$10 million per occurrence and in the aggregate

All insurance to contain waiver of subrogation against City

**INDEMNIFICATION:**

Seller to indemnify City from all losses, cost, damages or claims due to Seller's negligence, gross negligence, intentional acts in performance of Agreement

City to indemnify Seller against all losses, cost, damages or claims due to City's negligent performance of Agreement **[there is typo in Agreement, City currently indemnifying Seller for Seller's negligence]**

**SELLER'S DEFAULT**

- Voluntary or involuntary Bankruptcy or insolvency
- General assignment for the benefit of creditors
- Materially false representation or warranty
- Failure to make any payment under Agreement
- Failure to comply with any other obligation of Agreement and cure within 30 days of written demand
- Failure to provide Thermal Energy for 14 consecutive days, unless excused to Force Majeure is immediate event of default

**BUYER'S DEFAULT**

- Materially false representation or warranty
- Failure to comply with obligation of Agreement and cure within 30 days of written demand

**SELLER'S REMEDIES**

Upon Event of Default by City,

- suspend service
- terminate agreement (and receive liquidated damages)
- seek any other legal or equitable remedy

**BUYER'S REMEDIES**

Upon Event of Default by Seller,

- cure default and seek reimbursement
- terminate agreement (and receive liquidated damages)
- seek any other legal or equitable remedy

**“FORCE MAJEURE”**

Either party may terminate without liability in the event uncontrollable circumstance prevents performance for more than one year

**LICENSE AGREEMENT**

City grants Seller 1) a non-exclusive license to enter Government Center; 2) an exclusive license during Term to use, operate and maintain Combined Facilities; and 3) a non-exclusive license to use electrical service, water lines and fire control system to extent necessary to operate Combined Facilities, so long as seller does not interfere with business operations of Government Center

**UNAVAILABILITY OF COMBINED FACILITIES**

- Seller shall use diligent efforts to remedy any Combined Facilities unavailability. City responsible for costs of acquiring replacement Electricity and Thermal Energy under same terms as City pays Seller for all energy, unless replacement is due to breach of Seller of its obligations under Agreement.
- Seller not responsible for any damages or lost profits as a result of unavailability of Combined Facilities