HOST COMMUNITY AGREEMENT

This HOST COMMUNITY AGREEMENT (the “Agreement”), made and entered into as of this 13th day of October, 2015 (the “Effective Date”), by and between the Town of Medway, a municipal corporation and body politic of the Commonwealth of Massachusetts (“Medway” or the “Town”) having its offices at 155 Village Street, Medway, Massachusetts 02053, and Exelon West Medway II, LLC, a Delaware limited liability company (“Exelon” or “Owner”), having offices at 300 Exelon Way, Kennett Square, Pennsylvania 19348. The Town and Exelon may be referred to herein individually as a “Party” and collectively as the “Parties.”

RECITALS

WHEREAS, Medway is host community to the 94-acre West Medway Generating Station site (the “Site”) on Summer Street in Medway, owned by Exelon and having a total nominal capacity of 135 megawatts (“MW”) (the “Plant”);

WHEREAS, Exelon has proposed to construct a new fast-starting peaking facility (the “Facility”), with two electric combustion turbines (100 MW each) with a combined net nominal electrical output of 200 MW located on a portion of the Site, as shown on Exhibit A (the “Project”);

WHEREAS, Exelon has petitioned the Massachusetts Energy Facilities Siting Board (the “EFSB”) for approval to construct the Project, and the EFSB has docketed the proceeding as EFSB 15-1/DPU 15-25 (the “Proceeding”);

WHEREAS, Exelon has applied for or will apply for all necessary permits and approvals for the Project;

WHEREAS, Medway’s technical consultants, officials, staff and legal counsel have extensively analyzed the Project and concluded that, subject to the agreements contained herein, and Exelon’s strict adherence to all applicable federal, state and local permits, laws and regulations, the net result of the Project’s construction and operation is consistent with preservation of the human and natural environment and will protect the interests of the Town;

WHEREAS, Medway intends, through this Agreement and through all legal powers and remedies available to it, to protect the best interests of its residents, businesses, and its corporate organization at all times to ensure that the Project is safe, efficient, and beneficial for the Medway community;

WHEREAS, Exelon is willing to make environmental, public health and public safety payments or other investments, undertake protective or mitigation measures and certain non-monetary public health and public safety measures, as set forth herein;

WHEREAS, Exelon and Medway desire to have this Agreement submitted to the EFSB and incorporated into the final decision issued by the EFSB in the Proceeding;
NOW THEREFORE, in consideration of the mutual promises and covenants of each to the other contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Medway and Exelon do hereby covenant and agree, as follows:

1. **Recitals.**

   The Parties ratify, confirm and incorporate herein the above Recitals.

2. **Cooperation Between Exelon and Medway.**

   Exelon and Medway have entered into this Agreement to foster a cooperative working relationship with respect to the Project and the Facility. Both parties agree to work constructively and in good faith with the other to promote their mutual interests and further agree to cooperate to the maximum extent consistent with their respective activities and responsibilities. The rights, duties and obligations of the Parties hereunder shall be exercised in good faith and in a commercially reasonable manner.

3. **Term.**

   This Agreement shall commence on the date hereof and, except as otherwise provided herein, shall end on the last day of the calendar year in which Exelon last generates electricity at the Facility (the “Term”). This Agreement shall remain in full force and effect regardless of the standing and status of any other agreement and remains enforceable in full by the Parties hereto. The provisions of this Agreement that shall expressly survive termination of this Agreement are set forth in Section 26.

4. **Permitting.**

   Exelon shall be responsible for applying for all applicable and required local permits, and shall be responsible for the payment of all permitting and inspection fees in effect at the time of application for each. Exelon shall not restrict and instead shall facilitate on-site inspections required for determining compliance with any applicable permit or approval by the appropriate Medway official during construction of the Project or operations of the Facility.

5. **Independent Agreement.**

   It is acknowledged and agreed that this Agreement, in part and in its entirety, is and shall remain separate and distinct from any other agreements made between the Owner and the Town relative to this Project, including any tax agreement entered into between Exelon, the Medway Board of Selectmen regarding the tax valuation of the Facility, after completion of the Project. This tax agreement shall be referred to herein as the “PILOT.”
6. **Amount and Term of Payments.**

The payments made pursuant to this Agreement shall be independent of, and are in no way dependent upon, payments to be made to the Town pursuant to the PILOT.

A. **Emergency Preparedness Funds**

1. Exelon shall pay to the Town each year of the Term of this Agreement the sum of fifteen thousand dollars ($15,000) for the purpose of providing fire, emergency management services, police and first responder training on responses to the Facility and adjoining parcels. The first such payment shall be due in the year in which construction of the Facility commences, on or before the date that is the later of (i) thirty (30) days after the commencement of construction of the Facility and (ii) September 30th of such year; in subsequent years, such payment shall be due on or before September 30th of each year.

2. As mitigation for all fuel oil currently stored at the Plant and proposed to be stored at the Facility, Exelon shall pay to the Town the sum of six hundred and fifty thousand dollars ($650,000) for the purchase, acquisition, and equipping of a foam and structural firefighting appliance vehicle as well as the training of personnel thereon. The specific design of this vehicle shall be the responsibility of the Medway Fire Chief or his designee(s). The payment of this sum shall occur not more than sixty (60) days following the commencement of construction. In no event shall any quantity of fuel oil be stored in the Facility’s new storage tank prior to delivery of the new firefighting vehicle to the Town.

3. Exelon shall provide the Town with funds to purchase a dry-chemical firefighting vehicle (such payment not to exceed one hundred thousand dollars ($100,000)), not more than thirty (30) days after the Effective Date.

4. Exelon will provide the Town with fifty thousand dollars ($50,000), not more than thirty (30) days after the Effective Date, to assist with emergency management and preparedness.

B. **Environmental and Technical Review Fund**

Exelon shall pay to the Town the sum of one hundred thousand dollars ($100,000) for the Town to retain independent legal, environmental, noise, and other technical consultants necessary for the Town to review all Project proposals and permit applications. This amount shall be paid to the Town not more than thirty (30) days following the Effective Date. This amount shall be independent of any fees paid to any board or commission of the Town in connection with an application for a permit or approval filed by Exelon in connection with the Project.

C. **Water Analysis Fund**

Exelon shall pay to the Town twenty-eight thousand dollars ($28,000) to conduct a water analysis of the Project not more than thirty (30) days after the Effective Date. The Parties also
hereby acknowledge Exelon’s prior payment of the sum of forty thousand dollars ($40,000) to the Town in 2014 to assist the Town in finding unaccounted-for water.

D. Property Value Security Fund

In order to provide security in the event that a party that is the owner of a residential property located within three hundred (300) feet of the boundaries of the Site prior to the date that the EFSB approves construction of the Project (an “Abutter”) experiences a material reduction in the value of their home directly attributable to the Facility and can reasonably demonstrate such reduction, Exelon shall compensate such Abutter in the amount of the diminution in property value, up to a maximum of twenty-five thousand dollars ($25,000) per property. In the event that an Abutter wishes to make a claim for such compensation, it must file a claim with the Board of Assessors within five (5) years of the date of commencement of construction of the Project. The Town shall provide Exelon written notice of such claim, and Exelon and the Town shall provide the Abutter with a list of three appraisers that are mutually acceptable to the Town and Exelon. The Abutter shall select one appraiser from that list. The Abutter and Exelon shall each pay half of the cost of such independent third-party appraiser. If the appraiser’s findings confirm that the Abutter has experienced an economic loss due to a material reduction in the value of their home directly attributable to the Facility, Exelon shall refund the Abutter’s cost of the appraisal and shall compensate such Abutter in the amount of the diminution in property value, up to a maximum of twenty-five thousand dollars ($25,000). On or prior to the commencement of construction of the Project, a) Exelon shall establish an escrow account (the “Security Account”) with a national banking institution, and shall maintain such account until the later to occur of (i) the date that is five (5) years after the commencement of construction of the Project and (ii) that date on which the last properly-filed claim under this Section has been resolved; and b) shall initially deposit $50,000 into the Security Account. Funds in the Security Account shall be used by Exelon to compensate Abutters in accordance with this Section. In the event that, at the end of any month during the term of the Security Account as set forth above, the balance of funds in the Security Account is less than $50,000, Exelon shall, on or before the 15th day of the subsequent month, deposit sufficient additional funds into the Security Account so as to restore the balance to not less than $50,000.

For the purposes of this subsection, in the event that more than one party owns an interest in such a property, all such owners with respect to a property shall collectively, and not individually, be deemed one Abutter.

E. Decommissioning

Exelon shall decommission and remove the Facility following the end of all use and/or operations of the Facility, at Exelon’s sole cost and expense, in accordance with All Applicable Laws, in accordance with Good Industry Practice and in a safe and environmentally controlled process to manage long-term safety, security, and maintenance of facilities, including, without limitation, the potential dismantlement and sale of equipment and restoration of the Site. Within thirty (30) days of the date of initial commercial operation of the Facility (the “Commercial Operation Date” or “COD”), Exelon shall deliver to the Town a parental guaranty from Exelon Generation Company, LLC, in a form reasonably acceptable to the Town, in the amount of two
million dollars ($2,000,000) to provide financial assurance for the decommissioning and removal of the Facility after all use of the Facility has permanently ceased. Exelon shall provide the Town a copy of any decommissioning plan it files with any Governmental Authority in connection with the permitting or approval of the Project. Exelon shall provide the Town with at least 180 days prior written notice of the decommissioning of the Plant or the Facility. This Section 6(E) shall survive the termination of this Agreement until all obligations hereunder have been fully discharged.

For purposes of this Section and this Agreement, the term “All Applicable Laws” shall mean any present and future law, act, rule, requirement, order, bylaw, ordinance, regulation, judgment, decree, or injunction of or by any Governmental Authority, ordinary or extraordinary, foreseen or unforeseen, and all licenses, permits, tariffs, and other governmental consents, which may at any time be applicable to a Party’s rights and obligations hereunder, including, without limitation, the construction, operation, ownership, maintenance, repair, decommissioning and removal of the Facility. Exelon shall ensure that any subcontractors hired to perform construction of the Project shall be required to comply with All Applicable Laws and shall be adequately insured. For purposes of this Section and this Agreement, “Good Industry Practice” shall mean the practices, methods and acts (including, but not limited to, the practices, methods and acts engaged in or approved by a significant portion of the electric generation industry in the construction, operation and maintenance of generating plants similar in size and technology to the Facility) that, at a particular time, in the exercise of reasonable judgment in light of the facts known or that should have been known at the time a decision was made, would have been expected to accomplish the desired result in a manner consistent with law, regulation, reliability, safety, environmental protection, economy and expedition. Good Industry Practice is not intended to be limited to consideration of the best or any one practice, method or act, to the exclusion of all others, but rather, is intended to require the consideration of a spectrum of possible practices, methods or acts. For purposes of this Section and this Agreement, “Governmental Authority” shall mean the United States of America, the Commonwealth of Massachusetts, and any political or municipal subdivision thereof, and any agency, department, commission, board, bureau, independent electric system operator, or instrumentality of any of them, or any court or tribunal.

F. Energy Conservation Awareness Fund

Medway intends to implement an energy conservation awareness program. Exelon hereby agrees to work with the Town to support and sponsor such program. On or before September 30th of each year of this Agreement following the commencement of construction of the Facility, Exelon shall contribute an annual sum of twenty thousand dollars ($20,000) to the Town. The Parties acknowledge and agree that such funds may be utilized by the Medway Public Schools, the Medway Energy Committee, and the Town, for purposes related to energy conservation awareness, including, but not limited to, public awareness and education, energy efficiency expenses and programs, energy grants and support for Medway’s activities as a “Green Community” approved by the Massachusetts Department of Energy Resources.
7. **Facilitation of the Project.**

Medway agrees to take all reasonable measures with respect to which it has legal capacity to facilitate and expedite the review of all local permits and approvals necessary to accomplish the Project and to act at all times during such review within its legal capacity. This Section is not intended to and shall not be construed to imply that the Board of Selectmen has the authority to direct the outcome of any application submitted to any independent, local permit-issuing authority nor that the Board of Selectmen has the independent or concurrent authority to issue any permits or other such approvals for the Project or the Facility.

8. **Compliance with Laws.**

Exelon shall ensure that the construction of the Facility and all of its operations related thereto shall conform to and comply with All Applicable Laws. In addition, Exelon and any subcontractor hired to construct the Project shall do so in accordance with Good Industry Practice.

9. **Project Scheduling.**

Prior to Exelon conducting any construction or construction-preparation activities, Exelon shall provide the Town with a written timetable setting forth the pre-construction, construction and completion schedule. The Parties agree to coordinate, to the greatest extent reasonably possible, construction activities for the Project. The Parties further agree to coordinate, to the extent possible, construction for the Project in concert with other road construction projects that are scheduled by the Town. Exelon shall provide notice to the Town of any material changes to the pre-construction, construction and/or completion schedule and, in case, of any delay of three (3) months or more in such schedule(s).

10. **Air Quality.**

Exelon shall meet all air emissions requirements imposed with respect to the Facility under its plan approvals, operating permits and licenses and under All Applicable Laws. Exelon shall comply with All Applicable Laws concerning the safe transportation, handling, use, and storage of aqueous ammonia.

Exelon shall install and maintain in-stack continuous emissions monitors (“CEMs”) in compliance with the requirements of the Massachusetts Department of Environmental Protection (“DEP”) and the United States Environmental Protection Agency (“EPA”). In the unlikely event that there is a lapse in compliance with any air emissions requirement, Exelon shall provide to the Board of Health of the Town copies of (i) any excess emissions reports or reports of deviations which Exelon files with either DEP or EPA, and (ii) any notice of violation or notices of non-compliance received from DEP or EPA, within ten (10) business days of filing or receipt, as applicable.
11. **Water and Sewer.**

   A. Exelon shall be responsible for providing sufficient water to the Facility to ensure proper environmental and air quality controls are in place. It is agreed that no burden shall be placed upon the Town municipal water system in connection with Exelon’s provision of water to the Project and/or Facility. The Town will cooperate with Exelon in Exelon’s efforts to consider the means by which the Town’s piping infrastructure may be interconnected with that of surrounding municipalities to secure alternative water supply sources for the provision of water to the Facility. Exelon shall be solely responsible for all costs associated with any system design and engineering, infrastructure upgrades, remediation for any affected town infrastructure including roads and sidewalks, or purchase of additional equipment necessary (for the Town’s system or otherwise) to utilize an alternative water supply source.

   Exelon shall assume responsibility for any and all costs associated with delivery of water to the Facility, including, but not limited to, interconnections (including with an adjoining community), metering, pumping, regulators, backflow systems, storage, hydrants, piping, and related equipment, designs, and legal and technical services. Further, Exelon shall be responsible for payment to the Town for any water used in excess of the metered amounts authorized as part of any interconnection agreement.

   Exelon shall assume responsibility for any interconnections needed to serve the Facility and costs associated with such interconnections.

   B. The Town’s sanitary sewer service to Exelon during construction of the Project and operations of the Facility will solely be utilized for sanitary and facilities maintenance purposes and shall not exceed five thousand (5,000) gallons per day. Exelon shall comply with all regulations imposed by the Charles River Pollution Control District in connection therewith. Under no circumstance shall any water that has come in contact with the combustion turbines be discharged into the Town’s sanitary sewer system.

   C. Before initiating new withdrawals or increasing groundwater withdrawals at the Facility, Exelon shall submit to the Town copies of all submissions required of Exelon pursuant to the provisions of G.L. c. 21G and 310 C.M.R. §36.00, including, but not limited to, the following: (i) application for permit; (ii) annual statements of withdrawal; (iii) filings for five-year permit reviews; (iv) permit renewal applications; and (v) permit amendment applications. Exelon shall submit copies of the foregoing to the Town at the time these submissions are due to DEP.

12. **Noise and Visual.**

   A. Exelon shall prepare a construction management plan (the “Construction Management Plan”) to the Town as set forth herein. Exelon’s activities related to construction of the Facility that generate significant noise levels shall be limited to the hours between 8:00 am and 4:00 pm Monday through Friday and Saturday between 9:00 am and 3:00 pm, except as otherwise approved by the Town.
B. Exelon shall use commercially reasonable efforts through final design and construction of the Facility to shield abutting properties from increases in noise and visual impacts. Exelon shall include all of the proposed noise and visual mitigation measures in the Facility construction contracts into the Construction Management Plan. Exelon shall accomplish this in part through plantings, berm development, and/or fencing. Exelon shall establish a noise testing protocol in the Town with DEP and the Town’s designated representative, and shall use best efforts to respond to complaints received by the Town about noise from construction of the Project and/or operations of the Facility and Exelon shall undertake any and all commercially reasonable actions to address such complaints.

C. Exelon shall meet all noise limitations imposed with respect to the Facility under its operating permits, licenses and municipal permits under All Applicable Laws. Exelon shall perform noise testing as required by its operating permits and shall promptly forward the results of any required testing directly to the Town’s designated representative. The Town’s designated representative may witness the operation noise measurement(s). Exelon shall limit nighttime noise levels such that the combined operation of the Plant and the Facility turbines does not exceed 10 dBA above nighttime ambient levels (except when required by ISO-NE to dispatch the unit as a result of a local or regional system contingency (e.g., VAR Control or transmission reliability) or Security Constrained Unit Commitment (as such terms are defined by ISO-NE) or in case of actual gas curtailment) and comply with all applicable laws of the Commonwealth of Massachusetts and applicable by-laws of the Town, including, but not limited to, Section 7.3 (Environmental Standards) of the Zoning By-law.

D. Exelon will work with the Town to establish a visual mitigation plan to address the reasonable visual concerns of neighbors, including mitigating the visual effects of the sound buffering wall and will enhance all visual screening in existence at the Plant in accordance with All Applicable Laws.

E. Exelon will ensure that all lighting, landscaping, building and site design(s), and signage will be configured in accordance with All Applicable Laws.

F. Exelon shall cooperate with the Town and provide assistance when requested in the Town’s efforts to review the noise testing and other environmental reports for the Project and Facility submitted by Exelon to a Governmental Authority.


A. Exelon agrees to develop a traffic management plan with Medway Town officials (“Traffic Management Plan”) as set forth herein. All construction and operations-related heavy truck traffic shall only access the Facility via Hartford Avenue in Bellingham to Summer Street in Medway, unless otherwise identified in the Traffic Management Plan which shall be subject to the approval of the Town’s Chief of Police. Oil truck deliveries will not be scheduled during morning or evening rush hours. Exelon hereby agrees to utilize Medway police details as may be required or directed by the Town during construction and operation of the Facility to ensure the safety of the surrounding area at Summer Street. During construction, any deviations from this Traffic Management Plan must be submitted for approval to the Medway Chief of Police for
his approval, not to be unreasonably withheld. Exelon’s use of such details in connection with
construction or operation of the Facility or upon local public ways shall be subject to the rules
and requirements of the Medway Chief of Police.

B. All design, construction management and operations plans related to the Facility
shall comply with all applicable building, plumbing, electrical, gas, and fire safety codes of the
Town and All Applicable Laws. The Medway Fire Chief shall be consulted in the development
of all plans as they relate to fire safety and emergency medical requirements and his suggestions
shall be incorporated into the design and operations plans for the Facility as appropriate. The
Town shall include reference to the Facility and its operations as necessary in its emergency
management procedures.

C. Exelon shall, following construction of the Project (but in no event later than six
(6) months following completion of the construction), repair any damage to Summer Street and
West Street in Medway and Main Street from the Bellingham town line to Summer Street in
Medway caused by construction of the Project. Such repair shall be completed in accordance
with commonly accepted standards of road construction and condition.

D. Exelon hereby agrees to coordinate with the Medway and Bellingham Chiefs of
Police, the Medway Director of Public Services and the Bellingham Director of Public Works in
advance of any transportation of oversized and/or overweight loads in connection with
construction or operation of the Facility. If any such official, in his/her sole discretion,
determines that a weight study is required prior to such transportation, Exelon shall conduct the
requested study at its sole cost and expense.


A. Exelon hereby acknowledges that the use of fuel oil at the Facility as a power
generation source/fuel is discouraged by the Town. The Town hereby acknowledges that
conditions may exist where natural gas supplies are interrupted and/or not feasible and Exelon
may choose to use fuel oil for limited periods of operations. Exelon will use commercially
reasonable efforts to minimize the use of fuel oil and any such use of fuel oil shall comply with
the requirements included in the EF-SB approval for the Facility. In any such instance (except
when required by ISO-NE to dispatch the unit as a result of a local or regional system
contingency (e.g., VAR Control or transmission reliability) or Security Constrained Unit
Commitment (as such terms are defined by ISO-NE) or in case of actual gas curtailment),
Exelon shall pay to the Town a sum of five dollars ($5.00) per megawatt hour (“MWh”) of
electricity actually generated from oil burning during such operations. Any funds received by
the Town pursuant to this Section may be used by the Town for open space, recreation,
conservation, and general municipal purposes. Exelon shall provide to the Town copies of the
quarterly and annual reports regarding the burning of fuel oil that Exelon is required to file with
DEP, within ten (10) business days of such filings.

B. For such time as Exelon is the owner of the proposed Project and/or the Facility,
Exelon shall provide and maintain an Exelon employee or employees as a point of contact for the
Town (“Exelon Representative(s)”). The Exelon Representative(s) shall be knowledgeable of
the Project and Facility and be in a position of authority to assist the Town with construction, operation, emergency response and decommissioning questions. Upon the Effective Date, Exelon shall provide the Town the contact information (name, address, telephone and email address) of the Exelon Representative(s) and promptly update the Town in the event of a change in the Exelon Representative(s). Upon reasonable request, the Exelon Representative(s) shall provide Medway safety inspectors with access to the Facility to ensure the operations at the Facility adhere to All Applicable Laws and the terms and conditions of this Agreement. The Exelon Representative(s) shall also provide access, after a reasonable notification period of at least twenty-four (24) hours, to Medway officials for emergency response training and Exelon representatives shall also participate in such emergency response training at a mutually acceptable time.

C. Exelon shall maintain its environmental management systems at the Facility with the aim of maintaining environmental compliance, fostering appropriate environmental practices, and demonstrating good environmental performance. In such regard, Exelon shall consider in good faith and to the extent reasonable, implement modified environmental management systems which are consistent with the provisions of the International Organization for Standardization Standard ISO 14001, Environmental Management Systems and American Society for Testing and Materials Publication 14004.96, ANSI/ISO Environmental Management Systems. Annually in the month of the October, Exelon representatives shall meet with the Town Health Agent and safety officials reporting on environmental and safety performance in the prior twelve (12) month period.

15. **Use of Local Labor.**

   Exelon agrees to use commercially reasonable efforts to hire local labor in connection with the construction of the Facility.

16. **Local Purchasing.**

   Exelon agrees to use commercially reasonable efforts to purchase goods and services necessary for the construction of the Facility from local vendors.

17. **Community Updates.**

   A. Exelon agrees to provide promptly to the Town copies of material filings and other information submitted or received in connection with such proceedings before any Governmental Authority related to the Project (other than filings in the Proceeding).

   B. Once construction commences, Exelon shall establish a community outreach plan with Medway officials that will provide for timely public dissemination of information regarding construction schedule, work hours, etc. (“Community Outreach Plan”). Exelon will keep Medway reasonably apprised of progress in constructing the Project and shall identify and describe, as promptly as practicable, any significant construction issue which might be reasonably expected to affect the interests of Medway, including, without limitation, matters that may reasonably be expected to affect the interests of the Town and provide advance notice of
any need to conduct construction activities after the standard construction day shift set forth in Section 12(A) of this Agreement. Exelon shall provide construction program management (“Construction Program Management”) schedules to the Town on a monthly basis.

C. Exelon shall periodically (but at least once every six (6) months or upon reasonable request of the Medway Board of Selectmen) during pre-construction and construction activities provide public reports to Medway at meetings of the Board of Selectmen, describing its progress in obtaining necessary permits and the status of construction of the Project, and, matters that may reasonably be expected to affect the Town’s interests, describing major issues which may have arisen and responding to questions from Town officials and/or the public.

18. Insurance and Indemnification.

A. Exelon shall at all times maintain insurance coverage as required and appropriate for the Plant and the Facility, including insurance for claims arising out of injury to persons or property, relative to either sudden and accidental occurrences or non-sudden and accidental occurrences, resulting from construction and operation of the Facility. Exelon shall 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. Exelon may satisfy all or a portion of these insurance requirements through self-insurance.

B. Exelon shall indemnify, defend and hold harmless the Town and its officers, employees, agents and representatives (“Town Indemnified Parties”) from and against any and all costs, claims, liabilities, damages, expenses (including reasonable attorneys’ fees), causes of action or suits or judgments by third parties, incurred by, on behalf of or involving any one of the foregoing parties to the extent arising, directly or indirectly, from or in connection with (i) any material breach by Exelon of its obligations, covenants, representations or warranties contained in this Agreement, (ii) Exelon’s act or omission that constitutes a violation of All Applicable Laws, or (iii) any other claims arising out of the construction or operation of the Facility in which both Exelon and the Town are named as defendants provided that a) the Town has not materially breached any obligation, covenant, representation or warranty contained in this Agreement or taken any act or omission that constitutes a violation of All Applicable Laws and b) the defenses available to Exelon against such claims are similar to those available to the Town.

C. If a Town Indemnified Party seeks indemnification pursuant to this Section, the Town shall notify Exelon of the existence of a claim, or potential claim as soon as practicable after learning of such claim, or potential claim, describing with reasonable particularity the circumstances giving rise to such claim. Exelon shall be required to reimburse the Town for any documented reasonable costs associated with a claim for indemnification by a Town Indemnified Party within sixty (60) days of the Town’s submission of its documented costs to Exelon. Upon written acknowledgment by Exelon that it will assume the defense and indemnification of a claim from a Town Indemnified Party, Exelon may assert any defenses which are or would otherwise be available to the Town Indemnified Party. Exelon shall have full control of such defense and proceedings, including the selection of counsel and any settlement of the proceedings.
D. Notwithstanding any provision contained herein, the provisions of this Section shall survive the termination or expiration of this Agreement for a period of three (3) years with respect to any claims which occurred or arose prior to such termination or expiration.


A. Town Representations and Warranties. As of the Effective Date, the Town represents and warrants to Exelon:

1. The Town is a municipality in the Commonwealth of Massachusetts with full legal right, power and authority to enter into and to fully and timely perform its obligations under this Agreement;

2. The execution of the Agreement has been duly authorized, and each person executing the Agreement on behalf of the Town has full authority to do so and to fully bind the Town; and

3. The Town knows of no pending or threatened action, suit, proceeding, inquiry, or investigation before or by any judicial court or administrative or law enforcement agency against or affecting the Town or its properties wherein any unfavorable decision, ruling, or finding would materially and adversely affect the validity or enforceability of the Agreement or the Town’s ability to carry out its obligations under the Agreement.

B. Exelon Representations and Warranties. As of the Effective Date, Exelon represents and warrants to the Town:

1. Exelon has full legal capacity to enter into this Agreement;

2. The execution of the Agreement has been duly authorized, and each person executing the Agreement on behalf of Exelon has full authority to do so and to fully bind Exelon; and

3. Other than the Proceeding, Exelon knows of no pending or threatened action, suit, proceeding, inquiry, or investigation before or by any judicial court or administrative or law enforcement agency against or affecting Exelon or its properties wherein any unfavorable decision, ruling, or finding would materially and adversely affect the validity or enforceability of the Agreement or Exelon’s ability to carry out its obligations under the Agreement.

20. Events of Default; Remedies; Limitation of Liability.

A. Events of Default by Exelon. The following shall each constitute an event of default by Exelon (“Exelon Event of Default”):

1. Exelon breaches any non-monetary material obligation under the
Agreement, and fails to cure such breach within thirty (30) days after notification by the Town of the breach and such failure is not proximately caused by a Town Event of Default as set forth in Section 20(B), below;

2. Exelon fails to make any payment due under this Agreement within thirty (30) days of such due date;

3. If any material representation or warranty made by Exelon in this Agreement proves to have been misleading or false in any material respect when made and Exelon does not cure the underlying facts so as to make such representation or warranty correct and not misleading within fifteen (15) days of written notice from the Town;

4. Exelon (i) admits in writing its inability to pay its debts generally as they become due; (ii) files a petition or answer seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law or statute of the United States of America or any state, district or territory thereof; (iii) makes an assignment for the benefit of creditors; (iv) consents to the appointment of a receiver of the whole or any substantial part of its assets; (v) has a petition in bankruptcy filed against it, and such petition is not dismissed within ninety (90) days after the filing thereof; (vi) a court of competent jurisdiction enters an order, judgment, or decree appointing a receiver of the whole or any substantial part of Exelon’s assets, and such order, judgment or decree is not vacated or set aside or stayed within ninety (90) days from the date of entry thereof; or (vii) under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the whole or any substantial part of Exelon’s assets and such custody or control is not terminated or stayed within ninety (90) days from the date of assumption of such custody or control; or

5. Exelon consolidates or amalgamates with, or merges with or into, or transfers all or substantially all of its assets to, another entity, and the resulting, surviving or transferee entity fails to assume, effective immediately upon the effectiveness of such consolidation, amalgamation, merger or transfer, each and all of the obligations of Exelon under this Agreement.

B. Events of Default by Town. It shall constitute an event of default by the Town (“Town Event of Default”) if the Town breaches any non-monetary material obligation under the Agreement, and fails to cure such breach within thirty (30) days after notification by Exelon of the breach.

C. Remedies; Limitations.

1. In the event of an Exelon Event of Default pursuant to Section 20(A)(2) of this Agreement, the Town, subject to any limitations under All Applicable Laws, shall add to any amount due and owing a fourteen percent (14%) interest charge per year, prorated for the length of such Exelon Event of Default.
2. In the event of an Exelon Event of Default pursuant to Section 20(A)(1), including, but not limited to, Exelon’s failure to comply with All Applicable Laws, Exelon shall pay to the Town a daily fine of five thousand dollars ($5,000) for each day in which such Exelon Event of Default remains uncured.

3. The Parties confirm that the express remedies and measure of damages provided in this Agreement satisfy the essential purposes hereof. For breach of any provision for which an express remedy or measure of damages is provided, such express remedy or measure of damages will be the sole and exclusive remedy, the obligor’s liability will be limited as set forth in such provision and all other remedies or damages at law or in equity are waived. If no remedy or measure of damages is expressly provided herein, the Parties reserve and shall have all rights and remedies available to them at law or in equity with respect to the performance or non-performance of the other Party hereto under this Agreement.

21. NEITHER PARTY SHALL BE LIABLE TO THE OTHER FOR ANY, INDIRECT, INCIDENTAL, CONSEQUENTIAL, OR PUNITIVE DAMAGES OF ANY CHARACTER, RESULTING FROM, ARISING OUT OF, IN CONNECTION WITH OR IN ANY WAY INCIDENT TO ANY ACT OR OMISSION OF EITHER PARTY RELATED TO THE PROVISIONS OF THIS AGREEMENT, IRRESPECTIVE OF WHETHER CLAIMS OR ACTIONS FOR SUCH DAMAGES ARE BASED UPON CONTRACT, WARRANTY, NEGLIGENCE, STRICT LIABILITY OR ANY OTHER THEORY AT LAW OR EQUITY.

22. Assignment.

Exelon agrees that this Agreement shall be binding upon and inure to the benefit of successor owners and operators of the Facility. Exelon further agrees that it will not sell, lease or otherwise dispose of the Facility (each a “Transfer”) to any person or entity (“a Transferee”) unless (i) Exelon reasonably believes such person or entity has the resources and ability to operate the Facility in accordance with All Applicable Laws and in accordance with this Agreement and (ii) at the time of such Transfer, Exelon obtains a written agreement of the Transferee to be bound by this Agreement. Any assignment by Exelon in connection with any financing, or to any entity controlling, controlled by, or under common control with Exelon shall not be considered a Transfer. As soon as practicable after such Transfer, Exelon shall give notice thereof to the Town and identify the Transferee, along with a statement that after due diligence, Exelon reasonably believes that the conditions of this Section 22 are fulfilled with respect to such Transferee.

23. Termination.

This Agreement shall not be subject to termination, except for the following events of termination:

(a) By mutual agreement of the Town and Exelon;

(b) By Exelon in the event that it abandons the Project prior to the commencement of
construction or there is any regulatory or legal proceeding or government investigation that results in an unfavorable judgment, order, decree, stipulation or injunction that prevents Exelon from constructing or operating the Project; or

(c) By the Town in the event of 1) an incurable Exelon Event of Default pursuant to Section 20(A)(3), (4) or (5) or 2) an Exelon Event of Default pursuant to any other provision of this Agreement which is not cured within eighteen (18) months of the date of the Event of Default and which failure to earlier cure is due to an event of Force Majeure as set forth below.

For the purposes of this Agreement, “Force Majeure” means any cause not within the reasonable control of Exelon which precludes it from carrying out, in whole or in part, its obligations under this Agreement, including, but not limited to, Acts of God; winds; hurricanes; tornadoes; extreme weather; fires; epidemics; landslides; earthquakes; floods; other natural catastrophes; strikes; lock-outs or other industrial disturbances; acts of public enemies; acts, failures to act or orders of any kind of any Governmental Authority acting in its regulatory or judicial capacity; insurrections; military action; war, whether or not it is declared; sabotage; riots; civil disturbances or explosions. Nothing in this provision is intended to excuse Exelon from performing due to any governmental act, failure to act, or order, where it was reasonably within Exelon’s power to prevent such act, failure to act, or order. Notwithstanding anything in the Agreement to the contrary, Force Majeure shall not mean:

(a) Customary inclement weather (in contrast to extreme weather) affecting construction, operation, or decommissioning of the Project.

(b) Unavailability of equipment, repairs or parts for the Project, except to the extent due to a qualifying event of Force Majeure (whether such event affects Exelon directly or any supplier, manufacturer, shipper or warehouseman).

(c) Any nonpayment under this Agreement.

(d) Economic hardship of Exelon.


All notices, demands, requests, consents or other communications required or permitted to be given or made under the Agreement shall be in writing and addressed to the following:

If to Medway:

Michael E. Boynton
Town Administrator
Medway Town Hall
155 Village Street
Medway, MA 02053
(508) 533-3264 (phone)
with a copy to:

Barbara J. Saint Andre, Esq.
Petrini & Associates, P.C.
372 Union Avenue
Framingham, MA 01702
(508) 665-4310 (phone)
BSaintandre@petrinilaw.com

If to Exelon:

Jack Hughes
Exelon West Medway II, LLC
9 Summer Street
Medway, MA 02053
508-533-3919 (phone)
jack.hughes@exeloncorp.com

with a copy to:

Todd D. Cutler, Esq.
Associate General Counsel
Exelon West Medway II, LLC
300 Exelon Way, Suite 340
Kennett Square, PA 19348
(610) 765-5602 (phone)
todd.cutler@exeloncorp.com

Notices hereunder shall be deemed properly served: (a) by hand delivery, on the day and at the time on which delivered to the intended recipient at the address set forth in the Agreement; (b) if sent by mail, on the third business day after the day on which deposited in the United States certified or registered mail, postage prepaid, return receipt requested, addressed to the intended recipient at its address set forth in the Agreement; or (c) if by Federal Express or other reputable express mail service, on the next business day after delivery to such express mail service, addressed to the intended recipient at its address set forth in the Agreement. Notices may also be transmitted by electronic mail, provided that any notice transmitted solely by electronic mail which is not confirmed as received by the receiving Party shall be followed up by personal delivery or overnight delivery within forty-eight (48) hours. Either Party may change its address and contact person for the purposes of this Section by giving notice thereof in the manner required herein.

25. Entire and Complete Agreement; Binding Effect.

This Agreement, along with the Exhibit(s) attached (or to be attached) hereto, constitutes the entire and complete agreement of the Parties with respect to the subject matter hereof,
exclusive of all prior understandings, arrangements and commitments, all of which, whether oral or written, having been merged herein, except for contemporaneous or subsequent written understandings, arrangements, or commitments signed by the parties intended to be bound thereby. This Agreement shall bind and inure to the benefit of the Parties to this Agreement and any successor or assignee acquiring an interest hereunder.

26. **Survival.**

Termination of this Agreement for any reason shall not relieve Exelon of any obligation accrued or accruing prior to such termination, including, but not limited to, the obligations set forth in Sections 6(A)(2); 6(B); 6(D); 6(E); 6(F); and 18(D).

27. **Other Documents.**

Each Party promises and agrees to execute and deliver any instruments and to perform any acts which may be necessary or reasonably requested by the other party in order to give full effect to this Agreement.

28. **Governing Law.**

This Agreement and the rights and duties of the Parties hereunder shall be governed by and shall be construed, enforced and performed in accordance with the laws of the Commonwealth of Massachusetts without regard to principles of conflicts of law.

29. **Dispute Resolution.**

Unless otherwise expressly provided for in this Agreement, the dispute resolution procedures of this Section shall be the exclusive mechanism to resolve disputes arising under this Agreement between the Town and Exelon. The Town and Exelon agree to use their respective best efforts to resolve any dispute(s) that may arise regarding this Agreement.

Any dispute that arises under or with respect to this Agreement that cannot be resolved in the daily management and implementation of this Agreement shall in the first instance be the subject of informal negotiations between management personnel from Exelon and the Town Administrator of Medway, as the case may be, who shall use their respective best efforts to resolve such dispute. The period for informal negotiations shall not exceed thirty (30) days from the time the dispute arises, unless it is modified by written agreement of the Parties. The dispute shall be considered to have arisen when one Party sends the other Party a written notice of dispute.

In the event that the Parties cannot resolve a dispute by informal negotiations under the preceding paragraph of this Section, the Parties agree to submit the dispute to mediation. Within fourteen (14) days following the expiration of the time period for informal negotiations, the Parties shall propose and agree upon a neutral and otherwise qualified mediator. In the event that the Parties fail to agree upon a mediator, the Parties shall request the American Arbitration Association to appoint a mediator. The period for mediation shall commence upon the
appointment of the mediator and shall not exceed sixty (60) days, unless such time period is
modified by written agreement of the Parties involved in the dispute. The decision to continue
mediation shall be in the sole discretion of each Party. The Parties will bear their own costs of
the mediation.

In the event that the Parties cannot resolve a dispute by informal negotiations or
mediation, venue for judicial enforcement shall be Norfolk County Superior Court, Dedham,
Massachusetts. Notwithstanding the foregoing, injunctive relief may be sought without resorting
to alternative dispute resolution to prevent irreparable harm that would be caused by a breach of
this Agreement. In any such judicial action, the “Prevailing Party” shall be entitled to payment
from the opposing party of its reasonable costs and fees, including but not limited to attorneys’
fees, arising from the civil action. As used herein, the phrase “Prevailing Party” shall mean the
party who, in the reasonable discretion of the finder of fact, most substantially prevails in its
claims or defenses in the civil action.

30. Confidentiality.

The Parties understand that the Town is subject to, among other laws, the Massachusetts
Public Records Act, G.L. c. 66, §10 and G.L. c. 4, §7, cl. 26, pursuant to which all documents
and records made or received by the Town shall, absent an exemption or law to the contrary,
constitute a public record subject to disclosure. To the extent not inconsistent with the Town’s
duty set forth in the preceding sentence, if either Party or its representatives provides to the other
Party or its representatives confidential information, including business plans, strategies,
financial information, proprietary, patented, licensed, copyrighted or trademarked information,
and/or technical information regarding the design, operation and maintenance of the Project or of
a Party’s business (“Confidential Information”), the receiving Party shall protect the Confidential
Information from disclosure to third parties with the same degree of care accorded its own
confidential and proprietary information, but in any event not less than a commercially
reasonable degree of care, and refrain from using such Confidential Information except in the
negotiation and performance of this Agreement. Notwithstanding any other provision herein,
neither Party shall be required to hold confidential any information that: (i) becomes publicly
available other than through the receiving Party; (ii) is required to be disclosed by a
Governmental Authority, under All Applicable Laws or pursuant to a validly issued subpoena,
but a receiving Party subject to any such requirement shall promptly notify the disclosing Party
of such requirement; (iii) is independently developed by the receiving Party; or (iv) becomes
available to the receiving Party without restriction from a third party under no obligation of
confidentiality.

31. Amendments.

This Agreement may only be amended or modified by a written amendment to the
Agreement signed by both Parties hereto.

32. Severability.

If any section, phrase or portion of the Agreement is, for any reason, held or adjudged to
be invalid, illegal or unenforceable by any court of competent jurisdiction, such section, phrase, or portion so adjudged will be deemed separate, severable and independent and the remainder of the Agreement will be and remain in full force and effect and will not be invalidated or rendered illegal or unenforceable or otherwise affected by such adjudication, provided the basic purpose of the Agreement and the benefits to the Parties are not substantially impaired.

33. **Headings and Captions.**

The headings and captions appearing in this Agreement are intended for reference only, and are not to be considered in construing the Agreement.

34. **Counterparts; Scanned Copies.**

This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which shall constitute one and the same instrument. The Parties agree that a scanned or electronically reproduced copy or image of this Agreement bearing the signatures of the Parties hereto shall be deemed an original and may be introduced or submitted in any action or proceeding as competent evidence of the execution, terms and existence of this Agreement notwithstanding the failure or inability to produce or tender an original, executed counterpart of this Agreement and without the requirement that the unavailability of such original, executed counterpart of this Agreement first be proven.

35. **Waiver.**

No waiver by either Party hereto of any one or more defaults by the other Party in the performance of any provision of the Agreement shall operate or be construed as a waiver of any future default, whether of like or different character. No failure on the part of either Party hereto to complain of any action or non-action on the part of the other Party, no matter how long the same may continue, shall be deemed to be a waiver of any right hereunder by the Party so failing. A waiver of any of the provisions of the Agreement shall only be effective if made in writing and signed by the Party who is making such waiver.

36. **Joint Workproduct.**

This Agreement shall be considered the workproduct of both Parties hereto, and, therefore, no rule of strict construction shall be applied against either Party.

37. **Successors and Assigns.**

This Agreement shall be binding upon Exelon, Medway and each of their affiliates, parents, successors and permitted assigns and inure to the benefit of and be enforceable by Exelon, Medway and each of their affiliates, parents, successors and permitted assigns.

38. **No Joint Venture.**

Nothing herein contained shall be deemed to constitute either Party a partner, agent or
legal representative of the other Party or to create a joint venture, partnership, agency or any relationship between the Parties. The obligations of the Parties are individual and not collective in nature.

39. **Further Assurances.**

From time to time and at any time at and after the execution of the Agreement, each Party shall execute, acknowledge and deliver such documents and assurances, reasonably requested by the other and shall take any other action consistent with the terms of the Agreement that may be reasonably requested by the other for the purpose of effecting or confirming any of the transactions contemplated by the Agreement.

40. **No Limitation of Regulatory Authority.**

The Parties acknowledge that nothing in this Agreement shall be deemed to be an agreement by Medway to issue or cause the issuance of any permit or approval, or to limit or otherwise affect the ability of Medway or the Commonwealth of Massachusetts to fulfill its regulatory mandate or execute its regulatory powers consistent with All Applicable Laws.

[Signature Page to Follow]
IN WITNESS WHEREOF, Medway has caused this Agreement to be executed and has caused its seal to be attached to this Agreement on the 19th day of October, 2015.

ATTEST:

By: [Signature]

MICHAELE. BOYNTON
Notary Public
COMMONWEALTH OF MASSACHUSETTS
My Commission Expires
January 6, 2017

TOWN OF MEDWAY

By: [Name, Title]

By: [Name, Title]

By: [Name, Title]

By: [Name, Title]

By: [Name, Title]

By: [Name, Title]

IN WITNESS WHEREOF, Exelon has caused this Agreement to be executed in its name by its duly authorized officer on the 14th day of October, 2015.

ATTEST:

By: [Signature]

EXELON WEST MEDWAY II, LLC

By: [Signature]

James J. Carty, Vice President
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*Schedules are numbered according to the Sections (and/or Subsections) of the Agreement in which they first appear.*