

THIS NINTH SUPPLEMENTAL INDENTURE, dated as of the [ ] day of [June], 2012, made by and between AQUARION WATER COMPANY OF NEW HAMPSHIRE, INC. (formerly, Hampton Water Works Company), a corporation duly organized and existing under the laws of the State of New Hampshire (hereinafter called the "Company"), and U.S. BANK NATIONAL ASSOCIATION, as Trustee (hereinafter called the "Trustee").

### WITNESSETH

WHEREAS, the Company has heretofore executed and delivered to the Trustee its Indenture of Mortgage dated as of May 1, 1968 (hereinafter called the "Original Indenture"), which Original Indenture was supplemented by a First Supplemental Indenture dated as of March 1, 1971, by a Second Supplemental Indenture dated as of October 1, 1975, by a Third Supplemental Indenture dated as of September 1, 1977, by a Fourth Supplemental Indenture dated as of October 1, 1982, by a Fifth Supplemental Indenture dated as of June 1, 1989, by a Sixth Supplemental Indenture dated as of July 1, 1993, by a Seventh Supplemental Indenture dated as of December 1, 1997, and by an Eighth Supplemental Indenture dated as of August 1, 2005 (the Original Indenture and any and all indentures supplemental thereto being sometimes referred to collectively hereinafter as the "Indenture"), to secure the payment of the principal of and premium (if any) and interest on all bonds at any time issued and outstanding thereunder and to declare the terms and conditions upon which such bonds may be issued; and

WHEREAS, the Company is successor to Hampton Water Works Company ("Hampton"), and has acquired all of the assets (and has assumed all the liabilities) of Hampton; and

WHEREAS, in order to comply with the obligations of the Company in Section 3.09 of Article III and elsewhere in the Indenture it is desirable, and the Company has duly and lawfully determined at the request of the Trustee, to execute and deliver this instrument for the purpose of complying with said obligations and provisions.

### RECITALS

The background of This Ninth Supplemental Indenture is:

A. The Company has executed, issued and delivered and the Trustee has authenticated and delivered under the Indenture (a) \$400,000 aggregate principal amount of General Mortgage Bonds, 7-3/8% Series due July 1, 1993, all of which bonds have been retired; (b) \$100,000 aggregate principal amount of General Mortgage Bonds, 9-1/4% Series due April 1, 1996, all of which bonds have been retired; (c) \$900,000 aggregate principal amount of General Mortgage Bonds, 8-7/8% Series due October 1, 1997, all of which bonds have been retired; (d) \$1,200,000 aggregate principal amount of General Mortgage Bonds, 14% Series due October 1, 1997, all of which bonds have been

retired; (e) \$1,800,000 aggregate principal amount of General Mortgage Bonds, 9.92% Series due April 1, 2019, all of which bonds have been retired; (f) \$3,000,000 aggregate principal amount of General Mortgage Bonds, 7.71% Series due June 1, 2023, all of which bonds are presently outstanding; (g) \$2,700,000 aggregate principal amount of General Mortgage Bonds, 7.48% Series, due December 1, 2027, all of which bonds have been retired; and (h) \$5,900,000 aggregate principal amount of General Mortgage Bonds, 6.21% Series, due August 1, 2035, all of which bonds are presently outstanding.

B. The Company, in the exercise of the powers and authority conferred upon or reserved to it by the provisions of the Indenture and pursuant to appropriate resolutions of its Board of Directors, has duly resolved and determined to make, execute and deliver to the Trustee this Ninth Supplemental Indenture (hereinafter referred to as the “Ninth Supplemental Indenture”) in order to create and provide for the issue of a new series of bonds (to be known as “bonds of the 2012 4.45% Series” as hereinafter provided in this Ninth Supplemental Indenture and in the form of bond attached hereto as Exhibit A) and to prescribe with respect to the bonds of the 2012 4.45% Series certain particulars as required by paragraph 2 of Section 2.03 of the Original Indenture.

C. The Board of Directors of the Company has determined that the initial issue of bonds of the 2012 4.45% Series shall be in the aggregate principal amount of \$5,000,000.

D. The Company warrants and represents that all things necessary to make the bonds of the 2012 4.45% Series, when duly executed by the Company and authenticated and delivered by the Trustee and issued by the Company as in this Ninth Supplemental Indenture provided, the valid, binding and legal obligations of the Company, entitled to the benefits and security of the Indenture, and to make this Ninth Supplemental Indenture a valid, binding and legal instrument in accordance with its terms, have been done and performed, and the issue hereunder of the bonds of the 2012 4.45% Series has in all respects been duly authorized.

NOW THEREFORE, THIS NINTH SUPPLEMENTAL INDENTURE WITNESSETH that the Company, in consideration of the premises and of the acceptance by the Trustee of the trusts hereby created and of the purchase and acceptance by the registered owners thereof of the bonds of the 2012 4.45% Series, and of One Dollar to it duly paid by the Trustee at or before the ensembling and delivery of these presents, the receipt whereof is hereby acknowledged, and in order further to secure the payment of the principal of and premium (if any) and interest on all bonds at any time issued and outstanding under the Indenture, according to their tenor and effect, and the performance and observance by the Company of all the covenants and conditions in such bonds and in the Indenture contained, and intending to be legally bound, has granted, bargained, sold, released, conveyed, assigned, transferred, mortgaged, pledged, set over and confirmed, and by these presents does grant, bargain, sell, release, convey, assign, transfer, mortgage, pledge, set over and confirm unto the Trustee and to its respective successors in the trust, and to them and their assigns forever, all property described in the granting clauses of the Original Indenture as

Ninth Supplemental Indenture

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heretofore supplemented (except such thereof as may have been released from the lien of the Indenture in accordance with the terms thereof), as more particularly identified in Exhibit B hereto, which Exhibit is hereby incorporated in and made a part of this Granting Clause as if set forth herein in full. Subject, however, to the exceptions, reservations and matters of the kind and type recited in the Original Indenture, as heretofore supplemented and as otherwise provided herein.

TO HAVE AND TO HOLD all said premises, property, assets, rights and franchises granted, bargained, sold, released, conveyed, transferred, assigned, mortgaged, pledged, set over or confirmed by the Company as aforesaid or intended so to be (said premises, property, assets, rights and franchises being herein sometimes called the “trust estate” or “mortgaged property” or “mortgaged premises”) unto the Trustee and its successors in the trust, and to them and their assigns forever;

IN TRUST, NEVERTHELESS, upon the terms and trusts herein set forth and in the Original Indenture, for the equal and proportionate benefit and security of those who shall own the bonds issued and to be issued hereunder, or any of them, without preference, priority or distinction of any of said bonds over any others thereof by reason of priority in the time of the issue or negotiation thereof or by reason of the date or maturity thereof, or for any other reason whatsoever, so that all bonds at any time issued and outstanding under this Indenture shall have the same right, lien and preference under and by virtue hereof, and shall all be equally secured hereby, with like effect as if they had all been executed, authenticated and delivered simultaneously on the date hereof; *provided* that the bonds of different series may contain different terms and conditions than the bonds of other series in the respects set forth in Section 1.03 of the Indenture; and *provided, further*, that the Company may in any indenture supplemental to the Indenture add to the conditions, limitations, restrictions, covenants and agreements of this Indenture, in the manner set forth in clauses (a) and (b) of Section 12.01 of the Indenture, for the sole benefit of any one or more series of bonds.

IT IS HEREBY COVENANTED, DECLARED AND AGREED, by and between the parties hereto, upon the trusts and for the purposes aforesaid, as set forth in the following covenants, agreements, conditions and provisions:

## **PART I**

### **GENERAL MORTGAGE BONDS, 2012 4.45% SERIES**

A series of bonds to be issued under the Indenture and secured thereby is hereby created, which shall be designated as, and shall be distinguished from the bonds of all other series by the title “General Mortgage Bonds, 2012 4.45% Series due [\_\_\_\_], 2022”. The following terms are hereby prescribed for the bonds of the 2012 4.45% Series, in accordance with paragraph 2 of Section 2.03 of the Original Indenture:

- (a) Every bond of the 2012 4.45% Series dated prior to [\_\_\_\_], 2012, the first interest payment date for such bonds, shall bear interest from the date of such bond.
- (b) The aggregate principal amount of the bonds of the 2012 4.45% Series is limited to Five Million Dollars (\$5,000,000).
- (c) The bonds of the 2012 4.45% Series shall be in the form of registered bonds without coupons, shall be issued in denominations of One Thousand Dollars (\$1,000) or any multiple thereof, and shall be numbered consecutively IR-1 and upwards.
- (d) All bonds of the 2012 4.45% Series shall be due [\_\_\_\_], 2022 (the “Maturity Date”).
- (e) The principal of and premium, if any, and the interest on the bonds of the 2012 4.45% Series shall be payable at the office of the Trustee in the City of Philadelphia, Pennsylvania (or if there be a successor trustee, at its designated office), in coin or currency of the United States of America which at the time of payment is legal tender for public and private debts; *provided* that any payment of principal, premium or interest on a bond of the 2012 4.45% Series may be paid by agreement of the Company with the registered owner of the bond, by bank wire transfer to the person entitled thereto at the address or in the manner specified in such agreement .
- (f) The bonds of the 2012 4.45% Series shall be dated as of the date of their authentication, except that if any bond of the 2012 4.45% Series shall be authenticated on any interest payment date it shall be dated as of the day next following such interest payment date. All bonds of the 2012 4.45% Series shall bear interest until maturity at the rate of 4.45 per cent (4.45%) per annum, payable as follows.
  - (i) Interest shall be calculated on the actual number of days the bonds of the 2012 4.45% Series are outstanding on the basis of a year consisting of 360 days. In calculating interest, the date the bonds of the 2012 4.45% Series are purchased shall be included and the date the bonds of the 2012 4.45% Series are paid shall, if the funds are received before 2:00 p.m., prevailing Mountain time, be excluded. Interest shall be: (1) calculated quarterly in arrears as of the last day of each [\_\_\_\_\_] and on the Maturity Date; and (2) due and payable on the first day of each [\_\_\_\_\_] and on the Maturity Date.
  - (ii) Notwithstanding any provision of the Indenture to the contrary, if any Payment Due Date (as defined in the Bond Purchase Agreement) is not a Business Day (as defined in the bonds of the 2012 4.45% Series), then the

payment due thereon shall be due and payable on the next Business Day and, in the case of principal, interest shall continue to accrue thereon until paid.

- (iii) Notwithstanding the foregoing, upon the occurrence and during the continuance of an Event of Redemption as defined in the Bond Purchase Agreement, the unpaid principal balance of the bonds of the 2012 4.45% Series shall accrue interest at the Default Rate (as defined in the Bond Purchase Agreement). In addition, in the event the Company fails to make any payment of interest or fees when due, then at the option of the holder of the bond of the 2012 4.45% Series in each instance, such amount shall, if permitted by Law, bear interest from the date when due to the date paid at the Default Rate.
- (g) Any and all payments by or on account of any obligation of the Company with respect to the bonds of the 2012 4.45% Series or under the Bond Purchase Agreement shall be made without deduction or withholding for any taxes, except as required by applicable law. If any applicable law (as determined in the good faith discretion of the Company) requires the deduction or withholding by the Company of any tax from any payment, then the Company shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant governmental or official body in accordance with applicable law and, if such tax is a tax on the bonds of the 2012 4.45% Series or any interest or premium due thereon, then the sum payable by the Company shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this provision) CoBank receives an amount equal to the sum it would have received had no such deduction or withholding been made.
- (h) The bonds of the 2012 4.45% Series shall be redeemable only at the price and on the conditions stated in the form of bond of the 2012 4.45% Series set forth in Exhibit A hereto, any redemption to be effected in accordance with the provisions of the bonds of the 2012 4.45% Series and the Bond Purchase Agreement and/or Article IV of the Original Indenture, as applicable.
- (i) There shall not be any sinking, purchase or analogous fund for the retirement of the bonds of the 2012 4.45% Series.
- (j) The bonds of the 2012 4.45% Series shall not be convertible.
- (k) The bonds of the 2012 4.45% Series shall be exchangeable only as provided in the Original Indenture.
- (l) There are no other particulars necessary to describe and define the bonds of the

2012\_4.45% Series within the provisions and limitations of the Original Indenture except as provided therein with respect to all bonds issued thereunder and except as provided in Part III hereof there are no other provisions or agreements in respect of the bonds of the 2012 4.45% Series which are for the sole benefit thereof.

- (m) The text of the bonds of the 2012 4.45% Series and of the authentication certificate of the Trustee upon such bonds shall be, respectively, substantially as set forth in Exhibit A hereto.

## **PART II ISSUANCE OF BONDS OF THE 2012 4.45% SERIES**

The bonds of the 2012 4.45% Series may be executed by the Company and delivered to the Trustee for authentication, and shall be authenticated and delivered by the Trustee to or upon the order of the Company (which authentication and delivery may be made without awaiting the filing or recording of this Ninth Supplemental Indenture), upon receipt by the Trustee of the resolutions, certificates, orders, opinions, and other instruments required by the provisions of Sections 2.03 and 2.04 of the Original Indenture to be received by the Trustee as a condition to the authentication and delivery of bonds.

## **PART III COVENANTS WITH RESPECT TO BONDS OF THE 2012 4.45% SERIES**

### **SECTION 1. EXCLUSIVE BENEFIT COVENANTS**

The covenants, agreements and conditions contained in this Part III are solely for the protection and benefit of the registered owners of the bonds of the 2012 4.45% Series and are therefore Exclusive Benefit Covenants as defined in the Indenture, and the exclusive right to (i) require the Trustee to declare a default under, (ii) waive a default under, (iii) waive compliance with, or (iv) amend, any of such Exclusive Benefit Covenants shall be vested solely in the registered owners of not less than sixty-six and two-thirds per cent (66-2/3%) in principal amount of the bonds of the 2012 4.45% Series then outstanding. No benefits by reason of such Exclusive Benefit Covenants shall be deemed to be conferred upon persons other than the registered owners of the bonds of the 2012 4.45% Series, the Trustee and the Company.

### **SECTION 2. COVENANTS WITH RESPECT TO ISSUANCE OF ADDITIONAL BONDS.**

(a) So long as any of the bonds of the 2012 4.45% Series are outstanding, without the consent of the registered owners of greater than sixty-six and two-thirds per cent (66-2/3%) in principal amount of the bonds of the 2012 4.45% Series then outstanding, the Company shall not issue and the Trustee shall not authenticate additional bonds under Section 2.03 or Section 2.04 of the Original Indenture unless the net income of the Company has been equal to at least one and one-half times the aggregate annual interest charges on all Long Term Debt outstanding

immediately after such bonds are issued. The Company shall meet the requirements of this Section 2 by delivering to the Trustee (together with the resolutions, opinions, certificates and instruments provided for in Section 2.03 and Section 2.04) a "Certificate of Required Net Income for Debt" which shall state in substance that the net income of the Company, calculated as hereinafter provided, for a period of twelve consecutive calendar months within the fifteen calendar months immediately preceding the first day of the month in which the additional bonds are to be issued by the Trustee, has been equal to at least 1.50 times the aggregate annual interest charges on all Long Term Debt of the Company to be outstanding immediately after such bonds are issued (each of the foregoing ratios being a "Coverage Ratio"); *provided, however*, that in all calculations of such net income effect shall be given to the issue or retirement of any indebtedness that will be accomplished prior to or on the date of such issue and there shall be excepted from such Long Term Debt any thereof for the payment or redemption of which moneys in the necessary amounts have been irrevocably set aside by the Company or deposited with the Trustee or other holder of a mortgage or other lien securing any such Long Term Debt. The Certificate of Required Net Income for Debt shall be signed by the President or a Vice President and by the Treasurer or the Assistant Treasurer of the Company and shall set forth the amount of net income of the Company for such twelve-month period, shall itemize by issue and series the Long Term Debt so to be outstanding and state the aggregate principal amount of each such issue and series and the interest charges thereon for a period of one year. It shall show the method of calculation of such net income to be as follows:

From the total income (except amortization of premium on Debt), whether credited to surplus or otherwise, of the Company, from all sources (which shall not include income or losses from the sale of capital assets but shall include as a credit interest charged to construction) for the period in question, there shall be deducted all operating and nonoperating expenses and charges, including maintenance and depletion as is determined by its Board of Directors in accordance with established practice of the Company, taxes (except as hereinafter provided) and rentals paid or accrued in respect of the properties, license fees and franchise taxes paid or accrued and taxes based upon gross income, gross revenues or gross receipts, but excluding from such deductions federal and state taxes based on net income paid or accrued, interest charged on indebtedness of the Company, amortization of debt discount and expense, write-downs of property, or other adjustments, and similar items. Any increase or decrease in gross revenues of the Company attributable to higher or lower rates that have been in effect for less than the full twelve-month period on which such calculation is based shall be annualized, and there shall also be annualized such related fixed expenses and charges as are known to the principal officers of the Company.

In case, within or after the period for which the computation of net income of the Company is made, the Company shall have acquired any property (including an acquisition by merger), such acquired property may be treated as having been owned by the Company for the whole of such period of computation and the net income thereof for such period may, at the option of the Company, be included in the net income of the

Company, and there shall be excluded, in computing such net income, an amount equal to the net income estimated by the Company to be applicable to any property sold or disposed of by the Company after the beginning of such period of computation.

For purposes of this Section 2, the following terms shall have the meanings set forth below:

“Capitalized Lease” shall mean any lease the obligation for Rentals with respect to which is required to be capitalized on a balance sheet of the lessee in accordance with GAAP.

“Capitalized Rentals” of any Person shall mean as of the date of any determination thereof the amount at which the aggregate Rentals due or to become due under all Capitalized Leases under which such Person is a lessee would be reflected as a liability on a balance sheet of such Person.

“Debt” of any Person means at any date, without duplication, (i) all obligations of such Person for borrowed money or which has been incurred in connection with the acquisition of property or assets, (ii) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments, (iii) all obligations of such Person to pay the deferred purchase price of property or services, (iv) all obligations under Capitalized Leases of such Person, (v) all Debt of others secured by a lien on any asset of such Person, whether or not such Debt is assumed by such Person, and (vi) all Debt of others to the extent Guaranteed by such Person.

“GAAP” means generally accepted accounting principles in the United States as in effect from time to time subject, however, to the rules and regulations of any governmental body or agency under the jurisdiction of which the Company may be operating.

“Guaranty” by any Person shall mean any obligation, contingent or otherwise, of such Person directly or indirectly guaranteeing in any manner any Debt or other obligation of any other Person and, without limiting the generality of the foregoing, any obligation, direct or indirect, contingent or otherwise, of such Person (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Debt or other obligation (whether arising by virtue of partnership arrangements, by agreement to keep-well, to purchase assets, goods, bonds or services, to take-or-pay, or to maintain financial statement conditions or otherwise) or (ii) entered into for the purpose of assuring in any other manner the obligee of such Debt or other obligation of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part), *provided*, that the term “Guaranty” shall not include (x) endorsements for collection or deposit in the ordinary course of business, or (y) indemnity or hold harmless provisions included in contracts entered into in the ordinary course of business. The term “Guaranty” or “Guaranteed” used as a verb has a correlative meaning.



“Interest Charges” for any period shall mean all interest and all amortization of debt discount and expense on any particular Debt for which such calculations are being made. Computations of Interest Charges on a *pro forma* basis for Debt having a variable interest rate shall be calculated at the rate in effect on the date of any determination.

“Long Term Debt” of the Company shall mean (i) all Debt of the Company for borrowed money or which has been incurred in connection with the acquisition of assets in each case having a final maturity of more than one year from the date of origin thereof (or which is renewable or extendible at the option of the obligor for a period or periods more than one year from the date of origin), including all payments in respect thereof that are required to be made within one year from the date of any determination of Long Term Debt, whether or not the obligation to make such payments shall constitute a current liability of the obligor under GAAP, (ii) all Capitalized Rentals of the Company, and (iii) all Guaranties by the Company of Long Term Debt of others.

“Person” means any individual, sole proprietorship, corporation, partnership, joint venture, limited liability company, trust, unincorporated association, institution, governmental authority or any other entity.

“Rentals” shall mean and include as of the date of any determination thereof in the case of any lease or sublease of real or personal property (other than office leases, automobile leases, office equipment leases and other leases of property used primarily for administrative purposes), all fixed payments (including all payments due, other than solely by reason of acceleration, on termination or surrender of the property) payable by the Company thereunder, but exclusive of any amounts required to be paid by the Company (whether or not designated as rents or additional rents) on account of maintenance, repairs, insurance, taxes and similar charges, and fixed charges under any so-called “percentage leases” shall be computed solely on the basis of the minimum rents, if any, required to be paid by the Company regardless of sales volume or gross revenues.

(b) For the purposes of this Section 2, all determinations shall be made in accordance with GAAP.

(c) The provisions of this Section 2 shall not limit the power of the Company to issue nor of the Trustee to authenticate bonds under the provisions of Sections 1.04-1.11, inclusive, of the Original Indenture in connection with exchanges and transfers.

### SECTION 3. OPTIONAL REDEMPTION UPON CHANGE OF CONTROL.

(a) So long as any of the bonds of the 2012 4.45% Series are outstanding, the Company shall furnish written notice (a “Control Change Notice”) of a Change of Control to the registered owners of the bonds of the 2012 4.45% Series at least sixty (60) days prior to the date on which the Change of Control shall occur; *provided, however*, that if the Company shall not

then have knowledge of such fact, the Company shall deliver the Control Change Notice promptly upon receipt of such knowledge. The Control Change Notice shall (i) describe the facts and circumstances of such Change of Control (including the Change of Control Date) in reasonable detail, (ii) make reference to this Section 3 and the rights of the registered owners of the bonds of the 2012 4.45% Series to require the Company to redeem their bonds on the terms and conditions provided for herein, (iii) state that each such owner must make a declaration of its intent to have the bonds held by it redeemed, (iv) specify the date by which such owner must respond to such Control Change Notice pursuant to this Section 3 in order to make such declaration, and (v) the estimated Premium, if any.

Upon the receipt of such Control Change Notice or, if no Control Change Notice is given, upon receipt of actual knowledge of a Change of Control, each registered owner of the bonds of the 2012 4.45% Series shall have the privilege, upon written notice (the "Declaration Notice") to the Company, of declaring all bonds of the 2012 4.45% Series held by such owner to become due and payable and thereupon such bonds shall become due and payable on such date (the "Control Change Payment Date") as the Company shall specify in a written notice delivered to such owner, which notice shall be delivered by the Company to such owner not later than 20 days prior to the Control Change Payment Date. In the event that such Declaration Notice is served on or prior to the Change of Control Date, the Control Change Payment Date shall not be later than 30 days after the Change of Control Date or, if such Declaration Notice is not served on or prior to the Change of Control Date, the Control Change Payment Date shall not be later than 20 days after such Declaration Notice is served. The Company covenants and agrees to redeem in full on the Control Change Payment Date all bonds of the 2012 4.45% Series held by such registered owner serving such Declaration Notice to the Company. In the event that a Control Change Notice has in fact been given as hereinabove required, such Declaration Notice shall be served prior to 60 days after receipt of such Control Change Notice, and in the event that a Control Change Notice has not been given as hereinabove required, such Declaration Notice shall be served prior to 30 days after the registered owner serving such Declaration Notice shall have actual knowledge of such Change of Control. In the event that a Control Change Notice is given and a registered owner fails to provide a Declaration Notice within the time period set forth above, the bonds of the 2012 4.45% Series held by such registered owner shall not become due and payable as a result of such Change of Control.

All redemptions of bonds of the 2012 4.45% Series pursuant to this Section 3 shall be made by the payment of the aggregate principal amount remaining unpaid on such bonds and the accrued interest thereon to the date of such redemption, together with a Premium, if any, as set forth in the form of bond of the 2012 4.45% Series attached as Exhibit A hereto.

(b) As used herein, the following defined terms have the meanings set forth:

"Change of Control" shall mean (i) any issue, sale or other disposition of shares of stock of the Company or any other event as a result of which the Company is no longer a subsidiary (defined below) of AQUARION WATER COMPANY, (ii) any merger or

consolidation of the Company with or into any other entity if the entity which results from such merger or consolidation is not a subsidiary of Aquarion Water Company, (iii) any sale or other disposition of all or substantially all of the assets of the Company if the entity acquiring such assets is not a subsidiary of Aquarion Water Company, excluding, however, a sale or disposition pursuant to eminent domain as a result of which the bonds of the 2012 4.45% Series are required to be redeemed under the applicable provisions of the Indenture, or (iv) any assumption by any municipality or other governmental body of any bonds of the 2012 4.45% Series as a result of which such municipality or governmental body becomes obligated, either as a sole obligor or a co-obligor, to make any payment to the holders of such bonds.

“Change of Control Date” shall mean any date upon which a Change of Control shall occur.

“subsidiary” shall mean as to any particular parent corporation any corporation of which more than 50% (by number of votes) of the Voting Stock shall be directly or indirectly owned by such parent corporation including through one or more other subsidiaries of such parent corporation.

“Voting Stock” shall mean securities of any class or classes, the holders of which are ordinarily, in the absence of contingencies, entitled to elect a majority of the corporate directors (or persons performing similar functions).

#### SECTION 4. FORM OF THE BONDS OF THE 2012 4.45% SERIES.

Notwithstanding any other requirement to the contrary in Section 1.09 of the Indenture, definitive bonds of the 2012 4.45% Series shall be typewritten or otherwise reproduced, as the Board of Directors may determine.

### **PART IV THE TRUSTEE**

The Trustee hereby accepts the trusts hereunder and agrees to perform the same, but only upon the terms and conditions set forth in the Original Indenture and upon the following terms and conditions:

The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Ninth Supplemental Indenture or the due execution hereof by the Company or for or in respect of the recitals contained herein, all of which recitals are made by the Company solely. In general, each and every term and condition contained in Article XI of the Original Indenture shall apply to this Ninth Supplemental Indenture with the same force and effect as if the same were herein set forth in full, with such omissions, variations and modifications thereof as may be appropriate to make the same conform to this Ninth

Supplemental Indenture.

**PART V  
AMENDMENTS AND SUPPLEMENTS TO THE ORIGINAL INDENTURE**

The following amendment and supplement shall be made in the Original Indenture:

SECTION 1. The “Saving and Excepting” Clause on pages 4 and 5 of the Original Indenture is hereby further amended by inserting the following parenthetical after the words “and other securities” in such clause:

“(including without limitation any and all equity or securities owned by the Company in CoBank ACB)”

**PART VI  
REAFFIRMATION OF INDENTURE**

The covenants, agreements, conditions, limitations and restrictions in the Indenture are hereby reaffirmed to the same extent as if they were herein set forth in full, except insofar as any of the provisions thereof may be inconsistent with any of the provisions herein.

**PART VII  
MISCELLANEOUS PROVISIONS**

For all purposes hereof, all terms contained in this Ninth Supplemental Indenture shall, except as the context may otherwise require or as provided herein, have the meanings given to such terms in the Original Indenture.

This Ninth Supplemental Indenture may be simultaneously executed in any number of counterparts and all said counterparts executed and delivered, each as an original, shall constitute but one and the same instrument

This Ninth Supplemental Indenture shall be governed by and construed in accordance with the laws of the State of New Hampshire.

This Ninth Supplemental Indenture shall become void when the Original Indenture becomes void.

*[Signature Page Follows]*

IN WITNESS WHEREOF, AQUARION WATER COMPANY OF NEW HAMPSHIRE, INC. has caused these presents to be signed in its corporate name by its President or one of its Vice Presidents and sealed with its corporate seal attested by its Secretary or one of its Assistant Secretaries, and U.S. BANK National Association has caused these presents to be signed in its name by one of its Vice Presidents or one of its Assistant Vice Presidents and sealed with its corporate seal attested by one of its authorized officers, all as of the day and year first above written. THE UNDERSIGNED HEREBY ACKNOWLEDGE THAT THEY HAVE RECEIVED A TRUE AND CORRECT COPY OF THE WITHIN MORTGAGE WITHOUT CHARGE.

[SEAL]

AQUARION WATER COMPANY  
OF NEW HAMPSHIRE, INC.

ATTEST:

\_\_\_\_\_  
Donald J. Morrissey, Executive Vice  
President, Treasurer and Secretary

By: \_\_\_\_\_  
Charles V. Firlotte, President

Signed, Sealed and Delivered by

AQUARION WATER COMPANY OF NEW HAMPSHIRE, INC.

in the presence of:

\_\_\_\_\_  
\_\_\_\_\_

[SEAL]

U.S. BANK National Association, as trustee

ATTEST:

\_\_\_\_\_  
Authorized Officer

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: Vice President

Signed and Delivered by

U.S. BANK National Association

in the presence of:

\_\_\_\_\_  
\_\_\_\_\_

**EXHIBIT A**

**(FORM OF BOND OF THE 2012 4.45% SERIES)**

No. IR-

\$ \_\_\_\_\_

**AQUARION WATER COMPANY OF NEW HAMPSHIRE, INC.**

**GENERAL MORTGAGE BOND, 2012 4.45% SERIES  
Due [\_\_\_\_], 2022]**

AQUARION WATER COMPANY OF NEW HAMPSHIRE, INC., a corporation organized and existing under the laws of the State of New Hampshire (formerly, Hampton Water Works Company) (hereinafter called the "Company", which term shall include any successor corporation as defined in the Indenture hereinafter referred to), for value received, hereby promises to pay to CoBANK, ACB, a federally chartered instrumentality of the United States ("CoBank"), or its registered assigns, on the [ ] day of [ ], 2022, at the office of the Trustee hereinafter named in the City of Philadelphia, Pennsylvania (or, if there be a successor trustee, at its principal office), the sum of \_\_\_\_\_ Dollars in coin or currency of the United States of America which at the time of payment is legal tender for public and private debts, and to pay interest thereon to the registered owner hereof, at said office, calculated from the date hereof, until maturity, at the rate of four and forty-five hundredths percent (4.45%) per annum, in like coin or currency, quarterly on the [ ] day of [ ] and the [ ] day of [ ] in each year commencing on the [ ] day of [\_\_\_\_], 2012 and the balance of such interest at maturity; *provided* that principal, interest, and Premium, if any, shall be paid by bank wire transfer to the person entitled thereto at the address or in the manner specified in the agreement of the Company with the registered owner of this Bond, subject, in the case of the payment in full of the principal of the bond, to the presentation of this bond to the Trustee as provided in the Indenture. Interest shall be calculated on the actual number of days the bond is outstanding on the basis of a year consisting of 360 days.

Notwithstanding the foregoing, upon the occurrence and during the continuance of an Event of Redemption as defined in the Bond Purchase Agreement, the unpaid principal balance of the bond shall accrue interest at the Default Rate. In addition, in the event the Company fails to make any payment of interest or fees when due, then at CoBank's option in each instance, such amount shall, if permitted by Law, bear interest from the date when due to the date paid at the Default Rate.

For purposes of this bond, the following terms shall have the meanings set forth below:

"Bond Purchase Agreement" means that certain Bond Purchase Agreement between the Company and CoBank dated as of June [\_\_\_\_], 2012.

"Business Day" means any day other than a Saturday, a Sunday, a legal holiday or other day on which CoBank or the Federal Reserve Banks are closed for business.



“Default Rate” shall mean: (1) in the case of principal, 4% per annum in excess of the rates that would otherwise be in effect hereunder; and (2) in the case of overdue interest, fees, and other charges, 4% per annum in excess of the Prime Rate.

“Maturity Date” shall mean [\_\_\_\_\_], 2022.

“Person” means any individual, partnership, joint venture, firm, corporation, association, trust, limited liability Company or other enterprise (whether or not incorporated), or any government or political subdivision or any agency, department or instrumentality thereof.

“Premium” shall mean the amount equal to the greater of (i) the sum of: (a) the present value of any funding losses imputed by CoBank to have been incurred as a result of repayment of the principal amount of this bond; plus (b) a per annum yield of 1/2 of 1% of the amount repaid for the period such amount was scheduled to have been outstanding, and (ii) a surcharge of \$300. Such surcharge shall be determined and calculated in accordance with methodology established by CoBank, a copy of which will be made available upon request. Notwithstanding the foregoing, in the event the prepayment or redemption is attributable to a condemnation or like event or a sale in lieu thereof that is not solicited or brought about as a result of any activity of the Company (including any effort to sell the Company), then the Premium shall be the amount calculated above without taking into account the 1/2 of 1% yield set forth in (b) above.

“Prime Rate” means the rate of interest per annum published from time to time as the “Prime Rate” in the printed version of *The Wall Street Journal*, or, if *The Wall Street Journal* ceases publishing a “Prime Rate”, any successor publication selected by CoBank in its reasonable discretion; each change in the Prime Rate shall be effective from and including the date such change is publicly announced as being effective and published in the printed version of *The Wall Street Journal* or any successor publication. The Prime Rate published by *The Wall Street Journal* or any such successor publication is a reference rate and does not represent the lowest or best rate charged by financial institutions to their customers.

This bond is one of an authorized issue of bonds of the Company known as its General Mortgage Bonds, not limited in aggregate principal amount except as provided in the Indenture hereinafter mentioned, all issued and to be issued in one or more series under and equally secured by an indenture of mortgage (hereinafter called the “Original Indenture”) executed by the Company to The Fidelity Bank (now, U.S. Bank National Association), as trustee (hereinafter, the “Trustee”), dated as of May 1, 1968, as supplemented and amended by a First Supplemental Indenture dated as of March 1, 1971, a Second Supplemental Indenture dated as of October 1, 1975, a Third Supplemental Indenture dated as of September 1, 1977, a Fourth Supplemental Indenture dated as of October 1, 1982, a Fifth Supplemental Indenture dated as of June 1, 1989, a Sixth Supplemental Indenture dated as of July 1, 1993, a Seventh Supplemental Indenture dated as of December 1, 1997, an Eighth Supplemental Indenture dated as of August 1, 2005 and a Ninth Supplemental Indenture dated as of [June] [ ], 2012 (hereinafter the “Ninth Supplemental Indenture”; the Original Indenture as so supplemented and amended being hereinafter called the “Indenture”), to which Indenture reference is hereby made for a

description of the property mortgaged and pledged, the nature and extent of the security, the terms and conditions upon which the bonds are and are to be secured, and the rights of the registered owners thereof and of the Trustee in respect of such security. As provided in the Indenture, said bonds may be issued in series for various principal sums, may bear different dates and mature at different times, may bear interest at different rates, and may otherwise vary as in the Indenture provided or permitted. This bond is one of the bonds described in the Ninth Supplemental Indenture and designated therein as “General Mortgage Bonds, 2012 4.45% Series due [\_\_\_\_\_], 2022” (hereinafter referred to as the “bonds of the 2012 4.45% Series”).

The lien of the Indenture on the property of the Company is subject to Permitted Encumbrances as defined in the Indenture which include the lien of the Prior Mortgage as defined therein.

Bonds of 2012 4.45% Series shall be subject to redemption in whole or in part: (1) upon the occurrence of an Event of Redemption as set forth in the Bond Purchase Agreement, (2) as provided in Section 3 of Part III of the Ninth Supplemental Indenture, (3) as provided for in this Bond with respect to a redemption pursuant to Section 5.03 or Section 5.06 of the Indenture, (4) if and to the extent required in the Indenture; and (5) at the option of the Company as provided in the Bond Purchase Agreement, at, in each case provided in (1) through (5) above the redemption price equal to the principal amount of the bonds of the 2012 4.45% Series, or portions thereof to be redeemed, together with interest accrued on such bonds to the date fixed for their redemption plus a “Premium” (as defined herein).

In the event that all or substantially all of the property of the Company at the time subject to the lien of the Indenture, or all or substantially all of the property of the Company at the time so subject to such lien which is used or useful in connection with its utility business as defined in the Indenture, shall be released from the lien of the Indenture under the provisions of Section 5.03 or Section 5.06 thereof, the award or consideration received by the Trustee for such property (together with any other moneys held by the Trustee under the Indenture) shall be applied by the Trustee to the redemption in full of all bonds then outstanding under the Indenture, any moneys held for the account of any particular bonds being applied to the redemption (or payment, if matured) of such bonds. In the event of such a release of all or substantially all of such property pursuant to Section 5.03 or Section 5.06 of the Indenture, the redemption price of the bonds of the 2012 4.45% Series shall be 100% of the principal amount thereof plus all interest accrued and unpaid thereon to the date fixed for redemption plus a premium equal to the “Premium” (as defined herein). In the event payment shall be duly provided for, in such amount, and as specified in the Indenture, interest thereon shall cease to accrue from and after the date fixed for redemption. If the moneys then in the hands of the Trustee available for such purpose shall not be sufficient for such redemption in full, the Company shall deposit with the Trustee on or before the date fixed for redemption an amount sufficient to enable the Trustee to pay the full redemption prices of the bonds at the rate or rates applicable together with interest accrued to such date and all expenses in connection with such redemption. If the Company shall default in its obligation to deposit any such amount with the

Trustee, the moneys in the hands of the Trustee available for such purpose (together with any moneys thereafter received) shall be applied by the Trustee to the partial payment of all bonds then outstanding under the Indenture, pro rata in proportion to the respective amounts then due and owing thereon for principal, premium, if any, and interest but, until the full amount then due and owing on the bonds shall have been paid, no such partial payment shall discharge the obligation of the Company on any bond except to the extent of such partial payment. Notice of any such partial pro rata payment shall be given once by the Trustee to the registered owners of the bonds within one week after the date as of which the bonds were called for redemption, and from and after a date to be specified in such notice (to be not earlier than the date upon which such notice is given and not later than ten days after such redemption date) interest shall cease to accrue on the obligation of the Company on the bonds so called for redemption as long as CoBank has received the partial payment as of the date specified in such notice and to the extent of the partial payment. Subsequently, if any additional moneys applicable to an additional partial payment or to the payment of the entire balance then due on the bonds shall be received by the Trustee, the Trustee shall, with reasonable promptness, give like notice of any such payment (specifying a date within ten days after the date-of such notice) with like effect.

Upon the happening and during the continuance of an Event of Redemption (as defined in the Bond Purchase Agreement) the unpaid principal of this bond, together with accrued interest and the Premium owing hereunder, may be declared or may become due prior to its maturity date, in the manner, with the effect and subject to the conditions provided in the Bond Purchase Agreement.

Subject to the right of optional redemption, if applicable, set forth in Section 3 of Part III of the Ninth Supplemental Indenture, and subject to any consent rights of the holder under the Bond Purchase Agreement, in case the Company shall be consolidated with or merged into any other corporation, or all or substantially all of the mortgaged property as an entirety or substantially as an entirety shall be conveyed or transferred subject to the lien of the Indenture, the corporation resulting from such consolidation, or into which the Company shall have been merged, or which shall have received such conveyance or transfer, may elect to exchange its bonds for bonds outstanding under the Indenture, including the bonds of the 2012 4.45% Series, subject to the conditions and in the manner provided in the Indenture.

To the extent permitted by, and as provided in, the Indenture, amendments or modifications of the Original Indenture, or of any indenture supplemental thereto, and of the rights and obligations of the Company and of the owners of the bonds issued and to be issued thereunder, may be made with the consent of the Company by the written consent of the registered owners of not less than sixty-six and two-thirds per cent (66-2/3%) in principal amount of the bonds then outstanding under the Indenture; *provided* that any amendment or modification which will affect the rights under the Indenture or any indenture supplemental thereto of the owners of one or more, but less than all, of the series of bonds outstanding under the Indenture, or which will amend or modify any Exclusive Benefit Covenant (as defined in the Indenture), may be made only with the consent of the Company and the written consent of the registered owners of not less than sixty-six and two-thirds per cent (66-2/3%) in principal

amount of the bonds of the series so affected or the bonds of the series for the protection or benefit of which such Exclusive Benefit Covenant is made, as the case may be, then outstanding under the Indenture (unless, in the case of any Exclusive Benefit Covenant, some other percentage of bonds is authorized to amend or modify by the supplemental indenture establishing said Exclusive Benefit Covenant), and therefore may be made with the written consent of the registered owners of said principal amount of the bonds of such series without any requirement for the consent of owners of bonds outstanding under the Indenture which are not affected by such amendment or modification; further *provided, however*, that except with the written consent of the registered owner of this bond, no amendment or modification shall be made which will (i) permit the extension of the time or times of payment of the principal of or the interest on this bond, or a reduction in the principal amount hereof or the premium (if any), or the rate of interest hereof, or otherwise affect the terms of payment of the principal of, or premium (if any) or interest on, this bond, or (ii) reduce the percentage of principal amount of bonds the consent of the registered owners of which is required for the modification or alteration of the Indenture, or of any indenture supplemental thereto.

This bond is transferable by the registered owner hereof, in person or by duly authorized attorney, on books of the Company to be kept for that purpose at the office of the Trustee in the City of Philadelphia, Pennsylvania (or, if there be a successor trustee, at its principal office), upon surrender hereof at such office for cancellation and upon presentation of a written instrument of transfer duly executed, and thereupon the Company shall issue in the name of the transferee or transferees, and U.S. Bank National Association, as Trustee under the Indenture, or a successor trustee thereunder, shall authenticate and deliver, a new registered bond or bonds of the 2012 4.45% Series in authorized denominations, of a like aggregate principal amount; and the registered owner of any bond or bonds of the 2012 4.45% Series may surrender the same as aforesaid at said office in exchange for a like aggregate principal amount of bonds of like form, in authorized denominations; all upon payment of the charges and subject to the terms and conditions specified in the Indenture.

The Company and the Trustee may treat the registered owner of this bond as the absolute owner hereof for the purpose of receiving payment hereof, or on account hereof, and for all other purposes.

No recourse under or upon any obligations, covenant or agreement contained in the Indenture or in any indenture supplemental thereto, or in any bond thereby secured, or because of any indebtedness thereby secured, shall be had against any incorporator, or against any past, present or future stockholder, officer or director, as such, of the Company or of any successor corporation, either directly or through the Company or any successor corporation, under any constitution, statute, or rule of law or equity, or by the enforcement of any assessment or by any legal or equitable proceeding or otherwise; it being expressly agreed and understood that the Indenture, any indenture supplemental thereto and the obligations thereby secured are solely corporate obligations, and that no personal liability whatever shall attach to, or be incurred by, such incorporators, stockholders, officers or directors, as such, of the Company, or of any successor corporation, or any of them, because of the incurring of the indebtedness thereby

authorized, or under or by reason of any of the obligations, covenants or agreements contained in the Indenture or in any indenture supplemental thereto or in any of the bonds or coupons thereby secured, or implied therefrom.

This bond shall not be entitled to any benefit under the Indenture or any indenture supplemental thereto, and shall not become valid or obligatory for any purpose, until U.S. Bank National Association, as the Trustee under the Indenture, or a successor trustee thereunder, shall have signed the form of authentication certificate endorsed hereon.

*[Signature Page Follows]*

IN WITNESS WHEREOF, Aquarion Water Company of New Hampshire, Inc. has caused this bond to be signed in its name by its President or a Vice President and its corporate seal to be hereto affixed and attested by its Secretary or an Assistant Secretary, and this bond to be dated \_\_\_\_\_, 2012.

AQUARION WATER COMPANY OF NEW  
HAMPSHIRE, INC.

By: \_\_\_\_\_  
Charles V. Firlotte, President

[Seal]  
Attest:

\_\_\_\_\_  
Donald J. Morrissey, Executive Vice  
President, Treasurer and Secretary

**(FORM OF TRUSTEE'S AUTHENTICATION CERTIFICATE  
FOR BOND OF THE 2012 4.45% SERIES)**

**TRUSTEE'S AUTHENTICATION CERTIFICATE**

This bond is one of the bonds, of the 2012 4.45% Series designated therein, described in the within-mentioned Ninth Supplemental Indenture.

U.S. BANK National Association, as  
Trustee

By \_\_\_\_\_  
Authorized Officer

## EXHIBIT B

### CERTAIN REAL PROPERTY OF THE COMPANY

All those pieces or parcels of land situate in the County of Rockingham, State of New Hampshire, conveyed to the Company or to its predecessor in title by the instruments referred to below, all of which have been recorded as indicated below in the Rockingham County Registry of Deeds:

<b>GRANTOR</b>	<b>Date of Deed</b>	<b>Book Number</b>	<b>Page Number</b>
Raymond A. Carye and Barbara F. Carye, Trustees of Evan Realty Trust	12/31/1997	3260	2684
Kelvin W. Dalton (an individual) and Glendon C. Dalton and Eileen C. Dalton (Trustees of the Dalton Family Revocable Trust of 2002)	11/4/2003	4187	1093

Notation of subsequent interest granted by the Company:

<b>GRANTOR</b>	<b>Date of Deed</b>	<b>Book Number</b>	<b>Page Number</b>
Eugene M. Leavitt (a portion of which has subsequently been conveyed by the Company to George N. Simonds, Trustee of the George N. Simonds Revocable Trust, by Drainage Easement Deed dated April 28, 1999, and recorded in said Registry of Deeds at Book 3397, Page 2561, which said Drainage Easement Deed was granted subject to the Indenture)	7/1/1966	1827	181



STATE OF CONNECTICUT )  
 ) ss :  
COUNTY OF FAIRFIELD )

On this \_\_\_\_ day of \_\_\_\_\_, 2012, before me, the undersigned, a Notary Public in and for the said County and State, personally appeared Charles V. Firlotte, who acknowledged himself to be President of Aquarion Water Company of New Hampshire, Inc., a corporation, and that he as such President, being authorized to do so, executed the foregoing Ninth Supplemental Indenture for the purposes therein contained by signing the name of the corporation by himself as President.

I further certify that I am not an officer or director of the said corporation.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

\_\_\_\_\_  
Notary Public:  
My Commission Expires:

[NOTARIAL SEAL]



**CERTIFICATE OF RESIDENCE**

U.S. BANK, National Association, mortgagee and trustee within named, hereby certifies that its precise name and address are [U.S. BANK, National Association], [ADDRESS].

U.S. BANK National Association

By \_\_\_\_\_

Authorized Officer