

THIRD AMENDMENT TO PAYMENT IN LIEU OF TAX AGREEMENT

This Third Amendment (this “Third Amendment”), dated as of Jan 15, '19, is by and between the Town of Plymouth, a municipal corporation and political subdivision of the Commonwealth of Massachusetts, with offices at 26 Court Street Plymouth, Massachusetts 02360 (“Town”) and Entergy Nuclear Generation Company, a Massachusetts corporation, with its principal place of business at the Pilgrim Nuclear Generation Station, Rocky Hill Road, Plymouth, Massachusetts 02360 (“Entergy”), each individually, a “Party” and collectively, the “Parties.”

WHEREAS, the Town and Entergy are Parties to the Payment In Lieu of Tax Agreement, dated as of August 13, 2013 (the “PILOT Agreement”), and capitalized terms used but not otherwise defined in this Third Amendment shall have the meaning given them in the PILOT Agreement; and

WHEREAS, the Town and Entergy are Parties to a First Amendment to PILOT Agreement dated December 17, 2014 that extended the PILOT Agreement through Fiscal Year 2017; and

WHEREAS, the Town and Entergy are Parties to a Second Amendment to PILOT Agreement dated October 16, 2016, that extended the PILOT Agreement through Fiscal Year 2019; and

WHEREAS, Entergy has announced its intention to permanently cease all nuclear power generating operations at the Plant by June 1, 2019, at which time the Plant will enter into a period of post-shutdown decommissioning activities (“Post-Shutdown Plant”) to manage the transition of spent nuclear fuel to the Independent Spent Fuel Storage Installation (the “ISFSI”); and

WHEREAS, in accordance with Section 11 of the PILOT Agreement, the Town and Entergy now wish to amend the PILOT Agreement for payments after cessation of operations through Fiscal Year 2021, amending certain sections of the PILOT Agreement accordingly.

NOW THEREFORE, the Town and Entergy, in accordance with Section 22 of the PILOT Agreement, in consideration of mutual covenants and conditions contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

1. Except as expressly set forth in this Third Amendment, the terms of the PILOT Agreement shall be extended to and inclusive of June 30, 2021.
2. The Annual Payment for Fiscal Year 2020 shall be \$7,000,000 subject to limitations set forth in Section 10 of the PILOT Agreement and the Annual Payment for Fiscal Year 2021 shall be \$6,500,000 also subject to the limitations set forth in Section 10 of the PILOT Agreement. The sixth "Whereas" clause, Section 8, and Section 10 are each amended accordingly by striking the phrase "through 2019" and inserting in its place the phrase "through 2021"; and Section 1 is amended by adding "2020" and "\$7,000,000" and "2021" and "\$6,500,000" to the bottom of the existing columns for "Fiscal Year" and "Payment," respectively.
3. Section 2 of the PILOT Agreement is amended by striking the existing language in full and inserting in its place the following:

Property. Entergy and the Town agree that the Annual Payments for Fiscal Years 2020 and 2021 shall be for the Plant, including any additions for Post Shut Down Plant. For the avoidance of doubt, the Plant includes all personal property and additions

required for decommissioning activities, spent nuclear fuel storage activities, and preparation and development of the ISFSI.

4. Section 6 of the PILOT Agreement is amended by striking the existing text in full and inserting in its place the following:

Mutual Benefits. The Parties acknowledge that this PILOT Agreement is fair and beneficial to them because it resolves all tax issues between them, including any litigation which might otherwise ensue concerning Fiscal Years 2014 through 2021, with resulting substantial costs. Moreover, both Parties value the tax and economic stability achieved by this PILOT Agreement at a time of uncertainty as to the fair cash value of property used in decommissioning activities to manage the transition of spent nuclear fuel to the ISFSI.

5. Section 11 of the PILOT Agreement is amended by striking the phrase “This PILOT Agreement shall terminate” and inserting in its place “The Parties, by mutual agreement, may terminate or amend the PILOT Agreement”.
6. Section 14 of the PILOT Agreement is amended by inserting the following as the second paragraph thereof:

The obligations of the Parties under any amendments made to the PILOT Agreement by this Third Amendment thereto are conditioned upon (i) the Town promptly submitting this Third Amendment to the Massachusetts Department of Revenue (“DOR”), and DOR having no objection within the thirty (30) day period, and (ii) approval of the Third Amendment by the Town acting by vote of its Town Meeting no later than April 6, 2019. In the event that DOR objects to the Third Amendment or the Third Amendment is not approved by Town Meeting, the Third Amendment shall

become null and void and of no further effect unless otherwise agreed by the Parties in writing.

7. Section 20 of the PILOT Agreement is amended by striking the existing text in full and inserting in its place the following:

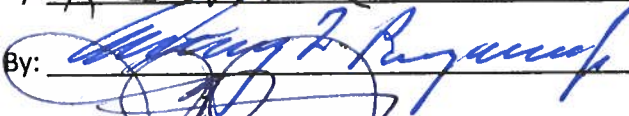
Right of First Refusal / Option. The Parties agree that in addition to the rights provided under G.L. c. 61, § 8 that the provisions of G.L. c. 61, § 8, as appearing therein as of the effective date of this Third Amendment, shall be binding upon the Parties and their successors and assigns in contract for the term of the Third Amendment regardless of the continued applicability of said chapter and section with respect to the approximately 1542.717 acres of forestry land (“Forestry Lands”) that are the subject of the Forestry Lands Declaration of Restrictive Covenant attached as Exhibit 2 to the PILOT Agreement.

8. The Parties agree that this Third Amendment does not extend the terms of the Declaration of Restrictive Covenant (Exhibit 2 of the PILOT Agreement, recorded with the Plymouth County Registry of Deeds at Book 43946, Page 36 pursuant to Section 20 of the PILOT Agreement), and that the Declaration of Restrictive Covenant expired on June 30, 2017 in accordance with the terms of the First Amendment to the PILOT Agreement.
9. The terms of this Third Amendment, upon satisfying the conditions set forth in Section 14 of the PILOT Agreement, as amended by paragraph 6 of this Third Amendment, shall become effective on July 1, 2019.
10. The Parties shall commence the process of negotiating another Payment in Lieu of Tax Agreement for the Plant for Fiscal Year 2022, and possibly future years, not later than March 31, 2020.

IN WITNESS WHEREOF, THE Town and Entergy have executed this Third Amendment as of the date first above written.

BOARD OF SELECTMEN OF THE TOWN OF PLYMOUTH

By: 

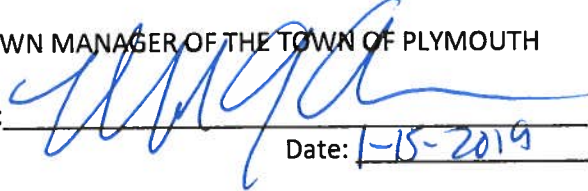
By: 

By: _____

By: 

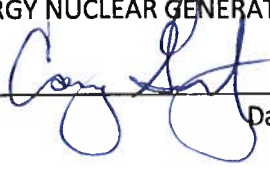
By: _____

TOWN MANAGER OF THE TOWN OF PLYMOUTH

By: 

Date: 1-15-2019

ENTERGY NUCLEAR GENERATION COMPANY

By: 

Date: 1-25-19