

EXECUTION COPY

JOINT DEVELOPMENT AGREEMENT

BETWEEN

**THE STATE OF RHODE ISLAND
AND
DEEPWATER WIND RHODE ISLAND, LLC**

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**Joint Development Agreement
between the State of Rhode Island
and Deepwater Wind Rhode Island, LLC**

This Joint Development Agreement (“**Agreement**”) between the State of Rhode Island and the Rhode Island Department of Administration, (collectively, “**State**”) and Deepwater Wind Rhode Island, LLC (“**DWW**” and together, the “**Parties**”) sets forth the rights and obligations of the Parties in connection with the Project and certain Economic Development Activities, as defined respectively in Section I.T. herein and Section I.G. herein.

RECITALS

WHEREAS: The State through its Office of Energy Resources, in January, 2006, established its RIWINDS program with the goal of producing approximately 1.32 million MW hours per year to meet 15% of the State’s renewable electric power requirements;

WHEREAS: The Office of Energy Resources commissioned a study, “RIWINDS Phase I Wind Energy Siting Study” (“RIWINDS Study”), to assess the feasibility of meeting RIWINDS program objectives from wind resources in Rhode Island;

WHEREAS: The RIWINDS Study concluded that 95% of Rhode Island’s wind energy potential was located in areas offshore of Rhode Island;

WHEREAS: As a result of the RIWINDS Study the Office of Energy Resources convened stakeholder groups around the State to assess the acceptability to the Rhode Island community of the development of commercial grade windfarms in offshore waters;

WHEREAS: As a result of the RIWINDS Study and the stakeholder meetings in connection therewith, the State by its Office of Energy Resources and Department of Administration issued a Request for Proposals for its Rhode Island Energy Independence I Project (“RFP #7067847” or “RFP”) on April 3, 2008;

WHEREAS: The RFP solicited proposals from the national and international wind energy development community for the development of a commercial grade wind farm in waters of the State or in waters of the United States offshore of the State or in a combination of State and national waters and proposals for Economic Development Activities in the State related to the development and operation of offshore wind farms;

WHEREAS: The State received seven proposals in response to the RFP, opened the proposals on May 30, 2008 and proceeded to evaluate the proposals utilizing personnel of the Office of Energy Resources, the Rhode Island Economic Development Corporation and the Department of Administration and consultants with expertise in offshore wind energy technologies, project economics and power markets in New England;

WHEREAS: On September 25, 2008 the State announced that DWW had been selected as the preferred developer and on October 3, 2008 the Department of Administration by letter

formally notified DWW that it had been selected as the preferred developer for the Rhode Island Energy Independence I Project and that the State would enter into negotiations with DWW for a development agreement; and

WHEREAS: As a result of the negotiations between the State and its representatives from the Office of Energy Resources and the Rhode Island Economic Development Corporation and representatives of DWW, the Parties enter into this JDA.

I. DEFINITIONS

The following terms when used in this JDA shall have their corresponding meanings:

A. Acceptable Power and REC Offtake Arrangements – Agreements or arrangements pursuant to which the electrical output of the Project (or any Phase of the Project, as applicable), and RECs are marketed to others such that the Revenue Stream from such agreements or arrangements is sufficient to enable DWW to obtain adequate debt and equity financing for the Project or any Phase of the Project, as applicable, on reasonable terms. Any such Acceptable Power and REC Offtake Arrangements shall be structured so that the electric energy generated by Phase I and Phase II of the Project shall be attributable to and meet approximately 1.32 million megawatt hours of the electric energy requirements of retail consumers of electric energy in Rhode Island.

B. Affiliate - means any person that directly or indirectly controls, or is controlled by, or is under common control with, DWW, and “control” as used herein shall mean possession, directly or indirectly, of the powers to direct or cause the direction of the management policies of DWW, whether through the ownership of voting securities, partnership interests or by contract or otherwise.

C. Application – a filing or other writing that seeks approval of an activity related to the development of the Project from Federal Agencies or State Agencies and which filing or writing DWW reasonably believes in good faith will be accepted for filing by the relevant Federal or State Agency.

D. Block Island Power Company (“BIPCO”) – The electric utility or its successor entity that provides electric service to retail customers on Block Island, Rhode Island.

E. Certificate of Critical Economic Concern – The certificate that, upon application by DWW, may be issued by EDC pursuant to RIGL, Title 42, Chapter 117 and rules and regulations issued pursuant thereto by EDC and that will assist DWW in expediting the permitting and approval processes of State Agencies for the Project and Economic Development Activities to be undertaken pursuant to this JDA.

F. The Coastal Resources Management Council (“CRMC”) – The Agency authorized and empowered by the State as its Coastal Zone Management Agency and that shall

undertake the development of the Ocean/Offshore Renewable Energy Special Area Management Plan (SAMP).

G. Confidential Information – Trade secrets, commercial information or financial information of DWW of a privileged or confidential nature as defined in the Rhode Island Access to Public Records Act, R.I.G.L. §38 et seq.

H. Discontinued - means, with respect to either Phase I or Phase II, as applicable, that the development of such Phase by DWW has been discontinued pursuant to Section VII.B.C, or, with respect to an Economic Development Activity, that such Economic Development Activity by DWW has been discontinued pursuant to Section IX.B.

I. Rhode Island Department of Administration – The State agency authorized, among its other functions, to designate the preferred developer pursuant to Section IV of this JDA.

J. Economic Development Activities -- The economic development initiatives, activities and investments of DWW as set forth in Section VIII of this JDA.

K. Federal Agencies – Agencies of the United States Government including but not limited to the Minerals Management Service of the Department of Interior (“MMS”), the Army Corps of Engineers (“ACOE”), the United States Coast Guard (“USCG”), the National Marine Fisheries Service (“NMFS”), the United States Fish and Wildlife Service (“USFWS”), National Oceanic and Atmospheric Administration (“NOAA”), the Environmental Protection Agency (“EPA”) and the Federal Energy Regulatory Commission that may have to be consulted or from whom permits or approvals may have to be obtained in connection with the development of the Project.

L. Fully Developed Project – The completion of all development activities in connection with Phase I or Phase II of the Project and the Project has secured debt and equity financing for the development, engineering, construction, startup and operation of the respective Phases of the Project.

M. The Independent System Operator for New England (“ISO-NE”) – The organization authorized by the Federal Energy Regulatory Commission to establish and administer transmission tariffs and wholesale electric power markets in the New England balancing area.

N. Intellectual Property – Trade secrets, confidential knowledge or information containing proprietary technologies, processes, financial arrangements, engineering or design techniques or processes owned by DWW or licensed to DWW by a third party.

O. Job - A full time employee, which, for the purposes of this Agreement, shall mean at least 1500 hours of employment of an individual in a year by DWW, or any Affiliate, employed in Rhode Island, which hours of employment shall include vacation time, sick time, disability time, personal time or other time for which DWW or its Affiliate must pay the

employee plus benefits typical of those services provided by the employee for DWW or its Affiliate. For purposes of this Agreement, “Job” shall include, without limitation, (a) employees of service providers for outsourcing and (b) temporary employees retained through an employment agency in Rhode Island meeting the same criteria for the benefit of DWW or its Affiliate as if that employee were employed directly by DWW. For employees who are not paid on an hourly basis, each full-time salaried employee employed for a full year shall be deemed to work at least 1500 hours per year. The hours attributed to salaried employees shall be pro-rated for any employees who are employed for less than a full year.

P. Milestone Date – The date by which a Milestone Event is scheduled to occur as set forth in Section VII. and Section IX of this JDA.

Q. Milestone Event – An event the occurrence of which is necessary for the Parties to realize the purpose and objectives of this JDA as set forth in Section VII and Section IX of this JDA.

R. The New England Generation Information System (“NEGIS”) – The system established to track and report the generating characteristics of electric generating resources located in New England, including those generating characteristics that create renewable energy certificates due to the renewable energy generating characteristics of generating resources.

S. Office of Energy Resources (“OER”) – The agency of the State charged with the responsibility of overseeing the development of the Project and implementing this JDA.

T. Phase I of the Project (“Phase I”) – A wind power project to be located in state waters having approximately twenty (20) MWs of nameplate capacity and interconnected to both the electric power systems of BIPCO and mainland Rhode Island.

U. Phase II of the Project (“Phase II”) – A wind power project to be located within the SAMP area in United States waters off of the coast of Rhode Island having approximately three hundred eighty five (385) MWs of nameplate capacity and interconnected to the electric power systems of mainland Rhode Island, and which, in the event Phase I is Discontinued, is also interconnected to the electric power system of BIPCO.

V. Power Purchase Agreement (“PPA”) – An agreement having a term not less than 15 years pursuant to which the electrical output of the Project (or any Phase of the Project, as applicable) and RECs are sold to a creditworthy purchaser such that the Revenue Stream(s) to the Project from such an agreement or combination of PPAs enables DWW to obtain adequate debt and equity financing for the Project or any Phase of the Project, as applicable, on reasonable terms. Any such PPA shall be structured so that the electric energy generated by Phase I and Phase II of the Project shall be attributable to and meet approximately 1.32 million megawatt hours of the electric energy requirements of retail consumers of electric energy in Rhode Island.

W. Project – The development of offshore wind power facilities in Rhode Island state waters and adjacent waters of the United States within the area covered by the SAMP consisting of Phase I and Phase II and having the capability of generating an estimated one

million three hundred twenty thousand (1.32 million) megawatt hours of electricity per year to be delivered into the electric power systems of Rhode Island.

X. Quonset Development Corporation (“QDC”) – Quonset Development Corporation: a public corporation of the State, having a distinct legal existence from the State and not constituting a department of State government, which is a governmental agency, and a subsidiary of the Rhode Island Economic Development Corporation, that is charged and empowered with the authority to manage and administer the Quonset Business Park, located in North Kingstown, Rhode Island.

Y. Renewable Energy Certificates (“RECs”) – All certificates, electronic records or other forms of records reflecting or embodying the environmental attributes of the Project that are allocated, assigned or otherwise awarded or certified by the NEGIS or successor entity and any other allowances, awards or certifications that have monetary value due to the Project’s environmental attributes and may be available to the Project from time to time.

Z. Revenue Stream – The value in dollars of revenue or tax savings derived by the Project or its owners from the sales of electric power (energy, capacity and ancillary services), RECs, state or federal tax credits and incentives. The Revenue Stream shall be assessed on an annual basis over a period coterminous with the term in years of any PPA or Acceptable Power and REC Offtake Arrangements and over period sufficient to assess the acceptability of the Revenue Stream derived from the Project to potential financings.

AA. Rhode Island Economic Development Corporation (“EDC”) – Rhode Island Economic Development Corporation: a public corporation of the State, having a distinct legal existence from the State and not constituting a department of State government, which is a governmental agency and public instrumentality empowered with certain functions as the State’s lead agency for economic development, to promote and encourage the development of new and existing industry, business, commerce, agriculture, tourism, and recreational facilities in the State which will promote economic development in the State.

BB. Special Area Management Plan (“SAMP”) – The “Ocean/Offshore Renewable Energy Special Area Management Plan” to be conducted under the supervision of the CRMC, the purpose and objectives of which are to (1) streamline cumbersome federal and state permitting processes and establish a more cost-effective permitting environment for investors; (2) promote a balanced approach to considering the development and protection of area-based resources; (3) complete the necessary studies to yield the most accurate and current ocean-based scientific data to build knowledge critical for supporting the permitting process; and (4) foster a well-informed and committed public constituency.

CC. State, Regional and Local Agencies and Instrumentalities (“State Agencies”) – With the exception of the CRMC, agencies and instrumentalities of the State or regional or local political subdivisions thereof having regulatory or consultative authority with respect to the Project and the Economic Development Activities and including, but not limited to, the Rhode Island Department of Environmental Management, the Rhode Island Public Utilities Commission, the Rhode Island State Historic Preservation Office, the Rhode Island Energy

Facility Siting Board and towns and counties that may have to be consulted or from whom permits or approvals may have to be obtained in connection with the development of the Project or the Economic Development Activities. The CRMC, in connection with the Project, has a special function to prepare the SAMP pursuant to its unique authorization under state law and pursuant to Section V of this JDA.

DD. Transmission Provider – National Grid, Narragansett Electric Company, BIPCO, the successor entities thereto, or any other entity authorized to provide electric transmission service into, within and out of Rhode Island pursuant to tariffs approved by the Federal Energy Regulatory Commission and administered by ISO-NE or tariffs and regulations authorized and promulgated by the Rhode Island Public Utilities Commission.

EE. Work Product - all inventions, improvements, copyrightable material, plans, analyses, studies, reports, materials, surveys, assessments, financial projections, market information, wind studies, data, turbine performance and related information and any other intellectual property, trade secrets, designs and processes or any other work product developed, produced or commissioned by DWW with respect to the Project.

II. GENERAL OBLIGATIONS

A. DWW's Obligation. DWW shall utilize good industry and engineering practice and commercially reasonable efforts to complete either Phase I or Phase II or both Phases of a Fully Developed Project, to commence construction of and to operate either Phase I or Phase II or both Phases of the Project, and to undertake the Economic Development Activities prescribed by Section VIII of this JDA.

B. Specified Activities of DWW. Consistent with the standards under Section II.A. of this JDA, DWW shall:

1. Obtain all necessary permits and approvals from Federal Agencies and State Agencies;
2. Execute one or more PPAs or enter into Acceptable Power and REC Offtake Arrangements for the sale, in aggregate, of all of the electricity generated by the Project and all associated RECs attributable to the Project. The Parties acknowledge and agree that any such PPA, PPAs or Acceptable Power and REC Offtake Arrangements shall reflect siting, engineering or environmental information collected during the permitting process and shall further reflect commercial conditions in the offshore wind industry.
3. Secure, by way of ownership or lease, suitable and adequate real property within Rhode Island for the receipt, staging, assembly, and construction of the components comprising the Project and the delivery of such components to the Project sites;

4. Secure suitable and adequate state and/or federal leases for the Phase I and Phase II Project sites and suitable and adequate state and/or federal leases and/or rights of way to transmit the electric power generated into the electric systems of the Transmission Provider(s);

5. To the extent services, equipment, materials and facilities can be procured from Rhode Island businesses and vendors at commercially reasonable terms, procure such services, equipment, materials and facilities from Rhode Island businesses and vendors in the development of Phase I;

6. Procure technology licenses, wind turbines and related equipment;

7. Obtain Federal Agency, State Agency, interconnection approvals and agreements for the electric power generated by the Project and arrange with ISO-NE and the Transmission Providers for transmission of the electric power produced by the Project into the Rhode Island electric power system and from Block Island to the electric power systems of the Transmission Providers on mainland Rhode Island.;

8. Execute an engineering, procurement and construction contract;

9. Secure adequate debt and equity financing for the development, engineering, construction, startup, and operation of the Project; and

10. Undertake, upon commercially reasonable terms and conditions, the performance of its obligations with respect to the Economic Development Activities prescribed by Section VIII of this JDA.

C. State's Obligations. The State through its OER and EDC shall make all reasonable efforts to assist DWW to complete a Fully Developed Project for Phase I and II and to achieve the Economic Development Activities as set forth in Section VIII of this JDA. The OER and EDC shall, to the extent that it is lawful and within their authority to procure or influence any outcome relevant thereto, assist among other matters relating to the development of the Project and Economic Development Activities, in (i) expediting permitting and approvals during all phases of the Project; and (ii) assisting DWW in securing one or more PPAs, or Acceptable Power and REC Offtake Arrangements, as applicable, including taking appropriate administrative, judicial, and legislative actions reasonably requested by DWW to secure such PPA or PPAs, or Acceptable Power and REC Offtake Arrangements, as applicable.

D. Certificate of Critical Economic Concern. DWW, at its option, may submit to the EDC a completed application for a Certificate of Critical Economic Concern for the Project pursuant to R.I.G.L. Title 42, Chapter 117, and the rules and regulations adopted pursuant thereto by the EDC. In the event DWW submits an application for a Certificate of Critical Economic Concern for the Project to the EDC, the State shall utilize its reasonable best efforts to facilitate the prompt and efficient review of DWW's application for such a Certificate. Once a Certificate of Critical Economic Concern for the Project has been issued to DWW, the State shall, for so

long as this JDA is in effect, utilize its reasonable best efforts to facilitate the renewal of such Certificate upon the expiry thereof.

E. DWW's Obligation with Respect to Other Incentives. DWW will not seek through the Rhode Island General Assembly any additional or new tax incentives or state-paid subsidies for DWW's obligations under this Agreement or for the Project. Notwithstanding the foregoing, however, DWW may avail itself of any tax or financial provisions currently existing under Rhode Island law and DWW may avail itself of any tax or financial provisions under Rhode Island law that become available after the date hereof that are of general applicability to entities doing business in Rhode Island or to other entities in the energy production and transmission industry. Furthermore, any restrictions with respect to DWW's rights to economic development or tax incentives shall have no application to legislation or other governmental action related to any PPA or any Acceptable Power and REC Offtake Arrangements that is otherwise expressly contemplated by this Agreement.

III. PROJECT MANAGEMENT

A. Periodic Project Updates. DWW shall provide the State with periodic project updates on development activities related to the Project. The Parties shall exchange information concerning events and conditions affecting the development of the Project in a timely manner.

B. Project Milestones, Relevant Programs.

The Parties acknowledge and agree that the accomplishment of the milestones described and set forth in Section VII. of this JDA and Section IX. of this JDA may be delayed. Pursuant to the procedures set forth in Section VII.B. and Section IX.B. of this JDA, the Parties shall meet and endeavor to agree upon new milestone schedules.

DWW, in addition to exchanging information and permitting the State's representatives to monitor development of the Project, shall provide for comment by the State's representatives DWW's proposed stakeholder and community outreach program. DWW shall also advise state representatives of its risk management, health and safety, and quality assurance and control programs when such programs are to be implemented by DWW.

C. DWW Management Authority. Nothing in this JDA shall restrict DWW's authority to manage and direct the Project or make any decision regarding the development, engineering, construction, startup or operation of the Project subject to its obligations under this JDA.

IV. PREFERRED DEVELOPER

The State by and through its Department of Administration shall designate DWW as the State's preferred developer of offshore wind power within the SAMP. Consistent with this designation, while this JDA is in effect and, until DWW has completed a Fully Developed Project for Phase II, the State through the OER and Department of Administration shall object in any appropriate state or federal forum to any offshore wind power project or any electric power transmission facility, whether within or outside the SAMP, that would interfere with the Project.

In further support of this designation, the State shall use all reasonable efforts within its lawful authority (x) to cause CRMC to grant to DWW upon DWW acquiring all necessary permits and approvals for Phase I and at commercially reasonable terms the right to use the submerged lands of the State in support of Phase I and (y) to cause CRMC not to permit any use of those submerged lands that interfere with the Project.

V. THE SAMP

A. The CRMC to Adopt the SAMP. The CRMC shall adopt the SAMP.

B. State Cooperation. The CRMC shall make all reasonable efforts to expedite the SAMP and to obtain all associated necessary federal, state, and local government permits and approvals. The State shall advocate on behalf of the Project, where appropriate, with Federal Agencies and State Agencies.

C. SAMP Studies. DWW hereby agrees that all plans, analyses, studies, reports, materials, surveys, assessments, wind studies and related information or any work product developed, produced or commissioned by the CRMC, any State Representative or URI in connection with the SAMP, other than the Work Product (collectively "**SAMP Studies**") shall constitute the property of, and shall be owned by, the CRMC. The State grants to DWW a non-exclusive, perpetual license to use the SAMP Studies for any purpose in connection with the Project.

D. State-Federal Coordination. The State shall enter into cooperative working relationships with Federal Agencies in connection with the SAMP and the development of the Project.

E. SAMP Costs. DWW shall reimburse the State, through the Rhode Island Renewable Energy Fund, for costs reasonably expended by the CRMC in connection with the SAMP during the period August 1, 2008 through July 31, 2010, up to a maximum of \$3.2 million as follows:

1. The Parties shall work together in good faith to negotiate and execute an escrow agreement incorporating the principal terms set forth on Exhibit A within 30 days.

2. Contemporaneously with the execution by the Parties of the escrow agreement referenced in Section V.E.1. above, DWW shall deposit, in accordance with the escrow agreement, the principal amount of \$3.2 million for purposes of reimbursing expenditures by CRMC for the SAMP

3. The obligations of the Parties with respect to the remittance to RIEDC, or the refund to DWW, of all or any portion of the principal amount of \$3.2 million described in this Section V.E., and any interest accrued in respect of such principal amount, shall be governed by the terms of the escrow arrangement described in Section V.E.1 above.

F. Access to Meteorological Tower. Provided a meteorological tower is installed by DWW for the purposes of the Project, and subject to (i) the granting of any applicable permits and approvals, (ii) the construction and installation thereof (the timing and location of which shall be determined by DWW), and (iii) the delivery of mutually acceptable indemnity arrangements with respect to damage caused to the meteorological tower and a corresponding satisfactory liability insurance policy DWW agrees to provide to the University of Rhode Island (“**URI**”), for research purposes, use of the meteorological tower installed by DWW for the collection of data with respect to the Project and summary data collected by DWW at such meteorological tower (the scope of which shall be established by DWW and which shall comprise Confidential Information for the purposes of Section X). Such use of the meteorological tower by URI shall be subject to DWW’s prior approval and reasonable conditions on the use of such tower and summary data. DWW shall not unreasonably withhold its consent to such use, but may for reasonable commercial reasons deny such use or place appropriate conditions on such use.

VI. POWER SALES

A. Power Purchase Agreements and Acceptable Power and REC Offtake Arrangements. The State through its OER shall make all reasonable efforts to assist DWW to secure for each of Phase I and II of the Project one or more PPAs, or Acceptable Power and REC Offtake Arrangements, including taking all appropriate administrative actions and providing appropriate support of legislative efforts to encourage such PPA or PPAs or Acceptable Power and REC Offtake Arrangements, as applicable. DWW shall negotiate the terms of such PPA or PPAs, or Acceptable Power and REC Offtake Arrangements, as applicable, in good faith with any potential counterparty thereto mutually agreed by the Parties.

B. BIPCO. DWW shall interconnect Phase I or, if Phase I is Discontinued, Phase II with the electric power system of BIPCO and shall offer BIPCO electricity on commercially reasonable terms. DWW and the State through its OER shall cooperate with and assist in arranging transmission from Block Island to mainland Rhode Island and to Block Island from mainland Rhode Island. DWW and the State through its OER shall endeavor to reduce the costs of any such transmission to a minimum and arrange an equitable sharing of the costs of such transmission among BIPCO, the Project and the relevant Transmission Provider. DWW and the State through its OER shall assist BIPCO in proceedings with ISO-NE and any regulatory proceedings governing such transmission to and from mainland Rhode Island.

VII. MILESTONE EVENTS AND MILESTONE DATES FOR PHASES I AND II OF THE PROJECT, PROCEDURES

A. Milestones Events and Milestone Dates – The following are Milestone Events with their corresponding Milestone Dates.

1. Application by DWW for all necessary federal, state and local permits and approvals, including application for a lease or permit to use a selected site within state waters for Phase I: Milestone Date: December 31, 2009.

2. The execution and approval by State or Federal agencies, if necessary, of one or more PPAs or Acceptable Power and REC Offtake Arrangements having Revenue Streams sufficient to support financing for Phase I of the Project: Milestone Date: June 30, 2009.
3. The execution of and approval by State and Federal Agencies, if necessary, of interconnection agreements with BIPCO and the Transmission Provider for Phase I: Milestone Date June 30, 2011.
4. Grant by CRMC to DWW, on commercially reasonable terms, of the right to use the submerged lands of the State in support of Phase I: October 31, 2009.
5. Grant by CRMC to DWW of all necessary permits and approvals for Phase I: July 31, 2010.
6. The completion of a Fully Developed Project for Phase I: Milestone Date: June 30, 2012.
7. Completion and adoption of the SAMP by the CRMC: Milestone Date: July 31, 2010.
8. Promulgation by MMS of rules pertaining to the lease of federal submerged lands for Phase II: June 30, 2009.
9. Application to MMS for the lease of federal submerged lands for Phase II: Milestone Date: within 6 months of the promulgation by MMS of rules pertaining to the lease of federal submerged lands for Phase II.
10. Approval by MMS of DWW's application for the lease of federal submerged lands for Phase II: within 12 months of the submission of such application by DWW.
11. Application for all necessary federal, state and local permits and approvals for Phase II (other than the application to MMS for the lease of submerged lands for Phase II): Milestone Date: within 6 months of the approval by MMS of DWW's application for the lease of federal submerged lands for Phase II.
12. The execution and approval by State and Federal Agencies, if necessary, of one or more PPAs or Acceptable Power and Offtake Arrangements for Phase II of the Project: Milestone Date: June 30, 2010.
13. The execution and approval by State and Federal Agencies, if necessary, of interconnection agreements for Phase II with the Transmission Provider: Milestone Date: December 31, 2011.

14. The completion of a Fully Developed Project for Phase II: Milestone Date: within 3 years of the approval by MMS of DWW's application for the lease of federal submerged lands for Phase II.

B. Extensions of Milestone Dates

1. As of the date of the execution of this JDA the Parties acknowledge and agree that the Milestone Dates set forth in Section VII.A above are reasonable estimates of the time periods during which the Milestone Events may be achieved. The Parties also acknowledge and agree that achievement of Milestone Events and their attendant Milestone Date may be delayed due to events or actions by State or Federal agencies, regulatory bodies or legislative or judicial authorities over which neither Party has control. In anticipation of any such delays due to events or actions by State or Federal agencies, regulatory bodies or legislative or judicial authorities beyond the Parties' control, Milestone Dates shall be automatically extended by the period of any such delay. By way of example, if the execution and approval of one or more PPAs or acceptable Power and REC Offtake Arrangements for Phase I (Section VII A.2) is delayed two months the Milestone Date for that Milestone Date shall be shifted by two months to August 31, 2009.
2. The Parties further acknowledge and agree that the time when a Milestone Date is delayed by events or actions by State or Federal agencies, regulatory bodies or legislative or judicial authorities beyond their control, the period of delay may not be readily ascertainable. If such is the case, unless a Party objects to a further delay or delays in the Milestone Date, the Milestone Date shall be extended to accommodate any such delay (an indefinite delay). If a Party objects to an indefinite delay, the Parties shall proceed to utilize the procedures set forth in Section VII.C. below to resolve the objection to an indefinitely extended Milestone Date. A Party that objects to an extended Milestone Date pursuant to this Section VII.B.2 shall notify the other Party of its reasons for objection pursuant to notice provisions set forth in Section XVII.A. of this JDA.

C. Procedures For Assessing Progress Toward Meeting Milestone Dates, Discontinuation Of Development Of Phase I And/Or Phase II For Failure To Meet Milestone Dates. Subject to the procedures set forth in Section VII.B. above for the automatic extension of Milestone Dates that are delayed due to events or actions of State or Federal agencies, regulatory bodies or legislative or judicial authorities over which the Parties have no control, the following procedures shall be utilized with respect to Milestone Events and their attendant Milestone Dates:

1. The Parties shall periodically assess progress toward meeting the Milestone Dates set forth in Section VII., 1-14, above. In the event that either Party concludes that a particular Milestone Date cannot reasonably be expected to

be met, the Parties shall use good faith efforts to agree to a delayed Milestone Date or Dates. Upon agreement by the Parties to a delayed Milestone Date or Dates, the agreed upon delayed Milestone Date or Dates shall be substituted for the applicable Milestone Date or Dates set forth in Section VII., 1-14 above.

2. If the Parties conclude that under no circumstances can a Milestone Date or delayed Milestone Date be met for Phase I of the Project, or cannot agree to delay a Milestone Date for Phase I of the Project, upon expiration of the Milestone Date, DWW may discontinue development of Phase I of the Project, provided however, that within a reasonable period of time after DWW has discontinued development of Phase I. Upon Discontinuation of Phase I by DWW, DWW shall have no further obligations, liabilities or responsibilities to the State to develop Phase I under this JDA except for any removal and demobilization obligations set forth in a permit or other contract with a State agency, the obligation to interconnect Phase II with and supply electric power to BIPCO from Phase II, and to meet its obligations for Phase II and to provide the Economic Development Activities as set forth in Section VIII of this JDA.

3. If the Parties conclude that under no circumstances can a Milestone Date or delayed Milestone Date be met for Phase II of the Project, or the Parties cannot agree to delay a Milestone Date for Phase II of the Project, upon expiration of the Milestone Date, DWW may discontinue development of Phase II of the Project, provided however, that within a reasonable period of time after DWW has discontinued development of Phase II. Upon Discontinuation of the development of Phase II, DWW shall have no further obligations, liabilities or responsibilities to the State to develop Phase II under this JDA except for any removal and demobilization obligations set forth in a permit or other contract with a State agency and to meet its obligations for Phase I and to provide Economic Development Activities as set forth in Section VIII of this JDA.

4. In the event that DWW discontinues development of Phase I pursuant to the terms and conditions of this Section VII., the State shall have no further obligations, liabilities or responsibilities to DWW in connection with the development of Phase I, except to cooperate with DWW to enable DWW to meet any removal and demobilization responsibilities it may have in connection with Phase I and to continue to cooperate with and assist DWW in any continuing activities relating to Phase II and the Economic Development Activities.

5. In the event that DWW discontinues development of Phase II pursuant to the terms and conditions of this Section IX., the State shall have no further obligations, liabilities or responsibilities to DWW in connection with the development of Phase II and DWW shall no longer be the Preferred Developer within the SAMP, except that the State shall cooperate with DWW to enable DWW to meet any removal and demobilization responsibilities it may have in connection with Phase I and to continue to cooperate with and assist DWW in any continuing activities relating to Phase I or the Economic Development Activities.

VIII. ECONOMIC DEVELOPMENT ACTIVITIES

Consistent with the standards under Section II.A. of this JDA, DWW shall undertake the following:

A. Corporate Manufacturing Headquarters. DWW and the wholly-owned subsidiaries of its parent, Deepwater Wind Holdings, LLC shall locate their Corporate Manufacturing Headquarters in Rhode Island consisting of (i) foundation manufacturing, assembly and logistics operations for the Project and (ii) foundation manufacturing operations for offshore wind electricity generation projects of the wholly-owned subsidiaries of DWW and its parent, Deepwater Wind Holdings, LLC located in the northeast United States (defined generally as offshore areas from Delaware to Maine).

B. Regional Development Headquarters. DWW shall locate within Rhode Island, either at the Corporate Manufacturing Headquarters described in Subsection A. of this Section VIII. above or at another location within Rhode Island, its Regional Development Headquarters. The Regional Development Headquarters shall house project development managers and administrative personnel who will provide project development and other services for the Project.

C. Quonset Business Park. Subject to negotiating mutually agreeable terms with QDC, DWW shall enter into an option or options to lease from QDC land and facilities at the Quonset Business Park in North Kingstown, Rhode Island. Such lease or leases of land and facilities shall be sufficient to enable DWW and the wholly-owned subsidiaries of its parent, Deepwater Wind Holdings, LLC to establish the Corporate Manufacturing Headquarters and, if DWW so chooses, its Regional Development Headquarters as described respectively in Subsections A. and B. of this Section VIII. above. Upon entering into a lease option or options pursuant to this Subsection C, DWW shall pay to QDC an option price of no less than 10% of the annual cost of leasing the land and facilities of QDC.

D. Other Rhode Island Operations. DWW shall contract for the manufacturing or assembly of any required vessel(s) to support the Project from one or more vendors in Rhode Island; and DWW and the wholly-owned subsidiaries of its parent, Deepwater Wind Holdings, LLC shall encourage any and all component manufacturers for the Project and other offshore wind power projects sponsored by DWW or the wholly-owned subsidiaries of its parent, Deepwater Wind Holdings, LLC and located in the northeast United States (defined generally as offshore areas from Delaware to Maine) to locate its operations to Rhode Island. Notwithstanding the foregoing, DWW shall be entitled to utilize a manufacturer, assembler or other provider of vessels to support the Project located outside Rhode Island if such supply of manufacturing, assembly or other product is not reasonably available in Rhode Island.

E. Project Labor Agreement. DWW shall cause its vendors to negotiate in good faith a labor agreement for local labor used by DWW in the construction and operation of the Project.

F. Consultation on Employment Matters. The Parties acknowledge and agree that when the Corporate Manufacturing Headquarters and Regional Development Headquarters are fully operational, these two facilities will create approximately 800 Jobs. The Parties, commencing on June 30, 2009, shall regularly consult with one another concerning levels of Jobs created at the Corporate Manufacturing Headquarters and Regional Development Headquarters, reasonably expected levels of Jobs to be created and other Jobs or employment related matters.

IX. MILESTONE EVENTS AND MILESTONE DATES FOR ECONOMIC DEVELOPMENT ACTIVITIES, PROCEDURES

A. Milestone Events and Milestone Dates

The following are the Milestone Events and corresponding Milestone Dates for the Economic Development Activities set forth in Section VIII. of this JDA.

1. Location of Regional Development Headquarters as prescribed in Section VIII, Subsection B, above: Milestone Date: within 120 days of execution by the Parties of this JDA.

2. Execution of lease option for land and facilities at the Quonset Business Park and payment of the option price for such lease option as prescribed by Section VIII.C. above. Milestone Date: within ninety (180) days of the execution of this JDA.

B. Procedures for Assessing Progress Toward Meeting Milestone Dates, Discontinuation of Economic Development Activities for Failure to Meet Milestone Dates

1. The Parties shall periodically assess progress toward meeting the Milestone Dates set forth in Section IX., 1-2 above. In the event that the Parties conclude that a particular Milestone Date cannot reasonably be expected to be met, the Parties shall use good faith efforts to agree to a delayed Milestone Date or Dates. The agreed upon delayed Milestone Date shall be substituted for the applicable Milestone Date or Dates set forth in Section IX., 1-2 above.

2. If the Parties conclude that under no circumstances can a Milestone Date or delayed Milestone Date be met for an Economic Development Activity, or cannot agree to delay a Milestone Date for an Economic Development Activity, upon expiration of the Milestone Date, DWW may discontinue the Economic Development Activity relating to the Milestone Date in question, provided however, that in the event DWW discontinues the particular Economic Development Activity, DWW shall not be relieved of its obligations to pursue development of Phase I or Phase II of the Project as prescribed by this JDA or other Economic Development Activities prescribed by Section VIII. of this JDA.

3. In the event that DWW discontinues an Economic Development Activity or Activities pursuant to Section IX.B.2. above, DWW shall have no further obligation,

liabilities or responsibilities to the State in connection with the Economic Development Activity that was the subject of the Milestone Event and Date(s).

4. In the event that DWW discontinues an Economic Development Activity or Activities pursuant to Section IX.B.2. above, the State shall have no further obligation, liabilities or responsibilities to DWW with respect to the Economic Development Activity that was the subject of the Milestone Event and Date(s).

5. DWW may discontinue the Economic Development Activities in Section VIII in the event both Phase I and Phase II have been Discontinued.

X. CONFIDENTIALITY.

DWW may deliver to the State certain trade secrets, commercial information or financial information of a privileged or confidential nature regarding the Project. Trade secrets, commercial information or financial information of a privileged or confidential nature with respect to the Project, clearly marked as such by DWW, shall be deemed “Confidential Information.” Confidential Information shall not be deemed a public record by the State pursuant to the Rhode Island Access To Public Records Act, specifically R.I.G.L. §38-2-2 (4) (B). To the extent permitted by the Rhode Island Access To Public Records Act, the State agrees that all Confidential Information shall be kept confidential by the State and that such Confidential Information shall not be disclosed by the State to any third party without the prior written consent of DWW. Notwithstanding the foregoing, (a) Confidential Information may be disclosed to the extent reasonably necessary in connection with the State’s enforcement of its rights under this Agreement; and (b) Confidential Information may be disclosed by the State pursuant to any Court or judicial order or any order or request of any governmental regulatory authority or to comply with the Rhode Island Access To Public Records Act or any other applicable law, rule or regulation. In the event that the State receives a request for public records regarding the Project pursuant to the Rhode Island Access To Public Records Act, or any other applicable law, rule or regulation, prior to making the disclosure of such Confidential Information, the State shall notify DWW of such request and, if reasonably requested by DWW in a timely manner, assist DWW, at DWW’s expense, in seeking a protective order to prevent the requested disclosure.

XI. TERM, TERMINATION FOR BREACH

A. Term. This JDA shall remain in full force and effect until (i) DWW has commenced construction of both Phase I and Phase II of the Project and has met its obligations to provide the Economic Development Activities pursuant to Section VIII of this JDA (or, if not performed, such obligations of DWW have been excused as a result of the Discontinuation of Phase I, Phase II or any Economic Development Activity); (ii) this JDA is terminated by mutual agreement of the Parties, or (iii) this JDA is terminated pursuant to subsections B, C and D of this Section XI below.

B. Termination.

1. The State may terminate this JDA if it is not in material breach of any of the provisions of this JDA and if by no later than three (3) years from the date of execution of this JDA, DWW has not met any of the Milestone Dates or agreed-upon delayed Milestone Dates set forth in Sections VII.B and IX.B above.

2. The State may terminate this JDA if it is not in material breach of any of the provisions of this JDA and if by no later than five (5) years from the date of execution of this JDA DWW has met only two (2) or less of the Milestone Dates or agreed-upon Milestone Dates set forth in Section VII.B and IX.B above.

3. The State may terminate this JDA if it is not in material breach of any of the provisions of this JDA if DWW does not commence construction of Phase II by December 31, 2016, provided, however, that the provisions of this JDA relating to Phase I and the State's obligations with respect to Phase I shall survive such termination if, at such time, the Milestone Dates with respect to Phase I have been delayed and such Milestone Dates have not elapsed.

4. The State may terminate this JDA if it is not in material breach of any of the provisions of this JDA and DWW has not exercised the option agreement between DWW and QDC described in Section VIII.C prior to the expiration thereof.

C. Failure to Perform. The non-breaching Party may terminate this JDA as follows:

1. The State may terminate this JDA if DWW has failed to deposit \$3.2 million pursuant to Section V.E.1.

2. Either Party may terminate this JDA in the event of a breach of the Representations made by the other Party as set forth in Section XIV of this JDA.

3. The State may terminate this JDA if DWW is in material breach of any provision of this JDA (except to the extent DWW's non-performance of its obligations hereunder is attributable to the non-performance by the State of its obligations hereunder).

4. DWW may terminate this JDA if the State is in material breach of any provision of this JDA (except to the extent the State's non-performance of its obligations hereunder is attributable to the non-performance by DWW of its obligations hereunder).

5. DWW may terminate this Agreement if the State (i) fails to make any objection required under Section IV; (ii) fails to advocate on behalf of the Project as required under Section V.B, or (iii) contests or objects to the license granted to DWW pursuant to Section V.C.

6. DWW may terminate this Agreement if CRMC (i) takes any action which, in the reasonable opinion of DWW, materially and adversely affects either Phase I or

Phase II of the Project; (ii) does not perform the actions described in Section V.B.; or (iii) contests or objects to the license granted to DWW pursuant to Section V.C.

7. DWW may terminate this Agreement if the Certificate of Critical Economic Concern is not issued in favor of DWW within ninety (90) days of the application therefor or, if such Certificate of Critical Economic Concern is issued to DWW, such Certificate is not renewed within thirty (30) days of the expiry thereof.

D. Notice of Termination and Opportunity to Cure In the event that DWW fails to deposit \$3.2 million pursuant to Section V.E.1, upon notice by the State to DWW, DWW shall have ten (10) days from receipt of notice from the State to deposit such funds in accordance with such escrow agreement. In the event DWW fails to make such a deposit within the ten (10) day period prescribed by this paragraph, the state may terminate this JDA.

In the event either Party seeks to terminate this JDA pursuant to Section XI.C.2-7 above, the terminating Party shall provide written notice to the other Party describing the basis for the termination. Unless otherwise agreed to by the Parties, the Party receiving the notice of termination shall have sixty (60) days from receipt of the notice to cure the claimed material breach. If the Party receiving the notice fails to cure the material breach within the cure period, this JDA shall terminate automatically upon the expiration of such sixty (60) day period.

E. Separability of Obligations Under this JDA. For the avoidance of doubt, the Parties acknowledge and agree that the development of Phase I, Phase II and the provisions for Economic Development Activities as prescribed in Section VIII are separable. In the absence of a material breach by one of the Parties to this JDA, Phase I and Phase II and the Economic Development Activities are separable to the following extent:

1. The obligations of the Parties with respect to Phase I shall remain in full force and effect even if Phase II is Discontinued pursuant to the provisions of Section VII.B.3. of this JDA;
2. The obligations of the Parties with respect to Phase II shall remain in full force and effect even if Phase I is Discontinued pursuant to the provisions of Section VII.B.2. of this JDA;
3. The obligations of the Parties with respect to the Economic Development Activities as prescribed by Section VIII of this JDA shall remain in full force and effect notwithstanding either Phase I or Phase II have been discontinued; and
4. The obligations of the Parties with respect to Phase I and Phase II shall proceed notwithstanding an Economic Development Activity is Discontinued pursuant to Section IX.B. of this JDA.

F. Effect of Termination. Upon termination of this JDA pursuant to this Section XI., all obligations of the Parties to each other shall cease.

XII. DAMAGES

A. Monetary Damages. No monetary damages shall be payable by either Party to the other Party under this JDA.

B. Limitation on Damages. NOTWITHSTANDING ANY OTHER PROVISION OF THIS JDA, NEITHER THE STATE , ITS OFFICERS, OFFICIALS EMPLOYEES , REPRESENTATIVES, ATTORNEYS OR AGENTS OR DWW, ITS AFFILIATES OR THEIR RESPECTIVE DIRECT OR INDIRECT MEMBERS, SHAREHOLDERS, INVESTORS, DIRECTORS, OFFICERS, EMPLOYEES, RERESENTATIVES, ATTORNEYS OR AGENTS SHALL BE LIABLE, WHETHER IN CONTRACT, TORT, NEGLIGENCE, STRICT LIABILITY OR OTHERWISE, FOR ANY LOST OR PROSPECTIVE PROFITS OR ANY OTHER SPECIAL, PUNITIVE, EXEMPLARY, INDIRECT, INCIDENTAL OR CONSEQUENTIAL LOSSES OR DAMAGES ARISING OUT OF OR IN CONNECTION WITH THIS JDA OR ANY FAILURE OF PERFORMANCE RELATED HERETO, HOWSOEVER CAUSED, WHETHER ARISING FROM SUCH PERSON'S SOLE, JOINT OR CONCURRENT NEGLIGENCE.

XIII. AMENDMENTS

This JDA may be amended only in writing and by mutual consent of the Parties. No waiver of any of the rights or obligations of the Parties under this JDA shall be implied by any action or course of conduct of a Party unless such waiver is in writing and agreed to by the Parties.

XIV. REPRESENTATIONS OF THE PARTIES

Each Party represents to the other Party that it has full power and authority to enter into this JDA and to undertake the obligations and responsibilities set forth herein.

XV. ASSIGNMENT

DWW may, upon the consent of the State, which consent shall not unreasonably be withheld, assign this JDA to another entity (it being understood that it shall be unreasonable to withhold consent for the sole reason that the assignment is made to an Affiliate of DWW Upon any such assignment the assignee shall assume all obligations, liabilities and responsibilities of DWW under this JDA.

XVI. GOVERNING LAW AND JURISDICTION

A. Governing Law – The law of the State of Rhode Island, without regard to conflicts of law rules, shall govern the interpretation and performance of the Parties to this JDA.

B. Jurisdiction – Any claims or disputes arising under this JDA shall be brought in the Superior Court of Rhode Island, for Providence County and the Parties hereby agree and consent to litigate any such claims or disputes in this forum. The Parties hereby waive any defense of lack of in personam jurisdiction, forum non conveniens or improper venue in any such action or claim.

XVII. MISCELLANEOUS

A. Notice – All notice required under this JDA shall be in writing and may be transmitted by electronic mail or other suitable means of delivery to the designated representatives of the Parties.

B. Designated Representatives – The designated representatives of the State shall be:

Andrew Dzykewicz, Commissioner
Rhode Island Office of Energy Resources
One Capitol Hill
Fourth Floor Executive Suite
Providence, RI 02908
Office:401-574-9123
Mobile:401-641-1124
e-mail:Adzykewicz@energy.ri.gov

The designated representative of the DWW shall be:

Christopher Wissemann
Chief Operating Officer
36-42 Newark St., Suite 402
Hoboken, NJ 07030
Tel: (201) 850-1714

Each Party, upon written notice to the other, may substitute any or all of its designated representatives at any time during the term of this JDA.

C. Survival of Rights and Obligations – Sections I, X, XII, XIII, XVI and XVII shall survive the expiration of termination of this JDA.

D. Entire Agreement. This Agreement, together with the escrow agreement described in Section V.E.1, constitutes the entire agreement of the Parties relating to the Project and supersedes all prior contracts or agreements with respect to the Project, whether oral or written.

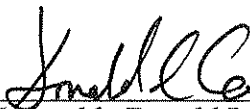
E. Effect of Waiver or Consent. A waiver or consent, express or implied, to or of any breach or default by any Party in the performance by that Party of its obligations under this JDA is not a consent or waiver to or of any other breach or default in the performance by that Party of the same or any other obligations of that Party under this JDA. Failure on the part of a Party to complain of any act of any other Party or to declare such Party in default, irrespective of how long that failure continues, does not constitute a waiver by that Party of its rights with respect to that default until the applicable statute-of-limitations period has run.

F. Counterparts. This Agreement may be executed in any number of counterparts (including facsimile counterparts), all of which together shall constitute a single instrument.

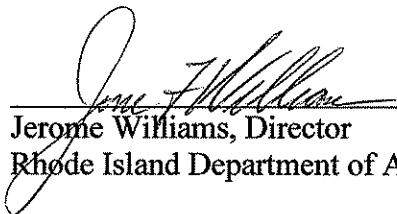
G. DWW Work Product. All Work Product shall constitute the property of, and shall be owned by, DWW and that no license to such Work Product is hereby granted to the State or any third party.

[Signature Pages Follow]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of this 2nd day of January, 2009 set forth above.



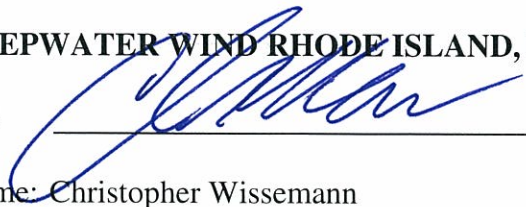
The Honorable Donald L. Carcieri
Governor, State of Rhode Island



Jerome Williams, Director
Rhode Island Department of Administration

DEEPWATER WIND RHODE ISLAND, LLC

By: _____



Name: Christopher Wissemann

Title: Chief Operating Officer

EXHIBIT A

ESCROW AGREEMENT PRINCIPAL TERMS

PARTIES: RIEDC
DWW

- TERMS:**
1. DWW shall deposit \$3.2 million (the “Principal”) with the escrow agent upon execution of the escrow agreement.
 2. If DWW and QDC have not executed mutually agreeable lease options for land at the Quonset Business Park (the “Quonset Lease”) within 180 days of the execution of the JDA, then, the escrow agent shall release the Principal to DWW within two (2) business days of the receipt of such notice.
 3. If DWW and QDC have executed the Quonset Lease within 180 days of the execution of the JDA, the escrow agent shall release the Principal to RIEDC as provided below.
 4. RIEDC may draw the following amounts from the Principal: (i) upon execution of the Quonset Lease, an amount equal to actual disbursements made from the REF to CRMC/URI for SAMP expenses from August 1, 2008 through the date of execution of the Quonset Lease and (ii) within five (5) days of the end of each calendar month thereafter, an amount equal to actual disbursements made from the REF to CRMC/URI for SAMP expenses pursuant to the SAMP funding agreement between RIEDC and CRMC and budgets associated therewith with respect to the immediately preceding calendar month, such amounts capped at the lesser of (i) \$250,000 per month and (ii) 120% of the monthly budget submitted by URI to CRMC.
 5. RIEDC will not approve any new budgets for year 2 of SAMP without first reviewing same (with notice) to DWW.
 6. The escrow amounts shall be placed into an interest-bearing account, with interest payable to DWW, and the escrow agent shall pay such interest to DWW within five (5) Business Days of such interest being deposited in the escrow account.
 7. If the JDA is terminated for any reason prior to the Principal being expended, the balance, with interest accrued thereupon, shall be returned to DWW.

ESCROW AGENT:

Options

- (a) Joint Hinckley, Allen and Adler, Pollack
- (b) Title Company
- (c) EDC