

LAND LEASE AND DEVELOPMENT AGREEMENT

This Land Lease and Development Agreement, as a contract, sets forth the specific terms as a binding agreement between Town of Rocky Hill, a Municipal Corporation existing under the laws of the State of Connecticut, herein referred to as “LESSOR” and Pentagon Energy, LLC, a limited liability company organized and existing under the laws of the State of Delaware, hereinafter referred to as “LESSEE”, executed this ___day of _____, 2016 in the Town of Rocky Hill, County of Hartford and State of Connecticut.

WITNESSTH

The following terms are set forth:

1. PREMISES: The LESSOR hereby leases to the LESSEE a certain piece or parcel of real property located in Rocky Hill, Connecticut. The property being leased consists of approximately four (4) acres of vacant land, plus or minus, including an access easement, located at the southern end of the Rocky Hill Business / Industrial Park, Assessor Parcel No.RO13 / 18-093, Old Forge Road, and more particularly described in the Schedule A attached hereto and made a part hereof.

2. TERM: The term of this lease shall be for a period of six (6) years commencing on ____, 2016 and terminating on ____, 2022; with an option to extend said lease for an additional five (5) year term. The option to extend must be exercised no later than three (3) months prior to the expiration of the initial term. The method of exercising the option shall be by written notice to the LESSOR.

3. RENT: The land will be leased at the rate of Two thousand dollars (\$2,000.00) per month for a total of Twenty-four thousand dollars (\$24,000.00) per calendar year. This monthly rental rate shall apply during both the initial term and any subsequent term pursuant to the option provision contained herein.

Any rental payment not received within ten (10) days of its due date will carry an additional charge of Three percent (3%) as a late penalty fee.

4. DEPOSITS: The LESSEE will deposit with the LESSOR an initial deposit of Twenty thousand dollars (\$20,000.00) upon the filing of land use applications for all required permits for the conduct of the Natural Gas Distribution Facility contemplated herein by the LESSEE. The Deposit shall be held in an escrow account by the Town pending final non-appealable approval of all required permitting in the Town of Rocky Hill. Said deposit shall then be credited against the monthly lease obligation commencing with occupancy. In the event that regulatory, legislative or land use approvals are

LESSEE _____ LESSOR _____

not obtained, then this deposit shall be returned to the LESSEE and the lease terminated with no further obligation existing between the parties.

5. USE OF PREMISES: The LESSEE will use the leased property for the purpose of operating a Natural Gas Distribution Facility and will make no unlawful, improper or offensive use of the leased property or violate the Minimum Standards established by the LESSOR as set forth on Schedule B, attached hereto and made a part hereof.

6. CONSTRUCTION PROVISION: It is understood by and between the parties that this lease agreement is specifically entered into with the understanding that the LESSEE will construct a Natural Gas Distribution Facility upon occupancy of the property in accordance with plans and specifications approved by the Rocky Hill Planning & Zoning Commission and further agrees to erect security fencing around said facility and at the access-way to the facility over other land of the LESSOR herein.

7. OWNERSHIP OF BUILDING AND STRUCTURES: It is understood by and between the parties that any improvements and structures erected on the premises will be and remain the property of LESSEE at the termination of the lease.

8. UTILITIES: All utility installation and maintenance costs for this project are the responsibility of the LESSEE and will be separately metered and billed to the LESSEE if possible. The LESSEE will make every effort to arrange for the acquisition of electricity for the project from any neighboring electricity generator within the Business Park at the rate basis provided to the Town of Rocky Hill.

9. SUBORDINATION: All provisions of this lease are subject and subordinate to the terms and conditions of the instruments and documents under which the LESSOR acquired the subject property from and will be given only such effect as will not conflict or be inconsistent with the terms and conditions contained in the lease of said lands from the LESSOR, and any existing or subsequent written amendments thereto signed by both parties, and are subject to any ordinance, rules or regulations which have been adopted by the LESSOR.

10. LESSEE'S DUTY TO LESSOR:
a) LESSEE will hold LESSOR exempt and harmless, to the extent allowed by general law, for and on

LESSEE _____ LESSOR _____

account of any damage or injury to any person, arising from the use of the leased property by LESSEE or arising from the failure of LESSEE to keep the premises in good condition as herein provided.

b) LESSOR will not be liable to LESSEE for any damage by or from any act or negligence by any owner or occupant of adjoining or contiguous property to the leased premises.

11. INSURANCE: The LESSEE agrees to purchase general liability insurance in the amount of Ten million dollars (\$10,000,000.00) combined single limit to cover LESSEE's operations as described in the Use of Premises section herein. Insurance coverage will include LESSOR as an additional named insured, providing a minimum of Fifteen (15) day's Notice of Cancellation. LESSEE will submit a Certificate of Insurance to LESSOR within Seven (7) business days after the effective date of this lease.

12. REMEDIES FOR BREACH OF AGREEMENT:

If the LESSEE shall fail to perform, or shall fail to cure any breach, or other agreement of this lease, other than the agreement of the LESSEE to pay rent, for Thirty (30) days after written notice has been provided by LESSOR to LESSEE, specifying the performance required, the LESSOR may thereafter institute action in a court of competent jurisdiction to terminate this lease or to compel performance of the agreement.

If the LESSOR shall fail to perform or shall fail to cure any breach, or other agreement of this lease for Thirty (30) days after written notice has been provided by LESSEE to LESSOR, specifying the performance required, the LESSEE may thereafter institute action in a court of competent jurisdiction to compel performance of the agreement or seek monetary damages as the case may be.

The prevailing party in litigation shall be entitled to all expense of such litigation, including costs and a reasonable attorney's fee, from the non-prevailing party.

13. NO WAIVER: The waiver by LESSOR of any breach of any term, covenant or condition herein contained will not be deemed to be a waiver of such term, covenant or condition or any subsequent breach of the same or any other term, covenant or condition herein contained. The subsequent acceptance of rent hereunder by LESSOR will not be deemed to be a waiver of any preceding breach by LESSEE of any term, covenant or condition of this lease, other than the failure of LESSEE to pay the particular rental so accepted, regardless of LESSOR's knowledge of such preceding breach at the time of acceptance of rent.

14. ACCESS BY LESSOR: The LESSOR may enter upon and inspect the leased property as the LESSEE may reasonably allow during normal business hours upon Twenty-four (24) hours prior

LESSEE _____ LESSOR _____

notice. The LESSOR may access the property at any time during an emergency requiring municipal action.

15. OPERATION OF BUSINESS BY LESSEE: LESSE will keep all equipment and vehicles upon the leased premises and LESSEE will keep the surrounding leased area free from all trash and debris at all times. The LESSEE will not allow storage or use of property, equipment, vehicles, etc. not associated with the operation of the LESSEE's business as described in the Use of Premises.

16. ADDITIONAL CHARGES AS RENT: Any charges against LESSEE by LESSOR for services or for work done on the premises at the request of LESSEE, or otherwise accruing under this contract, will be considered as additional rent due.

17. LESSEE'S SIGNS: LESSEE will only place a sign, or signs, on said premises, and at the junction with Old Forge Road. All signs will be in conformity with the local zoning regulations.

18. ENTIRE AGREEMENT: The provisions listed herein shall constitute the entire agreement between the parties and amendments may only be made when agreed to by the parties in writing.

19. NOTICES: All required notices provided to the parties under this lease shall be sent by Certified Mail, Return Receipt Requested, to the following:

For LESSOR – Guy Scaife, Town Manager

Town of Rocky Hill

761 Old Main Street

Rocky Hill, CT 06067

For LESSEE – Terrence Durkin, Esquire

C/O Pentagon Energy, LLC

1600 Ponce de Leon Boulevard, Suite 1208

Coral Gables, FL 33134

LESSEE _____ LESSOR _____

20: BINDING EFFECT: The provisions of this lease shall be binding upon, and inure to the benefit of the parties, their successors and assigns as the case may be.

21: SEVERABILITY: If any provision herein shall be found to be invalid or unenforceable by a court of competent jurisdiction, the remaining provision shall remain in full force and effect.

22. GOVERNING LAW: The lease provisions herein shall be governed by the Laws of the State of Connecticut.

23. ADDITIONAL TERMS: The parties agree that the Special Conditions listed hereunder are a material part of the consideration for this lease.

24. SPECIAL CONDITIONS OF LEASE

The following are special conditions of this lease per agreement of the parties.

A. The LESSEE agrees to provide paving along the defined access-way easement, as may be required by the LESSOR. The Town of Rocky Hill employees may use this road on official business for the Town to access other portions of the Business / Industrial Park, as well as other LESSEES in the Business Park. Any damage to the paved driveway caused by the Town of Rocky Hill, its employees or agents, or by other LESSEES, shall be repaired by the Town or the responsible LESSEE, at its expense, as the case may be. All reasonable efforts will be made to coordinate the construction, use and maintenance of the paved access-way with other users of the Business Park on a pro-rata shared basis. Nothing herein shall be construed to prevent lawful access to the Business Park by other authorized LESSEES.

B. The LESSEE shall provide a locking security gate at the access-way to the Industrial Park where it abuts Old Forge Road. This security gate will allow access to LESSOR and LESSEE herein and others authorized by the parties. The LESSEE also agrees to install a tracking device to accurately count the number of trucks accessing LESSEE's Natural Gas Distribution Facility. The location of this tracking device is to be agreed upon between the LESSOR and LESSEE. The count of all of LESSEE'S trucks accessing the site shall be entered upon a weekly log, certified by the Facility Manager in writing, and provided to the LESSOR on a weekly basis. This log shall form the basis for the payment of monetary consideration to the LESSOR as more fully set forth below. LESSEE shall have no more than five (5) trucks per hour entering the Facility.

C. The LESSEE will pay the LESSOR a monetary consideration fee of Twelve dollars (\$12.00) per vehicle for each truck infusing natural gas into the Natural Gas Distribution Facility of LESSEE

LESSEE _____ LESSOR _____

during the term of the lease. As part of this consideration for this lease, the LESSEE has guaranteed a minimum annual payment of this consideration fee to LESSOR based upon a floor of two (2) trucks per hour over a twenty-four (24) hour period for one hundred fifty-one (151) days per year during the lease term. All payments to LESSOR under this paragraph shall be based upon the actual number of trucks accessing the site as shown on the weekly log, exceeding the guaranteed floor of two trucks per hour, and said payments shall be tendered in monthly installments to the LESSOR.

THE REMAINDER OF THIS PAGE IS LEFT INTENTIONALLY BLANK

LESSEE _____ LESSOR _____

IN WITNESS WHEREOF, the parties have set their hands and seals this ____ day of _____, 2016

WITNESSES:

TOWN OF ROCKY HILL

Print Name

Guy Scaife, Town Manager

Duly Authorized

Print Name

STATE OF CONNECTICUT }

} ss

Rocky Hill

COUNTY OF HARTFORD }

On this __ day of _____, 2016, before me, personally appeared, Guy Scaife, Town Manager of the Town of Rocky Hill, Connecticut, known to me to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same for the purposes therein contained, as his free act and deed and that of the Municipal Corporation of Rocky Hill, Connecticut.

In witness whereof, I have set my hand

Commissioner of the Superior Court
Notary Public

My Commission Expires _____

LESSEE _____ LESSOR _____

WITNESSES:

PENTAGON ENERGY, LLC

Print Name

Ryan Comerford

Duly Authorized

Print Name

STATE OF CONNECTICUT }

} ss. _____

COUNTY OF }

On this __ day of _____, 2016, before me, personally appeared, Ryan Comerford, Duly Authorized Member of Pentagon Energy, LLC, known to me to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same for the purposes therein contained, as his free act and deed and that of the Limited Liability Company.

In witness whereof, I have set my hand

Commissioner of the Superior Court
Notary Public

My Commission Expires _____

LESSEE _____ LESSOR _____

SCHEDULE A

LEGAL DESCRIPTION OF THE LEASED PROPERTY

SCHEDULE B

MINIMUM STANDARDS FOR LAND LEASED BY THE MUNICIPALITY

LESSEE _____ LESSOR _____