

IN THE UNITED STATES BANKRUPTCY COURT
 FOR THE NORTHERN DISTRICT OF TEXAS
 FORT WORTH DIVISION

U.S. BANKRUPTCY COURT
 NORTHERN DISTRICT OF TEXAS

WAIN MARSHALL CLERK
 THE DATE OF ENTRY IS
 ON THE COURT'S DOCKET

In re)	Chapter 11 Case
MIRANT CORPORATION, et al.,)	Case No. 03-46590 (DML)
Debtors.)	Jointly Administered

**ORDER PURSUANT TO SECTIONS 105 AND 363 OF THE
 BANKRUPTCY CODE AND RULE 9019 OF THE FEDERAL
 RULES OF BANKRUPTCY PROCEDURE (I) AUTHORIZING THE
 DEBTORS TO (A) ENTER INTO A SUBSTATION AGREEMENT
 WITH CAMBRIDGE ELECTRIC LIGHT COMPANY,
 (B) GRANT AN EASEMENT AND TRANSFER TITLE TO THE
 SUBSTATION SITE TO CAMBRIDGE ELECTRIC LIGHT COMPANY
 FREE AND CLEAR OF CERTAIN LIENS, INTERESTS, CLAIMS
 AND ENCUMBRANCES, AND (C) SETTLE CERTAIN CLAIMS
 ARISING FROM THE KENDALL INTERCONNECTION
 AGREEMENT, AND (II) GRANTING RELATED RELIEF**

Upon the Motion, dated March 15, 2004 (the "Motion"), of the above-captioned debtors and debtors-in-possession (collectively, the "Debtors"), pursuant to sections 105 and 363 of title 11 of the United States Code (the "Bankruptcy Code") and Rule 9019 of the Federal Rules of Bankruptcy Procedures (the "Bankruptcy Rules"), for entry of an order (the "Order") (I) authorizing the Debtors to (A) enter into a Substation Agreement, dated March 10, 2004 (the "Substation Agreement"), with Cambridge Electric Light Company ("Cambridge Electric"), (B) grant an easement and transfer of title to the Substation Site (as defined in the Substation Agreement) to Cambridge Electric in connection with the Substation Agreement free and clear of certain liens, interests, claims and encumbrances, and (C) settle certain claims arising from that certain Interconnection Agreement, dated October 9, 2001 (the "Kendall IA"), and certain other matters, and (II) granting related relief; and on April 2, 2004, St. Paul Mercury Insurance

Company having filed an objection to the Motion (the “Objection”); and upon the Court’s review of the Motion and having heard statements in support of the relief requested herein at the hearing before the Court on April 7, 2004 (the “Hearing”); and upon the Court’s determination that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor;

IT IS HEREBY FOUND AND DETERMINED THAT:

A. The Court has jurisdiction to consider the Motion and the relief requested therein as it pertains to this Order pursuant to 28 U.S.C. §§ 157 and 1334.

B. The findings and conclusions set forth herein constitute the Court’s findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable to this proceeding pursuant to Bankruptcy Rule 9014. To the extent that any of the following findings of fact constitute conclusions of law, they are adopted as such. To the extent any of the following conclusions of law constitute findings of fact, they are adopted as such.

C. As evidenced by the certification of service filed with the Court, and based on the representations of counsel at the Hearing, (A) proper, timely, adequate, and sufficient notice of the Motion has been provided in accordance with sections 105 and 363 of the Bankruptcy Code and Bankruptcy Rule 9019 by serving (i) all parties entitled to receive notice pursuant to the Court’s Order Granting Complex Chapter 11 Bankruptcy Case Treatment, dated July 16, 2003, (ii) counsel to Cambridge Electric; (iii) all entities known to the Debtors and Cambridge Electric to have, or to have asserted, any and all liens, interests, claims and encumbrances on the Kendall Property (as defined below) and (iv) legal notice of the Motion having been placed in daily papers of major circulation in the greater Boston and Cambridge Massachusetts areas namely the Boston Globe on March 21, 2004 and Boston Herald on March

24, 2004, (B) such notice was good and sufficient and appropriate under the particular circumstances, and (C) no other further notice of the Motion, this Order, the Substation Agreement or the Grant of Easement (as hereinafter defined) is required.

D. A reasonable opportunity to object or be heard with respect to the Motion and the relief requested therein and this Order has been afforded to all those parties listed in paragraph C above.

E. Mirant Kendall LLC (“Mirant Kendall”), an indirect wholly owned subsidiary of Mirant, owns and operates an electric power and steam generating facility (the “Kendall Facility”) located at 265 First Street, Cambridge, Massachusetts (the “Kendall Property”). The Kendall Property is currently encumbered by certain purported liens, interests, claims and encumbrances, including certain mechanics’ and construction liens asserted under the laws of the Commonwealth of Massachusetts.

F. Pursuant to the Substation Agreement, a copy of which is annexed to the Motion as Exhibit “A,” Cambridge Electric intends to obtain permits to construct and operate a new electric distribution substation (the “East Cambridge Substation”) on a portion of the Kendall Property. In furtherance of the construction of the East Cambridge Substation, and as provided under the Substation Agreement, Cambridge Electric requires a grant of an easement (the “Easement”) on the Kendall Property from the Debtors free and clear of liens, interests, claims and encumbrances other than the Permitted Encumbrances (as defined in the Substation Agreement). The Easement will be granted pursuant to the Grant of Easement, attached hereto as Exhibit A.

G. Sound business reasons exist for the grant of the Easement pursuant and subject to the Substation Agreement. Entry into the Substation Agreement and consummation of

the transactions contemplated thereby constitute the exercise by the Debtors of sound business judgment, and such acts are in the best interests of the Debtors, their estates and creditors. The Debtors have articulated good and sufficient business reasons justifying the entry into the Substation Agreement and granting of the Easement pursuant to sections 105 and 363 of the Bankruptcy Code.

H. The Debtors have full corporate power and authority to execute the Substation Agreement and all other documents contemplated thereby. No consents or approvals, other than those expressly provided for in the Substation Agreement are required for the Debtors to consummate such transactions.

I. Approval of the Motion and consummation of the transactions contemplated thereby at this time are in the best interests of the Debtors, their creditors, their estates, and other parties in interest.

J. The Debtors have demonstrated compelling circumstances and a good, sufficient, and sound business purpose and justification for the Motion prior to, and outside of, a plan of reorganization.

K. The Substation Agreement was negotiated, proposed and entered into by the Debtors and Cambridge Electric without collusion, in good faith, and at arm's length.

L. The consideration provided by Cambridge Electric pursuant to the Substation Agreement: (i) is fair and reasonable and (ii) constitutes reasonably equivalent value and fair consideration under the Bankruptcy Code and under the laws of the United States, and any state, territory, or possession.

M. Cambridge Electric has acted in good faith with respect to the entry into the Substation Agreement and is entitled to all of the protections afforded under section 363(m) of

the Bankruptcy Code.

N. Cambridge Electric is not an “insider” of any of the Debtors, as that term is defined in section 101 of the Bankruptcy Code.

O. All requirements of section 363(b) and (f) of the Bankruptcy Code and any other applicable law relating to the granting of the Easement have been satisfied. Those parties asserting liens, interests, claims and encumbrances to the Substation Site who did not object to the grant of the Easement, or who have withdrawn their objections, are deemed to have consented pursuant to section 363(f)(2) of the Bankruptcy Code.

ACCORDINGLY, IT IS HEREBY ORDERED THAT:

1. The Motion is granted.
2. Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Motion.
3. The Objection, to the extent not otherwise resolved herein, is overruled.
4. The Debtors are authorized to enter into the Substation Agreement and documents ancillary thereto, and all of the terms and conditions thereof, including, but not limited to, instruments and documents to effectuate the granting of the Easement.
5. Pursuant to Section 363 of the Bankruptcy Code and Bankruptcy Rule 9019, the Debtors are authorized to perform their obligations under and comply with the terms of the Substation Agreement and to settle and compromise the claims and disputes as set forth therein including, but not limited to, the agreement as to the Cure Amount, Linkage Payment and the netting and satisfaction of amounts owing by and between the Debtors and Cambridge Electric under the Kendall IA (collectively, the “Transaction”).
6. Subject to the Debtors’ receipt of the Commitment Notice (as defined in the Substation Agreement), the Debtors are authorized to grant the Easement and transfer title to the

Substation Site to Cambridge Electric as set forth in the Substation Agreement, free and clear of all liens, interests, claims and encumbrances, except for the Permitted Encumbrances (as defined in the Substation Agreement) and all such liens, interests, claims and encumbrances shall, subject to the rights and defenses of the Debtors, (a) attach to the proceeds received by the Debtors for the Transaction, in such amounts as this Court shall later determine upon appropriate motion, reasonable advance notice and a hearing, and with the same validity, force and effect that such liens, interests, claims and encumbrances have now against the Kendall Property and (b) except to the extent released or subordinated with respect to the Easement, remain attached to the Kendall Property in order of their priority and with the same validity, force and effect that such liens, interests, claims and encumbrances have now against the Kendall Property. The value of the Easement and/or title to the Substation Site and to what extent the aforesaid liens, interests, claims and encumbrances attach to the Transaction proceeds shall, as set forth above, be the subject of a further order of the Court on appropriate motion, reasonable advance notice and a hearing. The rights and remedies of the Debtors and all parties in interest, including without limitation, the holders of liens, interests, claims and encumbrances on the Kendall Property, with respect thereto are expressly reserved and not waived and the consideration recited in the Grant of Easement and in the deed transferring title to the Substation Site shall have no presumptive effect with respect to the foregoing issue.

7. The grant of the Easement to Cambridge Electric will be a legal, valid, and effective transfer of a real property interest by the Debtors and will, among other things, vest Cambridge Electric with certain rights and interests in the Kendall Property, as set forth in the Grant of Easement, and, except for the Permitted Encumbrances, such Easement shall be senior to any and all liens, interests, claims or encumbrances against the Kendall Property, including,

but not limited to: (i) those that purport to give to any party a right or option to effect any forfeiture, modification, right of first refusal, or termination of the Debtors' or Cambridge Electric's interest in the Easement, or any similar rights; and (ii) (a) those arising under all mortgages, deeds of trust, security interests, conditional sale or other title retention agreements, pledges, liens, judgments, demands, encumbrances, rights of first refusal or charges of any kind or nature, if any, including, but not limited to, any restriction on the use, voting, transfer, receipt of income or other exercise of any attributes of ownership and (b) all debts arising in any way in connection with any agreements, acts, or failures to act, of any of the Debtors or any of the Debtors' predecessors or affiliates, claims, obligations, liabilities, demands, guaranties, options, rights, contractual or other commitments, indemnities and indemnity obligations, restrictions, interests and matters of any kind and nature, whether known or unknown, contingent or otherwise, whether arising prior to or subsequent to the commencement of these bankruptcy cases, and whether imposed by agreement, understanding, law, equity or otherwise.

8. The transfer of title to the Substation Site will be a legal, valid, and effective transfer of a real property interest by the Debtors and will, among other things, vest Cambridge Electric with fee simple title to the Substation Site, as set forth in the Substation Agreement, which conveyance of title, except for the Permitted Encumbrances, shall be free and clear of any and all liens, claims, interests or encumbrances against the Kendall Property, including, but not limited to: (i) those that purport to give to any party a right or option to effect any forfeiture, modification, right of first refusal, or termination of the Debtors' or Cambridge Electric's interest in the Substation Site, or any similar rights; and (ii) (a) those arising under all mortgages, deeds of trust, security interests, conditional sale or other title retention agreements, pledges, liens, judgments, demands, encumbrances, rights of first refusal or charges of any kind or nature, if

any, including, but not limited to, any restriction on the use, voting, transfer, receipt of income or other exercise of any attributes of ownership and (b) all debts arising in any way in connection with any agreements, acts, or failures to act, of any of the Debtors or any of the Debtors' predecessors or affiliates, claims, obligations, liabilities, demands, guaranties, options, rights, contractual or other commitments, indemnities and indemnity obligations, restrictions, interests and matters of any kind and nature, whether known or unknown, contingent or otherwise, whether arising prior to or subsequent to the commencement of these bankruptcy cases, and whether imposed by agreement, understanding, law, equity or otherwise.

9. The Debtors are authorized to execute and deliver, and empowered to perform under, consummate and implement, the Substation Agreement, together with all additional instruments and documents that the Debtors or Cambridge Electric deem necessary or appropriate to implement the Substation Agreement and effectuate the Grant of Easement and the transfer of title to the Substation Site, and to take all further actions as may be requested by Cambridge Electric, or as may be necessary or appropriate to the performance of the obligations as contemplated by the Substation Agreement.

10. Except for the Permitted Encumbrances, no person shall be granted or permitted to obtain by any order of this Court or otherwise a lien or interest that is equal or senior to the Easement granted or the title transferred to Cambridge Electric. The Easement granted to Cambridge Electric shall be an exclusive, perpetual easement over the area referred to as the "Exclusive Area" and a non-exclusive perpetual easement over the area referred to as the "Non-exclusive Area" (as such terms are defined in the Grant of Easement) for all purposes now or in the future useful or necessary for the construction, use and operation of the East Cambridge Substation. Any transfer of title to the Substation Site to Cambridge Electric shall include only

the property referred to as the "Exclusive Area".

11. Subject to the Debtors' receipt of the Commitment Notice, this Order shall be sufficient and conclusive evidence of the priority, perfection and validity of the Easement in and upon the Kendall Property granted to Cambridge Electric as set forth herein without the necessity of filing, recording or serving any other documents which may otherwise be required under federal or state law in any jurisdiction or the taking of any other action to validate or perfect the Easement granted to Cambridge Electric in this Order. Subject to the Debtors' receipt of the Commitment Notice, Cambridge Electric may, in its sole discretion, file a certified copy of this Order, or the Easement or instruments evidencing the transfer of the Substation Site in any filing or recording office in any county or other jurisdiction in which the Debtors have an interest in real or personal property and, in such event, the subject filing or recording office is authorized to file or record such certified copy of this Order in accordance with applicable law.

12. Any person or entity that has filed financing statements, mortgages, mechanic's liens, lis pendens, or other documents or agreements evidencing interests in the Kendall Property (other than the Permitted Encumbrances) shall deliver to the Debtors within thirty (30) days of notice of delivery by Cambridge Electric to the Debtors of the Commitment Notice, an agreement, in proper form for filing and executed by the appropriate parties, to subordinate to the Easement all interests which the person or entity has with respect to the Kendall Property subject to the provisions of decretal paragraph 6 of this Order. In the event that a person or entity fails to deliver an agreement as set forth in the preceding sentence, the Debtors are hereby authorized to execute and file such statements, instruments, releases and other documents on behalf of the person or entity with respect to the Kendall Property. Cambridge Electric is hereby authorized to file, register, or otherwise record a certified copy of this Order, which shall constitute conclusive

evidence of the subordination to the Easement of all interests in the Kendall Property of any kind or nature whatsoever (other than the Permitted Encumbrances).

13. The terms and provisions of the Substation Agreement and this Order shall be binding in all respects upon, and shall inure to the benefit of, the Debtors, their estates, and their creditors, Cambridge Electric and its respective affiliates, successors, and assigns, and any affected third parties including, but not limited to, all persons asserting an interest in or liens or claims against, the Kendall Property, notwithstanding any subsequent appointment of any trustee(s) under any chapter of the Bankruptcy Code, as to which trustee(s) such terms and provisions likewise shall be binding.

14. Cambridge Electric is hereby determined to be a good faith purchaser under section 363(m) of the Bankruptcy Code and is entitled to the protections afforded to a good faith purchaser.

15. The failure specifically to include any particular provisions of the Substation Agreement or related agreements in this Order shall not diminish or impair the effectiveness of such provisions, it being the intent of the Court that the Substation Agreement be authorized and approved in its entirety.

16. The Substation Agreement and any related agreements, documents or other instruments may be modified, amended or supplemented by the parties thereto and in accordance with the terms thereof, without further order of the Court, provided that any such modification, amendment, or supplement does not have a material adverse effect on the Debtors' estates.

17. The automatic stay provisions of section 362 of the Bankruptcy Code are vacated and modified to the extent necessary to permit Cambridge Electric implement the terms of this Order.

18. The provisions of this Order are non-severable and mutually dependent.

Dated: Fort Worth, Texas
April 1, 2004.



HONORABLE D. MICHAEL LYNN
UNITED STATES BANKRUPTCY JUDGE

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EXHIBIT A

“Grant of Easement”

GRANT OF EASEMENT

This Grant of Easement (“Agreement”) is entered into by and between MIRANT KENDALL, LLC, a Delaware limited liability company, having an address at 265 First Street, Cambridge, Massachusetts 02142, hereinafter called the Grantor, and CAMBRIDGE ELECTRIC LIGHT COMPANY, a Massachusetts corporation and electric company, having its principal place of business at 800 Boylston Street, Boston, Massachusetts 02199, hereinafter called the Grantee.

Recitals:

- A. Grantor is the owner of certain property in the City of Cambridge, Middlesex County, Massachusetts, commonly known as “Kendall Station” and more specifically described on Exhibit A attached hereto (“Grantor’s Land”);
- B. Grantee is an electric transmission and distribution company and desires to construct and operate an electric substation on a portion of Grantor’s Land;
- C. Grantee is the holder of certain easement rights in Grantor’s Land pursuant to that certain Grant of Easements dated as of December 30, 1998, recorded with the Middlesex South District Registry of Deeds in Book 29606, Page 95 (the “Existing Easements”); and
- D. Grantor is willing to provide Grantee with the necessary additional rights and easements to permit the construction and operation of such a substation on a portion of Grantor’s Land, upon the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the foregoing, the payment of Ten Dollars (\$10.00) by Grantee to Grantor and other, non-monetary consideration consisting of the provision of certain transmission and related services by each party to the other pursuant to separate agreements, the receipt and sufficiency of which is hereby acknowledged by Grantor and Grantee, the parties hereby agree as follows:

1. Grant of Easements.

1.1 Substation Easement.

- (a) Grantor hereby grants to Grantee, its successors and assigns, with quitclaim covenants, a perpetual, exclusive easement in gross upon that portion of Grantor’s Land (the “Easement Area”) referenced as the “Proposed Transformer Yard” on the plan captioned “Mirant Kendall Plant - Permit Plan of Land in Cambridge, Massachusetts,



Middlesex County”, prepared for NSTAR Electric & Gas Corporation, dated June 16, 2003, prepared by Gunther Engineering, Inc. and attached hereto as Exhibit B (the “Easement Plan”) for all purposes now or in the future useful or necessary for the construction, use and operation of an electric bulk power substation, it being the intention of the Grantor to grant to Grantee the exclusive use of the surface, subsurface and air space of the Easement Area (the “Easement”), including, without limitation, but subject to all applicable laws and the issuance of all necessary governmental approvals, the right, at Grantee’s sole cost and expense, except as provided herein, to erect, install, construct, reconstruct, replace, repair, maintain, inspect, use, and operate the substation, consisting of (i) one or more lines for the transmission of high and low voltage electric current, which lines may consist of towers, poles or pole structures, or conduits, pipes or ducts and manholes, with wires, cable and ground wires strung upon and from or installed within the same, or of wires, cables and ground wires buried in the ground, or of combinations of all or any of the same, (ii) switchgear and telecommunications equipment, (iii) one or more transformers, (iv) all necessary foundations, anchors, guys, braces, insulators, hardware, fittings, equipment and appurtenances for all of the foregoing; and (v) lines for telecommunications, relay, signal and control purposes (collectively, (i) through (v) are referred to as the “Facilities”).

(b) Notwithstanding anything else to the contrary herein, with respect to the portion of the Easement Area described as the “Non-exclusive Area” on the Easement Plan, the rights granted under this Agreement shall be non-exclusive, but shall be exercised in common with Grantor, and neither party shall unreasonably interfere with the operations of the other party within the Easement Area or Grantor’s Land. The parties hereby agree that the surface of the Non-exclusive Area shall be used solely for access and that no part of the Facilities shall be constructed thereon, but that Grantee may, without unreasonable interference with the Grantor’s activities, install, construct, maintain, use and operate underground conduit and duct banks for electric transmission and distribution lines and appurtenances within the subsurface of the Non-exclusive Area. The parties shall also, by mutual written agreement and without unreasonable interference with the activities of the Grantor, provide for temporary construction lay-down areas on Grantor’s Land in the vicinity of the Easement Area during the period of substation construction.

(c) Pursuant to the order (the “Order”) of the bankruptcy court having jurisdiction over Grantor’s Land, which Order is attached hereto as Exhibit C, this Grant of Easement has priority over any and all interests, liens and encumbrances affecting the Grantor’s Land as of the date of such Order other than those matters specifically identified in Schedule B II (Exceptions) of the Fidelity National Title Commitment for Title Insurance dated _____, 2004, a copy of which is attached hereto as Exhibit D (the “Permitted Encumbrances”), and all such matters existing as of the date of such Order, other than the Permitted Encumbrances, are subordinated to this Easement.

(d) In the event that additional claims, liens, interests or encumbrances, not caused by Grantee and which affect the Easement Area, arise after the date of such Order and prior to the recording of this Agreement, Grantor shall use commercially reasonable efforts to remove such, liens, interests or encumbrances (provided, however, that Grantor

shall not have the obligation to expend any sums to remove such encumbrances) and if Grantor shall not remove or cure such, liens, interests or encumbrances, then Grantor shall promptly notify Grantee in writing thereof and Grantee shall have the right, exercisable on or before the date which is ten (10) days following receipt of Grantor's notice, to either (i) terminate this Agreement upon written notice to Grantor received on or before the end of such ten (10) day period, or (ii) waive its rights to object to such additional liens, interests or encumbrances.

(e) In the event that additional liens, interests or encumbrances, not caused by Grantee and which affect the Easement Area, arise after the recording of the Grant of Easement but prior to the date of conveyance of the Exclusive Area of the Easement Area to Grantee as described in that certain Substation Agreement of even date hereof, entered into by and between Grantor and Grantee, Grantor shall use commercially reasonable efforts to remove such liens, interests and encumbrances (provided, however, that Grantor shall not have the obligation to expend any sums to remove such liens, interests or encumbrances) and if Grantor shall not remove or cure such liens, interests or encumbrances, then Grantor shall promptly notify Grantee in writing thereof and Grantee shall have the right, exercisable on or before the date which is ten (10) days following receipt of Grantor's notice, to either (i) decline the conveyance upon written notice to Grantor received on or before the end of such ten (10) day period, or (ii) waive its rights to object to such additional liens, interests or encumbrances.

(f) In the event that Grantee fails to terminate this Agreement or decline the conveyance as set forth in subparagraphs (d) and (e) above, Grantee shall be deemed to have waived its objections to such additional liens, interests or encumbrances.

1.2 Ancillary Easements. In addition, Grantee shall have the right, at Grantee's sole cost and expense, except as provided herein, and subject to all applicable laws and the issuance of all necessary governmental approvals, (a) to construct the Facilities, or any of them, at any time hereafter and at the same or different times and to renew, add to, replace, remove and otherwise change the Facilities and each and every part thereof and the location thereof within the Exclusive Area of the Easement Area; (b) to connect the Facilities to facilities of Grantor or Grantee located on Grantor's property adjoining the Easement Area, through easement corridors to be determined by mutual agreement of Grantor and Grantee, consistent with the Existing Easements; (c) to clear and keep clear by physical, chemical or other means the Exclusive Area of the Easement Area, or any part thereof, of trees, underbrush, buildings or other surface or underground structures or facilities; (d) to trim at any time trees in said Easement Area which in the judgment of the Grantee may endanger said Facilities or the operation thereof; and (e) to enter upon said Easement Areas, on foot and with vehicles, as required, to and from Grantor's Land (using, in common with Grantor and others, such curb cuts, gates, service roads, ways and passages as may exist on Grantor's Land from time to time) for all of the above purposes, and to enclose, fence in, secure the Exclusive Area of the Easement Area, excavate and grade the Exclusive Area of the Easement Area as required for the foregoing purposes (the "Ancillary Easements"). Each party agrees to abide by any applicable security or access requirements of the other party, including, if applicable, any

required use of escorts to access the Exclusive Area of the Easement Area or Grantor's Land, as the case may be.

2. Location of Easement. The Easement Area comprises an area of approximately 13,846 square feet, which includes an area of approximately 12,779 square feet (the "Exclusive Area") and a strip of land containing approximately 1,067 square feet which is designated by cross-hatching on the Easement Plan and labeled "Non-exclusive Area" thereon.

3. Grantor's Covenants. The Grantor, for itself and its successors, assigns and successors in title to the premises, covenants and agrees with the Grantee, its successors and assigns and successors in title, that neither the Grantor nor any of said parties will (a) use, alter, disturb or otherwise directly or indirectly adversely affect the Easement Area, by change in the grade or ground level of the surface of adjoining areas by construction, excavation, filling or otherwise in any manner that may unreasonably interfere with the operation or maintenance of the Facilities; or (b) do any other act which may be inconsistent with, or unreasonably interfere with the rights and easements herein granted.

4. Taxes. The parties agree that the Facilities and the structures and appurtenances comprising the same, whether or not attached to the realty, shall be and remain the property of the Grantee and that the Grantee shall pay all taxes assessed thereon. In addition, Grantee shall be responsible, and shall reimburse Grantor upon presentation of appropriate documentation, for six and fifteen hundredths percent (6.15 %) of the real property taxes assessed on the land value of the assessor's parcel(s) of which the Easement Area forms a part. Such percentage shall not be affected by any future subdivision or consolidation of lots involving the assessor's parcel(s) of which the Easement Area forms a part. Grantee's obligations under this Section 4 shall cease upon a determination by the City of Cambridge Assessors Department to treat the Easement Area as a separate tax parcel. Grantee shall undertake to obtain such determination as soon as practicable under the normal process provided by the City of Cambridge, and Grantor shall reasonably cooperate with Grantee in such effort, to the extent required to obtain such determination. Each party shall be responsible for its own internal costs and any consultant costs it incurs, at its sole discretion, in connection with such determination.

5. Construction Activities. Grantee hereby agrees that any construction or other activities conducted by Grantee, its employees, agents, contractors and invitees within the Easement Area pursuant to this Agreement shall be conducted in a workmanlike, safe and efficient manner, in accordance with good utility practices and in compliance with all applicable laws, ordinances or regulations, including all environmental laws and regulations, and that Grantee shall obtain all licenses and permits required by applicable governmental authorities for the exercise of any rights granted hereunder with respect to the Easement Area, and upon request, shall provide copies of the same to Grantor. Grantor shall, at its cost, expeditiously remove or relocate any of its facilities located on, within or under the Exclusive Area of the Easement Area that may interfere with the construction, operation or maintenance of the substation, except for the existing combustion turbine, the existing guard shack and the existing water

hydrant, which will be removed, relocated or reconstructed (as applicable) by Grantee as part of its substation construction.

6. No Interference. In exercising its rights granted hereunder, Grantee shall not unreasonably interfere with Grantor's operations on Grantor's Land or in the Non-exclusive Area.

7. Indemnity. (a) Grantee shall indemnify, defend (with counsel reasonably acceptable to Grantor), and hold Grantor harmless from and against any and all administrative proceedings, costs (including reasonable attorney's and consultant's fees and expenses, and court costs), damages, claims, fines, judgments, liabilities, losses, penalties, suits and expenses incurred by or claimed against Grantor, in any way arising out of or relating to (a) the negligence or willful misconduct of Grantee, its employees, agents, contractors and invitees (collectively, the "Grantee Parties") with respect to (i) the activities of the Grantee Parties on the Easement Area or Grantor's Land, and (ii) the exercise by the Grantee Parties of Grantee's rights or obligations under this Grant of Easement whether located on the Easement Area or on Grantor's Land, and (b) any remediation requirement under applicable environmental laws and regulations, whether pertaining to a historical or current release of any hazardous substance on or within the Easement Area. The scope of Grantee's obligation under clause (b) above shall in all instances be limited to the perimeter of the Easement Area only, except with respect to any releases requiring remediation and first occurring after the date hereof, whether on the Easement Area or on the Grantor's Land. This provision shall survive the termination of this Agreement, or the conveyance of the Exclusive Area to Grantee.

(b) Grantor shall indemnify, defend (with counsel reasonably acceptable to Grantee), and hold Grantee harmless from and against any and all administrative proceedings, costs (including reasonable attorney's and consultant's fees and expenses, and court costs), damages, claims, fines, judgments, liabilities, losses, penalties, suits and expenses incurred by or claimed against Grantee, in any way arising out of or relating to (a) the negligence or willful misconduct of Grantor, its employees, agents, contractors and invitees (collectively, the "Grantor Parties") with respect to the (x) the activities of the Grantor Parties on the Grantor's Land and on the Non-exclusive Area, and (y) the exercise by the Grantor Parties of Grantor's rights and obligations under this Grant of Easement, and (b) any remediation requirement under applicable environmental laws and regulations, whether pertaining to (i) a historical or current release of any hazardous substance on or within the Grantor's Land (excluding the Easement Area), or (ii) any current release within the Easement Area, including the Non-exclusive Area, by Grantor Parties first occurring after the date hereof. This provision shall survive the termination of this Agreement, or the conveyance of the Exclusive Area to Grantee.

(c) Nothing in this document is intended to modify, alter, diminish, suspend, supersede, terminate or otherwise affect in any way any release, indemnity or other provision in any other document or instrument between the parties or their respective affiliates concerning the Grantor's Land.

8. Insurance. Before entering upon the Easement Area, Grantee shall furnish Grantor with a certificate of public liability insurance in an amount not less than \$3,000,000 per individual and \$5,000,000 per occurrence (or, at the reasonable request of Grantor, such larger amounts as may be carried by prudent utility property owners in similar situations), which may be under a blanket or umbrella policy or policies, with such commercially reasonable deductibles or self-insured amounts, and with such carriers as Grantee maintains with respect to its other facilities. Such certificate shall designate Grantor, and (if requested by Grantor) any lender of Grantor, as an additional insured and shall specifically insure the liability of Grantee under Section 7 hereof. Such insurance coverage shall remain in full force and effect for so long as the substation, or any portion thereof, shall exist on the Exclusive Area of the Easement Area. This obligation shall terminate upon any conveyance of the fee interest in the Easement Area to Grantee.

9. Remedies. Each party shall have the right to prosecute any proceedings at law or in equity if the other party violates any provision of this Agreement, and to recover damages for any such violation or default. All of the remedies permitted or available to either party under this Agreement or at law or in equity shall be cumulative, and the election of any such right or remedy shall not constitute a waiver of any other available right or remedy.

10. No Liens. Grantee shall not permit, in connection with the construction, use, operation or maintenance of the Facilities or the substation, or any rights granted under this Easement, any mechanic's or materialman's lien to be filed against the Easement Area or Grantor's Land. Any mechanic's lien filed against the Easement Area or Grantor's Land for work claimed to have been done for, or materials claimed to have been furnished to, Grantee shall be discharged by Grantee within ten (10) business days thereafter, at Grantee's expense by filing the bond required by law or otherwise. If Grantee fails so to discharge any lien, Grantor may do so at Grantee's expense and Grantee shall reimburse Grantor for any expense or cost incurred by Grantor in so doing, within ten (10) days after receipt of an invoice therefor.

11. Notices. All notices required or permitted under this Agreement shall be effective only if made in writing and only if delivered by hand with provision for a receipt, or transmitted by telecopier with written confirmation receipt, or sent by overnight mail by a commercial overnight carrier with provision for a receipt, or mailed by registered or certified U.S. mail with return receipt requested, postage and delivery charges prepaid to the addresses set forth below or to such other addresses as the parties may from time to time designate in writing. Such notices shall be effective on the date of delivery or refusal of delivery, as reflected by the receipt.

To Grantor:

Mirant Kendall, LLC
265 First Street,
Cambridge, MA 02142
Attention: Tom Herlihy, Plant Manager
Fax: 617.354.1301

with a copy to:

Mirant Corporation
1155 Perimeter Center West
Atlanta, GA 30338
Attention: Sonnet Edmonds, Assistant General Counsel
Fax: 678.579.5890

To Grantee: Cambridge Electric Light Company
C/o NSTAR Electric & Gas Corporation
800 Boylston Street, 17th Floor
Boston, MA 02199
Attn: Legal Department

With a copy to: Cambridge Electric Light Company
One NSTAR Way
Westwood, MA 02090
Attn: Vice President, Engineering

12. Easements Run With Land. The rights, duties, easements and agreements herein contained shall be binding on and inure to the benefit of Grantor and Grantee, and their respective successors and assigns, and successors in title.

13. Negation of Partnership. None of the terms or provisions of this Agreement shall be deemed to create a partnership between or among the parties hereto in their respective businesses or otherwise, nor shall it cause them to be considered joint venturers or members of any joint enterprise. Each party shall be considered a separate party, and neither Grantor nor Grantee shall have the right to act as an agent for the other, unless expressly authorized to do so herein or by separate written instrument signed by the party to be charged.

14. Governing Law. This Agreement and the performance hereof shall be subject to and governed by the laws of the Commonwealth of Massachusetts.

15. Cooperation and Further Assurances. The parties hereto agree that each shall reasonably cooperate with the other to the extent necessary to give effect to the terms and conditions of this Agreement.

16. Amendment. This Agreement may be amended or terminated only by the execution and recording with the Middlesex County Registry of Deeds of a written instrument signed by the parties hereto.

17. AUL. All activities of either party pursuant to this instrument shall be subject to a Notice of Activity and Use Limitation dated November 20, 1998, recorded on November 24, 1998 at Book 29415, Page 515, as affected by Amendment and Ratification of Notice of

Activity and Use Limitation, dated as of April 28, 2003, recorded May 9, 2003 as Instrument 1245.

18. Counterparts. This Agreement may be executed in any number of counterparts, which together shall constitute one instrument.

IN WITNESS WHEREOF, the undersigned have executed this grant of easement under seal by and through their respective duly authorized representatives, as of the date first written above.

GRANTOR:

MIRANT KENDALL, LLC

By: _____
Name:
Title:

GRANTEE:

CAMBRIDGE ELECTRIC LIGHT COMPANY

By: _____
Name:
Title:

COMMONWEALTH OF MASSACHUSETTS

On this ____ day of _____, 2004, before me, the undersigned notary public, personally appeared _____, proved to me through satisfactory evidence of identification, which was _____, to be the person whose name is signed on the preceding document, and acknowledged to me that s/he signed it voluntarily for its stated purpose, as an officer of Mirant Kendall, LLC, a limited liability company.

Notary Public
My Commission Expires: _____

COMMONWEALTH OF MASSACHUSETTS

On this ____ day of _____, 2004, before me, the undersigned notary public, personally appeared _____, proved to me through satisfactory evidence of identification, which was _____, to be the person whose name is signed on the preceding document, and acknowledged to me that s/he signed it voluntarily for its stated purpose, as an officer of Cambridge Electric Light Company, a corporation.

Notary Public
My Commission Expires: _____

EXHIBIT A

Legal Description of Grantor's Land

EXHIBIT B

Easement Plan of Land

EXHIBIT C

Bankruptcy Court Order

EXHIBIT D

Permitted Encumbrances

Schedule B II of Title Commitment

Fidelity National Title
INSURANCE COMPANY OF NEW YORK

File No. 98-BOS-0019MA/EASE
Revised March 8, 2004

COMMITMENT FOR TITLE INSURANCE

Schedule B II
(Exceptions)

Schedule B of the policy or policies to be issued will contain exceptions to the following matters unless the same are disposed of to the satisfaction of the Company.

1. Defects, liens, encumbrances, adverse claims or other matters, if any, created, first appearing in the public records or attaching subsequent to the effective date hereof but prior to the date the Proposed Insured acquired for value of record the estate or interest or mortgage thereon covered by this Commitment.
2. Easements or claims of easements not shown by the public records, boundary-line disputes, overlaps, encroachments and any matters not of record arising subsequent to December 31, 1998, which would be disclosed by an accurate survey and inspection of the premises.
3. Such matters as would be disclosed by a current certificate of municipal liens.

Note (i): Item 2 will be deleted upon receipt of a satisfactory survey and surveyor's report. Item 3 to be revised upon receipt of certificate of municipal liens.

4. Survey entitled ALTA/ACSM Land Title Survey in Cambridge, Massachusetts, dated 21 October 1998, by Gunther Engineering, Inc. (the Survey), discloses the following:
 - a. concrete pad with transformer encroaches into land n/f COM/Energy to the north;
 - b. chain link fence along COM/Energy's land to the west.
5. Easement granted by Cambridge Electric Light Company to Com/Energy Steam Company and Commonwealth Gas Company, dated August 16, 1982, and recorded in Book 14698, Page 288, as affected by Release, Amendment and Grant of Easements, dated as of July 12, 2002, recorded July 15, 2002 as Instrument 979.
6. Easement granted by Cambridge Electric Light Company to Com/Energy Steam Company and Commonwealth Gas Company, dated August 16, 1982, and recorded in Book 14698, Page 291.
7. License to fill issued by the Commonwealth of Massachusetts, Harbor Commissioners's Office, dated July 8, 1874, recorded at Book 1320, Page 219.
8. Grant of Easement from Cambridge Electric Light Company to Commonwealth Gas Company, dated December 30, 1998, recorded December 31, 1998 at Book 29606, Page 82.
9. Grant of Easements from Southern Energy Kendall, L.L.C. to Cambridge Electric Light Company, dated December 30, 1998, recorded December 31, 1998 at Book 29606, Page 95.

Fidelity National Title
INSURANCE COMPANY OF NEW YORK

File No. 98-BOS-0019MA/EASE
Revised March 8, 2004

COMMITMENT FOR TITLE INSURANCE

10. Notice of Activity and Use Limitation, dated November 20, 1998, recorded November 24, 1998 at Book: 29415, Page 515, as affected by Amendment and Ratification of Notice of Activity and Use Limitation, dated as of April 28, 2003, recorded May 9, 2003 as Instrument 1245.
11. License Agreement by and between Southern Energy Kendall LLC and Kendall Square LLC, dated September 12, 2000, recorded at Book 31913, Page 420.
12. License issued by the Massachusetts Department of Environmental Protection, No. 8772, dated March 15, 2001, recorded at Book 32549, Page 285.

NOTE: Although excluded from coverage, the following items 13 - 15 are noted for informational purposes only:

13. Cambridge Board of Appeal Variance, Case No. 8218, recorded at Book 32125, Page 467.
14. Order of Conditions issued by the Cambridge Conservation Commission, DEP File 123-150, recorded at Book 32143, Page 178.
15. Notice of Decision, Cambridge Board of Zoning Appeal, Case No. 8775, filed with the City Clerk December 19, 2003, recorded at Book 41820, Page 62.