

**UNITIL ENERGY SYSTEMS, INC.**

**DIRECT TESTIMONY  
OF  
ANDRE J. FRANCOEUR  
AND  
CHRISTOPHER J. GOULDING**

**IN SUPPORT OF ISSUANCE OF UP TO \$50,000,000 IN LONG-TERM DEBT**

**New Hampshire Public Utilities Commission  
Docket No. DE 24 - \_\_\_\_**

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### **SCHEDULES**

Schedule AFCG-1	Historical and Budgeted Capital Spending
Schedule AFCG-2	Long-Term Debt Retirements
Schedule AFCG-3	Board Resolution

1 **I. INTRODUCTION**

2 **Q. Please state your name and business address.**

3 A. My name is Andre J. Francoeur. My business address is 6 Liberty Lane West, Hampton,  
4 New Hampshire 03842.

5 My name is Christopher J. Goulding. My business address is the same as Mr.  
6 Francoeur's.

7 **Q. Mr. Francoeur, what is your position and what are your responsibilities?**

8 A. I am the Financial Planning and Analysis Manager for Unitil Service Corp. ("Unitil  
9 Service"), a subsidiary of Unitil Corporation ("Unitil Corp.") that provides managerial,  
10 financial, accounting, regulatory, engineering and information technology services to  
11 Unitil Energy Systems, Inc. ("Unitil Energy" or the "Company"). My responsibilities are  
12 primarily in the areas of strategic planning and budgeting, supporting investor relations,  
13 and assisting with various regulatory and treasury projects.

14 **Q. Please describe your business and educational background.**

15 A. I have approximately a decade of professional experience within the finance and  
16 accounting areas. I began working for Unitil Service in 2017 as a Financial Analyst, was  
17 promoted to Senior Financial Analyst in 2020, and promoted to my current role in 2021. I  
18 graduated with honors from the State University of New York at Plattsburgh with a  
19 Bachelor of Science degree. In 2023, I graduated from the University of New Hampshire  
20 with a Master of Business Administration graduate degree with a concentration in  
21 Finance.

1 **Q. Do you hold any professional licenses?**

2 A. Yes, I am a Certified Management Accountant.

3 **Q. Mr. Goulding, what is your position and what are your responsibilities?**

4 A. I am the Vice President of Finance and Regulatory for Unitil Service. My responsibilities  
5 include all rate and regulatory filings, financial planning and analyses, treasury  
6 operations, budget, insurance and loss control programs.

7 **Q. Please describe your business and educational background.**

8 A. I have over 20 years of professional experience in the utility industry focused within the  
9 finance, accounting and regulatory areas. In 2000, I was hired by NSTAR Electric & Gas  
10 Company (“NSTAR,” now Eversource Energy) and held various positions with  
11 increasing responsibility in accounting, corporate finance and regulatory. I was hired by  
12 Unitil Service in early 2019 as the Director of Rates and Revenue Requirements. In 2023,  
13 I was promoted to my current position. I earned a Bachelor of Science degree in Business  
14 Administration from Northeastern University in 2000 and a Master’s in Business  
15 Administration from Boston College in 2009.

16 **Q. Were both this testimony and exhibits prepared by one of you or under your direct  
17 supervision?**

18 A. Yes, they were.

19 **II. PURPOSE OF TESTIMONY**

20 **Q. What is the purpose of your testimony?**

1 A. The purpose of our testimony is to explain Unitil Energy’s petition to issue first mortgage  
2 bonds evidencing secured long-term debt in an aggregate amount of up to \$50 million  
3 (the “Bonds”) during a period from the date of the Commission’s order in this docket  
4 through December 31, 2024.

5 **III. DESCRIPTION OF FINANCING**

6  
7 **Q. Please briefly describe the financing proposal.**

8 A. Unitil Energy is seeking the Commission's approval to issue Bonds up to \$50 million in  
9 aggregate principal amount. The Bonds will be sold at par, have a maturity of up to 30  
10 years, bear a fixed coupon of not more than 7.50% and be marketed in the private  
11 placement market. The Bonds are expected to be issued under similar terms and  
12 provisions as existing tranches and the Company will work closely with its placement  
13 agent(s) to determine the optimal issuance.

14 **Q. How does the Company finance capital expenditures?**

15 A. Capital expenditures are primarily funded by operating cash flows and supplemented  
16 with short-term debt. When the short-term balance builds to a sufficient level, long-term  
17 financing is pursued and the short-term debt is recapitalized. This financing cycle ensures  
18 that long-term utility assets are ultimately financed with long-term capital.

19 **Q. Please provide an overview of Company’s capital investment?**

20 A. Capital investment from 2021 to 2023 has averaged \$26.5 million and the budgeted  
21 investment in 2024 is approximately \$48.0 million. This data is provided in Schedule  
22 AFCG-1.

1 **Q. How did the Company determine its request of an amount up to \$50 million long-**  
2 **term debt?**

3 A. As of December 31, 2023, the Company's short-term debt balance was \$24.3 million.  
4 Capital expenditures in 2024 are budgeted to be approximately \$48.0 million and sinking  
5 fund payments of \$3.5 million. Based on current projections, the short-term debt balance  
6 by the end of 2024 is expected to be approximately \$50 million.

7 **Q. What will the proceeds of the proposed financing be used for?**

8 A. The Company expects to refinance all its short-term debt at the time of funding with any  
9 excess cash used for general corporate purposes, including utility capital expenditures.

10 **Q. With regard to sinking fund payments, please provide a schedule of the Company's**  
11 **long-term debt maturity profile.**

12 A. The Company has been consistently making sinking fund retirement payments since  
13 2015. Please refer to Schedule AFCG-2 for an overview of sinking fund payments by  
14 debt tranche. As sinking fund payments become due they are initially funded with short-  
15 term debt until such time that they can be recapitalized with permanent capital.

16 **Q. Why is Until Energy requesting a fixed coupon of not more than 7.50%?**

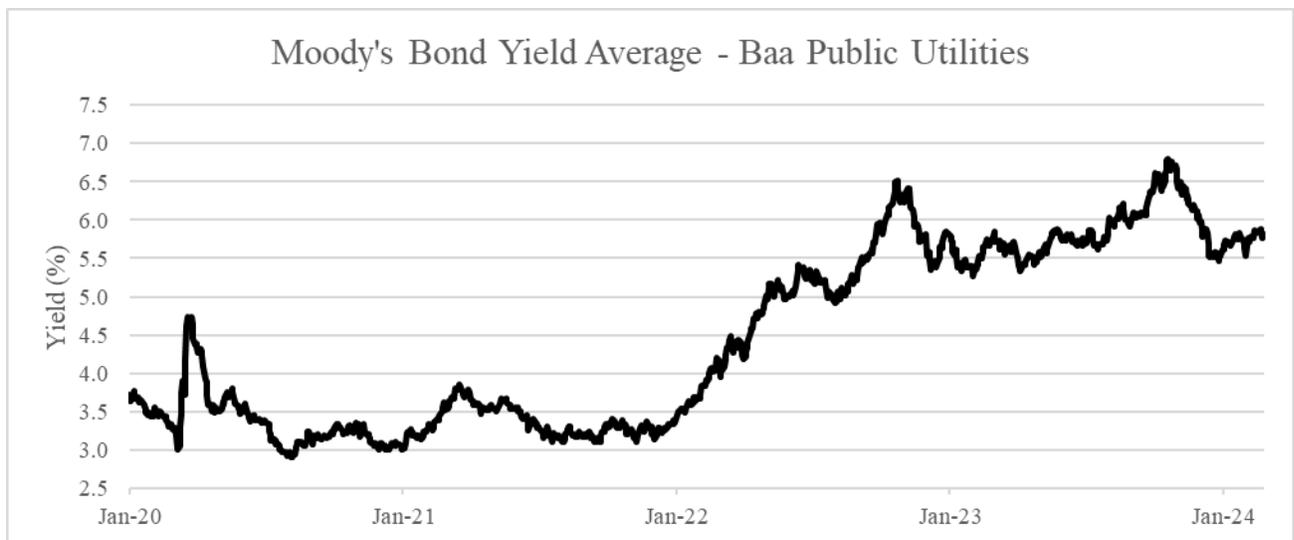
17 A. As part of its initial due diligence for this offering the Company met with its investment  
18 bankers to discuss current market conditions and indicative coupon rates. Investment  
19 bankers indicated that a credit spread of approximately 150-250 basis points over the 30-  
20 year U.S. Treasury, currently at approximately 4.50%, is likely. Based on the information  
21 received the implied all-in fixed coupon rate would be approximately 6.50% if the

1 transaction was priced now. However, market conditions can change quickly and the  
2 coupon rate must allow for flexibility to handle market uncertainty and volatility.

3 Therefore, the Company is requesting the Commission approves a maximum coupon rate  
4 of 7.50%, roughly 100 basis points over the current market pricing.

5 **Q. Please provide historical bond yields for similarly rated utilities.**

6 A. The graph below illustrates the historical average bond yield for Baa rated utilities. Over  
7 the span of January 2020 through February 2024 the bond yield has fluctuated from a low  
8 of 2.91% to a high of 6.79%, a change of 388 basis points.



9  
10 *(Source: S&P Capital IQ)*

11 **Q. Please generally describe the current private placement market.**

12 A. The private placement market has been active to start 2024 with \$13.1 billion of debt  
13 priced through the middle of March, approximately \$3.0 billion of which has been utility  
14 debt. For utilities, this marks the strongest start to the year since 2019. Many issuances  
15 have been for shorter duration debt, in the range of 5 to 10 years, creating a dynamic

1 where investor demand for longer-duration debt has outpaced supply. There is significant  
2 investor interest for longer-termed investor-grade debt regardless of tenor. Our  
3 investment bankers anticipate that a new issuance by the Company will be very well  
4 received by investors in the market.

5 **Q. Does Unitil Energy expect strong interest from the private placement market?**

6 A. Yes, it does. Previous deals have been well received and the Company believes this  
7 issuance will be too. As noted above, the Company's investment bankers share this view.

8 **Q. What types of investors participate in the private placement market?**

9 A. Typically, insurance companies participate in the private placement market as many have  
10 demand for long-term securities, are active in the market and are familiar with the utility  
11 sector. The Company anticipates that the new issuance will be marketed to a combination  
12 of existing investors and prospective investors.

13 **Q. Please describe the key terms of the proposed long-term debt financing.**

14 A. Unitil Energy is targeting to issue at par to institutional investors, an aggregate amount of  
15 up to \$50,000,000 in first mortgage bonds with a tenor up to 30 years. The Bonds are  
16 expected to be issued under similar terms and provisions of all of the Company's other  
17 first mortgage bonds. Similar to Unitil Energy's previous issuance in 2020, this Bond  
18 issuance will have the implementation of a "fall-away" structure where the mortgage  
19 security ceases when all other outstanding secured debt matures. This provision is  
20 described in more detail below. The Company will work with its placement agent(s) to

1 determine the ultimate size of the offering, maturity, coupon and other terms based on  
2 market conditions and investor interest.

3 **Q. Please describe the “fall-away” first mortgage bond structure referenced above.**

4 A. The purpose of the “fall-away” provision is to eventually replace an existing first  
5 mortgage bond indenture with an unsecured note financing platform. This provision  
6 provides that the first mortgage security of the Bonds will release or “fall-away” once all  
7 other first mortgage bonds of Unitil Energy are repaid on September 15, 2036, subject to  
8 certain customary conditions.

9 **Q. Will the Company be able to issue first mortgage bonds in the future after this Bond**  
10 **offering?**

11 A. Yes. The implementation of the “fall-away” bond structure is not a permanent decision to  
12 implement an unsecured financing structure. The Company can decide to issue first  
13 mortgage bonds up until the last first mortgage bond is retired without a fall-away  
14 provision, which will occur in 2036.

15 **Q. What is the Company’s issuer credit rating?**

16 A. Unitil Energy has an issuer rating of BBB+ by Standard & Poor’s rating agency and an  
17 issuer rating of Baa1 by Moody’s rating agency. The Company’s First Mortgage Bonds  
18 have a rating of A2 from Moody’s rating agency. The Company also has a private rating  
19 of NAIC-1 by the National Association of Insurance Commissioners (NAIC) which is the  
20 regulatory agency of the Company’s existing insurance investors. Investor-grade credit  
21 ratings enable the Company to issue at debt at more favorable terms.

1 **Q. Will the bond issuance materially impact the Company’s debt capitalization or**  
2 **credit rating metrics?**

3 A. No, it will not. Total leverage will remain largely unchanged as the proceeds will be used  
4 to pay down short-term debt.

5 **Q. What are the projected issuance costs for the proposed offering?**

6 A. The following table outlines the estimated costs associated with the Company’s \$50  
7 million issuance of first mortgage bonds to the private market.

<u>Fee</u>	<u>Amount</u>
Placement Fees / External Counsel <sup>(1)</sup>	\$ 250,000
Trustee / Title Work	50,000
Miscellaneous	25,000
<u>Total</u>	<u>\$ 325,000</u>

8 (1) Includes lender's counsel

9 **Q. How has the Company minimized issuance costs?**

10 The Company has taken many efforts to minimize financing costs, including the use of  
11 in-house counsel to obtain the New Hampshire Public Utilities Commission approval.

12 The Company has included a fall-away first mortgage bond structure to provide the  
13 option to reduce issuance costs in the future. The Company also intends to market the  
14 transaction along-side its regulated affiliates to achieve economies of scale for issuance  
15 costs and to increase investor demand.

16 **Q. Does management intend on issuing additional long-term debt at any other**  
17 **subsidiary in 2024?**

1 A. Yes, as mentioned above the Company intends to issue debt at multiple subsidiaries and  
2 currently has Board approval to issue long-term debt at three other wholly-owned  
3 subsidiaries of Unitil Corporation: Northern Utilities, Inc., Granite State Gas  
4 Transmission, Inc. and Fitchburg Gas and Electric Light Company. If all four subsidiaries  
5 issue debt, a total of \$120 - \$150 million will likely be raised. The issuances will be  
6 marketed concurrently, and by doing so, the Company and our investment bankers  
7 anticipate additional investor demand and more favorable terms than if each issuance was  
8 marketed discretely. For this reason, the ability to pair financings together is beneficial  
9 for ratepayers.

10 **Q. Has the Company's Board of Directors approved the proposed financing?**

11 A. Yes, on January 31, 2024, the Company's Board of Directors voted to approve a Bond  
12 issuance of up to \$50,000,000. Please refer to Schedule AFCG-3 for the certified Board  
13 resolution dated February 29, 2024.

14 **Q. What is Unitil Energy's timing for the proposed debt offering?**

15 A. The Company expects to price the debt in the third quarter of 2024 and close the  
16 transaction within at least three months of pricing, subject to regulatory approval. This  
17 represents the Company's best estimate. It is possible that due to unforeseen market or  
18 other conditions, the timing may be adjusted.

19 Based on this timeline, Unitil Energy respectfully requests that the Commission issue an  
20 Order *Nisi* approving this routine financing proposal as soon as possible, but no later than

1 June 28, 2024. This will provide the Company additional flexibility in marketing and  
2 closing of the transaction in the private placement market.

3 **IV. CONCLUSION**

4 **Q. Does the Company believe the issuance of up to \$50 million of secured first**  
5 **mortgage bonds is in the public good?**

6 A. Yes. The Company believes and, therefore, alleges that the securities to be issued will be  
7 consistent with the public good and that it is entitled to issue said securities under RSA  
8 369 for the purposes set forth in its petition

9 **Q. Does this conclude your testimony?**

10 A. Yes, it does.

**UNITIL ENERGY SYSTEMS, INC.**  
**SOURCES AND USES OF FUNDS**  
**Proposed Sale of \$50,000,000 First Mortgage Bonds**  
*(\$ In Millions)*

**Sources of Funds**

Proposed Sale of First Mortgage Bonds \$50.0

**Total Sources of Funds**

**\$50.0**

**Uses of Funds**

Repay Short-Term Debt and General Corporate Purposes <sup>(1)</sup> \$49.7

Fees and Expenses 0.3

**Total Uses of Funds**

**\$50.0**

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(1) Short-term debt balance as of December 31, 2023 was \$24.3 million. However, short-term debt is forecasted to grow significantly by the time the Bonds are issued as a result of capital spending.

**UNITIL ENERGY SYSTEMS, INC.**  
**ESTIMATED COST OF FINANCING**  
**Proposed Sale of \$50,000,000 First Mortgage Bonds**

**Estimated Cost of Financing**

Placement Fees / External Counsel <sup>(1)</sup>	\$	250,000
Trustee / Title Work		50,000
Miscellaneous		25,000
<b>Total Estimated Costs</b>	<b>\$</b>	<b><u>325,000</u></b>

(1) Includes lender's counsel

**UNITIL ENERGY SYSTEMS, INC.**  
**PRO FORMA BALANCE SHEET AS OF DECEMBER 31, 2023**  
**Issuance and Sale of \$50,000,000 First Mortgage Bonds**  
*(\$ in Millions)*

ASSETS	ACTUAL	ADJUSTMENTS	PRO FORMA
<b>Current Assets:</b>			
Cash <sup>(1)</sup>	\$ 3.1	\$ 25.4	\$ 28.5
Accounts Receivable, Net	25.2	-	25.2
Accrued Revenue	6.9	-	6.9
Materials and Supplies	3.7	-	3.7
Prepayments and Other	2.4	-	2.4
	<u>41.3</u>	<u>25.4</u>	<u>66.7</u>
Total Current Assets	<u>41.3</u>	<u>25.4</u>	<u>66.7</u>
<b>Utility Plant:</b>			
Electric	452.6	-	452.6
Construction Work in Progress	18.1	-	18.1
	<u>470.7</u>	<u>-</u>	<u>470.7</u>
Total Utility Plant	<u>470.7</u>	<u>-</u>	<u>470.7</u>
Less: Accumulated Depreciation	<u>131.9</u>	<u>-</u>	<u>131.9</u>
	<u>338.8</u>	<u>-</u>	<u>338.8</u>
Net Utility Plant	<u>338.8</u>	<u>-</u>	<u>338.8</u>
<b>Deferred Income Taxes</b>			
<b>Noncurrent Assets:</b>			
Regulatory Assets	20.7	-	20.7
Operating Lease - Right of Use Asset	1.5	-	1.5
Other Assets	1.5	-	1.5
	<u>23.7</u>	<u>-</u>	<u>23.7</u>
Total Other Noncurrent Assets	<u>23.7</u>	<u>-</u>	<u>23.7</u>
<b>TOTAL ASSETS</b>	<u>\$ 403.8</u>	<u>\$ 25.4</u>	<u>\$ 429.2</u>

(1) Projected short-term debt balance at time of funding is approximately \$50 million. Issuance will be used to recapitalize short-term debt. The Company does not anticipate a significant cash balance as a result of this financing.

**UNITIL ENERGY SYSTEMS, INC.**  
**PRO FORMA BALANCE SHEET AS OF DECEMBER 31, 2023**  
**Issuance and Sale of \$50,000,000 First Mortgage Bonds**  
*(\$ in Millions, Except Par Value and Stock Shares Data)*

<b>LIABILITIES AND CAPITALIZATION</b>	<b>ACTUAL</b>	<b>ADJUSTMENTS</b>	<b>PRO FORMA</b>
<b>Current Liabilities:</b>			
Accounts Payable	\$ 22.3	\$ -	\$ 22.3
Short-Term Debt <sup>(1)</sup>	24.3	(24.3)	-
Long-Term Debt, Current Portion	3.5	-	3.5
Due to Affiliates	8.9	-	8.9
Energy Supply Obligations	4.4	-	4.4
Regulatory Liabilities	7.0	-	7.0
Taxes Payable	5.3	-	5.3
Dividends Payable	2.0	-	2.0
Other Current Liabilities	4.1	-	4.1
Total Current Liabilities	<u>81.8</u>	<u>(24.3)</u>	<u>57.5</u>
<b>Noncurrent Liabilities:</b>			
Deferred Income Taxes	39.2	-	39.2
Cost of Removal Obligations	29.0	-	29.0
Retirement Benefit Obligations	24.3	-	24.3
Regulatory Liabilities	12.2	-	12.2
Environmental Obligations	0.9	-	0.9
Operating Leases - Less Current Portion	1.0	-	1.0
Other Noncurrent Liabilities	0.6	-	0.6
Total Noncurrent Liabilities	<u>107.2</u>	<u>-</u>	<u>107.2</u>
<b>Capitalization:</b>			
Long-term Debt <sup>(2)</sup>	90.0	49.7	139.7
Common Stock Equity:			
Common Stock, No Par Value			
Authorized - 250,000 shares			
Issued and Outstanding - 131,746	66.1	-	66.1
Retained Earnings	58.5	-	58.5
Total Common Stock Equity	<u>124.6</u>	<u>-</u>	<u>124.6</u>
Preferred Stock:			
Preferred Stock, Non-Redeemable, Non-Cumulative:			
6.00% Series, \$100 Par Value	0.2	-	0.2
Total Capitalization	<u>214.8</u>	<u>49.7</u>	<u>264.5</u>
<b>TOTAL LIABILITIES AND CAPITALIZATION</b>	<b>\$ 403.8</b>	<b>\$ 25.4</b>	<b>\$ 429.2</b>

(1) Repayment of short-term debt, net of \$0.3M issuance fees

(2) Proposed offering net of issuance fees

**UNITIL ENERGY SYSTEMS, INC.**  
**PRO FORMA STATEMENT OF EARNINGS FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2023**  
**Issuance and Sale of \$50,000,000 First Mortgage Bonds**  
*(\$ in Millions)*

	<u>ACTUAL</u>	<u>ADJUSTMENTS</u>	<u>PRO FORMA</u>
<b>Operating Revenues</b>	\$ 223.2	\$ -	\$ 223.2
<b>Operating Expenses:</b>			
Cost of Electric Sales	154.6	-	154.6
Operation and Maintenance	24.9	-	24.9
Depreciation and Amortization	15.4	-	15.4
Taxes Other Than Income Taxes	8.6	-	8.6
Total Operating Expense	<u>203.5</u>	<u>-</u>	<u>203.5</u>
<b>Operating Income</b>	19.7	-	19.7
Interest Expense <sup>(1)</sup>	7.2	1.7	8.9
Other Expense (Income)	<u>(1.8)</u>	<u>-</u>	<u>(1.8)</u>
<b>Income Before Income Taxes</b>	14.3	(1.7)	12.6
Income Taxes <sup>(2)</sup>	<u>2.5</u>	<u>(0.4)</u>	<u>2.1</u>
<b>Net Income</b>	<u>\$ 11.8</u>	<u>\$ (1.2)</u>	<u>\$ 10.6</u>

(1) Assumes \$50 million issuance at 6.50% and refinancing the December 31, 2023 short-term debt balance of \$24.3 million at 6.58% (short-term rate as of December 31, 2023)

(2) Calculated at statutory tax rate

**UNITIL ENERGY SYSTEMS, INC.**  
**CAPITAL STRUCTURE AS OF DECEMBER 31, 20XX**  
**Pro forma for the Issuance and Sale of \$50,000,000 First Mortgage Bonds**  
*(\$ in Millions)*

	<u>Actual 12/31/2021</u>	<u>Actual 12/31/2022</u>	<u>Actual 12/31/2023</u>	<u>Adjustments 12/31/2023</u>	<u>Pro Forma<sup>(1)</sup> 12/31/2023</u>
Short-Term Debt	\$ 1.4	\$ 1.6	\$ 24.3	\$ (24.3)	\$ -
First Mortgage Bonds	103.0	98.0	94.5	50.0	144.5
<b>Total Debt</b>	<b>\$ 104.4</b>	<b>\$ 99.6</b>	<b>\$ 118.8</b>	<b>\$ 25.7</b>	<b>\$ 144.5</b>
Common Equity	114.9	120.9	124.6	-	124.6
<b>Net Capitalization</b>	<b>\$ 219.3</b>	<b>\$ 220.5</b>	<b>\$ 243.4</b>	<b>\$ 25.7</b>	<b>\$ 269.1</b>
Net Debt / Net Capitalization	48%	45%	49%		54%

(1) The Company forecasts Net Debt / Net Capitalization will remain within a range similar to the 2021 - 2023 period over the next several years

UNITIL ENERGY SYSTEMS, INC.  
PRO FORMA WEIGHTED AVERAGE COST OF DEBT  
Issuance and Sale of \$50,000,000 First Mortgage Bonds

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Description of Debt	Interest Rate	Issue Date	Term	Maturity Date	Face Value	Outstanding Amount	Issuance Costs	Net Proceeds Ratio [(6)-(8)/(6)]	Unamortized Issuance Costs	Net Proceeds Outstanding (7)-(10)	Annual Issuance Cost	Annual Interest Cost (2)*(7)	Total Annual Cost (12)+(13)	Cost Rate Based on Net Proceeds (14)/[(7)-(10)]
<b>Existing Debt</b>														
<b>Long Term Debt</b>														
FMB Series J	6.96%	9/1/1998	30 Yrs	9/1/2028	10,000,000	5,000,000	343,727	96.56%	53,572	4,946,428	11,480	348,000	359,480	7.27%
FMB Series K	8.00%	5/1/2001	30 Yrs	5/1/2031	7,500,000	6,000,000	236,989	96.84%	35,754	5,964,246	4,876	480,000	484,876	8.13%
FMB Series M	6.96%	9/1/1998	30 Yrs	9/1/2028	10,000,000	5,000,000	230,507	97.69%	35,959	4,964,041	7,706	348,000	355,706	7.17%
FMB Series N	8.00%	5/1/2001	30 Yrs	5/1/2031	7,500,000	6,000,000	111,917	98.51%	28,586	5,971,414	3,898	480,000	483,898	8.10%
FMB Series O	6.32%	9/26/2006	30 Yrs	9/15/2036	15,000,000	15,000,000	280,242	98.13%	118,713	14,881,287	9,341	948,000	957,341	6.43%
FMB Series Q	4.18%	11/30/2018	30 Yrs	11/30/2048	30,000,000	30,000,000	535,964	98.21%	445,023	29,554,977	17,920	1,254,000	1,271,920	4.30%
FMB Series R	3.58%	9/15/2020	20 Yrs	9/15/2040	27,500,000	27,500,000	237,826	99.14%	199,097	27,300,903	11,946	984,500	996,446	3.65%
12th Supplemental Indenture		12/1/2002	24 Yrs	12/1/2026			464,633		93,520	(93,520)	21,582		21,582	
Total Long Term Debt					\$ 107,500,000	\$ 94,500,000	\$ 2,441,805		\$ 1,010,224	\$ 93,489,776	\$ 88,748	\$ 4,842,500	\$ 4,931,248	5.27%

**Pro Forma Debt**

<b>Long Term Debt</b>														
FMB Series J	6.96%	9/1/1998	30 Yrs	9/1/2028	10,000,000	5,000,000	343,727	96.56%	53,572	4,946,428	11,480	348,000	359,480	7.27%
FMB Series K	8.00%	5/1/2001	30 Yrs	5/1/2031	7,500,000	6,000,000	236,989	96.84%	35,754	5,964,246	4,876	480,000	484,876	8.13%
FMB Series M	6.96%	9/1/1998	30 Yrs	9/1/2028	10,000,000	5,000,000	230,507	97.69%	35,959	4,964,041	7,706	348,000	355,706	7.17%
FMB Series N	8.00%	5/1/2001	30 Yrs	5/1/2031	7,500,000	6,000,000	111,917	98.51%	28,586	5,971,414	3,898	480,000	483,898	8.10%
FMB Series O	6.32%	9/26/2006	30 Yrs	9/15/2036	15,000,000	15,000,000	280,242	98.13%	118,713	14,881,287	9,341	948,000	957,341	6.43%
FMB Series Q	4.18%	11/30/2018	30 Yrs	11/30/2048	30,000,000	30,000,000	535,964	98.21%	445,023	29,554,977	17,920	1,254,000	1,271,920	4.30%
FMB Series R	3.58%	9/15/2020	20 Yrs	9/15/2040	27,500,000	27,500,000	237,826	99.14%	199,097	27,300,903	11,946	984,500	996,446	3.65%
12th Supplemental Indenture		12/1/2002	24 Yrs	12/1/2026			464,633		93,520	(93,520)	21,582		21,582	
New FMB <sup>(1)</sup>	6.50%		30 Yrs		50,000,000	50,000,000	325,000	99.35%	325,000	49,675,000	10,833	3,250,000	3,260,833	6.56%
Total Long Term Debt					\$ 157,500,000	\$ 144,500,000	\$ 2,766,805		\$ 1,335,224	\$ 143,164,776	\$ 99,581	\$ 8,092,500	\$ 8,192,081	5.72%

**Weighted Average Cost of Capital**

	Actual (12/31/2023)				Adjustment Amount	Pro Forma (12/31/2023)			
	Amount	Percent of Total	Cost Rate	Weighted Cost Rate		Amount	Percent of Total	Cost Rate	Weighted Cost Rate
Common Equity	\$ 124,600,000	57%	9.20%	5.23%	\$ -	\$ 124,600,000	46%	9.20%	4.26%
Long Term Debt	94,500,000	43%	5.27%	2.27%	50,000,000	144,500,000	54%	5.72%	3.07%
Total	\$ 219,100,000			7.50%	\$ 50,000,000	\$ 269,100,000			7.33%

(1) Assumes issuance of \$50 million 30-year notes at 6.50%

TWELFTH SUPPLEMENTAL INDENTURE

UNITIL ENERGY SYSTEMS, INC.  
(successor to Concord Electric Company)

to

U.S. BANK NATIONAL ASSOCIATION,  
TRUSTEE

Dated as of December 2, 2002

Amending and Restating the  
Concord Electric Company Indenture of Mortgage and Deed of Trust

Dated as of July 15, 1958

In Connection With the Merger of  
Exeter & Hampton Electric Company  
into Concord Electric Company

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CONCORD ELECTRIC COMPANY

TWELFTH SUPPLEMENTAL INDENTURE  
Dated as of December 2, 2002

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This Twelfth Supplemental Indenture is dated as of December 2, 2002 and entered into by and between UNITIL ENERGY SYSTEMS, INC., a corporation duly organized and existing under and by virtue of the laws of the State of New Hampshire, having its principal office and place of business in Hampton, County of Rockingham in the State of New Hampshire (hereinafter sometimes referred to as the “*Company*”), and U.S. BANK NATIONAL ASSOCIATION, a national banking association (successor to Old Colony Trust Company), having an office and place of business in Boston, Massachusetts, as Trustee (hereinafter sometimes referred to as the “*Trustee*”), with reference to the following Recitals:

### RECITALS

The background of this Twelfth Supplemental Indenture is:

A. The Company has heretofore executed and delivered to the Trustee its Indenture of Mortgage and Deed of Trust dated as of July 15, 1958 (hereinafter sometimes referred to as the “*Original Indenture*”) and has executed and delivered to the Trustee, the following supplemental indentures thereto: (a) a First Supplemental Indenture dated as of January 15, 1968, (b) a Second Supplemental Indenture dated as of November 15, 1971, (c) a Third Supplemental Indenture dated as of July 1, 1975, (d) a Fourth Supplemental Indenture dated as of March 28, 1984, (e) a Fifth Supplemental Indenture dated as of June 1, 1984, (f) a Sixth Supplemental Indenture dated as of October 29, 1987, (g) a Seventh Supplemental Indenture dated as of August 29, 1991, (h) an Eighth Supplemental Indenture dated as of October 14, 1994, (i) a Ninth Supplemental Indenture dated as of September 1, 1998, (j) a Tenth Supplemental Indenture dated as of January 15, 2001 and (k) an Eleventh Supplemental Indenture dated as of April 20, 2001 (the Original Indenture and such supplemental indentures being sometimes collectively referred to as the “*Indenture*”) for the purpose of securing Bonds of the Company to be issued in series from time to time in the manner and subject to the conditions set forth in the indenture;

B. There are presently issued and outstanding under the Indenture the following Bonds in the following principal amounts and with the maturity dates indicated:

(i) \$6,000,000 aggregate principal amount of the Company Series I, 8.49% Bonds due October 14, 2024;

(ii) \$10,000,000 aggregate principal amount of the Company Series J, 6.96% Bonds due September 1, 2028; and

(iii) \$7,500,000 aggregate principal amount of the Company Series K, 8.00% Bonds due May 1, 2031;

C. Exeter & Hampton Electric Company (“*Exeter*”) has executed and delivered to U.S. Bank National Association, a national banking association (successor to Old Colony Trust Company), as Trustee, its Indenture of Mortgage and Deed of Trust dated as of December 1, 1952 (hereinafter sometimes referred to as the “*Original Exeter Indenture*”) and has executed and delivered to such Trustee, the following supplemental indentures thereto: (a) a First

Supplemental Indenture dated as of January 16, 1956, (b) a Second Supplemental Indenture dated as of January 15, 1960, (c) a Third Supplemental Indenture dated as of June 1, 1964, (d) a Fourth Supplemental Indenture dated as of January 15, 1968, (e) a Fifth Supplemental Indenture dated as of November 15, 1971, (f) a Sixth Supplemental Indenture dated as of April 1, 1974, (g) a Seventh Supplemental Indenture dated as of December 15, 1977, (h) an Eighth Supplemental Indenture dated as of October 28, 1987, (i) a Ninth Supplemental Indenture dated as of August 29, 1991, (j) a Tenth Supplemental Indenture dated as of October 14, 1994, (k) an Eleventh Supplemental Indenture dated as of September 1, 1998 and (l) a Twelfth Supplemental Indenture dated as of April 20, 2001 (the Original Exeter Indenture and such supplemental indentures being sometimes collectively referred to as the “*Exeter Indenture*”) for the purpose of securing Bonds of Exeter to be issued in series from time to time in the manner and subject to the conditions set forth in the indenture;

D. There are presently issued and outstanding under the Exeter Indenture the following Bonds (the “*Exeter Bonds*”) in the following principal amounts and with the maturity dates indicated:

(i) \$9,000,000 aggregate principal amount of the Exeter Series K, 8.49% Bonds due October 14, 2024;

(ii) \$10,000,000 aggregate principal amount of the Exeter Series L, 6.96% Bonds due September 1, 2028; and

(iii) \$7,500,000 aggregate principal amount of the Exeter Series M, 8.00% Bonds due May 1, 2031;

E. Prior to the Merger Date (as hereinafter defined), both the Company and Exeter were wholly-owned subsidiaries of Unitil Corporation, a registered holding company under the Public Utility Holding Company Act of 1935, as amended. On December 2, 2002 (the “*Merger Date*”), Unitil Corporation combined all of the operations of the Company and Exeter through the merger of Exeter into the Company (the “*Merger*”) pursuant to an Agreement and Plan of Merger dated as of November 26, 2002 between the Company and Exeter (the “*Merger Agreement*”). On the Merger Date the Company assumed all of the obligations of Exeter under the Exeter Indenture and the Exeter Bonds pursuant to a Consent and Agreement dated as of November 26, 2002 among Exeter, the Company and the holders of the Exeter Bonds and the Bonds outstanding under the Indenture;

F. On January 24, 2003 (the “*Closing Date*”), (i) each holder of an Exeter Bond will exchange such Exeter Bond for a bond issued by the Company under the Indenture containing substantially the same terms and provisions as such Exeter Bond (all such exchanges being collectively, the “*Exchange*”), (ii) the Exeter Indenture will be cancelled and discharged and (iii) the Exeter Bonds will be cancelled;

G. The Company, in the exercise of the power 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 Twelfth Supplemental Indenture (hereinafter sometimes referred to as the “*Twelfth Supplemental Indenture*”) in order to amend and restate the Indenture in connection with the Merger which will be effective as of the Merger Date;

H. Exeter has obtained and filed with the Trustee the written consent of the holders of the Exeter Bonds to the Exchange and to the restatement of and other amendments to the Indenture which are hereinafter set forth;

I. The Company has also obtained and filed with the Trustee the written consent of the holders of all of the Bonds under the Indenture outstanding prior to the Merger to the restatement of and the other amendments to the Indenture which are hereinafter set forth;

J. The Company has determined that all conditions and requirements necessary to make this Twelfth Supplemental Indenture, in the form and terms hereof, a valid, binding and legal agreement in accordance with its terms and the purposes herein expressed, have been performed and fulfilled, and the execution and delivery hereof have been in all respects duly authorized;

NOW, THEREFORE, in consideration of the premises and of the sum of One Dollar (\$1.00) duly paid by the Trustee to the Company at or before the delivery of these presents, and for other valuable consideration, the receipt whereof is hereby acknowledged, the Company hereby covenants and agrees with the Trustee, and its successors in the trust under the Indenture, for the equal benefit of all present and future bondholders as follows:

#### **PART ONE RESTATEMENT OF INDENTURE**

The first WHEREAS paragraph and all provisions of the Original Indenture which follow such paragraph including, without limitation, the Granting Clauses and Articles I through XVI of such Original Indenture, and all of the indentures supplemental thereto other than this Twelfth Supplemental Indenture, are hereby amended and restated in their entirety to read as follows, *provided* that this restatement shall not affect any specific terms or provisions of the Bonds outstanding contained in the Bonds themselves except as herein or hereinafter otherwise provided and the form of bond hereinafter issued under the Indenture shall only be in registered form and the form of such bond to be used hereinafter is set forth in Exhibit A hereto:

WHEREAS, the Company has duly authorized by law to issue, sell or otherwise dispose of its obligations for its lawful corporate purposes and to secure the payment of such obligations by a first mortgage and deed of trust of and upon its properties, rights, privileges and franchises now owned or hereafter acquired; and

WHEREAS the Company has deemed it necessary and advisable to borrow money from time to time to retire its obligations and for other proper corporate purposes, and to issue its Bonds therefor, and to mortgage and pledge its property hereinafter described to secure the payment of said Bonds, and to that end has authorized and directed the issue of its Bonds from time to time limited in aggregate principal amount as hereinafter provided, to be designated as its

First Mortgage Bonds, to be issuable in one or more series, to be fully registered Bonds without coupons, to bear such date or dates, to mature on such date or dates, to bear interest at such rates and to contain and enjoy or to be subject to such provisions as shall be determined by the Board of Directors of the Company prior to the issue thereof; and

WHEREAS all things necessary to make the said Bonds, when authenticated by the Trustee and issued as in this Indenture provided, valid, binding and legal obligations of the Company, and to constitute this Indenture a valid first mortgage and deed of trust to secure the payment of the principal of and interest on all Bonds issued hereunder, have been done and performed, and the creation, execution and delivery of this Indenture, and the creation, execution and issue of said Bonds subject to the terms hereof have in all respects been duly authorized;

Now, THEREFORE, THIS INDENTURE WITNESSETH that, in consideration of the premises and of the sum of \$1 duly paid to the Company by the Trustee, and of other good and valuable consideration, receipt whereof upon the ensembling and delivery of this Indenture the Company hereby acknowledges, and in order to secure the equal pro rata payment (except as herein otherwise provided) of both the principal of and the interest on all of the Bonds at any time authenticated, issued and outstanding hereunder, according to their tenor, purport and effect and the provisions hereof, and to secure the faithful performance and observance of all the covenants, obligations, conditions and provisions therein and herein contained;

THE COMPANY has given, granted, bargained, sold, warranted, pledged, assigned, transferred, mortgaged and conveyed, and by these presents does give, grant, bargain, sell, warrant, pledge, assign, transfer, mortgage and convey, unto the Trustee and its successors in the trusts hereof, and its and their assigns, all and singular the following described property and rights and interests in property, whether now owned or hereafter acquired by the Company (all of the foregoing, with all other property and rights and interests in property intended to be hereby conveyed, mortgaged, transferred, and assigned, or at any time conveyed, mortgaged, pledged, transferred, assigned or delivered, and all proceeds of any of the foregoing at any time conveyed, mortgaged, transferred, assigned, paid or delivered to and from time to time held by the Trustee upon the trusts hereof, being herein generally called, collectively, the "*Mortgaged Property*" or "*Trust Estate*") and grants a security interest therein as permitted by applicable law;

All real estate and rights and interests in and to real estate, all plants, stations, structures, lines, facilities and other physical property used or useful in the business of generating, producing, transmitting, distributing, utilizing or purchasing electricity, including all machinery, equipment, tools and other tangible personal property used or useful in connection therewith, all dams, reservoirs, water, flowage and riparian rights and all franchises, licenses, permits, easements and rights of way used or useful in connection with said business, and all other property wherever located and of whatever nature, whether real, personal or mixed, in all cases not specifically reserved and excepted, and whether now owned or hereafter acquired by the Company, including, without limiting the generality of the foregoing, all property specifically described in Schedule A hereto;

Also any and all cash, stocks, shares, bonds, notes, securities and other property which at any time hereafter, by delivery or writing of any kind for the purposes hereof, may be expressly

conveyed, mortgaged, pledged, delivered, assigned, transferred or paid to or deposited with the Trustee hereunder by the Company or by a successor corporation, or with its consent by any one in its behalf, as and for any additional security for the Bonds issued and to be issued hereunder, the Trustee being authorized at any and all times to receive such conveyance, mortgage, pledge, delivery, assignment, transfer, payment or deposit, and to hold and apply any and all such cash, stocks, shares, bonds, notes, securities and other property in accordance with the provisions hereof and/or of such writing;

TOGETHER WITH all the Company's now-existing or hereafter acquired right, title and interest in and to any and all physical property of the Company, now or hereafter subject to any prior mortgage, pledge, charge and/or other encumbrance or lien, and the cash and/or other proceeds therefrom, to the extent that such property, cash and/or proceeds shall not be otherwise held and/or applied pursuant to the requirements of any such mortgage, pledge, charge and/or other encumbrance or lien;

AND TOGETHER WITH all and singular the now-existing and hereafter-acquired rights, privileges, tenements, hereditaments and appurtenances belonging or in any wise appertaining to the aforesaid property or any part thereof, with all reversion and reversions, remainder and remainders and, subject to the provisions of Article X hereof, all rents, revenues, income, issues and profits thereof, and all the estate, right, title, interest and claim whatsoever, at law as well as in equity, which the Company now has or may hereafter acquire, in and to all and every part of the foregoing, it being the intention to include herein and to subject to the lien hereof all land, interests in land, real estate, equipment, machinery and other physical assets and all franchises whether now owned by the Company or which it may hereafter acquire and wherever situated, as if the same were now owned by the Company and were specifically described and conveyed hereby, except as hereinafter specified;

SUBJECT, HOWEVER, in so far as affected thereby, to any Permitted Encumbrances as defined in Section 1.01, and, as to the property specifically described in Schedule A hereto, to the liens, encumbrances, reservations, restrictions, conditions, limitations, covenants, interests and exceptions, if any, set forth or referred to in the descriptions thereof contained in said Schedule A, none of which substantially interferes with the free use and enjoyment by the Company of the property and rights hereinbefore described for the general purposes and uses of the Company's electric business;

AND SUBJECT FURTHER, as to all hereafter-acquired property of any character hereinbefore described, in so far as affected thereby, to any mortgages, encumbrances or liens on such after-acquired property existing at the time of such acquisition or contemporaneously created, conforming to the provisions of Section 8.07 hereof;

BUT SPECIFICALLY RESERVING, EXCEPTING AND EXCLUDING from this Indenture, and from the grant, conveyance, mortgage, transfer and assignment herein contained (sometimes hereinafter called "*Excepted Property*"):

(a) all property, permits, licenses, franchises and rights, whether now owned or hereafter acquired by the Company, which are intended to be hereby granted, conveyed,

mortgaged, transferred and assigned (exclusive of property specifically described in Schedule A hereto), but which cannot be so granted, conveyed, mortgaged, transferred or assigned without the consent of other parties whose consent is not, after reasonable effort, secured, or without subjecting the Trustee to a liability not otherwise contemplated by the provisions of this Indenture, or which otherwise may not be hereby lawfully and/or effectively granted, conveyed, mortgaged, transferred and assigned by the Company;

(b) the last day of the term of each leasehold estate (oral or written, and/or any agreement therefor) now or hereafter enjoyed by the Company, and whether falling within a general or particular description of property herein;

(c) all the Company's present and future fuel, merchandise held for sale, cash on hand or in bank, books, choses in action, contracts, shares of stock, bonds and other securities, documents and accounts and bills receivable (except proceeds of the trust estate, and insurance and other moneys, and purchase money obligations, required by, the provisions hereof to be paid to or deposited with the Trustee), and materials, stores, supplies and other personal property which are consumable (otherwise than by ordinary wear and tear) in their use in the operation of the plants or systems of the Company; and

(d) all property of the Company which is not Public Utility Property and which has been duly released by the Trustee from the lien hereof pursuant to Section 10.04A and is still owned by the Company.

TO HAVE AND TO HOLD the Trust Estate, with all of the privileges and appurtenances thereunto belonging, unto the Trustee, its successors in the trusts hereof, and its and their assigns, to its and their own use, forever;

BUT IN TRUST NEVERTHELESS for the equal pro rata benefit, security and protection (except as provided in Section 8.14 of this Indenture and except insofar as a sinking, improvement or analogous fund or funds, established in accordance with the provisions of this Indenture, may afford particular security for Bonds of one or more series) of the registered owners of the Bonds from time to time authenticated, issued and outstanding hereunder, without (except as aforesaid) any preference, priority or distinction whatever of any one Bond over any other Bond by reason of priority in the issue, sale or negotiation thereof, or otherwise;

PROVIDED, HOWEVER, and these presents are upon the condition, that if the Company shall pay or cause to be paid the principal of and premium, if any, and interest on the Bonds at the times and in the manner therein and herein provided, and shall keep, perform and observe all and singular the covenants, agreements and provisions in the Bonds and in this Indenture expressed to be kept, performed and observed by or on the part of the Company, then this Indenture and the estate and rights hereby granted shall, pursuant to the provisions of Article XIII hereof, cease, determine and be void, but otherwise shall be and remain in full force and effect.

The Company hereby declares that it holds and will hold and apply all property described in the foregoing clauses (a), (b) and (c) in the fourth preceding paragraph as specifically reserved

and excepted upon the trusts herein set forth and as the Trustee (or any purchaser thereof upon any sale thereof hereunder) shall for such purpose direct from time to time, to the fullest extent permitted by law or in equity, as fully as if the same could be and had been hereby granted, conveyed, mortgaged, transferred and assigned to and vested in the Trustee.

THIS INDENTURE FURTHER WITNESSETH and it is expressly declared that all Bonds issued and secured hereunder are to be issued, authenticated and delivered and all said mortgaged property and trust estate is to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as hereinafter expressed and the Company has agreed and covenanted and does hereby agree and covenant with the Trustee and with the respective holders, from time to time, of the said Bonds or any part thereof as follows, that is to say:

## ARTICLE I

### DEFINITIONS

*Section 1.01. Definitions.* As hereinafter used in this Indenture each of the following terms shall be construed to have the meaning hereinafter specified respectively, unless otherwise clearly indicated by the context.

*“Acceptable Bank”* means any bank or trust company (including the Trustee and its affiliates) (i) which is organized under the laws of the United States of America or any State thereof, (ii) which has capital, surplus and undivided profits aggregating at least \$100,000,000, and (iii) whose long-term unsecured debt obligations (or the long-term unsecured debt obligations of the bank holding company owning all of the capital stock of such bank or trust company) shall have been given a rating of “A” or better by S&P, “A2” or better by Moody’s or an equivalent rating by any other credit rating agency of recognized national standing.

*“Affiliate”* means, at any time, and with respect to any Person, (a) any other Person that at such time directly or indirectly through one or more intermediaries Controls, or is Controlled by, or is under common Control with, such first Person, and (b) any Person beneficially owning or holding, directly or indirectly, 10% or more of any class of voting or equity interests of the Company or any Subsidiary or any corporation of which the Company and its Subsidiaries beneficially own or hold, in the aggregate, directly or indirectly, 10% or more of any class of voting or equity interests. As used in this definition, *“Control”* means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise. Unless the context otherwise clearly requires, any reference to an *“Affiliate”* is a reference to an Affiliate of the Company.

*“Annual Interest Requirements”* has the meaning set forth in Section 4.02(C).

*“Available Bonds”* means Bonds issued under and secured by the lien of this Indenture, which have been purchased or redeemed by the Company but have not been either (a) redeemed by the use of any money deposited with the Trustee for the purposes of any sinking or

improvement fund; (b) redeemed with moneys deposited with the Trustee pursuant to Section 8.10, 8.12, 10.03, 10.04 or 10.04A and applied to such redemption pursuant to Section 11.02 or 11.03; or (c) theretofore used as the basis for the issue of Bonds under Article V, or delivered to the Trustee in lieu of payments for any sinking or improvement fund or credited under any other requirement hereof.

Bonds for the redemption of which moneys shall have been or are concurrently being deposited with the Trustee shall be deemed to have been redeemed within the meaning of this definition, *provided* that notice of such redemption shall have been duly given or provision satisfactory to the Trustee shall have been made therefor, or such notice shall have been waived.

“*Board of Directors*” means either the board of directors of the Company or any duly authorized committee of said board.

“*Board Resolution*” means a copy of a resolution certified by the Secretary or Assistant Secretary of the Company to have been duly adopted by the Board of Directors and to be in full force and effect, and delivered to the Trustee.

“*Bond*” or “*Bonds*” means any bond or bonds that have been or may be issued under this Indenture.

“*Bonded*” has the meaning set forth in Section 4.01(G).

“*Business Day*” means any day other than a Saturday, a Sunday or a day on which commercial banks in Boston, New York or New Hampshire are required or authorized to be closed.

“*Certificate of Net Bondable Expenditures*” has the meaning set forth in Section 4.01(I).

“*Closing Date*” has the meaning set forth in paragraph F of the Recitals.

“*Company*” means Concord Electric Company (prior to the Merger Date) and Unitil Energy Systems, Inc. (successor to Concord Electric Company on and after the Merger Date), and, subject to the provisions of Article XII hereof, its successors and assigns.

“*Company Post-Merger Bondable Expenditures*” has the meaning set forth in Section 4.01(H).

“*Company Post-Merger Bonded Expenditures*” has the meaning set forth in Section 4.01(G).

“*Company Post-Merger Gross Expenditures for Property Additions*” has the meaning set forth in Section 4.01(C).

“*Company Post-Merger Net Expenditures*” has the meaning set forth in Section 4.01(F).

*“Company Post-Merger Net Retirements”* has the meaning set forth in Section 4.01(E).

*“Company Post-Merger Property Additions”* has the meaning set forth in Section 4.01(A).

*“Company Pre-Merger Bondable Expenditures”* has the meaning set forth in Section 4.01(H).

*“Company Pre-Merger Bonded Expenditures”* has the meaning set forth in Section 4.01(FG).

*“Company Pre-Merger Gross Expenditures for Property Additions”* has the meaning set forth in Section 4.01(C).

*“Company Pre-Merger Net Expenditures”* has the meaning set forth in Section 4.01(F).

*“Company Pre-Merger Net Retirements”* has the meaning set forth in Section 4.01(E).

*“Company Pre-Merger Property Additions”* has the meaning set forth in Section 4.01(A).

*“Default”* means any event, which would with the lapse of time or the giving of notice, or both, become an Event of Default.

*“Earnings Available for Interest Charges”* has the meaning set forth in Section 4.02(B).

*“Earnings Available for Interest Charges Certificate”* has the meaning set forth in Section 4.02(C).

*“Engineer”* means an individual, co-partnership or corporation engaged in an engineering business or employed by the Company to pass upon engineering questions.

*“Engineer’s Certificate”* means a certificate signed and verified by an engineer (who, except during the continuance of a Default and except as otherwise provided herein, may be an employee of the Company) appointed by the Board of Directors of the Company.

*“ERISA”* means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the rules and regulations promulgated thereunder from time to time in effect.

*“Event of Default”* has the meaning set forth in Section 14.01.

*“Excepted Property”* has the meaning stated in the third paragraph following the Granting Clauses.

*“Exchange”* has the meaning set forth in paragraph E of the Recitals.

“*Exchange Bonds*” has the meaning set forth in Article III.

“*Exeter*” means Exeter & Hampton Electric Company.

“*Exeter Bonds*” has the meaning set forth in paragraph D of the Recitals.

“*Exeter Indenture*” has the meaning set forth in paragraph C of the Recitals.

“*Exeter Pre-Merger Bondable Expenditures*” has the meaning set forth in Section 4.01(H).

“*Exeter Pre-Merger Bonded Expenditures*” has the meaning set forth in Section 4.01(G).

“*Exeter Pre-Merger Gross Expenditures for Property Additions*” has the meaning set forth in Section 4.01(C).

“*Exeter Pre-Merger Net Expenditures*” has the meaning set forth in Section 4.01(F).

“*Exeter Pre-Merger Net Retirements*” has the meaning set forth in Section 4.01(E).

“*Exeter Pre-Merger Property Additions*” has the meaning set forth in Section 4.01(A).

“*Fixed Property*” has the meaning set forth in Section 4.01(A).

“*GAAP*” means generally accepted accounting principles as in effect from time to time in the United States of America.

“*Gross Expenditures*” has the meaning set forth in Section 4.01(C).

“*Gross Expenditures for Property Additions*” has the meaning set forth in Section 4.01(C).

“*Gross Operating Revenues*” has the meaning set forth in Section 4.02(A).

“*Indenture*” means this instrument, together with any and all indentures which may hereafter be made supplemental hereto.

“*Independent Engineer*” means any Engineer who has no specific interest, direct or indirect, in the Company and, in the case of an individual, is not a director, officer or employee of the Company and, in the case of a co-partnership or organization, does not have a partner, director, official or employee who is a director, official or employee of the Company.

“*Independent Engineer’s Certificate*” means a certificate signed and verified by an Independent Engineer.

*“Institutional Holder”* means any insurance company, bank, savings and loan association, trust company, investment company, charitable foundation, employee benefit plan (as defined in ERISA) or other institutional investor or financial institution.

*“Investment”* means any investment or acquisition, made in cash or by delivery of property by the Company or any of its Subsidiaries (i) in any Person, whether by acquisition of stock, indebtedness or other obligation or security, or by loan, guaranty, advance, capital contribution or otherwise, or (ii) in any property.

*“Make Whole Amount”* has the meaning set forth in Section 14.02.

*“Material”* means material in relation to the business, operations, affairs, financial condition, assets, properties, or prospects of the Company and its Subsidiaries taken as a whole.

*“Merger”* has the meaning set forth in paragraph E of the Recitals.

*“Merger Agreement”* has the meaning set forth in paragraph E of the Recitals.

*“Merger Date”* has the meaning set forth in paragraph E of the Recitals.

*“Merger Date Series”* has the meaning set forth in Article III.

*“Moody’s”* means Moody’s Investors Service, Inc.

*“Mortgaged Property”* or *“Trust Estate”* means the assets of the Company now or hereafter subject or subjected to the lien of this Indenture.

*“Net Bondable Expenditures”* has the meaning set forth in Section 4.01(H).

*“Net Bondable Expenditures for Property Additions”* has the meaning set forth in Section 4.01(H).

*“Net Expenditures”* has the meaning set forth in Section 4.01(F).

*“Net Expenditures for Property Additions”* has the meaning set forth in Section 4.01(F).

*“Net Income”* has the meaning set forth in Section 8.15.

*“Net Retirements”* has the meaning set forth in Section 4.01(E).

*“New Gross Expenditures”* has the meaning set forth in Section 4.01(I).

*“New Property Additions”* has the meaning set forth in Section 4.01(I).

“*Officers’ Certificate*” means a certificate signed by the President or a Vice-President and the Treasurer or an Assistant Treasurer of the Company. Each Officers’ Certificate shall, if required by Section 16.07, contain the statements provided for in said Section.

“*Opinion of Counsel*” means an opinion in writing signed by legal counsel satisfactory to the Trustee, who, except during the continuance of a Default, may be of counsel to the Company. Each Opinion of Counsel shall, if required by Section 16.07, contain the statements provided for in said Section.

“*Order of the Company*” means a written instrument signed and verified by the President or a Vice-President and either by the Secretary or the Clerk or the Treasurer or an Assistant Treasurer of the Company requesting or directing the particular action in question to be taken.

“*Outstanding*” shall mean, when used with reference to Bonds or to Bonds of a specified series, all Bonds which have been authenticated and delivered under this Indenture or all Bonds of the series specified which have been so authenticated and delivered except:

(a) Bonds cancelled by the Trustee or delivered to the Trustee for cancellation;

(b) Bonds for the payment or redemption of which moneys shall have theretofore been irrevocably deposited with the Trustee (whether upon or prior to the maturity or redemption date of said Bonds), *provided* that if such Bonds are to be redeemed or paid prior to the maturity thereof, notice of such redemption shall have been given or provision satisfactory to the Trustee shall have been made therefor or such notice shall have been waived; and

(c) Bonds in substitution for which other Bonds have been authenticated and delivered pursuant to Section 2.11;

and, whenever such term is used with reference to any action or nonaction which may be requested or taken by or to which objection may be made by the owners or holders of a specified percentage or proportion of Bonds outstanding hereunder, or of Bonds of a specified series outstanding hereunder, Bonds directly or indirectly owned or held by or for the account of, or for the benefit or interest of, the Company or any other obligor upon the Bonds or any Affiliate of the Company or such other obligor shall be disregarded and deemed not to be Outstanding.

“*Permitted Encumbrances*” means as of any particular time any of the following:

(a) liens for taxes, assessments or governmental charges not then delinquent or the validity of which the Company is contesting in good faith (unless thereby in the opinion of counsel any of the trust estate will be in danger of being lost or forfeited), liens for workmen’s compensation awards and similar obligations not then delinquent and liens for judgments, payment of which in the opinion of counsel has been adequately secured;

(b) any obligations or duties, affecting the property of the Company, to any municipality or public authority with respect to any franchise, grant, license or permit, *provided, however*, that such franchise, grant, license or permit does not give such municipality or public authority any right to purchase property at less than its fair value;

(c) the license from the Federal Power Commission issued under the provisions of the Federal Power Act of 1935, so-called, and any modification or renewal of such license, under the terms of which the United States of America has the right to acquire the Company's Sewalls Falls hydro-electric plant and certain associated transmission lines by purchase at the expiration of such license for a sum equal to the net investment of the Company in the plant;

(d) building or building line restrictions or agreements, easements, exceptions or reservations in any property of the Company for the purpose of roads, streets, pipe lines, sewer lines or mains, water lines, ditches, railroad rights-of-way, telephone, telegraph or electric transmission lines and other like purposes and which, as shown by an Engineer's Certificate, do not impair the use of such property for the purposes for which it is held by the Company;

(e) liens for laborers' and materialmen's services and materials, but only so long as payment for such labor or material is not yet owing under the terms of employment or the purchase of materials;

(f) liens, neither assumed by the Company nor on which it customarily pays interest charges, existing upon real estate or rights in or relating to real estate acquired by the Company for substation, transmission line or right of way purposes;

(g) liens, encumbrances, reservations, restrictions, conditions, limitations, covenants, interests and exceptions, if any, set forth or referred to in Schedule A attached hereto on property now owned by the Company; and

(h) any mortgage, loan or encumbrance securing indebtedness or obligations permitted under Section 8.07 or Section 12.02.

*"Person"* shall mean an individual, partnership, corporation, limited liability company, trust or unincorporated organization, and a government or agency or political subdivision thereof.

*"Prime Rate"* has the meaning set forth in Section 15.13.

*"Property Additions"* has the meaning set forth in Section 4.01(A).

*"Public Utility Property"* has the meaning set forth in Section 10.04(A).

*"Purchased Property"* has the meaning set forth in Section 4.01(B).

“*Resolution*” means a copy of a resolution certified by the Secretary, the Clerk or any Assistant Secretary of the Company under the corporate seal of the Company to have been duly adopted by the Board of Directors and to remain in full force and effect without alteration or with only such alterations as are specified in such certificate.

“*Responsible Officer*”, when used with respect to the Trustee, shall mean (i) if U.S. Bank National Association is acting as Trustee, any Vice President or any officer in the Corporate Trust Services Department who is responsible for the administration of the trust under the Indenture, or (ii) when any successor is acting as Trustee, any Vice President or any officer in the department of such successor who is responsible for the administration of the trust under the Indenture.

“*Restated Indenture*” means this Twelfth Supplemental Indenture which amends and restates the Indenture.

“*Retirements*” has the meaning set forth in Section 4.01(D).

“*S&P*” means Standard & Poor’s Ratings Group, a division of The McGraw-Hill Companies, Inc.

“*Series I, 8.49% Bonds*” has the meaning set forth in Article III.

“*Series J, 6.96% Bonds*” has the meaning set forth in Article III.

“*Series K, 8.00% Bonds*” has the meaning set forth in Article III.

“*Series L, 8.49% Bonds*” has the meaning set forth in Article III.

“*Series M, 6.96% Bonds*” has the meaning set forth in Article III.

“*Series N, 8.00% Bonds*” has the meaning set forth in Article III.

“*Stockholders Resolution*” means a copy of a resolution certified by the Clerk or the Secretary or any Assistant Secretary of the Company under the corporate seal of the Company to have been duly adopted by the stockholders of the Company entitled to vote upon the subject of such resolution and to remain in full force and effect without alteration or with only such alterations as are specified in such certificate.

“*Subsidiary*” shall mean any corporation which has more than fifty percent (50%) of its outstanding Voting Stock owned at the time of reference, directly or indirectly, by the Company, or by one or more Subsidiaries, or by the Company and one or more Subsidiaries.

“*Trustee*” means U.S. Bank National Association and, subject to the provisions of Article XV hereof, its successors as trustee in the trust hereby created.

“*Trust Estate*” or “*Mortgaged Property*” means the assets of the Company now or hereafter subject or subjected to the lien of this Indenture.

“*Trust Moneys*” has the meaning set forth in Section 11.01.

“*Underlying Mortgage*” means a mortgage lien or other lien or charge (exclusive of permitted encumbrances) prior to the lien of this Indenture upon any property, plant or equipment acquired by the Company after the execution and delivery of this instrument.

“*United States Governmental Security*” means any direct obligation of, or obligation guaranteed by, the United States of America, or any agency controlled or supervised by or acting as an instrumentality of the United States of America pursuant to authority granted by the Congress of the United States of America, so long as such obligation or guarantee shall have the benefit of the full faith and credit of the United States of America which shall have been pledged pursuant to authority granted by the Congress of the United States of America.

“*Voting Stock*” shall mean stock of any class or classes having ordinary voting power for the election of a majority of the directors of such corporation, other than stock having such power only by reason of the happening of a contingency.

## ARTICLE II

### GENERAL PROVISIONS AS TO THE BONDS

*Section 2.01. General Limitations.* This Indenture creates a continuing lien to secure the payment of the principal of and interest on all Bonds which may, from time to time, be issued, authenticated and delivered hereunder. All Bonds issued under and in pursuance of this Indenture and at any time Outstanding, shall be in all respects, subject to the provisions and qualifications in this Indenture contained, and except as any sinking or other fund established in accordance with the provisions of this Indenture may afford additional security for the Bonds of any particular series, equally and ratably secured hereby without preference, priority or distinction, on account of the actual time or times of the issue of said Bonds, or any of them, so that all Bonds at any time Outstanding shall have the same rights, lien and preferences under and by virtue of this Indenture, and shall all be equally secured hereby, subject to the provisions and qualifications in this Indenture contained, and except as any sinking or improvement or other fund established in accordance with the provisions of this Indenture may afford additional security for the Bonds of any particular series, with like effect as if they had all been authenticated and delivered simultaneously on the date hereof, whether the same, or any of them, shall actually be authenticated or delivered, or sold or disposed of at some future date.

*Section 2.02. General Designation.* The Bonds issued under and secured by this Indenture shall be issuable in series and shall be designated by suitable descriptive words which shall always include the words “First Mortgage,” with appropriate insertions and changes and designations in such title descriptive of the respective series of Bonds, as may be determined by the Board of Directors and set forth in the indenture supplemental hereto creating such series (or, with respect to the Exchange Bonds, as set forth in the appropriate Exhibit hereto setting forth

the terms and provisions of such Exchange Bonds). The text of the Bonds and of the certificate of the Trustee shall be substantially of the tenor and purport of the Bonds set forth in Exhibit A attached hereto and made a part hereof, with appropriate insertions, omissions, substitutions and variations, in case of Bonds of different denominations and different series, prescribed by the indenture supplemental hereto by which such Bonds shall be created as provided in Section 2.05, and in all other respects not inconsistent with the terms of this Indenture. The Board of Directors may, at the time of the creation of any series, or at any time thereafter, limit the maximum principal amount of Bonds of such series which may be issued and an appropriate insertion in respect of such limitation may, but need not, be made in the Bonds of such series.

*Section 2.03. Series of Bonds.* All Bonds of the same series shall be identical in tenor and effect, except as hereinafter in this Section provided, and except that the same may be of different denominations, shall consist of registered Bonds without coupons, and may contain such variations in tenor and effect as are incidental to such differences. Each Bond of each series shall be dated as of the last interest payment date to which interest was paid upon Bonds of such series, unless issued on an interest payment date to which interest was paid upon Bonds of such series, in which event it shall be dated as of the date of issue, or if the date of issue shall be a date prior to the first interest payment date for the Bonds of such series, then unless the supplemental indenture pursuant to which the Bonds of such Series are being created and issued provides otherwise, such Bonds shall bear interest from, and shall be dated as of, the date of initial issuance of such Bonds. Each such Bond shall bear interest from the date thereof.

*Section 2.04. Form and Denomination.* The form and text of the Bonds of each series shall be established by the provisions of the supplemental indenture creating such series. The Bonds of each series shall be of such denomination or denominations, interchangeable as between denominations or not so interchangeable, as shall be determined by the Board of Directors at the time such series is created. The Bonds of each series shall be payable on such date or dates as may be fixed by the Board of Directors at the time the series is created. Every order of the Company calling for the authentication and delivery of Bonds shall specify the denomination and series, permitted by the terms of this Indenture, in which the Bonds shall be issued and authenticated.

All Bonds shall be payable as to principal, interest and premium, if any, in lawful money of the United States of America.

*Section 2.05. Supplemental Indenture Creating New Series.* The Bonds of each series (other than the Exchange Bonds) shall be created by an indenture supplemental hereto, authorized by a Resolution and delivered to the Trustee. Such supplemental indenture shall include such lawful provisions consistent with the terms of this Indenture as the Board of Directors shall prescribe:

- (1) With respect to the payment of the principal of and interest on the Bonds of such series without deduction for and/or with respect to reimbursement of specified taxes, assessments or other governmental charges;

(2) With respect to the right of the Company to redeem Bonds of such series, the redemption price or prices at which they may be redeemed and the time or times, the class or classes, and the manner of their redemption;

(3) With respect to sinking or improvement funds; and

(4) With respect to serial maturities, exchangeability, convertibility or other special terms and conditions, including the issuance of Bonds which are to be issued in exchange for other securities.

*Section 2.06. Request for Authentication and Delivery of Bonds.* Whenever requesting the authentication and delivery of any Bonds issuable under Articles IV, V or VI, the Company shall furnish the Trustee, in addition to any other instruments elsewhere in this Indenture required, the following:

(1) A Resolution requesting the Trustee to authenticate and deliver the Bonds, specifying the series, maturities (if Bonds of such series are of serial maturities), and principal amount of Bonds called for, and designating the officer or officers of the Company to whom or upon whose order they shall be delivered;

(2) In case the Bonds to be authenticated and delivered are of a series not theretofore created, an indenture supplemental hereto authorized by a Resolution as prescribed by Section 2.05 (all Bonds of such series which may be executed, authenticated and delivered hereunder shall conform to the terms expressed in such supplemental indenture); and

(3) An Opinion of Counsel that all instruments furnished the Trustee conform to the requirements of this Indenture, constitute sufficient authority under this Indenture for it to authenticate and deliver the Bonds applied for, that said Bonds when issued and delivered will be valid and duly secured by the lien of this Indenture, and that all laws and requirements in respect of the authentication and delivery thereof by the Trustee have been complied with.

*Section 2.07. Execution, Authentication, Delivery.* All Bonds issued hereunder and secured hereby from time to time shall be executed on behalf of the Company by its President or a Vice-President, and its corporate seal shall be thereunto affixed and attested by its Treasurer or an Assistant Treasurer. The Bonds shall then be delivered to the Trustee for authentication by it, and thereupon, upon compliance with the requirements of and as provided in this Indenture and not otherwise, the Trustee shall authenticate and deliver the same.

In case any officer who shall have signed, sealed or attested any of said Bonds shall cease to be an officer of the Company before the Bonds so signed, sealed or attested shall have been authenticated or delivered by the Trustee, or issued, such Bonds may nevertheless be issued, authenticated and/or delivered as though such person who signed, sealed or attested such Bonds had not ceased to be an officer of the Company and also any Bond may be signed, sealed or attested on behalf of the Company by such person as at the actual date of the execution of such

Bond shall be the proper officer of the Company, although at the date of such bond such person was not an officer of the Company.

Only such of the Bonds (whether temporary or definitive) as shall have been authenticated by the Trustee, by signing the certificate endorsed thereon, shall be secured by this Indenture, or shall be entitled to any lien or benefit hereunder, and such certificate of the Trustee shall be conclusive evidence and the only evidence that the Bonds so authenticated have been duly issued hereunder, and are entitled to the benefit of the trusts hereby created.

*Section 2.08. Registration of Holders.* The Company shall keep books at the principal office of the Trustee for the registration and transfer of Bonds. Such books shall, in addition to the name of the holder of each registered Bond, show the address of each such holder.

Such registrations and discharges from registration shall be made under such reasonable regulations as the Company may prescribe and for which the Company may make a charge sufficient to reimburse it for any tax or other governmental charge required to be paid with respect thereto and the charges of the Trustee, all such charges to be paid by the party requesting such registration or discharge from registration as a condition precedent to the exercise of such privilege.

No transfer of Bonds shall be valid unless made on said books by the registered holder in person, or by his duly authorized attorney, and similarly noted on the Bond. Upon presentation to the Trustee of any Bond accompanied by written instrument of transfer, in a form approved by the Trustee, executed by the registered owner thereof or by his duly authorized attorney, and upon the surrender and cancellation of such Bond, a new Bond or Bonds of the same series and maturity date and for the same aggregate principal amount will be issued to the transferee in exchange therefor.

Unless otherwise provided in the supplemental indenture creating the particular series of Bonds, upon any transfer of Bonds permitted hereunder, the Company will make no service charge against the holder of such Bonds or his transferee for any transfer, but the Company, at its option, may require the payment of a sum sufficient to reimburse it for any tax or governmental charge that may be imposed thereon. All Bonds surrendered in connection with any such transfer shall be forthwith canceled by the Trustee, and upon demand the Trustee shall deliver the same to the Treasurer of the Company or upon his written order.

The Company shall not be required to make any transfer or transfers of any Bond or Bonds during the 15 days next preceding any date on which interest or principal is required to be paid thereon or with respect thereto nor may any transfer be required with respect to any Bonds that have been called for redemption.

*Section 2.09. Persons Deemed Owners.* The Company and the Trustee shall treat the person in whose name any Bond shall be registered as the absolute owner thereof for the purpose of receiving payment of or on account of the principal of such Bond and for all other purposes, and neither the Company nor the Trustee shall be affected by any notice to the contrary.

*Section 2.10. Mutilated, Destroyed, Lost and Stolen Bonds.* Upon receipt by the Company and the Trustee of evidence satisfactory to them of the loss, theft, destruction or mutilation of any Bond (which evidence shall be, in the case of a holder which is an Institutional Holder, written notice thereof from such Institutional Holder), and of indemnity satisfactory to them (provided that in the case of a holder which is an Institutional Holder, the unsecured agreement of indemnity from such Institutional Holder shall be deemed to be satisfactory) and upon surrender and cancellation of such Bond, if any, if mutilated, the Company may execute, and the Trustee may authenticate and deliver, a new Bond of the same series and of like tenor, to be issued in lieu of such lost, stolen, destroyed or mutilated Bond. Such new Bond may bear such endorsement as may be agreed upon by the Company and the Trustee. The Company may require the payment of a sum sufficient to reimburse it for all expenses in connection with the issue of each new Bond under this Section. Any new Bond issued under the provisions of this Section in lieu of any Bond lost, stolen, destroyed or mutilated shall constitute an original, additional, contractual obligation of the Company and shall be secured equally and ratably with all other Bonds Outstanding.

Neither the Company nor the Trustee shall be under any duty or liability to issue a new Bond in substitution for or in lieu of any Bond lost, stolen, destroyed or mutilated except under the provisions of this Section.

*Section 2.11. Temporary Bonds.* Until definitive Bonds of any series are ready for delivery, the Company may execute and the Trustee shall authenticate and deliver, in lieu of such definitive Bonds, temporary typewritten or printed Bonds, in registered form, substantially of the tenor of the bond hereinbefore described, with appropriate omissions, variations and insertions and with or without appropriate provisions with respect to registration of the principal of such Bonds. Such temporary Bonds may be in such denominations as the Company may determine. Until exchanged for definitive Bonds, such temporary Bonds shall be entitled to the lien and benefit of this Indenture. Upon such exchange, which shall be made at the principal office of the Trustee by the Company, at its own expense and without making any charge therefor, such temporary bond, shall be cancelled, and if the Company so directs, incinerated by the Trustee, and upon the exchange of all said Bonds, said Bonds so cancelled or a certificate of such incineration shall be delivered to the Company. Until such definitive Bonds are ready for delivery, the holder of one or more temporary Bonds may, with the consent of the Company, exchange the same on the surrender thereof to the Trustee for cancellation, and shall be entitled to receive a temporary bond or temporary Bonds of like aggregate principal amount of the same series and maturity in other authorized denominations indicated by such holder.

### ARTICLE III

#### **BONDS OF THE MERGER DATE SERIES AND EXCHANGE BONDS**

The Bonds of each Merger Date Series shall have the terms, rates and other provisions specified in Part Two hereof. The text of the Bonds of each Merger Date Series and of the authentication certificate of the Trustee shall be, respectively, substantially of the tenor and effect recited in the form of bond contained in the supplemental indenture pursuant to which such Series was issued and shall remain the same except as otherwise herein or hereinafter

provided. As used herein, a “*Merger Date Series*” of Bonds shall mean the Company’s First Mortgage Bonds described in clauses (i), (ii) and (iii) hereof issued under the Indenture prior to the Merger Date, each of which has the following principal amount of Bonds Outstanding on the Merger Date and “*Exchange Bonds*” shall mean the Company’s First Mortgage Bonds described in clauses (iv), (v) and (vi) hereof delivered after but effective as of the Merger Date in exchange for the Exeter Bonds indicated:

(i) \$6,000,000 aggregate principal amount of the Company Series I, 8.49% Bonds due October 14, 2024 (the “*Series I, 8.49% Bonds*”);

(ii) \$10,000,000 aggregate principal amount of the Company Series J, 6.96% Bonds due September 1, 2028 (the “*Series J, 6.96% Bonds*”);

(iii) \$7,500,000 aggregate principal amount of the Company Series K, 8.00% Bonds due May 1, 2031 (the “*Series K, 8.00% Bonds*”);

(iv) \$9,000,000 aggregate principal amount of the Company Series L, 8.49% Bonds due October 14, 2024 (the “*Series L, 8.49% Bonds*”), in the form and containing the terms and conditions set forth in Exhibit F attached hereto, issued as of the Merger Date in exchange for the Exeter Series K, 8.49% Bonds due October 14, 2024;

(v) \$10,000,000 aggregate principal amount of the Company Series M, 6.96% Bonds due September 1, 2028 (the “*Series M, 6.96% Bonds*”), in the form and containing the terms and conditions set forth in Exhibit G attached hereto, issued as of the Merger Date in exchange for the Exeter Series L, 6.96% Bonds due September 1, 2028; and

(vi) \$7,500,000 aggregate principal amount of the Company Series N, 8.00% Bonds due May 1, 2031 (the “*Series N, 8.00% Bonds*”), in the form and containing the terms and conditions set forth in Exhibit H attached hereto, issued as of the Merger Date in exchange for the Exeter Series M, 8.00% Bonds due May 1, 2031.

The principal of and the premium, if any, and the interest on the Bonds issued prior to or as of the Merger Date shall be payable at the office and place of business of the Trustee in Boston in the Commonwealth of Massachusetts (or, if there be a successor to said Trustee, at its office designated by such successor), in coin or currency of the United States of America which at the time of payment is legal tender for public and private debts.

Each series of Exchange Bonds shall be dated as of the last interest payment date to which interest was paid on the series of Exeter Bonds being exchanged therefore. No Net Bondable Expenditures shall be required to be used for such issuance but otherwise the Company shall comply with the provisions of Article IV with respect to the issuance of the Exchange Bonds, except that (i) the requirement of an indenture supplemental hereto set forth in Section 4.05(4)(iii) shall not be applicable to the issuance of the Exchange Bonds and (ii) any

certificates or statements required pursuant to Section 4.05(4)(i) to be made by an Independent Engineer for the issuance of Exchange Bonds may be made by an Engineer who is not an Independent Engineer. Exchange Bonds shall be redeemable at the price and on the conditions set forth in Part Three hereof, any such redemption to be effected in accordance with the provisions of Article XIV of the Indenture.

The Bonds of each Merger Date Series shall be redeemable at the price and on the conditions set forth in Part Two hereof, any such redemption to be effected in accordance with the provisions of Article VII of this Indenture.

## ARTICLE IV

### BONDS AGAINST PROPERTY ADDITIONS

*Section 4.01. Definitions for Issuing Bonds Against Property Additions.* For the purposes of this Indenture each of the following terms shall be construed to have the meaning hereinafter specified respectively:

(A) *Fixed Property, Property Additions.* The term “*Fixed Property*” shall mean the sum of all of the physical property, plant and equipment, real, personal and mixed wherever located which is of such a nature as under sound accounting practice to be properly chargeable to fixed capital account and is in fact so charged, and which is used or is to be used as a part of its permanent and fixed investment in its business as an electric public utility company. Such term shall not, however, include (a) any property of the nature of that expressly excluded from the lien of this Indenture by the Granting Clauses hereof; (b) the cost of any paving or other public improvement assessed against the Exeter or the Company (as the case may be) by, or paid by Exeter or the Company (as the case may be) to, any taxing authority; or (c) any good will or going concern value or value attributable to any franchise or governmental permit except to the extent reflected in the fair value of Purchased Property as evidenced by an Independent Engineer’s Certificate;

The term “*Property Additions*” shall mean the sum of the following (without duplication): (i) Fixed Property of Exeter located within the State of New Hampshire which Exeter was authorized to use and operate in its business as a public utility company and which was used or useful in such business and was constructed or acquired (by purchase consolidation, merger or in any other way) during the period after June 30, 1952 and to, but not including the Merger Date (the “*Exeter Pre-Merger Property Additions*”), (ii) Fixed Property of the Company located within the State of New Hampshire which the Company was authorized to use and operate in its business as an electric public utility company and which was used or useful in such business and was constructed or acquired (by purchase, consolidation, merger or in any other way) during the period after May 31, 1958 to, but not including the Merger Date (the “*Company Pre-Merger Property Additions*”), and (iii) Fixed Property of the Company located within the State of New Hampshire which the Company is authorized to use and operate in its business as an electric public utility company and which is used or useful in such

business and constructed or acquired (by purchase, consolidation, merger or in any other way) during the period beginning on and including the Merger Date through the date of calculation but excluding Exeter Pre-Merger Property Additions (the “*Company Post-Merger Property Additions*”).

When calculating “*Property Additions*” in the above paragraph, such term shall not, however, include (1) any leasehold interest in property or, unless the same shall be movable physical property and shall constitute personal property in an Opinion of counsel, any permanent improvements constructed on property held under lease (but shall include rights of way and easements, any electric distribution, transmission or service lines and equipment and appurtenances thereto located on and such right of way or easement or on any property of customers or on any leased property or located upon any street, alley or public place of any municipality or upon any public highway), or (2) any property subject to any lien or other encumbrance except permitted encumbrances and the lien hereof. Nothing herein contained, however, shall prevent property meeting the definition of Property Additions as herein in this Section set forth in all respects except that at the time of its construction or acquisition it was subject to such a lien or other encumbrance, from constituting “Property Additions” upon the removal of such lien or other encumbrance.

Property Additions need not consist of a specific or complete accession, addition or improvement or complete new property but may include construction work in progress, if carried in plant accounts in accordance with sound accounting practice, whether capable of complete description and identification or not.

(B) *Purchased Property*. The term “*Purchased Property*” shall mean any Property Additions devoted to public service at or within a year before the time of their acquisition by Exeter or the Company (as the case may be);

(C) *Gross Expenditures for Property Additions, Gross Expenditures*. The term “*Gross Expenditures*” shall mean the lesser of:

(1) the fair value of the Property Additions acquired therefor as of the date of and as evidenced by an Engineer’s Certificate or, if such Property Additions include Purchased Property, as of the date of and as evidenced by an Independent Engineer’s Certificate, and

(2) the aggregate of (i) the market value or, in the absence thereof, the fair value of any securities or other property of Exeter or the Company (as the case may be) exchanged for Property Additions as of the date of and as evidenced by an Independent Engineer’s Certificate and (ii) any cash payments made or monetary obligations (not represented by securities) incurred for Property Additions.

The term “*Gross Expenditures for Property Additions*” shall mean the sum of the following (without duplication): (i) Gross Expenditures for Exeter for the Exeter

Pre-Merger Property Additions (the “*Exeter Pre-Merger Gross Expenditures for Property Additions*”), (ii) Gross Expenditures for the Company for the Company Pre-Merger Property Additions (the “*Company Pre-Merger Gross Expenditures for Property Additions*”), and (iii) Gross Expenditures for the Company for the Company Post-Merger Property Additions (the “*Company Post-Merger Gross Expenditures for Property Additions*”);

(D) *Retirements*. The removal, replacement, abandonment, permanent withdrawal from use, destruction, loss from any cause, sale, taking under power of eminent domain or other disposition of Fixed Property of Exeter or the Company (as the case may be) shall constitute a Retirement of such property.

As applied to any period, the term “*Retirements*” shall mean the aggregate cost of all Fixed Property retired by Exeter or the Company during such period (as the case may be). For the purposes of this definition the cost of Fixed Property shall mean, in the case of Property Additions, the Gross Expenditures made therefor at the time they became Property Additions and, in the case of Fixed Property not constituting Property Additions, its gross book value as recorded on Exeter’s or the Company’s (as the case may be) books. No reduction in book values of property recorded in Exeter’s or the Company’s (as the case may be) plant accounts nor the transfer of any amount appearing in any such account to intangible or adjustment accounts, arising out of adjustments required to be made by any regulatory body or otherwise, nor the elimination of any account so transferred, otherwise than in connection with the actual retirement of Fixed Property, shall be taken into account in determining Retirements;

(E) *Net Retirements*. The term “*Net Retirements*” shall mean the sum of the following (without duplication): (i) the aggregate amount of all Retirements made by Exeter under the Exeter Indenture during the period from June 30, 1952 to, but not including, the Merger Date in excess of the aggregate amount of all moneys received by or deposited with the Trustee under the Exeter Indenture during such period pursuant to the provisions of Sections 8.10, 8.12, 11.03, 11.04 and 11.04A thereof (the “*Exeter Pre-Merger Net Retirements*”), (ii) the aggregate amount of all Retirements made by the Company during the period from May 31, 1958 to, but not including, the Merger Date in excess of the aggregate amount of all moneys received by or deposited with the Trustee during such period pursuant to the provisions of Sections 8.10, 8.12, 10.03, 10.04 and 10.04A hereof (the “*Company Pre-Merger Net Retirements*”) and (iii) the aggregate amount of all Retirements made by the Company during the period beginning on and including the Merger Date through the date of calculation in excess of the aggregate amount of all moneys received by or deposited with the Trustee during such period pursuant to the provisions of Sections 8.10, 8.12, 10.03, 10.04 and 10.04A hereof (the “*Company Post-Merger Net Retirements*”);

(F) *Net Expenditures for Property Additions, Net Expenditures*. The term “*Net Expenditures for Property Additions*”, herein sometimes referred to as “*Net Expenditures*” shall mean the sum of the following (without duplication): (i) the aggregate amount of Exeter Pre-Merger Gross Expenditures for Property Additions,

minus Exeter Pre-Merger Net Retirements (“*Exeter Pre-Merger Net Expenditures*”), (ii) the aggregate amount of Company Pre-Merger Gross Expenditures, minus Company Pre-Merger Net Retirements (“*Company Pre-Merger Net Expenditures*”) and (iii) the aggregate amount of Company Post-Merger Gross Expenditures for Property Additions, minus Company Post-Merger Net Retirements (“*Company Post-Merger Net Expenditures*”);

(G) *Bonded Expenditures*. The term “*Bonded*” or “*Bonded Expenditures*” as applied to Net Expenditures for Property Additions shall mean the sum of (without duplication): (i) Exeter Pre-Merger Net Expenditures as have been used by Exeter as the basis for the issuance of bonds under the Exeter Indenture, the withdrawal of cash or other credit under any provision of the Exeter Indenture prior to the Merger Date (the “*Exeter Pre-Merger Bonded Expenditures*”), (ii) Company Pre-Merger Net Expenditures as have been used by the Company as the basis for the issuance of Bonds, the withdrawal of cash or the taking of other credit under the provision of this Indenture prior to the Merger Date (the “*Company Pre-Merger Bonded Expenditures*”) and (iii) Company Post-Merger Net Expenditures as have been used as the basis for the issuance of Bonds, the withdrawal of cash or the taking of other credit under the provisions of this Indenture, on or after the Merger Date (the “*Company Post-Merger Bonded Expenditures*”); *provided, however*, (A) the Exeter Pre-Merger Net Expenditures which were bonded on the basis of a ratio of bonds issued or cash withdrawn or other credit taken under the Exeter Indenture of 60% of Net Expenditures for Property Additions shall be recalculated as of the Merger Date as though all such bonds so issued or cash withdrawn or other credit taken under the Exeter Indenture were bonded on the basis of a ratio of 68% of Net Expenditures for Property Additions rather than a ratio of 60%, all as calculated in Annex B to Exhibit B hereof, and the term “*Exeter Pre-Merger Bonded Expenditures*” shall reflect and mean the amount of bonded Net Expenditures for Property Additions so calculated, and (B) the Company Pre-Merger Net Expenditures used as a basis for bonds issued or cash withdrawn or other credit taken under the Indenture shall be bonded on the basis of a ratio of 68% of Net Expenditures for Property Additions, all as calculated in Annex C to Exhibit B hereof, and the term “*Company Pre-Merger Bonded Expenditures*” shall reflect and mean the amount of bonded Net Expenditures for Property Additions so calculated;

(H) *Net Bondable Expenditures for Property Additions, Net Bondable Expenditures*. The term “*Net Bondable Expenditures for Property Additions,*” herein sometimes, referred to as “*Net Bondable Expenditures,*” shall mean as of any specified date the sum of (without duplication): (i) the excess of Exeter Pre-Merger Net Expenditures over Exeter Pre-Merger Bonded Expenditures (the “*Exeter Pre-Merger Bondable Expenditures*”), (ii) the excess of Company Pre-Merger Net Expenditures over Company Pre-Merger Bonded Expenditures (the “*Company Pre-Merger Bondable Expenditures*”) and (iii) the excess of Company Post-Merger Net Expenditures over Company Post-Merger Bonded Expenditures (the “*Company Post-Merger Bondable Expenditures*”); and

(I) *Certificate of Net Bondable Expenditures, New Gross Expenditures, New Property Additions.* The term “*Certificate of Net Bondable Expenditures*” shall mean an Officers’ Certificate in substantially the form attached hereto as Exhibit B which shall include:

(i) a statement of the aggregate amount of “Gross Expenditures” (herein sometimes called “*New Gross Expenditures*”) which have not been included in any previous such certificate or in any similar certificate delivered prior to the Merger Date by officers of Exeter pursuant to the Exeter Indenture; a description in reasonable detail of the Property Additions (sometimes hereinafter called “*New Property Additions*”) for which such expenditures were made; and a statement as to whether or not any of such New Property Additions constitute Purchased Property and, if so, a statement of the New Gross Expenditures made therefor;

(ii) a statement of the aggregate amount of Retirements not included in any previous such certificate or in any similar certificate delivered prior to the Merger Date by officers of Exeter pursuant to the Exeter Indenture and in so far as they represent specific physical property, a description in reasonable detail of such property.

*Section 4.02. Definitions for Earnings Test.* For the purposes of this Indenture each of the following terms shall be construed to have the meaning hereinafter specified respectively:

(A) *Gross Operating Revenues.* The term “*Gross Operating Revenues*” as applied to any period shall mean gross receipts of the Company from its business as an electric public utility company for such period and shall not include income derived from stocks, Bonds or other securities or gains arising from appreciation in value or from the sale or other disposition of fixed capital assets of the Company or of stocks, Bonds or other securities.

(B) *Earnings Available for Interest Charges.* The term “*Earnings Available for Interest Charges*” as applied to any period shall mean the amount by which the aggregate Gross Operating Revenues of the Company for such period exceeds all operating expenses of every character (except interest charges on indebtedness of the Company) for such period, such expenses to include (but not to be limited to) rents, insurance premiums, expenditures for maintenance, reasonable charges against income for the establishment of a reserve for depreciation (not less than the amounts required to be charged therefor pursuant to Section 8.05), all taxes (except any Federal and State taxes based directly or indirectly on income, including any State of New Hampshire taxes in the nature of a gross receipts tax which the Company is entitled to recover from its customers in its rates), and all other expenses in connection with its business as an electric public utility company, computed if a uniform system of accounts is prescribed by any commission or other governmental body having jurisdiction in the premises in accordance with such uniform system, otherwise in accordance with accepted accounting practice.

(C) *Earnings Available for Interest Charges Certificate, Annual Interest Requirements.* The term “*Earnings Available for Interest Charges Certificate*” shall mean an officers’ certificate:

(i) stating the Earnings Available for Interest Charges of the Company for a period of twelve (12) consecutive calendar months within the fifteen (15) calendar months immediately preceding the first day of the month in which the application for the authentication and delivery under this Indenture of Bonds then applied for or other application is made; and

(ii) stating the aggregate annual charges for interest on all indebtedness of the Company outstanding at the date of such application (except any for the refunding of which Bonds applied for are to be issued) and on all Bonds then to be issued hereunder, said aggregate sum being sometimes herein referred to as the “*Annual Interest Requirements.*”

For the purposes of such Earnings Available for Interest Charges Certificate, Earnings Available for Interest Charges of the Company (i) shall include for such twelve months period Earnings Available for Interest Charges computed in the same manner as are those of the Company derived by predecessors from all Purchased Property acquired within such twelve months period or about to be acquired by the Company, Gross Expenditures for which have been included in a prior Certificate of Net Bondable Expenditures or are included in the Certificate of Net Bondable Expenditures in connection with which such Earnings Available for Interest Charges Certificate is being filed, (ii) if any Property Additions are disposed of (a “*Disposition*”) within such twelve months period or about to be disposed of by the Company, for such twelve months period Earnings Available for Interest Charges shall be computed in the same manner as though such Disposition occurred on the first day of such period, and (iii) for any such twelve months period which includes one or more days prior to the Merger Date, Earnings Available for Interest Charges for Exeter shall be computed in the same manner as are those of the Company and as though Exeter had merged into the Company on the first day of such twelve months period. Any increase or decrease in Gross Operating Revenues of the Company attributable to higher or lower rates that have been in effect for less than the full twelve-month period for which the computation of the Earnings Available for Interest Charges Certificate is based shall be annualized for such Certificate and there shall also be annualized for such Certificate the related fixed expenses and charges as are known to the principal officers of the Company.

*Section 4.03. General Provisions.* Additional Bonds, executed pursuant to the provisions of this Article and Articles V and VI hereof shall be authenticated by the Trustee and delivered to or upon the order of the Company upon the receipt by the Trustee of the following documents in addition to the documents specified elsewhere in said three Articles:

(a) The documents specified in Section 2.06 hereof;

(b) A Resolution authorizing the execution and authentication of such Bonds together with a Stockholders Resolution authorizing the issuance of such Bonds under the

provisions hereof or, in the alternative, an opinion of counsel to the effect that no such Stockholders Resolution is necessary for the issue or validity of such Bonds or to entitle the same to the security and lien hereof;

(c) A certified copy of an order issued by each such commission or other body or official as at the time shall, under any pertinent law, have power or authority over the issuance of Bonds hereunder or over the subjection of the mortgaged property or any part thereof to liens, authorizing the issuance of such Bonds, together with an opinion of counsel to the effect that any order or orders tendered are sufficient in the connections aforesaid, or, in the alternative, an opinion of counsel to the effect that no such order is requisite in respect of such additional Bonds or in respect of the lien hereof for the security of such Bonds to render such Bonds the valid obligations of the Company and the lien hereof effective for the security thereof; and

(d) A receipt or other evidence satisfactory to the Trustee establishing the payment of any stamp, recording or other tax required by law to be paid in connection with the issuance of such additional Bonds or for the effectiveness of the lien of this Indenture for the security thereof, together with an opinion of counsel to the effect that the taxes paid constitute all taxes of either nature aforesaid, or in the alternative an opinion of counsel to the effect that payment of no such tax is requisite in this connection or for the purposes aforesaid.

*Section 4.04. Additional Bonds Against Property Additions Issuance Tests.* Additional Bonds of any series other than the Exchange Bonds issued after the execution and delivery of the Twelfth Supplemental Indenture may be issued hereunder to the extent of sixty-eight per cent (68%) of Net Bondable Expenditures for Property Additions as shown by the Certificate of Net Bondable Expenditures required by subparagraph (1) of Section 4.05 hereof provided that the Earnings Available for Interest Charges as shown by the certificate required by subparagraph (3) of said Section 4.05 hereof are equal at least to two (2) times the Annual Interest Requirements stated in such certificate.

*Section 4.05. Documents Required for Authentication of Bonds.* When requesting the authentication of Bonds pursuant to this Article the Company shall deliver to the Trustee:

(1) A Certificate of Net Bondable Expenditures dated as of a date within sixty (60) days of the date on which such Bonds are to be issued;

(2) An Officers' Certificate dated as of the date of the delivery of such Bonds stating that:

(i) the amount, if any, shown in Item (12) of the certificate referred to in (1) above plus Gross Expenditures for Property Additions since the date of said certificate exceeds Net Retirements since the date of said certificate;

(ii) the Company is not in Default hereunder;

(3) An Earnings Available for Interest Charges Certificate; and

(4) If there be included in such Certificate of Net Bondable Expenditures any New Gross Expenditures, the following:

(i) An Engineer's Certificate dated as of the date of such Certificate of Net Bondable Expenditures (such Engineer's Certificate, if such Certificate of Net Bondable Expenditures includes any considerations other than cash or if the New Property Additions thereby acquired include Purchased Property, either to be an Independent Engineer's Certificate or the statements therein contained with respect to considerations other than cash and/or Purchased Property to be those of an Independent Engineer, the scope of whose signature and verification thereof may be limited to such matters):

(a) stating that the signer has examined and inspected such Property Additions and that their construction or acquisition was reasonable from the standpoint of the Company and of the bondholders;

(b) setting forth their fair value as of the date of such certificate and if such Property Additions include Purchased Property, deducting any portion thereof not useful in the conduct of the Company's business as an electric public utility company;

(c) setting forth, as of the date of such certificate, the market value or, if none, the fair value of any securities, or other property included in such New Gross Expenditures;

(d) stating that the amount of such New Gross Expenditures included in said Certificate of Net Bondable Expenditures does not exceed the fair value of the Property Additions acquired thereby; and

(e) if the Opinion of Counsel responsive to (ii) of this subparagraph (4) sets forth any Permitted Encumbrances, stating that such Permitted Encumbrances do not impair the use of the property to which they pertain for the purposes for which such property is held by the Company;

(ii) An Opinion of Counsel stating that the Company has good and marketable title to such Property Additions free from all encumbrances excepting the lien of this Indenture and Permitted Encumbrances, specifying any such Permitted Encumbrances, and if any thereof consist of liens for taxes, assessments or governmental charges which are delinquent and the validity of which the Company is contesting in good faith, stating that none of the trust estate will be in danger of being lost or forfeited by reason thereof;

(iii) An indenture supplemental hereto or other instrument or instruments of conveyance specifically subjecting such Property Additions to the lien hereof together with an Opinion of Counsel stating that such supplemental indenture or other instrument or instruments are sufficient, and no other documents are required, to subject such Property Additions to the lien hereof as a direct first mortgage lien, or, in the alternative, an Opinion of Counsel to the effect that such additions are so subject without any such indenture or other instrument.

## ARTICLE V

### BONDS FOR REFUNDING PURPOSES

*Section 5.01. General Provisions.* Additional Bonds of any series may, from time to time, be executed by the Company and delivered to the Trustee for or on account of the payment, purchase and cancellation, redemption or other discharge at, before or after maturity, of Available Bonds theretofore authenticated under this Indenture in an aggregate principal amount equal to the aggregate principal amount of such Available Bonds, and the Trustee shall, subject to the provisions of this Article, authenticate and deliver the same to or upon the Order of the Company upon receipt by the Trustee of:

(1) The documents required by the provisions of Section 4.03 hereof;

(2) Bonds theretofore authenticated and delivered hereunder; *provided, however,* that in lieu of Bonds which have been called for redemption or are then about to mature it shall be sufficient if funds in an amount sufficient to redeem or pay the same shall have been deposited with the Trustee and made presently available for payment to the holders of such Bonds and evidence furnished to the satisfaction of the Trustee that notice of any such redemption has been duly given, or provided for, or waived;

(3) An Officers' Certificate, dated as of the date of the delivery of such additional Bonds, stating that the Company is not in Default hereunder and that all of the Bonds proposed to be refunded constitute Available Bonds.

*Section 5.02. Issuance Requirements.* No Bonds shall be authenticated and delivered under the provisions of this Article except (i) Bonds which bear an interest rate no higher than that of the Bonds which they are to refund or (ii) Bonds issued to refund Bonds which have been Outstanding more than five years and which have an expressed maturity not later than two years from the date on which such refunding Bonds are to be issued, unless an Earnings Available for Interest Charges Certificate shall have been filed with the Trustee from which it shall appear and in which the Company certifies that the Earnings Available for Interest Charges of the Company for the period covered by such certificate were at least equal to two times the Annual Interest Requirements therein stated.

## ARTICLE VI

### BONDS AGAINST CASH

*Section 6.01. General Provisions.* Additional Bonds of any series may be issued under this Indenture from time to time equal in principal amount to the amount of cash at the time deposited with the Trustee *provided*, nevertheless, that no Bonds shall be issued against cash required to be deposited with the Trustee under any provisions of this Indenture. Bonds so issued may be executed by the Company and delivered to the Trustee and the Trustee shall authenticate and deliver the same to or upon the order of the Company upon receipt of:

- (1) The documents required by the provisions of Section 4.03 hereof;
- (2) An officers' certificate dated as of the date of the delivery of such Bonds stating that the Company is not in Default hereunder;
- (3) An Earnings Available for Interest Charges Certificate;
- (4) Cash in an amount equal to the principal amount of the Bonds to be authenticated;

if it shall appear by the Earnings Available for Interest Charges Certificate responsive to subparagraph (3) of this Section that the Earnings Available for Interest Charges for the period covered by such certificate are at least equal to two (2) times the Annual Interest Requirements therein stated.

*Section 6.02. Cash Withdrawal Requirements.* Cash received by and on deposit with the Trustee under the provisions of this Article after the execution and delivery of the Twelfth Supplemental Indenture may on orders of the Company be withdrawn, from time to time, to the extent of sixty-eight per cent (68%) of Net Bondable Expenditures for Property Additions as shown in the pertinent certificate responsive to subparagraph (1) of this Section, upon receipt by the Trustee of:

- (1) A Certificate of Net Bondable Expenditures dated as of a date within sixty (60) days of the date on which such cash is to be withdrawn;
- (2) An Officers' Certificate dated as of the date of the withdrawal of such cash stating that
  - (a) the amount, if any, shown in Item (12) of the certificate referred to in (1) above plus Gross Expenditures for Property Additions since the date of said certificate exceeds Net Retirements since the date of said certificate, and
  - (b) the Company is not in Default hereunder;

(3) If there be included in such Certificate of Net Bondable Expenditures any New Gross Expenditures, the documents required by (i), (ii) and (iii) of subparagraph (4) of Section 4.05 hereof.

## ARTICLE VII

### REDEMPTION OF BONDS

*Section 7.01. Manner of Redemption.* Whenever the Company shall determine to exercise any optional right it may have to redeem Bonds of any series issued hereunder, it shall file with the Trustee not less than sixty days prior to the date fixed for the redemption of such Bonds, a Resolution specifying the principal amount of and designating the series of Bonds to be redeemed and shall, on or before the date fixed for redemption, deposit with the Trustee sufficient moneys to redeem such Bonds and pay to the Trustee its proper expenses and charges in connection with such redemption.

*Section 7.02. Selection of Bonds to Be Redeemed.* The selection of Bonds (or, in case of fully registered Bonds, of portions thereof) to be redeemed shall, in case less than all of the Outstanding Bonds of any series are to be redeemed, be made by the Trustee as follows:

(a) The particular Bonds of such series to be redeemed in whole or in part shall be designated by the Trustee not more than 60 days nor less than 30 days prior to the date fixed for such redemption by proration so that the principal amount to be redeemed of Bonds of such series then held by each holder shall bear the same ratio to the total principal amount of all Bonds of such series then to be redeemed as the total principal amount of all Bonds of such series then held by such holder bears to the total principal amount of all Bonds of such series then Outstanding; *provided, however,* that (i) the Trustee in making any proration pursuant to this Section shall make such adjustments as it shall deem proper to the end that the principal amount of Bonds so redeemed shall be \$1,000 or a multiple thereof, by increasing or decreasing the amount which would be allocable to any holder on the basis of exact proration by an amount not exceeding \$1,000 and (ii) if there shall have been previously filed with the Trustee a written consent of all holders of Bonds of such Series specifying some other method of selecting Bonds of such series to be redeemed such selection shall be made by the Trustee in accordance therewith; or

(b) If the Trustee shall determine that the selection method described in the foregoing clause (a) shall not then be appropriate, the particular Bonds of such series to be redeemed in whole or in part shall be selected by the Trustee by lot in any manner deemed by it proper.

The Trustee shall promptly notify the Company in writing of the distinctive numbers of the Bonds which, or portions of which, have been selected for redemption, and the principal amount thereof to be redeemed in the case of fully registered Bonds of a denomination greater than \$1,000.

*Section 7.03. Notice of Redemption.* Notices of redemption, stating when funds for the redemption are expected to be available to the holders of the Bonds to be wholly or partly redeemed, shall be given to the holders by the Trustee in the name and on behalf of the Company. Redemption notices for all Bonds issued hereunder shall contain the information required by Section 7.04 and, unless otherwise provided in the supplemental indenture creating a particular series, shall be mailed as hereinafter provided not more than 60, nor less than 30, days prior to the date fixed for redemption. The Trustee in the name and on behalf of the Company, as the case may be, shall send a copy of such notice to the registered owner of each Bond, so called for redemption, by reputable overnight courier, or by certified mail, postage prepaid, addressed to him at his last known address as it appears upon the bond register.

Whenever notice by mail or otherwise is required, the giving of such notice may be waived in writing by the person entitled to such notice. Any such waiver of notice by the holders of Bonds shall be filed with the Trustee.

*Section 7.04. Redemption Price.* Each notice of redemption shall specify the price at which such Bonds are to be redeemed, the series, date of maturity, date of redemption, and if less than all of the Bonds outstanding of a specified series are to be redeemed, the serial numbers of such Bonds.

*Section 7.05. Partial Redemption of Bonds.* In case any Bond is to be redeemed in part only, such notice shall specify the principal amount thereof to be redeemed and shall state that at the election of the registered owner of such Bond and upon surrender thereof for redemption, a new Bond or new Bonds of that series in aggregate principal amount equal to the unredeemed portion of such Bond will be issued in lieu thereof, and, in such case, the Company shall execute and the Trustee shall authenticate and deliver such new Bond or Bonds to or upon the written order of the registered owner of such Bond at the expense of the Company, *provided, however*, that the Trustee shall pay interest, premium (if any) and principal upon any Bond without surrender or presentation thereof if any holder which is an Institutional Holder files with the Trustee an agreement pursuant to which such holder agrees that (A) it will not sell, transfer or otherwise dispose of any such Bond with respect to which such redemption has been made unless either (i) it shall have made a notation thereon of the principal so redeemed or (ii) the Bond shall have been presented to the Trustee for such notation or (iii) such Bond shall have been surrendered in exchange for a new Bond having a principal amount equal to the unredeemed portion and (B) it will present the Bond to the Trustee before being paid the entire remaining principal balance of such Bond.

*Section 7.06. Deposited Moneys for Redemption.* All moneys deposited with or held by the Trustee for the redemption of Bonds shall be held upon the trusts hereof for the account of the holders of the Bonds designated or selected for redemption.

*Section 7.07. Cancellation of Bonds.* All Bonds which have been redeemed shall be cancelled by the Trustee, and shall be delivered to or upon the order of the Company and shall not be reissued.

*Section 7.08. Payment of Redemption.* When notice of redemption of any Bond, or part thereof, shall have been duly given or waived, such Bond, or part thereof, shall become due and payable on the date fixed for redemption in said notice and if the amount necessary to redeem such Bond, or part thereof, shall be deposited with the Trustee, such amount shall be held by the Trustee as provided in Section 7.06 and shall be paid when due to the registered owner of such Bond provided that if presentation of such Bond is required hereunder, such Bond shall have been presented to the Trustee. If the amount necessary to redeem any Bond, or part thereof, called for redemption shall have been irrevocably deposited with the Trustee in trust for the account of and shall be immediately available for payment to the holder of such Bond, and all proper charges and expenses of the Trustee in connection therewith shall have been paid, and if the notice hereinbefore mentioned shall have been duly given or waived, or provision satisfactory to the Trustee shall have been made for the giving of such notice, then, when all of said conditions shall have been satisfied and the Trustee has complied with the first sentence of this Section 7.08, (a) the Company (subject to the provisions of Section 16.10) shall be released from all liability on such Bond, or part thereof, so called for redemption, and such Bond, or part thereof, so called for redemption shall no longer be deemed to be Outstanding and shall cease to be entitled to any lien or benefit of or under this Indenture, (b) the holder of such Bond, or part thereof, so called for redemption shall look thereafter for the payment of the principal thereof and premium, if any, and of accrued and unpaid interest, solely to the redemption funds in the hands of the Trustee for payment thereof, and (except as provided in Section 16.10) in no event to the Company, (c) the holder of such Bond shall have the right to receive prepayment of the redemption price thereof, including interest to such redemption date, at any time after the deposit of such redemption price, and (d) after such redemption date, no interest will accrue thereon.

## ARTICLE VIII

### GENERAL COVENANTS

*Section 8.01. Further Actions.* The Company covenants that it will faithfully do and perform and at all times faithfully observe any and all covenants, undertakings, stipulations and provisions contained in each and every Bond executed, authenticated and delivered hereunder and in the several and successive Resolutions pursuant to or in observance of the provisions of this Indenture. The Company covenants that it will promptly make, execute, and deliver all further assurances, including all financing and continuation statements covering security interests in personal property, indentures supplemental to the Indenture or other instruments, and take all such further action as may reasonably be by the Trustee, or by its counsel, deemed necessary or advisable for the better securing of any Bonds issued or to be issued hereunder, or for better assuring and confirming to the Trustee the Mortgaged Property or any part thereof. The Company covenants that it will cause this Indenture to be duly recorded and/or filed and to be duly rerecorded and/or refiled at the times and in the places now or hereafter required by law for the proper maintenance of the validity and priority of the lien hereof.

*Section 8.02. Payment.* The Company covenants that it will promptly pay the principal of and interest on every Bond issued hereunder in lawful money of the United States of America at the dates and places and in the manner prescribed in such Bond and herein. Notwithstanding the

above or any other provisions of this Indenture or any Bond issued hereunder, the Company may enter into an agreement with the holder of any Bond providing for the payment to such holder of the principal of (and premium, if any) and interest on such Bond or any part thereof at a place other than as designated therein or in such Bond, providing for the payment to such holder of all or a portion of the principal of and the premium, if any, and interest on such Bond at a place other than the place specified in such Bond as the place for such payment without the necessity in the case of a partial payment of principal, of surrendering the Bond for a new Bond, and in accordance with Section 7.05 for the making of notation of principal payments on such Bond by such holder. The Trustee is authorized to consent to any such agreement and shall not be liable or responsible to any such holder or to the Company for any act or omission on the part of the Company or any holder of a Bond in connection with any such agreement. The Company covenants it will, prior to the maturity of each installment of interest and prior to the maturity of each such Bond, deposit with the Trustee, or other paying agent appointed with respect to the Bonds of any particular series, in lawful money of the United States of America an amount sufficient to make payments of principal (and premium, if any,) and interest on the Bonds on or prior to the date such payments are due.

*Section 8.03. Maintain Title of Property.* The Company covenants that, except as to that part of the Mortgaged Property which may hereafter be acquired by it, it is on the Merger Date well seized of the physical properties by it hereby mortgaged or intended so to be and has good right, full power, and lawful authority to make this Indenture and subject such physical properties to the lien hereof in the manner and form herein respectively done or intended; and that it has and, subject to the provisions hereof, will preserve good and indefeasible title to all such physical properties, and will warrant and forever defend the same to the Trustee against the claims of all persons whatsoever.

*Section 8.04. Taxes and Assessment; Liens.* The Company covenants that it will promptly pay or cause to be paid all lawful taxes, charges and assessments at any time levied or assessed upon or against the Mortgaged Property or any part thereof, and/or the interest of the Trustee and of the holders of the Bonds Outstanding under this Indenture before the same become delinquent, *provided, however*, that no such tax, charge or assessment shall be required to be paid so long as the validity of the same shall be contested in good faith by appropriate legal proceedings so long as adequate reserves in respect thereof have been established in accordance with GAAP; that there are not outstanding on the Merger Date and that the Company will not at any time create or permit to be created or allow to accrue or to exist any lien or liens prior to the lien of this Indenture upon the Mortgaged Property or any part thereof, or the income therefrom, save only any Permitted Encumbrances and the lien of any mortgage or other lien on any property hereafter acquired by the Company which may exist on the date of, or be created as a vendor's lien or as a purchase money mortgage in connection with, such acquisition; and that neither the value of the Mortgaged Property nor the lien of this Indenture will be diminished or impaired in any way as the result of any action or nonaction on the part of the Company.

*Section 8.05. Conduct Business and Maintain Properties.* The Company covenants that its business will be carried on and conducted in an efficient manner, and that all of its plants, appliances, systems, equipment and property useful and necessary in the carrying on of its business will be kept in thorough repair and maintained in a state of high operating efficiency in

accordance with standards generally acceptable in the utility industry. The Company covenants that it will expend for maintenance and reserve for depreciation whatever amounts may be necessary so to maintain the Mortgaged Property and provide for the Retirement of the depreciable portion of the Mortgaged Property, which amounts shall be not less than those prescribed by any governmental regulatory body having jurisdiction in the premises; and that in any event the Company will charge as an expense and credit to depreciation reserve in each of its fiscal years an amount which shall be not less than 2.3% of the average amount of its depreciable property for such year.

Whenever the holders of at least a majority in principal amount of the Bonds Outstanding shall so request in a written notice served upon the Trustee, but not more frequently than once every five years, the Company shall appoint an Independent Engineer satisfactory to the holders of a majority in principal amount of the Bonds Outstanding to make an inspection of the property of the Company. The Company shall cause such Independent Engineer, within a reasonable time after the date of his appointment, to report to the Company and to the Trustee whether or not the property of the Company is in general being maintained as required by this Section, and whether or not any part of such property that is no longer used or useful in the business of the Company has been duly recorded as retired on its books.

If such Independent Engineer shall report that the property has not been so maintained, he shall state in his report the character and extent and estimated cost of making good such deficiency. The Company shall then proceed with all reasonable speed to do such maintenance work as may be necessary to make good any such maintenance deficiency, whereupon such engineer shall, within a period of 90 days following the Company's completion of such work, report in writing to the Trustee whether such deficiency has been made good; *provided, however*, that in case such engineer shall fail or refuse to make such report within such period, the Trustee shall appoint another Independent Engineer satisfactory to the holders of a majority in principal amount of the Bonds Outstanding to make such report. Unless the Trustee shall be so advised in writing by such engineer within one year from the date of any report determining a maintenance deficiency to exist, or such longer period as may be stated in such report to be reasonably necessary for the purpose, that such deficiency has been made good, the Company shall be deemed to have defaulted in the due performance of the covenant as to the maintenance of its property contained in this Section 8.05.

If such Independent Engineer shall report that there is any property no longer used or useful which has not been recorded as retired on the books of the Company, he shall briefly describe such property and state the aggregate Retirement which should be stated on such books with respect thereto. The Company shall then make on its books appropriate entries recording the Retirement of such property.

*Section 8.06. Compliance with Underlying Mortgages.* The Company covenants that all of the covenants, conditions and agreements of any Underlying Mortgage upon any property hereafter acquired by it will in all respects be fully complied with; that upon the payment of all bonds issued under each such mortgage it will procure such mortgage to be effectively satisfied and discharged of record; that the Company will not issue or permit to be issued any additional

bonds secured by any Underlying Mortgage, but that each and every such mortgage shall be effectively closed at the date of the acquisition of such property.

*Section 8.07. Acquisition of Property Subject to Underlying Mortgages.* The Company covenants that it will not acquire any property which after its acquisition will be subject to any Underlying Mortgage unless prior to the acquisition thereof it shall have filed with the Trustee an Officers' Certificate from which it shall appear and certify that the aggregate of the Earnings Available for Interest Charges of the Company and the Earnings Available for Interest Charges of the property to be acquired, computed in the same manner as are Earnings Available for Interest Charges of the Company in Section 4.02(c), for any consecutive twelve months out of the fifteen calendar months immediately preceding the acquisition of such property is equal to at least two times the Annual Interest Requirements on all Bonds Outstanding and other indebtedness of the Company for borrowed money, plus all bonds and/or other obligations secured by existing Underlying Mortgages and all bonds and/or other obligations secured by any Underlying Mortgage or other lien (whether or not prior to the lien of this Indenture) upon the property so to be acquired, and will not acquire any property subject to any Underlying Mortgage securing indebtedness in excess of sixty per cent (60%) of the lesser of:

- (a) the fair value of such property to the Company at the date of acquisition thereof; and
- (b) the aggregate of (i) the amount of any lien subject to which such property is acquired, (ii) the amount of any purchase money mortgage or vendor's lien created in connection with its acquisition, (iii) any cash payment made therefor, and (iv) the market value, or, in the absence thereof, the fair value of any securities or other property of the Company exchanged therefor;

all as of the date of and as established by an Independent Engineer's Certificate, filed with the Trustee, dated as of the date of the acquisition of such property, unless to offset such part of such indebtedness as shall exceed such percentage there shall be appropriated Net Bondable Expenditures for Property Additions in an amount equivalent to such excess. Such appropriation shall be evidenced by a Resolution deposited with the Trustee together with a Certificate of Net Bondable Expenditures dated as of the date of such appropriation and, if there be included in such Certificate of Net Bondable Expenditures, any New Gross Expenditures, the documents required by (i), (ii) and (iii) of subparagraph (4) of Section 4.05.

The Company further covenants that it will not acquire any property which after its acquisition will be subject to any Underlying Mortgage if such acquisition would operate to increase the aggregate principal amount of all bonds and/or other obligations secured by Underlying Mortgages (other than such bonds and/or other obligations for the purchase, payment or redemption of which cash in the necessary amount shall have been irrevocably deposited with the trustee or mortgagee under the Underlying Mortgage or mortgages securing the same or with the Trustee hereunder) to an amount greater than fifteen per cent (15%) of the aggregate principal amount of all Bonds at the time issued and Outstanding under this Indenture.

*Section 8.08. Records of Accounts and Certificate.* The Company covenants that proper books of record and account will be kept in which full, true and correct entries will be made of all dealings or transactions of, or in relation to, the plants, properties, business and affairs of the Company, and that it will:

(a) At such times as the Trustee shall reasonably request, furnish statements in reasonable detail showing the earnings, expenses and financial condition of the Company;

(b) From time to time furnish to the Trustee such data as to the plants, property and equipment of the Company, as the Trustee shall reasonably request;

(c) On or before the expiration of one hundred and twenty (120) days after the end of each fiscal year, furnish to the Trustee a full audit and report certified by independent certified public accountants, covering the operations of the Company during such fiscal year, and showing the earnings and expenses for such period, and in reasonable detail, the assets, liabilities and financial condition of the Company at the expiration thereof; provided for the first fiscal year ending after the Merger Date, the foregoing shall be reported on as though Exeter had merged into the Company on the first day of such fiscal year. Said balance sheets and reports shall be available at all reasonable times for the inspection of any bondholder or his authorized agent.

The Company further covenants that all books, documents and vouchers relating to the plants, properties, business and affairs of the Company shall at all times be open to the inspection of such accountants or other agents as the Trustee may from time to time designate.

*Section 8.09. Annual Certificate of Compliance.* The Company covenants that it will, on or before the expiration of ninety (90) days after the end of each fiscal year, file with the Trustee: (1) an Opinion of Counsel either stating that such action has been taken with respect to the execution and delivery of supplemental indentures, conveyances or other instruments, including all financing and continuation statements covering security interests in personal property, and the recording and filing of the same and of this Indenture and the re-recording and re-filing of this Indenture as is necessary for the purpose of maintaining the validity and priority of the lien and security interest hereof on the Mortgaged Property and reciting the details thereof, or stating that no such action is required for such purpose; and (2) an Officers' Certificate fully describing all insurance policies then in force on the Mortgaged Property, or any part thereof, stating that all such policies provide that all losses shall be payable to the Trustee, as its interest may appear, and stating that the Company has complied with the requirements of Section 8.10 with respect to the maintenance of insurance and stating: (a) that all taxes which became due on the Mortgaged Property during such fiscal year have been duly paid unless the Company shall in good faith, by appropriate action, contest any of said taxes, in which event such contest shall be set forth; (b) that all insurance premiums which became due during such fiscal year upon the insurance policies to which reference is hereinbefore made have been paid; (c) that no additional Fixed Property has been acquired by the Company during such calendar year, or if any Fixed Property has been so acquired, briefly describing the same and stating the cost thereof; and (d) whether or not the Company is in default in the fulfillment of any of its obligations under the Indenture and

if a Default or Event of Default has occurred and then exists, specifying the nature and period thereof and the action the Company is taking with respect thereto.

*Section 8.10. Insurance.* The Company covenants that it will keep such of the Mortgaged Property as is of an insurable nature and of the character usually insured by companies engaged in similar geographical locations in any of the businesses in which the Company is or may be engaged insured against loss or damage by fire and from other hazards customarily insured against by such companies and will carry such insurance with insurance companies of good standing in amounts not less than the fair insurable value of the properties insured.

All policies required by the provisions of this Section to be carried by the Company shall provide that all losses shall be payable to the Trustee, as its interest may appear. In case of any Event of Default by the Company in fulfilling the covenants contained in this Section with respect to the carrying of insurance, the Trustee may, at its option, effect such insurance in the name of the Company or in the name of the Trustee and all premiums paid by the Trustee for such insurance shall be repaid by the Company on demand and if not so repaid shall be secured by the lien of this Indenture in priority to the indebtedness evidenced by Bonds issued hereunder. Upon the happening of every loss the Company shall make due proof of loss and shall do all things necessary or desirable to cause the insurer or insurers to make payment in full directly to the Trustee. In case of any loss covered by any policy of insurance, any appraisal or adjustment of such loss and settlement and payment of indemnity therefor which shall be agreed upon between the insured and the insurer shall be accepted by the Trustee and the Trustee shall in no way be liable for the adjustment of such loss. The Company shall upon the execution of this Twelfth Supplemental Indenture furnish to the Trustee a statement in writing signed by an officer of the Company fully describing all policies of insurance then in force covering the Mortgaged Property or any part thereof and stating that all such policies provide that all losses shall be payable to the Trustee, as its interest may appear. The Trustee at its option may, but shall not be required to, at any time, require the Company to deposit with it any or all of such insurance policies and shall require such deposit upon the occurrence of an Event of Default.

The Trustee shall from time to time, upon receiving an Officers' Certificate certifying that the property damaged or destroyed has been repaired or replaced and put in a condition at least as good as that before the loss occurred, pay to the Company the amount of the insurance money received by the Trustee on account of such loss if such amount does not exceed, in the case of any one loss, \$50,000. In all other cases the money so received by the Trustee may be paid or applied from time to time in accordance with the provisions of Sections 11.02 and 11.03.

*Section 8.11. Maintenance of Corporate Existence and Rights.* Subject to the provisions of Article XII hereof, the Company will do or cause to be done all things necessary to preserve and keep in full force and effect its corporate existence. The Company covenants that it now has complete and lawful authority and privilege to maintain and operate its entire system and properties, and that none of its rights, franchises or privileges will be allowed to lapse or be forfeited unless the Board of Directors shall determine that any such right, franchise or privilege is not necessary for the carrying on of the Company's business; *provided, however*, that the expiration by lapse of time of any right, franchise or privilege shall not constitute a violation of this covenant, but the Company hereby expressly covenants that it will exercise its best

endeavors and any and every proper means to procure extension or renewal of each and every such right, franchise or privilege so expiring and necessary or desirable for the maintenance of any of its plants, systems or properties.

*Section 8.12. Eminent Domain.* The Company covenants that it will pay or cause to be paid to the Trustee the proceeds of any property subject to the lien of this Indenture which has been taken by any governmental body through the exercise of the power of eminent domain or which has been sold to such a governmental body pursuant to the provisions of any statute or franchise permitting such governmental body to compel the Company to sell the same, except such thereof as may by the terms of an Underlying Mortgage be required to be paid to or deposited with its mortgagee or trustee and as to any moneys which shall be so paid to such mortgagee or trustee, the Company covenants that if any thereof remains on deposit with such mortgagee or trustee upon the satisfaction or release of such Underlying Mortgage it will pay the same to or cause the same to be paid to the Trustee.

The Company further covenants that if any property subject to the lien of this Indenture is subject to a license under Part I of the Federal Power Act and at any time prior to the sale of such property, either under the terms of said Part I or otherwise, the Company is required by the terms of said license or by a final valid rule, regulation or order applicable thereto and to the Company, to apply funds held by it in amortization (as distinguished from depreciation) reserves accumulated, pursuant to the provisions of said license or of any such final valid rule, regulation or order, out of surplus earnings in excess of a reasonable rate of return on the Company's net investment in said property as finally determined as provided in said Part I, to the reduction of the amount of the Company's net investment therein, then the Company, if permitted to do so by the provisions of said license or of said rule, regulation or order requiring such reduction, will effect such reduction by paying or causing to be paid to the Trustee such funds so required to be applied to such reduction. If such property shall be purchased from the Company under the provisions of said Part I or of said license by the United States or by any subsequent licensee of said property under the provisions of said Part I, and the purchase price paid to the Company for such property by such purchaser is reduced by the application thereto of funds then held by the Company (and not then or theretofore held by the Trustee) as unappropriated surplus or amortization, sinking fund or similar reserves (but not including depreciation reserve) accumulated as aforesaid out of surplus earnings in excess of a reasonable rate of return on the Company's net investment in said property as finally determined as provided in said Part I, then to the extent the price paid to the Company is actually reduced by such application of such funds the Company will pay or cause to be paid an amount equal to such funds to the Trustee as part of the proceeds of the sale of such property to the United States or to such licensee. Upon the deposit of any funds with the Trustee in accordance with the provisions of this paragraph, the Company will cause to be delivered to the Trustee an Officers' Certificate stating that the funds so deposited are in the amount then required to be deposited pursuant to the provisions of this paragraph.

The Trustee on behalf of the bondholders may intervene in any proceeding for such taking or purchase by a governmental body and shall do so upon the written request of the holders of ten per cent (10%) or more in aggregate principal amount of Bonds Outstanding being first indemnified for its expenses as provided in Section 15.01 hereof. The Trustee may execute

and deliver a release of any property so taken or sold and shall be fully protected in so doing upon being furnished with (a) an Officers' Certificate requesting such release stating that such property has been taken by eminent domain and that all conditions precedent herein provided for relating to such release have been complied with, (b) an Opinion of Counsel that such governmental body had a lawful right to take such property or compel the Company to sell the same and (c) either (i) a sum in cash equal to the proceeds of such taking or (ii) a sum in cash equal to such proceeds less the amount required to be paid to or deposited with the mortgagee or trustee of an Underlying Mortgage, a receipt from such mortgagee or trustee for the amount so paid or deposited, and an Opinion of Counsel that such amount is required by the terms of such Underlying Mortgage to be so paid or deposited.

*Section 8.13. Records at Trustee.* The Company covenants that it will keep on file at the principal office of the Trustee a list of the names and addresses of the last known holders of all Bonds Outstanding with the principal amount of Bonds believed to be held by each. Any bondholder may require his name and address to be added to said list by filing a written request with the Company or the Trustee, which request shall include a statement of the principal amount of Bonds held by each bondholder and the numbers of such Bonds. The Trustee shall be under no responsibility with regard to the accuracy of said list. Said list may be inspected and copied by a bondholder or bondholders owning ten per cent (10%) or more in principal amount of Bonds Outstanding or by his or their authorized agent, such ownership and the authority of any such agent to be evidenced to the satisfaction of the Trustee.

*Section 8.14. No Extensions for Claims of Interest.* The Company covenants that no claim for interest pertaining to any Bond issued hereunder shall be kept alive after the date specified for the payment of such interest by the extension thereof or by the purchase thereof by or on behalf of the Company. Any such claim for interest which in any way at or after the date specified for the payment thereof shall have been transferred or pledged separate or apart from the bond to which it relates or which shall in any manner have been kept alive after the date specified for the payment thereof by extension or by the purchase thereof by or on behalf of the Company shall not be entitled to any benefit of or from this Indenture except after the prior payment in full of the principal of all Bonds issued hereunder and of all interest obligations not so transferred, pledged, kept alive or extended.

*Section 8.15. Restricted Payments.* The Company covenants that it will not declare or pay dividends (other than in its own common stock) or make any other distribution on shares of its common stock or apply any of its property or assets (other than amounts equal to any proceeds received from the sale of common stock of the Company) to the purchase or retirement of, or make any other distribution through reduction of capital or otherwise, in respect of, any shares of its common stock if, after giving effect to such distribution, the aggregate of all such distributions declared, paid, made or applied subsequent to December 31, 2000 by the Company and Exeter, plus the amount of all dividends declared or accrued on any class of preferred stock of the Company or Exeter subsequent to December 31, 2000, and any amounts charged to net income after December 31, 2000 in connection with the purchase or retirement of any shares of preferred stock of the Company or Exeter would exceed an amount equal to net income of the Company available for dividends after December 31, 2000, plus the sum of \$7,565,000.

The term “net income”, as applied to any period shall mean the net income (or deficit) of the Company and, for periods prior to the Merger Date, of Exeter for such period properly transferable to its earned surplus, all computed, if a uniform system of accounts is prescribed by any commission or other governmental body having jurisdiction in the premises, in accordance with such uniform system; otherwise in accordance with accepted accounting practice, and in any event by deducting from the aggregate gross revenues of the Company and, for periods prior to the Merger Date, of Exeter for such period all expenses required to be deducted in computing Earnings Available for Interest Charges for such period in accordance with Section 4.02(B) and (C) of the Indenture, and also by deducting all interest requirements, taxes, amortization of debt discount and expense and other deferred charges, and all other non-operating expenses for such period.

*Section 8.16. Transactions with Affiliates.* The Company will not and will not permit any Subsidiary to enter into directly or indirectly any transaction or Material group of related transactions (including without limitation the purchase, lease, sale or exchange of properties of any kind or the rendering of any service) with any Affiliate (other than the Company or another Subsidiary), except in the ordinary course and pursuant to the reasonable requirements of the Company’s or such Subsidiary’s business and upon fair and reasonable terms no less favorable to the Company or such Subsidiary than would be obtainable in a comparable arm’s-length transaction with a Person not an Affiliate, or as may be otherwise ordered or required by a governmental authority having jurisdiction over the Company.

## ARTICLE IX

### SUPPLEMENTAL INDENTURES AND INDENTURE MODIFICATIONS

*Section 9.01. Supplemental Indentures without Consent of Bondholders.* In addition to any supplemental indenture otherwise authorized or permitted by this Indenture, the Company when authorized by Resolution and the Trustee from time to time and at any time, subject to the conditions and restrictions in this Indenture contained, and without the consent of or notice to the bondholders, may execute an indenture or indentures supplemental hereto, and which thereafter shall form a part hereof, for any one or more or all of the following purposes:

- (a) To add to the conditions, limitations and restrictions of the authorized amount, terms, provisions, purposes of issue, authentication and delivery of Bonds specified herein, other conditions, limitations and restrictions thereafter to be observed with respect to the Bonds or any one or more series thereof;
- (b) To add to the covenants and agreements of the Company in this Indenture contained, other covenants and agreements thereafter to be observed;
- (c) To provide for the creation of any series of Bonds pursuant to Articles IV, V or VI;
- (d) To evidence the succession of another corporation to the Company, or successive successions, and the assumption by a successor corporation of the covenants

and obligations of the Company and the acceptance by the successor corporation of the provisions in the Bonds hereby secured and in this instrument and in any and every supplemental indenture contained;

(e) To convey, transfer and assign to the Trustee, and to, subject to the lien of this Indenture, with the same force and effect as though included in the Granting Clauses hereof, additional properties, permits and franchises hereafter acquired by the Company through consolidation or merger, or by purchase or in any other manner whatsoever;

(f) To cure any ambiguity, or to cure, correct or supplement any defect or inconsistent provision contained in this instrument or any indenture supplemental hereto;

(g) To make this Indenture conform to the Trust Indenture Act of 1939 or similar legislation or otherwise to add to the duties and obligations of the Trustee, but no such supplemental indenture which shall add to the duties and obligations of the Trustee hereunder shall be made without the written consent of the Trustee.

*Section 9.02. Modification of Indenture.* From time to time the holders of seventy-five per cent (75%) in aggregate principal amount of Bonds Outstanding, by an instrument or instruments in writing signed by such holders and filed with the Trustee, shall have power to assent to and authorize any modification of any of the provisions of this Indenture that shall be proposed by the Company when authorized by a Resolution, and the Trustee may enter into an indenture supplemental hereto for the purpose of adding such modification to the Indenture and any action herein authorized to be taken with the assent or authority, given as aforesaid, of the holders of seventy-five per cent (75%) in aggregate principal amount of Bonds Outstanding shall be binding upon the holders of all of the Bonds at any time Outstanding and upon the Trustee as fully as though such action were specifically and expressly authorized by the terms of this Indenture, *provided, however,* that no such modification shall (i) extend the time or times of payment of the principal of, or the interest or premium, if any, on any Bond, or (ii) reduce the principal amount thereof or the rate of interest or premium thereon, or (iii) authorize the creation of any lien prior or equal to the lien of this Indenture upon any of the Mortgaged Property, or deprive any bondholder of the benefit of the lien of this Indenture, or (iv) affect the rights under this Indenture of the holders of one or more, but less than all, of the series of Bonds outstanding hereunder unless assented to by the holders of seventy-five per cent (75%) in aggregate principal amount of Bonds Outstanding of each of the series so affected, or (v) reduce the percentage of Bonds, the holders of which are required to assent to any such modification pursuant to this Section, or (vi) in any manner affect the rights or obligations of the Trustee without its written consent thereto; and *provided further,* that, anything in this Section to the contrary notwithstanding, the holders of seventy-five per cent (75%) in aggregate principal amount of Bonds Outstanding of any particular series shall have power to waive any right specifically provided in respect of that series, and to assent to any modification of any such right which shall be proposed by the Company, subject, however, to the provisions of clauses (i) through (vi) of this Section. Any modification of the provisions of this Indenture so made as aforesaid shall be set forth in a supplemental indenture between the Trustee and the Company which shall be recorded and/or filed in the same manner as this Indenture and the Trustee shall be fully protected in acting in accordance therewith.

*Section 9.03. Execution of Supplemental Indenture.* No supplemental indenture shall become effective until it shall have been executed by the Trustee and the Trustee is hereby authorized to join with the Company in the execution of any supplemental indenture authorized or permitted by the provisions of this Indenture and to make the further agreements and stipulations which may be therein contained. The Trustee shall be fully protected in relying on an Opinion of Counsel as to whether or not any proposed supplemental indenture is authorized or permitted by the provisions of this Indenture and is consistent therewith.

*Section 9.04. Effect of Supplemental Indenture.* From and after the execution of any such supplemental indenture the covenants and provisions contained therein shall be deemed a part of this Indenture and shall bind and benefit the Company, the Trustee and the bondholders as effectually as the covenants and provisions contained in this instrument at the time of its execution, and the Trustee and the bondholders shall have the same remedies for a breach thereof as are provided in respect of a breach of the provisions and covenants now contained in this Indenture.

## ARTICLE X

### POSSESSION, USE AND RELEASE OF MORTGAGED PROPERTY

*Section 10.01. Possession and Use of Mortgaged Property.* Unless an Event of Default shall have occurred and shall not have been remedied, the Company shall be suffered and permitted to remain in full possession, enjoyment and control of all the properties, rights, privileges and franchises hereby mortgaged and shall be permitted to manage and operate the same, and, subject always to the provisions hereof, to receive, receipt for, take, use, enjoy and dispose of all rents, revenues, income, issues and profits thereof.

*Section 10.02. Alterations to Mortgaged Property.* While in possession of the Mortgaged Property and if no Default or Event of Default then exists, the Company shall have the right at all times, as proper management of the business of the Company may require, to alter, change, add to, repair, and make any change in the location of its buildings and structures, power plants, conduits, meters, services, transformers, poles, pole lines, transmission or distribution lines, wires, cross-arms, cables, equipment and apparatus, provided that the location of none of the Mortgaged Property may be changed so as to impair the lien of this Indenture unless such property is sold or exchanged as elsewhere in this Article permitted.

*Section 10.03. Dispositions of Mortgaged Property without Release.* While in possession of the Mortgaged Property and if no Default or Event of Default then exists, the Company may, without obtaining any release from or consent of the Trustee, free from the lien of this Indenture:

- (1) dispose of (i) fractional interests in poles and their appurtenances and/or the right to the joint use of such poles by the purchaser of such interest with the Company, (ii) any of its tangible personal property which may have become worn out, due for replacement in the regular course of business, disused or undesirable for use;

(2) cut and sell, and license others to cut and remove, any pulp wood, timber, logs and trees having an aggregate fair value in any one five-year period of not in excess of \$100,000, which are now, or at any time hereafter shall be, upon any land included in the Mortgaged Property;

(3) surrender or assent to the modification of any franchise which it may hold or under which it may be operating, *provided* that (a) in the event of any such surrender, the Company shall then have or shall receive at the time of such surrender a franchise which, in the Opinion of Counsel (filed with the Trustee prior to such surrender), shall authorize it to do the same or an extended business in the same or an extended territory during the same or an extended or unlimited period of time, and (b) in the event of any such modification, the franchise as modified shall, in the Opinion of Counsel (filed with the Trustee prior to the effective date of such modification), authorize the continuance of the same or an extended business in the same or an extended territory during the same or an extended or unlimited period of time; and

(4) make changes or alterations in or substitutions for any licenses or leases or surrender and cancel the same, *provided* that such change, alteration or substitution or such surrender or cancellation, as the case may be, is in the interest of the Company and will not impair the security of the Bonds Outstanding; and in such event any modified, altered or substituted grants, licenses or leases shall forthwith be subject to the terms of this Indenture to the same extent, if any, as those previously existing;

*provided, however,* that the Company either (i) shall apply any net cash proceeds or other consideration received by the Company for or in connection with any disposition of Mortgaged Property by the Company under this Section 10.03 in acquiring, or in reimbursing itself for, other property, not necessarily of the same character, but of value at least equal to that of the property disposed of, which other property shall be Fixed Property and shall forthwith become subject to the lien of this Indenture, or (ii) if and to the extent that such net cash proceeds or other consideration are not so applied within 12 calendar months after the receipt thereof, shall pay such net cash proceeds or an amount equal to such other consideration (unless by the terms of any prior mortgage or other instrument permitted by the terms hereof such net cash proceeds or other consideration are required to be and are applied to reduce, discharge or secure the obligations secured by any such prior mortgage or other instrument) to be held and applied by the Trustee pursuant to the provisions of Sections 11.02 and 11.03.

*Section 10.04. Release of Mortgaged Property.* While in possession of the Mortgaged Property and if no Default or Event of Default then exists, the Company may sell or exchange but not otherwise dispose of any of its property (in addition to the property referred to in Section 10.03 and in addition to any property released pursuant to Section 8.12 hereof) and the Trustee shall release the same from the lien hereof upon receipt by the Trustee of:

(a) A Resolution authorizing such sale or exchange and requesting such release;

(b) An Officer's Certificate signed also by an Engineer who, if the consideration to be received for the property for the release of which request is made exceeds \$150,000, shall be an Independent Engineer;

(i) describing the property for the release of which request is made and stating that in the opinion of the signers such release will be of benefit to the Company and will not be prejudicial to the security of the Bonds issued hereunder;

(ii) stating that the Company has sold or exchanged, or contracted to sell or exchange, the property for the release of which request is made for a stated consideration representing in the opinion of the signers its full value to the Company and consisting solely of cash, Property Additions and/or properties which upon such exchange will constitute Property Additions;

(iii) stating either that the property for the release of which request is made does not constitute or include all or substantially all of the physical properties of the Company subject to the lien hereof, or, that if it does constitute or include all or substantially all of such physical properties, stating that from the cash consideration received or to be received therefrom, as increased by any other Trust Moneys available for the redemption of Bonds, there will be moneys sufficient in amount to pay all of the expenses and charges due the Trustee and to redeem all Bonds Outstanding; and

(iv) if any Property Additions, or properties which upon such exchange will become Property Additions, are included in such consideration, briefly describing them, and if from the Opinion of Counsel responsive to (f) of this Section it appears that such are subject to any Permitted Encumbrances, that such Permitted Encumbrances do not impair the use of the property to which they pertain for the purposes for which such property is held or to be held by the Company;

(c) An Officers' Certificate dated as of a date not more than ten days prior to such release, stating that immediately after giving effect to such release, no Default or Event of Default shall have occurred and be continuing;

(d) All moneys stated in said certificate to be or to have been received in consideration for any property for the release of which request is made, or to the extent that such moneys constitute the consideration for property subject to an Underlying Mortgage, which, by its terms, are required to be paid to or deposited with its mortgagee or trustee, a receipt by such mortgagee or trustee for such moneys, the Company covenanting and directing that upon the satisfaction or release of such Underlying Mortgage, any such money remaining in the possession or control of such mortgagee or trustee to which the Company may be entitled shall forthwith be deposited with the Trustee;

(e) Such deeds, bills of sale, supplemental indentures, or other instruments of conveyance as may be necessary or proper to subject to the lien of this Indenture any property received in exchange for property released;

(f) An Opinion of Counsel stating;

(i) that the instruments of conveyance above mentioned are sufficient, and no other documents are required, to subject to the lien of this Indenture any property received in exchange for property released, and that all of the property received in exchange will, upon such acquisition, be subject to no liens in addition to the lien of this Indenture except Permitted Encumbrances;

(ii) if any part of the consideration for property so to be released has been or is to be paid to or deposited with the mortgagee or trustee of an Underlying Mortgage, that such consideration is required by such Underlying Mortgage to be paid to or deposited with such mortgagee or trustee;

(g) Either (i) a certificate constituting evidence of the authorization, approval or consent of any governmental body at the time having jurisdiction in the premises to the sale or exchange of the property to be released, the consideration to be received therefor and the acquisition of any property constituting any part of such consideration, together with an Opinion of Counsel that the same constitutes sufficient evidence thereof and that the authorization, approval or consent of no other governmental body is required; or (ii) an Opinion of Counsel that no authorization, approval or consent of any governmental body is required.

*Section 10.04A. Application for Release of Mortgaged Property.* While in possession of the Mortgaged Property and if no Default or Event of Default then exists, the Company may apply to the Trustee for the release of certain property which is not Public Utility Property (as defined below) from the lien of the Indenture subject to the release valuation limitations hereinafter provided, to be thereafter held by the Company free of the mortgage, available for sale or transfer without further authorization from or accountability to the Trustee, and the Trustee shall release the said property from the said lien upon its receipt of:

(a) A Resolution identifying the property to be released and requesting that it be released;

(b) An Officers' Certificate signed also by an Engineer who, if the release valuation of the property involved exceeds \$100,000, shall be an Independent Engineer;

(i) Identifying the property to be released and stating that no part of it is Public Utility Property nor included or includable in any way in the Company's electric utility rate base. For purposes of this certification, "*Public Utility Property*" shall mean and include all property of the Company which is used or useful to it in any aspect of its business as a New Hampshire electric public utility company, including without limitation, the transmission, distribution, use,

purchase, supply and/or delivery, sale and disposition of electricity for heat, light, power, refrigeration or any other use, or in any business incidental thereto, including all properties necessary, appropriate, or in any manner useful for the transmission, distribution, use, purchase, supply, and/or delivery, sale and disposition of electricity, together with all betterments, additions, replacements, or alterations of, upon, or to any such property, saving and excepting, however, any and all categories of property of the Company excluded from the lien of the Indenture by the several Reservation, Exception and Exclusion Clauses of the Granting Clauses of the Indenture.

(ii) Stating the release valuation of the property involved, and showing that such valuation plus the aggregate release valuation of all prior such releases of property of the Company which is not Public Utility Property for the preceding twelve calendar months does not exceed \$350,000 nor, for the preceding five-year period, an amount equal to five percent of the Company's net utility plant as of the close of the last calendar year as shown in the Company's annual report for such year to the New Hampshire Public Utilities Commission. For purposes of the foregoing computation, "release valuation" shall be defined to mean the recorded net book cost of property other than real estate, and in the case of real estate, the greater of (x) net book cost or (y) the latest assessed valuation for purposes of local real estate taxation.

(c) An Officer's Certificate dated as of a date not more than ten days prior to such release, stating that after giving effect to such release, no Default or Event of Default shall have occurred and be continuing; and

(d) A sum of money equivalent to the release valuation of the property to be released from the lien of the Indenture.

*Section 10.05. Purchaser Protected.* In favor of every purchaser from the Company, and of every person claiming any interest by, through or under the Company, every release of property from the lien of this Indenture by the Trustee under the provisions of Section 8.12 and this Article shall be valid, and no such purchaser or person need inquire as to the power or authority of the Trustee to make any such release, or see to the application of the purchase money.

*Section 10.06. Company's Covenant Regarding Disposition.* The Company covenants that it will not sell, exchange or otherwise dispose of any of its properties except in the manner permitted by Section 8.12 and this Article, *provided, however*, that nothing in this Section shall be construed to be in derogation of the provisions of Article XII.

*Section 10.07. Powers Exercisable by Receiver or Trustee.* In case the Mortgaged Property shall be in the possession of a receiver or trustee lawfully appointed, the powers in and by this Article conferred upon the Company may be exercised by such receiver or trustee and if the Trustee shall be in possession of the Mortgaged Property under any provision of this

Indenture then all the powers in Section 8.12 and this Article conferred upon the Company may be exercised by it in its discretion.

## ARTICLE XI

### HOLDING AND APPLICATION OF TRUST MONEYS

*Section 11.01. "Trust Moneys" Defined.* All moneys required to be deposited with or paid to the Trustee under any provision hereof shall be held by it in trust (all such moneys being herein sometimes called "*Trust Moneys*"). Except for Trust Moneys deposited with or paid to the Trustee for the redemption of Bonds, notice of the redemption of which has been duly given, all Trust Moneys so paid over to the Trustee shall, while held by it, constitute part of the Trust Estate and be subject to the lien hereof. While held by the Trustee any such Trust Moneys may be invested as provided in Section 11.06 and if no Default or Event of Default then exists, the interest earnings of any amounts so deposited shall be distributed to the Company, free of trust, at least quarter-annually.

*Section 11.02. Withdrawal or Redemption of Outstanding Bonds.* Subject to the provisions of Section 11.04, the Company, so long as no Default or Event of Default then exists, may:

(a) withdraw any Trust Moneys deposited with the Trustee pursuant to the provisions of Sections 8.10 (except as otherwise provided in Section 8.10 with respect to amounts not exceeding \$50,000), 8.12, 10.03, 10.04 and 10.04A, to reimburse itself for 100% of Net Bondable Expenditures made by it for Property Additions as evidenced by the Certificate of Net Bondable Expenditures for Property Additions to which reference is hereinafter made; or

(b) cause the Trustee to apply any Trust Moneys withdrawable under (a) above to the payment or redemption of Bonds then Outstanding;

*provided, however,* that none of such Trust Moneys shall be so withdrawn under clause (a) above later than two years after the date of their deposit with the Trustee.

If the Company shall elect to withdraw Trust Moneys pursuant to clause (a) of this Section, it shall deliver to the Trustee an Order of the Company specifying the amount to be withdrawn and stating that such withdrawal is not prohibited by Section 11.02 or 11.04, and accompanied by a Resolution authorizing such withdrawal and a Certificate of Net Bondable Expenditures, together with, if there be included in such certificate any New Gross Expenditures, the documents required by (i), (ii) and (iii) of subparagraph (4) of Section 4.05. Such Certificate of Net Bondable Expenditures shall be dated as of a date within sixty days of the date of such withdrawal. No such withdrawal shall be made unless the Trustee shall also have received an Officers' Certificate dated as of the date of such withdrawal stating that the amount, if any, shown in Item (12) of said Certificate of Net Bondable Expenditures plus Gross Expenditures for Property Additions since the date of said Certificate exceeds Net Retirements since the date of said certificate and stating that no Default or Event of Default then exists.

If the Company shall elect to cause the Trustee to apply moneys to the redemption of Bonds pursuant to clause (b) of this Section, it shall deliver to the Trustee an Order of the Company stating that such application is not prohibited by Section 11.04 and stating that no Default or Event of Default then exists. Such Order shall be accompanied by a Resolution authorizing such redemption. Such redemption shall be made as provided in Section 11.03.

*Section 11.03. Redemption Procedures.* As soon as conveniently possible after each election by the Company to apply Trust Moneys to the redemption of Bonds pursuant to clause (b) of Section 11.02 and after each occasion upon which the Trustee shall have on hand \$5,000 or more of moneys referred to in Section 11.02 which have been on deposit with the Trustee more than two years after the date of such deposit, the Trustee shall (i) if Bonds of more than one series are outstanding hereunder and the moneys to be applied are insufficient to redeem all Bonds then Outstanding, apportion such moneys to the redemption of Bonds of each such series, in proportion, as nearly as is practicable, to the ratio which at the time of such apportionment the aggregate principal amount of the Bonds of each series then Outstanding bears to the total principal amount of the Bonds of all series then Outstanding, (ii) fix a date (or dates in case Bonds of more than one series are to be redeemed and are not redeemable on the same date) for the redemption of Bonds, (iii) select the Bonds to be so redeemed as provided in Section 7.02, (iv) notify the Company of the Bonds to be so redeemed and of the date (or dates) of such redemption, and (v) give notice of redemption of such Bonds as provided in Sections 7.03, 7.04 and 7.05. The Company covenants that it will, on or before forty (40) days prior to the date (or each date) so fixed, pay to the Trustee the amount of the charges which will be due it and the amount of expenses which it will incur in connection with such (or each such) redemption, and that the Company will deliver to the Trustee, on or prior to the date (or each date) so fixed for redemption, the excess of the aggregate of the redemption prices of the Bonds to be so called (including interest to date of redemption and premium, if any) over the aggregate of the principal amounts thereof.

*Section 11.04. Redemption When Trust Estate is Released.* In the event, however, that all or substantially all the fixed properties of the Company which constitute the Trust Estate are released from the lien hereof, then the Trustee shall forthwith by the use, in so far as necessary, of all Trust Moneys deposited with it (other than moneys held for the redemption of Bonds, a notice of the redemption of which has been given) redeem all Bonds then Outstanding, *provided, however,* that if the aggregate of all such Trust Moneys, after the deduction therefrom of any expenses or charges for the payment of which the Trustee will be compelled to resort to such Trust Moneys, will be insufficient to redeem all Bonds then Outstanding, then the Trustee shall, subject to the provisions of Section 8.14, apply said Trust Moneys to the pro rata payment on account of and in proportion to the respective amounts of the principal of, premium, if any, and accrued interest on all Bonds then Outstanding, irrespective of series.

*Section 11.05. Redeemed Bonds.* No Bonds redeemed under the provisions of this Article shall thereafter be Available Bonds useable as the basis for the issue of Bonds or of any further action or credit under this Indenture, and all such Bonds shall be cancelled.

*Section 11.06. Investment of Trust Moneys.* Except where otherwise provided in this Indenture, all or any part of any Trust Moneys held by the Trustee hereunder may from time to

time at the written direction of the Company, signed by the President, Vice-President or Treasurer of the Company, be invested or reinvested by the Trustee in any of the following:

- (1) Investments in commercial paper maturing in 270 days or less from the date of issuance which, at the time of acquisition, is accorded the highest rating by S&P or Moody's;
- (2) Investments in United States Governmental Securities; *provided* that such obligations mature within one year from the date of acquisition thereof;
- (3) Investments in certificates of deposit maturing within one year from the date of origin, issued by an Acceptable Bank; or
- (4) any mutual fund or other fund which is operated in the United States which has substantially all of its investments in the Investments described above in clauses (1) or (2) of this Section 11.06.

Such Investments shall be held by the Trustee as a part of the Trust Estate, subject to the same provisions hereof as the cash used by it to purchase such Investments; but upon a like direction of the Company, the Trustee shall sell all or any designated part of the same and the proceeds of such sale shall be held by the Trustee subject to the same provisions hereof as the cash used by it to purchase the Investments so sold. If under the provisions of this Indenture any Trust Moneys held by the Trustee and so invested or reinvested shall be required to be applied to the redemption of Bonds, the Trustee shall forthwith sell such Investments in an amount equivalent to the Trust Moneys so to be applied. In case the net proceeds (exclusive of interest) realized, upon any such sale shall amount to less than the amount invested by the Trustee in the purchase of the Investments so sold (after appropriate adjustment on account of any accrued interest paid at the time of purchase), the Trustee shall within five days after such sale notify the Company in writing thereof and within five days thereafter the Company shall pay to the Trustee the amount of the difference between such purchase price and the amount so realized, and the amount so paid shall be held by the Trustee in like manner and subject to the same conditions as the proceeds realized upon such sale. The Trustee shall not be liable or responsible for any loss resulting from any Investment or reinvestment pursuant to this Section 11.06.

## ARTICLE XII

### CONSOLIDATIONS, MERGERS AND SALES

*Section 12.01. Consolidation, Merger and Sales Permitted on Certain Terms.* Nothing in this Indenture contained shall prevent any lawful consolidation or merger of the Company with or into any other corporation, or any conveyance or transfer, subject to the lien of this Indenture, of all, or substantially all, the Mortgaged Property, as an entirety, to any corporation lawfully entitled to acquire and operate the same; *provided, however,* and the Company covenants and agrees, that such consolidation, merger, conveyance or transfer shall be upon such terms as in no respect to impair the lien of this Indenture upon the Mortgaged Property then subject thereto, or any of the rights or powers of the Trustee or the bondholders hereunder; and *provided further,*

that the property of the successor corporation with which the Company shall consolidate or merge or to which all of the Mortgaged Property shall be conveyed as an entirety shall not be subject to any lien (other than Permitted Encumbrances) which after such consolidation, merger or conveyance will be equal or prior to the lien of this Indenture on the property owned by such other corporation and included in its fixed asset account, unless the amount of obligations outstanding under and secured by such equal or prior lien shall not exceed sixty per cent (60%) of the fair value of such property of such other corporation, as evidenced by an Independent Engineer's Certificate filed with the Trustee; or unless there be appropriated Net Bondable Expenditures in an amount equivalent to such excess (such appropriation to be evidenced in the same way as a similar appropriation pursuant to Section 8.07), and unless the Earnings Available for Interest Charges (determined in the manner provided in Section 4.02 hereof for Earnings Available for Interest Charges of the Company and verified by independent certified public accountants), derived from the operation of the property of such other corporation, for a period of twelve (12) consecutive calendar months within fifteen (15) calendar months immediately preceding the date of such consolidation, merger or conveyance, shall have been at least two (2) times the Annual Interest Requirements (determined in the manner provided in Section 4.02 hereof for Annual Interest Requirements of the Company, as verified by such accountants), on all obligations outstanding under and secured by such equal or prior lien at the time of such consolidation, merger or conveyance and on all other obligations of such other corporation for borrowed money, except obligations for the payment or redemption of which the necessary funds shall have been deposited with the trustee under the mortgage creating such equal or prior lien, or with the Trustee hereunder, together with irrevocable instructions to apply such funds to the payment or redemption of such obligations (but subject to any applicable clause in such mortgage providing for the return of any unclaimed moneys to the Company or such other corporation, as the case may be, depositing such funds); and *provided further*, that such successor corporation shall execute and deliver to the Trustee an indenture supplemental hereto and satisfactory to the Trustee which shall provide:

(1) that such successor corporation shall assume the due and punctual payment of the principal of, (and premium, if any) and interest on all the Bonds issued hereunder and the performance and observance of all of the covenants and conditions to be performed or observed by the Company contained in this Indenture; and

(2) a grant, conveyance, transfer and mortgage in terms sufficient to include and subject to the lien of the Indenture; subject only to Permitted Encumbrances, all property (other than Excepted Property) thereafter acquired or constructed by such successor corporation in the territories theretofore served by the Company and all property (other than Excepted Property) forming an integral part of, or essential to the use or operation of, any property subject to the lien of this Indenture at the time of such consolidation, merger, conveyance or transfer, and all property subsequently subjected to the lien of this Indenture as a first mortgage lien thereon, and all betterments, extensions, improvements, additions, renewals and replacements thereof, and all franchises necessary or proper for the operation thereof, the lien thereby created to have the same force, effect and standing as if the Company had itself acquired or constructed such property.

Notwithstanding anything to the contrary contained herein, the successor corporation shall be organized under the laws of the United States or any state thereof or under the laws of Canada or any province thereof.

*Section 12.02. Successor Corporation Substituted.* The successor corporation thereafter may cause to be signed, issued and delivered, either in its own name or in the name of Unitil Energy Systems, Inc., any or all Bonds issuable hereunder which shall not theretofore have been signed by Unitil Energy Systems, Inc. and authenticated by the Trustee, and upon the order of the successor corporation in lieu of Unitil Energy Systems, Inc., and subject to all the terms, conditions and restrictions in this Indenture prescribed, relating to the authentication and issuance of Bonds, the Trustee shall authenticate and deliver any of such Bonds which shall have been previously signed and delivered by the officers of Unitil Energy Systems, Inc. to the Trustee for authentication, and any of such Bonds which the successor corporation shall thereafter, in accordance with the provisions of this Indenture, cause to be signed and delivered to the Trustee for such purpose; *provided, however,* that no such Additional Bonds may be issued hereunder and no cash shall be withdrawn or property released on the basis of Net Bondable Expenditures for Property Additions, unless (A) thereupon the aggregate indebtedness of such successor corporation secured by liens on any property equal or superior to the lien of this Indenture will not exceed 15% of the aggregate principal amount of all Bonds then Outstanding under this Indenture and (B) such successor corporation (1) shall effectively close each open end mortgage (other than this Indenture) to which any of its property may be subject, and (2) shall by an indenture supplemental hereto to which reference is made in Section 12.01 hereof or by a subsequent indenture supplemental hereto satisfactory to the Trustee similarly executed and delivered which shall provide a grant, conveyance, transfer and mortgage in terms sufficient to include and subject to the lien hereof, subject only to Permitted Encumbrances, (a) with the same force, effect and standing as though this Company had itself acquired the same at the time of the delivery of such supplemental indenture, all property, not theretofore subject to the lien hereof, then owned by such successor corporation (other than Excepted Property), and (b) with the same force, effect and standing as though the Company were itself to construct or acquire such property, all property thereafter acquired or constructed by such successor corporation (other than Excepted Property).

*Section 12.03. Opinion of Counsel Required.* The Trustee may receive an Opinion of Counsel as conclusive evidence (1) that any such indenture can and does comply with the foregoing conditions and provisions required with respect thereto by Section 12.01 or 12.02, or both, and (2) that such successor corporation has complied with the provisions of Section 12.02 with respect to the closing of open end mortgages.

## ARTICLE XIII

### DISCHARGE OF INDENTURE

If the Company shall pay or cause to be paid to the holders of the Bonds the principal thereof, including therein the premium thereon, if any, and interest to become due thereon at the times and in the manner stipulated therein and herein, and if the Company shall keep, perform and observe all and singular the covenants and promises in the Bonds and in this Indenture

expressed to be kept, performed and observed by it or on its part, then these presents and the estate and rights hereby granted shall (at the option of the Company evidenced by a Resolution delivered to the Trustee) cease, determine and be void, and thereupon the Trustee shall, upon the request of the Company but only after payment of all proper charges and cancellation of all Bonds for the payment of which cash shall not have been deposited in accordance with the provisions of this Indenture, cancel and discharge the lien of this Indenture, and execute and deliver to the Company such deeds or other instruments in writing as shall be requisite to satisfy the lien hereof, and reconvey to the Company the estate and title hereby conveyed, and assign and deliver to the Company any property at the time subject to the lien of this Indenture which may then be in possession of the Trustee, except cash held for the payment of the principal of, premium, if any, or interest on Bonds.

Bonds, for the payment or redemption of which moneys shall have been deposited with the Trustee (whether upon or prior to the maturity or the redemption date of such Bonds) and been made available for present payment to the holders of such Bonds, shall be deemed to be paid within the meaning of this Section; *provided, however*, that if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been duly given or provision satisfactory to the Trustee shall have been made therefor, or such notice shall have been waived.

#### ARTICLE XIV

##### DEFAULT PROVISIONS AND REMEDIES

*Section 14.01. Events of Default Defined.* Each of the following events is hereby defined as and is declared to be and to constitute an “Event of Default”:

- (a) Default in the payment of any interest on any Bond when the same shall become due and payable and the continuance thereof for a period of ten (10) days; or
- (b) Default in the payment of the principal of (and premium, if any, on) any Bond when the same shall become due and payable whether at the stated maturity thereof, or upon redemption thereof, or by declaration as in Section 14.02 provided; or
- (c) Default in the performance or observance of any other of the covenants, agreements or conditions on the part of the Company in this Indenture or in the Bonds contained, and the continuance thereof for a period of thirty (30) days after written notice to the Company by the Trustee or by the holders of not less than ten per cent (10%) in aggregate principal amount of Bonds then Outstanding; or
- (d) The Company (i) is generally not paying, or admits in writing its inability to pay, its debts as they become due, (ii) files, or consents by answer or otherwise to the filing against it of, a petition for relief or reorganization or arrangement or any other petition in bankruptcy, for liquidation or to take advantage of any bankruptcy, insolvency, reorganization, moratorium or other similar law of any jurisdiction, (iii) makes an assignment for the benefit of its creditors, (iv) consents to the appointment of a

custodian, receiver, trustee or other officer with similar powers with respect to it or with respect to any substantial part of the Mortgaged Property, (v) is adjudicated as insolvent or to be liquidated, or (vi) takes corporate action for the purpose of any of the foregoing; or

(e) A court or governmental authority of competent jurisdiction enters an order appointing, without consent by the Company, a custodian, receiver, trustee or other officer with similar powers with respect to it or with respect to any substantial part of the Mortgaged Property, or constituting an order for relief or approving a petition for relief or reorganization or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy or insolvency law of any jurisdiction, or ordering the dissolution, winding-up or liquidation of the Company, or any such petition shall be filed against the Company and such petition shall not be dismissed within 60 days; or

(f) If under the provisions of any other law now or hereafter existing for the relief or aid of debtors any court of competent jurisdiction shall assume custody or control of the Company or of the whole or any substantial part of the Mortgaged Property, and such custody or control shall not be terminated within sixty (60) days from the date of assumption of such custody or control.

*Section 14.02. Acceleration of Maturity; Rescission and Annulment.* Upon the occurrence of an Event of Default the Trustee may, and upon the written request of the holders of twenty-five per cent (25%) in aggregate principal amount of Bonds then Outstanding, shall, by notice in writing delivered to the Company, declare the principal of all Bonds then Outstanding and the interest accrued thereon along with the Make Whole Amount (as hereinafter defined) immediately due and payable, and such principal, interest and Make Whole Amount shall thereupon become and be immediately due and payable; subject, however, to the right of the holders of a majority in aggregate principal amount of Bonds then Outstanding, by written notice to the Company and to the Trustee, to annul such declaration and destroy its effect at any time before any sale hereunder, if, before any such sale, all agreements with respect to which such Event of Default shall have been made shall be fully performed or made good, and all arrears of interest upon all Bonds then Outstanding and the reasonable expenses and charges of the Trustee, its agents and attorneys, and all other indebtedness secured hereby, except the principal of any Bonds which have not then attained their stated maturity and interest accrued on such Bonds since the last interest payment date, shall be paid, or the amount thereof shall be paid to the Trustee for the benefit of those entitled thereto. The Company acknowledges that each holder of a Bond has the right to maintain its investment in such Bond free from redemption by the Company (except as specifically provided for) and that the provision for the payment of a Make Whole Amount by the Company in the event the Bonds are accelerated as a result of an Event of Default, is intended to provide compensation for the deprivation of such right under such circumstances.

Two Business Days prior to the date the payment thereof becomes due and payable the Company shall calculate the Make Whole Amount and deliver to the Trustee and each holder of Bonds an Officers' Certificate specifying the detail of such calculations. The calculations by the Company shall be deemed to be correct unless within ten Business Days after such delivery, the

holders of 25% in aggregate principal amount of the Bonds which are Outstanding immediately prior to the date of the required payment of the Make Whole Amount, shall furnish revised calculations in writing to the Trustee and the Company, which revised calculations shall be deemed to be conclusively correct and any deficiency in the payment of the Make Whole Amount shall be immediately due and payable and if the Company fails to deliver the Officers' Certificate such holders may provide the Make Whole Amount calculation in writing delivered to the Trustee and the Company which calculations shall be deemed to be conclusively correct and such Make Whole Amount shall be immediately due and payable.

For purposes of this Section 14.02, the "*Make Whole Amount*" shall mean the greater of (i) the Outstanding principal amount of the Bonds to be paid, plus interest accrued thereon to the date fixed for such payment, and (ii) the sum of (A) the aggregate present value as of the date of such payment of each dollar of principal being paid (taking into account any payments under a sinking fund, if any) and the amount of interest (exclusive of interest accrued to the date fixed for such payment) that would have been payable in respect of each such dollar if such payment had not been made, determined by discounting such amounts at the Reinvestment Rate (as hereinafter defined) from the respective dates on which they would have been payable to the date of such payment, plus (B) interest accrued on the Bonds to be paid to the date fixed for such payment.

For purposes of any determination of the Make Whole Amount:

"*Reinvestment Rate*" shall mean (1) the sum of 0.50%, *plus* the yield reported on page "USD" of the Bloomberg Financial Markets Services Screen (or, if not available, any other nationally recognized trading screen reporting on-line intraday trading in the United States Government Securities) at 11:00 A.M. (Eastern time) on the second Business Day preceding the date the Make Whole Amount becomes due and payable pursuant to the foregoing provisions of this Section 14.02, for the United States Government Securities having a maturity (rounded to the nearest month) corresponding to the remaining Weighted Average Life to Maturity of the principal of the Bonds being paid (taking into account the application of each payment under a sinking fund, if any) or (2) in the event that no nationally recognized trading screen reporting on-line intraday trading in the United States Government Securities is available, Reinvestment Rate shall mean the sum of 0.50%, *plus* the arithmetic mean of the yields for the two columns under the heading "Week Ending" published as of the second Business Day preceding the date the Make Whole Amount becomes due and payable pursuant to the foregoing provisions of this Section 14.02, in the Statistical Release under the caption "Treasury Constant Maturities" for the maturity (rounded to the nearest month) corresponding to the Weighted Average Life to Maturity of the principal amount of the Bonds being paid (taking into account each payment under a sinking fund, if any). If no maturity exactly corresponds to such Weighted Average Life to Maturity, yields for the two published maturities most closely corresponding to such Weighted Average Life to Maturity shall be calculated pursuant to the immediately preceding sentence, and the Reinvestment Rate shall be interpolated or extrapolated from such yields on a straightline basis, rounding in each of such relevant periods to the nearest month. For the purposes of calculating the Reinvestment Rate, the most recent Statistical Release published prior to the date of determination of the Make Whole Amount shall be used.

“*Statistical Release*” shall mean the then most recently published statistical release designated “H.15(519)” or any successor publication which is published weekly by the Federal Reserve System and which establishes yields on actively traded U.S. Government Securities adjusted to constant maturities or, if such statistical release is not published at the time of any determination hereunder, then such other reasonably comparable index which shall be designated by the holders of 66-2/3% in aggregate principal amount of Bonds then Outstanding.

“*Weighted Average Life to Maturity*” of the principal amount of the Bonds being paid shall mean, as of the time of any determination thereof, the number of years obtained by dividing the then Remaining Dollar-Years of such principal by the aggregate amount of such principal. The term “*Remaining Dollar-Years*” of such principal shall mean the amount obtained by (i) multiplying (x) the remainder of (1) the amount of principal that would have been payable on each scheduled sinking fund payment date, if any, if the payment pursuant to this Section 14.02 had not been made, less (2) the amount of principal on the Bonds scheduled to become payable on each scheduled sinking fund payment date, if any, after giving effect to the payment pursuant to this Section 14.02, by (y) the number of years (calculated to the nearest one-twelfth) which will elapse between the date of determination and each such sinking fund payment date, if any, and (ii) totalling the products obtained in (i).

*Section 14.03. Interest on Overdue Payments.* If Default occurs in payment of principal, premium or interest due hereunder, the Company covenants that it will pay or cause to be paid interest upon overdue principal, premium and interest, to the extent permitted by law, at the greater of (i) six percent (6%) per annum and (ii) the rate specified in the supplemental indenture or the Exhibit to the Indenture creating the series of Bonds in question or, if no such rate is specified therein, then the rate of interest payable on the Bonds of the series in question plus one percent (1%).

*Section 14.04. Entry Upon Mortgaged Property.* Upon the occurrence of an Event of Default, the Company, upon demand of the Trustee, shall forthwith surrender to the Trustee the actual possession of, and it shall be lawful for the Trustee, by such officer or agent as it may appoint, to take possession of all the Mortgaged Property (with the books, papers and accounts of the Company) and to hold, operate and manage the same, and from time to time make all needful repairs and such extensions, additions and improvements as to it shall seem wise; and to receive the rents, revenues, income, issues and profits thereof, and out of the same to pay, and/or set up proper reserves for the payment of, all proper costs and expenses of so taking, holding and managing the same, including reasonable compensation to the Trustee, its agents and counsel, and any charges of the Trustee hereunder, and any taxes and assessments and other charges prior to the lien of this Indenture which the Trustee may deem it wise to pay, and all expenses of such repairs, extensions, additions and improvements, and to apply the remainder of the moneys so received by the Trustee, subject to the provisions of Section 8.14 hereof with respect to extended, transferred or pledged claims for interest, first to the payment of the installments of interest which are due and unpaid, in the order of their maturity, and next, if the principal of any said Bonds is due, to the payment of the principal and accrued interest thereon pro rata without any preference or priority whatever, except as aforesaid and thereafter the Make Whole Amount. Whenever all that is due upon such Bonds, including installments of interest and under any of the terms of this Indenture shall have been paid and all Defaults made good, the Trustee shall

surrender possession to the Company, its successors or assigns; the same right of entry, however, to exist upon any subsequent Event of Default.

*Section 14.05. Power of Sale.* Upon the occurrence of an Event of Default, the Trustee, by such officer or agent as it may appoint, with or without entry, may, if at the time such action shall be lawful, sell all the Mortgaged Property, including all right, title, interest, claim and demand of the Company thereto and therein and the right of redemption thereof, as an entirety or in such parcels as the holders of a majority in aggregate principal amount of Bonds then Outstanding shall in writing request, or in the absence of such request, as the Trustee may determine, at public auction, at some convenient place in Boston, Massachusetts, or at such other place or places as may be required by law, having first given notice of such sale by publication in at least one daily newspaper, printed in English and of general circulation in said Boston, at least once a week for four (4) successive weeks next preceding such sale, and any other notice which may be required by law. The Trustee, if permitted by law, may from time to time adjourn such sale or sales in its discretion by announcement at the time and place or times and places fixed for such sale or sales without further notice; and the Trustee is hereby appointed the true and lawful attorney irrevocably of the Company in its name and stead to make, execute, acknowledge and deliver to the purchaser or purchasers at such sale or sales good and sufficient deeds of conveyance or bills of sale of the Mortgaged Property so sold and any sale made as aforesaid shall be a perpetual bar both at law and in equity against the Company and all persons claiming by, through or under it.

*Section 14.06. Suits for Enforcement; Remedies.* In case of the breach of any of the covenants or conditions of this Indenture, the Trustee shall have the right and power to take appropriate judicial proceedings for the enforcement of its rights and the rights of the bondholders hereunder. Upon the occurrence of an Event of Default, the Trustee may either after entry, or without entry, proceed by suit or suits at law or in equity to enforce payment of the Bonds then Outstanding and to foreclose this Indenture and to sell the Mortgaged Property under the judgment or decree of a court of competent jurisdiction.

If an Event of Default shall have occurred, and if it shall have been requested so to do by the holders of twenty-five per cent (25%) in aggregate principal amount of Bonds outstanding hereunder and shall have been indemnified as provided in Section 15.01 hereof, the Trustee shall be obliged to exercise such one or more of the rights and powers conferred upon it by this Section and by Sections 14.04 and 14.05 as it, being advised by counsel, shall deem most expedient in the interests of the bondholders.

No remedy by the terms of this Indenture conferred upon or reserved to the Trustee, or to the bondholders, is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

No delay or omission to exercise any right or power accruing upon any Default or Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Default or Event of Default or acquiescence therein; and every such right and power may be exercised from time to time and as often as may be deemed expedient.

No waiver of any Default or Event of Default hereunder, whether by the Trustee or by the bondholders, shall extend to or shall affect any subsequent Default or shall impair any rights or remedies consequent thereon.

The Company may waive any period of grace provided for in this Article.

*Section 14.07. Right of Bondholders to Direct Trustee.* Anything in this Indenture to the contrary notwithstanding, the holders of a majority in aggregate principal amount of Bonds then Outstanding shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the Trustee to exercise any remedy or take any action available to the Trustee hereunder, including directing the method and place of conducting all proceedings to be taken for any sale of the Mortgaged Property, or for the foreclosure of this Indenture, or for the appointment of a receiver or any other proceedings hereunder; *provided* that such direction shall not be otherwise than in accordance with the provisions of law and of this Indenture.

*Section 14.08. Receiver.* Upon the occurrence of an Event of Default, and upon the filing of a bill in equity or other commencement of judicial proceedings to enforce the rights of the Trustee and of the Bondholders under this Indenture, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the Mortgaged Property, and of the rents, revenues, income, issues and profits thereof, pending such proceedings, with such powers as the court making such appointment shall confer, whether or not the Mortgaged Property shall be deemed sufficient ultimately to satisfy the Bonds outstanding hereunder.

*Section 14.09. Bonds Due and Payable Following Sale.* Upon any sale being made either under the power of sale hereby given or under judgment or decree in any judicial proceedings for the foreclosure or otherwise for the enforcement of this Indenture, the principal of all Bonds then secured hereby, if not previously due, shall become and be immediately due and payable.

*Section 14.10. Bondholders Right to Bid at Sale.* Upon any sale made either under the power of sale hereby given or under judgment or decree in any judicial proceedings for foreclosure or otherwise for the enforcement of this Indenture, the holder or holders of any Bond or Bonds then Outstanding or the Trustee may bid for and purchase the Mortgaged Property or any part thereof and upon compliance with the terms of sale may hold, retain and possess and dispose of such property in his, their or its own absolute right without further accountability, and any purchasers at any such sale may, in paying the purchase money, turn in any of such Bonds or claims for interest outstanding hereunder in lieu of cash to the amount which shall, upon distribution of the net proceeds of such sale, be payable thereon. Said Bonds, in case the amount so payable thereon shall be less than the amount due thereon, shall be returned to the holders thereof after being appropriately stamped to show partial payment.

*Section 14.11. Purchaser Not Responsible for Proceeds Application.* Upon any sale made either under the power of sale hereby given or under judgment or decree in any judicial proceedings for the foreclosure or otherwise for the enforcement of this Indenture, the receipt of the Trustee or of the officer making such sale shall be a sufficient discharge to the purchaser or purchasers at any sale for his or their purchase money and such purchaser or purchasers, his or

their assigns or personal representatives, shall not, after paying such purchase money and receiving such receipt of the Trustee, or of such officer therefor, be obliged to see to the application of such purchase money, or be in any wise answerable for any loss, misapplication or nonapplication thereof.

*Section 14.12. Company Divested of Title.* Any sale made either under the power of sale hereby given or under judgment or decree in any judicial proceedings for foreclosure or otherwise for the enforcement of this Indenture shall, if and to the extent then permitted by law, operate to divest all right, title, interest, claim and demand whatsoever, either at law or in equity, of the Company of, in and to the property so sold, including all rights of redemption thereto, and be a perpetual bar both at law and in equity against the Company and against any and all persons, firms or corporations claiming or who may claim the property sold, or any part thereof, from, through or under the Company.

*Section 14.13. Application of Moneys by Trustee.* The proceeds of any sale made either under the power of sale hereby given or under judgment or decree in any judicial proceedings for the foreclosure or otherwise for the enforcement of this Indenture, together with any other amounts of cash which may then be held by the Trustee as part of the Mortgaged Property, shall be applied as follows:

*First* — To the payment of all taxes, assessments, governmental charges and liens prior to the lien of this Indenture, except those subject to which such sale shall have been made, and of all the costs and expenses of such sale, including reasonable compensation to the Trustee, its agents and attorneys, and of all other sums payable to the Trustee hereunder by reason of any expenses or liabilities incurred or advances made in connection with the management or administration of the trusts hereby created;

*Second* — To the payment in full of the amounts then due and unpaid for principal, premium and interest upon the Bonds then secured hereby with interest on amounts overdue as provided in Section 14.03 hereof, and in case such proceeds shall be insufficient to pay in full the amounts so due and unpaid, then to the payment thereof ratably, without preference or priority of principal or premium over interest, or of interest over principal or premium, or of any installment of interest over any other installment of interest; subject, however, to the provisions of Section 8.14 hereof;

*Third* — Any surplus thereof remaining to the Company, its successors or assigns, or to whomsoever may be lawfully entitled to receive the same.

*Section 14.14. Waiver of Appraisalment and Other Laws.* In case of an Event of Default on its part, as aforesaid, to the extent that such rights may then lawfully be waived, neither the Company nor any one claiming through or under it shall or will set up, claim, or seek to take advantage of any appraisalment, valuation, stay, extension or redemption laws now or hereafter in force in any locality where any of the Mortgaged Property may be situated, in order to prevent or hinder the enforcement or foreclosure of this Indenture, or the absolute sale of the Mortgaged Property, or the final and absolute putting into possession thereof, immediately after such sale, of the purchaser or purchasers thereat, but the Company, for itself and all who may claim through

or under it, hereby waives, to the extent that it lawfully may do so, the benefit of all such laws and all right of appraisement and redemption to which it may be entitled under the laws of The State of New Hampshire or of any other state where any of the Mortgaged Property may be situated. And the Company, for itself and all who may claim through or under it, waives any and all right to have the estates comprised in the security intended to be created hereby marshalled upon any foreclosure of the lien hereof, and agrees that any court having jurisdiction to foreclose such lien may sell the Mortgaged Property as an entirety.

*Section 14.15. Payment Event of the Default Suits to Protect Trust Estate.* The Company covenants that if an Event of Default shall exist due to the failure of the Company to make a payment of the principal of any Bonds hereby secured when the same shall become payable, whether by the maturity of said Bonds or otherwise, then, upon demand of the Trustee, the Company will pay to the Trustee, for the benefit of the holders of the Bonds then secured hereby, the whole amount due and payable on all such Bonds for principal and premium, if any, and interest, and in case the Company shall fail to pay the same forthwith upon such demand, the Trustee in its own name and as trustee of an express trust, if permitted by law so to do, shall be entitled to sue for and to recover judgment for the whole amount so due and unpaid.

The Trustee, to the extent permitted by law, shall be entitled to sue and recover judgment either before or after or during the pendency of any proceedings for the enforcement of the lien of this Indenture upon the Mortgaged Property, and in case of a sale of any of the Mortgaged Property and of the application of the proceeds of sale to the payment of the debt hereby secured, the Trustee in its own name and as trustee of an express trust shall be entitled to enforce payment of and to receive all amounts then remaining due and unpaid upon any and all Bonds then Outstanding, for the benefit of the holders thereof, and the Trustee shall be entitled to recover judgment for any portion of the debt remaining unpaid, with interest. No recovery of any such judgment by the Trustee and no levy of any execution upon any such judgment upon any of the Mortgaged Property or upon any other property, shall in any manner or to any extent affect the lien of this Indenture upon the Mortgaged Property or any part thereof, or any rights, powers or remedies of the Trustee hereunder, or any lien, rights, powers or remedies of the holders of the said Bonds, but such lien, rights, powers and remedies of the Trustee and of the bondholders shall continue unimpaired as before.

In case of any receivership, insolvency, bankruptcy or other similar proceedings affecting the Company or its property, the Trustee shall be entitled to file and prove a claim for the entire amount due and payable by the Company under this Indenture at the date of the institution of such proceedings and for any additional amount which may become due and payable by the Company hereunder after such date, without regard to or deduction for any amount which may have been or which may thereafter be received, collected or realized by the Trustee from or out of the Mortgaged Property or any part thereof or from or out of the proceeds thereof or any part thereof, but shall not be entitled to consent to any composition or plan of reorganization on behalf of any bondholder unless by him specifically authorized so to do.

Any moneys thus collected or received by the Trustee under this Section shall be applied by it first, to the payment of its expenses, disbursements and compensation and the expenses, disbursements and compensation of its agents and attorneys, and, second, toward payment of the

amounts then due and unpaid upon such Bonds and coupons in respect of which such moneys shall have been collected, ratably and without preference or priority of any kind (subject to the provisions of Section 8.14 hereof with respect to extended, transferred or pledged claims for interest), according to the amounts due and payable upon such Bonds, at the date fixed by the Trustee for the distribution of such moneys, upon presentation of the several Bonds and upon stamping such payment thereon, if partly paid, and upon surrender thereof, if fully paid.

*Section 14.16. Trustee May Enforce Claims Without Possession of Bonds.* All rights of action (including the right to file proof of claim) under this Indenture or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceeding relating thereto, and any such suit or proceeding instituted by the Trustee shall be brought in its name as trustee, without the necessity of joining as plaintiffs or defendants any holders of the Bonds hereby secured, and any recovery of judgment shall be for the equal benefit of the holders of the outstanding Bonds, subject to the provisions of Section 8.14 hereof with respect to extended, transferred or pledged claims for interest.

*Section 14.17. Limitation on Bondholder Suits.* No holder of any bond shall have any right to institute any suit, action or proceeding in equity or at law for the foreclosure of this Indenture or for the execution of any trust hereof or for the appointment of a receiver or for the enforcement of any other remedy afforded by the Indenture, unless a Default has occurred of which the Trustee has been notified as provided in subparagraph (g) of Section 15.01 hereof, or of which by said subparagraph it is deemed to have notice, and unless also such Default shall have become an Event of Default and the holders of twenty-five per cent (25%) in aggregate principal amount of Bonds then Outstanding shall have made written request to the Trustee and shall have offered it reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name, and unless also they shall have offered to the Trustee indemnity as provided in Section 15.01 hereof; and such notification, request and offer of indemnity are hereby declared in every such case at the option of the Trustee to be conditions precedent to the execution of the powers and trusts of this Indenture, and to any action or cause of action for foreclosure or for the appointment of a receiver or for any other remedy hereunder; it being understood and intended that no one or more holders of the Bonds shall have any right in any manner whatsoever to affect, disturb or prejudice the lien of this Indenture by his or their action or to enforce any right hereunder except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the equal benefit of the holders of all Bonds outstanding hereunder. Nothing in this Indenture contained shall, however, affect or impair the right of any bondholder which is absolute and unconditional to enforce the payment of the principal of, premium, if any, and interest on any Bond at and after the maturity thereof or the obligation of the Company which is also absolute and unconditional to pay the principal of and interest on each of the Bonds issued hereunder to the respective holders thereof at the time and place in said Bonds expressed.

*Section 14.18. Restoration of Positions.* In case the Trustee shall have proceeded to enforce any right under this Indenture by foreclosure, entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee, then and in every such case the Company and the Trustee shall be

restored to their former positions and rights hereunder with respect to the mortgaged property, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

*Section 14.19. Voluntary Relinquishment of Trust Estate.* At any time hereafter before full payment of the Bonds secured hereby, and whenever it shall deem it to be expedient for the better protection or security of such Bonds (although then there shall be no Default or Event of Default entitling the Trustee to exercise the rights and powers conferred by this Article), the Company, with the consent of the Trustee, may surrender and deliver to the Trustee full possession of the whole or of any part of the property, premises and interest hereby conveyed for any period, fixed or indefinite. In such event, the Trustee shall enter into and upon the premises so surrendered and delivered, and shall take and receive possession thereof for such period, fixed or indefinite, as aforesaid, without prejudice, however, to its right, at any time subsequently when entitled thereto by any provision hereof, to insist upon and to maintain such possession, though beyond the expiration of any prescribed period, and the Trustee from the time of entry shall work, maintain, use, manage, control and employ the same in accordance with the provisions of this Indenture, and shall receive and apply the income and revenues thereof as provided in Section 14.04.

## ARTICLE XV

### THE TRUSTEE

*Section 15.01. Certain Duties and Responsibilities.* (a) Except during the continuance of an Event of Default of which the Trustee shall have knowledge, the Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture, and no implied covenants or obligations shall be read into this Indenture against the Trustee.

(b) In case an Event of Default has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in its exercise thereof, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

(c) No provision of this Indenture shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that:

(1) this subparagraph (c) shall not be construed to limit the effect of subparagraph (a) of this Section;

(2) the Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer or Responsible Officers, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts;

(3) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the holders of not less

than a majority in principal amount of the Bonds at the time Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture; and

(4) whether or not an Event of Default shall have occurred, no provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable ground for believing that the repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

*Section 15.02. Certain Rights of the Trustee.* Except as otherwise provided in Section 15.01:

(a) The Trustee may execute any of the trusts or powers hereof and perform any duties required of it by or through attorneys, agents, receivers or employees, and shall be entitled to advice of counsel concerning all matters of trusts hereof and its duties hereunder, and may in all cases pay such reasonable compensation as it shall deem proper to all such attorneys, agents, receivers and employees as may reasonably be employed in connection with the trusts hereof and the Trustee may act (1) upon the opinion or advice of any attorney, surveyor, engineer or accountant selected by it in the exercise of reasonable care; (2) upon any Opinion of Counsel; or (3) upon any certificate or opinion conforming to the applicable requirements of this Indenture. The Trustee shall not be responsible for any loss or damage resulting from any action or nonaction in accordance with any such opinion, advice or certificate;

(b) The Trustee shall not be responsible for any recital or representation herein, or in said Bonds (except in respect of the certificate of the Trustee endorsed on such Bonds), or for the recording or rerecording, filing or refiling of this Indenture, or of any conveyance or instrument of further assurance, or for insuring the Mortgaged Property, or for the validity of, or of the execution by the Company of, this Indenture or of any conveyance or instrument of further assurance, or for the validity of, or the sufficiency of the security for, the Bonds issued hereunder or intended to be secured hereby, or for the value or title of any of the Mortgaged Property, or for the payment of or for minimizing taxes, charges, assessments or liens upon the same, or otherwise as to the maintenance of the security hereof; except that in the event the Trustee enters into possession of a part or all of the Mortgaged Property pursuant to any provision of this Indenture, it shall use due diligence in preserving the Mortgaged Property; and the Trustee shall not be bound to ascertain or inquire as to the performance or observance of any covenant, condition or agreement on the part of the Company, except as hereinafter set forth; but the Trustee may require of the Company full information and advice as to the performance of the covenants, conditions and agreements aforesaid, and of the Company as to the condition of the Mortgaged Property;

(c) The Trustee shall not be accountable for the use of any Bonds authenticated or delivered hereunder or of any of the proceeds of such Bonds. The Trustee may become the owner of Bonds secured hereby with the same rights which it would have if not trustee;

(d) The Trustee shall be protected in acting upon any notice, request, consent, certificate, order, affidavit, letter, telegram or other paper or document believed by it to be genuine and correct and to have been signed or sent by the proper person or persons. Any action taken by the Trustee pursuant to this Indenture upon the request or authority or consent of any person who at the time of making such request or giving such authority or consent is the owner of any Bond, shall be conclusive and binding upon all future owners of the same Bond and upon Bonds issued in exchange therefor or in place thereof;

(e) As to the existence or nonexistence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding, the Trustee shall be entitled to rely upon an Officers' Certificate as sufficient evidence of the facts therein contained and, prior to the occurrence of a Default of which it has been notified as provided in subparagraph (g) of this Section or of which by said subparagraph it is deemed to have notice, shall also be at liberty to accept a similar certificate to the effect that any particular dealing, transaction or action is or is not necessary or expedient, but may at its discretion, at the reasonable expense of the Company, in every case secure such further evidence as it may think necessary or advisable, but shall in no case be bound to secure the same. The Trustee may accept a Resolution in the property form, as conclusive evidence that such Resolution has been duly adopted, and is in full force and effect;

(f) The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty of the Trustee and the Trustee shall be answerable only for its own negligence or willful default;

(g) The Trustee shall not be required to take notice or be deemed to have notice of any Default or Event of Default hereunder except an Event of Default arising for failure to make payment of principal, premium, if any, or interest or failure by the Company to file the documents required pursuant to Sections 8.08 or 8.09 hereof, unless and until a Responsible Officer shall have actual knowledge thereof or a written notice thereof shall be filed with the Trustee by the Company or by the holders of at least ten per cent (10%) in aggregate principal amount of the Bonds then Outstanding and all notices or other instruments required by this Indenture to be delivered to the Trustee must, in order to be effective, be delivered at the principal office of the Trustee, and in the absence of such notice so delivered, the Trustee may conclusively assume there is no Default or Event of Default, except as aforesaid;

(h) The Trustee shall not be personally liable for any debts contracted or for damages to persons or to personal property injured or damaged, or for salaries or nonfulfillment of contracts during any period in which it may be in the possession of or managing the mortgaged property as in this Indenture provided;

(i) At any and all reasonable times the Trustee, and its duly authorized agents, attorneys, experts, engineers, accountants and representatives, shall have the right fully to inspect any and all of the Mortgaged Property, including all books, papers and contracts of the Company, and to take such memoranda from and in regard thereto as may be desired;

(j) The Trustee shall not be required to give any bond or surety in respect of the execution of the said trusts and powers or otherwise in respect of the premises;

(k) Notwithstanding anything elsewhere in this Indenture contained, the Trustee shall have the right, but shall not be required, to demand, in respect of the authentication of any Bonds, the withdrawal of any cash, the release of any property, or any action whatsoever within the purview of this Indenture, any showings, certificates, opinions, appraisals, or other information, or corporate action or evidence thereof, in addition to that by the terms hereof required as a condition of such action if by the Trustee deemed desirable for the purpose of establishing the right of the Company to the authentication of any Bonds, the withdrawal of any cash, the release of any property, or the taking of any other action by the Trustee; and

(l) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the bondholders pursuant to this Indenture, unless such bondholders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction.

*Section 15.03. Trustee's Compensation.* The Trustee shall have a first lien with right of payment prior to payment on account of interest or principal of any bond issued hereunder upon the Mortgaged Property for reasonable compensation, expenses, outlays and counsel fees incurred by it in and about the execution of the trusts hereby created and the exercise and performance of its powers and duties hereunder and the cost and expense incurred in defending against any liability in the premises of any character whatsoever, unless such liability is adjudicated to have resulted from the negligence or wilful default of the Trustee. The Company hereby covenants and agrees to pay and indemnify the Trustee for all outlays, counsel fees and other expenses reasonably made or incurred by the Trustee in and about the execution of the trusts hereby created and to reimburse and indemnify it for any expenses paid and to pay the cost and expense incurred in defending against any liability in the premises of any character whatsoever, unless such liability is adjudicated to have resulted from the negligence or wilful default of the Trustee. The Company agrees to pay the Trustee reasonable compensation for its services in the premises, which compensation shall not be limited to or governed by any provision of law in regard to the compensation of trustees of an express trust.

*Section 15.04. Notice of Events of Default.* If a Default or Event of Default occurs of which the Trustee is by subparagraph (g) of Section 15.02 required to take notice or if notice of a Default or Event of Default is given as in said subparagraph (g) of Section 15.02 provided, then the Trustee shall give written notice (i) of any such Event of Default or (ii) of any Event of Default if and when any such Default becomes such an Event of Default, by registered mail or

reputable overnight courier to the last known owners of all Bonds Outstanding as shown by the list of bondholders required by the terms of Section 8.13 hereof to be kept at the office of the Trustee.

*Section 15.05. Intervention in Judicial Proceedings.* In any judicial proceedings to which the Company is a party and which in the opinion of the Trustee and its counsel has a substantial bearing on the interests of owners of Bonds issued hereunder, the Trustee may intervene on behalf of the bondholders and shall do so if requested in writing by the owners of at least ten per cent (10%) of the aggregate principal amount of Bonds then Outstanding. The rights and obligations of the Trustee under this Section are subject to the approval of the Court having jurisdiction in the premises.

*Section 15.06. Conversion, Merger, Consolidation or Sale of Business of Trustee.* Any corporation or association into which the Trustee may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its corporate trust business and assets as a whole or substantially as a whole, including the trust created hereunder, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which the Trustee is a party, *ipso facto*, shall be and become the successor trustee of the Trustee hereunder without the execution or filing of any instrument or any further act, deed or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

*Section 15.07. Resignation of Trustee.* The Trustee and any successor or successors hereafter appointed, may at any time resign from the trusts hereby created by giving thirty (30) days' written notice to the Company and the owners of the Bonds, and subject to Section 15.09 such resignation shall take effect at the end of such thirty (30) days, or upon the earlier appointment of a successor to such trustee by the bondholders or by the Company. Such notice may be served personally or sent by registered mail. If an instrument of acceptance by a successor Trustee shall not have been delivered to the Trustee within thirty (30) days after giving such notice of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee.

*Section 15.08. Removal of Trustee.* The Trustee may be removed at any time by an instrument or concurrent instruments in writing delivered to the Trustee and to the Company, and signed by the owners of a majority in aggregate principal amount of Bonds then Outstanding.

*Section 15.09. Resignation and Removal Becoming Effective.* No resignation or removal of the Trustee and no appointment of a successor Trustee pursuant to this Article shall become effective until the acceptance of appointment by the successor Trustee under Section 15.11.

*Section 15.10. Successor or Temporary Trustee.* In case the Trustee hereunder shall resign or be removed, or be dissolved, or shall be in course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in case the Trustee shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor trustee may be appointed by the owners of a majority in aggregate principal amount of Bonds then Outstanding, by an instrument or concurrent instruments in writing signed by such owners, or by their

attorneys in fact, duly authorized; *provided, nevertheless*, that in case of such vacancy the Company by an instrument executed by order of its Board of Directors, and signed by its President or any Vice-President and attested by its Treasurer or an Assistant Treasurer under its corporate seal, may appoint a temporary trustee to fill such vacancy until a successor trustee shall be appointed by the bondholders in the manner above provided; and any such temporary trustee so appointed by the Company shall immediately and without further act be superseded by the trustee so appointed by such bondholders. Every such successor or temporary trustee shall be a corporation or association in good standing, having a capital and surplus of not less than One Hundred Million Dollars (\$100,000,000), and organized and doing business under the laws of the United States of America or any state hereof and authorized under such laws to exercise corporate trust powers, and, if there be such an institution willing, qualified and able to accept the trust upon reasonable or customary terms. In the event that within one (1) year after the appointment of such temporary trustee by the Company the bondholders do not appoint a successor trustee, the appointment of the temporary trustee by the Company shall be and become final.

*Section 15.11. Acceptance of Appointment by Successor.* Every successor trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor and also to the Company an instrument in writing accepting such appointment hereunder, and thereupon such successor, without any further act, deed or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, duties and obligations of its predecessor; but such predecessor shall, nevertheless, on the written request of the Company, or of its successor, execute and deliver an instrument transferring to such successor all the estates, properties, rights, powers and trusts of such predecessor hereunder. Should any deed, conveyance or instrument in writing from the Company be required by any successor trustee for more fully and certainly vesting in such successor the estates, rights, powers and duties hereby vested or intended to be vested in the predecessor trustee, any and all such deeds, conveyances and instruments in writing shall, on request, be executed, acknowledged and delivered by the Company. The resignation of any trustee and the instrument or instruments removing any trustee and appointing a successor hereunder, together with all deeds, conveyances and other instruments provided for in this Article shall, at the expense of the Company, be forthwith filed and/or recorded by the successor trustee in each recording office where the Indenture shall have been filed and/or recorded, *provided, however*, that none of said instruments shall be required to be filed and/or recorded in any recording office if, prior to the resignation of such trustee, all property of the Company located in territory served by such recording office shall have been released from the lien of the Indenture, pursuant to the provisions hereof, and a proper release or releases thereof shall have been filed and/or recorded in such recording office.

*Section 15.12. Separate Trustee or Co-Trustees.* If at any time or times, in order to conform to any laws of any state or territory in which the Company now holds or at any time hereafter may hold any property, the Company or the Trustee shall so request, the Company and the Trustee shall have power to appoint and shall unite in the execution, delivery and performance of all instruments and agreements necessary or proper to constitute another trust company or bank or banking institution, or one or more persons approved by the Trustee, either to act as co-trustee or co-trustees of all or any of the property subject to the lien hereof jointly with the Trustee, or to act as separate trustee or trustees of all such property or any part thereof.

*Section 15.13. Payment of Certain Charges.* In case the Company shall fail seasonably to pay or to cause to be paid any tax, assessment or governmental or other charge upon any part of the mortgaged property, the Trustee may pay such tax, assessment or governmental charge, without prejudice, however, to any rights of the Trustee or of the bondholders hereunder arising in consequence of such failure; and any amount at any time so paid under this Section, with interest thereon from the date of payment at the Prime Rate plus one percent per annum until paid, shall be repaid by the Company upon demand, and shall become so much additional indebtedness secured by this Indenture, and the same shall be given a preference in payment over any of the Bonds, and shall be paid out of the proceeds of any sale of the Mortgaged Property, if not otherwise paid by the Company; but the Trustee shall not be under any obligation to make any such payment unless requested so to do by the holders of at least ten per cent (10%) of the aggregate principal amount of Bonds outstanding hereunder and provided with adequate indemnity or funds for the purpose of such payment. The “*Prime Rate*” shall mean the rate of interest announced by Fleet National Bank, N.A., or its successor from time to time as its “*prime commercial rate*” or the equivalent.

*Section 15.14. Instruments Accepted as Conclusive Evidence.* The resolutions, opinions, certificates and other instruments provided for in this Indenture may be accepted by the Trustee as conclusive evidence of the facts and conclusions stated therein provided that the Trustee shall examine the same to determine if they conform to the requirements of the Indenture and shall be full warrant, protection and authority to the Trustee for the authentication and delivery of Bonds or the withdrawal of cash hereunder; but the Trustee may, and the Trustee shall if requested in writing so to do by the holders of not less than ten per cent (10%) in aggregate principal amount of Bonds then Outstanding, cause to be made such independent investigation as to it may seem fit and the Trustee may decline to authenticate or deliver such Bonds or pay over such cash unless satisfied by such investigation of the truth and accuracy of the matters so investigated. The expense of such investigation shall be paid by the Company or, if paid by the Trustee, shall be repaid by the Company upon demand with interest, to the extent permitted by law, at the Prime Rate plus one percent per annum until paid.

## ARTICLE XVI

### ADDITIONAL PROVISIONS

*Section 16.01. Immunity of Incorporators, Stockholders, Officers, Directors and Employees.* No recourse under or upon any obligation, covenant or agreement contained in this Indenture, or in any bond hereby secured, or because of the creation of any indebtedness hereby secured, shall be had against any incorporator, stockholder, officer, director or employee, present or future, of the Company or of any successor corporation, either directly or through the Company, by the enforcement of any assessment or by any legal or equitable proceeding by virtue of any statute or otherwise; it being expressly agreed and understood that this Indenture, and the obligations hereby secured, are solely corporate obligations, and that no personal liability whatever shall attach to or be incurred by such incorporators, stockholders, officers, directors or employees of the Company, or of any successor corporation, or any of them, because of the incurring of the indebtedness hereby authorized, or under or by reason of any of the obligations, covenants or agreements contained in this Indenture, or in any of the Bonds hereby secured, or

implied therefrom; and that any and all personal liability of every name and nature, and any and all rights and claims against every such incorporator, stockholder, officer, director or employee, whether arising at common law, or in equity, or created by statute or constitution, are hereby expressly released and waived as a condition of, and as a part of the consideration for, the execution of this Indenture and the issue of the Bonds and interest obligations secured hereby.

*Section 16.02. Evidence of Action by Bondholders; Proof of Execution.* Any request, direction, objection or other instrument required by this Indenture to be signed and executed by the bondholders may be in any number of concurrent writings of similar tenor and may be signed or executed by such bondholders in person or by agent appointed in writing. Proof of the execution of any such request, direction, objection or other instrument or of the writing appointing any such agent and of the ownership of Bonds, if made in the following manner, shall be sufficient for any of the purposes of this Indenture, and shall be conclusive in favor of the Trustee with regard to any action taken by it under such request or other instrument, namely:

(a) The fact and date of the execution by any person of any such writing may be proved by the certificate of any officer in any jurisdiction who by law has power to take acknowledgments within such jurisdiction that the person signing such writing acknowledged before him the execution thereof, or by an affidavit of any witness to such execution; and

(b) The fact of the holding by any party of Bonds transferable by delivery and the amounts and numbers of such Bonds, and the date of the holding of the same, may be proved by a certificate executed by any trust company, bank or bankers (wherever situated) stating that at the date thereof the party named therein did exhibit to an officer of such trust company or bank or to such banker, as the property of such party, the Bonds therein mentioned if such certificate shall be deemed by the Trustee to be satisfactory. The ownership of Bonds shall be proved by the bond register.

For all purposes of this Indenture and of any proceedings for the enforcement thereof, such person shall be deemed to continue to be the holder of such Bond until the Trustee shall have received notice in writing to the contrary.

*Section 16.03. Exclusive Benefit of Indenture.* Nothing expressed or mentioned in or to be implied from this Indenture, or the Bonds issued hereunder, is intended or shall be construed to give to any person or company other than the parties hereto, and the holders of the Bonds secured by this Indenture, any legal or equitable right, remedy or claim under or in respect of this Indenture, or any covenants, conditions and provisions herein contained in this Indenture and all the covenants, conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of the parties hereto and the holders of the Bonds hereby secured as herein provided.

*Section 16.04. Separability of Indenture Provisions.* If any provision of this Indenture shall be held or deemed to be or shall, in fact, be inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions, or in all jurisdictions or in all cases because it conflicts with any provision of any constitution or statute or rule of public policy, or for any other

reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatever.

The invalidity of any one or more phrases, sentences, clauses or paragraphs in this Indenture contained shall not affect the remaining portions of this Indenture or any part thereof.

*Section 16.05. Service of Notices to the Company and the Trustee.* Any notice or demand that by any provision of this Indenture is required or permitted to be given or served by the Trustee or any bondholder shall be sufficiently given if delivered personally or mailed first-class postage prepaid or by reputable overnight courier as follows: (i) if to the Company, to Unitil Energy Systems, Inc., 6 Liberty Lane West, Hampton, New Hampshire 03842-1720, Attention: Treasurer, or at such other address as the Company may furnish the Trustee in writing and (ii) if to the Trustee, to U.S. Bank National Association, 2 Avenue de Lafayette, Boston, Massachusetts 02111, Attention: Corporate Trust Department, or at such other address as the Trustee may furnish the Company in writing.

*Section 16.06. Repayment of Unclaimed Money.* In the event that any Bond issued hereunder shall not be presented for payment when the principal thereof becomes due, either at maturity or otherwise, or at the date fixed for the redemption thereof and the Company shall have deposited with the Trustee for the purpose, or left with it if previously so deposited, moneys sufficient to pay or redeem such bond, the Trustee shall, upon demand of the Company, in case the holder of any such bond shall not, within six (6) years after the maturity of any such bond or the date fixed for the redemption of any such bond, claim the amount so deposited, pay over to the Company such amount, if the Company if at the time no Default or Event of Default has occurred or is continuing. The Trustee shall thereupon be relieved from all responsibility to the holder thereof and in the event of such payment to the Company the holder of any such Bond shall be deemed to be an unsecured creditor of the Company for an amount equivalent to the amount deposited as above stated for the payment thereof and so paid over to the Company.

*Section 16.07. Certificates or Opinions to Trustee.* Each certificate or opinion provided for in this Indenture delivered to the Trustee with respect to compliance with a condition or covenant herein contained shall include (1) a statement that the person making such certificate or opinion has read such covenant or condition; (2) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based; (3) a statement that, in the opinion of such person, he has made such examination or investigation as is necessary to enable him to express an informed opinion as to whether or not such covenant or condition has been complied with; and (4) a statement as to whether or not in the opinion of such person such covenant or condition has been complied with.

*Section 16.08. Successors and Assigns.* Subject to the provisions of Articles XII and XV hereof, whenever in this Indenture any of the parties hereto is named or referred to this shall be deemed to include the successors or assigns of such party, and all the covenants and agreements in this Indenture contained by or on behalf of the Company or by or on behalf of the Trustee

shall bind and inure to the benefit of the respective successors and assigns of such parties whether so expressed or not.

*Section 16.09. Counterparts.* This Twelfth Supplemental Indenture shall be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

*Section 16.10. Effect of Headings and Table of Contents.* The cover of this Indenture and all article and descriptive headings and the table of contents are inserted for convenience only, and shall not affect any construction or interpretation hereof.

*Section 16.11. New Hampshire Law Applicable.* This Indenture and the Bonds shall be governed by and construed in accordance with the laws of The State of New Hampshire.

**PART TWO**  
**RESTATEMENT OF TERMS AND PROVISIONS OF**  
**BONDS OF THE MERGER DATE SERIES**

**ARTICLE I**  
**RESTATEMENT OF TERMS AND PROVISIONS OF SERIES I, 8.49% BONDS**

*Section 1.01. Terms and Provisions of Series I, 8.49% Bonds.* The terms and provisions of the Series I, 8.49% Bonds which were set forth in the Eighth Supplemental Indenture are hereby amended and restated in their entirety in Exhibit C attached hereto, which shall become effective as of the Merger Date and control with respect to all terms and provisions of the Series I, 8.49% Bonds and the Eighth Supplemental Indenture as of the Merger Date shall have no further force or effect with respect thereto.

**ARTICLE II**  
**RESTATEMENT OF TERMS AND PROVISIONS OF SERIES J, 6.96% BONDS**

*Section 1.01. Terms and Provisions of Series J, 6.96% Bonds.* The terms and provisions of the Series J, 6.96% Bonds which were set forth in the Ninth Supplemental Indenture are hereby amended and restated in their entirety in Exhibit D attached hereto, which shall become effective as of the Merger Date and control with respect to all terms and provisions of the Series J, 6.96% Bonds and the Ninth Supplemental Indenture as of the Merger Date shall have no further force or effect with respect thereto.

**ARTICLE III**  
**RESTATEMENT OF TERMS AND PROVISIONS OF SERIES K, 8.00% BONDS**

*Section 1.01. Terms and Provisions of Series K, 8.00% Bonds.* The terms and provisions of the Series K, 8.00% Bonds which were set forth in the Tenth Supplemental Indenture are hereby amended and restated in their entirety in Exhibit E attached hereto, which shall become effective as of the Merger Date and control with respect to all terms and provisions of the

Series K, 8.00% Bonds and the Tenth Supplemental Indenture as of the Merger Date shall have no further force or effect with respect thereto.

**PART THREE**  
**TERMS AND PROVISIONS OF EXCHANGE BONDS**

**ARTICLE I**  
**TERMS AND PROVISIONS OF SERIES L, 8.49% BONDS**

*Section 1.01. Terms and Provisions of Series L, 8.49% Bonds.* As a result of the Merger, the Exeter Bonds described in clause (iv) of Article III of the Restated Indenture, are being exchanged as of the Merger Date for new Series L, 8.49% Bonds of the Company, the terms and provisions for which are set forth in Exhibit F attached hereto.

**ARTICLE II**  
**TERMS AND PROVISIONS OF SERIES M, 6.96% BONDS**

*Section 1.01. Terms and Provisions of Series M, 6.96% Bonds.* As a result of the Merger, the Exeter Bonds described in clause (v) of Article III of the Restated Indenture, are being exchanged as of the Merger Date for new Series M, 6.96% Bonds of the Company, the terms and provisions for which are set forth in Exhibit G attached hereto.

**ARTICLE III**  
**TERMS AND PROVISIONS OF SERIES N, 8.00% BONDS**

*Section 1.01. Terms and Provisions of Series N, 8.00% Bonds.* As a result of the Merger, the Exeter Bonds described in clause (vi) of Article III of the Restated Indenture, are being exchanged as of the Merger Date for new Series N, 8.00% Bonds of the Company, the terms and provisions for which are set forth in Exhibit H attached hereto.

IN WITNESS WHEREOF, UNITIL ENERGY SYSTEMS, INC. has caused this instrument to be executed in its corporate name by its President or one of its Vice-Presidents and its corporate seal to be hereunto affixed and to be attested by its Treasurer or one of its Assistant Treasurers, and U.S BANK NATIONAL ASSOCIATION, to evidence its acceptance of the trust hereby created, has caused this instrument to be executed in its corporate name by an Authorized Officer, all as of the day and year first above written.

UNITIL ENERGY SYSTEMS, INC.

By: \_\_\_\_\_ (CORPORATE  
Michael J. Dalton, President SEAL)

Attest:

\_\_\_\_\_  
Mark H. Collin, Treasurer

U.S. BANK NATIONAL ASSOCIATION

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

Attest:

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

**SCHEDULE A – LIST OF PROPERTIES**

**PART I – MERRIMACK COUNTY PROPERTIES\***

**Properties and Transmission Line Easement Rights Located in Towns of  
Allenstown, Boscawen, Bow, Canterbury, Chichester, Dunbarton, Epsom, Hopkinton,  
Loudon, Pembroke, Salisbury and Webster, all in Merrimack County, New Hampshire**

1. Rights reserved with respect to premises located on Capitol Street in the City of Concord conveyed by the Company to 9-15 Capitol Street Corporation by deed dated December 30, 1980, recorded in Book 1386, Page 199.

2. The substation property situated on the southerly side of Bridge Street in Concord, New Hampshire shown on plan prepared by Richard D. Bartlett entitled “Resubdivision, Boundary & Physical Evidence Survey for Concord Electric Co.” dated October 9, 1979, and recorded as Plan No. 6942, together with rights of passage and other easement rights owned in connection therewith, being the lands and rights acquired by the Company by the following deeds:

<u>NAME OF GRANTOR</u>	<u>DATE OF DEED</u>	<u>RECORDED</u>	
		<u>BOOK</u>	<u>PAGE</u>
John S. Bartlett et als	July 01, 1901	344	98
Eva L. Swain, Guardian	October 27, 1925	478	515
New England Cable Company	January 19, 1937	552	364
Boston and Maine Railroad	July 08, 1937	556	72
Boston and Maine Railroad	June 21, 1949	665	477
Metropolitan Coal Company	July 08, 1937	556	70
The State of New Hampshire	November 20, 1951	703	392
The State of New Hampshire	February 18, 1955	765	140
Tenney Coal Company	February 02, 1940	573	569
Boston and Maine Railroad	January 15, 1942	591	349
The State of New Hampshire	March 21, 1950	677	209
Arthur J. Boutwell	November 11, 1925	478	110
P.F.P. Concord, Inc.	February 18, 1981	1388	280

except (a) that portion of the lands so acquired as lies easterly of the westerly line of the Frederic E. Everett highway as acquired by The State of New Hampshire by layout and award dated

\* All conveyances relate to premises located in Merrimack County, New Hampshire and all recording references are to records on file at the Merrimack County Registry of Deeds, Concord, New Hampshire

February 10, 1949, (b) that portion of the premises acquired from Boutwell (Book 478, Page 110) and the Boston and Maine Railroad (Book 591, Page 349) as conveyed by the Company to PFP Concord, Inc. by deed dated February 18, 1981, recorded in Book 1388, Page 283, but subject to a covenant in favor of the Company, and (c) that portion of the premises acquired as conveyed by the Company to John L. Hyde and Charles W. Thompson by deed dated December 28, 1981, recorded in Book 1408, Page 652, subject to the reserved easement rights described therein with respect to the operation, repair and expansion of the said substation.

3. Certain transmission and distribution facilities and easement rights with respect to land located in Concord, New Hampshire formerly part of the so-called Sewalls Falls Hydro Electric Generating Station, as reserved in deed dated December 23, 1969, recorded in Book 1065, Page 370.

4. The Penacook service building property located northerly of East Street in that portion of Concord, New Hampshire, called Penacook and being the property acquired by the Company by deed of Penacook Electric Light Company dated May 31, 1917, recorded in Book 434, Page 263, subject to the dam and flowage rights reserved by The Contoocook Manufacturing and Mechanic Company in its deed dated August 1, 1891, recorded Book 294, Page 474, and to a sewer pipe right of way conveyed by the Company to the City of Concord by deed dated January 17, 1924, recorded in Book 469, Page 22, except Parcel 1 thereof as was conveyed by the Company to David T. Kenney and Pearl A. Kenney by deed dated November 2, 1972, recorded in Book 1152, Page 435.

5. The substation property situated in Concord, New Hampshire, southerly of Pleasant Street, the land for which, together with a right of way to Pleasant Street, was acquired by the Company by deeds of the Carmelite Monastery of Concord dated November 1, 1950, recorded in Book 689, Page 262 and dated September 17, 1957, recorded in Book 819, Page 6, subject to easement rights for a driveway as conveyed by the Company to Carmelite Monastery of Concord by deed dated September 11, 1959, recorded in Book 849, Page 482.

6. The substation property situated in Concord, New Hampshire, bordering on Old Loudon Road, the land for which was acquired by the Company by deed of George J. Bourassa and Winifred Bourassa dated June 8, 1954, recorded in Book 749, Page 499.

7. The substation property situated in Concord, New Hampshire, bordering on Gulf Street, the land for which was acquired by the Company by deeds of Emma L. Welch dated April 23, 1928 and January 13, 1949, recorded in Book 494, Page 419 and in Book 658, Page 190, respectively and by deed of Public Service Company of New Hampshire dated March 22, 1949, recorded in Book 665, Page 454, except (a) portion thereof as was conveyed by the Company to Public Service Company of New Hampshire by deeds dated January 19, 1949, and March 23, 1949, recorded in Book 658, Page 194 and Book 665, Page 450 respectively, (b) portion thereof as was acquired by the City of Concord in the layout of Gulf Street under date of July 27, 1953, and (c) subject to slope easement granted to the State of New Hampshire with respect to highway construction on State-owned property abutting land of the Company in Concord, New Hampshire as conveyed by Corporation Slope Easement deed dated April 3, 1997, recorded in Book 2051,

Page 1883, as corrected by Corrective Slope Easement deed dated July 9, 1997, recorded in Book 2062, Page 865.

8. The substation property situated in Concord, New Hampshire, lying easterly of North State Street, the land for which was acquired by the Company by deed of Thomas Fox dated June 25, 1925, recorded in Book 479, Page 95, together with a right of way leading from said land to North State Street, acquired by said deed from Fox and by the following instruments:

<u>NAME OF GRANTOR</u>	<u>DATE</u>	<u>RECORDED</u>	
		<u>BOOK</u>	<u>PAGE</u>
Elmer W. Olson et als	October 15, 1931	519	320
The State of New Hampshire by Charles B. Clarke, Agent	March 22, 1935	536	412
Elmer W. Olson	October 16, 1931	519	325

subject to a sewer pipe right of way conveyed by the Company to the City of Concord by deed dated February 5, 1930, recorded in Book 519, Page 323.

9. The substation property situated in that portion of Concord, New Hampshire, called Penacook bordering in part on the Daniel Webster Highway, on Penacook Street and on Abbott Road, the land for which and certain rights owned in connection therewith were acquired by the Company under the following deeds:

<u>NAME OF GRANTOR</u>	<u>DATE</u>	<u>RECORDED</u>	
		<u>BOOK</u>	<u>PAGE</u>
First National Bank of Concord	February 29, 1940	566	263
First National Bank of Concord	July 12, 1940	579	230
Public Service Company of New Hampshire	December 16, 1940	583	115
C. M. & A. W. Rolfe, Inc.	October 29, 1941	585	559
Public Service Company of New Hampshire	March 7, 1956	786	322

subject to an electric line right of way owned by Public Service Company of New Hampshire and other rights referred to in said deed recorded in Book 566, Page 263, and except so much of said land as was conveyed by the Company under the following deeds:

<u>NAME OF GRANTEE</u>	<u>DATE</u>	<u>RECORDED</u>	
		<u>BOOK</u>	<u>PAGE</u>
C. M. & A. W. Rolfe	November 1, 1941	585	560
Arthur Brodeur	October 11, 1946	631	252

James F. Freeman and Rose A. Freeman	April 5, 1950	677	251
Asa A. Batchelder and Evelyn M. Batchelder	July 12, 1950	710	294
Celestia A. Loranger	June 29, 1966	986	460
Merrimack Valley School District	March 7, 1967	1002	177 <sup>1</sup>

10. The substation property situated in Concord, New Hampshire on the easterly side of South Main Street, the land for which was acquired by the Company by deed of William E. Sleeper dated August 29, 1950, recorded in Book 686, Page 42, except (a) portion thereof as was conveyed by the Company to The State of New Hampshire by deed dated June 5, 1956, recorded in Book 792, Page 90, (b) portion thereof as was conveyed by the Company to Humble Oil & Refining Company by deed dated July 11, 1972, recorded in Book 1138, Page 229, and (c) portion thereof as was conveyed by the Company to The State of New Hampshire by deed dated November 5, 1987, recorded in Book 1687, Page 108.

11. The regulator station property situated in Canterbury, New Hampshire, bordering on West Road — North, the land for which was acquired by the Company by deed of Ralph Graham et als, dated March 4, 1950, recorded in Book 677, Page 162.

12. A lot of land bordering on High Street in Salisbury, New Hampshire, acquired by the Company by deed of Ralph H. Rogers and Elizabeth Rogers dated May 20, 1953, recorded in Book 731, Page 171.

13. Tract of about 6,500 sq. ft. located on the Dover Road in the Town of Chichester, acquired as site for regulator station by deeds to the Company of following grantors:

Edward Gibbs, Jr. and Blanche J. Gibbs dated November 1, 1958, recorded in Book 833, Page 325, and further deed of same grantors dated November 26, 1958, recorded in Book 836, Page 125.

Try-Gen, Inc. dated April 22, 1959, recorded in Book 844, Page 11, except portion thereof (4,950 sq. ft.) condemned by the State of New Hampshire for highway construction purposes under RSA 498-A:5 of the laws of the State of New Hampshire, said taking by Notice of Condemnation dated August 30, 1991, recorded in Book 1866, Page 1358.

14. Tract of about 130,000 sq. ft. situate on Old Turnpike Road in the City of Concord, acquired as site for future substation, by deed of Concord Regional Development Corporation dated December 30, 1958, recorded in Book 836, Page 544, except portion thereof

<sup>1</sup> Excepting and reserving easement rights with respect to said substation and associated transmission lines. See also Transmission Line Easement conveyed by Utility Easement deed of Merrimack Valley School District to Concord Electric Company, dated March 7, 2001, recorded in Book 2253, Page 003.

(26,476 sq. ft.) as was conveyed by the Company to Concord Regional Development Corporation by deed dated August 2, 1972, recorded in Book 1141, Page 148.

15. Tract of about 3,300 sq. ft. located off North State Street in the City of Concord, as well as all interest of the grantor in the adjoining easterly one-half of the Railroad location, acquired by deed of C. M. Rice Paper Company dated June 1, 1965 recorded in Book 964, Page 189, subject, however, to a sewer easement as conveyed by the Company to the City of Concord, by deed dated December 7, 1965, recorded in Book 977, Page 31.

16. Tract of about 30,000 sq. ft. located on the road from Boscawen to Canterbury in the Town of Boscawen, acquired as site for Boscawen distribution substation, by deed of Edward G. and Marion S. Powell dated September 2, 1960, recorded in Book 870, Page 24, subject to slope easement as conveyed by the Company to the State of New Hampshire with respect to highway construction on State-owned property abutting land of the Company in Concord, New Hampshire, by Corporation Slope Easement deed dated September 6, 1995, recorded in Book 1998, Page 610.

17. Easement rights for a transmission line and access as reserved in deed of the Company to Riverside Millwork Company, Inc. by deed dated March 22, 1982, recorded in Book 1412, Page 409, and shown on plan prepared by Richard D. Bartlett entitled "Boundary Survey Only for Concord Electric Company Location, Merrimack Street, Penacook, New Hampshire" dated September 1, 1981, recorded as Plan No. 7025.

18. Tract of 4.9 acres located near McGuire Street in the City of Concord, acquired as site for Service Center building by deed of Franklin Hollis dated February 28, 1964, recorded in Book 940, Page 403 and related relocation of State of New Hampshire right of way per Indenture between the Company and the State dated December 30, 1964, recorded in Book 954, Page 397.

19. Tract of about 22,500 sq. ft. on Langdon Street in the City of Concord, acquired as site of Langdon Street distribution substation by deed of B. & M. Realty Corporation dated February 5, 1965, recorded in Book 956, Page 72.

20. Tract of about 39,000 sq. ft. located on West Portsmouth Street in the City of Concord, acquired as distribution substation site, by deed of The State of New Hampshire dated November 3, 1966, recorded in Book 997, Page 299.

21. Rights-of-way for 3.2 miles of transmission line between West Concord distribution substation and St. Paul's School as conveyed by following deeds:

RECORDING REFERENCE				
<u>DATE OF DEED</u>	<u>BOOK</u>	<u>PAGE</u>	<u>GRANTOR</u>	<u>LOCATION</u>
Mar. 16, 1959	849	537	St. Paul's School <sup>2</sup>	Concord

<sup>2</sup> This easement released March 11, 1964 in connection with the conveyance of a subsequent easement on that date to the Company by the same grantor, recorded in Book 939, Page 415.

RECORDING REFERENCE				
<u>DATE OF DEED</u>	<u>BOOK</u>	<u>PAGE</u>	<u>GRANTOR</u>	<u>LOCATION</u>
Apr. 06, 1959	842	147	Martin E. & Dorothy M. White	Concord
Feb. 02, 1960	857	344	W. Grant & Thelma H. McIntosh	Concord
Nov. 22, 1960	874	174	Germaine B. & C. Murray Sawyer and Joseph & Elizabeth Jordan	Concord
Nov. 22, 1960	874	172	Germaine B. Sawyer et al	Concord
Dec. 31, 1960	874	449	Daniel J. & Mary V. Scully	Concord
May 01, 1962	899	37	City of Concord	Concord
July 10, 1962	903	81	State of New Hampshire	Concord
Mar. 19, 1963	918	58	Josephine W. & Edgar F. Woodman	Concord
Mar. 11, 1964	939	415	St. Paul's School	Concord
June 18, 1964	945	531	Germaine B. & C. Murray Sawyer	Concord
Dec. 30, 1964	955	24	New England Telephone & Telegraph Co.	Concord
Aug. 27, 1965	968	535	New England Telephone & Telegraph Co.	Concord
June 29, 1962	907	169	New England Box Company	Concord <sup>3</sup>

22. Rights-of-way relating to 1.2 miles of transmission line between Penacook distribution substation and tap in Penacook Village in the City of Concord serving Brezner Tanning Corp. as conveyed by following deeds:

RECORDING REFERENCE				
<u>DATE OF DEED</u>	<u>BOOK</u>	<u>PAGE</u>	<u>GRANTOR</u>	<u>LOCATION</u>
Apr. 06, 1959	841	315	Howard E. & Luwilda M. Raymond	Concord
Feb. 01, 1961	876	103	John H., Isabel, David J., and Edwina L. Morrill	Concord
Feb. 01, 1961	876	153	Raymond F. & Thelma P. George	Concord
Jan. 01, 1961	877	71	City of Concord	Concord
June 28, 1962	899	465	John G. & Katherine J. Toomey	Concord

<sup>3</sup> The latter conveyance was of the full title to the subject parcel. Tracts II and III thereof were thereafter conveyed by the Company to John Swenson Granite Company, Inc. by deed dated June 29, 1964, recorded in Book 941, Page 542, reserving a transmission line easement to the Company. Tract III thereof was thereafter conveyed by the Company to City of Concord, conveyed to the City of Concord by Deed dated October 19, 1979, recorded in Book 1360, Page 220.

RECORDING REFERENCE				
<u>DATE OF DEED</u>	<u>BOOK</u>	<u>PAGE</u>	<u>GRANTOR</u>	<u>LOCATION</u>
Mar. 07, 1967	1003	203	Merrimack Valley School District <sup>4</sup>	Concord
Aug. 09, 1967	1016	448	Arthur S. & Florence M. Brodeur	Concord
Aug. 07, 1967	1016	451	Harold L. & Rena M. Bradford	Concord
Aug. 08, 1967	1016	443	Lewis & Barbara C. Kelso	Concord
Oct. 10, 1967	1016	452	Felix & Patronyne Brodeur	Concord
Aug. 08, 1967	1016	447	Olive F. Stevens	Concord
Oct. 03, 1967	1016	446	Robert K. & Virginia D. Scott	Concord

23. Rights-of-way for 2.8 miles of transmission line between Boscawen distribution substation and tap in Penacook Village in the City of Concord serving Brezner Tanning Corp. as conveyed by following deeds:

RECORDING REFERENCE				
<u>DATE OF DEED</u>	<u>BOOK</u>	<u>PAGE</u>	<u>GRANTOR</u>	<u>LOCATION</u>
Sept. 02, 1960	870	26	George A. & Bessie L. Raymond	Boscawen
Sept. 08, 1960	870	83	William T. & Mina C. Jordan	Boscawen
Nov. 19, 1960	872	181	Edgar R. & Beverly Crete	Boscawen
Nov. 21, 1960	872	196	William T. & Mina C. Jordan	Boscawen
Jan. 01, 1961	877	34	Concord Savings Bank	Concord
Jan. 24, 1961	876	165	R. Louis, Elaine G., Arnold R., and Arlene Martin	Boscawen
Jan. 17, 1961	877	28	Arthur N. Runnells and Concord Savings Bank	Concord
Jan. 28, 1961	876	151	Maurice A. & Theodora D. Drolet	Boscawen
May 09, 1961	881	95	State of New Hampshire	Boscawen

24. Rights-of-way for 7.5 miles of transmission line in the Town of Boscawen, acquired by deed of Public Service Company of New Hampshire dated March 11, 1960, recorded in Book 857, Page 513, except for that portion thereof conveyed to the State of New Hampshire by deed of the Company dated April 14, 1961, recorded in Book 881, Page 97.

<sup>4</sup> Subject to thirty (30) foot right of way and other easement rights as conveyed by the Company to NE Tel. and Tel. Co. by deed dated February 3, 1992, recorded in Book 1876, Page 739.

25. Rights-of-way for .96 miles of transmission line between Concord Plains substation of the Company and Sprague Electric Company plant on Pembroke Road in the City of Concord as conveyed by the following deeds:

RECORDING REFERENCE				
<u>DATE OF DEED</u>	<u>BOOK</u>	<u>PAGE</u>	<u>GRANTOR</u>	<u>LOCATION</u>
July 26, 1960	865	455	Jessie E. Pedears	Concord
Aug. 22, 1960	865	447	L. J. & Elizabeth G. Denis	Concord
Aug. 26, 1960	866	490	Harold & L. Marie Johnson	Concord <sup>5</sup>
Aug. 26, 1960	866	489	Louise V. Cherette	Concord
Aug. 26, 1960	866	527	Jennie M. Robbins	Concord
Mar. 29, 1961	876	412	Merrimack Power Company <sup>6</sup>	Concord
Mar. 30, 1961	876	410	Oscar L. Drew <sup>7</sup>	Concord

26. Tract of about 16,500 sq. ft. located on the Bow Bog Road in the Town of Bow, acquired as site for Bow distribution substation, by deed of Arthur W. and Laura B. Sargent dated June 2, 1969, recorded in Book 1054, Page 120.

27. Right-of-way for 355 feet of transmission line between Langdon Street substation of the Company and the McKerley Medical Care Center off South Street in the City of Concord, conveyed by deed of Capitol Dodge, Inc. dated June 9, 1971, recorded in Book 1102, Page 77.

28. Tract of about 1.13 acres located on Iron Works Road in the City of Concord, acquired as site for distribution substation, conveyed by deed of the State of New Hampshire, dated October 31, 1973, recorded in Book 1194, Page 87.

29. Tract of about 7 acres located on East Sugar Ball Road in the City of Concord, acquired for 1155 feet of transmission line between Hazen Drive and Hollis substations of the Company conveyed by deed of Francis J. Faucher, dated January 25, 1974, recorded in Book 1201, Page 413, except portion thereof (2.82 acres.) condemned by the State of New Hampshire for highway construction purposes under RSA 498-A:5 of the laws of the State of New Hampshire, said taking by Notice of Condemnation dated August 1, 1977, recorded in Book 1300, Page 714, as amended January 5, 1978, recorded in Book 1312, Page 206.

<sup>5</sup> See also Right-of-way for approximately 1220 feet of underground transmission facilities along the southerly side of Branch Turnpike in the City of Concord, conveyed to the Company by deed of Johnson Estates, Inc., dated May 28, 1986, recorded in Book 1602, Page 940.

<sup>6</sup> Deed conveys full title rather than transmission line easement only.

<sup>7</sup> Deed conveys full title rather than transmission line easement only. Tract of approximately 6.64 acres located northerly of Pembroke Road in the City of Concord, conveyed by the Company to A & G Realty by deed dated November 8, 1985, recorded in Book 1537, Page 259, subject to reserved transmission line rights as described therein.

30. The substation property situated in Concord, New Hampshire on the southerly side of Hazen Drive, the land for which was acquired by the Company by deed of (a) Richard L. and Linda L. Clark dated February 27, 1974, recorded in Book 1203, Page 513 (approximately 13,083 sq. ft.), except portion thereof (5,000 sq. ft.) as was conveyed by the Company to United Church of Christ Retirement Center, Inc. by deed dated June 8, 1978, recorded in Book 1322, Page 570, and (b) United Church of Christ Retirement Community, Inc., dated June 1, 1978, recorded in Book 1322, Page 503 (approximately 8,250 sq. ft.), as corrected by deed dated November 22, 1978, recorded in Book 1336, Page 497, and (c) Stanley H. Prescott dated April 8, 1974, recorded in Book 1206, Page 448 (for access).

31. Tract of about 5.6 acres located on the westerly bank of the Merrimack River in the City of Concord, acquired as the site for transmission line river crossing tower, conveyed by deed of the Estate of Bertha Salvucci dated June 10, 1974, recorded in Book 1216, Page 251.

32. Rights-of-way relating to 3.1 miles of transmission line between Hollis substation of the Company and a tap on the transmission line between Bridge Street and West Portsmouth Street substations of the Company, conveyed by the following deeds:

RECORDING REFERENCE				
<u>DATE OF DEED</u>	<u>BOOK</u>	<u>PAGE</u>	<u>GRANTOR</u>	<u>LOCATION</u>
Mar. 29, 1972	1127	414	State of New Hampshire	Concord
Dec. 07, 1973	1197	248	Christopher H. Edmunds	Concord
Dec. 10, 1973	1197	252	Ernest A. Boulay	Concord
Jan. 11, 1974	1200	91	Christopher H. Edmunds	Concord

33. License to cross land owned by the State of New Hampshire in the City of Concord with a portion of the transmission line between the West Concord and Penacook substations of the Company to serve Weeks-Concord Dairy, Inc., granted by the New Hampshire Public Utilities Commission by its Order No. 11367, dated April 5, 1974, recorded in Book 1236, Page 303.

34. Right-of-way for about 215 feet of transmission line from a tap on the transmission line between the Garvins Falls substation of Public Service Company of New Hampshire and the Bridge Street substation of the Company, acquired to serve Flanders Office Building on Loudon Road east of the Merrimack River in the City of Concord, conveyed by deed of Stanley A. Bartlett and Phyllis M. and G. Alvin Towle, dated February 14, 1975, recorded in Book 1235, Page 450.

35. Right-of-way for about 2000 feet of transmission line in the City of Concord from a tap on the transmission line between the Pleasant Street and West Concord substations of the Company to serve United Life and Accident Insurance Company, conveyed by deed of the City of Concord, dated April 22, 1975, recorded in Book 1241, Page 40.

36. Tract of about 6.39 acres located on Sewalls Falls Road in the City of Concord, acquired as site for bulk power supply step-down station, 115KV to 34.5KV, conveyed by deed of Edward J. Sullivan, dated May 8, 1978, recorded in Book 1321, Page 371.

37. Right-of-way for about 700 feet of transmission line in the City of Concord from a tap on the Company's transmission line between its Terrill Park and Bridge Street substations, acquired as part of the necessary easements to serve the Flanders Office Building, so-called, on Loudon Road in the City of Concord, conveyed by deed of Earl L. and Dorothy J. Flanders, dated February 14, 1975, recorded in Book 1242, Page 214. See also Schedule A, Part II, Item 5 of the Company's Third Supplemental Indenture dated as of July 1, 1975, from which this acquisition was inadvertently omitted.

38. Right-of-way to provide for the relocation of about 843 feet of transmission line in the City of Concord between the Penacook and Boscawen substations of the Company across premises of the Grantor on Merrimack Street in the Village of Penacook, conveyed by quitclaim deed of Riverside Millwork Company, Inc., dated October 14, 1976, recorded in Book 1282 page 1069.

39. Transmission line easement in the City of Concord between the Hazen Drive and Hollis substations of the Company acquired by the Company by deed of United Church of Christ Retirement Center, Inc., dated June 26, 1978, recorded in Book 1323, Page 270.

40. Right-of-way to provide for relocation of about 845 feet of transmission line in the City of Concord between the Gulf Street and Bridge Street substations of the Company across premises acquired by deed of the State of New Hampshire, dated January 17, 1980, recorded in Book 1366, Page 63.

41. Right-of-way for about 520 feet of transmission line in the City of Concord between the Bow Junction and Pleasant Street substations of the Company, conveyed by deed of Concord Union School District, dated September 10, 1981, recorded in Book 1403, Page 29, confirmed by deed dated June 9, 1982, recorded in Book 1417, Page 877.

42. License for about 1.8 miles of transmission line in the City of Concord between the Bow Junction and Pleasant Street substations of the Company excepting those portions of the line which cross (a) the premises with respect to which an easement was conveyed to the Company by Concord Union School District (Item 5 above) and (b) premises of the Company located on Iron Works Road. This license, dated June 30, 1982, was granted by Governor and Council pursuant to Order No. 15,618 of the New Hampshire Public Utilities Commission, recorded in Book 1420, Page 759.

43. Tract of approximately 0.46 acres located on the southerly side of Branch Turnpike in the City of Concord acquired by the Company by deed of A & G Realty, dated November 8, 1985, recorded in Book 1537, Page 263.

44. Leasehold rights with respect to a certain parcel of land located on the southerly side of U.S. Route 4 in Epsom, New Hampshire, for use as a step-down transformer location, a "mobil sub," and any appurtenant equipment necessary or convenient for the operation thereof pursuant to a certain Lease Agreement by and between Dennis Nolin and David Pauliotte (collectively "*Lessor*") and Concord Electric Company ("*Lessee*"), dated June 8, 1988, and

recorded in Book 1731, Page 397, such agreement having a term of five years, and a renewal option for an additional five year term.

45. Leasehold rights with respect to a certain parcel of land located on the southerly side of U.S. Route 4 in Epsom, New Hampshire for use as a step-down transformer location, a "mobil sub," and any appurtenant equipment necessary or convenient for the operation thereof pursuant to a Lease Agreement between Dennis Nolin and David Pauliotte and Concord Electric Company dated May 28, 1993 and recorded in Book 1917, Page 1853, for a term of five years and a renewal option for an additional five year term.

46. Transmission Line Easement conveyed by Utility Easement deed of Capital Regional Development Council to Concord Electric Company, dated May 27, 1999, recorded in Book 2158, Page 842.

47. Transmission Line Easement conveyed by instrument entitled Addition to Utility Easement granted by Capital Regional Development Council to Concord Electric Company, dated December 21, 2000, recorded in Book 2236, Page 1542.

48. Transmission Line Easement conveyed by Utility Easement deed of Irene C. Bridges to Concord Electric Company, dated February 12, 2001, recorded in Book 2243, Page 601.

49. Transmission Line Easement conveyed by Utility Easement deed of Park Plaza Limited Partnership to Concord Electric Company, dated February 6, 2002, recorded in Book 2361, Page 789.

50. Transmission Line Easement conveyed by Utility Easement deed of Irving Oil Corporation to Concord Electric Company, dated October 17, 2002, recorded in Book 2418, Page 1908.

51. All lines of poles and wires, both transmission and distribution, situated in the City of Concord and the Towns of Allenstown, Boscawen, Bow, Canterbury, Chichester, Dunbarton, Epsom, Hopkinton, Loudon, Pembroke, Salisbury and Webster, all in the County of Merrimack, in The State of New Hampshire, including without limiting the generality of this description, all rights, privileges, easements in the Company's transmission line running from Garvins Falls, in said Concord, to that section of Concord known as Penacook, with all connections, appliances, appurtenances and apparatus connected therewith, including transformers, services, meters, switches and other devices, with all rights of way, franchises and locations existing in respect thereto, situated in the City of Concord and the towns above mentioned.

## SCHEDULE A

### PART II – ROCKINGHAM COUNTY PROPERTIES\*

#### **Properties and Transmission Line Easement Rights Located in Towns of Exeter, Hampton, Hampton Falls, Seabrook, Stratham, Kingston, East Kingston, South Hampton, Newton, Danville, Plaistow, Atkinson, Kensington, North Hampton, Greenland, Brentwood, Derry, and Hampstead, all in Rockingham County, New Hampshire**

1. Rights reserved with respect to premises located on southerly side of South Street in the Exeter conveyed by the Company to John A. Bell, the State of New Hampshire and John W. Flynn, Jr., as tenants in common, by deed dated December 27, 1978 and recorded in Book 2329, Page 1241.

2. The substation property, situated in Exeter, New Hampshire, on the Southerly side of River Street, so-called, and being the same premises acquired by the Company by deed of Fred L. Colcord, dated July 3, 1926, recorded in Book 815, Page 279, and including the right of the Company to erect and maintain a transmission line or lines from the conveyed premises across the Exeter River, so-called, as included in said conveyance.

3. The switching-station property, situated in Exeter, New Hampshire, on the Southerly side of the Exeter River, so-called, and being the same premises acquired by the Company by deed of The Trustees of The Phillips Exeter Academy, dated December 14, 1939, recorded in Book 963, Page 275, together with a right-of-way twelve (12) feet in width extending from Gilman's Lane, so-called, on other property of said Trustees to the conveyed switching station property. Said right-of-way hereinabove referred to was discontinued as of the fifteenth day of March, 1947 and an additional right-of-way in lieu thereof twelve (12) feet in width was conveyed to Exeter & Hampton Electric Company by The Trustees of The Phillips Exeter Academy by deed dated March 15, 1947, recorded in Book 1073, Page 407, as appurtenant to the right and easement to maintain an underground system from said switching-station lot to High Street, so-called, therein conveyed.

4. The substation property, situated in Hampton, New Hampshire, on the Southerly side of Lafayette Avenue, so-called, and being the same premises acquired by the Company under the following deeds:

<u>Date of Deed</u>	<u>Book</u>	<u>Page</u>	<u>Grantor</u>	<u>Location</u>
Sept. 25, 1926	804	123	Simeon A. Shaw	Hampton
Oct. 28, 1935	896	381	Simeon A. Shaw	Hampton

\* All conveyances relate to premises located in Rockingham County, New Hampshire, and all recording references are to records on file at the Rockingham County Registry of Deeds, Exeter, New Hampshire.

Said premises are conveyed subject to the rights of The State of New Hampshire and/or the Town of Hampton, to construct and maintain an approach to the overhead bridge maintained across property of the Boston & Maine Railroad, along and over the Westerly side of the conveyed property.

5. The substation property, situated in Hampton, New Hampshire, on the Glade Path, so-called, and being the same premises acquired by the Company by deed of Hampton Beach Improvement Company, dated November 8, 1926, recorded in Book 831, Page 13.

6. The substation property, situated in Hampton, New Hampshire, on the Guinea Road West, so-called, and being the same premises acquired by the Company by deed of Clarence T. Brown, dated August 17, 1926, recorded in Book 804, Page 43.

7. The substation property, situated in Kingston, New Hampshire, and being the same premises acquired by the Company by deed of John W. Trow, dated May 28, 1937, recorded in Book 931, Page 157, except that portion of the premises acquired (approximately 1350 square feet) as conveyed by the Company to Edward B. Holt and Helen J. Holt by deed, dated January 26, 1988, recorded in Book 2727, Page 1232, subject to transmission easement rights reserved therein.

The above described property is conveyed subject to a right to erect, maintain and operate a transmission line or lines as acquired by Rockingham County Light and Power Company under deed of Mary J. Crosby, dated May 18, 1904, recorded in Book 601, Page 389, which right is now owned and operated by New Hampshire Electric Company, and more specifically described as the right to maintain a transmission line consisting of poles, wires and all necessary appurtenances, together with a right to keep clear of all growth detrimental to the proper operation of said line, a space of one rod on either side of the center line thereof.

8. The substation property situated on Glade Path in Hampton, New Hampshire, in that section known as Hampton Beach acquired by the Company by deed of Hampton Beach Improvement Company, dated February 21, 1949, recorded in Book 1124, Page 37.

9. The substation property situated in Plaistow, New Hampshire, on the Easterly side of Witch Lane, so-called, acquired by the Company by deed of Roger B. Hill, dated August 16, 1951, recorded in Book 1219, Page 63, except (a) those portions of the premises acquired as conveyed by the Company to the Town of Plaistow by deeds, dated June 27, 1977, recorded in Book 2287, Page 172 and Book 2287, Page 173, (b) that portion of the premises acquired as conveyed by the Company to the Dart Container Corporation by deed dated June 27, 1977, recorded in Book 2293, Page 1350, and (c) easement as conveyed by the Company to New England Telephone and Telegraph Company by deed, dated June 25, 1979 recorded in Book 2341, Page 1050.

10. The distribution lines, property, rights and franchises formerly owned by Plaistow Electric Light & Power Company, situate principally in the Towns of Plaistow and Atkinson, both in New Hampshire, as acquired by the Company by deed of Plaistow Electric Light & Power Company, dated September 30, 1926, recorded in Book 816, Page 470.

11. A license to construct and maintain a line of transmission wires and poles over and across public waters in the Towns of Hampton and Hampton Falls, New Hampshire, as shown by Petition D-E3308, Exeter & Hampton Electric Company to New Hampshire Public Utilities Commission, Vol. XXXVI, Page 89.

12. A license to construct and maintain a line of transmission wires and poles over and across lands of the Legatees under the Will of Moses Eaton, in the Town of Seabrook New Hampshire, as shown by Petition D-E3327, Exeter & Hampton Electric Company to New Hampshire Public Utilities Commission, Vol. XXXVI, Page 189, and further recorded with Rockingham County Registry of Deeds, Book 1323, Page 228.

13. A tract of land, including without limitation the Service Building located thereon, situated in Kensington, New Hampshire, on the Drinkwater Road, so-called, acquired by the Company by deed of John W. York, dated June 14, 1954, recorded in Book 1319, Page 33, subject to the reservation of the said John W. York to the use of a right-of-way approximately fifteen (15) feet in width extending from said Drinkwater Road to other land of said John W. York, lying Easterly of the land therein conveyed, for men, teams, vehicles, and for all necessary and desirable purposes, subject, however, to the understanding and agreement that said right-of-way shall not be fenced or made subject to gates and bars, that the said John W. York shall assume all expenses of maintenance thereof, and that said Company, its successors or assigns, shall have full and unimpeded rights of using said right of way whenever necessary or desirable, except that portion of the premises acquired as conveyed by the Company to Arthur H. Chapman and Marion J. Chapman by deed dated December 26, 1968, recorded in Book 1955, Page 91.

14. A tract of land situated in Seabrook, New Hampshire, acquired by the Company by deed of Charles Fogg Janvrin, dated May 21, 1954, recorded in Book 1316, Page 425.

15. The East Kingston distribution substation located on the northerly side of the East Kingston Road with a capacity of 1,500 KVA and consisting of a transformer, switching facilities and associated apparatus, together with a connection to the Kingston transmission line, constructed on a tract of land acquired by the Company under a deed of Robert H. and Marjorie E. Andersen, dated January 28, 1957, recorded in Book 1422, Page 215.

16. 3.4 miles of transmission line rights-of-way, including without limitation, transmission and distribution wires and poles located thereon, situated in Stratham, New Hampshire, acquired by the Company under the following deeds:

RECORDING REFERENCE				
<u>DATE OF DEED</u>	<u>BOOK</u>	<u>PAGE</u>	<u>GRANTOR</u>	<u>LOCATION</u>
Dec. 22, 1951	1307	351	Mary E, Summerfield	Stratham
Nov. 12, 2002	TBR	TBR	Cabernet Builders of Stratham, L.L.C.	Stratham
	1315	496	Carrie J. Rollins	Stratham
May 14, 1954	1315	360	Earle L. Stockbridge, Executor of the Will of Florence E. Rollins	Stratham

Oct. 26, 2002	TBR*	TBR*	Thornhill Condominium Association	Stratham
May 22, 1985	2545	2989	Walter Biery	Stratham
_____, 2002	TBR*	TBR*	Rollins Hill Development, L.L.C.	Stratham
Mar. 17, 1987	2674	665	Christine A.Eldridge	Stratham
Dec. 18, 1986	2650	521	Winifred and Louise Pazzanese	Stratham
_____, 2002			Winifred M. Pazzanese	Stratham
Dec. 18, 1986	2674	662	Charlan Chapman	Stratham
Nov. 21, 1986	2644	1473	Daniel A. Daudelin	Stratham
Nov. 30, 1982	2442	109	Virginia Holmgren and Lucy Perry	Stratham
May 08, 1978	232	951	Lucy Perry	Stratham
May 04, 2001	3577	1449	Parkman Brook Development, LLC	Stratham
Jan. 24, 2002	3713	990	Parkman Brook Development, LLC (corrective deed)	Stratham
Nov. 1, 2002	TBR*	TBR*	Cameron Sewall, Trustee of the Cameron Sewall 1987 Trust; and Joan M. Sewall, Trustee of the Joan M. Sewall 1987 Trust	Stratham
Feb. 26, 2002	3770	2311	Joseph Falzone as Trustee of Bunker Hill Realty Trust	Stratham
Dec. 24, 1950	1194	457	H. Roby and Nellie M. Jewell	Stratham
Nov. 15, 2002	TBR*	TBR*	William A. Woods	Stratham
_____, 2002	TBR*	TBR*	Public Service Company of New Hampshire	Stratham
Dec. 1950	1194	454	Nelson E. and Levi H. Barker	Stratham
Oct. 23, 1963	PUC Order, in Condemnation		Archibald & Lucille Harding	Hampton Falls
May 06, 1963	1669	194	Russell P. Merrill Sr. & Jr.	Hampton Falls

\*TBR = To be recorded

17. A right-of-way for purposes of transmission and distribution lines, situated in Hampton, New Hampshire, acquired by the Company by deed of Henry V. Dupuis, dated July 21, 1955, recorded in Book 1362, Page 81.

18. A tract of land for purposes of transmission and distribution lines, situated in Hampton, New Hampshire, acquired by the Company by deed of Richard J. Oosting and Olive B. Oosting, dated May 27, 1955, recorded in Book 1355, Page 476.

19. The 33 KV Kingston transmission line 11.8 miles in length consisting of rights of way with poles, wires and apparatus erected thereon running from a point near the Company's Guinea Road switching station in Hampton, New Hampshire, through the Towns of Hampton, Hampton Falls, Kensington, East Kingston and Kingston, New Hampshire, to a distribution substation at West Kingston Road in Kingston, acquired by the Company under the following deeds:

Deed of the New Hampshire Electric Company, dated December 31, 1955, recorded in Book 1383, Page 102;

Deed of Horace B. Philbrick, dated November 27, 1957, recorded in Book 1453, Page 111;

together with a tie between said transmission line and the Guinea Road station constructed upon rights of way theretofore owned by the Company.

Rights-of-way to widen the 11.8 miles of 33 KV Kingston transmission line to 100 feet to provide for a second circuit in the future from the Company's Guinea Road Switching Station in Hampton, New Hampshire, through the towns of Hampton, Hampton Falls, Kensington, East Kingston and Kingston, New Hampshire, to a distribution substation at West Kingston Road, Kingston, acquired by the Company under the following deeds:

<u>Date of Deed</u>	<u>Book</u>	<u>Page</u>	<u>Grantor</u>	<u>Location</u>
Jan. 11, 1961	1574	72	Edward B. & Helen J. Holt	Kingston
Dec. 07, 1960	1571	40	Thomas D. & Jean M. Spinella	Kingston
Nov. 24, 1961	1609	95	Chas. W. & Clinton W. Senter	Kingston
Jan. 14, 1961	1574	70	Warren W. & Marjorie N. George	Kingston
Jan. 28, 1961	1574	584	Arthur E. Alton	Kingston
Dec. 17, 1960	1571	43	John A. & Anna W. Greene	Kingston
Jan. 05, 1962	1613	331	Amanda C. Goodwin et alii	Kingston
Sept. 23, 1961	1600	341	Sarkis Bannaian	Kingston
Jan. 23, 1962	1614	403	George E. & Edith Arnold	Kingston
Jan. 10, 1962	1613	329	John E. & Gardner Ladd	Kingston
Jan. 10, 1962	1613	324	E. M. Bowley & J. B. Dutton	Kingston
Jan. 14, 1961	1574	82	Frieda M. & Walter R. Modlich	Kingston
Jan. 11, 1961	1574	75	Kenneth & Gladys F. Hoyt	Kingston
Apr. 01, 1961	1579	84	Beverly S. & Mary S. Chamberlain	Kingston
Apr. 01, 1961	1579	87	Beverly S. & Mary S. Chamberlain	East Kingston
Jan. 11, 1961	1574	55	Arnold L. & A. Elvena Belcher	East Kingston
Jan. 11, 1961	1574	84	Lucy A. Sprague	East Kingston
Nov. 25, 1961	1609	103	Frederick P. & Dorothy H. Montrose	East Kingston

<u>Date of Deed</u>	<u>Book</u>	<u>Page</u>	<u>Grantor</u>	<u>Location</u>
Jan. 28, 1961	1574	587	Archie D. & Ellen B. Osmond	East Kingston
Nov. 25, 1961	1609	100	Frederick P. & Dorothy H. Montrose	East Kingston
Dec. 17, 1960	1571	227	George E. & Lillian A. Henshaw	East Kingston
Jan. 11, 1961	1574	62	Henry H. & Emily H. Clark	East Kingston
Jan. 23, 1962	1614	405	Harold P. Nason	Kingston
Nov. 25, 1961	1609	98	Arlan T. & Jacqueline W. Clements	Kingston
Jan. 27, 1962	1615	299	Nellie R. Shattuck	Kingston
Mar. 22, 1962	1620	368	John J. Bakie	Kingston
Apr. 26, 1961	1580	546	John W. & Nora M. Tuthill (Lot)	Kingston
Jan. 14, 1961	1574	79	G. Austin & Donald A. Kemp	East Kingston
Dec. 17, 1960	1571	35	J. Edward & Annie L. Stevens	East Kingston
Dec. 17, 1960	1571	38	J. Edward & Annie L. Stevens	East Kingston
Jan. 12, 1962	1613	326	John W. & Jessie E. York	East Kingston
Apr. 15, 1961	1580	539	Wendell E. & Doris M. Sweetser	East Kingston
Apr. 15, 1961	1580	535	Wendell E. & Doris M. Sweetser	East Kingston
Oct. 18, 1961	1603	360	Richard E. Sargent	East Kingston
Jan. 31, 1961	1574	581	Paul W. & Marian C. Kimball	Kensington
Jan. 14, 1961	1574	60	Parker M. Blodgett	Kensington
Apr. 29, 1961	1581	224	Margaret M. Alger	Kensington
Apr. 26, 1961	1580	542	John W. & Nora M. Tuthill	Kensington
Jan. 11, 1961	1574	57	Elmer C. & Bernice E. Brewer	Kensington
Sept. 09, 1961	1599	294	Horace B. Philbrick	Kensington
Dec. 24, 1962	1656	258	Louis E. & Merida Daigneault	Kensington
May 10, 1961	1582	156	David C. & Joan T. Engel	Kensington & Hampton Falls
Sept. 9, 1961	1599	287	John P. & Nancy P. Hall	Hampton Falls
Sept. 15, 1961	1600	338	Chas. F. & Lucille C. Savage	Hampton Falls
Mar. 30, 1961	1579	92	Earl G. & Katherine P. Warfield	Hampton Falls
Mar. 30, 1961	1579	90	Agnes R. Knight	Hampton Falls
May 01, 1961	1599	290	Stanley A. Hamel	Hampton Falls
Sept. 01, 1961	1599	292	Homer A. Johnson	Hampton
Dec. 29, 1962	1656	263	Wilbert M. & Jennie A. Swett	Kingston
Dec. 29, 1962	1656	256	Helen D. Ball <sup>1</sup>	Kingston
Dec. 29, 1962	1656	261	Arthur H. Penniman <sup>2</sup>	Kingston

22. Additional rights-of-way to widen the 11.8 miles of 34 KV Kingston transmission line to 100 feet to provide for a second circuit in the future from the Company's Guinea Road Switching Station in Hampton, New Hampshire, through the towns of Hampton, Hampton Falls,

<sup>1</sup> Except portion thereof released by deed from the Company to Helen D. Ball dated January 3, 1963, recorded in Book 1656, Page 266.

<sup>2</sup> Except portion thereof released by deed from the Company to Arthur H. Penniman dated January 3, 1963, recorded in Book 1656, Page 265.

Kensington, East Kingston and Kingston, New Hampshire, to a distribution substation at West Kingston Road, Kingston, acquired by the Company under the following deeds:

<u>Date of Deed</u>	<u>Book</u>	<u>Page</u>	<u>Grantor</u>	<u>Location</u>
Dec. 6, 1966	1847	103	William F. Tucker, Jr.	Kingston
May 19, 1966	1821	554	Lyman B. Pope	Kingston
May 13, 1966	1823	490	Ethel Milbury	Kingston
June 07, 1966	1823	147	Cleveland Webster and Robert Kuegel	Kensington
Jan. 02, 1965	1751	095	Heirs of I. Webster	Kingston
Sept. 14, 1964	1739	001	Joseph Noble	Hampton Falls
Nov. 13, 1965	1796	450	Elizabeth Kudaruska and Benjamin Checkoway	Hampton and Hampton Falls
July 24 1967	1869	494	Edward & Helen Holt	Kingston
Mar. 25, 1965	1761	026	Augustine & George Hurley	Kingston
Feb. 28, 1967	1857	012	State of New Hampshire	Kingston
Mar. 18, 1966	1862	377	Jenney Mfg. Co.	Kingston
May 17, 1966	1823	104	Unknown Owners - Gerald Giles G/A/L	Kingston and Kensington
Oct. 19, 1964	1738	498	Ruth Simes	Kingston
May 17, 1966	1823	167	Nathan Battles	Kingston
May 17, 1966	1823	126	Robert & Marjorie Anderson	East Kingston
Nov. 3, 1965	1796	456	Cora Colby	Kensington
Sept. 21, 1964	1739	005	John & Nora Tuthill (Lot)	Kensington
May 17, 1966	1823	187	Abbie Simes	Kingston

23. 2.5 miles of transmission line rights-of-way running from a tap in Hampton Falls, on the Hampton to Exeter transmission line to the Sylvania Electric Products, Inc., plant on Portsmouth Avenue, Exeter, acquired by the Company under the following deeds:

<u>Date of Deed</u>	<u>Book</u>	<u>Page</u>	<u>Grantor</u>	<u>Location</u>
June 26, 1963	1676	423	Irene A. Barker	Exeter
May 17, 1963	1672	235	Amede & Florence Baillargeon	Exeter
July 16, 1963	1679	497	Henry & Cecilia D. Saltonstall	Exeter
May 18, 1963	1672	233	Ralph V. & Alice E. Amsden	Exeter
July 10, 1963	1679	5	Edward & Elsa Rogalski	Exeter & Stratham
P.U.C. Order, October 23, 1963, in Condemnation			Archibald & Lucille Harding	Hampton Falls
May 06, 1963	1669	194	Russell P. Merrill Sr. & Jr.	Hampton Falls

24. 1.9 miles of transmission line rights-of-way running from the Exeter Substation on River Street to Drinkwater Road, Exeter, New Hampshire, acquired by the Company under the following deeds:

<u>Date of Deed</u>	<u>Book</u>	<u>Page</u>	<u>Grantor</u>	<u>Location</u>
Mar. 17, 1960	1539	488	Trustees of the P. E. A.	Exeter
Feb. 24, 1960	1537	470	John F. Sanborn	Exeter

25. Rights-of-way at Hampton for moving transmission lines to allow for the construction of New Hampshire Route 101-C, acquired by the Company under the following deeds:

<u>Date of Deed</u>	<u>Book</u>	<u>Page</u>	<u>Grantor</u>	<u>Location</u>
Mar. 11, 1960	1539	116	Town of Hampton	Hampton
Feb. 23, 1960	1537	446	Jessie M. Toppan	Hampton
Feb. 23, 1960	1537	449	Walter H. Purington	Hampton

26. Rights reserved with respect to premises located on southerly side of South Street in the Exeter conveyed by the Company to John A. Bell, the State of New Hampshire and John W. Flynn, Jr., as tenants in common, by deed dated December 27, 1978, recorded in Book 2329, Page 1241.

27. 1.5 miles of transmission line rights-of-way from a tap in Exeter on the transmission line to Sylvania Electric Products, Inc. and running westerly in Exeter and Stratham and including a substation lot, acquired by the Company under the following deeds:

<u>Date of Deed</u>	<u>Book</u>	<u>Page</u>	<u>Grantor</u>	<u>Location</u>
Oct. 08, 1965	1793	091	Sylvania Electric Products, Inc.	Exeter
Feb. 21, 1966	1851	452	Paul Molloy	Exeter
Oct. 09, 1965	1792	093	Harold & Vera Haley (Lot)	Exeter and Stratham <sup>3</sup>
Feb. 03, 1966	1809	253	Callahan Realty Corp.	Stratham
Feb. 08, 1966	1809	250	Lionell Labonte	Stratham
Feb. 04, 1966	1811	450	Julia Scammon	Stratham
Mar. 08, 1966	1853	382	Edward Laviolette	Stratham
Oct. 09, 1965	1792	094	Harold & Vera Haley	Stratham

28. Lot of land adjacent to substation lot on River Street, Exeter, acquired by the Company by deed of Lena Bondi, dated September 27, 1965, recorded in Book 1789, Page 180.

29. Distribution substation lot and 400 feet of distribution rights-of-way on easterly side of Route 125 in Plaistow, acquired by the Company by deed of Old County Court Inc., dated May 15, 1965, recorded in Book 1774, Page 407.

<sup>3</sup> Except that portion of the premises acquired as conveyed by the Company to the State of New Hampshire by deed dated July 29, 1997, recorded in Book 3233, Page 195, subject to reserved rights as stated therein.

30. 7 miles of transmission line rights-of-way running from Plaistow substation to the plant of Process Engineering, Inc. in Plaistow, acquired by the Company under the following deeds:

<u>Date of Deed</u>	<u>Book</u>	<u>Page</u>	<u>Grantor</u>	<u>Location</u>
Nov. 26, 1966	1845	088	Myron & Mary Sorenson (Lot)	Plaistow
Aug. 03, 1966	1831	119	Gordon A. Cheney	Plaistow
Oct. 25, 1966	1842	097	Donald & Marilyn Senter	Plaistow
Oct. 27, 1966	1841	567	Process Engineering, Inc.	Plaistow
July 14, 1966	1829	435	Nettie Bell Hill	Plaistow
Nov. 21, 1966	1844	510	Nicholas & Grace Kay	Plaistow

31. Transmission line rights-of-way in the Town of Seabrook, acquired by the Company under the following deeds:

<u>Date of Deed</u>	<u>Book</u>	<u>Page</u>	<u>Grantor</u>	<u>Location</u>
Apr. 13, 1964	1711	340	Town of Seabrook	Seabrook
Apr. 07, 1964	1711	454	John D. Fogg	Seabrook

32. 1.1 miles of transmission line rights-of-way running through the Bailey Company property to a distribution substation site on Cemetery Lane in Seabrook, acquired by the Company under the following deeds:

<u>Date of Deed</u>	<u>Book</u>	<u>Page</u>	<u>Grantor</u>	<u>Location</u>
June 08, 1967	1866	016	Melvin & Helen S. Morgan	Seabrook
May 22, 1967	1861	463	Bailey Company <sup>4</sup>	Seabrook
Mar. 28, 1967	1857	009	Richard & Alice Holloway	Seabrook
June 08, 1967	1863	412	K. J. Quinn Company	Seabrook
Sept. 15, 1967	1877	412	John W. Durgin, Jr. (Lot)	Seabrook
Sept. 15, 1967	1877	413	John W. Durgin, Jr.	Seabrook

33. 5.2 miles of transmission line rights-of-way running from a point on the Guinea Road to Hampton transmission line in town of Hampton. Running through the towns of Hampton, Hampton Falls, South Hampton and Seabrook, acquired by the Company under the following deeds:

<u>Date of Deed</u>	<u>Book</u>	<u>Page</u>	<u>Grantor</u>	<u>Location</u>
Feb. 02, 1966	1810	016	Public Service Company of N.H. (Lot)	Hampton
Feb. 02, 1966	1810	011	Public Service Company of N.H.	Hampton, Hampton Falls, South Hampton and Seabrook <sup>5</sup>

<sup>4</sup> Possibly subject to condemnation by Public Service Company of New Hampshire for Seabrook Station, said taking by Petition for Condemnation filed with New Hampshire Public Utilities Commission on April 9, 1974, said Petition and Order thereon, recorded in Book 2220, Page 1659

34. Distribution rights-of-way located in various towns as indicated, acquired by the Company under the following deeds:

<u>Date of Deed</u>	<u>Book</u>	<u>Page</u>	<u>Grantor</u>	<u>Location</u>
Feb. 18, 1964	1706	360	Irving E. & Anna E. Peaslee	Plaistow
Dec. 15, 1964	1748	003	Paul W. Hobbs & James A. Bricket Trs.	Hampton
May 26, 1967	1862	379	Town of Hampton	Hampton
June 29, 1965	1774	004	Bernice K. Davis	Danville
June 29, 1965	1774	006	Alden & Francis Colby	Danville

35. Easements to widen portions of 5.2 miles of transmission line right-of-way from a point on the Guinea Road to Hampton transmission line, in Hampton, through Hampton Falls and Seabrook, and acquired by the Company under the following deeds:

<u>Date of Deed</u>	<u>Book</u>	<u>Page</u>	<u>Grantor</u>	<u>Location</u>
Mar. 31, 1971	2062	081	Edwin L. Batchelder, Jr.	Hampton
Apr. 21, 1971	2066	040	Flora B. Hurd	Hampton
Apr. 07, 1971	2066	037	Ernest N. & Rose V. Brown	Hampton Falls
Mar. 17, 1971	2079	291	Applecrest Farm Orchards, Inc.	Hampton Falls
July 06, 1971	2080	203	Francis J. & Anne M. Ferreira	Hampton Falls
Mar. 20, 1971	2062	092	Anthony & Sandra E. Smoker	Hampton Falls
Mar. 31, 1971	2062	086	Raymond F. & Diane LaLime	Hampton Falls
Mar. 20, 1971	2062	083	Howard L. & Betty J. Janvrin	Hampton Falls
Mar. 20, 1971	2066	034	Daniel E. Dow	Hampton Falls
Mar. 20, 1971	2062	095	Arthur G. & Frances Dupuis	Hampton Falls
Mar. 20, 1971	2062	089	George W. & Drucilla H. Lonergan	Hampton Falls
June 16, 1971	2076	402	Helen Evans Woodworth	Hampton Falls
June 15, 1971	2076	400	Walter & Edna Combs	Hampton Falls

<sup>5</sup> Except (a) that portion of the premises acquired as conveyed by the Company to Ray W. Coombs by deed dated January 31, 1969, recorded in Book 1955, Page 93, (b) that portion of the premises acquired as conveyed by the Company to Howard L. Janvrin, Jr. and Betty J. Janvrin by deed dated April 5, 1971, recorded in Book 2062, Page 85, in exchange for other rights acquired by the Company, (c) that portion of the premises acquired as conveyed by the Company to Raymond F. Lalime and Diane Lalime by deed dated April 5, 1971, recorded in Book 2062, Page 88, in exchange for other rights acquired by the Company, (d) that portion of the premises acquired as conveyed by the Company to George W. Lonergan and Drucilla H. Lonergan by deed dated April 5, 1971, recorded in Book 2062, Page 91, in exchange for other rights acquired by the Company, (e) that portion of the premises acquired as conveyed by the Company to Anthony Smoker and Sandra E. Smoker by deed dated April 5, 1971, recorded in Book 2062, Page 94, in exchange for other rights acquired by the Company, (f) that portion of the premises acquired as conveyed by the Company to Arthur G. Dupuis and Frances M. Dupuis by deed dated April 5, 1971, recorded in Book 2062, Page 97, in exchange for other rights acquired by the Company, (g) that portion of the premises acquired as conveyed by the Company to Daniel E. Dow by deed dated April 5, 1971, recorded in Book 2062, Page 98, in exchange for other rights acquired by the Company, (h) that portion of the premises acquired as conveyed by the Company to Richard S. Robie by deed dated May 12, 1971, recorded in Book 2071, Page 350, in exchange for other rights acquired by the Company, and (i) that portion of the premises acquired as conveyed by the Company to Applecrest Farm Orchards, Inc. by deed dated September 14, 1971, recorded in Book 3061, Page 006, in exchange for other rights acquired by the Company. See Paragraph 31, below.

<u>Date of Deed</u>	<u>Book</u>	<u>Page</u>	<u>Grantor</u>	<u>Location</u>
May 12, 1971	2068	146	Richard S. Robie	Hampton Falls
Sept. 01, 1970	2032	272	Lloyd Graves	Hampton
Sept. 03, 1968	1928	164	John W. Durgin, Jr.	Seabrook

36. 2.1 miles of transmission line right-of-way running from a point on the Hampton to Hampton Beach transmission line to a substation on High Street, in Hampton, acquired under the following deeds:

<u>Date of Deed</u>	<u>Book</u>	<u>Page</u>	<u>Grantor</u>	<u>Location</u>
Feb. 09, 1968	1897	348	Bruce M. Fall & Ruth V. Aquizap	Hampton
Apr. 17, 1970	2011	252	Mary Ruth Perkins	Hampton
May 26, 1970	2016	464	Byron Redman	Hampton
May 26, 1970	2016	466	Donald Northway	Hampton
Apr. 17, 1970	2011	260	Vrylma Olney	Hampton <sup>6</sup>
Jan. 04, 1971	2050	141	Marion Garland	Hampton <sup>7</sup>
Feb. 10, 1970	2004	014	Moses Brown	Hampton <sup>8</sup>
May 08, 1970	2014	169	John W. Durgin, Jr. (Lot)	Hampton
Apr. 17, 1970	2011	258	Robert Mace	Hampton
Apr. 17, 1970	2011	265	Robert Mace	Hampton
Mar. 10, 1970	2006	368	Flora & Gary Hurd	Hampton
Oct. 29, 1969	1991	418	Homer A. Johnson	Hampton
Oct. 29, 1969	1991	420	Arthur & Florence Lamprey	Hampton
Aug. 01, 1969	1978	190	Town of Hampton	Hampton
Nov. 26, 1969	1995	474	Lloyd C. Ring	Hampton
Dec. 12, 1969	1998	008	John & Irene Hines	Hampton
Mar. 10, 1970	2006	370	Francis & Irene O'Connor	Hampton

37. Distribution substation lot and 400 feet of distribution right-of-way on westerly side of Hampton Road, in Exeter, acquired under the following deeds:

<u>Date of Deed</u>	<u>Book</u>	<u>Page</u>	<u>Grantor</u>	<u>Location</u>
Sept. 25, 1970	2036	105	Ralston Tree	Exeter
Sept. 16, 1970	2034	436	Exeter & Hampton Mobile Home	Exeter
Sept. 16, 1970	2034	434	Exeter & Hampton Mobile Home (Lot)	Exeter <sup>9</sup>

<sup>6</sup> Partially relocated pursuant to Easement Deed of Meadow Pond Farm Corporation dated April 29, 2002, recorded in Book 3792, Page 219.

<sup>7</sup> Released and relocated pursuant to Easement Deed of Meadow Pond Farm Corporation and Ice House Lane Condominium Association dated April 29, 2002, recorded in Book 3792, Page 209.

<sup>8</sup> Partially relocated pursuant to Easement Deed of Town of Hampton, New Hampshire dated June 24, 2002, recorded in Book 3792, Page 203.

<sup>9</sup> Subject to easement rights granted by the Company to First Altex Realty Trust, Third Altex Realty Trust, and Renwick Realty by deed, dated January 31, 1985, recorded in Book 2531, Page 0654.

38. Parcel of land adjacent to Guinea Road Switching Station, in Hampton, acquired by deed of Lloyd Graves, dated September 1, 1970, recorded in Book 2032, page 271.

39. Easements to widen transmission line rights-of-way from Guinea Road Switching Station 0.3 mile in Hampton, to the transmission lines of Public Service Company of New Hampshire, acquired under the following deeds:

<u>Date of Deed</u>	<u>Book</u>	<u>Page</u>	<u>Grantor</u>	<u>Location</u>
Sept. 1, 1970	2032	275	Billie and Oletha Barton	Hampton
Sept. 1, 1970	2032	274	Billie and Oletha Barton (Lot)	Hampton
Sept. 1, 1970	2032	277	Roger James	Hampton

40. 0.3 mile transmission line right-of-way from Exeter Switching Station to Phillips Exeter Academy Substation, and lot of land, acquired under the following deeds:

<u>Date of Deed</u>	<u>Book</u>	<u>Page</u>	<u>Grantor</u>	<u>Location</u>
July 09, 1968	1918	294	Phillips Exeter Academy	Exeter
July 09, 1968	1918	292	Phillips Exeter Academy	Exeter
July 09, 1968	1918	291	Phillips Exeter Academy (Lot)	Exeter

41. Lot of land adjacent to Service Building on Drinkwater Road, Kensington, acquired under the following deeds:

<u>Date of Deed</u>	<u>Book</u>	<u>Page</u>	<u>Grantor</u>	<u>Location</u>
July 26 1968	1921	432	Carolyn Christie <sup>10</sup>	Kensington
Mar. 11, 1069	1955	089	Arthur Chapman	Kensington

42. Distribution rights-of-way located in various towns as indicated, acquired by the Company under the following deeds:

<u>Date of Deed</u>	<u>Book</u>	<u>Page</u>	<u>Grantor</u>	<u>Location</u>
Feb. 23, 1971	2057	080	B-Jack Investments, Inc.	Exeter
Feb. 23, 1971	2057	082	Brickside Corporation	Exeter
Aug. 19, 1968	1927	205	Samuel H. Tamposi	Seabrook
Feb. 06, 1969	1960	024	Paul D. Dichter	Seabrook
Sept. 15, 1969	1985	146	Weare Park Associates	Seabrook
Dec. 01, 1969	1996	482	First Development Corporation	Seabrook
Oct. 22 1969	1992	260	Exeter Manor Nursing Home	Exeter
Aug. 30, 1969	1990	468	Roselle Iron Works, Inc.	Kingston

<sup>10</sup> Except that portion of the premises acquired as conveyed by the Company to Arthur H. Chapman and Marion J. Chapman by deed dated December 26, 1968, recorded in Book 1955, Page 91

43. Easements for transmission line right-of-way from Powder Mill Road in Exeter to Charter Street in Exeter, a distance of 5810 feet, and a lot of land acquired under the following deeds:

<u>Date of Deed</u>	<u>Book</u>	<u>Page</u>	<u>Grantor</u>	<u>Location</u>
Jan. 31, 1972	2136	135	Walter A. Stone	Exeter
April 4, 1972	2134	39	Jerry W. Belmonte	Exeter
Oct. 27, 1972	2182	86	John W. Durgin (Lot)	Exeter
Nov. 08, 1972	2184	438	Richard I. LaPerle	Exeter
Mar. 16, 1973	2199	461	Norman L. Judkins	Exeter
Mar. 16, 1973	2199	463	Francis L. Keaton	Exeter
Mar. 20, 1973	2199	459	Richard Irvine	Exeter

44. Lot of land on southerly side of Old Westville Road in Plaistow for a distribution substation acquired by deed of Westville Mkt. Inc., dated March 6, 1972, recorded in Book 2125, Page 268.

45. Easements to widen portion of transmission line right-of-way located in Hampton Falls, which is part of the Seabrook Loop right-of-way, acquired under the following deeds:

<u>Date of Deed</u>	<u>Book</u>	<u>Page</u>	<u>Grantor</u>	<u>Location</u>
June 23, 1971	2076	400	Walter W. Combs	Hampton Falls
June 23, 1971	2076	402	Helen C. Woodworth	Hampton Falls
July 07, 1971	2079	291	Apple Crest Farm Orchards, Inc.	Hampton Falls
July 09, 1971	2080	203	Francis J. Ferreira	Hampton Falls

46. Lot of land on westerly side of Mill Road in Kingston for a substation acquired by deed of Richard W. and Sylvia Senter, dated March 4, 1974, recorded in Book 2207, Page 1072, subject to a transmission line easement owned by Public Service Company of New Hampshire.

47. Lot of land on the southerly side of Rocks Road, in Seabrook, 100 feet by 200 feet, for a distribution substation, acquired by deed of John W. Durgin, dated September 27, 1974, recorded in Book 2230, Page 1620, subject to a 30 foot easement for the benefit of New England Telephone and Telegraph Company.

48. Easements for pole lines to service new industrial customers adjacent to the Boston & Maine Railroad in Hampton acquired under the following deeds:

<u>Date of Deed</u>	<u>Book</u>	<u>Page</u>	<u>Grantor</u>	<u>Location</u>
Nov. 10, 1975	2247	838	Charles G. and Mary O. White	Hampton
Dec. 08, 1975	2249	396	Dunfey Family Corp.	Hampton
Dec. 19, 1975	2249	1828	Webb Family Trust	Hampton

49. Tract of approximately .43 acres on the southerly side of Route 1 in the Town of Hampton, New Hampshire, adjacent to the southerly boundary of the existing Hampton Substation, conveyed to the Company by deed of the State of New Hampshire, dated September 15, 1980, and recorded in Book 2377, Page 978. (Also provided is a utility easement located between this parcel and the southerly sideline of US Route 1, containing 0.10 acres, more or less.)

50. Right-of-way for approximately 900 feet of transmission line construction in the Town of Hampton, New Hampshire to extend the 3341 and 3360 lines into Public Service Company of New Hampshire's Timber Swamp Substation, conveyed by deed of Public Service Company of New Hampshire, dated February 23, 1983, recorded in Book 2437, Page 238.

51. Right-of-way for approximately 80 feet of transmission line construction in the Town of Hampton, New Hampshire to extend the 3341 and 3360 lines into Public Service Company of New Hampshire's Timber Swamp Substation, conveyed by deed of Thomas L. & Patricia M. Deardeuff, dated July 15, 1982, recorded in Book 2418, Page 22.

52. Right-of-way for approximately 3300 feet of underground transmission line for the relocation of a portion of the 3359 line through the site of the Seabrook Nuclear Plant in the Town of Seabrook, New Hampshire, conveyed by deed of Properties, Inc., dated September 15, 1978, recorded in Book 2321, Page 591.

53. Right-of-way for approximately 1470 feet of transmission line located in Town of Hampton, New Hampshire, conveyed by deed of the State of New Hampshire, dated March 26, 1987, recorded in Book 2668, Page 1455.

54. Easement exchange between Properties, Inc. and Exeter & Hampton Electric Company to straighten a certain section of the 3359 Transmission Line to run parallel to and alongside a certain section of a 345 kV Transmission Line from the Seabrook Plant.

Granted from Properties, Inc. to Exeter & Hampton Electric Company are rights-of-way for a 100 foot strip across a portion of four (4) parcels acquired by Properties, Inc. under the following deeds:

<u>Date of Deed</u>	<u>Book</u>	<u>Page</u>	<u>Grantor</u>	<u>Location</u>
<b><u>PARCEL 1:</u></b>				
May 10, 1971	2070	31	Town of Seabrook	Seabrook
May 11, 1971	2233	281	Karl J.E. Grove	Seabrook
May 10, 1971	2071	252	Bruce G. & Cynthia L. Brown	Seabrook
June 8, 1984	2496	1470	<u>Properties, Inc. v. Natalie B. Chase, et als.</u> (Rockingham County Superior Court #E-22-84)	Seabrook

<u>Date of Deed</u>	<u>Book</u>	<u>Page</u>	<u>Grantor</u>	<u>Location</u>
<b><u>PARCEL 2:</u></b>				
June 8, 1971	2074	217	Chase Enterprises, Inc.	Seabrook
May 12, 1971	2071	250	Colin W. Stard (Portion of "Parcel 1")	Seabrook
<b><u>PARCEL 3:</u></b>				
April 7, 1971	2070	21	Forrest C. Chase	Seabrook
May 12, 1971	2071	250	Colin W. Stard (Portion of "Parcel 2")	Seabrook
<b><u>PARCEL 4:</u></b>				
May 10, 1971	2234	1196	Ray W. Coombs	Seabrook

**ADDITIONAL  
EASEMENT:**

May 12, 1992	2927	2505	Public Service Company of New Hampshire to Grantor	Seabrook
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55. Easement Deed of Town of Exeter, New Hampshire dated December 11, 1995, recorded in Book 3136, Page 1638, conveying easement rights with respect to property in said Exeter.

56. All lines of poles and wires, both transmission and distribution, situate in the Towns of Exeter, Hampton, Hampton Falls, Seabrook, Stratham, Kingston, East Kingston, South Hampton, Newton, Danville, Plaistow, Atkinson, Kensington, North Hampton, Greenland, Brentwood, Derry, and Hampstead, all in the County of Rockingham, in The State of New Hampshire, including without limiting the generality of this description all rights, privileges and easements in the Company's transmission line running from said Exeter to that section of said Hampton known as Hampton Beach, the transmission line running from said Hampton to said Exeter, and the transmission line running from Kingston to the substation property acquired by said Company by deed of Roger B. Hill, dated August 16, 1951, recorded in Book 1219, Page 63, with all connections, appliances, appurtenances and apparatus connected therewith, including transformers, meters, switches and other devices, with all rights of way, franchises and locations existing in respect thereto including rights of way acquired but not presently utilized for transmission line purposes, of which the Company is possessed, situated in the Towns above mentioned.

[FORM OF BOND]

UNITIL ENERGY SYSTEMS, INC.

First Mortgage Bond, Series \_\_\_\_, \_\_\_\_%  
Due \_\_\_\_\_

No. \_\_\_\_\_ \$ \_\_\_\_\_

Unitil Energy Systems, Inc., a corporation organized under the laws of the State of New Hampshire (hereinafter called the "*Company*"), for value received, hereby promises to pay to \_\_\_\_\_ or registered assigns, on the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, the principal sum of \_\_\_\_\_ Dollars (\$\_\_\_\_\_) and to pay interest thereon from the date hereof at the rate of \_\_\_\_ per centum (\_\_\_\_%) per annum (computed on the basis of a thirty (30) day month and a three hundred sixty (360) day year) payable [insert frequency] on [insert payment dates] in each year, commencing with the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, until said principal sum is paid; and to pay interest on any overdue principal (including any overdue prepayment of principal) and premium, if any, and (to the extent permitted by applicable law) on any overdue payment of interest at the rate of [insert overdue rate] % per annum. The principal of, premium, if any, and the interest on this bond shall be payable at the corporate trust office of U.S. Bank National Association, in Boston, Massachusetts, or at the corporate trust office of its successor as Trustee of the trust hereinafter referred to, or at the option of certain holders in accordance with the provisions of Section 7.05 of the Indenture hereinafter referred to, in lawful money of the United States of America.

This bond is one of a duly authorized issue of First Mortgage Bonds of the Company limited as to aggregate principal amount as set forth in the Indenture hereinafter mentioned, issuable in series, and is one of a series known as First Mortgage Bonds, Series \_\_\_\_, all bonds of all series being issued and to be issued under and pursuant to and all equally secured (except as any sinking or other fund, established in accordance with the provisions of the Indenture hereinafter mentioned, may afford additional security for the bonds of any particular series) by an Indenture of Mortgage and Deed of Trust dated as of July 15, 1958 (herein called the "*Original Indenture*") duly executed and delivered by the Company to Old Colony Trust Company (U.S. Bank National Association being successor Trustee and together with each predecessor trustee being called the "*Trustee*"), which, together with all indentures supplemental thereto, was amended and restated by the execution and delivery of a Twelfth Supplemental Indenture dated as of December 2, 2002 (the "*Amended and Restated Indenture*"), to which Amended and Restated Indenture and to all indentures supplemental thereto, including a Supplemental Indenture (the "*\_\_\_\_\_ Supplemental Indenture*") dated as of \_\_\_\_\_ (the Amended and Restated Indenture together with all indentures supplemental thereto, herein being the "*Indenture*") reference is hereby made for a description of the property transferred, assigned and mortgaged thereunder, the nature and extent of the security, the terms and conditions upon which the bonds are secured and additional bonds may be issued and secured, and the rights of the holders or registered owners of said bonds, of the Trustee and of the Company in respect of such security. Neither the foregoing reference to the Indenture, nor any provision of this bond or of

the Indenture, shall affect or impair the obligation of the Company, which is absolute, unconditional and unalterable, to pay, at the stated or accelerated maturities herein provided, the principal of and premium, if any, and interest on this bond as herein provided.

[Bonds of this Series \_\_\_\_\_ are entitled to the benefit of a required sinking fund provided for in the \_\_\_\_\_ Supplemental Indenture and shall become subject to redemption for the purposes of such sinking fund at the principal amount thereof without premium, plus interest accrued thereon to the date of such redemption, all on the conditions and in the manner provided in the \_\_\_\_\_ Supplemental Indenture.]

[Bonds of this Series \_\_\_\_\_ are also redeemable, in whole or in part, in integral multiples of \_\_\_\_\_ dollars, at the option of the Company on any date on at least 30 days' notice, in the manner, with the effect, subject to the limitations and for the amounts specified in Section \_\_\_\_\_ of the \_\_\_\_\_ Supplemental Indenture.]

[On the conditions and in the manner provided in the Section \_\_\_\_\_ of the \_\_\_\_\_ Supplemental Indenture, Series \_\_\_\_\_ Bonds may also become subject to redemption, in whole or in part, at any time on at least 30 days' notice, in the manner, with the effect and for the amounts specified in said Section \_\_\_\_\_, by the use of moneys deposited with or paid to the Trustee as the proceeds of the sale or condemnation of property of the Company or as the proceeds of insurance policies deposited with or paid to the Trustee because of damage to or destruction of property of the Company.]

[In the event that all or any part of the bonds of this Series \_\_\_\_\_ shall be redeemed or otherwise discharged prior to their maturity pursuant to or in accordance with the order of any governmental commission or regulatory authority upon the reorganization, dissolution or liquidation of the Company, or otherwise, the registered owners of such Series \_\_\_\_\_ Bonds shall be entitled to be paid therefor an amount specified in Section \_\_\_\_\_ of the \_\_\_\_\_ Supplemental Indenture.]

The Indenture provides that, if notice of redemption of any bond issued pursuant to its terms, including the Series \_\_\_\_\_ Bonds, or of any portion of the principal amount of any such bond selected for redemption has been duly given, then such bond or such portion thereof shall become due and payable on the redemption date, and, if the redemption price shall have been duly deposited with the Trustee, interest thereon shall cease to accrue from and after the redemption date, and that whenever the redemption price thereof shall have been duly deposited with the Trustee and notice of redemption shall have been duly given, or provision thereof made as provided in the Indenture, such bond or such portion thereof shall no longer be entitled to any lien or benefit of the Indenture.

In case an Event of Default, as defined in the Indenture, occurs, the principal of this bond may become or may be declared due and payable prior to the stated maturity hereof in the manner and with the effect and subject to the conditions provided in the Indenture.

This Bond is transferable by the registered owner hereof, in person or by duly authorized attorney, upon books of the Company to be kept for that purpose at the corporate trust office of

the Trustee under the Indenture, upon surrender thereof at said 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 the Trustee shall authenticate and deliver, a new registered bond or bonds, of like form and in an authorized denomination or in authorized denominations and of the same series, for the same aggregate principal amount. Bonds of Series \_\_\_\_ upon surrender thereof at said office may be exchanged for the same aggregate principal amount of fully registered bonds of Series \_\_\_\_\_ of another authorized denomination or other authorized denominations, all upon payment of the charges, if any, 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 all purposes.

With the consent of the Company and to the extent permitted by and as provided in the Indenture, any of the provisions of the Indenture or of any instrument supplemental thereto may be modified by the assent or authority of the holders of at least seventy-five per centum (75%) in principal amount of the bonds then outstanding thereunder, *provided, however*, that no such modification shall (i) extend the time or times or payment of the principal of, or the interest or premium, if any, on any bond, (ii) reduce the principal amount thereof or the rate of interest or premium thereon, (iii) authorize the creation of any lien prior or equal to the lien of the Indenture upon any property subject to the lien thereof, or deprive any bondholder of the benefit of the lien of the Indenture, (iv) affect the rights under the Indenture of the holders of one or more, but less than all, of the series of bonds outstanding thereunder unless assented to by the holders of seventy-five per centum (75%) in aggregate principal amount of bonds outstanding thereunder of each of the series so affected, (v) reduce the percentage of bonds, the holders of which are required to assent to any such modification, or (vi) in any manner affect the rights or obligations of the Trustee without its written consent thereto.

No recourse shall be had for the payment of the principal of or the interest on this bond or of any claim based hereon or in respect hereof or of the Indenture, against any incorporator, stockholder, officer or director of the Company, or of any successor company, whether by virtue of any statute or rule of law or by the enforcement of any assessment of penalty or otherwise, all such liability being by the acceptance hereof expressly waived and released and being also waived and released by the terms of the Indenture.

This bond shall not be valid nor become obligatory for any purpose until it shall have been authenticated by the execution of the certificate hereon endorsed by the Trustee under the Indenture.

IN WITNESS WHEREOF, Unitil Energy Systems, Inc. has caused this bond to be signed in its name by its President or one of its Vice Presidents and its corporate seal to be hereunto affixed and attested by its Treasurer or one of its Assistant Treasurers, and this bond to be dated the \_\_\_\_\_ day of \_\_\_\_\_.

UNITIL ENERGY SYSTEMS, INC.

By \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

ATTEST: \_\_\_\_\_  
Treasurer

(Corporate Seal)

[Form of Trustee's Certificate of Authentication]

Trustee's Certificate of Authentication

This is one of the First Mortgage Bonds, Series \_\_\_\_ referred to in the within mentioned Indenture.

U.S. BANK NATIONAL ASSOCIATION, Trustee

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

**(FORM OF ENDORSEMENT)**

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto \_\_\_\_\_ the within bond, and all rights thereunder, hereby irrevocably constituting and appointing \_\_\_\_\_ attorney to transfer said bond on the books of the Company, with full power of substitution in the premises.

Dated: \_\_\_\_\_

\_\_\_\_\_  
Signature of Registered Owner

In the presence of \_\_\_\_\_

NOTICE: The signature of this assignment must correspond with the name of the payee as it appears upon the face of the within bond in every particular, without alteration or enlargement or any change whatever.

UNITIL ENERGY SYSTEMS, INC.

CERTIFICATE OF NET BONDABLE EXPENDITURES

Certificate of Net Bondable Expenditures filed with U.S. BANK NATIONAL ASSOCIATION (as successor to Old Colony Trust Company), Trustee, under Indenture of Mortgage and Deed of Trust dated as of July 15, 1958, as amended and restated by the Twelfth Supplemental Indenture thereto dated as of December 2, 2002 (the "Amended and Restated Indenture"), as such Amended and Restated Indenture may be supplemented (such Amended and Restated Indenture, as so supplemented, the "Indenture").

The undersigned, \_\_\_\_\_ and \_\_\_\_\_, being President and Treasurer, respectively, of Unitil Energy Systems, Inc. (the "Company"), a New Hampshire corporation, being duly sworn, depose and state as follows:

Upon application for Authentication and Delivery under Article IV of \$\_\_\_\_\_ of First Mortgage Bonds, Series

(or here substitute appropriate language if certificate is in connection with withdrawal of cash or taking of credit)

the undersigned do hereby certify that the summary statements herein contained covering (i) the period from June 30, 1952 to, but not including, December 2, 2002 (the "Merger Date") for Exeter and Hampton Electric Company ("Exeter"), (ii) the period from May 31, 1958 to, but not including, the Merger Date for the Company and (iii) the period on or after the Merger Date through the date of calculation for the Company, are correct and complete, that the Property Additions for which the Gross Expenditures hereinafter referred to have been made constitute Property Additions as defined in Section 4.01(A) of said Indenture and that the Company is now entitled to have authenticated and delivered said amount of First Mortgage Bonds, Series

(or here substitute appropriate language with respect to the withdrawal of cash or the taking of credit)

**COMPUTATION OF NET EXPENDITURES FOR  
PROPERTY ADDITIONS**

1. *Gross Expenditures for Property Additions*, the sum of:
 

(i) Exeter Pre-Merger Gross Expenditures for Property Additions, .....	\$82,291,896
(ii) Company Pre-Merger Gross Expenditures for Property Additions, and .....	\$66,738,186 _____
(iii) Company Post-Merger Gross Expenditures for Property Additions calculated from the Merger Date to date .....	\$ _____

[Here insert statement respecting New Gross Expenditures required by (i) of Section 4.01I.]

Total for (1) \$ \_\_\_\_\_

**LESS**

2. *Net Retirements*, the sum of:

(i) Exeter Pre-Merger Net Retirements ..... \$15,046,604  
(ii) Company Pre-Merger Net Retirements, and ..... \$15,272,384  
(iii) Net Retirements, beginning with the Merger Date to date  
computed as follows: ..... \$ \_\_\_\_\_

(a) Retirements, beginning with the \$ \_\_\_\_\_  
Merger Date to date.....

[Here insert statement respecting new Retirements required by (ii) of Section 4.01I.]

(b) Less all moneys received by or deposited with the Trustee pursuant to:  
Section 8.10—\$ \_\_\_\_\_ ; Section 8.12—\$ \_\_\_\_\_ ; Section 10.03—\$ \_\_\_\_\_ ; and Section 10.04—\$ \_\_\_\_\_ ; all from the  
Merger Date to date..... \$ \_\_\_\_\_

Company Post-Merger Net Retirements ..... \$ \_\_\_\_\_

Total for (2) \$ \_\_\_\_\_

**EQUALS**

3. *Net Expenditures for Property Additions*, the sum of:

(i) Exeter Pre-Merger Net Expenditures ..... \$67,245,292  
[(1)(i) minus (2)(i)]  
(ii) Company Pre-Merger Net Expenditures ..... \$51,465,802  
[(1)(ii) minus (2)(ii)]  
(iii) Company Post-Merger Net Expenditures ..... \$ \_\_\_\_\_  
[(1)(iii) minus 2(iii)]

Total for (3) \$ \_\_\_\_\_

**COMPUTATION OF NET BONDABLE EXPENDITURES  
FOR PROPERTY ADDITIONS**

(As of date of filing of this Certificate)

4. *Net Expenditures for Property Additions*, ..... \$ \_\_\_\_\_

Same as (3) above.

**LESS**

5. *Aggregate of Net Bondable Expenditures Heretofore Bonded*, the sum of :

(i) Exeter Pre-Merger Bonded Expenditures..... \$49,378,806  
(from Line 3 of Annex B)

(ii) Company Pre-Merger Bonded Expenditures ..... \$46,592,604  
(from Line 3 of Annex C)

(iii) Company Post-Merger Bonded Expenditures; namely, the amount certified pursuant to (5)(iii) of the last certificate filed after the Merger Date \$ \_\_\_\_\_ plus the amount certified pursuant to (11) of said last certificate filed \$ \_\_\_\_\_ ..... \$ \_\_\_\_\_

Total for (5) \$ \_\_\_\_\_

**EQUALS**

6. *Net Bondable Expenditures* at the date of this certificate, the sum of :

(i) Exeter Pre-Merger Bondable Expenditures..... \$17,866,486  
[(3)(i) minus (5)(i)]

(ii) Company Pre-Merger Bondable Expenditures..... \$4,873,198  
[(3)(ii) minus (5)(ii)]

(iii) Company Post-Merger Bondable Expenditures ..... \$ \_\_\_\_\_  
[(3)(iii) minus (5)(iii)]

Total for (6) \$ \_\_\_\_\_

**STATEMENT OF NET BONDABLE EXPENDITURES  
NOW TO BE BONDED**

7. 147.06% of total of: aggregate principal amount of Bonds now to be issued under Article IV \$\_\_\_\_\_; and aggregate amount of cash now to be withdrawn under Article VI \$\_\_\_\_\_..... \$\_\_\_\_\_
8. Total of Net Bondable Expenditures now to be appropriated under Section 8.07 \$\_\_\_\_\_ and Section 12.01 \$\_\_\_\_\_ ..... \$\_\_\_\_\_
9. 147.06% of credits now to be entered against sinking and improvement funds under Article IX..... \$\_\_\_\_\_
10. Aggregate amount of cash for the withdrawal of which application is now made under (a) of Section 11.02..... \$\_\_\_\_\_
11. Amount of Net Bondable Expenditures, if any, now to be Bonded ..... \$\_\_\_\_\_

Total of (7), (8), (9) and (10).

12. Amount of Net Bondable Expenditures, not now to be Bonded ..... \$\_\_\_\_\_

(6) minus (11).

(NOTE: The amount of (11) cannot exceed the amount of the Net Bondable Expenditures existing at the time of the filing of this certificate, namely, the amount certified pursuant to (6) above.)

Here insert statements required by Section 16.07 of the Indenture.

Dated \_\_\_\_\_

\_\_\_\_\_  
President  
Unitil Energy Systems, Inc.

\_\_\_\_\_  
Treasurer  
Unitil Energy Systems, Inc.

Subscribed and sworn to by \_\_\_\_\_, President, and \_\_\_\_\_,  
Treasurer, of Unitil Energy Systems, Inc., before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Notary Public

**CALCULATION OF EXETER  
PRE-MERGER BONDED EXPENDITURES**

The Exeter Pre-Merger Bonded Expenditures taken by Exeter for bonds issued, the withdrawal of cash or other credit taken under the Exeter Indenture using a ratio of 60% of Net Expenditures for Property Additions, is hereby calculated using a ratio of 68% rather than 60%:

(1) Net Bondable Expenditures of Exeter certified as Bonded pursuant to (5) of the last Exeter certificate plus the amount thereof certified pursuant to (10) of said certificate for a total of Net Bondable Expenditures of Exeter bonded using a 60% ratio .....	\$55,962,647
(2) Amount of Bonds previously issued or cash withdrawn or other credit taken under the Exeter Indenture equals (1) above multiplied by 60% .....	\$33,577,588
(3) Amount of Net Bondable Expenditures of Exeter which would have been bonded if a 68% ratio had been used equals (2) divided by 68% so Exeter Pre-Merger Bonded Expenditures equals.....	\$49,378,806
[insert in (5)(i) of the Certificate of Net Bondable Expenditures]	

**CALCULATION OF COMPANY  
PRE-MERGER BONDED EXPENDITURES**

The Company Pre-Merger Expenditures taken by the Company for bonds issued, the withdrawal of cash or credit taken under the Indenture using a ratio of 60% of Net Expenditures for Property Additions, was recalculated pursuant to an amendment to Section 4.04 contained in the Tenth Supplemental Indenture dated as of January 15, 2001 using a ratio of 68% rather than 60%, which recalculation is set forth in paragraph (1) below. The only additional Net Bonded Expenditures of the Company bonded thereafter and prior to the Merger Date were calculated on the basis of a 68% ratio and are set forth in paragraph (2) below. As a result, paragraph (3) contains the Net Bondable Expenditures of the Company bonded prior to the Merger Date calculated as follows:

- |   |              |
|---|--------------|
| (1) Amount of Net Bondable Expenditures which would have been bonded prior to the Tenth Supplemental Indenture if the amount of bonds previously issued or cash withdrawn or other credit taken under the Indenture had been bonded on the basis of a 68% ratio rather than a 60% ratio (per Schedule 1 to Annex A to the Tenth Supplemental Indenture) ..... | \$35,563,104 |
| (2) Amount of Net Bondable Expenditures bonded after the Tenth Supplemental Indenture but prior to the Merger Date (which were calculated on the basis of a 68% ratio) .....  | \$11,029,500 |
| (3) Amount of Net Bondable Expenditures by the Company based upon a 68% ratio. ((1) plus (2) .....  | \$46,592,604 |

[insert in (5)(ii) of the Certificate of Net Bondable Expenditures]

## **SERIES I BONDS**

The terms and provisions of the Series I, 8.49% Bonds of the Company which were set forth in the Eighth Supplemental Indenture, have been amended and restated in this Exhibit C, which shall from and after the Merger Date control the terms and conditions of such Series I, 8.49% Bonds, and the Eighth Supplemental Indenture shall have no further force or effect with respect to such terms and conditions.

All things have been done and performed which are necessary to make the Series I Bonds, when authenticated by the Trustee and issued as herein provided, legal, valid and binding obligations of the Company;

AND IT IS HEREBY COVENANTED, DECLARED AND AGREED, as set forth in the following covenants, agreements, conditions and provisions, to wit:

### **ARTICLE ONE AMENDMENT AND RESTATEMENT OF SERIES I BONDS**

*Section 1.01.* There is hereby amended and restated the series of bonds heretofore designated as "First Mortgage Bonds, Series I." Series I Bonds which shall be fully registered bonds and of the denomination of \$1,000 and multiples thereof. The registered bonds of Series I issued after the Merger Date shall be dated as provided in Section 2.03 of the Indenture. All Series I Bonds shall mature on October 14, 2024 and shall bear interest at the rate of eight and forty-nine one hundredths percent (8.49%) per annum from their respective dates of issue, such interest to be payable semi-annually on the fourteenth day of April and the fourteenth day of October in each year commencing the fourteenth day of April, 2003, and shall bear interest on any overdue principal (including any overdue prepayment of principal) and premium, if any, and (to the extent permitted by applicable law) on any overdue payment of interest, at the rate of 9.49% per annum. The principal of, premium, if any, and interest on bonds of Series I shall be payable at the corporate trust office in Boston, Massachusetts of U.S. Bank National Association or at the corporate trust office designated by its successor as Trustee hereunder, in lawful money of the United States of America, *provided* that the Company may enter into a written agreement with any registered Institutional Holder of the bonds of Series I providing that payment of interest thereon and of the redemption price on any portion of the principal amount thereof (including premium, if any) which may be redeemed shall be made directly to such holder or to its nominee, as the case may be, at a duly designated place of payment within the United States, without surrender or presentation of such bonds of Series I to the Trustee, *provided* that (A) there shall have been filed with the Trustee a copy of such agreement and (B) pursuant to such agreement such holder shall agree that it will not sell, transfer or otherwise dispose of any such bond of Series I in respect of which any such payment or redemption shall have been made unless, prior to the delivery thereof by it, either (i) it shall have made a clear and accurate notation of the amount of principal so redeemed upon such bond to be transferred, or (ii) such bond of Series I shall have been presented to the Trustee for appropriate notation thereon of the portion of the principal amount thereof redeemed, or (iii) such bond or bonds of Series I shall

have been surrendered in exchange for a new bond or bonds of Series I for the unredeemed balance of the principal amount thereof in accordance with the other terms of the Indenture. For purposes of this Section 1.01, the term “*Institutional Holder*” shall mean any insurance company, bank, savings and loan association, trust company, investment company, charitable foundation, employee benefit plan (as defined in ERISA) or other institutional investor or financial institution. The text of the Series I Bonds and the Trustee’s certificate with respect thereto shall be respectively substantially of the tenor and purport set forth in Schedule A hereto. The Series I Bonds shall be numbered in such manner or by such method as shall be satisfactory to the Trustee.

The issue of bonds of Series I hereunder is hereby limited to the \$6,000,000 in aggregate principal amount of Series I Bonds initially issued under the Eighth Supplemental Indenture and to Series I Bonds issued in exchange or substitution for outstanding Series I Bonds under the provisions of Sections 2.08, 2.10, 2.11 and 7.05 of the Indenture and of Section 1.07 hereof.

*Section 1.02.* As a required sinking fund for the benefit of the Series I Bonds, the Company covenants that it will, on or prior to October 13 in each year, beginning with October 13, 2015, and continuing to and including October 13, 2024, pay to the Trustee immediately available funds sufficient to redeem, at par, Series I Bonds then outstanding, in the principal amount of Six Hundred Thousand Dollars (\$600,000) (or the remaining principal amount if less than \$600,000 principal amount of Series I Bonds at the time remains outstanding). The payments required for the sinking fund as above provided are in this Section 1.02 and elsewhere in this Exhibit C referred to as “required sinking fund payments” and the day following the latest date on which each such payment is required to be made is herein and therein referred to as a “required sinking fund redemption date.” Each required sinking fund payment shall be applied to the redemption of Series I Bonds on the applicable required sinking fund redemption date.

No redemption under Section 1.03, 1.04, 1.05 or 1.06 hereof shall affect or reduce the obligation of the Company to provide for required sinking fund redemptions under this Section 1.02 until all Series I Bonds shall have been paid in full.

*Section 1.03.* At the same time it makes any required sinking fund payment, the Company shall have the option (which shall be non-cumulative) to pay to the Trustee, in immediately available funds, an additional principal amount of Six Hundred Thousand Dollars (\$600,000) (in this Section 1.03 and elsewhere in this Exhibit C to the Twelfth Supplemental Indenture referred to as an “*optional sinking fund payment*”), *provided*, that the cumulative amount of all optional sinking fund payments pursuant to this Section 1.03 shall not exceed One Million Two Hundred Thousand Dollars (\$1,200,000) and each such optional sinking fund payment shall be applied to the redemption of Series I Bonds on the required sinking fund redemption date for such required sinking fund payment. The Company will give notice, by registered mail, postage prepaid, to the Trustee and to each registered owner of a bond of Series I of any required or optional payment to be made pursuant to Section 1.02, this Section 1.03, Section 1.04 or Section 1.05 hereof not more than 60, nor less than 30, days prior to the required sinking fund redemption date (or other designated date of redemption in the case of a redemption pursuant to Section 1.04 or Section 1.05).

*Section 1.04.* In addition to the required and optional sinking funds provided by Sections 1.02 and 1.03 hereof, all of the bonds of Series I, or any part of the principal amount thereof constituting One Hundred Thousand Dollars (\$100,000) or any integral multiple thereof, shall be subject to redemption, at the option of the Company, on any date on or after October 14, 1994 and before October 14, 2019, pursuant to the provisions of Article VII of the Indenture, and by payment of an amount equal to the Make Whole Amount, as defined below in this Section 1.04, determined five Business Days prior to such redemption. In addition to the foregoing, on any date on or after October 14, 2019, all of the bonds of Series I, or any part of the principal amount thereof constituting One Hundred Thousand Dollars (\$100,000) or any integral multiple thereof, shall be subject to redemption, at the option of the Company, by payment of the interest accrued on the principal amount of the bond or bonds optionally to be redeemed to the date fixed for such redemption plus an amount equal to the applicable percentage of the principal amount thereof as follows:

DATE FIXED FOR REDEMPTION	APPLICABLE PERCENTAGE
If redeemed on or after October 14, 2019 and before October 14, 2020	101.5%
On or after October 14, 2020 and before October 14, 2021	101.0%
On or after October 14, 2021 and before October 14, 2022	100.5%
On or after October 14, 2022 and prior to maturity	100%

For purposes of this Section 1.04, the Make Whole Amount shall mean the greater of (i) the outstanding principal amount of the bonds to be redeemed, plus interest accrued thereon to the date fixed for such redemption, and (ii) the sum of (A) the aggregate present value as of the date of such redemption of each dollar of principal being redeemed (taking into account each redemption required by Section 1.02 above) and the amount of interest (exclusive of interest accrued to the date fixed for such redemption) that would have been payable in respect of each such dollar if such redemption had not been made, determined by discounting such amounts at the Reinvestment Rate (as hereinafter defined) from the respective dates on which they would have been payable to the date of such redemption, plus (B) interest accrued on the bonds to be redeemed to the date fixed for such redemption.

For purposes of any determination of the Make Whole Amount:

*“Reinvestment Rate”* shall mean (1) the sum of 0.50%, *plus* the yield reported on page “USD” of the Bloomberg Financial Markets Services Screen (or, if not available, any other nationally recognized trading screen reporting on-line intraday trading in the United States government Securities) at 11:00 A.M. (Eastern time) on the fifth Business Day preceding the date the Make Whole Amount becomes due and payable pursuant to the foregoing provisions of this Section 1.04, for the United States government Securities having a maturity (rounded to the nearest month) corresponding to the remaining Weighted Average Life to Maturity of the principal of the bonds being redeemed (taking into account the application of each redemption required by Section 1.02) or (2) in the event that no nationally recognized trading screen reporting on-line intraday trading in the

United States government Securities is available, Reinvestment Rate shall mean the sum of 0.50%, plus the arithmetic mean of the yields for the two columns under the heading “*Week Ending*” published on the fifth Business Day preceding the date the Make Whole Amount becomes due and payable pursuant to the foregoing provisions of this Section 1.04, in the Statistical Release under the caption “*Treasury Constant Maturities*” for the maturity (rounded to the nearest month) corresponding to the Weighted Average Life to Maturity of the principal amount of the bonds being redeemed (taking into account each redemption required by Section 1.02). If no maturity exactly corresponds to such Weighted Average Life to Maturity, yields for the two published maturities most closely corresponding to such Weighted Average Life to Maturity shall be calculated pursuant to the immediately preceding sentence, and the Reinvestment Rate shall be interpolated or extrapolated from such yields on a straightline basis, rounding in each of such relevant periods to the nearest month. For the purposes of calculating the Reinvestment Rate, the most recent Statistical Release published prior to the date of determination of the Make Whole Amount shall be used.

“*Statistical Release*” shall mean the then most recently published statistical release designated “H.15(519)” or any successor publication which is published weekly by the Federal Reserve System and which establishes yields on actively traded U.S. Government Securities adjusted to constant maturities or, if such statistical release is not published at the time of any determination hereunder, then such other reasonably comparable index which shall be designated by the holders of 66-2/3% in aggregate principal amount of outstanding Series I bonds.

“*Weighted Average Life to Maturity*” of the principal amount of the bonds being redeemed shall mean, as of the time of any determination thereof, the number of years obtained by dividing the then Remaining Dollar-Years of such principal by the aggregate amount of such principal. The term “*Remaining Dollar-Years*” of such principal shall mean the amount obtained by (i) multiplying (x) the remainder of (1) the amount of principal that would have been payable on each scheduled redemption date under Section 1.02 hereof if the redemption pursuant to this Section 1.03 had not been made, less (2) the amount of principal on the bonds scheduled to become payable on each such redemption date under Section 1.02 after giving effect to the redemption pursuant to this Section 1.04, by (y) the number of years (calculated to the nearest one-twelfth) which will elapse between the date of determination and each such scheduled redemption date under Section 1.02, and (ii) totaling the products obtained in (i).

*Section 1.05.* Series I Bonds may be redeemed pursuant to Article XI of the Indenture (i) out of Trust Moneys, required by Section 8.12 of the Indenture to be deposited with the Trustee, on any date and shall be redeemed for an amount equal to the principal amount of the bonds to be redeemed, plus interest accrued to the date of redemption; or (ii) out of Trust Moneys required by Sections 8.10, 10.03, 10.04 or 10.04A of the Indenture to be deposited with the Trustee, on any date and, if redeemed prior to October 14, 2019, then they shall be redeemed for an amount equal to the Make Whole Amount, as defined above in Section 1.04, and if redeemed on any date on or after October 14, 2019, then they shall be redeemed for an amount equal to the interest accrued on the principal amount of the bond or bonds to be redeemed to the date fixed

for redemption, plus an amount equal to the applicable percentage of the principal amount thereof set forth in Section 1.04, above, for optional redemptions occurring on or after October 14, 2019.

*Section 1.06.* In the event that all or any part of the bonds of Series I shall be redeemed or otherwise discharged prior to their maturity pursuant to or in accordance with the order of any governmental commission or regulatory authority upon the reorganization, dissolution or liquidation of the Company, or otherwise, the registered owners of such bonds of Series I shall be entitled to be paid an amount equal to the Make Whole Amount, if such redemption or discharge occurs prior to October 14, 2019, or, if such redemption or discharge occurs on or after October 14, 2019, then the registered owners of such bonds shall be entitled to be paid an amount equal to the interest accrued on the principal amount of the bonds to be redeemed to the date of redemption, plus an amount equal to the then applicable percentage of the principal amount thereof provided in Section 1.04, above, for optional redemptions after such date.

*Section 1.07.* Bonds of Series I, upon surrender thereof at the principal office of the Trustee, may be exchanged for the same aggregate principal amount of other bonds of this Series.

Within a reasonable time after the receipt of a request for such an exchange, the Company shall issue and the Trustee shall authenticate and deliver all bonds required in connection therewith, and the Trustee shall make such exchange upon payment to it of such charge, if any, as is required by the following paragraph.

For any exchange of bonds of Series I, the Company, at its option, may require the payment of a sum sufficient to reimburse it for any stamp or other tax or governmental charge required to be paid by the Company or the Trustee.

## **ARTICLE TWO REDEMPTION**

*Section 2.01.* In the case of any required or optional sinking fund redemption pursuant to Sections 1.02 and 1.03 hereof, forthwith after the September 14 preceding each required sinking fund redemption date, and in the case of any proposed redemption pursuant to Sections 1.04 or 1.05, forthwith after the Trustee's receipt of proper notice from the Company of any such proposed redemption, the Trustee, shall act in accordance with the provisions of Article VII of the Indenture.

The Company covenants that it will pay to the Trustee

(i) on or before the day prior to each required sinking fund redemption date, the sum required by Section 1.02 hereof, plus the sum, if any, payable in accordance with any notice of optional redemption delivered prior to such required sinking fund redemption date pursuant to Section 1.03 hereof,

(ii) on or before the day prior to the date proposed by the Company in a notice (which notice shall conform to the requirements of Article VII of the Indenture) of any redemption pursuant to Section 1.04 or 1.05 hereof, the amount payable in accordance with such notice, and

(iii) at the time of each required sinking fund redemption or other redemption the Company shall pay to the Trustee the amount of the charges which shall be due the Trustee and the amount of the expenses which the Trustee advises the Company it has incurred or will incur in connection with such redemption.

**(FORM OF SERIES I BOND)**

**UNITIL ENERGY SYSTEMS, INC.**

No. IR- \_\_\_\_\_

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

First Mortgage Bond, Series I, 8.49%  
due October 14, 2024

Unitil Energy Systems, Inc., a corporation organized under the laws of the State of New Hampshire (hereinafter called the "*Company*"), for value received, hereby promises to pay to \_\_\_\_\_ or registered assigns, on the fourteenth day of October, 2024, the principal sum of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_) and to pay interest thereon from the date hereof at the rate of eight and forty-nine hundredths per centum (8.49%) per annum (computed on the basis of a thirty (30) day month and three hundred sixty (360) day year) payable semi-annually on the fourteenth day of April and the fourteenth day of October in each year, commencing the fourteenth day of April, 2003, until said principal sum is paid; and to pay interest on any overdue principal (including any overdue prepayment of principal) and premium if any, and (to the extent permitted by applicable law) on any overdue payment of interest, at the rate of 9.49% per annum. The principal of and premium, if any, and the interest on this bond shall be payable at the corporate trust office in Boston, Massachusetts of U.S. Bank National Association, or at the corporate trust office designated by its successor as trustee in the trust hereinafter referred to, or at the option of certain holders, in accordance with the provisions of Section 1.01 of Exhibit C of the Twelfth Supplemental Indenture hereinafter referred to, in lawful money of the United States of America.

This bond is one of a duly authorized issue of First Mortgage Bonds of the Company limited as to aggregate principal amount as set forth in the Indenture hereinafter mentioned, issuable in series, and is one of a series known as First Mortgage Bonds, Series I, all bonds of all series being issued and to be issued under and pursuant to and all equally secured (except as any sinking or other fund, established in accordance with the provisions of the Indenture hereinafter mentioned, may afford additional security for the bonds of any particular series) by an Indenture of Mortgage and Deed of Trust dated as of July 15, 1958 (herein called the "*Original Indenture*") duly executed and delivered by the Company to Old Colony Trust Company (U.S. Bank National Association being successor Trustee and together with each predecessor trustee being called the "*Trustee*"), to which Original Indenture and to all Indentures supplemental thereto, including a Twelfth Supplemental Indenture (the "*Twelfth Supplemental Indenture*") dated as of December 2, 2002 (herein together called the "*Indenture*") reference is hereby made for a description of the property transferred, assigned and mortgaged thereunder, the nature and extent of the security, the terms and conditions upon which the bonds are secured and additional bonds may be issued and secured, and the rights of the holders or registered owners of said bonds, of the Trustee and of the Company in respect of such security. Neither the foregoing reference to the Indenture, nor any provision of this bond or of the Indenture, shall affect or impair the obligation of the Company, which is absolute, unconditional and unalterable, to pay,

at the stated or accelerated maturities herein provided, the principal of and premium, if any, and interest on this bond as herein provided.

Bonds of this Series I are entitled to the benefit of a required sinking fund and an optional sinking fund provided for in Exhibit C to the Twelfth Supplemental Indenture and shall become subject to redemption for the purposes of such sinking funds at the principal amount thereof without premium, plus interest accrued thereon to the date of such redemption, all on the conditions and in the manner provided in Exhibit C to the Twelfth Supplemental Indenture.

Bonds of this Series I are also redeemable, in whole or in part, in integral multiples of one hundred thousand dollars, at the option of the Company on any date on at least 30 days' notice, in the manner, with the effect, subject to the limitations and for the amounts specified in Section 1.04 of Exhibit C to the Twelfth Supplemental Indenture.

On the conditions and in the manner provided in the Section 1.05 of Exhibit C to the Twelfth Supplemental Indenture, Series I Bonds may also become subject to redemption, in whole or in part, at any time on at least 30 days' notice, in the manner, with the effect and for the amounts specified in said Section 1.05, by the use of moneys deposited with or paid to the Trustee as the proceeds of the sale or condemnation of property of the Company or as the proceeds of insurance policies deposited with or paid to the Trustee because of damage to or destruction of property of the Company.

In the event that all or any part of the bonds of this Series I shall be redeemed or otherwise discharged prior to their maturity pursuant to or in accordance with the order of any governmental commission or regulatory authority upon the reorganization, dissolution or liquidation of the Company, or otherwise, the registered owners of such Series I Bonds shall be entitled to be paid therefor an amount specified in Section 1.06 of Exhibit C to the Twelfth Supplemental Indenture.

The Indenture provides that, if notice of redemption of any bond issued pursuant to its terms, including the Series I Bonds, or any portion of the principal amount of any such bond selected for redemption has been duly given, then such bond or such portion thereof shall become due and payable on the date fixed for redemption, and, if the redemption price shall have been duly deposited with the Trustee, interest thereon shall cease to accrue from and after the date fixed for redemption, and that whenever the redemption price thereof shall have been duly deposited with the Trustee and notice of redemption shall have been duly given, or provision therefor made as provided in the Indenture, such bond or such portion thereof shall no longer be entitled to any lien or benefit of the Indenture.

In case an Event of Default, as defined in the Indenture, occurs, the principal of this bond may become or may be declared due and payable prior to the stated maturity hereof in the manner and with the effect and subject to the conditions provided in the Indenture.

This bond is transferable by the registered owner hereof, in person or by duly authorized attorney, upon books of the Company to be kept for that purpose at the corporate trust office of the Trustee under the Indenture, upon surrender thereof at said 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 the Trustee shall authenticate and deliver, a new registered bond or bonds, of like form and in an authorized denomination or in authorized denominations and of the same series, for the same aggregate principal amount. Bonds of this series upon surrender thereof at said office may be exchanged for the same aggregate principal amount of bonds, also of this series but of another authorized denomination or other authorized denominations, all upon payment of the charges, if any, 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 all purposes.

With the consent of the Company and to the extent permitted by and as provided in the Indenture, property may be released from the lien thereof, and the terms and provisions of the Indenture may be modified by the assent or authority of the holders of at least seventy-five per centum (75%) in principal amount of the bonds then outstanding thereunder, *provided, however*, that no such modification shall (i) extend the time or times or payment of the principal of, or the interest or premium, if any, on any bond, (ii) reduce the principal amount thereof or the rate of interest or premium thereon, (iii) authorize the creation of any lien prior or equal to the lien of the Indenture upon any property subject to the lien thereof, or deprive any bondholder of the benefit of the lien of the Indenture, (iv) affect the rights under the Indenture of the holders of one or more, but less than all, of the series of bonds outstanding thereunder unless assented to by the holders of seventy-five per centum (75%) in aggregate principal amount of bonds outstanding thereunder of each of the series so affected, (v) reduce the percentage of bonds, the holders of which are required to assent to any such modification, or (vi) in any manner affect the rights or obligations of the Trustee without its written consent thereto.

No recourse shall be had for the payment of the principal of or the interest on this bond, or of any claim based hereon or in respect hereof or of the Indenture, against any incorporator, stockholder, officer or director of the Company, or of any successor company, whether by virtue of any statute or rule of law or by the enforcement of any assessment or penalty or otherwise, all such liability being by the acceptance hereof expressly waived and released and being also waived and released by the terms of the Indenture.

This bond shall not be valid nor become obligatory for any purpose until it shall have been authenticated by the execution of the certificate hereon endorsed by the Trustee under the Indenture.

IN WITNESS WHEREOF, Unitil Energy Systems, Inc. has caused this bond to be signed in its name by its President or one of its Vice Presidents and its corporate seal to be hereunto affixed and attested by its Treasurer, and this bond to be dated the \_\_\_\_\_, \_\_\_\_\_.

UNITIL ENERGY SYSTEMS, INC.

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

ATTEST: \_\_\_\_\_  
Treasurer

(Corporate Seal)

(Form of Trustee's Certificate for all Bonds of Series I)

Trustee's Certificate of Authentication

This is one of the First Mortgage Bonds, Series I, referred to in the within mentioned Indenture.

U.S. BANK NATIONAL ASSOCIATION

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

**(FORM OF ENDORSEMENT)**

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto \_\_\_\_\_ the within bond, and all rights thereunder, hereby irrevocably constituting and appointing \_\_\_\_\_ attorney to transfer said bond on the books of the Company, with full power of substitution in the premises.

\_\_\_\_\_  
Signature of Registered Owner

Dated: \_\_\_\_\_

In the presence  
of: \_\_\_\_\_

NOTICE: The signature of this assignment must correspond with the name of the payee as it appears upon the face of the within bond in every particular, without alteration or enlargement or any change whatever.

## **SERIES J BONDS**

The terms and provisions of the Series J, 6.96% Bonds of the Company which were set forth in the Ninth Supplemental Indenture, have been amended and restated in this Exhibit D, which shall from and after the Merger Date control the terms and conditions of such Series J, 6.96% Bonds, and the Ninth Supplemental Indenture shall have no further force or effect with respect to such terms and conditions.

All things have been done and performed which are necessary to make the Series J Bonds, when authenticated by the Trustee and issued as herein provided, legal valid and binding obligations of the Company;

AND IT IS HEREBY COVENANTED, DECLARED AND AGREED, as set forth in the following-covenants, agreements, conditions and provisions, to wit:

### **ARTICLE ONE**

#### **AMENDMENT AND RESTATEMENT OF SERIES J BONDS**

*Section 1.01.* There is hereby amended and restated the series of bonds heretofore designated as and entitled "First Mortgage Bonds, Series J." Series J Bonds which shall be fully registered bonds, of the denomination of \$1,000 and multiples thereof. The registered bonds of Series J issued after the Merger Date shall be dated as provided in Section 2.03 of the Indenture. All Series J Bonds shall mature on September 1, 2028 and shall bear interest at the rate of six and ninety-six one hundredths percent (6.96%) per annum from their respective dates of issue, such interest to be payable quarterly in arrears on the first day of March, June, September and December in each year commencing the first day of March, 2003, and shall bear interest on any overdue principal (including any overdue prepayment of principal) and premium, if any, and (to the extent permitted by applicable law) on any overdue payment of interest, at the rate of 8.96% per annum. The principal of, premium if any, and interest on bonds of Series J shall be payable at the corporate trust office in Boston, Massachusetts of U.S. Bank National Association or at the corporate trust office designated by its successor as Trustee hereunder, in lawful money of the United States of America *provided* that the Company may enter into a written agreement with any registered Institutional Holder of the bonds of Series J providing that payment of interest thereon and of the redemption price on any portion of the principal amount thereof (including premium, if any) which may be redeemed shall be made directly to such holder or to its nominee, as the case may be, at a duly designated place of payment within the United States, without surrender or presentation of such bonds of Series J to the Trustee, *provided* that (A) there shall have been filed with the Trustee a copy of such agreement, (B) pursuant to such agreement such holder shall agree that it will not sell, transfer or otherwise dispose of any such bond of Series J in respect of which any such payment or redemption shall have been made unless, prior to the delivery thereof by it, either (i) it shall have made a clear and accurate notation of the amount of

principal so redeemed upon such bond to be transferred, or (ii) such bond of Series J shall have been presented to the Trustee for appropriate notation thereon of the portion of the principal amount thereof redeemed, or (iii) such bond or bonds of Series J shall have been surrendered in exchange for a new bond or bonds of Series J for the unredeemed balance of the principal amount thereof in accordance with the other terms of the Indenture and (C) in such agreement such holder shall agree that prior to receiving any final payment of the entire remaining unpaid principal amount of any Series J bond, the holder thereof shall be required to deliver such bond to the Trustee. For purposes of this Section 1.01, the term “*Institutional Holder*” shall mean any insurance company, bank, savings and loan association, trust company, investment company, charitable foundation, employee benefit plan (as defined in ERISA) or other institutional investor or financial institution. The text of the Series J Bonds and the Trustee’s certificate with respect thereto shall be respectively substantially of the tenor and purport set forth in Schedule A hereto. The Series J Bonds shall be numbered in such manner or by such method as shall be satisfactory to the Trustee.

The issue of bonds of Series J hereunder is hereby limited to the \$10,000,000 in aggregate principal amount of Series J Bonds initially issued under the Ninth Supplemental Indenture and to Series J Bonds issued in exchange or substitution for outstanding Series J Bonds under the provisions of Sections 2.08, 2.10, 2.11 and 7.05 of the Indenture and of Section 1.06 hereof.

*Section 1.02.* As a required sinking fund for the benefit of the Series J Bonds, the Company covenants that it will, on or prior to September 1 in each year, beginning with September 1, 2019, and continuing to and including September 1, 2028, pay to the Trustee immediately available funds sufficient to redeem, at par, Series J Bonds then outstanding, in the principal amount of One Million Dollars (\$1,000,000) (or the remaining principal amount if less than \$1,000,000 principal amount of Series J Bonds at the time remains outstanding). The payments required for the sinking fund as above provided are in this Section 1.02 and elsewhere in this Exhibit D referred to as “required sinking fund payments” and the day following the latest date on which each such payment is required to be made is herein and therein referred to as a “required sinking fund redemption date”. Each required sinking fund payment shall be applied to the redemption of Series J bonds on the applicable required sinking fund redemption date.

No redemption under Section 1.03, 1.04 or 1.05 hereof shall affect or reduce the obligation of the Company to provide for required sinking fund redemptions under this Section 1.02 until all Series J Bonds shall have been paid in full.

*Section 1.03.* In addition to the required sinking fund provided by Section 1.02 hereof, all of the bonds of Series J, or any part of the principal amount thereof constituting One Hundred Thousand Dollars (\$100,000) or any integral multiple thereof, shall be subject to redemption, at the option of the Company, on any date on or after September 1, 1998 and before September 1, 2026, pursuant to the provisions of Article VII of the Indenture, and by payment of an amount equal to the Make Whole Amount, as defined below in this Section 1.03, determined five Business Days prior to such redemption. In addition to the foregoing, on any date on or after September 1, 2026, all of the bonds of Series J, or any part of the principal amount thereof constituting One Hundred Thousand Dollars (\$100,000) or any integral multiple thereof, shall be subject to redemption, at the option of the Company, by payment of the interest accrued on the

principal amount of the bond or bonds optionally to be redeemed to the dates fixed for such redemption plus 100% of the principal amount thereof.

For purposes of this Section 1.03, the *Make Whole Amount* shall mean the greater of (i) the outstanding principal amount of the bonds to be redeemed, plus interest accrued thereon to the date fixed for such redemption, and (ii) the sum of (A) the aggregate present value as of the date of such redemption of each dollar of principal being redeemed (taking into account each redemption required by Section 1.02 above) and the amount of interest (exclusive of interest accrued to the date fixed for such redemption) that would have been payable in respect of each such dollar if such redemption had not been made, determined by discounting such amounts at the Reinvestment Rate (as hereinafter defined) from the respective dates on which they would have been payable to the date of such redemption, plus (B) interest accrued on the bonds to be redeemed to the date fixed for such redemption.

For purposes of any determination of the Make Whole Amount:

*“Reinvestment Rate”* shall mean (1) the sum of 0.50%, *plus* the yield reported on page “USD” of the Bloomberg Financial Markets Services Screen (or, if not available, any other nationally recognized trading screen reporting on-line intraday trading in the United States government Securities) at 11:00 A.M. (Eastern time) on the fifth Business Day preceding the date the Make Whole Amount becomes due and payable pursuant to the foregoing provisions of this Section 1.03, for the United States government Securities having a maturity (rounded to the nearest month) corresponding to the remaining Weighted Average Life to Maturity of the principal of the bonds being redeemed (taking into account the application of each redemption required by Section 1.02) or (2) in the event that no nationally recognized trading screen reporting on-line intraday trading in the United States government Securities is available, Reinvestment Rate shall mean the sum of 0.50%, *plus* the arithmetic mean of the yields for the two columns under the heading *“Week Ending”* published on the fifth Business Day preceding the date the Make Whole Amount becomes due and payable pursuant to the foregoing provisions of this Section 1.03, in the Statistical Release under the caption *“Treasury Constant Maturities”* for the maturity (rounded to the nearest month) corresponding to the Weighted Average Life to Maturity of the principal amount of the bonds being redeemed (taking into account each redemption required by Section 1.02). If no maturity exactly corresponds to such Weighted Average Life to Maturity, yields for the two published maturities most closely corresponding to such Weighted Average Life to Maturity shall be calculated pursuant to the immediately preceding sentence, and the Reinvestment Rate shall be interpolated or extrapolated from such yields on a straightline basis, rounding in each of such relevant periods to the nearest month. For the purposes of calculating the Reinvestment Rate, the most recent Statistical Release published prior to the date of determination of the Make Whole Amount shall be used.

*“Statistical Release”* shall mean the then most recently published statistical release designated “H.15(519)” or any successor publication which is published weekly by the Federal Reserve System and which establishes yields on actively traded U.S. Government Securities adjusted to constant maturities or, if such statistical release is not

published at the time of any determination hereunder, then such other reasonably comparable index which shall be designated by the holders of 66-2/3% in aggregate principal amount of outstanding Series J Bonds.

*“Weighted Average Life to Maturity”* of the principal amount of the bonds being redeemed shall mean, as of the time of any determination thereof, the number of years obtained by dividing the then Remaining Dollar-Years of such principal by the aggregate amount of such principal. The term *“Remaining Dollar-Years”* of such principal shall mean the amount obtained by (i) multiplying (x) the remainder of (1) the amount of principal that would have been payable on each scheduled redemption date under Section 1.02 hereof if the redemption pursuant to this Section 1.03 had not been made, less (2) the amount of principal on the bonds scheduled to become payable on each such redemption date under Section 1.02 after giving effect to the redemption pursuant to this Section 1.03, by (y) the number of years (calculated to the nearest one-twelfth) which will elapse between the date of determination and each such scheduled redemption date under Section 1.02, and (ii) totaling the products obtained in (i).

*Section 1.04.* Series J Bonds may be redeemed pursuant to Article XI of the Indenture (i) out of Trust Moneys, required by Section 8.12 of the Indenture to be deposited with the Trustee, on any date and shall be redeemed for an amount equal to the principal amount of the bonds to be redeemed, plus interest accrued to the date of redemption; or (ii) out of Trust Moneys required by Sections 8.10, 10.03, 10.04 or 10.04A of the Indenture to be deposited with the Trustee, on any date and, if redeemed prior to September 1, 2026, then they shall be redeemed for an amount equal to the Make Whole Amount, as defined above in Section 1.03, and if redeemed on any date on or after September 1, 2026, then they shall be redeemed for an amount equal to the interest accrued on the principal amount of the bond or bonds to be redeemed to the date fixed for redemption, plus 100% of the principal amount thereof, for optional redemptions occurring on or after September 1, 2026.

*Section 1.05.* In the event that all or any part of the bonds of Series J shall be redeemed or otherwise discharged prior to their maturity pursuant to or in accordance with the order of any governmental commission or regulatory authority upon the reorganization, dissolution or liquidation of the Company, or otherwise, the registered owners of such bonds of Series J shall be entitled to be paid an amount equal to the Make Whole Amount, if such redemption or discharge occurs prior to September 1, 2026, or, if such redemption or discharge occurs on or after September 1, 2026, then the registered owners of such bonds shall be entitled to be paid an amount equal to the interest accrued on the principal amount of the bonds to be redeemed to the date of redemption, plus 100% of the principal amount thereof.

*Section 1.06.* Bonds of Series J, upon surrender thereof at the principal office of the Trustee, may be exchanged for the same aggregate principal amount of other bonds of this Series.

Within a reasonable time after the receipt of a request for such an exchange, the Company shall issue and the Trustee shall authenticate and deliver all bonds required in connection therewith, and the Trustee shall make such exchange upon payment to it of such charge, if any, as is required by the following paragraph.

For any exchange of bonds of Series J, the Company, at its option, may require the payment of a sum sufficient to reimburse it for any stamp or other tax or governmental charge required to be paid by the Company or the Trustee.

## ARTICLE TWO

### REDEMPTION

*Section 2.01.* In the case of any required sinking fund redemption pursuant to Section 1.02 hereof, forthwith after the August 1 preceding each required sinking fund redemption date, and in the case of any proposed redemption pursuant to Sections 1.03 or 1.04, forthwith after the Trustee's receipt of proper notice from the Company of any such proposed redemption, the Trustee, pursuant to the provisions of Article VII of the Indenture.

The Company covenants that it will pay to the Trustee

(i) on or before the day prior to each required sinking fund redemption date, the sum required by Section 1.02 hereof,

(ii) on or before the day prior to the date proposed by the Company in a notice (which notice shall conform to the requirements of Article VII of the Indenture) of any redemption pursuant to Section 1.03 or 1.04 hereof, the amount payable in accordance with such notice, and

(iii) at the time of each required sinking fund redemption or other redemption the Company shall pay to the Trustee the amount of the charges which shall be due the Trustee and the amount of the expenses which the Trustee advises the Company it has incurred or will incur in connection with such redemption.

**(FORM OF SERIES J BOND)**

**UNITIL ENERGY SYSTEMS, INC.**

First Mortgage Bond, Series J, 6.96%  
due September 1, 2028

No. JR-\_\_\_\_\_

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

Unitil Energy Systems, Inc., a corporation organized under the laws of the State of New Hampshire (hereinafter called the "*Company*"), for value received, hereby promises to pay to \_\_\_\_\_ or registered assigns, on the first day of September, 2028, the principal sum of \_\_\_\_\_ Dollars (\$\_\_\_\_\_) and to pay interest thereon from the date hereof at the rate of six and ninety-six hundredths per centum (6.96%) per annum (computed on the basis of a thirty (30) day month and three hundred sixty (360) day year) payable quarterly in arrears on the first day of March, June, September and December in each year, commencing the first day of March, 2003, until said principal sum is paid; and to pay interest on any overdue principal (including any overdue prepayment of principal) and premium if any, and (to the extent permitted by applicable law) on any overdue payment of interest, at the rate of 8.96% per annum. The principal of and premium if any, and the interest on this bond shall be payable at the corporate trust office in Boston, Massachusetts of U.S. Bank National Association, or at the corporate trust office designated by its successor as trustee in the trust hereinafter referred to, or at the option of certain holders, in accordance with the provisions of Section 1.01 of Exhibit D of the Twelfth Supplemental Indenture hereinafter referred to, in lawful money of the United States of America.

This bond is one of a duly authorized issue of First Mortgage Bonds of the Company limited as to aggregate principal amount as set forth in the Indenture hereinafter mentioned, issuable in series, and is one of a Series J known as First Mortgage Bonds, Series J, all bonds of all series being issued and to be issued under and pursuant to and all equally secured (except as any sinking or other fund, established in accordance with the provisions of the Indenture hereinafter mentioned, may afford additional security for the bonds of any particular series) by an Indenture of Mortgage and Deed of Trust dated as of July 15, 1958 (herein called the "*Original Indenture*") duly executed and delivered by the Company to Old Colony Trust Company (U.S. Bank National Association being successor Trustee and together with each predecessor trustee being called the "*Trustee*"), to which Original Indenture and to all Indentures supplemental thereto, including a Twelfth Supplemental Indenture (the "*Twelfth Supplemental Indenture*") dated as of December 2, 2002 (herein together called the "*Indenture*") reference is hereby made for a description of the property transferred, assigned and mortgaged thereunder, the nature and extent of the security, the terms and conditions upon which the bonds are secured and additional bonds may be issued and secured, and the rights of the holders or registered owners of said bonds, of the Trustee and of the Company in respect of such security. Neither the foregoing reference to the Indenture, nor any provision of this bond or of the Indenture, shall affect or impair the obligation of the Company, which is absolute, unconditional and unalterable, to pay, at the stated or accelerated maturities herein provided, the principal of and premium, if any, and interest on this bond as herein provided.

Bonds of this Series J are entitled to the benefit of a required sinking fund provided for in Exhibit D to the Twelfth Supplemental Indenture and shall become subject to redemption for the purposes of such sinking fund at the principal amount thereof without premium, plus interest accrued thereon to the date of such redemption, all on the conditions and in the manner provided in Exhibit D to the Twelfth Supplemental Indenture.

Bonds of this Series J are also redeemable, in whole or in part, in integral multiples of one hundred thousand dollars, at the option of the Company on any date on at least 30 days' notice, in the manner, with the effect, subject to the limitations and for the amounts specified in Section 1.03 of Exhibit D to the Twelfth Supplemental Indenture.

On the conditions and in the manner provided in the Section 1.04 of Exhibit D to the Twelfth Supplemental Indenture, Series J Bonds may also become subject to redemption, in whole or in part, at any time on at least 30 days' notice, in the manner, with the effect and for the amounts specified in said Section 1.04, by the use of moneys deposited with or paid to the Trustee as the proceeds of the sale or condemnation of property of the Company or as the proceeds of insurance policies deposited with or paid to the Trustee because of damage to or destruction of property of the Company.

In the event that all or any part of the bonds of this Series J shall be redeemed or otherwise discharged prior to their maturity pursuant to or in accordance with the order of any governmental commission or regulatory authority upon the reorganization, dissolution or liquidation of the Company, or otherwise, the registered owners of such Series J Bonds shall be entitled to be paid therefor an amount specified in Section 1.05 of Exhibit D to the Twelfth Supplemental Indenture.

The Indenture provides that, if notice of redemption of any bond issued pursuant to its terms, including the Series J Bonds, or any portion of the principal amount of any such bond selected for redemption has been duly given, then such bond or such portion thereof shall become due and payable on the date fixed for redemption, and, if the redemption price shall have been duly deposited with the Trustee, interest thereon shall cease to accrue from and after the date fixed for redemption, and that whenever the redemption price thereof shall have been duly deposited with the Trustee and notice of redemption shall have been duly given, or provision therefor made as provided in the Indenture, such bond or such portion thereof shall no longer be entitled to any lien or benefit of the Indenture.

In case an Event of Default, as defined in the Indenture, occurs, the principal of this bond may become or may be declared due and payable prior to the stated maturity hereof in the manner and with the effect and subject to the conditions provided in the Indenture.

This bond is transferable by the registered owner hereof, in person or by duly authorized attorney, upon books of the Company to be kept for that purpose at the corporate trust office of the Trustee under the Indenture, upon surrender thereof at said 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 the Trustee shall authenticate and deliver, a new registered bond or bonds, of like form and in an authorized denomination or in authorized

denominations and of the same series, for the same aggregate principal amount. Bonds of this series upon surrender thereof at said office may be exchanged for the same aggregate principal amount of bonds, also of this series but of another authorized denomination or other authorized denominations, all upon payment of the charges, if any, 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 all purposes.

With the consent of the Company and to the extent permitted by and as provided in the Indenture, property may be released from the lien thereof, and the terms and provisions of the Indenture may be modified by the assent or authority of the holders of at least seventy-five per centum (75%) in principal amount of the bonds then outstanding thereunder, *provided, however*, that no such modification shall (i) extend the time or times or payment of the principal of, or the interest or premium, if any, on any bond, (ii) reduce the principal amount thereof or the rate of interest or premium thereon, (iii) authorize the creation of any lien prior or equal to the lien of the Indenture upon any property subject to the lien thereof, or deprive any bondholder of the benefit of the lien of the Indenture, (iv) affect the rights under the Indenture of the holders of one or more, but less than all, of the series of bonds outstanding thereunder unless assented to by the holders of seventy-five per centum (75%) in aggregate principal amount of bonds outstanding thereunder of each of the series so affected, (v) reduce the percentage of bonds, the holders of which are required to assent to any such modification, or (vi) in any manner affect the rights or obligations of the Trustee without its written consent thereto.

No recourse shall be had for the payment of the principal of or the interest on this bond, or of any claim based hereon or in respect hereof or of the Indenture, against any incorporator, stockholder, officer or director of the Company, or of any successor company, whether by virtue of any statute or rule of law or by the enforcement of any assessment or penalty or otherwise, all such liability being by the acceptance hereof expressly waived and released and being also waived and released by the terms of the Indenture.

This bond shall not be valid nor become obligatory for any purpose until it shall have been authenticated by the execution of the certificate hereon endorsed by the Trustee under the Indenture.

IN WITNESS WHEREOF, Unitil Energy Systems, Inc. has caused this bond to be signed in its name by its President or one of its Vice Presidents and its corporate seal to be hereunto affixed and attested by its Treasurer, and this bond to be dated the \_\_\_\_\_, \_\_\_\_\_.

UNITIL ENERGY SYSTEMS, INC.

By \_\_\_\_\_  
President

ATTEST: \_\_\_\_\_  
Treasurer

(Corporate Seal)

(Form of Trustee's Certificate for all Bonds of Series J)

Trustee's Certificate of Authentication

This is one of the First Mortgage Bonds, Series J, referred to in the within mentioned Indenture.

U.S. BANK NATIONAL ASSOCIATION

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

**(FORM OF ENDORSEMENT)**

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto \_\_\_\_\_ the within bond, and all rights thereunder, hereby irrevocably constituting and appointing \_\_\_\_\_ attorney to transfer said bond on the books of the Company, with full power of substitution in the premises.

\_\_\_\_\_  
Signature of Registered Owner

Dated: \_\_\_\_\_

In the presence

of: \_\_\_\_\_

NOTICE: The signature of this assignment must correspond with the name of the payee as it appears upon the face of the within bond in every particular, without alteration or enlargement or any change whatever.

## **SERIES K BONDS**

The terms and provisions of the Series K, 8.00% Bonds of the Company which were set forth in the Eleventh Supplemental Indenture, have been amended and restated in this Exhibit E, which shall from and after the Merger Date control the terms and conditions of such Series K, 8.00 % Bonds, and the Eleventh Supplemental Indenture shall have no further force or effect with respect to such terms and conditions.

All things have been done and performed which are necessary to make the Series K Bonds, when authenticated by the Trustee and issued as herein provided, legal valid and binding obligations of the Company;

AND IT IS HEREBY COVENANTED, DECLARED AND AGREED, as set forth in the following-covenants, agreements, conditions and provisions, to wit:

### **ARTICLE ONE**

#### **AMENDMENT AND RESTATEMENT OF SERIES K BONDS**

*Section 1.01.* There is hereby amended and restated the series of bonds heretofore designated as and entitled "First Mortgage Bonds, Series K." Series K Bonds shall be fully registered bonds, of the denomination of \$1,000 and multiples thereof. The registered bonds of Series K issued after the Merger Date shall be dated as provided in Section 2.03 of the Indenture. All Series K Bonds shall mature on May 1, 2031 and shall bear interest at the rate of eight percent (8.00%) per annum from their respective dates of issue, such interest to be payable quarterly in arrears on the first day of February, May, August and November each year commencing the first day of February, 2003, and shall bear interest on any overdue principal (including any overdue prepayment of principal) and premium, if any, and (to the extent permitted by applicable law) on any overdue payment of interest, at the rate of 10.00% per annum. The principal of, premium if any, and interest on bonds of Series K shall be payable at the corporate trust office in Boston, Massachusetts of U.S. Bank National Association or at the corporate trust office designated by its successor as Trustee hereunder, in lawful money of the United States of America *provided* that the Company may enter into a written agreement with any registered Institutional Holder of the bonds of Series K providing that payment of interest thereon and of the redemption price on any portion of the principal amount thereof (including premium, if any) which may be redeemed shall be made directly to such holder or to its nominee, as the case may be, at a duly designated place of payment within the United States, without surrender or presentation of such bonds of Series K to the Trustee, *provided* that (A) there shall have been filed with the Trustee a copy of such agreement, (B) pursuant to such agreement such holder shall agree that it will not sell, transfer or otherwise dispose of any such bond of Series K in respect of which any such payment or redemption shall have been made unless, prior to the delivery thereof by it, either (i) it shall have made a clear and accurate notation of the amount of principal so redeemed upon such bond to be transferred, or (ii) such bond of Series K shall have

been presented to the Trustee for appropriate notation thereon of the portion of the principal amount thereof redeemed, or (iii) such bond or bonds of Series K shall have been surrendered in exchange for a new bond or bonds of Series K for the unredeemed balance of the principal amount thereof in accordance with the other terms of the Indenture and (C) in such agreement such holder shall agree that prior to receiving any final payment of the entire remaining unpaid principal amount of any Series K bond, the holder thereof shall be required to deliver such bond to the Trustee. For purposes of this Section 1.01, the term “*Institutional Holder*” shall mean any insurance company, bank, savings and loan association, trust company, investment company, charitable foundation, employee benefit plan (as defined in ERISA) or other institutional investor or financial institution. The text of the Series K Bonds and the Trustee’s certificate with respect thereto shall be respectively substantially of the tenor and purport set forth in Schedule A hereto. The Series K Bonds shall be numbered in such manner or by such method as shall be satisfactory to the Trustee.

The issue of bonds of Series K hereunder is hereby limited to the \$7,500,000 in aggregate principal amount of Series K Bonds initially issued under the Eleventh Supplemental Indenture and to Series K Bonds issued in exchange or substitution for outstanding Series K Bonds under the provisions of Section 2.08, 2.10, 2.11 and 7.05 of the Indenture and of Section 1.06 hereof.

*Section 1.02.* As a required sinking fund for the benefit of the Series K Bonds, the Company covenants that it will, on or prior to May 1 in each year, beginning with May 1, 2022, and continuing to and including May 1, 2031, pay to the Trustee immediately available funds sufficient to redeem, at par, Series K Bonds then outstanding, in the principal amount of Seven Hundred Fifty Thousand Dollars (\$750,000) (or the remaining principal amount if less than \$750,000 principal amount of Series K Bonds at the time remains outstanding). The payments required for the sinking fund as above provided are in this Section 1.02 and elsewhere in this Exhibit E referred to as “required sinking fund payments” and the day following the latest date on which each such payment is required to be made is herein and therein referred to as a “required sinking fund redemption date”. Each required sinking fund payment shall be applied to the redemption of Series K Bonds on the applicable required sinking fund redemption date.

No redemption under Section 1.03, 1.04 or 1.05 hereof shall affect or reduce the obligation of the Company to provide for required sinking fund redemptions under this Section 1.02 until all Series K Bonds shall have been paid in full.

*Section 1.03.* In addition to the required sinking fund provided by Section 1.02 hereof, all of the bonds of Series K, or any part of the principal amount thereof constituting One Hundred Thousand Dollars (\$100,000) or any integral multiple thereof, shall be subject to redemption, at the option of the Company, on any date on or after May 1, 2001 and before May 1, 2029, pursuant to the provisions of Article VII of the Indenture, and by payment of an amount equal to the Make Whole Amount, as defined below in this Section 1.03, determined five Business Days prior to such redemption. In addition to the foregoing, on any date on or after May 1, 2029, all of the bonds of Series K, or any part of the principal amount thereof constituting One Hundred Thousand Dollars (\$100,000) or any integral multiple thereof, shall be subject to redemption, at the option of the Company, by payment of the interest accrued on the principal amount of the

bond or bonds optionally to be redeemed to the dates fixed for such redemption plus 100% of the principal amount thereof.

For purposes of this Section 1.03, the *Make Whole Amount* shall mean the greater of (i) the outstanding principal amount of the bonds to be redeemed, plus interest accrued thereon to the date fixed for such redemption, and (ii) the sum of (A) the aggregate present value as of the date of such redemption of each dollar of principal being redeemed (taking into account each redemption required by Section 1.02 above) and the amount of interest (exclusive of interest accrued to the date fixed for such redemption) that would have been payable in respect of each such dollar if such redemption had not been made, determined by discounting such amounts at the Reinvestment Rate (as hereinafter defined) from the respective dates on which they would have been payable to the date of such redemption, plus (B) interest accrued on the bonds to be redeemed to the date fixed for such redemption.

For purposes of any determination of the Make Whole Amount:

*“Reinvestment Rate”* shall mean (1) the sum of 0.50%, *plus* the yield reported on page “USD” of the Bloomberg Financial Markets Services Screen (or, if not available, any other nationally recognized trading screen reporting on-line intraday trading in the United States government Securities) at 11:00 A.M. (Eastern time) on the fifth Business Day preceding the date the Make Whole Amount becomes due and payable pursuant to the foregoing provisions of this Section 1.03, for the United States government Securities having a maturity (rounded to the nearest month) corresponding to the remaining Weighted Average Life to Maturity of the principal of the bonds being redeemed (taking into account the application of each redemption required by Section 1.02) or (2) in the event that no nationally recognized trading screen reporting on-line intraday trading in the United States government Securities is available, Reinvestment Rate shall mean the sum of 0.50%, *plus* the arithmetic mean of the yields for the two columns under the heading *“Week Ending”* published on the fifth Business Day preceding the date the Make Whole Amount becomes due and payable pursuant to the foregoing provisions of this Section 1.03, in the Statistical Release under the caption *“Treasury Constant Maturities”* for the maturity (rounded to the nearest month) corresponding to the Weighted Average Life to Maturity of the principal amount of the bonds being redeemed (taking into account each redemption required by Section 1.02). If no maturity exactly corresponds to such Weighted Average Life to Maturity, yields for the two published maturities most closely corresponding to such Weighted Average Life to Maturity shall be calculated pursuant to the immediately preceding sentence, and the Reinvestment Rate shall be interpolated or extrapolated from such yields on a straightline basis, rounding in each of such relevant periods to the nearest month. For the purposes of calculating the Reinvestment Rate, the most recent Statistical Release published prior to the date of determination of the Make Whole Amount shall be used.

*“Statistical Release”* shall mean the then most recently published statistical release designated “H.15(519)” or any successor publication which is published weekly by the Federal Reserve System and which establishes yields on actively traded U.S. Government Securities adjusted to constant maturities or, if such statistical release is not

published at the time of any determination hereunder, then such other reasonably comparable index which shall be designated by the holders of 66-2/3% in aggregate principal amount of outstanding Series K Bonds.

*“Weighted Average Life to Maturity”* of the principal amount of the bonds being redeemed shall mean, as of the time of any determination thereof, the number of years obtained by dividing the then Remaining Dollar-Years of such principal by the aggregate amount of such principal. The term *“Remaining Dollar-Years”* of such principal shall mean the amount obtained by (i) multiplying (x) the remainder of (1) the amount of principal that would have been payable on each scheduled redemption date under Section 1.02 hereof if the redemption pursuant to this Section 1.03 had not been made, less (2) the amount of principal on the bonds scheduled to become payable on each such redemption date under Section 1.02 after giving effect to the redemption pursuant to this Section 1.03, by (y) the number of years (calculated to the nearest one-twelfth) which will elapse between the date of determination and each such scheduled redemption date under Section 1.02, and (ii) totaling the products obtained in (i).

*Section 1.04.* Series K Bonds may be redeemed pursuant to Article XI of the Indenture (i) out of Trust Moneys, required by Section 8.12 of the Indenture to be deposited with the Trustee, on any date and shall be redeemed for an amount equal to the principal amount of the bonds to be redeemed, plus interest accrued to the date of redemption; or (ii) out of Trust Moneys required by Sections 8.10, 10.03, 10.04 or 10.04A of the Indenture to be deposited with the Trustee, on any date and, if redeemed prior to May 1, 2029, then they shall be redeemed for an amount equal to the Make Whole Amount, as defined above in Section 1.03, and if redeemed on any date on or after May 1, 2029, then they shall be redeemed for an amount equal to the interest accrued on the principal amount of the bond or bonds to be redeemed to the date fixed for redemption, plus 100% of the principal amount thereof, for optional redemptions occurring on or after May 1, 2029.

*Section 1.05.* In the event that all or any part of the bonds of Series K shall be redeemed or otherwise discharged prior to their maturity pursuant to or in accordance with the order of any governmental commission or regulatory authority upon the reorganization, dissolution or liquidation of the Company, or otherwise, the registered owners of such bonds of Series K shall be entitled to be paid an amount equal to the Make Whole Amount, if such redemption or discharge occurs prior to May 1, 2029, or, if such redemption or discharge occurs on or after May 1, 2029, then the registered owners of such bonds shall be entitled to be paid an amount equal to the interest accrued on the principal amount of the bonds to be redeemed to the date of redemption, plus 100% of the principal amount thereof.

*Section 1.06.* Bonds of Series K, upon surrender thereof at the principal office of the Trustee, may be exchanged for the same aggregate principal amount of other bonds of this Series.

Within a reasonable time after the receipt of a request for such an exchange, the Company shall issue and the Trustee shall authenticate and deliver all bonds required in connection therewith, and the Trustee shall make such exchange upon payment to it of such charge, if any, as is required by the following paragraph.

For any exchange of bonds of Series K, the Company, at its option, may require the payment of a sum sufficient to reimburse it for any stamp or other tax or governmental charge required to be paid by the Company or the Trustee.

## ARTICLE TWO

### REDEMPTION

*Section 2.01.* In the case of any required sinking fund redemption pursuant to Section 1.02 hereof, forthwith after the April 1 preceding each required sinking fund redemption date, and in the case of any proposed redemption pursuant to Sections 1.03 or 1.04, forthwith after the Trustee's receipt of proper notice from the Company of any such proposed redemption, the Trustee, pursuant to the provisions of Article VII of the Indenture.

The Company covenants that it will pay to the Trustee

(i) on or before the day prior to each required sinking fund redemption date, the sum required by Section 1.02 hereof,

(ii) on or before the day prior to the date proposed by the Company in a notice (which notice shall conform to the requirements of Article VII of the Indenture) of any redemption pursuant to Section 1.03 or 1.04 hereof, the amount payable in accordance with such notice, and

(iii) at the time of each required sinking fund redemption or other redemption the Company shall pay to the Trustee the amount of the charges which shall be due the Trustee and the amount of the expenses which the Trustee advises the Company it has incurred or will incur in connection with such redemption.

**(FORM OF SERIES K BOND)**

**UNITIL ENERGY SYSTEMS, INC.**

First Mortgage Bond, Series K, 8.00%  
due May 1, 2031

No. KR- \_\_\_\_\_ \$ \_\_\_\_\_

Unitil Energy Systems, Inc., a corporation organized under the laws of the State of New Hampshire (hereinafter called the "*Company*"), for value received, hereby promises to pay to \_\_\_\_\_ or registered assigns, on the first day of May, 2031, the principal sum of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_) and to pay interest thereon from the date hereof at the rate of eight per centum (8.00%) per annum (computed on the basis of a thirty (30) day month and three hundred sixty (360) day year) payable quarterly in arrears on the first day of February, May, August and November each year, commencing the first day of February, 2003, until said principal sum is paid; and to pay interest on any overdue principal (including any overdue prepayment of principal) and premium if any, and (to the extent permitted by applicable law) on any overdue payment of interest, at the rate of 10.00% per annum. The principal of and premium if any, and the interest on this bond shall be payable at the corporate trust office in Boston, Massachusetts of U.S. Bank National Association, or at the corporate trust office designated by its successor as trustee in the trust hereinafter referred to, or at the option of certain holders, in accordance with the provisions of Section 1.01 of Exhibit E of the Twelfth Supplemental Indenture hereinafter referred to, in lawful money of the United States of America.

This bond is one of a duly authorized issue of First Mortgage Bonds of the Company limited as to aggregate principal amount as set forth in the Indenture hereinafter mentioned, issuable in series, and is one of a Series K known as First Mortgage Bonds, Series K, all bonds of all series being issued and to be issued under and pursuant to and all equally secured (except as any sinking or other fund, established in accordance with the provisions of the Indenture hereinafter mentioned, may afford additional security for the bonds of any particular series) by an Indenture of Mortgage and Deed of Trust dated as of July 15, 1958 (herein called the "*Original Indenture*") duly executed and delivered by the Company to Old Colony Trust Company (U.S. Bank National Association being successor Trustee and together with each predecessor trustee being called the "*Trustee*"), to which Original Indenture and to all Indentures supplemental thereto, including a Twelfth Supplemental Indenture (the "*Twelfth Supplemental Indenture*") dated as of December 2, 2002 (herein together called the "*Indenture*") reference is hereby made for a description of the property transferred, assigned and mortgaged thereunder, the nature and extent of the security, the terms and conditions upon which the bonds are secured and additional bonds may be issued and secured, and the rights of the holders or registered owners of said bonds, of the Trustee and of the Company in respect of such security. Neither the foregoing reference to the Indenture, nor any provision of this bond or of the Indenture, shall affect or impair the obligation of the Company, which is absolute, unconditional and unalterable, to pay,

at the stated or accelerated maturities herein provided, the principal of and premium, if any, and interest on this bond as herein provided.

Bonds of this Series K are entitled to the benefit of a required sinking fund provided for in Exhibit E to the Twelfth Supplemental Indenture and shall become subject to redemption for the purposes of such sinking fund at the principal amount thereof without premium, plus interest accrued thereon to the date of such redemption, all on the conditions and in the manner provided in Exhibit E to the Twelfth Supplemental Indenture.

Bonds of this Series K are also redeemable, in whole or in part, in integral multiples of one hundred thousand dollars, at the option of the Company on any date on at least 30 days' notice, in the manner, with the effect, subject to the limitations and for the amounts specified in Section 1.03 of Exhibit E to the Twelfth Supplemental Indenture.

On the conditions and in the manner provided in the Section 1.04 of Exhibit E to the Twelfth Supplemental Indenture, Series K bonds may also become subject to redemption, in whole or in part, at any time on at least 30 days' notice, in the manner, with the effect and for the amounts specified in said Section 1.04, by the use of moneys deposited with or paid to the Trustee as the proceeds of the sale or condemnation of property of the Company or as the proceeds of insurance policies deposited with or paid to the Trustee because of damage to or destruction of property of the Company.

In the event that all or any part of the bonds of this Series K shall be redeemed or otherwise discharged prior to their maturity pursuant to or in accordance with the order of any governmental commission or regulatory authority upon the reorganization, dissolution or liquidation of the Company, or otherwise, the registered owners of such Series K bonds shall be entitled to be paid therefor an amount specified in Section 1.05 of Exhibit E to the Twelfth Supplemental Indenture.

The Indenture provides that, if notice of redemption of any bond issued pursuant to its terms, including the Series K bonds, or any portion of the principal amount of any such bond selected for redemption has been duly given, then such bond or such portion thereof shall become due and payable on the date fixed for redemption, and, if the redemption price shall have been duly deposited with the Trustee, interest thereon shall cease to accrue from and after the date fixed for redemption, and that whenever the redemption price thereof shall have been duly deposited with the Trustee and notice of redemption shall have been duly given, or provision therefor made as provided in the Indenture, such bond or such portion thereof shall no longer be entitled to any lien or benefit of the Indenture.

In case an Event of Default, as defined in the Indenture, occurs, the principal of this bond may become or may be declared due and payable prior to the stated maturity hereof in the manner and with the effect and subject to the conditions provided in the Indenture.

This bond is transferable by the registered owner hereof, in person or by duly authorized attorney, upon books of the Company to be kept for that purpose at the corporate trust office of the Trustee under the Indenture, upon surrender thereof at said 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 the Trustee shall authenticate and deliver, a new registered bond or bonds, of like form and in an authorized denomination or in authorized denominations and of the same series, for the same aggregate principal amount. Bonds of this series upon surrender thereof at said office may be exchanged for the same aggregate principal amount of bonds, also of this series but of another authorized denomination or other authorized denominations, all upon payment of the charges, if any, 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 all purposes.

With the consent of the Company and to the extent permitted by and as provided in the Indenture, property may be released from the lien thereof, and the terms and provisions of the Indenture may be modified by the assent or authority of the holders of at least seventy-five per centum (75%) in principal amount of the bonds then outstanding thereunder, *provided, however*, that no such modification shall (i) extend the time or times or payment of the principal of, or the interest or premium, if any, on any bond, (ii) reduce the principal amount thereof or the rate of interest or premium thereon, (iii) authorize the creation of any lien prior or equal to the lien of the Indenture upon any property subject to the lien thereof, or deprive any bondholder of the benefit of the lien of the Indenture, (iv) affect the rights under the Indenture of the holders of one or more, but less than all, of the series of bonds outstanding thereunder unless assented to by the holders of seventy-five per centum (75%) in aggregate principal amount of bonds outstanding thereunder of each of the series so affected, (v) reduce the percentage of bonds, the holders of which are required to assent to any such modification, or (vi) in any manner affect the rights or obligations of the Trustee without its written consent thereto.

No recourse shall be had for the payment of the principal of or the interest on this bond, or of any claim based hereon or in respect hereof or of the Indenture, against any incorporator, stockholder, officer or director of the Company, or of any successor company, whether by virtue of any statute or rule of law or by the enforcement of any assessment or penalty or otherwise, all such liability being by the acceptance hereof expressly waived and released and being also waived and released by the terms of the Indenture.

This bond shall not be valid nor become obligatory for any purpose until it shall have been authenticated by the execution of the certificate hereon endorsed by the Trustee under the Indenture.

IN WITNESS WHEREOF, Unitil Energy Systems, Inc. has caused this bond to be signed in its name by its President or one of its Vice Presidents and its corporate seal to be hereunto affixed and attested by its Treasurer, and this bond to be dated the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

UNITIL ENERGY SYSTEMS, INC.

By \_\_\_\_\_  
President

ATTEST: \_\_\_\_\_  
Treasurer

(Corporate Seal)

(Form of Trustee's Certificate for all Bonds of Series K)

Trustee's Certificate of Authentication

This is one of the First Mortgage Bonds, Series K, referred to in the within mentioned Indenture.

U.S. BANK NATIONAL ASSOCIATION

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

**(FORM OF ENDORSEMENT)**

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto \_\_\_\_\_ the within bond, and all rights thereunder, hereby irrevocably constituting and appointing \_\_\_\_\_ attorney to transfer said bond on the books of the Company, with full power of substitution in the premises.

\_\_\_\_\_  
Signature of Registered Owner

Dated: \_\_\_\_\_

In the presence  
of: \_\_\_\_\_

NOTICE: The signature of this assignment must correspond with the name of the payee as it appears upon the face of the within bond in every particular, without alteration or enlargement or any change whatever.

## SERIES L BONDS

As a result of the Merger of Exeter into the Company on the Merger Date, as more fully described in the Twelfth Supplemental Indenture, \$9,000,000 aggregate principal amount of the Exeter Series K, 8.49% Bonds due October 14, 2024 (the “*Exeter Series K Bonds*”) issued under the Exeter Indenture are being exchanged as of the Merger Date by the holder thereof for Bonds issued under the Indenture containing substantially the same terms and provisions as the Exeter Series K Bonds which are the Company’s Series L, 8.49% Bonds due October 14, 2024 (the “*Series L Bonds*”). Accordingly, the provisions for the issuance of \$9,000,000 aggregate principal amount of the Company’s Series L Bonds and the terms and provisions thereof are hereinafter set forth.

All things have been done and performed which are necessary to make the Series L Bonds, when authenticated by the Trustee and issued as herein provided, legal, valid and binding obligations of the Company;

AND IT IS HEREBY COVENANTED, DECLARED AND AGREED, as set forth in the following covenants, agreements, conditions and provisions, to wit:

### ARTICLE ONE CREATION OF SERIES L BONDS

*Section 1.01.* There shall be and is hereby created an additional series of bonds designated as and entitled “First Mortgage Bonds, Series L.” Series L Bonds shall be fully registered bonds, of the denomination of \$1,000 and multiples thereof. The registered bonds of Series L originally issued shall be dated as provided in Article III of the Indenture and any bonds of Series L subsequently issued shall be dated as provided in Section 2.03 of the Indenture. All Series L Bonds shall mature on October 14, 2024 and shall bear interest at the rate of eight and forty-nine one hundredths percent (8.49%) per annum from their respective dates of issue, such interest to be payable semi-annually on the fourteenth day of April and the fourteenth day of October in each year commencing the fourteenth day of April, 2003, and shall bear interest on any overdue principal (including any overdue prepayment of principal) and premium, if any, and (to the extent permitted by applicable law) on any overdue payment of interest, at the rate of 9.49% per annum. The principal of, premium, if any, and interest on bonds of Series L shall be payable at the corporate trust office of in Boston, Massachusetts of U.S. Bank National Association or at the corporate trust office designated by its successor as Trustee hereunder, in lawful money of the United States of America, *provided* that the Company may enter into a written agreement with any registered Institutional Holder of the bonds of Series L providing that payment of interest thereon and of the redemption price on any portion of the principal amount thereof (including premium, if any) which may be redeemed shall be made directly to such holder or to its nominee, as the case may be, at a duly designated place of payment within the United States, without surrender or presentation of such bonds of Series L to the Trustee, *provided* that (A) there shall have been filed with the Trustee a copy of such agreement and (B) pursuant to such agreement such holder shall agree that it will not sell, transfer or otherwise dispose of any such bond of

Series L in respect of which any such payment or redemption shall have been made unless, prior to the delivery thereof by it, either (i) it shall have made a clear and accurate notation of the amount of principal so redeemed upon such bond to be transferred, or (ii) such bond of Series L shall have been presented to the Trustee for appropriate notation thereon of the portion of the principal amount thereof redeemed, or (iii) such bond or bonds of Series L shall have been surrendered in exchange for a new bond or bonds of Series L for the unredeemed balance of the principal amount thereof in accordance with the other terms of the Indenture and (C) in such agreement such holder shall agree that prior to receiving any final payment of the entire remaining unpaid principal amount of any Series L bond, the holder thereof shall be required to deliver such bond to the Trustee. For purposes of this Section 1.01, the term “*Institutional Holder*” shall mean any insurance company, bank, savings and loan association, trust company, investment company, charitable foundation, employee benefit plan (as defined in ERISA) or other institutional investor or financial institution. The text of the Series L Bonds and the Trustee’s certificate with respect thereto shall be respectively substantially of the tenor and purport set forth in Schedule A hereto. The Series L Bonds shall be numbered in such manner or by such method as shall be satisfactory to the Trustee.

The issue of bonds of Series L hereunder is hereby limited to the \$9,000,000 in aggregate principal amount of Series L Bonds initially issued as provided in Section 1.08 hereof and to Series L Bonds issued in exchange or substitution for outstanding Series L Bonds under the provisions of Sections 2.08, 2.10, 2.11 and 7.05 of the Indenture and of Section 1.07 hereof.

*Section 1.02.* As a required sinking fund for the benefit of the Series L Bonds, the Company covenants that it will, on or prior to October 13 in each year, beginning with October 13, 2015, and continuing to and including October 13, 2024, pay to the Trustee immediately available funds sufficient to redeem, at par, Series L Bonds then outstanding, in the principal amount of Nine Hundred Thousand Dollars (\$900,000) (or the remaining principal amount if less than \$900,000 principal amount of Series L Bonds at the time remains outstanding). The payments required for the sinking fund as above provided are in this Section 1.02 and elsewhere in this Exhibit F referred to as “required sinking fund payments” and the day following the latest date on which each such payment is required to be made is herein and therein referred to as a “required sinking fund redemption date.” Each required sinking fund payment shall be applied to the redemption of Series L Bonds on the applicable required sinking fund redemption date.

No redemption under Section 1.03, 1.04, 1.05 or 1.06 hereof shall affect or reduce the obligation of the Company to provide for required sinking fund redemptions under this Section 1.02 until all Series L Bonds shall have been paid in full.

*Section 1.03.* At the same time it makes any required sinking fund payment, the Company shall have the option (which shall be non-cumulative) to pay to the Trustee, in immediately available funds, an additional principal amount of Nine Hundred Thousand Dollars (\$900,000) (in this Section 1.03 and elsewhere in this Exhibit F to the Twelfth Supplemental Indenture referred to as an “*optional sinking fund payment*”), *provided*, that the cumulative amount of all optional sinking fund payments pursuant to this Section 1.03 shall not exceed One Million Eight Hundred Thousand Dollars (\$1,800,000) and each such optional sinking fund payment shall be

applied to the redemption of Series L Bonds on the required sinking fund redemption date for such required sinking fund payment. The Company will give notice, by registered mail, postage prepaid, to the Trustee and to each registered owner of a bond of Series L of any required or optional payment to be made pursuant to Section 1.02, this Section 1.03, Section 1.04 or Section 1.05 hereof not more than 60, nor less than 30, days prior to the required sinking fund redemption date (or other designated date of redemption in the case of a redemption pursuant to Section 1.04 or Section 1.05).

*Section 1.04.* In addition to the required and optional sinking funds provided by Sections 1.02 and 1.03 hereof, all of the bonds of Series L, or any part of the principal amount thereof constituting One Hundred Thousand Dollars (\$100,000) or any integral multiple thereof, shall be subject to redemption, at the option of the Company, on any date on or after October 14, 1994 and before October 14, 2019, pursuant to the provisions of Article VII of the Indenture, and by payment of an amount equal to the Make Whole Amount, as defined below in this Section 1.04, determined five Business Days prior to such redemption. In addition to the foregoing, on any date on or after October 14, 2019, all of the bonds of Series L, or any part of the principal amount thereof constituting One Hundred Thousand Dollars (\$100,000) or any integral multiple thereof, shall be subject to redemption, at the option of the Company, by payment of the interest accrued on the principal amount of the bond or bonds optionally to be redeemed to the date fixed for such redemption plus an amount equal to the applicable percentage of the principal amount thereof as follows:

DATE FIXED FOR REDEMPTION	APPLICABLE PERCENTAGE
If redeemed on or after October 14, 2019 and before October 14, 2020	101.5%
On or after October 14, 2020 and before October 14, 2021	101.0%
On or after October 14, 2021 and before October 14, 2022	100.5%
On or after October 14, 2022 and prior to maturity	100%

For purposes of this Section 1.04, the Make Whole Amount shall mean the greater of (i) the outstanding principal amount of the bonds to be redeemed, plus interest accrued thereon to the date fixed for such redemption, and (ii) the sum of (A) the aggregate present value as of the date of such redemption of each dollar of principal being redeemed (taking into account each redemption required by Section 1.02 above) and the amount of interest (exclusive of interest accrued to the date fixed for such redemption) that would have been payable in respect of each such dollar if such redemption had not been made, determined by discounting such amounts at the Reinvestment Rate (as hereinafter defined) from the respective dates on which they would have been payable to the date of such redemption, plus (B) interest accrued on the bonds to be redeemed to the date fixed for such redemption.

For purposes of any determination of the Make Whole Amount:

*“Reinvestment Rate”* shall mean (1) the sum of 0.50%, *plus* the yield reported on page “USD” of the Bloomberg Financial Markets Services Screen (or, if not available,

any other nationally recognized trading screen reporting on-line intraday trading in the United States government Securities) at 11:00 A.M. (Eastern time) on the fifth Business Day preceding the date the Make Whole Amount becomes due and payable pursuant to the foregoing provisions of this Section 1.04 for the United States government Securities having a maturity (rounded to the nearest month) corresponding to the remaining Weighted Average Life to Maturity of the principal of the bonds being redeemed (taking into account the application of each redemption required by Section 1.02) or (2) in the event that no nationally recognized trading screen reporting on-line intraday trading in the United States government Securities is available, Reinvestment Rate shall mean the sum of 0.50%, plus the arithmetic mean of the yields for the two columns under the heading “*Week Ending*” published on the fifth Business Day preceding the date the Make Whole Amount becomes due and payable pursuant to the foregoing provisions of this Section 1.04 in the Statistical Release under the caption “*Treasury Constant Maturities*” for the maturity (rounded to the nearest month) corresponding to the Weighted Average Life to Maturity of the principal amount of the bonds being redeemed (taking into account each redemption required by Section 1.02). If no maturity exactly corresponds to such Weighted Average Life to Maturity, yields for the two published maturities most closely corresponding to such Weighted Average Life to Maturity shall be calculated pursuant to the immediately preceding sentence, and the Reinvestment Rate shall be interpolated or extrapolated from such yields on a straightline basis, rounding in each of such relevant periods to the nearest month. For the purposes of calculating the Reinvestment Rate, the most recent Statistical Release published prior to the date of determination of the Make Whole Amount shall be used.

“*Statistical Release*” shall mean the then most recently published statistical release designated “H.15(519)” or any successor publication which is published weekly by the Federal Reserve System and which establishes yields on actively traded U.S. Government Securities adjusted to constant maturities or, if such statistical release is not published at the time of any determination hereunder, then such other reasonably comparable index which shall be designated by the holders of 66-2/3% in aggregate principal amount of outstanding Series L bonds.

“*Weighted Average Life to Maturity*” of the principal amount of the bonds being redeemed shall mean, as of the time of any determination thereof, the number of years obtained by dividing the then Remaining Dollar-Years of such principal by the aggregate amount of such principal. The term “*Remaining Dollar-Years*” of such principal shall mean the amount obtained by (i) multiplying (x) the remainder of (1) the amount of principal that would have been payable on each scheduled redemption date under Section 1.02 hereof if the redemption pursuant to this Section 1.04 had not been made, less (2) the amount of principal on the bonds scheduled to become payable on each such redemption date under Section 1.02 after giving effect to the redemption pursuant to this Section 1.04, by (y) the number of years (calculated to the nearest one-twelfth) which will elapse between the date of determination and each such scheduled redemption date under Section 1.02, and (ii) totaling the products obtained in (i).

*Section 1.05.* Series L Bonds may be redeemed pursuant to Article XI of the Indenture (i) out of Trust Moneys, required by Section 8.12 of the Indenture to be deposited with the Trustee, on any date and shall be redeemed for an amount equal to the principal amount of the bonds to be redeemed, plus interest accrued to the date of redemption; or (ii) out of Trust Moneys required by Sections 8.10, 10.03, 10.04 or 10.04A of the Indenture to be deposited with the Trustee, on any date and, if redeemed prior to October 14, 2019, then they shall be redeemed for an amount equal to the Make Whole Amount, as defined above in Section 1.04, and if redeemed on any date on or after October 14, 2019, then they shall be redeemed for an amount equal to the interest accrued on the principal amount of the bond or bonds to be redeemed to the date fixed for redemption, plus an amount equal to the applicable percentage of the principal amount thereof set forth in Section 1.04, above, for optional redemptions occurring on or after October 14, 2019.

*Section 1.06.* In the event that all or any part of the bonds of Series L shall be redeemed or otherwise discharged prior to their maturity pursuant to or in accordance with the order of any governmental commission or regulatory authority upon the reorganization, dissolution or liquidation of the Company, or otherwise, the registered owners of such bonds of Series L shall be entitled to be paid an amount equal to the Make Whole Amount, if such redemption or discharge occurs prior to October 14, 2019, or, if such redemption or discharge occurs on or after October 14, 2019, then the registered owners of such bonds shall be entitled to be paid an amount equal to the interest accrued on the principal amount of the bonds to be redeemed to the date of redemption, plus an amount equal to the then applicable percentage of the principal amount thereof provided in Section 1.04, above, for optional redemptions after such date.

*Section 1.07.* Bonds of Series L, upon surrender thereof at the principal office of the Trustee, may be exchanged for the same aggregate principal amount of other bonds of this Series.

Within a reasonable time after the receipt of a request for such an exchange, the Company shall issue and the Trustee shall authenticate and deliver all bonds required in connection therewith, and the Trustee shall make such exchange upon payment to it of such charge, if any, as is required by the following paragraph.

For any exchange of bonds of Series L, the Company, at its option, may require the payment of a sum sufficient to reimburse it for any stamp or other tax or governmental charge required to be paid by the Company or the Trustee.

*Section 1.08.* Upon execution of this Twelfth Supplemental Indenture and subject to the provisions of Article III of the Indenture and upon compliance with the applicable provisions of Article IV of the Indenture, the Company shall execute and deliver to the Trustee, and the Trustee shall authenticate and deliver to or upon the order of the Company, bonds of the Series L in the form set forth in Schedule A hereto in the aggregate principal amount of Nine Million Dollars (\$9,000,000).

## ARTICLE TWO REDEMPTION

*Section 2.01.* In the case of any required or optional sinking fund redemption pursuant to Sections 1.02 and 1.03 hereof, forthwith after the September 14 preceding each required sinking fund redemption date, and in the case of any proposed redemption pursuant to Sections 1.04 or 1.05, forthwith after the Trustee's receipt of proper notice from the Company of any such proposed redemption, the Trustee, shall act in accordance with the provisions of Article VII of the Indenture.

The Company covenants that it will pay to the Trustee

(i) on or before the day prior to each required sinking fund redemption date, the sum required by Section 1.02 hereof, plus the sum, if any, payable in accordance with any notice of optional redemption delivered prior to such required sinking fund redemption date pursuant to Section 1.03 hereof,

(ii) on or before the day prior to the date proposed by the Company in a notice (which notice shall conform to the requirements of Article VII of the Indenture) of any redemption pursuant to Section 1.04 or 1.05 hereof, the amount payable in accordance with such notice, and

(iii) at the time of each required sinking fund redemption or other redemption the Company shall pay to the Trustee the amount of charges which shall be due the Trustee and the amount of the expenses which the Trustee advised the Company it has incurred or will incur in connection with such redemption.

**(FORM OF SERIES L BOND)**

**UNITIL ENERGY SYSTEMS, INC.**

No. LR-\_\_\_\_\_

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

First Mortgage Bond, Series L, 8.49%  
due October 14, 2024

Unitil Energy Systems, Inc., a corporation organized under the laws of the State of New Hampshire (hereinafter called the "*Company*"), for value received, hereby promises to pay to \_\_\_\_\_ or registered assigns, on the fourteenth day of October, 2024, the principal sum of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_) and to pay interest thereon from the date hereof at the rate of eight and forty-nine hundredths per centum (8.49%) per annum (computed on the basis of a thirty (30) day month and three hundred sixty (360) day year) payable semi-annually on the fourteenth day of April and the fourteenth day of October in each year, commencing the fourteenth day of April, 2003, until said principal sum is paid; and to pay interest on any overdue principal (including any overdue prepayment of principal) and premium if any, and (to the extent permitted by applicable law) on any overdue payment of interest, at the rate of 9.49% per annum. The principal of and premium, if any, and the interest on this bond shall be payable at the corporate trust office in Boston, Massachusetts or U.S. Bank National Association, or at the corporate trust office designated by its successor as trustee in the trust hereinafter referred to, or at the option of certain holders, in accordance with the provisions of Section 1.01 of Exhibit F of the Twelfth Supplemental Indenture hereinafter referred to, in lawful money of the United States of America.

This bond is one of a duly authorized issue of First Mortgage Bonds of the Company limited as to aggregate principal amount as set forth in the Indenture hereinafter mentioned, issuable in series, and is one of a series known as First Mortgage Bonds, Series L, all bonds of all series being issued and to be issued under and pursuant to and all equally secured (except as any sinking or other fund, established in accordance with the provisions of the Indenture hereinafter mentioned, may afford additional security for the bonds of any particular series) by an Indenture of Mortgage and Deed of Trust dated as of July 15, 1958 (herein called the "*Original Indenture*") duly executed and delivered by the Company to Old Colony Trust Company (U.S. Bank National Association being successor Trustee and together with each predecessor trustee being called the "*Trustee*"), to which Original Indenture and to all Indentures supplemental thereto, including a Twelfth Supplemental Indenture (the "*Twelfth Supplemental Indenture*") dated as of December 2, 2002 (herein together called the "*Indenture*") reference is hereby made for a description of the property transferred, assigned and mortgaged thereunder, the nature and extent of the security, the terms and conditions upon which the bonds are secured and additional bonds may be issued and secured, and the rights of the holders or registered owners of said bonds, of the Trustee and of the Company in respect of such security. Neither the foregoing reference to the Indenture, nor any provision of this bond or of the Indenture, shall affect or impair the obligation of the Company, which is absolute, unconditional and unalterable, to pay,

at the stated or accelerated maturities herein provided, the principal of and premium, if any, and interest on this bond as herein provided.

Bonds of this Series L are entitled to the benefit of a required sinking fund and an optional sinking fund provided for in Exhibit F to the Twelfth Supplemental Indenture and shall become subject to redemption for the purposes of such sinking funds at the principal amount thereof without premium, plus interest accrued thereon to the date of such redemption, all on the conditions and in the manner provided in Exhibit F to the Twelfth Supplemental Indenture.

Bonds of this Series L are also redeemable, in whole or in part, in integral multiples of one hundred thousand dollars, at the option of the Company on any date on at least 30 days' notice, in the manner, with the effect, subject to the limitations and for the amounts specified in Section 1.04 of Exhibit F to the Twelfth Supplemental Indenture.

On the conditions and in the manner provided in the Section 1.05 of Exhibit F to the Twelfth Supplemental Indenture, Series L Bonds may also become subject to redemption, in whole or in part, at any time on at least 30 days' notice, in the manner, with the effect and for the amounts specified in said Section 1.05, by the use of moneys deposited with or paid to the Trustee as the proceeds of the sale or condemnation of property of the Company or as the proceeds of insurance policies deposited with or paid to the Trustee because of damage to or destruction of property of the Company.

In the event that all or any part of the bonds of this Series L shall be redeemed or otherwise discharged prior to their maturity pursuant to or in accordance with the order of any governmental commission or regulatory authority upon the reorganization, dissolution or liquidation of the Company, or otherwise, the registered owners of such Series L Bonds shall be entitled to be paid therefor an amount specified in Section 1.06 of Exhibit F to the Twelfth Supplemental Indenture.

The Indenture provides that, if notice of redemption of any bond issued pursuant to its terms, including the Series L Bonds, or any portion of the principal amount of any such bond selected for redemption has been duly given, then such bond or such portion thereof shall become due and payable on the date fixed for redemption, and, if the redemption price shall have been duly deposited with the Trustee, interest thereon shall cease to accrue from and after the date fixed for redemption, and that whenever the redemption price thereof shall have been duly deposited with the Trustee and notice of redemption shall have been duly given, or provision therefor made as provided in the Indenture, such bond or such portion thereof shall no longer be entitled to any lien or benefit of the Indenture.

In case an Event of Default, as defined in the Indenture, occurs, the principal of this bond may become or may be declared due and payable prior to the stated maturity hereof in the manner and with the effect and subject to the conditions provided in the Indenture.

This bond is transferable by the registered owner hereof, in person or by duly authorized attorney, upon books of the Company to be kept for that purpose at the corporate trust office of the Trustee under the Indenture, upon surrender thereof at said 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 the Trustee shall authenticate and deliver, a new registered bond or bonds, of like form and in an authorized denomination or in authorized denominations and of the same series, for the same aggregate principal amount. Bonds of this series upon surrender thereof at said office may be exchanged for the same aggregate principal amount of bonds, also of this series but of another authorized denomination or other authorized denominations, all upon payment of the charges, if any, 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 all purposes.

With the consent of the Company and to the extent permitted by and as provided in the Indenture, property may be released from the lien thereof, and the terms and provisions of the Indenture may be modified by the assent or authority of the holders of at least seventy-five per centum (75%) in principal amount of the bonds then outstanding thereunder, *provided, however*, that no such modification shall (i) extend the time or times or payment of the principal of, or the interest or premium, if any, on any bond, (ii) reduce the principal amount thereof or the rate of interest or premium thereon, (iii) authorize the creation of any lien prior or equal to the lien of the Indenture upon any property subject to the lien thereof, or deprive any bondholder of the benefit of the lien of the Indenture, (iv) affect the rights under the Indenture of the holders of one or more, but less than all, of the series of bonds outstanding thereunder unless assented to by the holders of seventy-five per centum (75%) in aggregate principal amount of bonds outstanding thereunder of each of the series so affected, (v) reduce the percentage of bonds, the holders of which are required to assent to any such modification, or (vi) in any manner affect the rights or obligations of the Trustee without its written consent thereto.

No recourse shall be had for the payment of the principal of or the interest on this bond, or of any claim based hereon or in respect hereof or of the Indenture, against any incorporator, stockholder, officer or director of the Company, or of any successor company, whether by virtue of any statute or rule of law or by the enforcement of any assessment or penalty or otherwise, all such liability being by the acceptance hereof expressly waived and released and being also waived and released by the terms of the Indenture.

This bond shall not be valid nor become obligatory for any purpose until it shall have been authenticated by the execution of the certificate hereon endorsed by the Trustee under the Indenture.

IN WITNESS WHEREOF, Unitil Energy Systems, Inc. has caused this bond to be signed in its name by its President or one of its Vice Presidents and its corporate seal to be hereunto affixed and attested by its Treasurer, and this bond to be dated the \_\_\_\_\_, \_\_\_\_\_.

UNITIL ENERGY SYSTEMS, INC.

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

ATTEST: \_\_\_\_\_  
Treasurer

(Corporate Seal)

(Form of Trustee's Certificate for all Bonds of Series L)

Trustee's Certificate of Authentication

This is one of the First Mortgage Bonds, Series L, referred to in the within mentioned Indenture.

U.S. BANK NATIONAL ASSOCIATION

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

**(FORM OF ENDORSEMENT)**

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto \_\_\_\_\_ the within bond, and all rights thereunder, hereby irrevocably constituting and appointing \_\_\_\_\_ attorney to transfer said bond on the books of the Company, with full power of substitution in the premises.

\_\_\_\_\_  
Signature of Registered Owner

Dated: \_\_\_\_\_

In the presence  
of: \_\_\_\_\_

NOTICE: The signature of this assignment must correspond with the name of the payee as it appears upon the face of the within bond in every particular, without alteration or enlargement or any change whatever.

## **SERIES M BONDS**

As a result of the Merger of Exeter into the Company on the Merger Date, as more fully described in the Twelfth Supplemental Indenture, \$10,000,000 aggregate principal amount of the Exeter Series L, 6.96% Bonds due September 1, 2028 (“*Exeter Series L Bonds*”) issued under the Exeter Indenture are exchanged as of Merger Date by the holders thereof for Bonds issued under the Indenture containing substantially the same terms and provisions as the Exeter Series L Bonds which are the Company’s Series M 6.96% Bonds due September 1, 2028 (the “*Series M Bonds*”). Accordingly, the provisions for the issuance of \$10,000,000 aggregate principal amount of the Company’s Series M Bonds and the terms and provisions thereof are hereinafter set forth.

All things have been done and performed which are necessary to make the Series M Bonds, when authenticated by the Trustee and issued as herein provided, legal valid and binding obligations of the Company;

AND IT IS HEREBY COVENANTED, DECLARED AND AGREED, as set forth in the following-covenants, agreements, conditions and provisions, to wit:

### **ARTICLE ONE**

#### **CREATION OF SERIES M BONDS**

*Section 1.01.* There shall be and is hereby created an additional series of bonds designated as and entitled “First Mortgage Bonds, Series M.” Series M Bonds shall be fully registered bonds, of the denomination of \$1,000 and multiples thereof. The registered bonds of Series M originally issued shall be dated as provided in Article III of the Indenture and any bonds of Series M subsequently issued shall be dated as provided in Section 2.03 of the Indenture. All Series M Bonds shall mature on September 1, 2028 and shall bear interest at the rate of six and ninety-six one hundredths percent (6.96%) per annum from their respective dates of issue, such interest to be payable quarterly in arrears on the first day of March, June, September and December in each year commencing the first day of March, 2003, and shall bear interest on any overdue principal (including any overdue prepayment of principal) and premium, if any, and (to the extent permitted by applicable law) on any overdue payment of interest, at the rate of 8.96% per annum. The principal of, premium if any, and interest on bonds of Series M shall be payable at the corporate trust office in Boston, Massachusetts of U.S. Bank National Association or at the corporate trust office designated by its successor as Trustee hereunder, in lawful money of the United States of America *provided* that the Company may enter into a written agreement with any registered Institutional Holder of the bonds of Series M providing that payment of interest thereon and of the redemption price on any portion of the principal amount thereof (including premium, if any) which may be redeemed shall be made directly to such holder or to its nominee, as the case may be, at a duly designated place of payment within the United States, without

surrender or presentation of such bonds of Series M to the Trustee, *provided* that (A) there shall have been filed with the Trustee a copy of such agreement, (B) pursuant to such agreement such holder shall agree that it will not sell, transfer or otherwise dispose of any such bond of Series M in respect of which any such payment or redemption shall have been made unless, prior to the delivery thereof by it, either (i) it shall have made a clear and accurate notation of the amount of principal so redeemed upon such bond to be transferred, or (ii) such bond of Series M shall have been presented to the Trustee for appropriate notation thereon of the portion of the principal amount thereof redeemed, or (iii) such bond or bonds of Series M shall have been surrendered in exchange for a new bond or bonds of Series M for the unredeemed balance of the principal amount thereof in accordance with the other terms of the Indenture and (C) in such agreement such holder shall agree that prior to receiving any final payment of the entire remaining unpaid principal amount of any Series M bond, the holder thereof shall be required to deliver such bond to the Trustee. For purposes of this Section 1.01, the term “*Institutional Holder*” shall mean any insurance company, bank, savings and loan association, trust company, investment company, charitable foundation, employee benefit plan (as defined in ERISA) or other institutional investor or financial institution. The text of the Series M Bonds and the Trustee’s certificate with respect thereto shall be respectively substantially of the tenor and purport set forth in Schedule A hereto. The Series M Bonds shall be numbered in such manner or by such method as shall be satisfactory to the Trustee.

The issue of bonds of Series M hereunder is hereby limited to the \$10,000,000 in aggregate principal amount of Series M Bonds initially issued as provided in Section 1.07 hereof and to Series M Bonds issued in exchange or substitution for outstanding Series M Bonds under the provisions of Sections 2.08, 2.10, 2.11 and 7.05 of the Indenture and of Section 1.06 hereof.

*Section 1.02.* As a required sinking fund for the benefit of the Series M Bonds, the Company covenants that it will, on or prior to September 1 in each year, beginning with September 1, 2019, and continuing to and including September 1, 2028, pay to the Trustee immediately available funds sufficient to redeem, at par, Series M Bonds then outstanding, in the principal amount of One Million Dollars (\$1,000,000) (or the remaining principal amount if less than \$1,000,000 principal amount of Series M Bonds at the time remains outstanding). The payments required for the sinking fund as above provided are in this Section 1.02 and elsewhere in this Exhibit G referred to as “required sinking fund payments” and the day following the latest date on which each such payment is required to be made is herein and therein referred to as a “required sinking fund redemption date”. Each required sinking fund payment shall be applied to the redemption of Series M bonds on the applicable required sinking fund redemption date.

No redemption under Section 1.03, 1.04 or 1.05 hereof shall affect or reduce the obligation of the Company to provide for required sinking fund redemptions under this Section 1.02 until all Series M Bonds shall have been paid in full.

*Section 1.03.* In addition to the required sinking fund provided by Section 1.02 hereof, all of the bonds of Series M, or any part of the principal amount thereof constituting One Hundred Thousand Dollars (\$100,000) or any integral multiple thereof, shall be subject to redemption, at the option of the Company, on any date on or after September 1, 1998 and before September 1, 2026, pursuant to the provisions of Article VII of the Indenture, and by payment of an amount

equal to the Make Whole Amount, as defined below in this Section 1.03, determined five Business Days prior to such redemption. In addition to the foregoing, on any date on or after September 1, 2026, all of the bonds of Series M, or any part of the principal amount thereof constituting One Hundred Thousand Dollars (\$100,000) or any integral multiple thereof, shall be subject to redemption, at the option of the Company, by payment of the interest accrued on the principal amount of the bond or bonds optionally to be redeemed to the dates fixed for such redemption plus 100% of the principal amount thereof.

For purposes of this Section 1.03, the *Make Whole Amount* shall mean the greater of (i) the outstanding principal amount of the bonds to be redeemed, plus interest accrued thereon to the date fixed for such redemption, and (ii) the sum of (A) the aggregate present value as of the date of such redemption of each dollar of principal being redeemed (taking into account each redemption required by Section 1.02 above) and the amount of interest (exclusive of interest accrued to the date fixed for such redemption) that would have been payable in respect of each such dollar if such redemption had not been made, determined by discounting such amounts at the Reinvestment Rate (as hereinafter defined) from the respective dates on which they would have been payable to the date of such redemption, plus (B) interest accrued on the bonds to be redeemed to the date fixed for such redemption.

For purposes of any determination of the Make Whole Amount:

*“Reinvestment Rate”* shall mean (1) the sum of 0.50%, *plus* the yield reported on page “USD” of the Bloomberg Financial Markets Services Screen (or, if not available, any other nationally recognized trading screen reporting on-line intraday trading in the United States government Securities) at 11:00 A.M. (Eastern time) on the fifth Business Day preceding the date the Make Whole Amount become due and payable pursuant to the foregoing provisions of this Section 1.03 for the United States government Securities having a maturity (rounded to the nearest month) corresponding to the remaining Weighted Average Life to Maturity of the principal of the bonds being redeemed (taking into account the application of each redemption required by Section 1.02) or (2) in the event that no nationally recognized trading screen reporting on-line intraday trading in the United States government Securities is available, Reinvestment Rate shall mean the sum of 0.50%, *plus* the arithmetic mean of the yields for the two columns under the heading *“Week Ending”* published on the fifth Business Day preceding the date the Make Whole Amount become due and payable pursuant to the foregoing provisions of this Section 1.03 in the Statistical Release under the caption *“Treasury Constant Maturities”* for the maturity (rounded to the nearest month) corresponding to the Weighted Average Life to Maturity of the principal amount of the bonds being redeemed (taking into account each redemption required by Section 1.02). If no maturity exactly corresponds to such Weighted Average Life to Maturity, yields for the two published maturities most closely corresponding to such Weighted Average Life to Maturity shall be calculated pursuant to the immediately preceding sentence, and the Reinvestment Rate shall be interpolated or extrapolated from such yields on a straightline basis, rounding in each of such relevant periods to the nearest month. For the purposes of calculating the Reinvestment Rate, the most recent Statistical Release published prior to the date of determination of the Make Whole Amount shall be used.

“*Statistical Release*” shall mean the then most recently published statistical release designated “H.15(519)” or any successor publication which is published weekly by the Federal Reserve System and which establishes yields on actively traded U.S. Government Securities adjusted to constant maturities or, if such statistical release is not published at the time of any determination hereunder, then such other reasonably comparable index which shall be designated by the holders of 66-2/3% in aggregate principal amount of outstanding Series M Bonds.

“*Weighted Average Life to Maturity*” of the principal amount of the bonds being redeemed shall mean, as of the time of any determination thereof, the number of years obtained by dividing the then Remaining Dollar-Years of such principal by the aggregate amount of such principal. The term “*Remaining Dollar-Years*” of such principal shall mean the amount obtained by (i) multiplying (x) the remainder of (1) the amount of principal that would have been payable on each scheduled redemption date under Section 1.02 hereof if the redemption pursuant to this Section 1.03 had not been made, less (2) the amount of principal on the bonds scheduled to become payable on each such redemption date under Section 1.02 after giving effect to the redemption pursuant to this Section 1.03, by (y) the number of years (calculated to the nearest one-twelfth) which will elapse between the date of determination and each such scheduled redemption date under Section 1.02, and (ii) totaling the products obtained in (i).

*Section 1.04.* Series M Bonds may be redeemed pursuant to Article XI of the Indenture (i) out of Trust Moneys, required by Section 8.12 of the Indenture to be deposited with the Trustee, on any date and shall be redeemed for an amount equal to the principal amount of the bonds to be redeemed, plus interest accrued to the date of redemption; or (ii) out of Trust Moneys required by Sections 8.10, 10.03, 10.04 or 10.04A of the Indenture to be deposited with the Trustee, on any date and, if redeemed prior to September 1, 2026, then they shall be redeemed for an amount equal to the Make Whole Amount, as defined above in Section 1.03, and if redeemed on any date on or after September 1, 2026, then they shall be redeemed for an amount equal to the interest accrued on the principal amount of the bond or bonds to be redeemed to the date fixed for redemption, plus 100% of the principal amount thereof, for optional redemptions occurring on or after September 1, 2026.

*Section 1.05.* In the event that all or any part of the bonds of Series M shall be redeemed or otherwise discharged prior to their maturity pursuant to or in accordance with the order of any governmental commission or regulatory authority upon the reorganization, dissolution or liquidation of the Company, or otherwise, the registered owners of such bonds of Series M shall be entitled to be paid an amount equal to the Make Whole Amount, if such redemption or discharge occurs prior to September 1, 2026, or, if such redemption or discharge occurs on or after September 1, 2026, then the registered owners of such bonds shall be entitled to be paid an amount equal to the interest accrued on the principal amount of the bonds to be redeemed to the date of redemption, plus 100% of the principal amount thereof.

*Section 1.06.* Bonds of Series M, upon surrender thereof at the principal office of the Trustee, may be exchanged for the same aggregate principal amount of other bonds of this Series.

Within a reasonable time after the receipt of a request for such an exchange, the Company shall issue and the Trustee shall authenticate and deliver all bonds required in connection therewith, and the Trustee shall make such exchange upon payment to it of such charge, if any, as is required by the following paragraph.

For any exchange of bonds of Series M, the Company, at its option, may require the payment of a sum sufficient to reimburse it for any stamp or other tax or governmental charge required to be paid by the Company or the Trustee.

*Section 1.07.* Upon execution of this Twelfth Supplemental Indenture and subject to the provisions of Article III of the Indenture and upon compliance with the applicable provisions of Article IV of the Indenture, the Company shall execute and deliver to the Trustee, and the Trustee shall authenticate and deliver to or upon the order of the Company, bonds of the Series M in the form set forth in Schedule A hereto in the aggregate principal amount of Ten Million Dollars (\$10,000,000).

## ARTICLE TWO

### REDEMPTION

*Section 2.01.* In the case of any required sinking fund redemption pursuant to Section 1.02 hereof, forthwith after the August 1 preceding each required sinking fund redemption date, and in the case of any proposed redemption pursuant to Sections 1.03 or 1.04, forthwith after the Trustee's receipt of proper notice from the Company of any such proposed redemption, the Trustee, shall act in accordance with the provisions of Article VII of the Indenture.

The Company covenants that it will pay to the Trustee

(i) on or before the day prior to each required sinking fund redemption date, the sum required by Section 1.02 hereof,

(ii) on or before the day prior to the date proposed by the Company in a notice (which notice shall conform to the requirements of Article VII of the Indenture) of any redemption pursuant to Section 1.03 or 1.04 hereof, the amount payable in accordance with such notice, and

(iii) at the time of each required sinking fund redemption or other redemption the Company shall pay to the Trustee the amount of the charges which shall be due the Trustee and the amount of the expenses which the Trustee advises the Company it has incurred or will incur in connection with such redemption.

**(FORM OF SERIES M BOND)**

**UNITIL ENERGY SYSTEMS, INC.**

First Mortgage Bond, Series M, 6.96%  
due September 1, 2028

No. MR-\_\_\_\_\_

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

Unitil Energy Systems, Inc., a corporation organized under the laws of the State of New Hampshire (hereinafter called the "*Company*"), for value received, hereby promises to pay to \_\_\_\_\_ or registered assigns, on the first day of September, 2028, the principal sum of \_\_\_\_\_ Dollars (\$\_\_\_\_\_) and to pay interest thereon from the date hereof at the rate of six and ninety-six hundredths per centum (6.96%) per annum (computed on the basis of a thirty (30) day month and three hundred sixty (360) day year) payable quarterly in arrears on the first day of March, June, September and December in each year, commencing the first day of March, 2003, until said principal sum is paid; and to pay interest on any overdue principal (including any overdue prepayment of principal) and premium if any, and (to the extent permitted by applicable law) on any overdue payment of interest, at the rate of 8.96% per annum. The principal of and premium if any, and the interest on this bond shall be payable at the corporate trust office in Boston, Massachusetts of U.S. Bank National Association, or at the corporate trust office designated by its successor as trustee in the trust hereinafter referred to, or at the option of certain holders, in accordance with the provisions of Section 1.01 of Exhibit G of the Twelfth Supplemental Indenture hereinafter referred to, in lawful money of the United States of America.

This bond is one of a duly authorized issue of First Mortgage Bonds of the Company limited as to aggregate principal amount as set forth in the Indenture hereinafter mentioned, issuable in series, and is one of a Series M known as First Mortgage Bonds, Series M, all bonds of all series being issued and to be issued under and pursuant to and all equally secured (except as any sinking or other fund, established in accordance with the provisions of the Indenture hereinafter mentioned, may afford additional security for the bonds of any particular series) by an Indenture of Mortgage and Deed of Trust dated as of July 15, 1958 (herein called the "*Original Indenture*") duly executed and delivered by the Company to Old Colony Trust Company (U.S. Bank National Association being successor Trustee and together with each predecessor trustee being called the "*Trustee*"), to which Original Indenture and to all Indentures supplemental thereto, including a Twelfth Supplemental Indenture (the "*Twelfth Supplemental Indenture*") dated as of December 2, 2002 (herein together called the "*Indenture*") reference is hereby made for a description of the property and transferred, assigned and mortgaged thereunder, the nature and extent of the security, the terms and conditions upon which the bonds are secured and additional bonds may be issued and secured, and the rights of the holders or registered owners of said bonds, of the Trustee and of the Company in respect of such security. Neither the foregoing reference to the Indenture, nor any provision of this bond or of the Indenture, shall affect or impair the obligation of the Company, which is absolute, unconditional and unalterable, to pay, at the stated or accelerated maturities herein provided, the principal of and premium, if any, and interest on this bond as herein provided.

Bonds of this Series M are entitled to the benefit of a required sinking fund provided for in Exhibit G to the Twelfth Supplemental Indenture and shall become subject to redemption for the purposes of such sinking fund at the principal amount thereof without premium, plus interest accrued thereon to the date of such redemption, all on the conditions and in the manner provided in Exhibit G to the Twelfth Supplemental Indenture.

Bonds of this Series M are also redeemable, in whole or in part, in integral multiples of one hundred thousand dollars, at the option of the Company on any date on at least 30 days' notice, in the manner, with the effect, subject to the limitations and for the amounts specified in Section 1.03 of Exhibit G to the Twelfth Supplemental Indenture.

On the conditions and in the manner provided in the Section 1.04 of Exhibit G to the Twelfth Supplemental Indenture, Series M Bonds may also become subject to redemption, in whole or in part, at any time on at least 30 days' notice, in the manner, with the effect and for the amounts specified in said Section 1.04, by the use of moneys deposited with or paid to the Trustee as the proceeds of the sale or condemnation of property of the Company or as the proceeds of insurance policies deposited with or paid to the Trustee because of damage to or destruction of property of the Company.

In the event that all or any part of the bonds of this Series M shall be redeemed or otherwise discharged prior to their maturity pursuant to or in accordance with the order of any governmental commission or regulatory authority upon the reorganization, dissolution or liquidation of the Company, or otherwise, the registered owners of such Series M Bonds shall be entitled to be paid therefor an amount specified in Section 1.05 of Exhibit G to the Twelfth Supplemental Indenture.

The Indenture provides that, if notice of redemption of any bond issued pursuant to its terms, including the Series M Bonds, or any portion of the principal amount of any such bond selected for redemption has been duly given, then such bond or such portion thereof shall become due and payable on the date fixed for redemption, and, if the redemption price shall have been duly deposited with the Trustee, interest thereon shall cease to accrue from and after the date fixed for redemption, and that whenever the redemption price thereof shall have been duly deposited with the Trustee and notice of redemption shall have been duly given, or provision therefor made as provided in the indenture, such bond or such portion thereof shall no longer be entitled to any lien or benefit of the Indenture.

In case an Event of Default, as defined in the Indenture, occurs, the principal of this bond may become or may be declared due and payable prior to the stated maturity hereof in the manner and with the effect and subject to the conditions provided in the Indenture.

This bond is transferable by the registered owner hereof, in person or by duly authorized attorney, upon books of the Company to be kept for that purpose at the corporate trust office of the Trustee under the Indenture, upon surrender thereof at said 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 the Trustee shall authenticate and deliver, a new registered bond or bonds, of like form and in an authorized denomination or in authorized

denominations and of the same series, for the same aggregate principal amount. Bonds of this series upon surrender thereof at said office may be exchanged for the same aggregate principal amount of bonds, also of this series but of another authorized denomination or other authorized denominations, all upon payment of the charges, if any, 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 all purposes.

With the consent of the company and to the extent permitted by and as provided in the Indenture, property may be released from the lien thereof, and the terms and provisions of the Indenture may be modified by the assent or authority of the holders of at least seventy-five per centum (75%) in principal amount of the bonds then outstanding thereunder, *provided, however*, that no such modification shall (i) extend the time or times or payment of the principal of, or the interest or premium, if any, on any bond, (ii) reduce the principal amount thereof or the rate of interest or premium thereon, (iii) authorize the creation of any lien prior or equal to the lien of the Indenture upon any property subject to the lien thereof, or deprive any bondholder of the benefit of the lien of the Indenture, (iv) affect the rights under the Indenture of the holders of one or more, but less than all, of the series of bonds outstanding thereunder unless assented to by the holders of seventy-five per centum (75%) in aggregate principal amount of bonds outstanding thereunder of each of the series so affected, (v) reduce the percentage of bonds, the holders of which are required to assent to any such modification, or (vi) in any manner affect the rights or obligations of the Trustee without its written consent thereto.

No recourse shall be had for the payment of the principal of or the interest on this bond, or of any claim based hereon or in respect hereof or of the Indenture, against any incorporator, stockholder, officer or director of the Company, or of any successor company, whether by virtue of any statute or rule of law or by the enforcement of any assessment or penalty or otherwise, all such liability being by the acceptance hereof expressly waived and released and being also waived and released by the terms of the Indenture.

This bond shall not be valid nor become obligatory for any purpose until it shall have been authenticated by the execution of the certificate hereon endorsed by the Trustee under the Indenture.

IN WITNESS WHEREOF, Unitil Energy Systems, Inc. has caused this bond to be signed in its name by its President or one of its Vice Presidents and its corporate seal to be hereunto affixed and attested by its Treasurer, and this bond to be dated the \_\_\_\_\_, \_\_\_\_\_.

UNITIL ENERGY SYSTEMS, INC.

By \_\_\_\_\_  
President

ATTEST: \_\_\_\_\_  
Treasurer

(Corporate Seal)

(Form of Trustee's Certificate for all Bonds of Series M)

Trustee's Certificate of Authentication

This is one of the First Mortgage Bonds, Series M, referred to in the within mentioned Indenture.

U.S. BANK NATIONAL ASSOCIATION

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

**(FORM OF ENDORSEMENT)**

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto \_\_\_\_\_ the within bond, and all rights thereunder, hereby irrevocably constituting and appointing \_\_\_\_\_ attorney to transfer said bond on the books of the Company, with full power of substitution in the premises.

\_\_\_\_\_  
Signature of Registered Owner

Dated: \_\_\_\_\_

In the presence

of: \_\_\_\_\_

NOTICE: The signature of this assignment must correspond with the name of the payee as it appears upon the face of the within bond in every particular, without alteration or enlargement or any change whatever.

## **SERIES N BONDS**

As a result of the Merger of Exeter into the Company on the Merger Date, as more fully described in the Twelfth Supplemental Indenture, \$7,500,000 aggregate principal amount of the Exeter Series M, 8.00% Bonds due May 1, 2031 (“*Exeter Series M Bonds*”) issued under the Exeter Indenture are exchanged as of Merger Date by the holders thereof for Bonds issued under the Indenture containing substantially the same terms and provisions as the Exeter Series M Bonds which are the Company’s Series N 8.00% Bonds due May 1, 2031 (the “*Series N Bonds*”). Accordingly, the provisions for the issuance of \$7,500,000 aggregate principal amount of the Company’s Series N Bonds and the terms and provisions thereof are hereinafter set forth.

All things have been done and performed which are necessary to make the Series N Bonds, when authenticated by the Trustee and issued as herein provided, legal valid and binding obligations of the Company;

AND IT IS HEREBY COVENANTED, DECLARED AND AGREED, as set forth in the following-covenants, agreements, conditions and provisions, to wit:

### **ARTICLE ONE**

#### **CREATION OF SERIES N BONDS**

*Section 1.01.* There shall be and is hereby created an additional series of bonds designated as and entitled “First Mortgage Bonds, Series N.” Series N Bonds shall be fully registered bonds, of the denomination of \$1,000 and multiples thereof. The registered bonds of Series N originally issued shall be dated as provided in Article III of the Indenture and any bonds of Series N subsequently issued shall be dated as provided in Section 2.03 of the Indenture. All Series N Bonds shall mature on May 1, 2031 and shall bear interest at the rate of eight percent (8.00%) per annum from their respective dates of issue, such interest to be payable quarterly in arrears on the first day of February, May, August and November each year commencing the first day of February, 2003, and shall bear interest on any overdue principal (including any overdue prepayment of principal) and premium, if any, and (to the extent permitted by applicable law) on any overdue payment of interest, at the rate of 10.00% per annum. The principal of, premium if any, and interest on bonds of Series N shall be payable at the corporate trust office in Boston, Massachusetts of U.S. Bank National Association or at the corporate trust office designated by its successor as Trustee hereunder, in lawful money of the United States of America *provided* that the Company may enter into a written agreement with any registered Institutional Holder of the bonds of Series N providing that payment of interest thereon and of the redemption price on any portion of the principal amount thereof (including premium, if any) which may be redeemed shall be made directly to such holder or to its nominee, as the case may be, at a duly designated place of payment within the United States, without surrender or presentation of such bonds of Series N to the Trustee, *provided* that (A) there shall have been filed with the Trustee a copy of such agreement, (B) pursuant to such agreement such holder shall agree that it will not sell, transfer or

otherwise dispose of any such bond of Series N in respect of which any such payment or redemption shall have been made unless, prior to the delivery thereof by it, either (i) it shall have made a clear and accurate notation of the amount of principal so redeemed upon such bond to be transferred, or (ii) such bond of Series N shall have been presented to the Trustee for appropriate notation thereon of the portion of the principal amount thereof redeemed, or (iii) such bond or bonds of Series N shall have been surrendered in exchange for a new bond or bonds of Series N for the unredeemed balance of the principal amount thereof in accordance with the other terms of the Indenture and (C) in such agreement such holder shall agree that prior to receiving any final payment of the entire remaining unpaid principal amount of any Series N bond, the holder thereof shall be required to deliver such bond to the Trustee. For purposes of this Section 1.01, the term “*Institutional Holder*” shall mean any insurance company, bank, savings and loan association, trust company, investment company, charitable foundation, employee benefit plan (as defined in ERISA) or other institutional investor or financial institution. The text of the Series N Bonds and the Trustee’s certificate with respect thereto shall be respectively substantially of the tenor and purport set forth in Schedule A hereto. The Series N Bonds shall be numbered in such manner or by such method as shall be satisfactory to the Trustee.

The issue of bonds of Series N hereunder is hereby limited to the \$7,500,000 in aggregate principal amount of Series N Bonds initially issued as provided in Section 1.07 hereof and to Series N Bonds issued in exchange or substitution for outstanding Series N Bonds under the provisions of Section 2.08, 2.10, 2.11 and 7.05 of the Indenture and of Section 1.06 hereof.

*Section 1.02.* As a required sinking fund for the benefit of the Series N Bonds, the Company covenants that it will, on or prior to May 1 in each year, beginning with May 1, 2022, and continuing to and including May 1, 2031, pay to the Trustee immediately available funds sufficient to redeem, at par, Series N Bonds then outstanding, in the principal amount of Seven Hundred Fifty Thousand Dollars (\$750,000) (or the remaining principal amount if less than \$750,000 principal amount of Series N Bonds at the time remains outstanding). The payments required for the sinking fund as above provided are in this Section 1.02 and elsewhere in this Exhibit H referred to as “required sinking fund payments” and the day following the latest date on which each such payment is required to be made is herein and therein referred to as a “required sinking fund redemption date”. Each required sinking fund payment shall be applied to the redemption of Series N Bonds on the applicable required sinking fund redemption date.

No redemption under Section 1.03, 1.04 or 1.05 hereof shall affect or reduce the obligation of the Company to provide for required sinking fund redemptions under this Section 1.02 until all Series N Bonds shall have been paid in full.

*Section 1.03.* In addition to the required sinking fund provided by Section 1.02 hereof, all of the bonds of Series N, or any part of the principal amount thereof constituting One Hundred Thousand Dollars (\$100,000) or any integral multiple thereof, shall be subject to redemption, at the option of the Company, on any date on or after May 1, 2001 and before May 1, 2029, pursuant to the provisions of Article VII of the Indenture, and by payment of an amount equal to the Make Whole Amount, as defined below in this Section 1.03, determined five Business Days prior to such redemption. In addition to the foregoing, on any date on or after May 1, 2029, all of the bonds of Series N, or any part of the principal amount thereof constituting One Hundred

Thousand Dollars (\$100,000) or any integral multiple thereof, shall be subject to redemption, at the option of the Company, by payment of the interest accrued on the principal amount of the bond or bonds optionally to be redeemed to the dates fixed for such redemption plus 100% of the principal amount thereof.

For purposes of this Section 1.03, the *Make Whole Amount* shall mean the greater of (i) the outstanding principal amount of the bonds to be redeemed, plus interest accrued thereon to the date fixed for such redemption, and (ii) the sum of (A) the aggregate present value as of the date of such redemption of each dollar of principal being redeemed (taking into account each redemption required by Section 1.02 above) and the amount of interest (exclusive of interest accrued to the date fixed for such redemption) that would have been payable in respect of each such dollar if such redemption had not been made, determined by discounting such amounts at the Reinvestment Rate (as hereinafter defined) from the respective dates on which they would have been payable to the date of such redemption, plus (B) interest accrued on the bonds to be redeemed to the date fixed for such redemption.

For purposes of any determination of the Make Whole Amount:

*“Reinvestment Rate”* shall mean (1) the sum of 0.50%, *plus* the yield reported on page “USD” of the Bloomberg Financial Markets Services Screen (or, if not available, any other nationally recognized trading screen reporting on-line intraday trading in the United States government Securities) at 11:00 A.M. (Eastern time) on the fifth Business Day preceding the date the Make Whole Amount become due and payable pursuant to the foregoing provisions of this Section 1.03 for the United States government Securities having a maturity (rounded to the nearest month) corresponding to the remaining Weighted Average Life to Maturity of the principal of the bonds being redeemed (taking into account the application of each redemption required by Section 1.02) or (2) in the event that no nationally recognized trading screen reporting on-line intraday trading in the United States government Securities is available, Reinvestment Rate shall mean the sum of 0.50%, *plus* the arithmetic mean of the yields for the two columns under the heading *“Week Ending”* published on the fifth Business Day preceding the date the Make Whole Amount become due and payable pursuant to the foregoing provisions of this Section 1.03 in the Statistical Release under the caption *“Treasury Constant Maturities”* for the maturity (rounded to the nearest month) corresponding to the Weighted Average Life to Maturity of the principal amount of the bonds being redeemed (taking into account each redemption required by Section 1.02). If no maturity exactly corresponds to such Weighted Average Life to Maturity, yields for the two published maturities most closely corresponding to such Weighted Average Life to Maturity shall be calculated pursuant to the immediately preceding sentence, and the Reinvestment Rate shall be interpolated or extrapolated from such yields on a straightline basis, rounding in each of such relevant periods to the nearest month. For the purposes of calculating the Reinvestment Rate, the most recent Statistical Release published prior to the date of determination of the Make Whole Amount shall be used.

*“Statistical Release”* shall mean the then most recently published statistical release designated “H.15(519)” or any successor publication which is published weekly

by the Federal Reserve System and which establishes yields on actively traded U.S. Government Securities adjusted to constant maturities or, if such statistical release is not published at the time of any determination hereunder, then such other reasonably comparable index which shall be designated by the holders of 66-2/3% in aggregate principal amount of outstanding Series N Bonds.

*“Weighted Average Life to Maturity”* of the principal amount of the bonds being redeemed shall mean, as of the time of any determination thereof, the number of years obtained by dividing the then Remaining Dollar-Years of such principal by the aggregate amount of such principal. The term *“Remaining Dollar-Years”* of such principal shall mean the amount obtained by (i) multiplying (x) the remainder of (1) the amount of principal that would have been payable on each scheduled redemption date under Section 1.02 hereof if the redemption pursuant to this Section 1.03 had not been made, less (2) the amount of principal on the bonds scheduled to become payable on each such redemption date under Section 1.02 after giving effect to the redemption pursuant to this Section 1.03, by (y) the number of years (calculated to the nearest one-twelfth) which will elapse between the date of determination and each such scheduled redemption date under Section 1.02, and (ii) totaling the products obtained in (i).

*Section 1.04.* Series N Bonds may be redeemed pursuant to Article XI of the Indenture (i) out of Trust Moneys, required by Section 8.12 of the Indenture to be deposited with the Trustee, on any date and shall be redeemed for an amount equal to the principal amount of the bonds to be redeemed, plus interest accrued to the date of redemption; or (ii) out of Trust Moneys required by Sections 8.10, 10.03, 10.04 or 10.04A of the Indenture to be deposited with the Trustee, on any date and, if redeemed prior to May 1, 2029, then they shall be redeemed for an amount equal to the Make Whole Amount, as defined above in Section 1.03, and if redeemed on any date on or after May 1, 2029, then they shall be redeemed for an amount equal to the interest accrued on the principal amount of the bond or bonds to be redeemed to the date fixed for redemption, plus 100% of the principal amount thereof, for optional redemptions occurring on or after May 1, 2029.

*Section 1.05.* In the event that all or any part of the bonds of Series N shall be redeemed or otherwise discharged prior to their maturity pursuant to or in accordance with the order of any governmental commission or regulatory authority upon the reorganization, dissolution or liquidation of the Company, or otherwise, the registered owners of such bonds of Series N shall be entitled to be paid an amount equal to the Make Whole Amount, if such redemption or discharge occurs prior to May 1, 2029, or, if such redemption or discharge occurs on or after May 1, 2029, then the registered owners of such bonds shall be entitled to be paid an amount equal to the interest accrued on the principal amount of the bonds to be redeemed to the date of redemption, plus 100% of the principal amount thereof.

*Section 1.06.* Bonds of Series N, upon surrender thereof at the principal office of the Trustee, may be exchanged for the same aggregate principal amount of other bonds of this Series.

Within a reasonable time after the receipt of a request for such an exchange, the Company shall issue and the Trustee shall authenticate and deliver all bonds required in connection

therewith, and the Trustee shall make such exchange upon payment to it of such charge, if any, as is required by the following paragraph.

For any exchange of bonds of Series N, the Company, at its option, may require the payment of a sum sufficient to reimburse it for any stamp or other tax or governmental charge required to be paid by the Company or the Trustee.

*Section 1.07.* Upon execution of this Twelfth Supplemental Indenture and subject to the provisions of Article III of the Indenture and upon compliance with the applicable provisions of Article IV of the Indenture, the Company shall execute and deliver to the Trustee, and the Trustee shall authenticate and deliver to or upon the order of the Company, bonds of the Series N in the form set forth in Schedule A hereto in the aggregate principal amount of Seven Million Five Hundred Thousand Dollars (\$7,500,000).

## ARTICLE TWO

### REDEMPTION

*Section 2.01.* In the case of any required sinking fund redemption pursuant to Section 1.02 hereof, forthwith after the April 1 preceding each required sinking fund redemption date, and in the case of any proposed redemption pursuant to Sections 1.03 or 1.04, forthwith after the Trustee's receipt of proper notice from the Company of any such proposed redemption, the Trustee, shall act in accordance with the provisions of Article VII of the Indenture.

The Company covenants that it will pay to the Trustee

- (i) on or before the day prior to each required sinking fund redemption date, the sum required by Section 1.02 hereof,
- (ii) on or before the day prior to the date proposed by the Company in a notice (which notice shall conform to the requirements of Article VII of the Indenture) of any redemption pursuant to Section 1.03 or 1.04 hereof, the amount payable in accordance with such notice, and
- (iii) at the time of each required sinking fund redemption or other redemption the Company shall pay to the Trustee the amount of the charges which shall be due the Trustee and the amount of the expenses which the Trustee advises the Company it has incurred or will incur in connection with such redemption.

**(FORM OF SERIES N BOND)**

**UNITIL ENERGY SYSTEMS, INC.**

First Mortgage Bond, Series N, 8.00%  
due May 1, 2031

No. NR- \_\_\_\_\_ \$ \_\_\_\_\_

Unitil Energy Systems, Inc., a corporation organized under the laws of the State of New Hampshire (hereinafter called the "*Company*"), for value received, hereby promises to pay to \_\_\_\_\_ or registered assigns, on the first day of May, 2031, the principal sum of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_) and to pay interest thereon from the date hereof at the rate of eight per centum (8.00%) per annum (computed on the basis of a thirty (30) day month and three hundred sixty (360) day year) payable quarterly in arrears on the first day of February, May, August and November each year, commencing the first day of February, 2003, until said principal sum is paid; and to pay interest on any overdue principal (including any overdue prepayment of principal) and premium if any, and (to the extent permitted by applicable law) on any overdue payment of interest, at the rate of 10.00% per annum. The principal of and premium if any, and the interest on this bond shall be payable at the corporate trust office in Boston, Massachusetts of U.S. Bank National Association, or at the corporate trust office designated by its successor as trustee in the trust hereinafter referred to, or at the option of certain holders, in accordance with the provisions of Section 1.01 of Exhibit H of the Twelfth Indenture hereinafter referred to, in lawful money of the United States of America.

This bond is one of a duly authorized issue of First Mortgage Bonds of the Company limited as to aggregate principal amount as set forth in the Indenture hereinafter mentioned, issuable in series, and is one of a Series N known as First Mortgage Bonds, Series N, all bonds of all series being issued and to be issued under and pursuant to and all equally secured (except as any sinking or other fund, established in accordance with the provisions of the Indenture hereinafter mentioned, may afford additional security for the bonds of any particular series) by an Indenture of Mortgage and Deed of Trust dated as of July 15, 1958 (herein called the "*Original Indenture*") duly executed and delivered by the Company to Old Colony Trust Company (U.S. Bank National Association being successor Trustee and together with each predecessor trustee being called the "*Trustee*"), to which Original Indenture and to all Indentures supplemental thereto, including a Twelfth Supplemental Indenture (the "*Twelfth Supplemental Indenture*") dated as of December 2, 2002 (herein together called the "*Indenture*") reference is hereby made for a description of the property and transferred, assigned and mortgaged thereunder, the nature and extent of the security, the terms and conditions upon which the bonds are secured and additional bonds may be issued and secured, and the rights of the holders or registered owners of said bonds, of the Trustee and of the Company in respect of such security. Neither the foregoing reference to the Indenture, nor any provision of this bond or of the Indenture, shall affect or impair the obligation of the Company, which is absolute, unconditional and unalterable, to pay,

at the stated or accelerated maturities herein provided, the principal of and premium, if any, and interest on this bond as herein provided.

Bonds of this Series N are entitled to the benefit of a required sinking fund provided for in Exhibit H to the Twelfth Supplemental Indenture and shall become subject to redemption for the purposes of such sinking fund at the principal amount thereof without premium, plus interest accrued thereon to the date of such redemption, all on the conditions and in the manner provided in Exhibit H to the Twelfth Supplemental Indenture.

Bonds of this Series N are also redeemable, in whole or in part, in integral multiples of one hundred thousand dollars, at the option of the Company on any date on at least 30 days' notice, in the manner, with the effect, subject to the limitations and for the amounts specified in Section 1.03 of Exhibit H to the Twelfth Supplemental Indenture.

On the conditions and in the manner provided in the Section 1.04 of Exhibit H to the Twelfth Supplemental Indenture, Series N bonds may also become subject to redemption, in whole or in part, at any time on at least 30 days' notice, in the manner, with the effect and for the amounts specified in said Section 1.04, by the use of moneys deposited with or paid to the Trustee as the proceeds of the sale or condemnation of property of the Company or as the proceeds of insurance policies deposited with or paid to the Trustee because of damage to or destruction of property of the Company.

In the event that all or any part of the bonds of this Series N shall be redeemed or otherwise discharged prior to their maturity pursuant to or in accordance with the order of any governmental commission or regulatory authority upon the reorganization, dissolution or liquidation of the Company, or otherwise, the registered owners of such Series N bonds shall be entitled to be paid therefor an amount specified in Section 1.05 of Exhibit H to the Twelfth Supplemental Indenture.

The Indenture provides that, if notice of redemption of any bond issued pursuant to its terms, including the Series N bonds, or any portion of the principal amount of any such bond selected for redemption has been duly given, then such bond or such portion thereof shall become due and payable on the date fixed for redemption, and, if the redemption price shall have been duly deposited with the Trustee, interest thereon shall cease to accrue from and after the date fixed for redemption, and that whenever the redemption price thereof shall have been duly deposited with the Trustee and notice of redemption shall have been duly given, or provision therefor made as provided in the indenture, such bond or such portion thereof shall no longer be entitled to any lien or benefit of the Indenture.

In case an Event of Default, as defined in the Indenture, occurs, the principal of this bond may become or may be declared due and payable prior to the stated maturity hereof in the manner and with the effect and subject to the conditions provided in the Indenture.

This bond is transferable by the registered owner hereof, in person or by duly authorized attorney, upon books of the Company to be kept for that purpose at the corporate trust office of the Trustee under the Indenture, upon surrender thereof at said 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 the Trustee shall authenticate and deliver, a new registered bond or bonds, of like form and in an authorized denomination or in authorized denominations and of the same series, for the same aggregate principal amount. Bonds of this series upon surrender thereof at said office may be exchanged for the same aggregate principal amount of bonds, also of this series but of another authorized denomination or other authorized denominations, all upon payment of the charges, if any, 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 all purposes.

With the consent of the company and to the extent permitted by and as provided in the Indenture, property may be released from the lien thereof, and the terms and provisions of the Indenture may be modified by the assent or authority of the holders of at least seventy-five per centum (75%) in principal amount of the bonds then outstanding thereunder, *provided, however*, that no such modification shall (i) extend the time or times or payment of the principal of, or the interest or premium, if any, on any bond, (ii) reduce the principal amount thereof or the rate of interest or premium thereon, (iii) authorize the creation of any lien prior or equal to the lien of the Indenture upon any property subject to the lien thereof, or deprive any bondholder of the benefit of the lien of the Indenture, (iv) affect the rights under the Indenture of the holders of one or more, but less than all, of the series of bonds outstanding thereunder unless assented to by the holders of seventy-five per centum (75%) in aggregate principal amount of bonds outstanding thereunder of each of the series so affected, (v) reduce the percentage of bonds, the holders of which are required to assent to any such modification, or (vi) in any manner affect the rights or obligations of the Trustee without its written consent thereto.

No recourse shall be had for the payment of the principal of or the interest on this bond, or of any claim based hereon or in respect hereof or of the Indenture, against any incorporator, stockholder, officer or director of the Company, or of any successor company, whether by virtue of any statute or rule of law or by the enforcement of any assessment or penalty or otherwise, all such liability being by the acceptance hereof expressly waived and released and being also waived and released by the terms of the Indenture.

This bond shall not be valid nor become obligatory for any purpose until it shall have been authenticated by the execution of the certificate hereon endorsed by the Trustee under the Indenture.

IN WITNESS WHEREOF, Unutil Energy Systems, Inc. has caused this bond to be signed in its name by its President or one of its Vice Presidents and its corporate seal to be hereunto affixed and attested by its Treasurer, and this bond to be dated the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

UNITIL ENERGY SYSTEMS, INC.

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

ATTEST: \_\_\_\_\_  
Treasurer

(Corporate Seal)

(Form of Trustee's Certificate for all Bonds of Series N)

Trustee's Certificate of Authentication

This is one of the First Mortgage Bonds, Series N, referred to in the within mentioned Indenture.

U.S. BANK NATIONAL ASSOCIATION

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

**(FORM OF ENDORSEMENT)**

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto \_\_\_\_\_ the within bond, and all rights thereunder, hereby irrevocably constituting and appointing \_\_\_\_\_ attorney to transfer said bond on the books of the Company, with full power of substitution in the premises.

\_\_\_\_\_  
Signature of Registered Owner

Dated: \_\_\_\_\_

In the presence  
of: \_\_\_\_\_

NOTICE: The signature of this assignment must correspond with the name of the payee as it appears upon the face of the within bond in every particular, without alteration or enlargement or any change whatever.

Execution Version

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UNITIL ENERGY SYSTEMS, INC.

\$27,500,000 AGGREGATE PRINCIPAL AMOUNT OF FIRST MORTGAGE BONDS, SERIES R,  
DUE SEPTEMBER 15, 2040

BOND PURCHASE AGREEMENT

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DATED AS OF SEPTEMBER 15, 2020

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**UNITIL ENERGY SYSTEMS, INC.  
6 LIBERTY LANE WEST  
HAMPTON, NEW HAMPSHIRE 03842-1720**

**DATED AS OF SEPTEMBER 15, 2020**

To the Purchasers named in Schedule A  
attached hereto

Ladies and Gentlemen:

Unitil Energy Systems, Inc. (the “Company”), a New Hampshire corporation, agrees with the Purchasers named on Schedule A of this Agreement (the “Purchasers”) as follows:

**SECTION 1. AUTHORIZATION OF SERIES R BONDS.**

The Company has authorized the issue and sale of \$27,500,000 aggregate principal amount of its First Mortgage Bonds, Series R, due September 15, 2040 (each of the First Mortgage Bonds, Series R, as amended, restated or otherwise modified from time to time pursuant to Section 17, are collective referred to as the “Series R Bonds”, such term to include any such bonds issued in substitution therefor pursuant to Section 13), such Series R Bonds to be substantially in the form attached as Exhibit B hereto. Reference is made to the form of Sixteenth Supplemental Indenture, attached hereto as Exhibit A, to the Indenture of Mortgage and Deed of Trust dated as of July 15, 1958 (the “Original Indenture”) from the Company to Old Colony Trust Company, which has been succeeded by U.S. Bank National Association, a national banking association, having an office and place of business in Boston, Massachusetts (the “Trustee”). The Sixteenth Supplemental Indenture, in the form attached hereto as Exhibit A (with such changes to such form as the Purchasers and the Company may agree to prior to the Closing), is herein referred to as the “Sixteenth Supplemental Indenture”. The Original Indenture, as supplemented by eleven Supplemental Indentures thereto, as amended and restated by the Twelfth Supplemental Indenture, and as further supplemented by the Thirteenth Supplemental Indenture, the Fourteenth Supplemental Indenture, the Fifteenth Supplemental Indenture, and as may be further supplemented from time to time, is referred to as the “Indenture”. Certain capitalized and other terms used herein are defined in Schedule B hereto.

Subject to the occurrence of the Collateral Release Date in accordance with Section 9.1.1, the Series R Bonds will be issued hereunder and secured by the Indenture and the Sixteenth Supplemental Indenture.

**SECTION 2. SALE AND PURCHASE OF SERIES R BONDS.**

Subject to the terms and conditions of this Agreement, the Company will issue and sell to each Purchaser and each Purchaser will purchase from the Company, at the Closing provided for in Section 3, Series R Bonds in the principal amount specified opposite such Purchaser’s name in Schedule A at the purchase price of 100% of the principal amount thereof. The Purchasers’

obligations hereunder are several and not joint obligations and no Purchaser shall have any liability to any Person for the performance or non-performance of any obligation by any other Purchaser hereunder.

SECTION 3. CLOSING.

The sale and purchase of the Series R Bonds to be purchased by each Purchaser shall occur at the offices of Chapman and Cutler LLP, 111 West Monroe Street, Chicago, Illinois 60603 at 10:00 a.m., Central time, at a closing (the “Closing”) on September 15, 2020 or on such other Business Day thereafter on or prior to September 30, 2020 as may be agreed upon by the Company and the Purchasers. At the Closing the Company will deliver to each Purchaser the Series R Bonds to be purchased by such Purchaser in the form of a single Series R Bond (or such greater number of Series R Bonds in denominations of at least \$500,000 as such Purchaser may request) dated the date of the Closing and registered in such Purchaser’s name (or in the name of its nominee), against delivery by such Purchaser to the Company or its order of immediately available funds in the amount of the purchase price therefor by wire transfer to account number 000050596629 at Bank of America, 100 N. Tyron St., Charlotte, NC, ABA Routing Number 026009593, Account Name: Unitil Energy Systems, Inc. If at the Closing the Company shall fail to tender such Series R Bonds to any Purchaser as provided above in this Section 3, or any of the conditions specified in Section 4 shall not have been fulfilled to such Purchaser’s reasonable satisfaction, such Purchaser shall, at its election, be relieved of all further obligations under this Agreement, without thereby waiving any rights such Purchaser may have by reason of such failure or such nonfulfillment.

SECTION 4. CONDITIONS TO CLOSING.

Each Purchaser’s obligation to purchase and pay for the Series R Bonds to be sold to such Purchaser at the Closing is subject to the fulfillment to such Purchaser’s reasonable satisfaction, prior to or at the Closing, of the following conditions:

Section 4.1. Representations and Warranties. The representations and warranties of the Company in this Agreement shall be correct when made and at the time of the Closing (except to the extent any representation or warranty expressly relates to a different date, in which case such representation or warranty shall be correct as of such different date).

Section 4.2. Performance; No Default. The Company shall have performed and complied with all agreements and conditions contained in this Agreement required to be performed or complied with by it prior to or at the Closing. After giving effect to the issue and sale of the Series R Bonds (and the application of the proceeds thereof as contemplated by Section 5.14), no Default or Event of Default shall have occurred and be continuing. Neither the Company nor any Subsidiary shall have entered into any transaction since the date of this Agreement that would have been prohibited by Section 10 had such Section applied since such date.

Section 4.3. Compliance Certificates.

(a) Officer's Certificate. The Company shall have delivered to such Purchaser an Officer's Certificate, dated the date of the Closing, certifying that the conditions specified in Sections 4.1, 4.2 and 4.9 have been fulfilled.

(b) Secretary's Certificate. The Company shall have delivered to such Purchaser a certificate of its Secretary or Assistant Secretary, dated the date of Closing, certifying as to the resolutions attached thereto and other corporate proceedings relating to the authorization, execution and delivery of the Series R Bonds and this Agreement.

Section 4.4. Opinions of Counsel. Such Purchaser shall have received opinions in form and substance reasonably satisfactory to such Purchaser, dated the date of the Closing (a) from Dentons US LLP, special counsel for the Company, covering the matters set forth in Exhibit 4.4(a) and covering such other matters incident to the transactions contemplated hereby as such Purchaser or its counsel may reasonably request (and the Company hereby instructs its counsel to deliver such opinion to the Purchasers), (b) from Gary Epler, Chief Regulatory Counsel for Unitil Service Corp., and/or from Ransmeier & Spellman P.C., special real estate counsel for the Company, covering the matters set forth in Exhibit 4.4(b) and covering such other matters incident to the transactions contemplated hereby as such Purchaser or its counsel may reasonably request (and the Company hereby instructs Gary Epler to deliver such opinion to the Purchasers) and (c) from Chapman and Cutler LLP, the Purchasers' special counsel in connection with such transactions, substantially in the form set forth in Exhibit 4.4(c) and covering such other matters incident to such transactions as such Purchaser may reasonably request.

Section 4.5. Purchase Permitted By Applicable Law, Etc. On the date of the Closing such Purchaser's purchase of Series R Bonds shall (a) be permitted by the laws and regulations of each jurisdiction to which such Purchaser is subject, without recourse to provisions (such as Section 1405(a)(8) of the New York Insurance Law) permitting limited investments by insurance companies without restriction as to the character of the particular investment, (b) not violate any applicable law or regulation (including, without limitation, Regulation T, U or X of the Board of Governors of the Federal Reserve System) and (c) not subject such Purchaser to any tax, penalty or liability under or pursuant to any applicable law or regulation, which law or regulation was not in effect on the date hereof. If requested by such Purchaser, such Purchaser shall have received an Officer's Certificate certifying as to such matters of fact as such Purchaser may reasonably specify to enable such Purchaser to determine whether such purchase is so permitted.

Section 4.6. Sale of Other Series R Bonds. Contemporaneously with the Closing the Company shall sell to each other Purchaser and each other Purchaser shall purchase the Series R Bonds to be purchased by it at the Closing as specified in Schedule A.

Section 4.7. Payment of Special Counsel Fees. Without limiting the provisions of Section 15.1, the Company shall have paid on or before the Closing the reasonable fees, charges and disbursements of the Purchasers' special counsel referred to in Section 4.4 to the extent reflected in a statement of such counsel rendered to the Company at least one Business Day prior

to the Closing, unless the Company and the Purchaser's special counsel have agreed to make such payment due on a later date.

Section 4.8. Private Placement Number. A Private Placement Number issued by Standard & Poor's CUSIP Service Bureau (in cooperation with the SVO) shall have been obtained for the Series R Bonds.

Section 4.9. Changes in Corporate Structure. The Company shall not have changed its jurisdiction of incorporation or organization, as applicable, or been a party to any merger or consolidation or succeeded to all or any substantial part of the liabilities of any other entity, at any time following the date of the most recent financial statements referred to in Schedule 5.5.

Section 4.10. Funding Instructions. At least three Business Days prior to the date of the Closing, each Purchaser shall have received written instructions signed by a Responsible Officer on letterhead of the Company confirming the information specified in Section 3 including (i) the name and address of the transferee bank, (ii) such transferee bank's ABA number and (iii) the account name and number into which the purchase price for the Series R Bonds is to be deposited.

Section 4.11. Regulatory Approvals. The issue and sale of the Series R Bonds shall have been duly authorized by order of the New Hampshire Public Utilities Commission (the "NHPUC"), such order shall be in full force and effect at the time of the Closing and all appeal periods applicable to such order shall have expired.

Section 4.12. Compliance with the Indenture. The Company shall have performed and complied with all agreements and conditions contained in the Indenture which are required to be performed or complied with by the Company for the issuance of the Series R Bonds including but not limited to compliance with the Earnings Available for Interest Charges test required under Section 4.04 of the Indenture for the issuance of the subject Series R Bonds (the "EAIC Test").

Section 4.13. Execution and Delivery of the Sixteenth Supplemental Indenture; Filing and Recording of UCC Financing Statements and the Sixteenth Supplemental Indenture. The Sixteenth Supplemental Indenture shall have been duly executed and delivered by the Company and the Trustee. All UCC Financing Statements, the Indenture, the Sixteenth Supplemental Indenture or other instruments with respect thereto as may be necessary shall have been duly filed or recorded as described in Schedule 4.13 (collectively, the "Collateral Filings") to establish and perfect the security interests and Liens of the Trustee upon the Collateral created by the Indenture (including the Sixteenth Supplemental Indenture) which can be perfected by filing the Indenture, the Sixteenth Supplemental Indenture or a UCC Financing Statement under the UCC), and the Company shall have delivered satisfactory evidence of such filings and recordings.

Section 4.14. Proceedings and Documents. All corporate and other proceedings in connection with the transactions contemplated by this Agreement and all documents and instruments incident to such transactions shall be satisfactory to such Purchaser and its special counsel, and such Purchaser and its special counsel shall have received all such counterpart originals or certified or other copies of such documents as such Purchaser or such special counsel may reasonably request.

SECTION 5. REPRESENTATIONS AND WARRANTIES OF THE COMPANY.

The Company represents and warrants to each Purchaser that the representations and warranties contained in this Section 5 are true and correct as of the date of this Agreement and the Closing (except, in each case, to the extent any representation or warranty expressly relates to a different date, in which case such representation or warranty is true and correct as of such different date):

Section 5.1. Organization; Power and Authority. The Company is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation and is duly qualified as a foreign corporation and is in good standing in each jurisdiction in which such qualification is required by law, other than those jurisdictions as to which the failure to be so qualified or in good standing would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. The Company has the corporate power and authority to own or hold under lease the properties it purports to own or hold under lease, to transact the business it transacts and proposes to transact, except, in each case, as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. The Company has the corporate power and authority to execute and deliver this Agreement, the Indenture, and the Series R Bonds and to perform the provisions hereof and thereof.

Section 5.2. Authorization, Etc. This Agreement and the Series R Bonds have been duly authorized by all necessary corporate action on the part of the Company, and this Agreement constitutes, and upon execution and delivery thereof each Series R Bond will constitute, a legal, valid and binding obligation of the Company enforceable against the Company in accordance with its terms, except as such enforceability may be limited by (i) applicable bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally and (ii) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

Section 5.3. Disclosure. The Company, through its agent, BofA Securities, Inc., has delivered to each Purchaser documents, certificates or other writings identified in Schedule 5.3 and such financial statements listed in Schedule 5.5, relating to the transactions contemplated hereby. The Disclosure Documents (defined below) fairly describe, in all material respects, the general nature of the business and principal properties of the Company and its Subsidiaries. This Agreement and the documents, certificates or other writings delivered to the Purchasers by or on behalf of the Company in connection with the transactions contemplated hereby and identified in Schedule 5.3, and the financial statements listed in Schedule 5.5 (this Agreement and such documents, certificates or other writings identified in Schedule 5.3 and such financial statements listed in Schedule 5.5 delivered to each Purchaser being referred to, collectively, as the "Disclosure Documents"), taken as a whole, do not, as of their respective dates, contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein not misleading in light of the circumstances under which they were made. Except as disclosed in the Disclosure Documents, since June 30, 2020, there has been no change in the financial condition, operations, business or properties of the Company and its Subsidiaries (taken as a whole) except changes that individually or in the aggregate would not reasonably be expected to have a Material

Adverse Effect. There is no fact known to the Company that would reasonably be expected to have a Material Adverse Effect that has not been set forth herein or in the Disclosure Documents.

Section 5.4. Organization and Ownership of Shares of the Company and Subsidiaries; Affiliates. (a) Schedule 5.4 contains (except as noted therein) complete and correct lists (i) of the Company's Subsidiaries, showing, as to each Subsidiary, the correct name thereof, the jurisdiction of its organization, and the percentage of shares of each class of its capital stock or similar equity interests outstanding owned by the Company and each other Subsidiary, (ii) of the Company's Affiliates, other than Subsidiaries, and (iii) of the Company's directors and senior officers.

(b) All of the outstanding shares of capital stock or similar equity interests of each Subsidiary shown in Schedule 5.4 as being owned by the Company and its Subsidiaries have been validly issued, are fully paid and nonassessable and are owned by the Company or another Subsidiary free and clear of any Lien (except for Permitted Encumbrances or as otherwise disclosed in Schedule 5.4).

(c) Each Subsidiary identified in Schedule 5.4 is a corporation or other legal entity duly organized, validly existing and in good standing under the laws of its jurisdiction of organization, and is duly qualified as a foreign corporation or other legal entity and is in good standing in each jurisdiction in which such qualification is required by law, other than those jurisdictions as to which the failure to be so qualified or in good standing would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. Each such Subsidiary has the corporate or other power and authority to own or hold under lease the properties it purports to own or hold under lease and to transact the business it transacts and proposes to transact except, in each case, as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(d) No Subsidiary is a party to, or otherwise subject to any legal, regulatory, contractual or other restriction (other than this Agreement, the agreements listed on Schedule 5.4 and customary limitations imposed by corporate or utility regulatory law or similar statutes) restricting the ability of such Subsidiary to pay dividends out of profits or make any other similar distributions of profits to the Company or any of its Subsidiaries that owns outstanding shares of capital stock or similar equity interests of such Subsidiary in an amount substantially inconsistent with the past practice of such Subsidiary.

(e) Unitil owns all of the common stock of the Company and certain Persons other than Unitil own preferred stock of the Company.

Section 5.5. Financial Statements; Material Liabilities. The Company has delivered to each Purchaser copies of the consolidated financial statements of the Company and its Subsidiaries listed on Schedule 5.5. All of said consolidated financial statements (including in each case the related schedules and notes) fairly present in all material respects the consolidated financial position of the Company and its Subsidiaries as of the respective dates specified in such Schedule and the consolidated results of their operations and cash flows for the respective periods so specified and have been prepared in accordance with GAAP consistently applied throughout the periods involved except as set forth in the notes thereto (subject, in the case of any interim financial

statements, to normal year-end adjustments). The Company and its Subsidiaries do not have any Material liabilities that are not disclosed on such financial statements or otherwise disclosed in the Disclosure Documents except liabilities, as would not, individually or in the aggregate, be reasonably expected to have a Material Adverse Effect.

Section 5.6. Compliance with Laws, Other Instruments, Etc. The execution, delivery and performance by the Company of this Agreement, the Sixteenth Supplemental Indenture, and the Series R Bonds will not (i) contravene, result in any breach of, or constitute a default under, or result in the creation of any Lien (other than the Lien of the Indenture) in respect of any property of the Company or any Subsidiary under, any indenture, mortgage, deed of trust, loan, purchase or credit agreement, lease, corporate charter or by-laws, members agreement or any other Material agreement or instrument to which the Company or any Subsidiary is bound or by which the Company or any Subsidiary or any of their respective properties may be bound or affected, (ii) conflict with or result in a breach of any of the terms, conditions or provisions of any order, judgment, decree, or ruling of any court, arbitrator or Governmental Authority applicable to the Company or any Subsidiary or (iii) violate any provision of any statute or other rule or regulation of any Governmental Authority applicable to the Company or any Subsidiary except, in each case, as would not reasonably be expected to have a Material Adverse Effect.

Section 5.7. Governmental Authorizations, Etc. The Company is subject to regulation by the NHPUC with respect to retail rates, adequacy of service, issuance of securities, and other accounting and operational matters; and to regulation by the Federal Energy Regulatory Commission ("FERC") under the Energy Policy Act of 2005 with regards to certain bookkeeping, accounting and reporting requirements. The issuance and sale of the Series R Bonds has been authorized by order of the NHPUC, which has become final and all applicable appeal periods with respect to the NHPUC order have expired. Except as described above, no other order, consent, approval or authorization of, or any declaration or filing with, any other Governmental Authority is required as a condition precedent to the execution and delivery of the Series R Bonds by the Company and the consummation by the Company of the transactions contemplated hereby.

Section 5.8. Litigation; Observance of Agreements, Statutes and Orders. (a) Except as disclosed in the Disclosure Documents, there are no actions, suits, investigations or proceedings pending or, to the knowledge of the Company, threatened against or affecting the Company or any Subsidiary or any property of the Company or any Subsidiary in any court or before any arbitrator of any kind or before or by any Governmental Authority that, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect.

(b) Except as disclosed in the Disclosure Documents, neither the Company nor any Subsidiary is (i) in default under any term of any agreement or instrument to which it is a party or by which it is bound, (ii) in violation of any order, judgment, decree or ruling of any court, arbitrator or Governmental Authority or (iii) in violation of any applicable law, ordinance, rule or regulation of any Governmental Authority (including, without limitation Environmental Laws, the USA Patriot Act or any of the other laws and regulations that are referred to in Section 5.16), in each case which default or violation, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect.

Section 5.9. Taxes. The Company and its Subsidiaries have filed all income, franchise, and other tax returns that are Material and required to have been filed in any jurisdiction, and have paid all taxes shown to be due and payable on such returns and all other taxes and assessments levied upon them or their properties, assets, income or franchises, to the extent such taxes and assessments have become due and payable and before they have become delinquent, except for any taxes, filings, and assessments (i) the amount of which is not individually or in the aggregate Material or (ii) the amount, applicability or validity of which is currently being contested in good faith by appropriate proceedings and with respect to which the Company or a Subsidiary, as the case may be, has established adequate reserves in accordance with GAAP. The Company knows of no basis for any other tax or assessment that could, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. The charges, accruals and reserves on the books of the Company and its Subsidiaries in respect of income taxes for all fiscal periods are recognized in accordance with GAAP, and, except as disclosed in the Disclosure Documents, the Company knows of no Material unpaid assessment for additional income taxes for any fiscal period or any reasonable basis therefor. As of the date of this Agreement, the federal income tax liabilities of the Company and its Subsidiaries have been finally determined (whether by reason of completed audits or the statute of limitations having run) for all fiscal years up to and including the fiscal year ended December 31, 2016.

Section 5.10. Title to Property; Leases. (a) The Company has good and marketable title to their respective real properties that individually or in the aggregate are material and a good and valid ownership interest in all the other assets reflected in the most recent audited balance sheet referred to in Section 5.5 or subsequently acquired, in each case that individually or in the aggregate are material, other than real property and other assets subsequently sold or otherwise disposed of in the ordinary course of business, subject in each case to no Liens except (i) the Lien created by the Indenture and (ii) other Liens permitted by the Indenture.

(b) The properties specifically to be included as mortgaged as set forth in the granting clauses of the Indenture (including the granting clauses included in the Sixteenth Supplemental Indenture), other than properties released from the lien thereof pursuant to the terms thereof, are owned by the Company, located in New Hampshire and constitute substantially all of the property of the Company except certain property which is not “Public Utility Property” (as defined in Section 10.04A of the Indenture), which property has heretofore been duly released from the lien of the Indenture pursuant to Section 10.04A thereof (the “Excepted Property”). All of the real estate and other property which is reflected in the balance sheet of the Company as of June 30, 2020 referred to in Section 5.5, and all of the Material rights of way, Material easements, grants, permits, privileges, franchises and other rights necessary to the operation of said property, are subject to the Indenture as a first lien thereon (subject only to Liens permitted by the Indenture) except properties expressly excluded from said lien of the Indenture by the provisions thereof (including the Excepted Property).

Section 5.11. Licenses, Permits, Etc. (a) The Company and its Subsidiaries own or possess all licenses, permits, franchises, authorizations, patents, copyrights, proprietary software, service marks, trademarks and trade names, or rights thereto, that individually or in the aggregate are Material, without known conflict with the rights of others, except in each case for such lack of

ownership or possession or for those conflicts that, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect.

(b) To the knowledge of the Company, there is no Material violation by any Person of any right of the Company or any of its Subsidiaries with respect to any patent, copyright, proprietary software, service mark, trademark, trade name or other right owned or used by the Company or any of its Subsidiaries that would reasonably be expected to have a Material Adverse Effect.

Section 5.12. Compliance with ERISA. (a) The Company and each ERISA Affiliate have operated and administered each Plan in compliance with all applicable laws except for such instances of noncompliance as have not resulted in and would not reasonably be expected to result in a Material Adverse Effect. Neither the Company nor any ERISA Affiliate has incurred any liability pursuant to Title I or IV of ERISA or the penalty or excise tax provisions of the Code relating to employee benefit plans (as defined in Section 3 of ERISA), and no event, transaction or condition has occurred or exists that would, individually or in the aggregate, reasonably be expected to result in the incurrence of any such liability by the Company or any ERISA Affiliate, or in the imposition of any Lien on any of the rights, properties or assets of the Company or any ERISA Affiliate, in either case pursuant to Title I or IV of ERISA to Section 430(k) of the Code or to any such penalty or excise tax provisions under the Code or federal law or Section 4068 of ERISA or by the granting of a security interest in connection with the amendment of a Plan, other than such liabilities or Liens as would not be individually or in the aggregate Material.

(b) None of the Plans that are subject to the minimum funding requirements of Section 412 of the Code or Section 302 of ERISA, nor any trust established thereunder, have incurred any “accumulated funding deficiency” or “liquidity shortfall” (as those terms are defined in Section 302 of ERISA or Section 412 of the Code), whether or not waived.

(c) The Company and its ERISA Affiliates have not incurred withdrawal liabilities (and are not subject to contingent withdrawal liabilities) under Section 4201 or 4204 of ERISA in respect of Multiemployer Plans that individually or in the aggregate are Material.

(d) The postretirement benefit obligations (determined as of the last day of the Company’s most recently ended fiscal year in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 715-60, without regard to liabilities attributable to continuation coverage mandated by Section 4980B of the Code) of the Company and its Subsidiaries have been determined in accordance with GAAP.

(e) The execution and delivery of this Agreement and the issuance and sale of the Series R Bonds hereunder will not involve any transaction that is subject to the prohibitions of Section 406 of ERISA or in connection with which a tax could be imposed pursuant to Section 4975(c)(1)(A)–(D) of the Code. The representation by the Company to each Purchaser in the first sentence of this Section 5.12(e) is made in reliance upon and subject to the accuracy of such Purchaser’s representation in Section 6.2 as to the sources of the funds used to pay the purchase price of the Series R Bonds to be purchased by such Purchaser.

- (f) The Company and its Subsidiaries do not have any Non-U.S. Plans.

Section 5.13. Private Offering by the Company. Neither the Company nor anyone acting on its behalf has offered the Series R Bonds or any similar securities for sale to, solicited any offer to buy any of the same from, or otherwise approached or negotiated in respect thereof with, any Person other than the Purchasers and not more than fifteen (15) other Institutional Investors, each of which has been offered the Series R Bonds at a private sale for investment. Neither the Company nor anyone acting on its behalf has taken, or will take, any action that would subject the issuance or sale of the Series R Bonds to the registration requirements of Section 5 of the Securities Act. The representation and warranty by the Company to each Purchaser in the second sentence of this Section 5.13 is made in reliance upon and subject to the accuracy of the Purchasers' representations in Section 6.1 and Section 6.4.

Section 5.14. Use of Proceeds; Margin Regulations. The Company will apply the proceeds of the sale of the Series R Bonds to refinance existing short-term debt and/or for general corporate purposes of the Company and its Subsidiaries. No part of the proceeds from the sale of the Series R Bonds hereunder will be used, directly or indirectly, for the purpose of buying or carrying any margin stock within the meaning of Regulation U of the Board of Governors of the Federal Reserve System (12 CFR 221), or for the purpose of buying or carrying or trading in any securities under such circumstances as to involve the Company in a violation of Regulation X of said Board (12 CFR 224) or to involve any broker or dealer in a violation of Regulation T of said Board (12 CFR 220). The Company does not own or carry any margin stock. As used in this Section, the terms "margin stock" and "purpose of buying or carrying" shall have the meanings assigned to them in said Regulation U.

Section 5.15. Existing Indebtedness; Future Liens; Restrictions on Funded Indebtedness. (a) Except as described therein, Schedule 5.15 sets forth a complete and correct list of all outstanding Indebtedness of the Company and its Subsidiaries as of June 30, 2020 (including a description of the obligors and obligees, principal amount outstanding and collateral therefor, if any, and Guaranty thereof, if any), since which date there has been no Material change in the amounts, interest rates, sinking funds, installment payments or maturities of the Indebtedness of the Company or its Subsidiaries. Neither the Company nor any Subsidiary is in default and no waiver of default is currently in effect, in the payment of any principal or interest on any Indebtedness of the Company or such Subsidiary and no event or condition exists with respect to any Indebtedness of the Company or any Subsidiary with an outstanding principal amount in excess of \$1,000,000 that would permit (or that with notice or the lapse of time, or both, would permit) one or more Persons to cause such Indebtedness to become due and payable before its stated maturity or before its regularly scheduled dates of payment.

(b) Neither the Company nor any Subsidiary has agreed or consented to cause or permit in the future (upon the happening of a contingency or otherwise) any of its property, whether now owned or hereafter acquired, to be subject to a Lien other than Liens permitted by the Indenture.

(c) Except as disclosed in Schedule 5.15, neither the Company nor any Subsidiary is a party to, or otherwise subject to any provision contained in, any instrument evidencing Funded Indebtedness of the Company or such Subsidiary, any agreement relating thereto or any other

agreement (including, but not limited to, its charter or other organizational document) which limits the amount of, or otherwise imposes restrictions on the incurring of, Funded Indebtedness of the Company.

Section 5.16. Foreign Assets Control Regulations, Etc. (a) Neither the Company nor any Controlled Entity (i) is a Blocked Person, (ii) has been notified that its name appears or may in the future appear on a State Sanctions List or (iii) is a target of sanctions that have been imposed by the United Nations or the European Union.

(b) Neither the Company nor any Controlled Entity (i) has violated, been found in violation of, or been charged or convicted under, any applicable U.S. Economic Sanctions Laws, Anti-Money Laundering Laws or Anti-Corruption Laws or (ii) to the Company's knowledge, is under investigation by any Governmental Authority for possible violation of any U.S. Economic Sanctions Laws, Anti-Money Laundering Laws or Anti-Corruption Laws.

(c) No part of the proceeds from the sale of the Series R Bonds hereunder:

(i) constitutes or will constitute funds obtained on behalf of any Blocked Person or will otherwise be used by the Company or any Controlled Entity, directly or indirectly, (A) in connection with any investment in, or any transactions or dealings with, any Blocked Person, (B) for any purpose that would cause any Purchaser to be in violation of any U.S. Economic Sanctions Laws or (C) otherwise in violation of any U.S. Economic Sanctions Laws;

(ii) will be used, directly or indirectly, in violation of, or cause any Purchaser to be in violation of, any applicable Anti-Money Laundering Laws; or

(iii) will be used, directly or indirectly, for the purpose of making any improper payments, including bribes, to any Governmental Official or commercial counterparty in order to obtain, retain or direct business or obtain any improper advantage, in each case which would be in violation of, or cause any Purchaser to be in violation of, any applicable Anti-Corruption Laws.

(d) The Company has established procedures and controls which it reasonably believes are adequate (and otherwise comply with applicable law) to ensure that the Company and each Controlled Entity is and will continue to be in compliance with all applicable U.S. Economic Sanctions Laws, Anti-Money Laundering Laws and Anti-Corruption Laws.

Section 5.17. Status under Certain Statutes. Neither the Company nor any Subsidiary is subject to regulation under the Investment Company Act of 1940, as amended, or the ICC Termination Act of 1995, as amended. The Company and/or one or more of its Subsidiaries is subject to regulation by NHPUC with respect to retail rates, adequacy of service, issuance of securities, accounting and other matters, under the Federal Power Act, as amended, the Public Utility Holding Company Act of 2005, as amended, and/or the Energy Policy Act of 2005, as amended.

Section 5.18. Environmental Matters. (a) Except as disclosed in the Disclosure Documents, neither the Company nor any Subsidiary has knowledge of any claim or has received any notice of any claim, and no proceeding has been instituted raising any claim against the Company or any of its Subsidiaries or any of their respective real properties now or formerly owned, leased or operated by any of them or other assets, alleging any damage to the environment or violation of any Environmental Laws, except, in each case, such as would not reasonably be expected to result in a Material Adverse Effect.

(b) Except as disclosed in the Disclosure Documents, all buildings on all real properties now owned, leased or operated by the Company or any Subsidiary are in compliance with applicable Environmental Laws, except where failure to comply would not reasonably be expected to result in a Material Adverse Effect.

Section 5.19. Series R Bonds Rank Pari Passu. Prior to the Collateral Release Date, the obligations of the Company under the Series R Bonds will be secured pari passu under the Indenture with all other outstanding Indebtedness issued thereunder. After the Collateral Release Date, the obligations of the Company under this Agreement and the Series R Bonds shall rank pari passu in right of payment with all other senior unsecured Funded Indebtedness (actual or contingent) of the Company.

Section 5.20. Solvency and Consideration. On the date of Closing, after giving effect to the issue and sale of the Series R Bonds and the application of the proceeds as contemplated by Section 5.14 hereof, the Company is solvent, has capital not unreasonably small in relation to its business or any contemplated or undertaken transaction and has assets having a value both at fair valuation and a present fair salable value greater than the amount required to pay its debts as they become due and greater than the amount that will be required to pay its probable liability on its existing debts as they become due and matured. The Company does not intend to incur, nor does it believe, nor should it believe that it will incur, debts beyond its ability to pay such debts as they become due. The Company will not be rendered insolvent by the execution, delivery and performance of its obligations under or in respect of the Series R Bonds or this Agreement. The Company does not intend to hinder, delay or defraud its creditors by or through the execution, delivery or performance of its obligations under or in respect of the Series R Bonds or this Agreement.

Section 5.21. Lien of Indenture. The Indenture (including the Sixteenth Supplemental Indenture) constitutes a direct and valid Lien upon all of the properties and assets of the Company specifically or generally described or referred to in the Indenture as being subject to the Lien thereof, subject only to the exceptions referred to in the Indenture and Permitted Encumbrances, and will create a similar Lien upon all properties and assets acquired by the Company after the date hereof which are required to be subjected to the Lien of the Indenture, when acquired by the Company, subject only to the exceptions referred to in the Indenture and Permitted Encumbrances, and subject, further, as to real property, to the recordation of a supplement to the Indenture describing such after-acquired property and, as to personal property, the filing of a financing statement if necessary with respect to the after-acquired collateral; the descriptions of all such properties and assets contained in the granting clauses of the Indenture are correct and adequate for the purposes of the Indenture; and the Indenture (including the Sixteenth Supplemental

Indenture) has been duly recorded as a mortgage of real estate, and any required filings with respect to personal property and fixtures subject to the Lien of the Indenture have been duly made in each place in which such recording or filing is required to protect, preserve and perfect the Lien of the Indenture; and all taxes and recording and filing fees required to be paid with respect to the execution, recording or filing of the Indenture (including the Sixteenth Supplemental Indenture), the filing of financing statements related thereto and similar documents and the issuance of the Bonds have been paid.

Section 5.22. Filings under Indenture. No action, including any filing, registration, notice or approval, is necessary except in such places as described in Schedule 4.13 to establish or protect for the benefit of the Trustee and the holders of the Series R Bonds.

Section 5.23. Status of Certain Material Agreements. No amendment, modification, supplement or other change has been made to the Indenture since the date of the Sixteenth Supplemental Indenture.

## SECTION 6. REPRESENTATIONS AND WARRANTIES OF THE PURCHASERS.

### Section 6.1. Purchase for Investment.

(a) Each Purchaser severally represents and warrants that it (i) is an institutional “accredited investor” as defined in Rule 501(a)(1), (2), (3), or (7) under the Securities Act, (ii) is not an “underwriter” as defined in Section 2(a)(11) of the Securities Act, and (iii) is purchasing the Series R Bonds for its own account or for one or more separate accounts maintained by such Purchaser or for the account of one or more pension or trust funds and not with a view to the distribution thereof, provided that the disposition of such Purchaser’s or their property shall at all times be within such Purchaser’s or their control.

(b) Each Purchaser understands that the Series R Bonds have not been registered under the Securities Act and may be resold only if registered pursuant to the provisions of the Securities Act or if an exemption from registration is available, except under circumstances where neither such registration nor such an exemption is required by law, and that the Company is not required to and does not intend to register the Series R Bonds.

(c) Each Purchaser understands that the Series R Bonds will bear a legend, prominently stamped or printed thereon, reading substantially as follows:

THIS BOND HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 OR APPLICABLE STATE SECURITIES LAWS. THIS BOND HAS BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO DISTRIBUTION OR RESALE, AND MAY NOT BE SOLD, MORTGAGED, PLEDGED, HYPOTHECATED OR OTHERWISE TRANSFERRED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933 AND APPLICABLE STATE SECURITIES LAWS, OR THE AVAILABILITY OF AN EXEMPTION FROM THE REGISTRATION PROVISIONS OF THE SECURITIES ACT OF 1933 AND APPLICABLE STATE SECURITIES LAWS.

Upon the request of any holder of any Series R Bond, the Company shall, and shall direct the Trustee to, remove the legend from such Series R Bond or issue to such holder a new Series R Bond therefor free of any transfer legend, if: (A)(i) such holder is not an “affiliate” (as defined in Rule 144 of the Securities Act) of the Company at the time thereof and has not been an affiliate during the preceding three months and (ii) a period of one year has elapsed since the later of the date the Series R Bond was acquired from the Company or from an affiliate of the Company (calculated as set forth in Rule 144 of the Securities Act); or (B) the Company shall have received a written opinion of counsel to such holder (which may be internal counsel to such holder) that, in the opinion of such counsel, such legend is not, or is no longer, necessary or required.

Section 6.2. Source of Funds. Each Purchaser severally represents and warrants that at least one of the following statements is an accurate representation as to each source of funds (a “Source”) to be used by such Purchaser to pay the purchase price of the Series R Bonds to be purchased by such Purchaser hereunder:

(a) the Source is an “insurance company general account” (as the term is defined in the United States Department of Labor’s Prohibited Transaction Exemption (“PTE”) 95-60) in respect of which the reserves and liabilities (as defined by the annual statement for life insurance companies approved by the NAIC (the “NAIC Annual Statement”)) for the general account contract(s) held by or on behalf of any employee benefit plan together with the amount of the reserves and liabilities for the general account contract(s) held by or on behalf of any other employee benefit plans maintained by the same employer (or affiliate thereof as defined in PTE 95-60) or by the same employee organization in the general account do not exceed 10% of the total reserves and liabilities of the general account (exclusive of separate account liabilities) plus surplus as set forth in the NAIC Annual Statement filed with such Purchaser’s state of domicile; or

(b) the Source is a separate account that is maintained solely in connection with such Purchaser’s fixed contractual obligations under which the amounts payable, or credited, to any employee benefit plan (or its related trust) that has any interest in such separate account (or to any participant or beneficiary of such plan (including any annuitant)) are not affected in any manner by the investment performance of the separate account; or

(c) the Source is either (i) an insurance company pooled separate account, within the meaning of PTE 90-1 or (ii) a bank collective investment fund, within the meaning of the PTE 91-38 and, except as disclosed by such Purchaser to the Company in writing pursuant to this clause (c), no employee benefit plan or group of plans maintained by the same employer or employee organization beneficially owns more than 10% of all assets allocated to such pooled separate account or collective investment fund; or

(d) the Source constitutes assets of an “investment fund” (within the meaning of Part VI of PTE 84-14 (the “QPAM Exemption”)) managed by a “qualified professional asset manager” or “QPAM” (within the meaning of Part VI of the QPAM Exemption), no employee benefit plan’s assets that are managed by the QPAM in such investment fund, when combined with the assets of all other employee benefit plans established or

maintained by the same employer or by an affiliate (within the meaning of Part VI(c)(1) of the QPAM Exemption) of such employer or by the same employee organization and managed by such QPAM, represent more than 20% of the total client assets managed by such QPAM, the conditions of Part I(c) and (g) of the QPAM Exemption are satisfied, neither the QPAM nor a person controlling or controlled by the QPAM maintains an ownership interest in the Company that would cause the QPAM and the Company to be “related” within the meaning of Part VI(h) of the QPAM Exemption and (i) the identity of such QPAM and (ii) the names of any employee benefit plans whose assets in the investment fund, when combined with the assets of all other employee benefit plans established or maintained by the same employer or by an affiliate (within the meaning of Part VI(c)(1) of the QPAM Exemption) of such employer or by the same employee organization, represent 10% or more of the assets of such investment fund, have been disclosed to the Company in writing pursuant to this clause (d); or

(e) the Source constitutes assets of a “plan(s)” (within the meaning of Part IV(h) of PTE 96-23 (the “INHAM Exemption”)) managed by an “in-house asset manager” or “INHAM” (within the meaning of Part IV(a) of the INHAM Exemption), the conditions of Part I(a), (g) and (h) of the INHAM Exemption are satisfied, neither the INHAM nor a person controlling or controlled by the INHAM (applying the definition of “control” in Part IV(d)(3) of the INHAM Exemption) owns a 10% or more interest in the Company and (i) the identity of such INHAM and (ii) the name(s) of the employee benefit plan(s) whose assets constitute the Source have been disclosed to the Company in writing pursuant to this clause (e); or

(f) the Source is a governmental plan; or

(g) the Source is one or more employee benefit plans, or a separate account or trust fund comprised of one or more employee benefit plans, each of which has been identified to the Company in writing pursuant to this clause (g); or

(h) the Source does not include assets of any employee benefit plan, other than a plan exempt from the coverage of ERISA.

As used in this Section 6.2, the terms “employee benefit plan,” “governmental plan,” and “separate account” shall have the respective meanings assigned to such terms in Section 3 of ERISA.

Section 6.3. Binding Effect. Each Purchaser severally represents and warrants that this Agreement has been duly executed and delivered by it and this Agreement constitutes its valid and legally binding obligation, enforceable against it in accordance with its terms.

Section 6.4. Access to Information; Knowledge and Experience. Each Purchaser severally represents and warrants that it (i) has been furnished with or has had access to the information requested from the Company, (ii) has had an opportunity to discuss with management of the Company the business and financial affairs of the Company and (iii) has such knowledge and experience in business and financial matters and with respect to investments in securities similar to the Series R Bonds that it is capable of evaluating the risks and merits of this investment.

SECTION 7. INFORMATION AS TO COMPANY.

Section 7.1. Financial and Business Information. So long as any of the Series R Bonds are outstanding, the Company shall deliver to each holder of Series R Bonds that is an Institutional Investor:

(a) Quarterly Statements — (i) within 90 days after the end of each quarterly fiscal period in each fiscal year of the Company (other than the last quarterly fiscal period of each such fiscal year), duplicate copies of,

(A) an unaudited consolidated balance sheet of the Company and its Subsidiaries as at the end of such quarter, and

(B) unaudited consolidated statements of income, changes in shareholders' equity and cash flows of the Company and its Subsidiaries, for such quarter and (in the case of the second and third quarters) for the portion of the fiscal year ending with such quarter,

(ii) within 90 days after the end of each quarterly fiscal period in each fiscal year of Unitil (other than the last quarterly fiscal period of each such fiscal year), duplicate copies of,

(A) an unaudited consolidated balance sheet of Unitil and its Subsidiaries as at the end of such quarter, and

(B) unaudited consolidated statements of income, changes in shareholders' equity and cash flows of Unitil and its Subsidiaries, for such quarter and (in the case of the second and third quarters) for the portion of the fiscal year ending with such quarter,

setting forth in each case in comparative form the figures for the corresponding periods in the previous fiscal year, all in reasonable detail, prepared in accordance with GAAP applicable to quarterly financial statements generally, and certified by a Senior Financial Officer as fairly presenting, in all material respects, the financial position of the companies being reported on and their results of operations and cash flows, subject to changes resulting from year-end adjustments, provided that delivery within the time period specified above of copies of Unitil's Quarterly Report on Form 10-Q (the "Form 10-Q") prepared in material compliance with the requirements therefor and filed with the SEC shall be deemed to satisfy the requirements of Section 7.1(a)(ii), provided, further, that the Company shall be deemed to have made such delivery of such Form 10-Q if Unitil shall have timely made such Form 10-Q available on EDGAR or on its home page on the worldwide web (at the date of this Agreement located at <http://www.unitil.com>) (such availability being referred to as "Electronic Delivery");

(b) Annual Statements — (i) within 120 days after the end of each fiscal year of the Company, duplicate copies of:

- (A) a consolidated balance sheet of the Company and its Subsidiaries as at the end of such year, and
  - (B) consolidated statements of income, changes in shareholders' equity and cash flows of the Company and its Subsidiaries for such year; and
- (ii) within 120 days after the end of each fiscal year of Unitil, duplicate copies of
- (A) a consolidated balance sheet of Unitil and its Subsidiaries as at the end of such year, and
  - (B) consolidated statements of income, changes in shareholders' equity and cash flows of Unitil and its Subsidiaries for such year,

setting forth in each case in comparative form the figures for the previous fiscal year, all in reasonable detail, prepared in accordance with GAAP, and accompanied by a report thereon from Deloitte & Touche LLP or other independent public accountants of recognized national standing, to the effect that such financial statements present fairly, in all material respects, the financial position of the companies being reported upon and their results of operations and cash flows and have been prepared in conformity with GAAP, and that the examination of such accountants in connection with such financial statements has been made in accordance with generally accepted auditing standards, and that such audit provides a reasonable basis for such report in the circumstances,

provided that the delivery within the time period specified above of Unitil's Form 10-K (the "Form 10-K") for such fiscal year (together with Unitil's annual report to shareholders, if any, prepared pursuant to Rule 14a-3 under the Exchange Act) prepared in material compliance with the requirements therefor and filed with the SEC, shall be deemed to satisfy the requirements of Section 7.1(b)(ii), provided, further, that the Company shall be deemed to have made such delivery of such Form 10-K if Unitil shall have timely made Electronic Delivery thereof;

(c) SEC and Other Reports — promptly upon their becoming available, one copy of (i) each proxy statement, financial statement, or report sent by the Company, Unitil or any Subsidiary to its public securities holders generally, and (ii) each regular or periodic report, each registration statement (without exhibits), and each prospectus and all amendments thereto filed by the Company, Unitil or any Subsidiary with the SEC; provided that copies of any such documents required to be delivered pursuant to this clause (c) may be delivered by Electronic Delivery;

(d) Notice of Default or Event of Default — promptly, and in any event within five days after a Responsible Officer becoming aware of the existence of any Default or Event of Default or that any Person has given any notice or taken any action with respect to a claimed default hereunder or that any Person has given any notice or taken any action with respect to a claimed default of the type referred to in Section 11.2(e), a written notice

specifying the nature and period of existence thereof and what action the Company is taking or proposes to take with respect thereto;

(e) **Material Adverse Events** — promptly upon the occurrence thereof, notice of any event, circumstance or condition which would reasonably be expected to materially and adversely affect the ability of the Company to perform its obligations under this Agreement and the Series R Bonds; and

(f) **Requested Information** — with reasonable promptness, such other data and information relating to the business, operations, affairs, financial condition, assets or properties of the Company, Unitil or any of their respective Subsidiaries (including, but without limitation, actual copies of Unitil's Form 10-Q and Form 10-K) or relating to the ability of the Company to perform its obligations hereunder and under the Series R Bonds as from time to time may be reasonably requested by any such holder of Series R Bonds.

**Section 7.2. Officer's Certificate.** Each set of financial statements delivered to a holder of Series R Bonds pursuant to Section 7.1(a) or Section 7.1(b) shall be accompanied by a certificate of a Senior Financial Officer (which in the case of Electronic Delivery of any such financial statements, the Form 10-Q or the Form 10-K, as applicable, shall be by separate delivery of such certificate to each holder of Series R Bonds within the time periods specified in Section 7.1(a) or Section 7.1(b), as applicable) setting forth:

(a) **Covenant Compliance** — from and after the Collateral Release Date, the information (including detailed calculations) required in order to establish whether the Company was in compliance with the requirements of Sections 10.1 (to the extent Funded Indebtedness is incurred during the period covered by such certificate) and 10.5, during the quarterly or annual period covered by the statements then being furnished (including with respect to each such Section, where applicable, the calculations of the maximum or minimum amount, ratio or percentage, as the case may be, permissible under the terms of such Sections, and the calculation of the amount, ratio or percentage then in existence). In the event that the Company or any Subsidiary has made an election to measure any financial liability using fair value (which election is being disregarded for purposes of determining compliance with this Agreement pursuant to Section 22.2) as to the period covered by any such financial statement, such Senior Financial Officer's certificate as to such period shall include a reconciliation from GAAP with respect to such election; and

(b) **Event of Default** — a statement that such Senior Financial Officer has reviewed the relevant terms hereof and has made, or caused to be made, under his or her supervision, a review of the transactions and conditions of the Company and its Subsidiaries from the beginning of the quarterly or annual period covered by the statements then being furnished to the date of the certificate and that such review shall not have disclosed the existence during such period of any condition or event that constitutes a Default or an Event of Default or, if any such condition or event existed or exists (including, without limitation, any such event or condition resulting from the failure of the Company or any Subsidiary to comply with any Environmental Law), specifying the nature and

period of existence thereof and what action the Company shall have taken or proposes to take with respect thereto.

Section 7.3. Visitation. The Company shall permit the representatives of each holder of Series R Bonds that is an Institutional Investor:

(a) No Default — if no Default or Event of Default then exists, at the expense of such Purchaser or holder and upon reasonable prior notice to the Company, to visit the principal executive office of the Company, to discuss the affairs, finances and accounts of the Company and its Subsidiaries with the Company's officers, and (with the consent of the Company, which consent will not be unreasonably withheld) its independent public accountants, and (with the consent of the Company, which consent will not be unreasonably withheld) to visit the other offices and properties of the Company and each Subsidiary, all at such reasonable times and as often as may be reasonably requested in writing; and

(b) Default — if a Default or Event of Default then exists, at the expense of the Company to visit and inspect any of the offices or properties of the Company or any Subsidiary, to examine all their respective books of account, records, reports and other papers, to make copies and extracts therefrom, and to discuss their respective affairs, finances and accounts with their respective officers and (with the consent of the Company, which consent will not be unreasonably withheld) independent public accountants, all at such times and as often as may be requested.

Each holder of the Series R Bonds agrees to keep confidential any Confidential Information received as a result of the rights granted in this Section 7 in the manner provided in Section 20.

Section 8. Payment and Prepayment of the Series R Bonds.

Section 8.1. Payments on the Series R Bonds. (a) The Company covenants that it will duly and punctually pay the principal, premium, if any, and interest on the Series R Bonds until none of the Series R Bonds shall be outstanding in accordance with the terms of this Agreement, the Series R Bonds and, prior to the Collateral Release Date, the Indenture. Any Series R Bond paid or prepaid in full shall be surrendered to the Company and cancelled and shall not be reissued, and no Series R Bond shall be issued in lieu of any prepaid principal amount of any Series R Bond in accordance with the terms of this Agreement, the Series R Bonds and, prior to the Collateral Release Date, the Indenture.

(b) As provided therein, the entire unpaid principal balance of each Series R Bond shall be due and payable on the Maturity Date thereof.

Section 8.2. Payments from and after the Collateral Release Date. From and after the Collateral Release Date so long as any of the Series R Bonds are outstanding, the following provisions shall apply to prepayments of the Series R Bonds, in addition to the provisions set forth in Section 8.1.

Section 8.2.1. **Optional Prepayments.** Before the date that is four months prior to the Maturity Date, the Company may, at its option, upon notice as provided below, prepay at any time all, or from time to time any part of, the Series R Bonds (but if in part then in a minimum aggregate principal amount of \$100,000), at 100% of the principal amount so prepaid, together with interest accrued thereon to the date of such prepayment, plus the Make-Whole Amount determined for the prepayment date with respect to such principal amount. On and after the date that is four months prior to the Maturity Date, the Company may, at its option, upon notice as provided below, prepay at any time all the Series R Bonds at 100% of the principal amount so prepaid, together with interest accrued thereon to the date of such prepayment, but without payment of the Make-Whole Amount.

The Company will give each holder of Series R Bonds written notice of each optional prepayment under this Section 8.2.1 not less than 15 days and not more than 45 days prior to the date fixed for such prepayment unless the Company and the Required Holders agree to another time period pursuant to Section 17. Each such notice shall specify such date (which shall be a Business Day), the aggregate principal amount of the Series R Bonds to be prepaid on such date, the principal amount of each Series R Bond held by such holder to be prepaid (determined in accordance with Section 8.2.2), and the interest to be paid on the prepayment date with respect to such principal amount being prepaid, and shall be accompanied by a certificate of a Senior Financial Officer as to the estimated Make-Whole Amount, if any, due in connection with such prepayment (calculated as if the date of such notice were the date of the prepayment), setting forth the details of such computation. Two Business Days prior to such prepayment, the Company shall deliver to each holder of Series R Bonds a certificate of a Senior Financial Officer specifying the calculation of such Make-Whole Amount, if any, as of the specified prepayment date.

Section 8.2.2. **Allocation of Partial Prepayments.** In the case of each partial prepayment of the Series R Bonds pursuant to Section 8.2.1, the aggregate principal amount of the Series R Bonds to be prepaid shall be allocated among all of the Series R Bonds at the time outstanding in proportion, as nearly as practicable, to the respective unpaid principal amounts thereof not theretofore called for prepayment.

Section 8.2.3. **Maturity; Surrender, Etc.** In the case of each prepayment of Series R Bonds at the Company's option pursuant to this Section 8.2.1, the principal amount to be prepaid of each Series R Bond shall mature and become due and payable on the date fixed for such prepayment (which shall be a Business Day), together with interest on such principal amount accrued to such date and the applicable Make-Whole Amount, if any. From and after such date, unless the Company shall fail to pay such principal amount when so due and payable, together with the interest and Make-Whole Amount, if any, as aforesaid, interest on such principal amount shall cease to accrue.

Section 8.2.4. **Purchase of Series R Bonds.** The Company will not and will not permit any Controlled Entity to purchase, redeem, prepay or otherwise acquire, directly or indirectly, any of the outstanding Series R Bonds except (a) upon the payment or prepayment of the Series R Bonds in accordance with the terms of this Agreement and the Series R Bonds or (b) pursuant to an offer to purchase any outstanding Series R Bonds made by the Company or a Controlled Entity pro rata to the holders of all Series R Bonds at the time outstanding upon the same terms and conditions;

provided that any such offer pursuant to this clause (b) shall provide each holder with reasonably sufficient information to enable it to make an informed decision and shall remain open for at least ten Business Days. The Company will promptly cancel all Series R Bonds acquired by it or any Controlled Entity pursuant to any payment, prepayment, or purchase of Series R Bonds pursuant to any provision of this Agreement and no Series R Bonds may be issued in substitution or exchange for any such Series R Bonds.

Section 8.2.5. Payments Due on Non-Business Days. Anything in this Agreement or the Series R Bonds to the contrary notwithstanding, (x) except as set forth in clause (y), any payment of interest on any Series R Bond that is due on a date that is not a Business Day shall be made on the next succeeding Business Day without including the additional days elapsed in the computation of the interest payable on such next succeeding Business Day; and (y) any payment of principal of or Make-Whole Amount on any Series R Bond (including principal due on the Maturity Date of such Series R Bond) that is due on a date that is not a Business Day shall be made on the next succeeding Business Day and shall include the additional days elapsed in the computation of interest payable on such next succeeding Business Day.

## SECTION 9. AFFIRMATIVE COVENANTS.

Section 9.1. Affirmative Covenants Prior to the Collateral Release Date. Prior to the Collateral Release Date so long as any of the Series R Bonds are outstanding, the Company covenants that (a) if any Purchaser surrenders any Series R Bond to the Company or the Trustee pursuant to this Agreement or the Indenture, the Company will pay the cost of transmitting between such Purchaser's home office and the Company or the Trustee, insured to such Purchaser's satisfaction, the surrendered Series R Bond or Series R Bonds and any Series R Bond or Series R Bonds issued in full or partial substitution or replacement for the surrendered Series R Bond or Series R Bonds, (b) the Company will pay all taxes in connection with the issuance and sale of the Series R Bonds to each Purchaser and in connection with any modification of the Series R Bonds (other than income and similar taxes) and will save such Purchaser harmless without limitation as to time against any and all liabilities with respect to all such taxes, and (c) will comply with all other terms, covenants, and agreements as set forth in the Indenture and the Series R Bonds. The obligations of the Company under this Section 9 shall survive the payment or redemption of the Series R Bonds and the termination of this Agreement.

Section 9.1.1. Release of the Collateral from the Lien of the Indenture. (a) The Company may, at its option, deliver to each holder of a Series R Bond a written notice of the Company's election to release the Lien of the Indenture, and such holder shall execute and deliver, following such holder's receipt of such written notice, a consent to the Trustee directing the Trustee to take all necessary action to discharge and release all of the Collateral securing the Series R Bonds from the Lien of the Indenture upon the satisfaction of the following conditions precedent (the "Collateral Release Conditions"):

(i) the Company shall have given notice to the holders of the Series R Bonds and the Trustee at least 30 days prior to the release of the Collateral securing the Series R Bonds from the Lien of the Indenture, specifying the proposed date for such release of the Collateral (the "Collateral Release Date");

(ii) all Collateral securing all Bonds (other than the Series R Bonds) that are outstanding immediately prior to the release of the Collateral securing the Series R Bonds from the Lien of the Indenture shall have been released on or prior to, or shall be released simultaneously with, the release of the Collateral securing the Series R Bonds from the Lien of the Indenture pursuant to this Section 9.1.1;

(iii) at the time and after giving effect to the release of all the Collateral securing the Series R Bonds from the Lien of the Indenture, no Default or Event of Default shall have occurred and be continuing;

(iv) at the time and after giving effect to the release of all the Collateral, the Company could incur \$1.00 of additional Funded Indebtedness under Section 10.1(a)(iii); and

(v) on or prior to the Collateral Release Date, each holder of a Series R Bond shall have received (x) a certificate, that is reasonably acceptable in scope, form and substance to the Required Holders, dated the Collateral Release Date and executed on behalf of the Company by a respective Senior Financial Officer thereof, confirming the satisfaction of the Collateral Release Conditions set forth in the clauses above and (y) such other evidence as the Required Holders may reasonably request, by notice to the Company at least fifteen days prior to the Collateral Release Date, confirming the satisfaction of the Collateral Release Condition set forth in clause (iii) above.

(b) Without limiting the provisions of Section 15.1, the Company shall reimburse the holders of the Bonds and the Trustee for all costs and expenses, including attorneys' fees and disbursements, incurred by it in connection with any action contemplated by this Section 9.1.1.

Section 9.2. Affirmative Covenants from and after the Collateral Release Date. From and after the Collateral Release Date so long as any of the Series R Bonds are outstanding, the Company covenants that:

Section 9.2.1. Compliance with Law. Without limiting Section 10.7, the Company will, and will cause each of its Subsidiaries to, comply with all laws, ordinances or governmental rules or regulations to which each of them is subject, including, without limitation, ERISA, Environmental Laws, the USA Patriot Act and the other laws and regulations that are referred to in Sections 5.16, 5.17, and 5.18 and will obtain and maintain in effect all licenses, certificates, permits, franchises and other governmental authorizations necessary to the ownership of their respective properties or to the conduct of their respective businesses, in each case to the extent necessary to ensure that non-compliance with such laws, ordinances or governmental rules or regulations or the failure to obtain or maintain in effect such licenses, certificates, permits, franchises and other governmental authorizations would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

Section 9.2.2. Insurance. The Company will insure and keep insured, and will cause each of its Subsidiaries to insure and keep insured, to a reasonable amount with reputable insurance companies, so much of their respective properties as companies engaged in a similar business and

to the extent such companies in accordance with good business practice customarily insure properties of a similar character against loss by fire and from other causes or, in lieu thereof, in the case of itself or its Subsidiaries, the Company will maintain or cause to be maintained a system or systems of self-insurance which will accord with the approved practices of companies owning or operating properties of a similar character and maintaining such systems, and of a size similar to that of the Company and its direct and indirect Subsidiaries on a consolidated basis.

Section 9.2.3. Maintenance of Properties. The Company will, and will cause each of the Subsidiaries to, maintain and keep, or cause to be maintained and kept, their respective properties in good repair, working order and condition (other than ordinary wear and tear), so that the business carried on in connection therewith may be properly conducted at all times, provided that this Section shall not prevent the Company or any Subsidiary from discontinuing the operation and the maintenance of any of its properties if such discontinuance is desirable in the conduct of its business and the Company has concluded that such discontinuance would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

Section 9.2.4. Payment of Taxes and Claims . The Company will, and will cause each of its Subsidiaries to, file all income tax or similar tax returns required to be filed in any jurisdiction and to pay and discharge all taxes shown to be due and payable on such returns and all other taxes, assessments, governmental charges, or levies imposed on them or any of their properties, assets, income or franchises, to the extent the same have become due and payable and before they have become delinquent and all claims for which sums have become due and payable that have or might become a Lien on properties or assets of the Company or any Subsidiary, provided that neither the Company nor any Subsidiary need file any such return or pay any such tax, assessment, charge, levy or claim if (i) the amount, applicability or validity thereof is contested by the Company or such Subsidiary on a timely basis in good faith and in appropriate proceedings, and the Company or a Subsidiary has established adequate reserves therefor in accordance with GAAP on the books of the Company or such Subsidiary or (ii) the non-filing of any such return or the nonpayment of all such taxes, assessments, charges, levies and claims would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

Section 9.2.5. Corporate Existence, Etc.; Ownership of Subsidiaries. (a) Subject to Section 10.4(ii) the Company will at all times preserve and keep in full force and effect its corporate existence. Subject to Section 10.4, the Company will at all times preserve and keep in full force and effect the legal existence of each of its Subsidiaries (unless merged into the Company or a Wholly-Owned Subsidiary) and all rights and franchises of the Company and its Subsidiaries unless, in the good faith judgment of the Company, the termination of or failure to preserve and keep in full force and effect such legal existence, right or franchise would not, individually or in the aggregate, have a Material Adverse Effect.

(b) Notwithstanding anything to the contrary contained herein, except pursuant to an action or order by a Governmental Authority, one hundred percent of all of the common stock (except directors' qualifying shares) and voting interests relating to the common stock of the Company shall at all times be and remain owned (directly or indirectly) by Unitil.

Section 9.2.6. Books and Records. The Company will, and will cause each of its Subsidiaries to, maintain proper books of record and account in conformity with GAAP and all applicable requirements of any Governmental Authority having legal or regulatory jurisdiction over the Company or such Subsidiary, as the case may be.

Section 9.2.7. Series R Bonds to Rank Pari Passu. The Company will ensure that its payment obligations under this Agreement and the Series R Bonds will at all times rank at least *pari passu*, without preference or priority, with all other senior unsecured Funded Indebtedness of the Company.

Section 9.2.8. Guarantors. (a) The Company will cause any Person that guarantees or otherwise becomes liable at any time, whether as a borrower or an additional or co-borrower or otherwise, for or in respect of any Indebtedness under any Material Credit Facility to concurrently therewith:

(i) enter into an agreement in form and substance satisfactory to the Required Holders providing for the guaranty by such Person, on a joint and several basis with all other such Persons, of (x) the prompt payment in full when due of all amounts payable by the Company pursuant to the Series R Bonds (whether for principal, interest, Make-Whole Amount or otherwise) and this Agreement, including all indemnities, fees and expenses payable by the Company thereunder and (y) the prompt, full and faithful performance, observance and discharge by the Company of each and every covenant, agreement, undertaking and provision required pursuant to the Series R Bonds or this Agreement to be performed, observed or discharged by it (a “Guaranty Agreement”); and

(ii) deliver the following to each holder of a Series R Bond:

(A) an executed counterpart of such Guaranty;

(B) a certificate signed by an authorized responsible officer of such Person containing representations and warranties on behalf of such Person to the same effect, *mutatis mutandis*, as those contained in Sections 5.1, 5.2, 5.6, and 5.7 of this Agreement (but with respect to such Person and such Guaranty rather than the Company);

(C) all documents as may be reasonably requested by the Required Holders to evidence the due organization, continuing existence and, where applicable, good standing of such Person and the due authorization by all requisite action on the part of such Person of the execution and delivery of such Guaranty and the performance by such Person of its obligations thereunder; and

(D) an opinion of counsel reasonably satisfactory to the Required Holders covering such matters relating to such Person and such Guaranty as the Required Holders may reasonably request.

In addition to the foregoing, if the Bank Credit Agreement shall contain (or be amended to contain) covenants, reporting obligations or events of default related to such Bank Guarantor, then the Company shall deliver an amendment to this Agreement to add similar covenants, reporting obligations and events of default related to such Bank Guarantor for the benefit of the holders of the Series R Bonds, and until such time as such amendment is delivered, this Agreement shall be deemed, without any action on the part of the parties hereto, to be amended to include such additional covenants, reporting obligations and events of default as if set forth herein in full. If the Bank Credit Agreement shall cease to contain such covenants, reporting obligations or events of default related to such Bank Guarantor, then the Company and the holders of the Series R Bonds shall deliver an amendment to this Agreement to remove such similar covenants, reporting obligations and events of default related to such Bank Guarantor, and until such time as such amendment is delivered, this Agreement shall be deemed, without any action on the part of the parties hereto, to be amended to exclude such covenants, reporting obligations and events of default as if set forth herein in full.

(b) At the election of the Company and by written notice to each holder of Series R Bonds, any Guarantor that has provided a Guaranty under subparagraph (a) of this Section 9.2.8 may be discharged from all of its obligations and liabilities under its Guaranty and shall be automatically released from its obligations thereunder without the need for the execution or delivery of any other document by the holders, provided that (i) if such Guarantor is a guarantor or is otherwise liable for or in respect of any Material Credit Facility, then such Guarantor has been released and discharged (or will be released and discharged concurrently with the release of such Guarantor under its Guaranty) under such Material Credit Facility, (ii) at the time of, and after giving effect to, such release and discharge, no Default or Event of Default shall be existing, (iii) no amount is then due and payable under such Guaranty, (iv) if in connection with such Guarantor being released and discharged under any Material Credit Facility, any fee or other form of consideration is given to any holder of Indebtedness under such Material Credit Facility for such release, the holders of the Series R Bonds shall receive equivalent consideration substantially concurrently therewith, and (v) each holder shall have received a certificate of a Responsible Officer certifying as to the matters set forth in clauses (i) through (iv). In the event of any such release, for purposes of Section 10.1, all Indebtedness of such Subsidiary shall be deemed to have been incurred concurrently with such release.

#### SECTION 10. NEGATIVE COVENANTS.

From and after the Collateral Release Date so long as any of the Series R Bonds are outstanding, the Company covenants that:

Section 10.1. Limitation on Funded Indebtedness. (a) The Company will not, and will not permit any Subsidiary to, create, incur, assume or otherwise become liable for any Funded Indebtedness other than:

- (i) Funded Indebtedness evidenced by the Series R Bonds;

(ii) Funded Indebtedness of the Company or any Subsidiary outstanding as of the Closing and reflected in Schedule 5.15 hereto; and

(iii) additional Funded Indebtedness, so long as the aggregate outstanding principal amount of such Funded Indebtedness, after giving effect to the application of the proceeds thereof (subject to the proviso set forth hereafter) and when added to all other Funded Indebtedness of the Company and its Subsidiaries (determined on a consolidated basis) then outstanding, does not exceed 65% of the Total Capitalization; provided, that in giving effect to the application of such proceeds, only applications which are substantially contemporaneous with the incurrence of such additional Funded Indebtedness shall be given such effect, except that if the application of such proceeds involves the redemption of other securities of the Company, and such redemption cannot be made substantially contemporaneously with the incurrence of such additional Funded Indebtedness, then such intended redemption shall nevertheless be given effect for purposes hereof if either (1) the Company shall have given irrevocable written notice of redemption of such other securities to the holders thereof at or prior to the time of the incurrence of such additional Funded Indebtedness and such redemption is thereafter made in accordance with the terms of such notice, or (2) if such notice was not permitted to be given at or prior to the time of the incurrence of such additional Funded Indebtedness and the redemption will occur within 180 days after such incurrence, then (A) the proceeds of such Funded Indebtedness to be used for such redemption shall have been set aside in an escrow or trust account with a United States bank or other financial institution having capital and surplus of at least \$35,000,000, together with written instructions to the escrow agent or trustee to send notice of redemption of such securities provided by the Company to the holders thereof in accordance with the terms of such securities and thereafter to use such proceeds for such redemption in accordance with the terms of such notice, such escrow or trust account to also provide (x) that the funds set aside therein are not to be released to or for the benefit of the Company except for the purpose of accomplishing the redemption contemplated thereby, or with the prior written consent of all holders of Series R Bonds then outstanding, and (y) that if the funds set aside therein are invested in securities by such bank or financial institution, they shall be invested only in direct obligations of the United States of America maturing in not more than 180 days, and (B) unless otherwise agreed to in writing by all of the holders of Series R Bonds then outstanding, the redemption to be funded from such escrow or trust account is actually made in accordance with the terms under which such escrow or trust account is established.

(b) In addition to the limitations contained in Section 10.1(a), no Subsidiary shall create, incur, assume or become liable for, or have outstanding any Funded Indebtedness if, after giving effect thereto and to any concurrent transaction, the aggregate amount of all Funded Indebtedness of all Subsidiaries would exceed 20% of Total Shareholders' Equity.

(c) For the purposes of this Section 10.1, any Person becoming a Subsidiary after the date hereof shall be deemed, at the time it becomes a Subsidiary, to have incurred all of its then outstanding Indebtedness, and any Person extending, renewing or refunding any Indebtedness shall be deemed to have incurred such Indebtedness at the time of such extension, renewal or refunding.

Section 10.2. Limitation on Liens. Except as hereinafter in this Section expressly permitted, the Company will not at any time, nor will it permit any Subsidiary to, directly or indirectly, create, assume or suffer to exist, except in favor of the Company or any Subsidiary, any Lien upon any of its properties or assets, real or personal, whether now owned or hereafter acquired, or of or upon any income or profits therefrom, without making effective provision, and the Company covenants that in any such case it will make or cause to be made effective provision, whereby the Series R Bonds then outstanding shall be secured by such Lien equally and ratably with any and all other Indebtedness to be secured thereby pursuant to documentation reasonably acceptable to the Required Holders in substance and in form, including, without limitation, an intercreditor agreement and opinions of counsel to the Company and/or any such Subsidiary, as the case may be, from counsel that is reasonably acceptable to the Required Holders, so long as any such other Indebtedness shall be so secured.

Nothing in this Section shall be construed to prevent the Company or a Subsidiary from creating, assuming or suffering to exist, and the Company and its Subsidiaries are hereby expressly permitted to create, assume or suffer to exist, without securing the Series R Bonds as hereinabove provided, Liens of the following character:

(a) any purchase money mortgage or other Lien existing on any property of the Company or a Subsidiary at the time of acquisition, whether or not assumed, or created contemporaneously with the acquisition or construction of property, to secure or provide for the payment of the purchase or construction price of such property, and any conditional sales agreement or other title retention agreement with respect to any property hereafter acquired; provided, however, that (i) the aggregate principal amount of the Indebtedness secured by all such mortgages and other Liens on a particular parcel of property shall not exceed 100% of the lesser of the total cost or fair market value at the time of the acquisition or construction of such property, including the improvements thereon (as determined in good faith by the Board of Directors of the Company or the relevant Subsidiary) and (ii) all such Indebtedness shall have been incurred within the applicable limitations provided in Section 10.1;

(b) refundings or extensions of any Lien permitted by this Section 10.2 for amounts not exceeding the principal amount of the Indebtedness so refunded or extended at the time of the refunding or extension thereof, and covering only the same property theretofore securing the same;

(c) deposits, Liens or pledges to enable the Company or a Subsidiary to exercise any privilege or license, or to secure payment of worker's compensation, unemployment insurance, old age pensions or other social security, or to secure the performance of bids, tenders, contracts or leases to which the Company or a Subsidiary is a party, or to secure public or statutory obligations of the Company or a Subsidiary, or to secure surety, stay or appeal bonds to which the Company or a Subsidiary is a party; or other similar deposits or pledges made in the ordinary course of business;

(d) mechanics', workmen's, repairmen's, materialmen's or carrier's liens or other similar Liens arising in the ordinary course of business; or deposits or pledges to obtain the release of any such Liens;

(e) (A) Liens arising out of judgments or awards against the Company or a Subsidiary (i) which judgments or awards are discharged by the Company within 60 days after entry thereof (or such shorter period of time in which a judgment creditor may execute upon any such judgment or award) or (ii) with respect to which the Company or a Subsidiary shall in good faith be prosecuting an appeal or proceedings for review and in respect of which a stay of execution pending such appeal or proceeding for review shall have been secured; or (B) Liens incurred by the Company or a Subsidiary for the purpose of obtaining a stay or discharge in the course of any legal proceeding to which the Company or a Subsidiary is a party;

(f) Liens for taxes (i) not yet subject to penalties for non-payment or (ii) being contested, provided, payment thereof is not required by Section 9.2.4;

(g) minor survey exceptions, or minor encumbrances, easements or reservations of, or rights of others for, rights of way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning or other restrictions as to the use of real properties, which encumbrances, easements, reservations, rights and restrictions do not in the aggregate materially detract from the value of said properties or materially impair their use in the operation of the business of the Company or a Subsidiary;

(h) Liens incurred in connection with the lease of conversion burners and water heaters to customers;

(i) Liens on property acquired through the merger or consolidation of another utility company with or into, or the purchase of all or substantially all of the assets of another utility company by, the Company or a Subsidiary, provided that such Lien does not extend to other property of the Company or a Subsidiary;

(j) pledges, assignments and other security devices entered into in connection with the financing or refinancing of customers' conditional sales contracts;

(k) Liens securing Indebtedness incurred in connection with the purchase and sale of electricity and/or energy supply (including transportation or transmission charges) or Guaranties in respect of obligations under such contracts; provided that, such Liens attach solely to such electricity or energy supply;

(l) contractual rights of the Company and its Subsidiaries in connection with funds contributed and borrowed under the Cash Pooling and Loan Agreement;

(m) in addition to those Liens otherwise permitted by this Section 10.2, Liens created or incurred prior to, on or after the Collateral Release Date securing Indebtedness which does not exceed in the aggregate \$10,000,000 at any one time outstanding; provided

that all such Indebtedness shall have been incurred within the applicable limitations provided in Section 10.1; and

(n) Liens securing Indebtedness issued to finance or refinance the Company's buildings in New Hampshire or any property acquired in replacement thereof.

If at any time the Company or a Subsidiary shall create or assume any Lien not permitted by this Section, to which the covenant to secure the Series R Bonds in the first paragraph of this Section 10.2 is applicable, the Company will promptly deliver to each holder of record of the Series R Bonds then outstanding:

(x) an Officers' Certificate stating that the covenant of the Company contained in the first paragraph of this Section 10.2 has been complied with; and

(y) an opinion of counsel addressed to such holders to the effect that such covenant has been complied with, and that any instruments executed by the Company in the performance of such covenant comply with the requirements of such covenant.

Section 10.3. Transactions with Affiliates. Except as described in the Disclosure Documents prior to Closing, the Company will not and will not permit any Subsidiary to enter into directly or indirectly any transaction or group of related transactions (including without limitation the purchase, lease, sale or exchange of properties of any kind or the rendering of any service) with any Affiliate (other than the Company or another Subsidiary or Unitil or another Subsidiary of Unitil), except in the ordinary course and pursuant to the reasonable requirements of the Company's or such Subsidiary's business and upon fair and reasonable terms no less favorable to the Company or such Subsidiary than would be obtainable in a comparable arm's-length transaction with a Person not an Affiliate, except as may be necessary in order for the Company to comply with requirements of any applicable state or federal statute or regulation; provided, however, that if it is not possible to identify what terms would apply to a comparable arm's-length transaction with a Person not an Affiliate, such transaction shall be upon such terms as shall be fair and reasonable under the circumstances.

Section 10.4. Merger or Consolidation; Sale or Transfer of Assets. The Company will not (a) consolidate with or be a party to a merger with any other corporation or (b) sell, lease or otherwise dispose of all or substantially all of the assets of the Company and its Subsidiaries (taken as a whole); provided, however, that the Company may consolidate, merge or otherwise combine with any other corporation or sell, lease or otherwise dispose of all or substantially all of the assets of the Company and its Subsidiaries (taken as a whole), if

(i) the corporation which results from such consolidation, merger or combination or the corporation to which the Company sells, leases or otherwise disposes of all or substantially all of its and its Subsidiaries' (taken as a whole) assets (in either case, the "surviving corporation") is either the Company (in the case of a merger, consolidation or combination), or, if not, is organized under the laws of any State of the United States or the District of Columbia,

(ii) in the event that the surviving corporation is not the Company, the obligations of the Company under this Agreement and the Series R Bonds are expressly assumed in writing by the surviving corporation and the surviving corporation shall furnish the holders of the Series R Bonds an opinion of counsel satisfactory to such holders to the effect that the instrument of assumption has been duly authorized, executed and delivered and constitutes the legal, valid and binding contract and agreement of the surviving corporation enforceable in accordance with its terms, except as enforcement of such terms may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles, and

(iii) at the time of such consolidation, merger or combination or sale, lease or other disposition of all or substantially all of the Company's and its Subsidiaries' assets, and immediately after giving effect thereto, no Default or Event of Default shall have occurred and be continuing and the Company or the surviving corporation, as the case may be, could incur at least \$1.00 of additional Funded Indebtedness pursuant to Section 10.1(a)(iii);

Section 10.5. Restrictions on Dividends. The Company covenants that it will not declare or pay dividends (other than in its own common stock) or make any other distribution on shares of its common stock or apply any of its property or assets (other than amounts equal to any proceeds received from the sale of common stock of the Company) to the purchase or retirement of, or make any other distribution through reduction of capital or otherwise, in respect of, any shares of its common stock (which dividends, distributions, purchases and retirements are hereinafter referred to as "distributions") if, after giving effect to such distribution, the aggregate of all such distributions declared, paid, made or applied subsequent to December 31, 2019, plus the amount of all dividends declared on any class of preferred stock of the Company subsequent to December 31, 2019, and any amounts charged to net income after December 31, 2019 in connection with the purchase or retirement of any shares of preferred stock of the Company would exceed an amount equal to net income of the Company available for dividends after December 31, 2019, plus the net proceeds from any common or preferred equity issuances by the Company subsequent to December 31, 2019, plus the sum of \$70,000,000.

Section 10.6. Line of Business. The Company will not and will not permit any Subsidiary to engage in any business if, as a result, the general nature of the business, taken on a consolidated basis, which would then be engaged in by the Company and its Subsidiaries would be substantially changed from the general nature of the business engaged in by the Company and its Subsidiaries on the date of this Agreement provided, however, an expansion of the Company's or any Subsidiary's service territory shall be deemed not to be a change from the general nature of the business engaged in by the Company and its Subsidiaries.

Section 10.7. Economics Sanctions Regulations. The Company will not, and will not permit any Controlled Entity to (a) become (including by virtue of being owned or controlled by a Blocked Person), own or control a Blocked Person or (b) directly or indirectly have any investment in or engage in any dealing or transaction (including any investment, dealing or transaction involving the proceeds of the Series R Bonds) with any Person if such investment,

dealing or transaction (i) would cause any holder to be in violation of, or subject to sanctions under, any law or regulation applicable to such holder, or (ii) is prohibited by or subject to sanctions under any U.S. Economic Sanctions Laws.

SECTION 11. EVENTS OF DEFAULT.

Section 11.1. Events of Default Prior to the Collateral Release Date. Prior to the Collateral Release Date, the term “Event of Default” shall have the meaning as defined in the Indenture.

Section 11.2. Events of Default from and after the Collateral Release Date From and after the Collateral Release Date an “Event of Default” hereunder shall exist if any of the following conditions or events shall occur and be continuing:

(a) the Company defaults in the payment of any principal or Make-Whole Amount, if any, on any Series R Bond when the same becomes due and payable, whether at maturity or at a date fixed for prepayment or by declaration or otherwise; or

(b) the Company defaults in the payment of any interest on any Series R Bond for more than five Business Days after the same becomes due and payable; or

(c) the Company defaults in the performance of or compliance with any term contained in any of Section 7.1(e) or Section 10.1, Section 10.2, or Section 10.4; or

(d) the Company defaults in the performance of or compliance with any term contained herein (other than those referred to in Sections 11.2(a), (b) and (c)) or, if a Guaranty Agreement is in effect, any Guarantor defaults in the performance of or compliance with any Material term of such Guaranty Agreement and, in each case, such default is not remedied within 30 days after the earlier of (i) a Responsible Officer obtaining actual knowledge of such default and (ii) the Company or any Guarantor, as applicable, receiving written notice of such default from any holder of a Series R Bond (any such written notice to be identified as a “notice of default” and to refer specifically to this Section 11.2(d)); or

(e) any representation or warranty made in writing by the Company or a Guarantor, if any, or by any officer of the Company or such Guarantor in this Agreement or in the Guaranty Agreement, as applicable, or in any writing furnished in connection with the transactions contemplated hereby or thereby proves to have been false or incorrect in any material respect on the date as of which made; or

(f) (i) the Company or any Subsidiary is in default (as principal or as guarantor or other surety) in the payment of any principal of or premium or make-whole amount or interest on any Indebtedness that is outstanding in an aggregate principal amount of at least \$5,000,000 beyond any period of grace provided with respect thereto, or (ii) the Company or any Subsidiary is in default in the performance of or compliance with any term of any evidence of any Indebtedness in an aggregate outstanding principal amount of at least

\$5,000,000 or of any mortgage, indenture or other agreement relating thereto or any other condition exists, and as a consequence of such default or condition such Indebtedness has become, or has been declared (or one or more Persons are entitled to declare such Indebtedness to be), due and payable before its stated maturity or before its regularly scheduled dates of payment, or (iii) as a consequence of the occurrence or continuation of any event or condition (other than (A) the passage of time, (B) the right of the holder of Indebtedness to convert such Indebtedness into equity interests, or (C) the Company's exercise of its right to purchase or prepay Indebtedness, including an optional prepayment made in accordance with Section 8.2.1), (x) the Company or any Subsidiary has become obligated to purchase or repay Indebtedness before its regular maturity or before its regularly scheduled dates of payment in an aggregate outstanding principal amount of at least \$5,000,000, or (y) one or more Persons have the right to require the Company or any Subsidiary so to purchase or repay such Indebtedness; or

(g) the Company or any Subsidiary (i) is generally not paying, or admits in writing its inability to pay, its debts as they become due, (ii) files, or consents by answer or otherwise to the filing against it of, a petition for relief or reorganization or arrangement or any other petition in bankruptcy, for liquidation or to take advantage of any bankruptcy, insolvency, reorganization, moratorium or other similar law of any jurisdiction, (iii) makes an assignment for the benefit of its creditors, (iv) consents to the appointment of a custodian, receiver, trustee or other officer with similar powers with respect to it or with respect to any substantial part of its property, (v) is adjudicated as insolvent or to be liquidated, or (vi) takes corporate action for the purpose of any of the foregoing; or

(h) a court or other Governmental Authority of competent jurisdiction enters an order appointing, without consent by the Company or any of its Subsidiaries, a custodian, receiver, trustee or other officer with similar powers with respect to it or with respect to any substantial part of its property, or constituting an order for relief or approving a petition for relief or reorganization or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy or insolvency law of any jurisdiction, or ordering the dissolution, winding-up or liquidation of the Company or any of its Subsidiaries, or any such petition shall be filed against the Company or any of its Subsidiaries and such petition shall not be dismissed within 60 days; or

(i) a final judgment or judgments for the payment of money aggregating in excess of \$10,000,000 (in excess of insurance available therefor), including, without limitation, any such final order enforcing a binding arbitration decision are rendered against one or more of the Company and its Subsidiaries and which judgments are not, within 60 days after entry thereof, bonded, discharged or stayed pending appeal, or are not discharged within 60 days after the expiration of such stay; or

(j) if a Guaranty Agreement is in effect, such Guaranty Agreement ceases to be a legally valid, binding and enforceable obligation or contract of any Guarantor, or any Guarantor or any party by, through or on account of any such Guarantor, challenges the validity, binding nature or enforceability of a Guaranty Agreement.

SECTION 12. REMEDIES ON DEFAULT, ETC.

Prior to the Collateral Release Date, remedies upon the occurrence of a “Default” or “Event of Default” (as defined in the Indenture) shall be governed by the Indenture.

From and after the Collateral Release Date, the following remedies shall be applicable upon the occurrence of an Event of Default:

Section 12.1. Acceleration. (a) If an Event of Default with respect to the Company described in Section 11.2(g) or (h) (other than an Event of Default described in clause (i) of Section 11.2(g) or described in clause (vi) of Section 11.2(g) by virtue of the fact that such clause encompasses clause (i) of Section 11.2(g)) has occurred, all the Series R Bonds then outstanding shall automatically become immediately due and payable.

(b) If any other Event of Default has occurred and is continuing, any holder or holders of at least 66-2/3% in principal amount of the Series R Bonds at the time outstanding may at any time at its or their option, by notice or notices to the Company, declare all the Series R Bonds then outstanding to be immediately due and payable.

(c) If any Event of Default described in Section 11.2(a) or (b) has occurred and is continuing, any holder or holders of Series R Bonds at the time outstanding affected by such Event of Default may at any time, at its or their option, by notice or notices to the Company, declare all the Series R Bonds held by it or them to be immediately due and payable.

Upon any Series R Bonds becoming due and payable under this Section 12.1, whether automatically or by declaration, such Series R Bonds will forthwith mature and the entire unpaid principal amount of such Series R Bonds, plus (x) all accrued and unpaid interest thereon (including, but not limited to, interest accrued thereon at the Default Rate) and (y) the Make-Whole Amount determined in respect of such principal amount (to the full extent permitted by applicable law), shall all be immediately due and payable, in each and every case without presentment, demand, protest or further notice, all of which are hereby waived. The Company acknowledges, and the parties hereto agree, that each holder of a Series R Bond has the right to maintain its investment in the Series R Bonds free from repayment by the Company (except as herein specifically provided for) and that the provision for payment of a Make-Whole Amount by the Company in the event that the Series R Bonds are prepaid or are accelerated as a result of an Event of Default, is intended to provide compensation for the deprivation of such right under such circumstances.

Section 12.2. Other Remedies. If any Default or Event of Default has occurred and is continuing, and irrespective of whether any Series R Bonds have become or have been declared immediately due and payable under Section 12.1, the holder of any Series R Bond at the time outstanding may proceed to protect and enforce the rights of such holder by an action at law, suit in equity or other appropriate proceeding, whether for the specific performance of any agreement contained herein or in any Series R Bond or Guaranty Agreement, or for an injunction against a violation of any of the terms hereof or thereof, or in aid of the exercise of any power granted hereby or thereby or by law or otherwise.

Section 12.3. Rescission. At any time after any Series R Bonds have been declared due and payable pursuant to Section 12.1(b) or (c), the holders of not less than 66-2/3% in principal amount of the Series R Bonds then outstanding, by written notice to the Company, may rescind and annul any such declaration and its consequences if (a) the Company has paid all overdue interest on the Series R Bonds, all principal of and Make-Whole Amount, if any, on any Series R Bonds that are due and payable and are unpaid other than by reason of such declaration, and all interest on such overdue principal and Make-Whole Amount, if any, and (to the extent permitted by applicable law) any overdue interest in respect of the Series R Bonds, at the Default Rate, (b) all Events of Default and Defaults, other than non-payment of amounts that have become due solely by reason of such declaration, have been cured or have been waived pursuant to Section 17, and (c) no judgment or decree has been entered for the payment of any monies due pursuant hereto or to the Series R Bonds. No rescission and annulment under this Section 12.3 will extend to or affect any subsequent Event of Default or Default or impair any right consequent thereon.

Section 12.4. No Waivers or Election of Remedies, Expenses, Etc. No course of dealing and no delay on the part of any holder of any Series R Bond in exercising any right, power or remedy shall operate as a waiver thereof or otherwise prejudice such holder's rights, powers or remedies. No right, power or remedy conferred by this Agreement, any Guaranty Agreement or any Series R Bond upon any holder thereof shall be exclusive of any other right, power or remedy referred to herein or therein or now or hereafter available at law, in equity, by statute or otherwise. Without limiting the obligations of the Company under Section 15, the Company will pay to the holder of each Series R Bond on demand such further amount as shall be sufficient to cover all costs and expenses of such holder incurred in any enforcement or collection under this Section 12, including, without limitation, reasonable attorneys' fees, expenses and disbursements.

### SECTION 13. REGISTRATION; EXCHANGE; SUBSTITUTION OF SERIES R BONDS.

Section 13.1. Registration of Series R Bonds. (a) Prior to the Collateral Release Date as long as any Series R Bonds remain outstanding, the Trustee shall keep at its principal executive office, or at such other office the address of which the Trustee may hereafter notify the holders of the Series R Bonds from time to time, a register for the registration and registration of transfers of Series R Bonds (in accordance with the terms of the Indenture).

(b) From and after the Collateral Release Date as long as any Series R Bonds remain outstanding, the Company shall keep at its principal executive office, or at such other office the address of which the Company may hereafter notify the holders of the Series R Bonds from time to time, a register for the registration and registration of transfers of Series R Bonds. The name and address of each holder of one or more Series R Bonds, each transfer thereof and the name and address of each transferee of one or more Series R Bonds shall be registered in such register. If any holder of one or more Series R Bonds is a nominee, then (i) the name and address of the beneficial owner of such Series R Bond or Series R Bonds shall also be registered in such register as an owner and holder thereof and (ii) at any such beneficial owner's option, either such beneficial owner or its nominee may execute any amendment, waiver, consent or other instrument pursuant to this Agreement. Prior to due presentment for registration of transfer, the Person in whose name any Series R Bond shall be registered shall be deemed and treated as the owner and holder thereof for all purposes hereof, and the Company shall not be affected by any notice or knowledge to the

contrary. The Company shall give to any holder of a Series R Bond that is an Institutional Investor promptly upon request therefor, a complete and correct copy of the names and addresses of all registered holders of Series R Bonds.

Section 13.2. Transfer and Exchange of Series R Bonds. (a) Prior to the Collateral Release Date as long as any Series R Bonds remain outstanding, upon surrender of any Series R Bond to the Trustee the terms of the Indenture shall govern any transfer, exchange, or replacement of any Series R Bond.

(b) From and after the Collateral Release Date as long as any Series R Bonds remain outstanding, upon surrender of any Series R Bond to the Company at the address and to the attention of the designated officer (all as specified in Section 18(iii)), for registration of transfer or exchange (and in the case of a surrender for registration of transfer accompanied by a written instrument of transfer duly executed by the registered holder of such Series R Bond or such holder's attorney duly authorized in writing and accompanied by the relevant name, address and other information for notices of each transferee of such Series R Bond or part thereof), within ten Business Days thereafter, the Company shall execute and deliver, at the Company's expense (except as provided below), one or more new Series R Bonds (as requested by the holder thereof) in exchange therefor, in an aggregate principal amount equal to the unpaid principal amount of the surrendered Series R Bond. Each such new Series R Bond shall be payable to such Person as such holder may request and shall be substantially in the form of the Series R Bond originally issued hereunder. Each such new Series R Bond shall be dated and bear interest from the date to which interest shall have been paid on the surrendered Series R Bond or dated the date of the surrendered Series R Bond if no interest shall have been paid thereon. The Company may require payment of a sum sufficient to cover any stamp tax or governmental charge imposed in respect of any such transfer of Series R Bonds. Series R Bonds shall not be transferred in denominations of less than \$500,000, provided that if necessary to enable the registration of transfer by a holder of its entire holding of Series R Bonds, one Series R Bond may be in a denomination of less than \$500,000. Any transferee, by its acceptance of a Series R Bond registered in its name (or the name of its nominee), shall be deemed to have made the representation set forth in Section 6.2 and shall be bound by the terms of this Agreement.

Section 13.3. Replacement of Series R Bonds. From and after the Collateral Release Date as long as any Series R Bonds remain outstanding, upon receipt by the Company at the address and to the attention of the designated officer (all as specified in Section 18(iii)) of evidence reasonably satisfactory to it of the ownership of and the loss, theft, destruction or mutilation of any Series R Bond (which evidence shall be, in the case of an Institutional Investor, notice from such Institutional Investor of such ownership and such loss, theft, destruction or mutilation), and

(a) in the case of loss, theft or destruction, of indemnity reasonably satisfactory to it (provided that if the holder of such Series R Bond is, or is a nominee for, an original Purchaser or another Institutional Investor that is a holder of a Series R Bond with a minimum net worth of at least \$5,000,000 or a Qualified Institutional Buyer, such Person's own unsecured agreement of indemnity shall be deemed to be satisfactory), or

(b) in the case of mutilation, upon surrender and cancellation thereof,

within ten Business Days thereafter, the Company at its own expense shall execute and deliver, in lieu thereof, a new Series R Bond, dated and bearing interest from the date to which interest shall have been paid on such lost, stolen, destroyed or mutilated Series R Bond or dated the date of such lost, stolen, destroyed or mutilated Series R Bond if no interest shall have been paid thereon.

SECTION 14. PAYMENTS ON SERIES R BONDS.

Section 14.1. Place of Payment. Subject to Section 14.2, payments of principal, Make-Whole Amount, if any, and interest becoming due and payable on the Series R Bonds shall be made in Hampton, New Hampshire, at the principal office of the Company in such jurisdiction. The Company may at any time, by notice to each holder of a Series R Bond, change the place of payment of the Series R Bonds so long as such place of payment shall be either the principal office of the Company in such jurisdiction or the principal office of a bank or trust company in such jurisdiction.

Section 14.2. Home Office Payment. (a) The terms of this Section 14.2(a) only apply prior to the Collateral Release Date so long as any Series R Bonds remain outstanding. Pursuant to the provisions of Section 1.01 of the Sixteenth Supplemental Indenture and notwithstanding anything in the Indenture or the Series R Bonds to the contrary, the Company will pay or cause to be paid all sums becoming due on any Series R Bond owned by a holder or such holder's nominee in the manner specified in Schedule A hereto or as such holder may otherwise designate by written notice to the Company with a copy to the Trustee and all such payments shall be made without presentation or surrender of such Series R Bond to the Trustee; provided, that such holder agrees that it will not sell, transfer or otherwise dispose of any such Series R Bond unless, prior to the delivery thereof, either (i) such holder shall have made a clear and accurate notation of the amount of the principal redeemed on the Series R Bond to be transferred, or (ii) such Series R Bond shall have been presented to the Trustee for appropriate notation thereon of the portion of the principal redeemed on the Series R Bond or (iii) the Series R Bond shall have been surrendered in exchange for a new Series R Bond for the unredeemed balance of the principal amount thereof. By acceptance of any Series R Bond, each holder of a Series R Bond agrees that prior to receiving any final payment of the entire remaining unpaid principal amount of any Series R Bond pursuant to this Section 14.2(a), such holder shall be required to deliver such Series R Bond to the Trustee. Such holder's rights under this Section 14.2(a) and Section 1.01 of the Sixteenth Supplemental Indenture may be exercised by any subsequent Institutional Holder who shall enter into an agreement in writing with the Company containing the terms set forth in this Section 14.2(a) and deliver a copy thereof to the Trustee.

(b) The terms of this Section 14.2(b) only apply from and after the Collateral Release Date, so long as any Purchaser or its nominee shall be the holder of any Series R Bond. Notwithstanding anything contained in Section 14.1 or in such Series R Bond to the contrary, the Company will pay all sums becoming due on such Series R Bond for principal, Make-Whole Amount, if any, interest and all other amounts becoming due hereunder by the method and at the address specified for such purpose below such Purchaser's name in Schedule A, or by such other method or at such other address as such Purchaser shall have from time to time specified to the Company in writing for such purpose, without the presentation or surrender of such Series R Bond or the making of any notation thereon, except that upon written request of the Company made concurrently with or

reasonably promptly after payment or prepayment in full of any Series R Bond, such Purchaser shall surrender such Series R Bond for cancellation, reasonably promptly after any such request, to the Company at its principal executive office or at the place of payment most recently designated by the Company pursuant to Section 14.1. Prior to any sale or other disposition of any Series R Bond held by a Purchaser or its nominee, such Purchaser will, at its election, either endorse thereon the amount of principal paid thereon and the last date to which interest has been paid thereon or surrender such Series R Bond to the Company in exchange for a new Series R Bond or Series R Bonds pursuant to Section 13.2. The Company will afford the benefits of this Section 14.2(b) to any Institutional Investor that is the direct or indirect transferee of any Series R Bond purchased by a Purchaser under this Agreement and that has made the same agreement relating to such Series R Bond as the Purchasers have made in this Section 14.2(b).

Section 14.3. FATCA Information. By acceptance of any Series R Bond, the holder of such Series R Bond agrees that such holder will with reasonable promptness duly complete and deliver to the Company and, prior to the Collateral Release Date, the Trustee, or to such other Person as may be reasonably requested by the Company, from time to time (a) in the case of any such holder that is a United States Person, such holder's United States tax identification number or other Forms reasonably requested by the Company necessary to establish such holder's status as a United States Person under FATCA and as may otherwise be necessary for the Company to comply with its obligations under FATCA and (b) in the case of any such holder that is not a United States Person, such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation as may be necessary for the Company to comply with its obligations under FATCA and to determine that such holder has complied with such holder's obligations under FATCA or to determine the amount (if any) to deduct and withhold from any such payment made to such holder. Nothing in this Section 14.3 shall require any holder to provide information that is confidential or proprietary to such holder unless the Company is required to obtain such information under FATCA and, in such event, the Company shall treat any such information it receives as confidential.

#### SECTION 15. EXPENSES, ETC.

Section 15.1. Transaction Expenses. Whether or not the transactions contemplated hereby are consummated, the Company will pay all reasonable costs and expenses (including reasonable attorneys' fees of a special counsel and, if reasonably required by the Required Holders, local or other counsel) incurred by the Purchasers and each other holder of a Series R Bond in connection with such transactions and in connection with any amendments, waivers or consents under or in respect of this Agreement, any Guaranty Agreement or the Series R Bonds (whether or not such amendment, waiver or consent becomes effective), including, without limitation: (a) the costs and expenses incurred in enforcing or defending (or determining whether or how to enforce or defend) any rights under this Agreement, any Guaranty Agreement or the Series R Bonds or in responding to any subpoena or other legal process or informal investigative demand issued in connection with this Agreement, any Guaranty Agreement or the Series R Bonds, or by reason of being a holder of any Series R Bond; (b) the costs and expenses, including financial advisors' fees, incurred in connection with the insolvency or bankruptcy of the Company or any Subsidiary or in connection with any work-out or restructuring of the transactions contemplated hereby and by the Series R Bonds and any Guaranty Agreement; and (c) the costs and expenses incurred in connection with

the initial filing of this Agreement and all related documents and financial information with the SVO provided, that such costs and expenses under this clause (c) shall not exceed \$3,000. If required by the NAIC, the Company shall obtain and maintain at its own cost and expense a Legal Entity Identifier (LEI).

The Company will pay, and will save each Purchaser and each other holder of a Series R Bond harmless from, (i) all claims in respect of any fees, costs or expenses, if any, of brokers and finders (other than those, if any, retained by a Purchaser or other holder in connection with its purchase of the Series R Bonds) and (ii) any judgment, liability, claim, order, decree, fine, penalty, cost, fee, expense (including reasonable attorneys' fees and expenses) or obligation resulting from the consummation of the transactions contemplated hereby, including the use of the proceeds of the Series R Bonds by the Company, due to (a) any failure of any representation or warranty of the Company in this Agreement to be true and correct in all material respects on the date as of which made and at the time of the Closing (except, in each case, to the extent any representation or warranty expressly relates to a different date, in which case as of such different date) or (b) any failure by the Company to perform or comply in all material respects with any covenant or agreement contained in this Agreement.

Section 15.2. Certain Taxes. The Company agrees to pay all stamp, documentary or similar taxes or fees which may be payable in respect of the execution and delivery or the enforcement of this Agreement or any Guaranty Agreement or the execution and delivery (but not the transfer) or the enforcement of any of the Series R Bonds in the United States or any other jurisdiction where the Company or any Guarantor has assets or of any amendment of, or waiver or consent under or with respect to, this Agreement or any Guaranty Agreement or of any of the Series R Bonds, and to pay any value added tax due and payable in respect of reimbursement of costs and expenses by the Company pursuant to this Section 15.2, and will save each holder of a Series R Bond to the extent permitted by applicable law harmless against any loss or liability resulting from nonpayment or delay in payment of any such tax or fee required to be paid by the Company hereunder.

Section 15.3. Tax Withholding. Except as otherwise required by applicable law, the Company agrees that it will not withhold from any applicable payment to be made to a holder of a Bond that is not a United States Person any tax so long as such holder shall have delivered to the Company (in such number of copies as shall be requested) on or about the date on which such holder becomes a holder under this Agreement (and from time to time thereafter upon the reasonable request of the Company), executed copies of IRS Form W-8BEN or IRS Form W-8BEN-E (or any successor form), as applicable, as well as the applicable "U.S. Tax Compliance Certificate" substantially in the form attached as Exhibit 15.3, in both cases correctly completed and executed.

Section 15.4. Survival. The obligations of the Company under this Section 15 will survive the payment or transfer of any Series R Bond, the enforcement, amendment or waiver of any provision of this Agreement, any Guaranty Agreement or the Series R Bonds, and the termination of this Agreement.

SECTION 16. SURVIVAL OF REPRESENTATIONS AND WARRANTIES; ENTIRE AGREEMENT.

All representations and warranties contained herein shall survive the execution and delivery of this Agreement and the Series R Bonds, the purchase or transfer by any Purchaser of any Series R Bond or portion thereof or interest therein and the payment of any Series R Bond and may be relied upon by any subsequent holder of a Series R Bond, regardless of any investigation made at any time by or on behalf of such Purchaser or any other holder of a Series R Bond. All statements contained in any certificate or other instrument delivered by or on behalf of the Company pursuant to this Agreement shall be deemed representations and warranties of the Company as of the date of such statements under this Agreement. Subject to the preceding sentence, this Agreement, the Series R Bonds and any Guaranty Agreement embody the entire agreement and understanding between each Purchaser and the Company and supersede all prior agreements and understandings relating to the subject matter hereof.

SECTION 17. AMENDMENT AND WAIVER.

Section 17.1. Requirements. (a) This Agreement may be amended, and the observance of any term hereof may be waived (either retroactively or prospectively), only with the written consent of the Company and the Required Holders, except that:

(i) no amendment or waiver of any of Sections 1, 2, 3, 4, 5, 6 or 21 hereof, or any defined term (as it is used therein), will be effective as to any Purchaser unless consented to by such Purchaser in writing;

(ii) no amendment or waiver may, without the written consent of the holder of each Series R Bond at the time outstanding, (A) change the Make-Whole Amount, (B) change the percentage of the principal amount of the Series R Bonds the holders of which are required to consent to any amendment or waiver of this Agreement, or (C) amend any of Sections 8, 11.2(a), 11.2(b), 12, 17 or 20.

(b) (i) Prior to the Collateral Release Date the Series R Bonds may be amended in accordance with the terms of the Indenture.

(ii) On and after the Collateral Release Date, the Series R Bonds may be amended, and the observance of any term hereof may be waived (either retroactively or prospectively), only with the written consent of the Company and the Required Holders, except that no amendment or waiver may, without the written consent of the holder of each Series R Bond at the time outstanding, (A) subject to Section 12 relating to acceleration or rescission, change the amount or time of any prepayment or payment of principal of, or reduce the rate or change the time of payment or method of computation of interest on the Series R Bonds or (B) change the percentage of the principal amount of the Series R Bonds the holders of which are required to consent to any amendment or waiver of the Series R Bonds.

Section 17.2. Solicitation of Holders of Series R Bonds.

(a) Solicitation. The Company will provide each holder of the Series R Bonds (irrespective of the amount of Series R Bonds then owned by it) with sufficient information, sufficiently far in advance of the date a decision is required, to enable such holder to make an informed and considered decision with respect to any proposed amendment, waiver or consent in respect of any of the provisions hereof or of the Series R Bonds or any Guaranty Agreement. The Company will deliver executed or true and correct copies of each amendment, waiver or consent effected pursuant to the provisions of this Section 17 or any Guaranty Agreement to each holder of outstanding Series R Bonds promptly following the date on which it is executed and delivered by, or receives the consent or approval of, the requisite holders of Series R Bonds.

(b) Payment. The Company will not directly or indirectly pay or cause to be paid any remuneration, whether by way of supplemental or additional interest, fee or otherwise, or grant any security or provide other credit support, to any holder of Series R Bonds as consideration for or as an inducement to the entering into by such holder of any waiver or amendment of any of the terms and provisions hereof or of any Guaranty Agreement or any Series R Bond unless such remuneration is concurrently paid, or security is concurrently granted or other credit support concurrently provided, on the same terms, ratably to each holder of Series R Bonds then outstanding even if such holder did not consent to such waiver or amendment.

(c) Consent in Contemplation of Transfer. Any consent made pursuant to this Section 17 or any Guaranty Agreement by a holder of Series R Bonds that has transferred or has agreed to transfer its Series R Bonds to the Company or any Controlled Entity in connection with such consent shall be void and of no force or effect except solely as to such holder, and any amendments effected or waivers granted or to be effected or granted that would not have been or would not be so effected or granted but for such consent (and the consents of all other holders of Series R Bonds that were acquired under the same or similar conditions) shall be void and of no force or effect except solely as to such holder.

Section 17.3. Binding Effect, Etc. Any amendment or waiver consented to as provided in this Section 17 or any Guaranty Agreement applies equally to all holders of Series R Bonds and is binding upon them and upon each future holder of any Series R Bond and upon the Company without regard to whether such Series R Bond has been marked to indicate such amendment or waiver. No such amendment or waiver will extend to or affect any obligation, covenant, agreement, Default or Event of Default not expressly amended or waived or impair any right consequent thereon. No course of dealing between the Company and the holder of any Series R Bond nor any delay in exercising any rights hereunder or under any Series R Bond or any Guaranty Agreement shall operate as a waiver of any rights of any holder of such Series R Bond. As used herein, the term “this Agreement” and references thereto shall mean this Agreement as it may from time to time be amended or supplemented.

Section 17.4. Series R Bonds Held by Company, Etc. Solely for the purpose of determining whether the holders of the requisite percentage of the aggregate principal amount of Series R Bonds then outstanding approved or consented to any amendment, waiver or consent to be given under this Agreement, any Guaranty Agreement or the Series R Bonds, or have directed the taking of any action provided herein or in any Guaranty Agreement or the Series R Bonds to be taken upon the direction of the holders of a specified percentage of the aggregate principal

amount of Series R Bonds then outstanding, Series R Bonds directly or indirectly owned by the Company or any Controlled Entity shall be deemed not to be outstanding.

SECTION 18. NOTICES.

All notices and communications provided for hereunder shall be in writing and sent (a) by telecopy if the sender on the same day sends a confirming copy of such notice by a recognized overnight delivery service (charges prepaid), or (b) by registered or certified mail with return receipt requested (postage prepaid), or (c) by a recognized overnight delivery service (with charges prepaid). Any such notice must be sent:

(i) if to any Purchaser or its nominee, to such Purchaser or nominee at the address specified for such communications in Schedule A, or at such other address as such Purchaser or nominee shall have specified to the Company in writing,

(ii) if to any other holder of any Series R Bond, to such holder at such address as such other holder shall have specified to the Company in writing, or

(iii) if to the Company, to the Company at its address set forth at the beginning hereof to the attention of Treasurer, or at such other address as the Company shall have specified to the holder of each Series R Bond in writing.

Notices under this Section 18 will be deemed given only when actually received.

SECTION 19. REPRODUCTION OF DOCUMENTS.

This Agreement and all documents relating thereto (except the Series R Bonds themselves), including, without limitation, (a) consents, waivers and modifications that may hereafter be executed, (b) documents received by any Purchaser at the Closing (except the Series R Bonds themselves), and (c) financial statements, certificates and other information previously or hereafter furnished to any Purchaser, may be reproduced by such Purchaser by any photographic, photostatic, electronic, digital, or other similar process and such Purchaser may destroy any original document so reproduced. The Company agrees and stipulates that, to the extent permitted by applicable law, any such reproduction shall be admissible in evidence as the original itself in any judicial or administrative proceeding (whether or not the original is in existence and whether or not such reproduction was made by such Purchaser in the regular course of business) and any enlargement, facsimile or further reproduction of such reproduction shall likewise be admissible in evidence. This Section 19 shall not prohibit the Company or any other holder of Series R Bonds from contesting any such reproduction to the same extent that it could contest the original, or from introducing evidence to demonstrate the inaccuracy of any such reproduction.

SECTION 20. CONFIDENTIAL INFORMATION.

For the purposes of this Section 20, "Confidential Information" means information delivered to any Purchaser by or on behalf of the Company or any Subsidiary in connection with

the transactions contemplated by or otherwise pursuant to this Agreement that is proprietary in nature and that was clearly marked or labeled or otherwise adequately identified when received by such Purchaser as being confidential information of the Company, such Subsidiary, Unitil or Unitil's Affiliates, provided that such term does not include information that (a) was publicly known or otherwise known to such Purchaser prior to the time of such disclosure, (b) subsequently becomes publicly known through no act or omission by such Purchaser or any Person acting on such Purchaser's behalf, (c) otherwise becomes known to such Purchaser other than through disclosure by the Company or any Subsidiary or (d) constitutes financial statements delivered to such Purchaser under Section 7.1 that are otherwise publicly available

Each Purchaser will maintain the confidentiality of and not disclose such Confidential Information in accordance with procedures adopted by such Purchaser in good faith to protect confidential information of third parties delivered to such Purchaser, provided that such Purchaser may deliver or disclose Confidential Information to (i) its directors, officers, employees, agents, attorneys, trustees and Affiliates (to the extent such disclosure reasonably relates to the administration of the investment represented by its Series R Bonds) who are otherwise obligated to hold confidential and not disclose the Confidential Information substantially in accordance with this Section 20, (ii) its auditors, financial advisors and other professional advisors who agree to hold confidential the Confidential Information substantially in accordance with the terms of this Section 20, (iii) any other holder of any Series R Bond, (iv) any Institutional Investor to which it sells or offers to sell such Series R Bond or any part thereof or any participation therein (if such Person has agreed in writing prior to its receipt of such Confidential Information to be bound by the provisions of this Section 20), (v) any Person from which it offers to purchase any security of the Company (if such Person has agreed in writing prior to its receipt of such Confidential Information to be bound by the provisions of this Section 20), (vi) any federal or state regulatory authority having jurisdiction over such Purchaser, (vii) the NAIC or the SVO or, in each case, any similar organization, or any nationally recognized rating agency that requires access to information about such Purchaser's investment portfolio, or (viii) any other Person to which such delivery or disclosure may be necessary or appropriate (w) to effect compliance with any law, rule, regulation or order applicable to such Purchaser, (x) in response to any subpoena or other legal process, (y) in connection with any litigation to which such Purchaser is a party or (z) if an Event of Default has occurred and is continuing, to the extent such Purchaser may reasonably determine such delivery and disclosure to be necessary or appropriate in the enforcement or for the protection of the rights and remedies under such Purchaser's Series R Bonds, this Agreement or any Guaranty Agreement after prior written notice provided to the Company.

Each holder of a Series R Bond, by its acceptance of a Series R Bond, will be deemed to have agreed to be bound by and to be entitled to the benefits of this Section 20 as though it were a party to this Agreement. On reasonable request by the Company in connection with the delivery to any holder of a Series R Bond of information required to be delivered to such holder under this Agreement or requested by such holder (other than a holder that is a party to this Agreement or its nominee), such holder will enter into an agreement with the Company embodying the provisions of this Section 20.

In the event that as a condition to receiving access to information relating to the Company or its Subsidiaries in connection with the transactions contemplated by or otherwise pursuant to

this Agreement, any Purchaser or holder of a Series R Bond is required to agree to a confidentiality undertaking (whether through IntraLinks, another secure website, a secure virtual workspace or otherwise) which is different from this Section 20, this Section 20 shall not be amended thereby and, as between such Purchaser or such holder and the Company, this Section 20 shall supersede any such other confidentiality undertaking.

SECTION 21. SUBSTITUTION OF PURCHASER.

Each Purchaser shall have the right to substitute any one of its Affiliates as the purchaser of the Series R Bonds that it has agreed to purchase hereunder, by written notice to the Company, which notice shall be signed by both such Purchaser and such Affiliate, shall contain such Affiliate's agreement to be bound by this Agreement and shall contain a confirmation by such Affiliate of the accuracy with respect to it of the representations set forth in Section 6. Upon receipt of such notice, any reference to such Purchaser in this Agreement (other than in this Section 21), shall be deemed to refer to such Affiliate in lieu of such original Purchaser. In the event that such Affiliate is so substituted as a Purchaser hereunder and such Affiliate thereafter transfers to such original Purchaser all of the Series R Bonds then held by such Affiliate, upon receipt by the Company of notice of such transfer, any reference to such Affiliate as a "Purchaser" in this Agreement (other than in this Section 21), shall no longer be deemed to refer to such Affiliate, but shall refer to such original Purchaser, and such original Purchaser shall again have all the rights of an original holder of the Series R Bonds under this Agreement.

SECTION 22. MISCELLANEOUS.

Section 22.1. Successors and Assigns. All covenants and other agreements contained in this Agreement by or on behalf of any of the parties hereto bind and inure to the benefit of their respective successors and assigns (including any subsequent holder of a Series R Bond) whether so expressed or not, except that, other than as provided in Section 10.4, the Company may not assign or otherwise transfer any of its rights or obligations hereunder or under the Series R Bonds without the prior written consent of each holder. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto and their respective successors and assigns permitted hereby) any legal or equitable right, remedy or claim under or by reason of this Agreement.

Section 22.2. Accounting Terms. All accounting terms used herein which are not expressly defined in this Agreement have the meanings respectively given to them in accordance with GAAP. Except as otherwise specifically provided herein, (i) all computations made pursuant to this Agreement shall be made in accordance with GAAP, and (ii) all financial statements shall be prepared in accordance with GAAP. For purposes of determining compliance with this Agreement (including, without limitation, Section 9, Section 10, and the definition of "Indebtedness"), any election by the Company to measure any financial liability using fair value (as permitted by Financial Accounting Standards Board Accounting Standards Codification Topic No. 825-10-25 – Fair Value Option, International Accounting Standard 39 – Financial Instruments: Recognition and Measurement or any similar accounting standard) shall be disregarded and such determination shall be made as if such election had not been made.

Section 22.3. Severability. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall (to the full extent permitted by law) not invalidate or render unenforceable such provision in any other jurisdiction.

Section 22.4. Construction, Etc. Each covenant contained herein shall be construed (absent express provision to the contrary) as being independent of each other covenant contained herein, so that compliance with any one covenant shall not (absent such an express contrary provision) be deemed to excuse compliance with any other covenant. Where any provision herein refers to action to be taken by any Person, or which such Person is prohibited from taking, such provision shall be applicable whether such action is taken directly or indirectly by such Person.

Defined terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include,” “includes” and “including” shall be deemed to be followed by the phrase “without limitation.” The word “will” shall be construed to have the same meaning and effect as the word “shall.” Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein) and, for purposes of the Series R Bonds, shall also include any such Series R Bonds issued in substitution therefor pursuant to Section 13, (b) subject to Section 22.1, any reference herein to any Person shall be construed to include such Person’s successors and assigns, (c) the words “herein,” “hereof” and “hereunder,” and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Sections and Schedules shall be construed to refer to Sections of, and Schedules to, this Agreement, and (e) any reference to any law or regulation herein shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time.

For the avoidance of doubt, all Schedules and Exhibits attached to this Agreement shall be deemed to be a part hereof.

Section 22.5. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original but all of which together shall constitute one instrument. Each counterpart may consist of a number of copies hereof, each signed by less than all, but together signed by all, of the parties hereto.

Section 22.6. Governing Law. This Agreement shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the law of the State of New York excluding choice-of-law principles of the law of such State that would permit the application of the laws of a jurisdiction other than such State.

Section 22.7. Jurisdiction and Process; Waiver of Jury Trial. (a) The Company irrevocably submits to the non-exclusive jurisdiction of any New York State or federal court sitting in the

Borough of Manhattan, The City of New York, over any suit, action or proceeding arising out of or relating to this Agreement or the Series R Bonds. To the fullest extent permitted by applicable law, the Company irrevocably waives and agrees not to assert, by way of motion, as a defense or otherwise, any claim that it is not subject to the jurisdiction of any such court, any objection that it may now or hereafter have to the laying of the venue of any such suit, action or proceeding brought in any such court and any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum.

(b) The Company consents to process being served by or on behalf of any holder of Series R Bonds in any suit, action or proceeding of the nature referred to in Section 22.7(a) by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, return receipt requested, to it at its address specified in Section 18 or at such other address of which such holder shall then have been notified pursuant to said Section. The Company agrees that such service upon receipt (i) shall be deemed in every respect effective service of process upon it in any such suit, action or proceeding and (ii) shall, to the fullest extent permitted by applicable law, be taken and held to be valid personal service upon and personal delivery to it. Notices hereunder shall be conclusively presumed received as evidenced by a delivery receipt furnished by the United States Postal Service or any reputable commercial delivery service.

(c) Nothing in this Section 22.7 shall affect the right of any holder of a Series R Bond to serve process in any manner permitted by law, or limit any right that the holders of any of the Series R Bonds may have to bring proceedings against the Company in the courts of any appropriate jurisdiction or to enforce in any lawful manner a judgment obtained in one jurisdiction in any other jurisdiction.

(d) The parties hereto hereby waive trial by jury in any action brought on or with respect to this Agreement, the Series R Bonds or any other document executed in connection herewith or therewith.

**[SIGNATURE PAGES FOLLOW]**

Unitil Energy Systems, Inc.

Bond Purchase Agreement

If a Purchaser is in agreement with the foregoing, please sign the accompanying counterparts of this Agreement and return one of the same to the Company, whereupon this Agreement shall become a binding agreement between such Purchaser and the Company.

Very truly yours,

UNITIL ENERGY SYSTEMS, INC.

By: /s/ Todd R. Diggins  
Name: Todd R. Diggins  
Title: Treasurer

Unitil Energy Systems, Inc.

Bond Purchase Agreement

Accepted as of the date first written above.

METROPOLITAN LIFE INSURANCE COMPANY  
by MetLife Investment Management, LLC, Its  
Investment Manager

METROPOLITAN TOWER LIFE INSURANCE COMPANY  
by MetLife Investment Management, LLC, Its  
Investment Manager

SYMETRA LIFE INSURANCE COMPANY  
by MetLife Investment Management, LLC, Its  
Investment Manager

By: /s/ John Wills

Name: John Wills

Title: Authorized Signatory

Unitil Energy Systems, Inc.

Bond Purchase Agreement

Accepted as of the date first written above.

THE LINCOLN NATIONAL LIFE INSURANCE COMPANY

By: Macquarie Investment Management Advisers,  
a series of Macquarie Investment Management  
Business Trust, Attorney in Fact

By: /s/ Karl Spaeth

Name: Karl Spaeth

Title: Senior Vice President

LINCOLN LIFE & ANNUITY COMPANY OF NEW YORK

By: Macquarie Investment Management Advisers,  
a series of Macquarie Investment Management  
Business Trust, Attorney in Fact

By: /s/ Karl Spaeth

Name: Karl Spaeth

Title: Senior Vice President

Unitil Energy Systems, Inc.

Bond Purchase Agreement

Accepted as of the date first written above.

AMERICAN REPUBLIC INSURANCE COMPANY  
BLUE CROSS AND BLUE SHIELD OF FLORIDA, INC.  
CATHOLIC UNITED FINANCIAL  
MINNESOTA LIFE INSURANCE COMPANY  
SECURIAN LIFE INSURANCE COMPANY

By: Securian Asset Management, Inc.

By: /s/ Robin J. Lenarz

Name: Robin J. Lenarz

Title: Vice President

Unitil Energy Systems, Inc.

Bond Purchase Agreement

Accepted as of the date first written above.

THE STATE LIFE INSURANCE COMPANY

By: American United Life Insurance Company

Its: Agent

By: /s/ David M. Weisenburger \_\_\_\_\_

Name: David M. Weisenburger

Title: VP, Fixed Income Securities

Unitil Energy Systems, Inc.

Bond Purchase Agreement

Accepted as of the date first written above.

PACIFIC LIFE INSURANCE COMPANY

By: /s/ Matthew A. Levene

Name: Matthew A. Levene

Title: Assistant Vice President

Unitil Energy Systems, Inc.

Bond Purchase Agreement

Accepted as of the date first written above

UNITED OF OMAHA LIFE INSURANCE COMPANY

By /s/ Justin R. Kavan  
Name: Justin R. Kavan  
Title: Senior Vice President

Unitil Energy Systems, Inc.

Bond Purchase Agreement

**ACKNOWLEDGEMENT AND AGREEMENT**

The undersigned hereby acknowledges receipt of an executed copy of the foregoing Bond Purchase Agreement and agrees to the provisions of Section 14.2(a) thereof.

U.S. Bank National Association, as Trustee

By /s/ Karen R. Beard

Name: Karen R. Beard

Title: Vice President

## INFORMATION RELATING TO PURCHASERS

NAME OF AND ADDRESS OF PURCHASER	PRINCIPAL AMOUNT OF NOTES TO BE PURCHASED
<b>Symetra Life Insurance Company</b> 777 108th Avenue NE, Suite 1200 Bellevue, WA 98004-5135	<b>\$2,400,000</b>

(portfolio RRD, USD)

(Securities to be registered in the name of **CUDD and CO**)

(1) All scheduled payments of principal and interest by wire transfer of immediately available funds to:

U.S. (USD)

Bank Name: JPMorgan Chase  
ABA: 021-000-021  
Account No.: 9009000200  
FFC: P79303, Symetra GUL 181 – Met Private  
Ref: PPN 913260 C\*4 - UNITIL ENERGY SYSTEMS INC - 3.580% due 15-SEP-2040

with sufficient information to identify the source and application of such funds, including issuer, PPN#, interest rate, maturity and whether payment is of principal, interest, make whole amount or otherwise. For all payments other than scheduled payments of principal and interest, the Company shall seek instructions from the holder, and in the absence of instructions to the contrary, will make such payments to the account and in the manner set forth above.

(2) All notices and communications:

**Symetra Life Insurance Company**  
**c/o MetLife Investment Management, LLC**  
Investments, Private Placements  
One MetLife Way  
Whippany, New Jersey 07981  
Attention: Fred Sporer - VP Priv Placements-Corporates, Private Placements; Michael Brown - Associate - Privates, Private Placements; Shaun Oliver - Associate Director, Private Placements  
Emails: PPUCompliance@metlife.com; fsporer@metlife.com; michael.t.brown@metlife.com; soliver@metlife.com

With a copy **OTHER than with respect to deliveries of financial statements** to:

**Symetra Life Insurance Company**  
**c/o MetLife Investment Management, LLC**  
One MetLife Way  
Whippany, NJ 07981  
Attention: Chief Counsel-Investments Law (PRIV)  
Email: sec\_invest\_law@metlife.com

and

**Symetra Life Insurance Company**

Attn: Nate Zaiantz  
308 Farmington Ave, 3rd floor  
Farmington, CT 06032

and

Resolution Re Ltd.  
Wessex House  
2nd Floor, 45 Reid Street  
Hamilton HM12, Bermuda  
Email: RLIM-Investments@resolutionlife.com

- (3) Original notes delivered to:  
**JPMORGAN CHASE BANK NA**  
Attn: CHERYL BROWN  
4 CHASE METROTECH CENTER  
3RD FLOOR – PHYSICAL RECEIVE DEPT  
BROOKLYN, NY 11245-0001  
Reference Account: P79303

**With COPIES OF THE NOTES emailed to emailed to nlopez3@metlife.com**

- (4) Taxpayer I.D. Number: 91-0742147  
(5) Tax Jurisdiction: United States  
(6) UK Passport Treaty Number (if applicable): 13/S/307814/DTTP

NAME OF AND ADDRESS OF PURCHASER	PRINCIPAL AMOUNT OF NOTES TO BE PURCHASED
<b>METROPOLITAN LIFE INSURANCE COMPANY</b> 200 Park Avenue New York, New York 10166	<b>\$2,300,000</b>

(General Acct@Chase)

(Securities to be registered in the name of **Metropolitan Life Insurance Company**)

- (1) All scheduled payments of principal and interest by wire transfer of immediately available funds to:
- Bank Name: JPMorgan Chase Bank
  - ABA Routing #: 021-000-021
  - Account No.: 002-2-410591
  - Account Name: Metropolitan Life Insurance Company
  - Ref: PPN 913260 C\*4 - UNITIL ENERGY SYSTEMS INC - 3.580% due 15-SEP-2040

with sufficient information to identify the source and application of such funds, including issuer, PPN#, interest rate, maturity and whether payment is of principal, interest, make whole amount or otherwise. For all payments other than scheduled payments of principal and interest, the Company shall seek instructions from the holder, and in the absence of instructions to the contrary, will make such payments to the account and in the manner set forth above.

- (2) All notices and communications:
- Metropolitan Life Insurance Company**  
**c/o MetLife Investment Management, LLC**  
Investments, Private Placements  
One MetLife Way  
Whippany, New Jersey 07981  
Attention: Fred Sporer - VP Priv Placements-Corporates, Private Placements; Michael Brown - Associate - Privates, Private Placements; Shaun Oliver - Associate Director, Private Placements  
Emails: PPUCompliance@metlife.com; fsporer@metlife.com; michael.t.brown@metlife.com; soliver@metlife.com; OpsPvtPlacements@metlife.com

With a copy **OTHER than with respect to deliveries of financial statements** to:

**Metropolitan Life Insurance Company**  
**c/o MetLife Investment Management, LLC**, Investments Law  
One MetLife Way  
Whippany, New Jersey 07981  
Attention: Chief Counsel-Investments Law (PRIV)  
Email: sec\_invest\_law@metlife.com

- (3) Original notes delivered to:
- Metropolitan Life Insurance Company**  
**c/o MetLife Investment Management, LLC**, Investments Law  
One MetLife Way  
Whippany, New Jersey 07981  
Attention: Nicolette Lopez - Senior Counsel, Fixed Income & Alternatives
- (4) Taxpayer I.D. Number: 13-5581829  
(5) Tax Jurisdiction: United States/New York  
(6) UK Passport Treaty Number (if applicable): 13/M/61303/DTTP

Audit Requests: Soft copy to **[AuditConfirms.PvtPlacements@metlife.com](mailto:AuditConfirms.PvtPlacements@metlife.com)** or hard copy to:  
Metropolitan Life Insurance Company, Attn: Private Placements Operations (ATTN: Audit  
Confirmations), 18210 Crane Nest Drive – 5<sup>th</sup> Floor, Tampa, FL 33647

NAME OF AND ADDRESS OF PURCHASER	PRINCIPAL AMOUNT OF NOTES TO BE PURCHASED
<b>METROPOLITAN TOWER LIFE INSURANCE COMPANY</b> 200 Park Avenue New York, New York 10166	<b>\$2,300,000</b>

(G.A.--portfolio S07,S11,S12,T39,TBB,TBE,TTA,635,646)

(Securities to be registered in the name of **Metropolitan Tower Life Insurance Company**)

- (1) All scheduled payments of principal and interest by wire transfer of immediately available funds to:
- Bank Name: JPMorgan Chase Bank
  - ABA Routing #: 021-000-021
  - Account No.: 323-8-90946
  - Account Name: Metropolitan Tower Life Insurance Company
  - Ref: PPN 913260 C\*4 - UNITIL ENERGY SYSTEMS INC - 3.580% due 15-SEP-2040

with sufficient information to identify the source and application of such funds, including issuer, PPN#, interest rate, maturity and whether payment is of principal, interest, make whole amount or otherwise. For all payments other than scheduled payments of principal and interest, the Company shall seek instructions from the holder, and in the absence of instructions to the contrary, will make such payments to the account and in the manner set forth above.

- (2) All notices and communications:
- Metropolitan Tower Life Insurance Company**  
**c/o MetLife Investment Management, LLC**  
Investments, Private Placements  
One MetLife Way  
Whippany, New Jersey 07981  
Attention: Fred Sporer - VP Priv Placements-Corporates, Private Placements; Michael Brown - Associate - Privates, Private Placements; Shaun Oliver - Associate Director, Private Placements  
Emails: PPUCompliance@metlife.com; fsporer@metlife.com; michael.t.brown@metlife.com; soliver@metlife.com; OpsPvtPlacements@metlife.com

With a copy **OTHER than with respect to deliveries of financial statements** to:

**Metropolitan Tower Life Insurance Company**  
c/o **MetLife Investment Management, LLC**, Investments Law  
One MetLife Way  
Whippany, New Jersey 07981  
Attention: Chief Counsel-Investments Law (PRIV)  
Email: sec\_invest\_law@metlife.com

- (3) Original notes delivered to:
- Metropolitan Tower Life Insurance Company**  
c/o **MetLife Investment Management, LLC**, Investments Law  
One MetLife Way  
Whippany, New Jersey 07981  
Attention: Nicolette Lopez - Senior Counsel, Fixed Income & Alternatives
- (4) Taxpayer I.D. Number: 13-3114906  
(5) Tax Jurisdiction: United States/Delaware  
(6) UK Passport Treaty Number (if applicable): 13/M/298329/DTTP

Audit Requests: Soft copy to **AuditConfirms.PvtPlacements@metlife.com** or hard copy to: Metropolitan Life Insurance Company, Attn: Private Placements Operations (ATTN: Audit Confirmations), 18210 Crane Nest Drive – 5<sup>th</sup> Floor, Tampa, FL 33647

NAME OF AND ADDRESS OF PURCHASER	PRINCIPAL AMOUNT OF NOTES TO BE PURCHASED
<b>THE LINCOLN NATIONAL LIFE INSURANCE COMPANY</b>	<b>\$3,000,000</b>

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**REGISTER SECURITIES IN THE NAME OF: THE LINCOLN NATIONAL LIFE INSURANCE COMPANY**

*(Note: a separate security will be needed for each breakdown listed below)*

Tax ID for The Lincoln National Life Insurance Company: 35-0472300

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SECURITY: Unutil Opcos, 3.58% First Mortgage Bond due 9/15/2040

*NOTE*

<u>AMOUNT</u>	<u>LINCOLN ACCOUNT NAME</u>	<u>BANK CUSTODY ACCT #</u>
3,000,000	The Lincoln National Life Insurance Co (Seg 11)	215715

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PRINCIPAL & INTEREST PAYMENTS:

(via Fed Wire)      The Bank of New York Mellon  
One Wall Street, New York, NY 10286  
ABA #: 021000018  
BENEFICIARY/Account #: GLA 111566  
Acct Name: The Bank of New York Mellon Private Placement Income Collection  
Bank to Bank Information Ref: insert Custody Account# listed above;  
PPN 913260 C\*4 /Sec Desc/ P&I Details  
Reference Registered Holder: The Lincoln National Life Insurance Company

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INVESTMENT ADVISER ADDRESS

--ALL COMMUNICATIONS:

Macquarie Investment Management Advisers  
2005 Market Street, Mail Stop 41-104  
Philadelphia, PA 19103  
Attn: Fixed Income Private Placements  
Email: privateplacements@macquarie.com

TREASURY OPERATIONS

--NOTICE OF PAYMENT:

Lincoln Financial Group  
1300 South Clinton St.  
Fort Wayne, IN 46802  
Attn: Inv Acctg-Treasury Operations  
Email: securities\_data\_rese@lfg.com

BANK ADDRESS

--NOTICE OF PAYMENT ONLY:

The Bank of New York Mellon  
P. O. Box 392003  
Pittsburgh, PA 15251-9003  
Attn: Private Placement P & I Dept  
Ref: Registered Holder/Sec  
Desc/PPN#  
Email: ppservicing@bnymellon.com

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FORWARD SECURITIES TO:

*(via Express Delivery)*

The Depository Trust Company  
570 Washington Blvd – 5<sup>th</sup> Floor  
Jersey City, New Jersey 07310  
ATTENTION: BNY MELLON/BRANCH DEPOSIT DEPARTMENT  
*(in cover letter reference note amt, acct name, and bank custody account #)*

Copy of transmittal to:

[shelise.case@lfg.com](mailto:shelise.case@lfg.com)

Copy of notes to:

[shelise.case@lfg.com](mailto:shelise.case@lfg.com)

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NAME OF AND ADDRESS OF PURCHASER	PRINCIPAL AMOUNT OF NOTES TO BE PURCHASED
LINCOLN LIFE & ANNUITY COMPANY OF NEW YORK	\$3,000,000

**REGISTER SECURITIES IN THE NAME OF: LINCOLN LIFE & ANNUITY COMPANY OF NEW YORK**  
*(Note: a separate security will be needed for each breakdown listed below)*

SECURITY: Unital Opcos, 3.58% First Mortgage Bond due 9/15/2040

*NOTE*

<u>AMOUNT</u>	<u>LINCOLN ACCOUNT NAME</u>	<u>CUSTODY ACCOUNT #</u>
3,000,000	Lincoln Life & Annuity Company of New York – Seg JPLA2790	186236

TAX ID for LINCOLN LIFE & ANNUITY COMPANY OF NEW YORK: 22-0832760

PRINCIPAL & INTEREST PAYMENTS: The Bank of New York Mellon  
(via Fed Wire) One Wall Street, New York, NY 10286  
ABA #: 021000018  
BENEFICIARY/Account #: GLA 111566  
Acct Name: The Bank of New York Mellon Private Placement Income Collection  
Bank to Bank Information Ref: insert Custody Account# listed above;  
PPN 913260 C\*4 /Sec Desc/ P&I Details  
Reference Registered Holder: Lincoln Life & Annuity Company of New York

INVESTMENT ADVISER ADDRESS  
FOR ALL COMMUNICATIONS:

Macquarie Investment Management Advisers  
2005 Market Street, Mail Stop 41-104  
Philadelphia, PA 19103  
Attention: Fixed Income Private Placements  
Email: privateplacements@macquarie.com

INVESTMENT ACCOUNTING ADDRESS  
FOR NOTICE OF PAYMENT:

Lincoln Financial Group  
1300 South Clinton Street  
Fort Wayne, IN 46802  
Attention: Inv Accounting – Treasury Operations  
Email: securities\_data\_rese@lfg.com

BANK ADDRESS  
FOR NOTICE OF PAYMENT:

The Bank of New York Mellon  
P. O. Box 392003  
Pittsburgh, PA 15251-9003  
Attention: Private Placement P & I Dept  
Reference: Registered Holder/Sec Desc/PPN#  
Group Email: ppservicing@bnymellon.com

FORWARD SECURITIES TO:  
(via Express Delivery)

The Depository Trust Company  
570 Washington Blvd – 5<sup>th</sup> Floor  
Jersey City, NJ 07310  
Attention: BNY Mellon/Branch Deposit Department

*(in cover letter reference note amt, acct name, and bank custody account #)*

Copy of transmittal to:

[Shelise.Case@LFG.com](mailto:Shelise.Case@LFG.com)  
[Shelise.Case@LFG.com](mailto:Shelise.Case@LFG.com)

NAME OF AND ADDRESS  
OF PURCHASER

PRINCIPAL AMOUNT OF  
NOTES TO BE PURCHASED

**SECURIAN LIFE INSURANCE COMPANY**

**\$2,000,000**

The Notes being purchased for Securian Life Insurance Company should be registered in the name of "Hare & Co., LLC". The Notes should be delivered in accordance with instructions furnished to lender counsel, Chapman and Cutler, LLP.

All notices and statements should be sent electronically via Email to: [privateplacements@securianam.com](mailto:privateplacements@securianam.com). If Email is unavailable or if the Email is returned for any reason (including receipt of a message that the Email is undeliverable), such notice and statements should be sent to the following address:

Securian Life Insurance Company  
c/o Securian Asset Management, Inc.  
400 Robert Street North  
St. Paul, MN 55101  
Attn: Client Administrator

All payments on account of the Notes shall be made by wire transfer of immediately available funds pursuant to instructions to be delivered to the Company by Lender Counsel prior to Closing. If there are any questions regarding the payment instructions, please contact [SecurianAMPrivatesMailbox@securianam.com](mailto:SecurianAMPrivatesMailbox@securianam.com).

Tax ID # 41-1412669

NAME OF AND ADDRESS  
OF PURCHASER

PRINCIPAL AMOUNT OF  
NOTES TO BE PURCHASED

**MINNESOTA LIFE INSURANCE COMPANY**

**\$1,500,000**

**(Bond)**

The Notes being purchased for Minnesota Life Insurance Company should be registered in the name of "Hare & Co., LLC". The Notes should be delivered in accordance with instructions furnished to lender counsel, Chapman and Cutler, LLP.

All notices and statements should be sent electronically via Email to: [privateplacements@securianam.com](mailto:privateplacements@securianam.com). If Email is unavailable or if the Email is returned for any reason (including receipt of a message that the Email is undeliverable), such notice and statements should be sent to the following address:

Minnesota Life Insurance Company (Bond)  
c/o Securian Asset Management, Inc.  
400 Robert Street North  
St. Paul, MN 55101  
Attn: Client Administrator

All payments on account of the Notes shall be made by wire transfer of immediately available funds pursuant to instructions to be delivered to the Company by Lender Counsel prior to Closing. If there are any questions regarding the payment instructions, please contact [SecurianAMPrivatesMailbox@securianam.com](mailto:SecurianAMPrivatesMailbox@securianam.com).

Tax ID # 41-0417830

NAME OF AND ADDRESS  
OF PURCHASER

PRINCIPAL AMOUNT OF  
NOTES TO BE PURCHASED

**AMERICAN REPUBLIC INSURANCE COMPANY**

**\$500,000**

(Pre-Need)

The Notes being purchased for American Republic Insurance Company should be registered in the name of “Wells Fargo Bank N.A. FBO American Republic Insurance Company”. The Notes should be delivered in accordance with instructions furnished to lender counsel, Chapman and Cutler, LLP.

All notices and statements should be sent electronically via Email to: [privateplacements@securianam.com](mailto:privateplacements@securianam.com). If Email is unavailable or if the Email is returned for any reason (including receipt of a message that the Email is undeliverable), such notice and statements should be sent to the following address:

American Republic Insurance Company (Pre-Need)  
c/o Securian Asset Management, Inc.  
400 Robert Street North  
St. Paul, MN 55101  
Attn: Client Administrator

All payments on account of the Notes shall be made by wire transfer of immediately available funds pursuant to instructions to be delivered to the Company by Lender Counsel prior to Closing. If there are any questions regarding the payment instructions, please contact [SecurianAMPrivatesMailbox@securianam.com](mailto:SecurianAMPrivatesMailbox@securianam.com).

Tax ID # 42-0113630

NAME OF AND ADDRESS  
OF PURCHASER

PRINCIPAL AMOUNT OF  
NOTES TO BE PURCHASED

**BLUE CROSS AND BLUE SHIELD OF FLORIDA, INC.**

**\$500,000**

The Notes being purchased for Blue Cross and Blue Shield of Florida, Inc. should be registered in the name of “Hare & Co., LLC”. The Notes should be delivered in accordance with instructions furnished to lender counsel, Chapman and Cutler, LLP.

All notices and statements should be sent electronically via Email to: [privateplacements@securianam.com](mailto:privateplacements@securianam.com). If Email is unavailable or if the Email is returned for any reason (including receipt of a message that the Email is undeliverable), such notice and statements should be sent to the following address:

Blue Cross and Blue Shield of Florida, Inc.  
c/o Securian Asset Management, Inc.  
400 Robert Street North  
St. Paul, MN 55101  
Attn: Client Administrator

All payments on account of the Notes shall be made by wire transfer of immediately available funds pursuant to instructions to be delivered to the Company by Lender Counsel prior to Closing. If there are any questions regarding the payment instructions, please contact [SecurianAMPrivatesMailbox@securianam.com](mailto:SecurianAMPrivatesMailbox@securianam.com).

Tax ID # 59-2015694

NAME OF AND ADDRESS  
OF PURCHASER

PRINCIPAL AMOUNT OF  
NOTES TO BE PURCHASED

**CATHOLIC UNITED FINANCIAL**

**\$500,000**

**\$500,000.00 (3.58% First Mortgage Bond, Series R due 2040)**

The Notes being purchased for Catholic United Financial should be registered in the name of “Band & Co”. The Notes should be delivered in accordance with instructions furnished to lender counsel, Chapman and Cutler, LLP.

All notices and statements should be sent electronically via Email to: [privateplacements@securianam.com](mailto:privateplacements@securianam.com). If Email is unavailable or if the Email is returned for any reason (including receipt of a message that the Email is undeliverable), such notice and statements should be sent to the following address:

Catholic United Financial  
c/o Securian Asset Management, Inc.  
400 Robert Street North  
St. Paul, MN 55101  
Attn: Client Administrator

All payments on account of the Notes shall be made by wire transfer of immediately available funds pursuant to instructions to be delivered to the Company by Lender Counsel prior to Closing. If there are any questions regarding the payment instructions, please contact [SecurianAMPrivatesMailbox@securianam.com](mailto:SecurianAMPrivatesMailbox@securianam.com).

Tax ID # 41-0182070

NAME OF AND ADDRESS OF PURCHASER	PRINCIPAL AMOUNT OF NOTES TO BE PURCHASED
<b>The State Life Insurance Company</b>	<b>\$2,000,000</b>
Purchaser:	The State Life Insurance Company
Issuer:	Unitil Energy System
Issuing:	Senior Note(s) due 2040
Closing:	September 15, 2020
Issue:	3.58%
Amount:	Note 1 \$2,000,000.00
<b>Note:</b>	<b>For clarification, the purchaser of these notes is “The State Life Insurance Company”. The bank information shown below is for a special bank account (The State Life Insurance Company Finance Reinsurance) owned by the State Life Insurance Company. As a result, there could be more than one purchase for The State Life Insurance Company in any one private placement transaction with different wiring instructions.</b>

The original note(s) should be sent to:

The Depository Trust Company  
Attn: BNY Mellon/Branch Deposit Dept.  
Acct # 211624 State Life, c/o AUL  
570 Washington Blvd. – 5<sup>th</sup> Floor  
Jersey City, NJ 07310

Please send all **POST-CLOSING** documentation to:

American United Life Insurance Company  
Attn: Mike Bullock, Securities Department  
One American Square, Suite 1017  
Post Office Box 368  
Indianapolis, IN 46206  
mike.bullock@oneamerica.com

**Payment:** Unitil Energy Systems shall make payment of principal and interest on the note(s) in immediately available funds by wire transfer to the following bank account:

The Bank of New York Mellon  
ABA #: 021000018  
Credit Account: GLA111566  
Account Name: The State Life Insurance Company Finance Reinsurance  
Account #: 211624  
Re: “Accompanying Information” below  
P & I Breakdown: (Insert)  
Re: (Insert PPN 913260 C\*4 and credit name here)  
Payments should contain sufficient information to identify the breakdown of principal and interest and should identify the full description of the note(s) and the payment date.

The United States Tax I.D. Number of The State Life Insurance Company is 35-0684263.

NAME OF AND ADDRESS  
OF PURCHASER

PRINCIPAL AMOUNT OF  
NOTES TO BE PURCHASED

**The State Life Insurance Company**

**\$2,500,000**

Purchaser: The State Life Insurance Company

Issuer: Unitil Energy System

Issuing: Senior Note(s) due 2040

Closing: September 15, 2020

Issue: 3.58%

Amount: Note 2 \$2,500,000.00

**Note: For clarification, the purchaser of these notes is “The State Life Insurance Company”. The bank information shown below is for a special bank account (The State Life Insurance Company Finance Reinsurance) owned by the State Life Insurance Company. As a result, there could be more than one purchase for The State Life Insurance Company in any one private placement transaction with different wiring instructions.**

The original note(s) should be sent to:

The Depository Trust Company  
Attn: BNY Mellon/Branch Deposit Dept.  
Acct # 343761 State Life, c/o AUL  
570 Washington Blvd. – 5<sup>th</sup> Floor  
Jersey City, NJ 07310

Please send all **POST-CLOSING** documentation to:

American United Life Insurance Company  
Attn: Mike Bullock, Securities Department  
One American Square, Suite 1017  
Post Office Box 368  
Indianapolis, IN 46206  
mike.bullock@oneamerica.com

**Payment:** Unitil Energy Systems shall make payment of principal and interest on the note(s) in immediately available funds by wire transfer to the following bank account:

Bank of New York  
ABA #: 021000018  
Credit Account: GLA111566  
Account Name: The State Life Insurance Company  
Account #: 343761  
P & I Breakdown: (Insert)  
Re: (Insert PPN 913260 C\*4 and credit name here)

Payments should contain sufficient information to identify the breakdown of principal and interest and should identify the full description of the note(s) and the payment date.

The United States Tax I.D. Number of The State Life Insurance Company is 35-0684263.

NAME OF AND ADDRESS  
OF PURCHASER

PRINCIPAL AMOUNT OF  
NOTES TO BE PURCHASED

**PACIFIC LIFE INSURANCE COMPANY**

**\$3,000,000**

**Mac & Co., as nominee for Pacific Life Insurance Company**

*See instructions on following page.*

PACIFIC LIFE INSURANCE COMPANY



**Delivery/Registration Instructions**

Account Information:

Nominee Name: Mac & Co  
Tax ID#: 95-1079000

**Please include all information to ensure proper delivery of certificates and P & I.**

**For Physical Delivery of Certificates:**

The Depository Trust Company  
Attn: BNY Mellon/Branch Deposit Department  
570 Washington Blvd – 5th Floor  
Jersey City, NJ 07310

Account Name: SA 80 – INSURED LDI  
Account Number: 7147618400

**For Payment of Principal & Interest:**

Bank: The Bank of New York Mellon  
ABA: 021000018  
Acct Number: GLA 111566  
Acct Name: The Bank of New York Mellon – P&I Dept

**\*\* Include CUSIP, security description and P&I breakdown. \*\***

**All notices of payments and written confirmations of such wire transfers to:**

The Bank of New York Mellon  
Attn: Pacific Life Accounting Team  
One Mellon Bank Center - Room 1130  
Pittsburgh, PA 15258-0001

**And**

Pacific Life Insurance Company  
Attn: IM – Cash Team  
700 Newport Center Drive  
Newport Beach, CA 92660  
Fax: 949-718-5845

**All other communications shall be addressed to:**

Pacific Life Insurance Company  
Attn: IM – Credit Analysis  
700 Newport Center Drive  
Newport Beach, CA 92660-6397  
PrivatePlacementCompliance@PacificLife.com

  
Dominic Faso  
AVP & Asst Treasurer

NAME OF AND ADDRESS  
OF PURCHASER

PRINCIPAL AMOUNT OF  
NOTES TO BE PURCHASED

**UNITED OF OMAHA LIFE INSURANCE COMPANY**

**\$2,000,000**

1. Notes to be registered in the name of  
UNITED OF OMAHA LIFE INSURANCE COMPANY
2. Tax I.D. # is 47-0322111
3. All principal and interest payments on the Notes shall be made by wire transfer of immediately available funds to:

JPMorgan Chase Bank  
ABA #021000021  
Private Income Processing

For credit to:  
United of Omaha Life Insurance Company  
Account # 900-9000200  
a/c: G07097  
Cusip/ PPN 913260 C\*4  
Interest Amount:  
Principal Amount:

4. Address for delivery of bonds:

JPMorgan Chase Bank  
4 Chase Metrotech Center, 3<sup>rd</sup> Floor  
Brooklyn, NY 11245-0001  
Attention: Physical Receive Department  
Account# G07097

\*\*It is imperative that the custody account be included on the delivery letter. Without this information, the security will be returned to the sender.

5. Address for all notices in respect of payment of Principal and Interest, Corporate Actions, and Reorganization Notifications:

JPMorgan Chase Bank  
4 Chase Metrotech Center, 16<sup>th</sup> Floor  
Brooklyn, NY 11245-0001  
Attn: Income Processing  
a/c: G07097

6. Address for all other communications (i.e.: Quarterly/Annual reports, Tax filings, Modifications, Waivers regarding the indenture):

4 - Investment Management  
United of Omaha Life Insurance Company  
3300 Mutual of Omaha Plaza  
Omaha, NE 68175-1011

Email Address for Electronic Document Transmission: [privateplacements@mutualofomaha.com](mailto:privateplacements@mutualofomaha.com)

## DEFINED TERMS

As used herein, the following terms have the respective meanings set forth below or set forth in the Section hereof following such term:

“Adjusted Net Income (Deficit)” means the amount of net income (or if such net income is a deficit, the amount of such deficit) of the Company and its Subsidiaries for the period in question (taken as a cumulative whole) transferred to the retained earnings account on the books and records of the Company on a consolidated basis, as determined in accordance with GAAP, excluding any extraordinary non-cash gains and losses.

“Affiliate” means, at any time, and with respect to any Person, any other Person that at such time directly or indirectly through one or more intermediaries Controls, or is Controlled by, or is under common Control with, such first Person, and, with respect to the Company, shall include any Person beneficially owning or holding, directly or indirectly, 20% or more of any class of voting or equity interests of the Company or any Subsidiary of the Company or any Person of which the Company and its Subsidiaries beneficially own or hold, in the aggregate, directly or indirectly, 20% or more of any class of voting or equity interests. As used in this definition, “Control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise. Unless the context otherwise clearly requires, any reference to an “Affiliate” is a reference to an Affiliate of the Company.

“Agreement” means this Agreement, including all Schedules attached to this Agreement, as it may be amended, restated, supplemented or otherwise modified from time to time.

“Anti-Corruption Laws” means any law or regulation in a U.S. or any non-U.S. jurisdiction regarding bribery or any other corrupt activity, including the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act 2010.

“Anti-Money Laundering Laws” means any law or regulation in a U.S. or any non-U.S. jurisdiction regarding money laundering, drug trafficking, terrorist-related activities or other money laundering predicate crimes, including the Currency and Foreign Transactions Reporting Act of 1970 (otherwise known as the Bank Secrecy Act) and the USA PATRIOT Act.

“Bank Credit Agreement” means any existing or future bank credit facility or combination of bank credit facilities of greater than \$10,000,000 entered into by the Company.

“Blocked Person” means (a) a Person whose name appears on the list of Specially Designated Nationals and Blocked Persons published by OFAC, (b) a Person, entity, organization, country or regime that is blocked or a target of sanctions that have been imposed under U.S. Economic Sanctions Laws, or (c) a Person that is an agent, department or instrumentality of, or is otherwise beneficially owned by, controlled by or acting on behalf of, directly or indirectly, any Person, entity, organization, country or regime described in clause (a) or (b).

“Bond” or “Bonds” is defined in the Indenture.

“Business Day” means (a) for the purposes of Section 8.2.5 only, any day other than a Saturday, a Sunday or a day on which commercial banks in New York City are required or authorized to be closed, and (b) for the purposes of any other provision of this Agreement, any day other than a Saturday, a Sunday or a day on which commercial banks in New York, New York or Manchester, New Hampshire are required or authorized to be closed.

“Capital Lease” means, at any time, a lease with respect to which the lessee is required concurrently to recognize the acquisition of an asset and the incurrence of a liability in accordance with GAAP.

“Cash Pooling and Loan Agreement” means the cash pooling and loan agreement, as amended and restated, dated December 1, 2008, between Unitil and certain of its Subsidiaries, including the Company, as further amended from time to time.

“Closing” is defined in Section 3.

“Code” means the Internal Revenue Code of 1986, as amended from time to time, and the rules and regulations promulgated thereunder from time to time.

“Collateral” means the “Mortgaged Property” or “Trust Estate” (each as defined in the Indenture.

“Collateral Release Date” is defined in Section 9.1.1.

“Collateral Release Conditions” is defined in Section 9.1.1.

“Company” means Unitil Energy Systems, Inc., a New Hampshire corporation, or any successor that becomes such in the manner prescribed in Section 10.4.

“Confidential Information” is defined in Section 20.

“Controlled Entity” means (i) any of the Subsidiaries of the Company and any of their or the Company’s respective Controlled Affiliates and (ii) if the Company has a parent company, such parent company and its Controlled Affiliates. As used in this definition, “Control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

“Default” means an event or condition the occurrence or existence of which would, with the lapse of time or the giving of notice or both, become an Event of Default.

“Default Rate” means that rate of interest per annum that is the greater of (i) 2% above the rate of interest stated in clause (a) of the first paragraph of the Series R Bonds or (ii) 2% over the rate of interest publicly announced by Bank of America, N.A. in Charlotte, North Carolina as its “base” or “prime” rate.

“Disclosure Documents” is defined in Section 5.3.

“EDGAR” means the SEC’s Electronic Data Gathering, Analysis and Retrieval System or any successor SEC electronic filing system for such purposes.

“Earnings Available for Interest” of the Company for any period shall mean the amount by which (a) the sum of the operating revenues of the Company received in the ordinary course of business for such period, allowances for funds used during construction, interest income, and net non-operating income (loss) of the Company for such period, computed in accordance with GAAP and as set forth on a consolidated statement of earnings for the Company for such period, exceeds (b) the sum of all operating expenses of the Company for such period (but not including depreciation and amortization or any provision for Federal or state taxes on income or portions thereof for the period for which earnings are being computed), computed in accordance with GAAP and as set forth on a consolidated statement of earnings for the Company for such period.

“Electronic Delivery” is defined in Section 7.1(a)(ii).

“Environmental Laws” means any and all federal, state, local, and foreign statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or governmental restrictions relating to pollution and the protection of the environment or the release of any materials into the environment, including but not limited to those related to Hazardous Materials.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the rules and regulations promulgated thereunder from time to time in effect.

“ERISA Affiliate” means any trade or business (whether or not incorporated) that is treated as a single employer together with the Company under Section 414 of the Code.

“Event of Default” is defined in Section 11.

“Exchange Act” means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder from time to time in effect.

“FATCA” means (a) sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), together with any current or future regulations or official interpretations thereof, (b) any treaty, law or regulation of any other jurisdiction, or relating to an intergovernmental agreement between the United States of America and any other jurisdiction, which (in either case) facilitates the implementation of the foregoing clause (a), and (c) any agreements entered into pursuant to Section 1471(b)(1) of the Code.

“FERC” means the Federal Energy Regulatory Commission and any successor Governmental Authority thereto.

“Form 10-K” is defined in Section 7.1(b)(ii).

“Form 10-Q” is defined in Section 7.1(a)(ii).

“Funded Indebtedness” of any Person as of any date as of which the amount thereof is to be determined, means (i) all Indebtedness of such Person required to be paid more than one year from the date as of which Funded Indebtedness is being determined pursuant to the terms of the agreement or instrument under which such Indebtedness was incurred, but there shall be excluded sinking fund, serial maturity, periodic installment and amortization payments on account of Indebtedness which are required to be made within one year from the date of such determination and (ii) all Guaranties of Funded Indebtedness of others described in clause (i) of this definition. Notwithstanding the foregoing, Funded Indebtedness shall not include: (a) obligations under contracts for the purchase of gas and energy supply, including transportation charges or Guaranties in respect of such obligations; (b) pension and benefit obligations, whether or not absolute or contingent or included, in accordance with GAAP, in determining total liabilities on the balance sheet; (c) amounts owed to or by the Company or any Subsidiary under the Cash Pooling and Loan Agreement; and (d) all obligations under operating leases.

“GAAP” means generally accepted accounting principles as in effect from time to time in the United States of America.

“Governmental Authority” means

(a) the government of

(i) the United States of America or any State or other political subdivision thereof, or

(ii) any other jurisdiction in which the Company or any Subsidiary conducts all or any part of its business, or which asserts jurisdiction over any properties of the Company or any Subsidiary, or

(b) any entity exercising executive, legislative, judicial, regulatory or administrative functions of, or pertaining to, any such government.

“Governmental Official” means any governmental official or employee, employee of any government-owned or government-controlled entity, political party, any official of a political party, candidate for political office, official of any public international organization or anyone else acting in an official capacity.

“Guarantor” means each Person who is a party to the Guaranty Agreement and is otherwise required to comply with the requirements of Section 9.2.8.

“Guaranty” means, with respect to any Person, any obligation (except the endorsement in the ordinary course of business of negotiable instruments for deposit or collection) of such Person guaranteeing or in effect guaranteeing any indebtedness, dividend or other obligation of any other Person in any manner, whether directly or indirectly, including (without limitation) obligations incurred through an agreement, contingent or otherwise, by such Person:

(a) to purchase such indebtedness or obligation or any property constituting security therefor;

(b) to advance or supply funds (i) for the purchase or payment of such indebtedness or obligation, or (ii) to maintain any working capital or other balance sheet condition or any income statement condition of any other Person or otherwise to advance or make available funds for the purchase or payment of such indebtedness or obligation;

(c) to lease properties or to purchase properties or services primarily for the purpose of assuring the owner of such indebtedness or obligation of the ability of any other Person to make payment of the indebtedness or obligation; or

(d) otherwise to assure the owner of such indebtedness or obligation against loss in respect thereof.

In any computation of the indebtedness or other liabilities of the obligor under any Guaranty, the indebtedness or other obligations that are the subject of such Guaranty shall be assumed to be direct obligations of such obligor.

“Guaranty Agreement” means any Guaranty Agreement delivered pursuant to Section 9.2.8 the terms of which are substantially similar to the applicable guaranty or other obligation being provided under the Bank Credit Agreement or any other Material Credit Facility and otherwise in a form reasonably acceptable to the Required Holders.

“Hazardous Materials” means any and all pollutants, toxic or hazardous wastes or other substances that might pose a hazard to health and safety, the removal of which may be required or the generation, manufacture, refining, production, processing, treatment, storage, handling, transportation, transfer, use, disposal, release, discharge, spillage, seepage or filtration of which is or shall be restricted, prohibited or penalized by any applicable law including, but not limited to, asbestos, urea formaldehyde foam insulation, polychlorinated biphenyls, petroleum, petroleum products, lead based paint, radon gas or similar restricted, prohibited or penalized substances.

“holder” means, with respect to any Series R Bond the Person in whose name such Series R Bond is registered in the register maintained by the Company pursuant to Section 13.1, provided, however, that if such Person is a nominee, then for the purposes of Sections 7, 12, 17.2 and 18 and any related definitions in this Schedule B, “holder” shall mean the beneficial owner of such Series R Bond whose name and address appears in such register.

“Indebtedness” with respect to any Person means, at any time, without duplication,

(a) its liabilities for borrowed money;

(b) all liabilities which would appear on its balance sheet in accordance with GAAP in respect of Synthetic Leases if such Synthetic Leases were accounted for as Capital Leases;

(c) obligations due in respect of Capital Leases which, taking together such obligations for all Capital Leases of such Person, aggregate \$5,000,000 or more in the twelve-month period following the date on which Indebtedness is being determined;

(d) its liabilities for the deferred purchase price of property acquired by such Person (excluding accounts payable arising in the ordinary course of business and liabilities pertaining to the regulated purchase of electricity and natural gas supply in the ordinary course of business, but, in any event, including all liabilities created or arising under any conditional sale or other title retention agreement with respect to any such property); and

(e) without duplication, any Guaranty of such Person with respect to liabilities of a type described in any of clauses (a) through (d) above;

provided, that notwithstanding anything to the contrary in the foregoing, Indebtedness of the Company shall not include (A) its obligations under contracts for the purchase by it of gas (including propane and liquefied natural gas) or electric energy or capacity, including transmission charges, (B) lease obligations of the Company or any Subsidiary, (C) pension and other obligations of the Company or any Subsidiary with respect to benefits provided to employees of the Company and its Subsidiaries, regardless of whether such obligations are absolute or contingent or included, in accordance with GAAP, in determining total liabilities as shown on the liability side of a balance sheet of the Company, and (D) obligations relating to the sale of generating assets and power purchase entitlements as provided for in the Company's restructuring plan filed with the NHPUC on January 25, 2002.

“Indenture” is defined in Section 1.

“INHAM Exemption” is defined in Section 6.2(e).

“Institutional Investor” means (a) any Purchaser of a Series R Bond, (b) any holder of a Series R Bond holding (together with one or more of its affiliates) more than 5% of the aggregate principal amount of the Series R Bonds then outstanding, (c) any bank, trust company, savings and loan association or other financial institution, any pension plan, any investment company, any insurance company, any broker or dealer, or any other similar financial institution or entity, regardless of legal form, and (d) any Related Fund of any holder of any Series R Bond.

“Lien” means, with respect to any Person, any mortgage, lien, pledge, adverse claim, charge, security interest or other encumbrance of title in or on, or any interest or title of any vendor, lessor, lender or other secured party to or of such Person under any conditional sale or other title retention agreement or Capital Lease, upon or with respect to any property or asset of such Person (including in the case of stock, stockholder agreements, voting trust agreements and all similar arrangements).

“Make-Whole Amount” means, with respect to any Series R Bond, an amount equal to the excess, if any, of the Discounted Value of the Remaining Scheduled Payments with respect to the Called Principal of such Series R Bond over the amount of such Called Principal, provided that

the Make-Whole Amount may in no event be less than zero. For the purposes of determining the Make-Whole Amount, the following terms have the following meanings:

“Called Principal” means, with respect to any Series R Bond, the principal of such Series R Bond that is to be prepaid pursuant to Section 8.2.1 or has become or is declared to be immediately due and payable pursuant to Section 12.1, as the context requires.

“Discounted Value” means, with respect to the Called Principal of any Series R Bond, the amount obtained by discounting all Remaining Scheduled Payments with respect to such Called Principal from their respective scheduled due dates to the Settlement Date with respect to such Called Principal, in accordance with accepted financial practice and at a discount factor (applied on the same periodic basis as that on which interest on the Series R Bonds is payable) equal to the Reinvestment Yield with respect to such Called Principal.

“Reinvestment Yield” means, with respect to the Called Principal of any Series R Bond, 0.50% over the yield to maturity implied by the yield(s) reported as of 10:00 a.m. (New York City time) on the second Business Day preceding the Settlement Date with respect to such Called Principal, on the display designated as “Page PX1” (or such other display as may replace Page PX1) on Bloomberg Financial Markets for the most recently issued actively traded on-the-run U.S. Treasury securities (“Reported”) having a maturity equal to the Remaining Average Life of such Called Principal as of such Settlement Date. If there are no such U.S. Treasury securities Reported having a maturity equal to such Remaining Average Life, then such implied yield to maturity will be determined by (a) converting U.S. Treasury bill quotations to bond equivalent yields in accordance with accepted financial practice and (b) interpolating linearly between the yields Reported for the applicable most recently issued actively traded on-the-run U.S. Treasury securities with the maturities (1) closest to and greater than such Remaining Average Life and (2) closest to and less than such Remaining Average Life. The Reinvestment Yield shall be rounded to the number of decimal places as appears in the interest rate of the applicable Series R Bond.

If such yields are not Reported or the yields Reported as of such time are not ascertainable (including by way of interpolation), then “Reinvestment Yield” means, with respect to the Called Principal of any Bond, 0.50% over the yield to maturity implied by the U.S. Treasury constant maturity yields reported, for the latest day for which such yields have been so reported as of the second Business Day preceding the Settlement Date with respect to such Called Principal, in Federal Reserve Statistical Release H.15 (or any comparable successor publication) for the U.S. Treasury constant maturity having a term equal to the Remaining Average Life of such Called Principal as of such Settlement Date. If there is no such U.S. Treasury constant maturity having a term equal to such Remaining Average Life, such implied yield to maturity will be determined by interpolating linearly between (1) the U.S. Treasury constant maturity so reported with the term closest to and greater than such Remaining Average Life and (2) the U.S. Treasury constant maturity so reported with the term closest to and less than such Remaining Average Life. The Reinvestment Yield shall be rounded to the number of decimal places as appears in the interest rate of the applicable Series R Bond.

“Remaining Average Life” means, with respect to any Called Principal, the number of years obtained by dividing (i) such Called Principal into (ii) the sum of the products obtained by multiplying (a) the principal component of each Remaining Scheduled Payment with respect to such Called Principal by (b) the number of years, computed on the basis of a 360-day year composed of twelve 30-day months and calculated to two decimal places, that will elapse between the Settlement Date with respect to such Called Principal and the scheduled due date of such Remaining Scheduled Payment.

“Remaining Scheduled Payments” means, with respect to the Called Principal of any Series R Bond, all payments of such Called Principal and interest thereon that would be due after the Settlement Date with respect to such Called Principal if no payment of such Called Principal were made prior to its scheduled due date, provided that if such Settlement Date is not a date on which interest payments are due to be made under the Series R Bonds, then the amount of the next succeeding scheduled interest payment will be reduced by the amount of interest accrued to such Settlement Date and required to be paid on such Settlement Date pursuant to Section 8.2.1 or Section 12.1.

“Settlement Date” means, with respect to the Called Principal of any Series R Bond, the date on which such Called Principal is to be prepaid pursuant to Section 8.2.1 or has become or is declared to be immediately due and payable pursuant to Section 12.1, as the context requires.

“Sixteenth Supplemental Indenture” is defined in Section 1.

“Material” means material in relation to the business, operations, affairs, financial condition, assets, or properties of the Company and its Subsidiaries taken as a whole.

“Material Adverse Effect” means a material adverse effect on (a) the business, operations, affairs, financial condition, assets or properties of the Company and its Subsidiaries taken as a whole, or (b) the ability of the Company to perform its obligations under this Agreement and the Series R Bonds, or (c) the validity or enforceability of this Agreement or the Series R Bonds, or (d) the ability of any Guarantor to perform its obligations under any Guaranty Agreement.

“Material Credit Facility” means, as to the Company and its Subsidiaries,

(a) the Bank Credit Agreement, including any renewals, extensions, amendments, supplements, restatements, replacements or refinancing thereof; and

(b) any other agreement(s) (other than the Cash Pooling and Loan Agreement) creating or evidencing indebtedness for borrowed money entered into on or after the date of Closing by the Company or any Subsidiary, or in respect of which the Company or any Subsidiary is an obligor or otherwise provides a guarantee or other credit support (“Credit Facility”), in a principal amount outstanding or available for borrowing equal to or greater than \$10,000,000 (or the equivalent of such amount in the relevant currency of payment, determined as of the date of the closing of such facility based on the exchange rate of such other currency); and if no Credit Facility or Credit Facilities equal or exceed such amounts, then the largest Credit Facility shall be deemed to be a Material Credit Facility.

“Maturity Date” is defined in the first paragraph of each Series R Bond.

“Multiemployer Plan” means any Plan that is a “multiemployer plan” (as such term is defined in Section 4001(a)(3) of ERISA).

“NAIC” means the National Association of Insurance Commissioners or any successor thereto.

“Non-U.S. Plan” means any plan, fund or other similar program that (a) is established or maintained outside the United States of America by the Company or any Subsidiary primarily for the benefit of employees of the Company or one or more Subsidiaries residing outside the United States of America, which plan, fund or other similar program provides, or results in, retirement income, a deferral of income in contemplation of retirement or payments to be made upon termination of employment, and (b) is not subject to ERISA or the Code.

“NHPUC” means the New Hampshire Public Utilities Commission and any successor Governmental Authority.

“OFAC” means the Office of Foreign Assets Control of the United States Department of the Treasury.

“OFAC Sanctions Program” means any economic or trade sanction that OFAC is responsible for administering and enforcing. A list of OFAC Sanctions Programs may be found at <http://www.treasury.gov/resource-center/sanctions/Programs/Pages/Programs.aspx>.

“Officer’s Certificate” means a certificate of a Senior Financial Officer or of any other officer of the Company whose responsibilities extend to the subject matter of such certificate.

“Permitted Encumbrances” is defined in the Indenture.

“Person” means an individual, partnership, corporation, limited liability company, association, trust, unincorporated organization, business entity or Governmental Authority.

“Plan” means an “employee benefit plan” (as defined in Section 3(3) of ERISA) subject to Title I of ERISA that is or, within the preceding five years, has been established or maintained, or to which contributions are or, within the preceding five years, have been made or required to be made, by the Company or any ERISA Affiliate or with respect to which the Company or any ERISA Affiliate may have any liability.

“Preferred Stock” means any class of capital stock of a Person that is preferred over any other class of capital stock (or similar equity interests) of such Person as to the payment of dividends or the payment of any amount upon liquidation or dissolution of such Person.

“property” or “properties” means, unless otherwise specifically limited, real or personal property of any kind, tangible or intangible, choate or inchoate.

“PTE” is defined in Section 6.2(a).

“Purchaser” is defined in the first paragraph of this Agreement.

“Qualified Institutional Buyer” means any Person who is a “qualified institutional buyer” within the meaning of such term as set forth in Rule 144A(a)(1) under the Securities Act.

“QPAM Exemption” is defined in Section 6.2(d).

“Related Fund” means, with respect to any holder of any Series R Bond, any fund or entity that (i) invests in Securities or bank loans, and (ii) is advised or managed by such holder, the same investment advisor as such holder or by an affiliate of such holder or such investment advisor.

“Required Holders” means at any time (i) prior to the Closing, the Purchasers and (ii) on or after the Closing, the holders of at least a majority in principal amount of the Series R Bonds at the time outstanding (exclusive of Series R Bonds then owned by the Company or any of its Affiliates).

“Responsible Officer” means any Senior Financial Officer and any other officer of the Company or any Guarantor, as applicable, with responsibility for the administration of the relevant portion of this Agreement.

“SEC” shall mean the Securities and Exchange Commission of the United States, or any successor thereto.

“Securities” or “securities” shall have the meaning specified in Section 2(1) of the Securities Act.

“Securities Act” means the Securities Act of 1933, as amended from time to time, and the rules and regulations promulgated thereunder from time to time in effect.

“Senior Financial Officer” means the chief financial officer, principal accounting officer, treasurer or comptroller of the Company or of Unitil, as applicable.

“Series R Bonds” is defined in Section 1.

“State Sanctions List” means a list that is adopted by any state Governmental Authority within the United States of America pertaining to Persons that engage in investment or other commercial activities in Iran or any other country that is a target of economic sanctions imposed under U.S. Economic Sanctions Laws.

“Source” is defined in Section 6.2.

“Subsidiary” means, as to any Person, any other Person in which such first Person or one or more of its Subsidiaries or such first Person and one or more of its Subsidiaries owns sufficient equity or voting interests to enable it or them (as a group) ordinarily, in the absence of

contingencies, to elect a majority of the directors (or Persons performing similar functions) of such second Person, and any partnership or joint venture if more than a 50% interest in the profits or capital thereof is owned by such first Person or one or more of its Subsidiaries or such first Person and one or more of its Subsidiaries (unless such partnership or joint venture can and does ordinarily take major business actions without the prior approval of such Person or one or more of its Subsidiaries). Unless the context otherwise clearly requires, any reference to a “Subsidiary” is a reference to a Subsidiary of the Company.

“SVO” means the Securities Valuation Office of the NAIC or any successor to such Office.

“Synthetic Lease” means, at any time, any lease (including leases that may be terminated by the lessee at any time) of any property (a) that is accounted for as an operating lease under GAAP and (b) in respect of which the lessee retains or obtains ownership of the property so leased for U.S. federal income tax purposes, other than any such lease under which such Person is the lessor.

“Total Capitalization” at any date means the sum of (x) Funded Indebtedness of the Company and its Subsidiaries, and (y) Total Shareholders’ Equity as of such date. Such Total Capitalization shall be exclusive of Accumulated and Other Comprehensive Income (within the meaning of GAAP) derived from pension and benefit obligations; provided, however, that, to the extent permitted by Section 10.1(a)(iii) hereof, any Funded Indebtedness to be redeemed from the proceeds of the incurrence of Funded Indebtedness as provided for in Section 10.1(a)(iii) hereof, which have not yet been so redeemed, shall not be included in the determination of Total Capitalization. Such Total Capitalization shall be exclusive of accumulated Other Comprehensive Income (within the meaning of GAAP).

“Total Shareholders’ Equity” means, as of any date of determination, the aggregate amount for total common stock equity, preference stock and Preferred Stock as presented in accordance with GAAP on a consolidated balance sheet of the Company as of such date.

“Trustee” is defined in Section 1.

“UCC” means, the Uniform Commercial Code as enacted and in effect from time to time in the state whose laws are treated as applying to the Collateral.

“UCC Financing Statements” shall mean any financing statements required or permitted to be filed in accordance with the UCC.

“UES First Mortgage Bond Indenture” means (i) that certain Indenture of Mortgage and Deed of Trust of Unitil Energy Systems, Inc. (as successor to Concord Electric Company) to U.S. Bank National Association (successor to Old Colony Trust Company), as Trustee, originally dated as of July 15, 1958, and amended and restated as of December 2, 2002 pursuant to the Twelfth Supplemental Indenture thereto, (ii) the Thirteenth Supplemental Indenture of Unitil Energy Systems, Inc., dated as of September 26, 2006, (iii) the Fourteenth Supplemental Indenture of Unitil Energy Systems, Inc., dated as of March 2, 2010, (iv) the Fifteenth Supplemental Indenture

of Unitil Energy Systems, Inc., dated as of November 29, 2018 and (v) any other supplemental indentures thereto.

“Unitil” means Unitil Corporation, a New Hampshire corporation.

“USA Patriot Act” means United States Public Law 107-56, Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT ACT) Act of 2001, as amended from time to time, and the rules and regulations promulgated thereunder from time to time in effect.

“U.S. Economic Sanctions Laws” means those laws, executive orders, enabling legislation or regulations administered and enforced by the United States pursuant to which economic sanctions have been imposed on any Person, entity, organization, country or regime, including the Trading with the Enemy Act, the International Emergency Economic Powers Act, the Iran Sanctions Act, the Sudan Accountability and Divestment Act and any other OFAC Sanctions Program.

“United States Person” has the meaning set forth in Section 7701(a)(30) of the Code.

“Wholly-Owned Subsidiary” means, at any time, any Subsidiary one hundred percent of all of the equity interests (except directors’ qualifying shares) and voting interests of which are owned by any one or more of the Company and the Company’s other Wholly-Owned Subsidiaries at such time.

## **SCHEDULE 4.13**

### **COLLATERAL FILINGS**

The Collateral Filings to establish and perfect the security interests and Liens of the Trustee upon the Collateral created by the Indenture (including the Sixteenth Supplemental Indenture) shall be made in:

- (a) The Merrimack County, New Hampshire, Registry of Deeds;
- (b) The Rockingham County, New Hampshire, Registry of Deeds; and
- (c) The office of the Secretary of State of New Hampshire.

### **SCHEDULE 5.3**

#### **DISCLOSURE DOCUMENTS**

Bond Purchase Agreement, dated September 15, 2020.

The financial statements listed in Schedule 5.5 (and incorporated herein by reference).

Regulatory approvals for the issuance of the Bonds as described in Section 4.11 of the Bond Purchase Agreement.

Unitil Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 2018.

Unitil Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 2019.

Unitil Corporation's Quarterly Report on Form 10-Q for the quarter ended March 31, 2020.

Unitil Corporation's Quarterly Report on Form 10-Q for the quarter ended June 30, 2020.

Unitil Corporation's Current Reports on Form 8-K that were filed with the Securities and Exchange Commission on or after January 1, 2020.

## SCHEDULE 5.4

### ORGANIZATION AND OWNERSHIP OF SHARES OF THE COMPANY AND SUBSIDIARIES

(a) (i) Subsidiaries. None.

(a) (ii) Affiliates (other than Subsidiaries and Directors and Officers).

Unitil Corporation  
Fitchburg Gas and Electric Light Co.  
Northern Utilities, Inc.  
Unitil Power Corp.  
Unitil Realty Corp.  
Unitil Service Corp.  
Unitil Resources, Inc.  
Granite State Gas Transmission, Inc.  
Fitchburg Energy Development Company

(a) (iii) Directors and Officers.

#### **Directors**

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Winfield S. Brown  
Mark H. Collin  
Lisa Crutchfield  
Suzanne Foster  
Edward F. Godfrey  
Michael B. Green  
Thomas P. Meissner, Jr.  
Eben S. Moulton  
Justine Vogel  
David A. Whiteley

#### **Officers**

#### **Title**

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Thomas P. Meissner, Jr.	President
Robert B. Hevert	Senior Vice President
Todd R. Black	Senior Vice President
Laurence M. Brock	Senior Vice President
Daniel J. Hurstak	Controller
Todd R. Diggins	Treasurer
Sandra L. Whitney	Secretary
Justin Eisfeller	Vice President
Robert S. Furino	Vice President
Raymond J. Letourneau, Jr.	Vice President

## **SCHEDULE 5.5**

### **FINANCIAL STATEMENTS**

Audited Financial Statements of Unitil Energy Systems, Inc. as of December 31, 2019.

Unaudited and Condensed Financial Statements of Unitil Energy Systems, Inc. as of and for the Three Months Ended March 31, 2020.

Unaudited and Condensed Financial Statements of Unitil Energy Systems, Inc. as of and for the Six Months Ended June 30, 2020.

**SCHEDULE 5.15**

**EXISTING INDEBTEDNESS**

Existing Indebtedness (as of June 30, 2020)

Borrower/Obligor	Lender/Creditor	Description and Maturity	Balance (USD)	Description of Security or other Credit Support
Unitil Energy Systems, Inc.	Various holders	Preferred Stock, Non-Redeemable, Non-Cumulative, 6.00%, \$100 Par Value	\$188,700	None
Unitil Energy Systems, Inc.	Various institutional investors	8.49% Series, Due October 14, 2024	\$4,500,000	Mortgage & UCC Collateral Filings
Unitil Energy Systems, Inc.	Various institutional investors	6.96% Series, Due September 1, 2028	\$18,000,000	Mortgage & UCC Collateral Filings
Unitil Energy Systems, Inc.	Various institutional investors	8.00% Series, Due May 1, 2031	\$15,000,000	Mortgage & UCC Collateral Filings
Unitil Energy Systems, Inc.	Various institutional investors	6.32% Series, Due September 15, 2036	\$15,000,000	Mortgage & UCC Collateral Filings
Unitil Energy Systems, Inc.	Various institutional investors	4.18% Series, Due November 30, 2048	\$30,000,000	Mortgage & UCC Collateral Filings
Unitil Energy Systems, Inc.	Unitil and certain of its subsidiaries	Cash Pooling and Loan Agreement, as amended and restated to date	\$23,423,291	None

Since June 30, 2020, there have been the following Material changes in the amounts, interest rates, sinking funds, installment payments or maturities of the Indebtedness of the Company or its Subsidiaries: The Company made sinking fund payments of \$2,000,000 related to the 6.96% Series in September 2020. The outstanding balance of the 6.96% Series as of September 15, 2020 is \$16,000,000.

Existing Liens. Please see the column entitled “Description of Security or Other Credit Support” in the table above.

Restrictions on Funded Indebtedness. The Company is a party to, or otherwise subject to provisions contained in, instruments evidencing the Indebtedness of the Company set forth on this Schedule 5.15 and agreements and other documents relating thereto that limit the amount of, or otherwise impose restrictions on the incurring of, Funded Indebtedness of the Company.

**EXHIBIT A**  
**FORM OF 16TH SUPPLEMENTAL INDENTURE**

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**UNITIL ENERGY SYSTEMS, INC.**  
**TO**  
**U.S. BANK NATIONAL ASSOCIATION, TRUSTEE**

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**SIXTEENTH**  
**SUPPLEMENTAL INDENTURE**  
**DATED AS OF SEPTEMBER 15, 2020**

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**ADDITIONAL ISSUE OF BONDS**  
**(SERIES R, 3.58%, DUE SEPTEMBER 15, 2040)**  
**\$27,500,000**

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This Sixteenth Supplemental Indenture encumbers property in Merrimack and Rockingham Counties.

**EXHIBIT A**  
**(to Bond Purchase Agreement)**

This Sixteenth Supplemental Indenture is dated as of September 15, 2020 (the or this “Sixteenth Supplemental Indenture”) and entered into by and between Unitil Energy Systems, Inc., a corporation duly organized and existing under and by virtue of the laws of the State of New Hampshire, having its principal office and place of business in Hampton, County of Rockingham in the State of New Hampshire at 6 Liberty Lane West, Hampton, New Hampshire 03842-1720 (hereinafter sometimes referred to as the “Company”), and U.S. Bank National Association, a national banking association (successor to Old Colony Trust Company), having an office and place of business in Boston, Massachusetts at 1 Federal Street, Boston, Massachusetts 02110, as Trustee (hereinafter sometimes referred to as the “Trustee”), with reference to the following Recitals:

**WITNESSETH:**

Whereas, the Company heretofore duly executed and delivered to the Trustee its Indenture of Mortgage and Deed of Trust (hereinafter generally referred to as the “Original Indenture” and referred to, with each and every other instrument, including the Twelfth Supplemental Indenture, which amended and restated the Original Indenture in its entirety, and each subsequent instrument which the Company may execute with the Trustee and which is therein stated to be supplemental to the Original Indenture, as the “Indenture”), dated as of July 15, 1958, but actually executed on September 18, 1958, and recorded, among other places, in Merrimack County, New Hampshire, Registry of Deeds, Volume 832, Page 96, and in the Office of the City Clerk of the City of Concord, New Hampshire, Volume 188, Page 156 and duly recorded First, Second, Third, Fourth, Fifth, Sixth, Seventh, Eighth, Ninth, Tenth, Eleventh, Twelfth, Thirteenth, Fourteenth, and Fifteenth Supplemental Indentures thereto dated as of January 15, 1968, as of November 15, 1971, as of July 1, 1975, as of March 28, 1984, as of June 1, 1984, as of October 29, 1987, as of August 29, 1991, as of October 14, 1994, as of September 1, 1998, as of January 15, 2001, as of April 20, 2001, as of December 2, 2002, as of September 26, 2006, as of March 2, 2010, and as of November 29, 2018, respectively, to which this instrument is supplemental and in modification and confirmation thereof, whereby substantially all the properties of the Company used by it in its electric business, whether then owned or thereafter acquired, with certain exceptions and reservations fully set forth in the Indenture were given, granted, bargained, sold, warranted, pledged, assigned, transferred, mortgaged and conveyed to the Trustee, its successors and assigns, in trust upon the terms and conditions set forth therein to secure bonds of the Company issued and to be issued thereunder, and for other purposes more particularly specified therein; and

Whereas, on January 4, 1971 Old Colony Trust Company was merged into The First National Bank of Boston, which thereupon succeeded to the trusts under the Indenture; and

Whereas, effective May 1, 1996 The First National Bank of Boston resigned as trustee under the Indenture and the Company appointed State Street Bank and Trust Company (“State Street”) as successor trustee, which accepted such appointment and thereupon succeeded to the trusts under the Indenture; and

Whereas, effective January 1, 2003 U.S. Bank National Association purchased substantially all of the corporate trust business of State Street including the trust herein and thereupon succeeded State Street as Trustee hereunder; and

Whereas, on December 2, 2002 (the “Merger Date”), Unutil Corporation, a corporation organized under the laws of the State of New Hampshire (“Unutil”), combined all of the operations of the Company and Exeter & Hampton Electric Company (“Exeter”) through the merger of Exeter into the Company pursuant to an Agreement and Plan of Merger dated as of November 26, 2002 between the Company and Exeter. On the Merger Date the Company assumed all of the obligations of Exeter under (a) Exeter’s Indenture of Mortgage and Deed of Trust dated as of December 1, 1952 (hereinafter referred to as the “Original Exeter Indenture”) as supplemented by the First, Second, Third, Fourth, Fifth, Sixth, Seventh, Eighth, Ninth, Tenth, Eleventh and Twelfth Supplemental Indentures thereto dated as of January 16, 1956, as of January 15, 1960, as of June 1, 1964, as of January 15, 1968, as of November 15, 1971, as of April 1, 1974, as of December 15, 1977, as of October 28, 1987, as of August 29, 1991, as of October 14, 1994, as of September 1, 1998, and as of April 20, 2001, respectively (the Original Exeter Indenture and such supplemental indentures being sometimes collectively referred to as the “Exeter Indenture”), and (b) the bonds then outstanding under the Exeter Indenture (the “Exeter Bonds”) pursuant to a Consent and Agreement dated as of November 26, 2002 among Exeter, the Company and the holders of the Exeter Bonds and the Bonds outstanding under the Indenture; and

Whereas, on January 24, 2003 (i) each holder of an Exeter Bond exchanged such Exeter Bond for a bond issued by the Company under the Indenture containing substantially the same terms and provisions as such Exeter Bond, (ii) the Exeter Indenture was cancelled and discharged and (iii) the Exeter Bonds were cancelled; and

Whereas, there are now outstanding under the Indenture \$1,800,000 in principal amount of First Mortgage Bonds, Series I, \$8,000,000 in principal amount of First Mortgage Bonds, Series J, \$7,500,000 in principal amount of First Mortgage Bonds, Series K, \$2,700,000 in principal amount of First Mortgage Bonds, Series L, \$8,000,000 in principal amount of First Mortgage Bonds, Series M, \$7,500,000 in principal amount of First Mortgage Bonds, Series N, \$15,000,000 in principal amount of First Mortgage Bonds, Series O, \$0 in principal amount of First Mortgage Bonds, Series P, and \$30,000,000 in principal amount of First Mortgage Bonds, Series Q; and the Company proposes to issue \$27,500,000 in principal amount of additional First Mortgage Bonds of a new Series designated as First Mortgage Bonds, Series R (hereinafter sometimes referred to as “Series R Bonds” or “bonds of Series R”) to be issued under this Sixteenth Supplemental Indenture and that certain Bond Purchase Agreement dated as of September 15, 2020 among the Company and purchasers of the Series R Bonds party thereto, and accepted and acknowledged by the Trustee (the “2020 Series R BPA”); and

Whereas, all things have been done and performed which are necessary to make the Series R Bonds, when authenticated by the Trustee and issued as in the Indenture and herein provided, and to make this Sixteenth Supplemental Indenture, when executed and delivered by the Company and the Trustee, legal, valid and binding obligations of the Company;

Now, Therefore, in consideration of the premises, and of the acceptance and purchase of the Series R Bonds by the holder thereof, and of other good and valuable consideration, the receipt whereof is hereby acknowledged, and in confirmation of and supplementing the Indenture and in performance of and compliance with the provisions thereof, the Company, by these presents, does give, grant, bargain, sell, warrant, pledge, assign, transfer, mortgage, and convey unto the Trustee,

as provided in the Indenture, and its successor or successors in the trust thereby and hereby created, and its and their assigns, all and singular, the property, and rights and interests in property, described in the Indenture and thereby conveyed, pledged, assigned, transferred and mortgaged, or intended or required so to be (said descriptions in the Indenture being hereby made a part hereof to the same extent as if set forth herein at length), whether then or now owned or thereafter or hereafter acquired, except such of said properties or interests therein as may have been released by the Trustee or sold or disposed of in whole or in part as permitted by the provisions of the Indenture and also, but without in any way limiting the generality of the foregoing, all the rights, titles, interests, easements and properties described as acquired by the Company in Schedule A hereto attached and hereby made a part hereof as fully as if set forth herein at length, and all proceeds of any of the foregoing at any time conveyed, pledged, assigned, transferred, mortgaged, paid or delivered to and from time to time held by the Trustee upon the trusts of the Indenture.

Subject, However, insofar as affected hereby, to any Permitted Encumbrances as defined in Section 1.01 of the Indenture, and, as to the property specifically described in Schedule A of the Indenture and in Schedule A hereof, to the liens, encumbrances, reservations, restrictions, conditions, limitations, covenants, interests and exceptions, if any, set forth or referred to in the descriptions thereof contained in said Schedules, none of which substantially interferes with the free use and enjoyment by the Company of the property and rights hereinabove described for the general purposes and uses of the Company's electric business;

And Subject Further, as to all hereafter-acquired property, insofar as affected thereby, to any mortgages, encumbrances or liens on such after-acquired property existing at the time of such acquisition or contemporaneously created, conforming to the provisions of Section 8.07 of the Original Indenture;

But Specifically Reserving, Excepting and Excluding from this instrument, and from the grant, conveyance, mortgage, transfer and assignment herein contained, all right, title and interest of the Company, now owned or hereafter acquired in and to properties and rights of the kind specified in subclauses (a) to (d), both inclusive, of the paragraph beginning "But Specifically Reserving, Excepting and Excluding from this Indenture" of the granting clauses of the Indenture.

To Have and to Hold the trust estate, with all of the privileges and appurtenances thereunto belonging, unto the Trustee, its successors in the trusts of the Indenture, and its and their assigns, to its and their own use, forever;

But in Trust Nevertheless, upon the terms and trusts set forth in the Indenture, for the equal pro rata benefit, security and protection (except as provided in Section 8.14 of the Indenture and except insofar as a sinking, improvement and analogous fund or funds, established in accordance with the provisions of the Indenture, or any indenture supplemental thereto, may afford particular security for bonds of one or more series) of the bearers and the registered owners of the bonds from time to time authenticated, issued and outstanding under the Indenture, and the bearers of the coupons appertaining thereto, without (except as aforesaid) any preference, priority or distinction whatever of any one bond over any other bond by reason of priority in the issue, sale or negotiation thereof, or otherwise;

Provided, However, and these presents are upon the condition, that, if the Company shall pay or cause to be paid the entire outstanding aggregate principal amount of and premium, if any, and interest on the bonds at the times and in the manner therein and in the Indenture provided, and shall keep, perform and observe all and singular the covenants, agreements and provisions in the bonds and in the Indenture expressed to be kept, performed and observed by or on the part of the Company, then (i) this Sixteenth Supplemental Indenture and the estate and rights hereby granted shall, pursuant to the provisions of Article XIII of the Indenture, cease and terminate and (ii) the Trustee shall, upon the request of the Company, cancel, discharge, and release the lien of the Indenture; and

And Provided, However, that, upon the satisfaction of the Collateral Release Conditions as set forth in the 2020 Series R BPA, as such term is defined therein, the Company may request that the lien of the Indenture be completely released from all property and collateral securing the bonds issued and outstanding under the Indenture, and at such time (i) the Indenture shall cease and terminate and (ii) the lien of the Indenture shall be cancelled, discharged, and released.

And it is Hereby Covenanted, Declared and Agreed, upon the trusts and for the purposes aforesaid, as set forth in the following covenants, agreements, conditions and provisions, viz.:

## **ARTICLE ONE**

### **SERIES R BONDS**

Section 1.01. There shall be and is hereby created an additional Series of bonds designated as and entitled "First Mortgage Bonds, Series R." Series R Bonds shall be fully registered bonds without coupons, of the denomination of at least \$500,000. The bonds of Series R originally issued shall be dated the date of such issue and any bonds of Series R subsequently issued shall be dated as provided in Section 2.03 of the Indenture. All Series R Bonds shall mature on September 15, 2040, and shall bear interest at the rate of three and fifty-eight hundredths percent (3.58%) per annum from their respective dates, such interest to be payable semi-annually in arrears on the fifteenth (15th) day of March and September in each year commencing March 15, 2021, and shall bear interest on any overdue principal (including any overdue prepayment of principal) and premium, if any, and (to the extent permitted by applicable law) on any overdue payment of interest, at the rate of five and fifty-eight hundredths percent (5.58%) per annum. The principal of, premium, if any, and interest on bonds of Series R shall be payable at the corporate trust office of U.S. Bank National Association, in Boston, Massachusetts, St. Paul, Minnesota, or at the corporate trust office designated by the Trustee or by its successors as Trustee hereunder, in lawful money of the United States of America, provided that the Company may enter into a written agreement with any registered Institutional Holder of the bonds of Series R providing that payment of interest thereon and of the redemption price of any portion of the principal amount thereof (including premium, if any) which may be redeemed shall be made directly to such holder or to its nominee, as the case may be, at a duly designated place of payment within the United States, without surrender or presentation of such bonds of Series R to the Trustee, provided that (A) there shall have been filed with the Trustee a copy of such agreement (and the Trustee hereby acknowledges that it has received a copy of the 2020 Series R BPA providing for such direct

payment to the holders of the bonds of Series R), (B) pursuant to such agreement such holder shall agree that it will not sell, transfer or otherwise dispose of any such bond of Series R in respect of which any such payment or redemption shall have been made unless, prior to the delivery thereof by it, either (i) it shall have made a clear and accurate notation of the amount of principal so redeemed upon any such bond to be transferred, or (ii) such bond of Series R shall have been presented to the Trustee for appropriate notation thereon of the portion of the principal amount thereof redeemed, or (iii) such bond or bonds of Series R shall have been surrendered in exchange for a new bond or bonds of Series R for the unredeemed balance of the principal amount thereof in accordance with the other terms of the Indenture, and (C) in such agreement such holder shall agree that prior to receiving any final payment of the entire remaining unpaid principal amount of any Series R Bond, the holder thereof shall be required to deliver such bond to the Trustee. For purposes of this Section 1.01, the term “Institutional Holder” shall mean any insurance company, bank, savings and loan association, trust company, investment company, charitable foundation, employee benefit plan (as defined in ERISA) or other institutional investor or financial institution. The Trustee may assume that any holder of the bonds of Series R that has entered into an agreement for direct payment on such Bonds satisfies the requirements for an Institutional Holder and shall not be required to independently confirm such status. The Trustee may further assume that such agreement for direct payment to a holder of the bonds of Series R remains in effect unless and until it receives written notice from the Company that payment to such holder shall thereafter be made through the Trustee in accordance with the Indenture. The text of the Series R Bonds and of the Trustee’s or Company’s Certificate, as applicable, with respect thereto shall be respectively substantially of the tenor and purport set forth in Exhibit B to the 2020 Series R BPA. The Series R Bonds shall be numbered in such manner or by such method as shall be satisfactory to the Trustee.

The issue of bonds of Series R hereunder is hereby limited to the \$27,500,000 in aggregate principal amount of Series R Bonds initially issued as provided in Section 1.08 hereof and to Series R Bonds issued in exchange or substitution for outstanding Series R Bonds under the provisions of Sections 2.08, 2.10, 2.11 and 7.05 of the Indenture and Section 1.07 hereof.

From and after the Collateral Release Date (as such term is defined in the 2020 Series R BPA), (i) the Series R Bonds shall be governed solely by the terms of the 2020 Series R BPA, (ii) this Sixteenth Supplemental Indenture and the estate and rights hereby granted shall cease and terminate, and (iii) the lien of the Indenture shall be cancelled, discharged, and released.

Section 1.02. As provided therein, the entire unpaid principal balance of each Series R Bond shall be due and payable on September 15, 2040. In addition, the Series R Bonds are subject to optional redemption in accordance with the terms of the Indenture.

Section 1.03. The Company will give notice, by registered mail, postage prepaid, or by a reputable overnight carrier to the Trustee and to each registered owner of a bond of Series R of any required or optional payment to be made pursuant to Section 1.02, Section 1.04, or Section 1.05 hereof not more than 60, nor less than 30, days prior to such redemption date (or other designated date of redemption in the case of a redemption pursuant to Section 1.04 or Section 1.05).

Section 1.04. Before the date that is four months prior to the Maturity Date (as defined in the 2020 Series R BPA), all of the bonds of Series R, or any part of the principal amount thereof, shall be subject to redemption, at the option of the Company, pursuant to and in accordance with the provisions of Article VII of the Indenture (prior to the Collateral Release Date), and by payment of an amount equal to the aggregate principal amount being redeemed and all accrued interest thereon plus the Make Whole Amount (as defined in the 2020 Series R BPA), if any, determined five Business Days prior to such redemption. Two Business Days prior to the redemption date the Company shall deliver a certificate to the Trustee from an Officer of the Company specifying the calculation of the Make-Whole Amount, if any. The Trustee may rely upon such Officer's certificate as to the Make Whole Amount and shall have no duty to determine or confirm the calculation of such amount. On and after the date that is four months prior to the Maturity Date, all of the bonds of Series R shall be subject to redemption, at the option of the Company, pursuant to and in accordance with the provisions of Article VII of the Indenture (prior to the Collateral Release Date), and by payment of an amount equal to the aggregate principal amount being redeemed and all accrued interest thereon, but without payment of the Make Whole Amount.

Section 1.05. (a) Prior to the Collateral Release Date, the Series R Bonds may be redeemed pursuant to Article XI of the Indenture (i) out of Trust Moneys required by Section 8.12 of the Indenture to be deposited with the Trustee, on any date and shall be redeemed for an amount equal to the principal amount of the bonds to be redeemed, plus interest accrued to the date of redemption; or (ii) out of Trust Moneys required by Sections 8.10, 10.03, 10.04 or 10.04A of the Indenture to be deposited with the Trustee, on any date and shall be redeemed for an amount equal to the Make Whole Amount (as such term is defined, for purposes of this Section 1.05, in the Twelfth Supplemental Indenture).

(b) From and after the Collateral Release Date, the Series R Bonds shall be redeemed in accordance with the terms of the 2020 Series R BPA.

Section 1.06. In the event that all or any part of the bonds of Series R shall be redeemed or otherwise discharged prior to their maturity pursuant to or in accordance with the order of any governmental commission or regulatory authority upon the reorganization, dissolution or liquidation of the Company, or otherwise, the registered owners of such bonds of Series R shall be entitled to be paid thereafter an amount equal to the principal amount of the bonds of Series R to be redeemed, plus accrued interest to the date of redemption, plus the Make Whole Amount.

Section 1.07. (a) Prior to the Collateral Release Date, Bonds of Series R, upon surrender thereof at the principal corporate trust office of the Trustee in Boston, Massachusetts, St. Paul, Minnesota, or other such office designated by the Trustee, may be exchanged for the same aggregate principal amount of other fully registered bonds of this Series in an authorized denomination.

Within a reasonable time after the receipt of a request for such an exchange, the Company shall issue, and the Trustee shall authenticate and deliver all bonds required in connection therewith, and the Trustee shall make such exchange upon payment to it of such charge, if any, as is required by the following paragraph.

For any exchange of bonds of Series R, the Company, at its option, may require the payment of a sum sufficient to reimburse it for any stamp or other tax or governmental charge required to be paid by the Company or the Trustee.

(b) From and after the Collateral Release Date, any exchange of the Series R Bonds shall be governed in accordance with the terms of the 2020 Series R BPA.

Section 1.08. Upon the execution of this Sixteenth Supplemental Indenture and subject to the provisions of Article III of the Indenture and upon compliance with the applicable provisions of Articles IV of the Indenture (or waiver thereof duly obtained), the Company shall execute and deliver to the Trustee, and the Trustee shall authenticate and deliver to or upon the order of the Company, bonds of Series R in the form set forth in Exhibit B to the 2020 Series R BPA in the aggregate principal amount of Twenty-Seven Million Five Hundred Thousand Dollars (\$27,500,000).

## **ARTICLE TWO**

### **REDEMPTION PRIOR TO THE COLLATERAL RELEASE DATE**

Section 2.01. In the case of any proposed redemption pursuant to Sections 1.04 or 1.05(a), forthwith after the Trustee's receipt of proper notice from the Company of any such proposed redemption, the Trustee shall act in accordance with the provisions of Article VII of the Indenture.

The Company covenants that it will pay to the Trustee:

(i) on or before the day prior to the date proposed by the Company in a notice (which notice shall conform to the requirements of Article VII of the Indenture) of any redemption pursuant to Section 1.04 or 1.05(a) hereof, the amount payable in accordance with such notice, and

(ii) at the time of each redemption the Company shall pay to the Trustee the amount of the charges which shall be due the Trustee and the amount of expenses which the Trustee advises the Company it has incurred or will incur in connection with such redemption.

## **ARTICLE THREE**

### **COVENANTS OF THE COMPANY PRIOR TO THE COLLATERAL RELEASE DATE**

Section 3.01. The Company covenants that it will not declare or pay dividends (other than in its own common stock) or make any other distribution on shares of its common stock or apply any of its property or assets (other than amounts equal to any proceeds received from the sale of common stock of the Company) to the purchase or retirement of, or make any other distribution through reduction of capital or otherwise, in respect of, any shares of its common stock (which dividends, distributions, purchases and retirements are hereinafter referred to as "distributions")

if, after giving effect to such distribution, the aggregate of all such distributions declared, paid, made or applied subsequent to December 31, 2019, plus the amount of all dividends declared on any class of preferred stock of the Company subsequent to December 31, 2019, and any amounts charged to net income after December 31, 2019 in connection with the purchase or retirement of any shares of preferred stock of the Company would exceed an amount equal to net income of the Company available for dividends after December 31, 2019, plus the net proceeds from any common or preferred equity issuances by the Company subsequent to December 31, 2019, plus the sum of \$70,000,000.

The term “net income”, as applied to any period shall mean the net income (or deficit) of the Company for such period properly transferable to its earned surplus, all computed, if a uniform system of accounts is prescribed by any commission or other governmental body having jurisdiction in the premises, in accordance with such uniform system; otherwise in accordance with accepted accounting practice, and in any event by deducting from the aggregate gross revenues of the Company for such period all expenses required to be deducted in computing earnings available for interest charges for such period in accordance with Section 4.02B of the Indenture, and also by deducting all interest requirements, taxes, amortization of debt discount and expense and other deferred charges, and all other non-operating expenses for such period.

#### **ARTICLE FOUR**

##### **MISCELLANEOUS PROVISIONS PRIOR TO THE COLLATERAL RELEASE DATE**

Section 4.01. Prior to the Collateral Release Date, the Company covenants that, except as to that part of the trust estate which may hereafter be acquired by it, it is now well seized of the physical properties by it hereby mortgaged or intended so to be and has good right, full power, and lawful authority to make this Sixteenth Supplemental Indenture and to subject such physical properties to the lien of the Indenture as hereby supplemented; and that, subject to the provisions of the Indenture as hereby supplemented, it has and will preserve good and indefeasible title to all such physical properties and will warrant and forever defend the same to the Trustee against the claims of all persons whomsoever.

Section 4.02. The use of terms and the construction of the provisions hereof shall be in accordance with the definitions, uses and constructions contained in the Indenture as hereby supplemented.

Section 4.03. The Trustee shall be entitled to, may exercise and shall be protected by, where and to the full extent that the same are applicable, with respect to the Series R Bonds herein provided for, all the rights, powers, privileges, immunities and exemptions provided in the Indenture as if the provisions concerning the same were incorporated herein at length. The recitals and statements in this Sixteenth Supplemental Indenture and in the Series R Bonds (other than the Trustee’s Certificate attached thereto) shall be taken as statements by the Company alone, and shall not be considered as made by or as imposing any obligation or liability upon the Trustee, nor shall the Trustee be held responsible for the legality or validity of this Sixteenth Supplemental Indenture or of the Series R Bonds, and the Trustee makes no covenant or representation, and shall not be responsible, as to and for the effect, authorization, execution, delivery or recording of this

Sixteenth Supplemental Indenture. The Trustee shall not be taken impliedly to waive by this Sixteenth Supplemental Indenture any right it would otherwise have. As provided in the Indenture, this Sixteenth Supplemental Indenture shall hereafter form a part of the Indenture.

The remedies and provisions of the Indenture applicable in case of any default by the Company thereunder are hereby adopted and made applicable in case of any default with respect to the properties included herein and, without limitation of the generality of the foregoing, there are hereby conferred upon the Trustee the same powers of sale and other powers over the properties described herein as are expressly to be conferred by the Indenture.

Section 4.04. The Series R Bonds issued under this Sixteenth Supplemental Indenture are subject to the terms of the Indenture and the 2020 Series R BPA.

Section 4.05. This Sixteenth Supplemental Indenture and the estate and rights hereby granted shall cease and terminate when the Indenture ceases or terminates, including upon the occurrence of the Collateral Release Date.

Section 4.06. This Sixteenth Supplemental Indenture may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 4.07. The cover of this Sixteenth Supplemental Indenture and all article and descriptive headings herein are inserted for convenience only and shall not effect any construction or interpretation hereof.

In Witness Whereof, Unitil Energy Systems, Inc. has caused this instrument to be executed in its corporate name by its President, one of its Vice Presidents, its Treasurer or its Assistant Treasurer and its corporate seal to be hereunto affixed and to be attested by the Secretary of the Board of Directors or its Secretary, and U.S. Bank National Association, to evidence its acceptance of the trust hereby created, has caused this instrument to be executed in its corporate name, all as of the day and year first above written.

Attest:

Unitil Energy Systems, Inc.

\_\_\_\_\_  
Secretary

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Signed, sealed and delivered by  
Unitil Energy Systems, Inc.  
in the presence of us:

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

(Corporate Seal)

U.S. Bank National Association, Trustee

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

Signed and delivered by  
U.S. Bank National Association  
in the presence of us:

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



UNITIL Energy Systems, Inc.  
Sixteenth Supplemental Indenture  
Schedule A

**DESCRIPTION OF CERTAIN LAND AND EASEMENTS  
ACQUIRED BY THE COMPANY SINCE NOVEMBER 29, 2018**

1. PARCELS ACQUIRED:
  - a. Land and Drainage Easement on Continental Drive, Exeter, NH from Garrison Glen, LLC to UNITIL Energy Systems, Inc. dated August 14, 2019 and recorded with the Rockingham County Registry of Deeds at Book 6026, Page 1782.
  - b. Land, Sewer Easement and Slope Easement on Gourmet Place, Exeter, NH from the 12 Continental Drive, LLC to UNITIL Energy Systems, Inc. dated August 14, 2019 and recorded with the Rockingham County Registry of Deeds at Book 6026, Page 1785.
2. EASEMENTS AND RIGHTS ACQUIRED FOR TRANSMISSION LINES:
  - a. None.

**DESCRIPTION OF CERTAIN LAND AND EASEMENTS  
CONVEYED BY THE COMPANY SINCE NOVEMBER 29, 2018**

1. PARCELS CONVEYED:

a. None.

2. EASEMENTS AND RIGHTS CONVEYED FOR TRANSMISSION LINES:

a. None.

**EXHIBIT B**

(Form of Series R Bond)

THIS BOND HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 OR APPLICABLE STATE SECURITIES LAWS. THIS BOND HAS BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO DISTRIBUTION OR RESALE, AND MAY NOT BE SOLD, MORTGAGED, PLEDGED, HYPOTHECATED OR OTHERWISE TRANSFERRED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933 AND APPLICABLE STATE SECURITIES LAWS, OR THE AVAILABILITY OF AN EXEMPTION FROM THE REGISTRATION PROVISIONS OF THE SECURITIES ACT OF 1933 AND APPLICABLE STATE SECURITIES LAWS.

No. R- \_\_\_\_\_ \$ \_\_\_\_\_

**UNITIL ENERGY SYSTEMS, INC.**

First Mortgage Bond, Series R, 3.58%  
Due September 15, 2040  
PPN: 913260 C\*4

Unitil Energy Systems, Inc., a corporation organized under the laws of the State of New Hampshire (hereinafter called the “*Company*”), for value received, hereby promises to pay to \_\_\_\_\_ or registered assigns, on September 15, 2040 (the “*Maturity Date*”), the principal sum of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_) and to pay interest thereon from the date hereof at the rate of three and fifty-eight hundredths per centum (3.58%) per annum (computed on the basis of a thirty (30) day month and a three hundred sixty (360) day year) payable semi-annually in arrears on the fifteenth (15th) day of March and September in each year, commencing with the fifteenth (15th) day of the March or the September next following the date hereof, until said principal sum is paid; and to pay interest on any overdue principal (including any overdue prepayment of principal) and premium, if any, and (to the extent permitted by applicable law) on any overdue payment of interest at the rate of five and fifty-eight hundredths per centum (5.58%) per annum. The principal of, premium, if any, and the interest on this bond shall be payable (i) on or prior to the Collateral Release Date (as defined below), at the corporate trust office of U.S. Bank National Association, in Boston, Massachusetts, St. Paul, Minnesota, or at the corporate trust office designated by the Trustee or by its successor trustee of the trust hereinafter referred to, or at the option of certain holders in accordance with the provisions of Section 1.01 of the Sixteenth Supplemental Indenture hereinafter referred to or (ii) following the Collateral Release Date, as provided in the certain Bond Purchase Agreement dated as of September 15, 2020 among the Company and purchasers of the Series R Bonds party thereto, and accepted and acknowledged by the Trustee (the “*2020 Series R BPA*”), in lawful money of the United States of America. The term “Collateral Release Date” is defined in the 2020 Series R BPA.

EXHIBIT B  
(to Bond Purchase Agreement)

This bond is one of a duly authorized issue of First Mortgage Bonds of the Company limited as to aggregate principal amount as set forth in the Indenture hereinafter mentioned, issuable in series, and is one of a Series known as First Mortgage Bonds, Series R, and all bonds of all Series being issued and to be issued under and pursuant to the 2020 Series R BPA and in accordance with the Sixteenth Supplemental Indenture and, prior to the Collateral Release Date, all equally secured (except as any sinking or other fund, established in accordance with the provisions of the Indenture hereinafter mentioned, may afford additional security for the bonds of any particular series) by an Indenture of Mortgage and Deed of Trust dated as of July 15, 1958 (herein called the "*Original Indenture*") duly executed and delivered by the Company to Old Colony Trust Company (The First National Bank of Boston, and State Street Bank and Trust Company being the initial successor Trustees and U.S. Bank National Association being the current successor Trustee, the "*Trustee*"), to which Original Indenture, as amended and restated by the Twelfth Supplemental Indenture, and supplemented by a Thirteenth Supplemental Indenture dated as of September 26, 2006, a Fourteenth Supplemental Indenture dated as of March 2, 2010, a Fifteenth Supplemental Indenture dated as of November 29, 2018, and a Sixteenth Supplemental Indenture (the "*Sixteenth Supplemental Indenture*") dated as of [Date of 16th Supplemental Indenture] (herein together called the "*Indenture*") reference is hereby made for a description of the property transferred, assigned and mortgaged thereunder, the nature and extent of the security, the terms and conditions upon which the bonds are secured and additional bonds may be issued and secured, and the rights of the holders or registered owners of said bonds, of the Trustee and of the Company in respect of such security. Neither the foregoing reference to the Indenture, nor any provision of this bond or of the Indenture, shall affect or impair the obligation of the Company, which is absolute, unconditional and unalterable, to pay, at the stated or accelerated maturities herein provided, the principal of and premium, if any, and interest on this bond as herein provided. Bonds of this Series R are also issued in accordance with the terms of the 2020 Series R BPA and are entitled to the benefits thereof. The 2020 Series R BPA also provides that, upon the written request of the Company and the satisfaction of the conditions provided in Section 9.1.1 thereof, the lien of the Indenture shall be cancelled, discharged, and released from all of the property and collateral securing the repayment of the Bonds of this Series R and, at such time, the Indenture shall cease and terminate and the 2020 Series R Bonds shall be solely governed in accordance with the terms hereof and of the 2020 Series R BPA. As provided herein, the entire unpaid principal balance of each Series R Bond shall be due and payable on the Maturity Date. In addition, the Series R Bonds are subject to optional redemption in accordance with the terms of the Indenture and the 2020 Series R BPA.

The following provisions only apply on or prior to the Collateral Release Date:

(a) Bonds of this Series R are also redeemable, in whole or in part, in integral multiples of one hundred thousand dollars, at the option of the Company on any date on no more than 60, nor less than 30 days' notice prior to such redemption date, in the manner, with the effect, subject to the limitations and for the amounts specified in Section 1.04 of the Sixteenth Supplemental Indenture.

(b) On the conditions and in the manner provided in Section 1.05 of the Sixteenth Supplemental Indenture, Series R Bonds may also become subject to redemption, in whole or in part, at any time on any date on no more than 60, nor less than 30 days' notice prior to such

redemption date, in the manner, with the effect and for the amounts specified in said Section 1.05, by the use of moneys deposited with or paid to the Trustee as the proceeds of the sale or condemnation of property of the Company or as the proceeds of insurance policies deposited with or paid to the Trustee because of damage to or destruction of property of the Company.

(c) In the event that all or any part of the bonds of this Series R shall be redeemed or otherwise discharged prior to their maturity pursuant to or in accordance with the order of any governmental commission or regulatory authority upon the reorganization, dissolution or liquidation of the Company, or otherwise, the registered owners of such Series R Bonds shall be entitled to be paid therefor an amount specified in Section 1.06 of the Sixteenth Supplemental Indenture.

(d) The Indenture provides that, if notice of redemption of any bond issued pursuant to its terms, including the Series R Bonds, or of any portion of the principal amount of any such bond selected for redemption has been duly given, then such bond or such portion thereof shall become due and payable on the redemption date, and, if the redemption price shall have been duly deposited with the Trustee, interest thereon shall cease to accrue from and after the redemption date, and that whenever the redemption price thereof shall have been duly deposited with the Trustee and notice of redemption shall have been duly given, or provision thereof made as provided in the Indenture, such bond or such portion thereof shall no longer be entitled to any lien or benefit of the Indenture.

(e) In case an Event of Default, as defined in the Indenture, occurs, the principal of this bond may become or may be declared due and payable prior to the stated maturity hereof in the manner and with the effect and subject to the conditions provided in the Indenture.

(f) This bond is transferable by the registered owner hereof, in person or by duly authorized attorney, upon books of the Company to be kept for that purpose at the corporate trust office of the Trustee under the Indenture, upon surrender thereof at said 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 the Trustee shall authenticate and deliver, a new registered bond or bonds, of like form and in an authorized denomination or in authorized denominations and of the same series, for the same aggregate principal amount. Bonds of Series R upon surrender thereof at said office may be exchanged for the same aggregate principal amount of fully registered bonds of Series R of another authorized denomination or other authorized denominations, all upon payment of the charges, if any, and subject to the terms and conditions specified in the Indenture.

(g) The Company and the Trustee may treat the registered owner of this bond as the absolute owner hereof for all purposes.

(h) With the consent of the Company and to the extent permitted by and as provided in the Indenture, any of the provisions of the Indenture or of any instrument supplemental thereto may be modified by the assent or authority of the holders of at least seventy-five per centum (75%) in principal amount of the bonds then outstanding thereunder, *provided, however*, that no such modification shall (i) extend the time or times or payment of the principal of, or the interest or

premium, if any, on any bond, (ii) reduce the principal amount thereof or the rate of interest or premium thereon, (iii) authorize the creation of any lien prior or equal to the lien of the Indenture upon any property subject to the lien thereof, or deprive any bondholder of the benefit of the lien of the Indenture, (iv) affect the rights under the Indenture of the holders of one or more, but less than all, of the Series of bonds outstanding thereunder unless assented to by the holders of seventy-five per centum (75%) in aggregate principal amount of bonds outstanding thereunder of each of the Series so affected, (v) reduce the percentage of bonds, the holders of which are required to assent to any such modification, or (vi) in any manner affect the rights or obligations of the Trustee without its written consent thereto.

(i) No recourse shall be had for the payment of the principal of or the interest on this bond or of any claim based hereon or in respect hereof or of the Indenture, against any incorporator, stockholder, officer or director of the Company, or of any successor company, whether by virtue of any statute or rule of law or by the enforcement of any assessment of penalty or otherwise, all such liability being by the acceptance hereof expressly waived and released and being also waived and released by the terms of the Indenture.

(j) Prior to the Collateral Release Date, this bond shall not be valid nor become obligatory for any purpose until it shall have been authenticated by the execution of the certificate hereon endorsed by the Trustee under the Indenture. From and after the Collateral Release Date, this bond shall not be required to be authenticated by the execution of the certificate hereon endorsed by the Trustee under the Indenture.

[Remainder of page is intentionally blank]

IN WITNESS WHEREOF, Unitil Energy Systems, Inc. has caused this bond to be signed in its name by its President or one of its Vice Presidents and its corporate seal to be hereunto affixed and attested by its Treasurer or one of its Assistant Treasurers, and this bond to be dated the \_\_\_\_th day of \_\_\_\_\_ 20\_\_.

UNITIL ENERGY SYSTEMS, INC.

By

Name:

Title:

ATTEST: \_\_\_\_\_

(Corporate Seal)

[Form of Trustee's Certificate  
for all Bonds of Series R issued *prior* to the Collateral Release Date]

**TRUSTEE'S CERTIFICATE OF AUTHENTICATION**

This is one of the First Mortgage Bonds, Series R, referred to in the within mentioned Indenture.

U.S. BANK NATIONAL ASSOCIATION  
Trustee

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

(Form of Notation of Payments on Account of Principal)

**Payments on Account of Principal**

Date	Amount Paid	Signature

(Form of Endorsement)

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto \_\_\_\_\_ the within bond, and all rights thereunder, hereby irrevocably constituting and appointing \_\_\_\_\_ attorney to transfer said bond on the books of the Company, with full power of substitution in the premises.

Dated: \_\_\_\_\_

\_\_\_\_\_  
Signature of Registered Owner

In the presence of \_\_\_\_\_

NOTICE: The signature of this assignment must correspond with the name of the payee as it appears upon the face of the within bond in every particular, without alteration or enlargement or any change whatever.

**FORM OF OPINION OF SPECIAL COUNSEL  
TO THE COMPANY**

The following or substantially similar opinions are to be provided by special counsel to the Company, subject to customary assumptions, limitations and qualifications. All capitalized terms used in the opinions without definition shall have the meanings ascribed thereto in the executed opinion letter, a draft of which has been provided to the Purchasers.

1. The offer and sale of the Bonds as contemplated by the Agreement are not required to be registered under the Securities Act of 1933, as amended.

2. To our knowledge, the execution and delivery by the Company of the Agreement and the performance by the Company of its obligations thereunder and the consummation of the transaction contemplated thereby, did not, and do not (i) violate any agreements or other instruments listed on Schedule 5.15 of the Agreement to which the Company is a party or by which the Company is bound that constitute outstanding Indebtedness of the Company, (ii) violate any New York State or federal law, rule or regulation of any governmental authority applicable to the Company, and (iii) require the Company to obtain any approval, consent or waiver of, or make any filing with, any New York State or federal governmental agency or body (other than (a) approvals, consents or waivers already obtained or filings already made, (b) filing of financing statements under the Uniform Commercial Code and (c) approvals, consents, waivers, authorizations or orders under federal or state securities or blue sky laws as to which we express no opinion).

3. The Agreement, assuming the necessary entity power and authority, authorization, execution, authentication and delivery of and by the Company, is a valid and binding obligation of the Company and is enforceable under the laws of the State of New York against the Company in accordance with its terms.

4. The Bonds, assuming the necessary entity power and authority, authorization, execution, authentication and delivery of and by the Company in accordance with the Agreement, will be valid and binding obligations of the Company and will be enforceable against the Company under the laws of the State of New York in accordance with their terms.

5. The Company is not required to register as an “investment company” under the Investment Company Act of 1940, as amended.

6. Assuming the proceeds of the sale of the Bonds will be used by the Company for the purposes provided in Section 5.14 of the Agreement, the sale of the Bonds to the Purchasers, and the application of the proceeds of the sale of the Bonds, will not violate Regulations U and X of the Board of Governors of the Federal Reserve System.

7. To our knowledge, there is no action, suit, governmental inquiry, investigation or other proceeding pending or overtly threatened (as that term is used in clause (a) of paragraph 5 of the Statement of Policy Regarding Lawyer’s Responses to Auditor’s Requests for Information) against the Company in writing against the Company that relates to the consummation by the

Company of the transactions contemplated by the Transaction Documents except those that (a) individually do not in any manner draw into question the validity of the Agreement or the Bonds or (b) in the aggregate, if adversely determined, could not be reasonably expected to materially and adversely affect the Company's ability to perform its obligations under the Agreement or the Bonds.

**FORM OF OPINION OF GARY EPLER,  
CHIEF REGULATORY COUNSEL FOR UNITIL SERVICE CORP.  
AND  
RANSMEIER & SPELLMAN P.C.**

Form of Opinion of Gary Epler

The following or substantially similar opinions are to be provided by Gary Epler, Chief Regulatory Counsel for Unutil Service Corp., subject to customary assumptions, limitations and qualifications. All capitalized terms used in the opinions without definition shall have the meanings ascribed thereto in the executed opinion letter, a draft of which has been provided to the Purchasers.

1. The Company is a corporation validly existing and in good standing under the laws of the State of New Hampshire, has the requisite corporate power and all necessary licenses, franchises, permits and rights to issue, sell and deliver the Bonds and to carry on its business and own its property and has duly authorized by all necessary corporate action its entry into and performance of the Agreement and the Sixteenth Supplemental Indenture and the issuance of the Bonds and its incurrence of the Indebtedness to be evidenced thereby.

2. The Agreement has been duly authorized by the Company.

3. The Sixteenth Supplemental Indenture has been duly authorized, executed and delivered by the Company and constitutes a valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, subject to bankruptcy, insolvency, fraudulent conveyance, fraudulent transfer, reorganization, moratorium or other similar laws relating to or affecting the rights and remedies of creditors and to general equitable principles (regardless of whether such principles are considered in a proceeding in equity or at law), and subject to the laws affecting the remedies for the enforcement of the security provided for therein, which laws do not, in my opinion, make inadequate the remedies provided therein for the realization of the benefits of such security; provided that under the law of the State of New Hampshire a purchaser at a foreclosure sale of such portion of the Company's Properties as constitutes a public utility would have to obtain the permission and approval of the NHPUC to engage in business as such a utility in the area in which such purchaser proposed to carry on such a utility business.

4. The Bonds issued on the date hereof have been duly authorized, executed and delivered by authorized officers of the Company and, upon payment and delivery in accordance with the Agreement and the Indenture, will constitute valid and binding obligations of the Company, enforceable against the Company in accordance with their terms, subject to bankruptcy, insolvency, fraudulent conveyance, fraudulent transfer, reorganization, moratorium or other similar laws relating to or affecting the rights and remedies of creditors generally, and to general equitable principles (regardless of whether such principles are considered in a proceeding in equity or at law) and will be entitled to the benefits and security afforded by the Indenture equally and ratably with all other bonds outstanding under the Indenture.

5. The Company is not required to be licensed or qualified as a foreign corporation in any jurisdiction, except where the failure to so qualify would not reasonably be expected to have a material adverse effect on the condition (financial or other) of the Company.

6. The issuance and sale of the Bonds and the execution, delivery and performance by the Company of the Agreement and the Sixteenth Supplemental Indenture do not result in a violation of (i) any of the provisions of the Articles of Incorporation or the By-Laws, (ii) the New Hampshire Business Corporation Act or (iii) the public utility laws of the State of New Hampshire.

7. Subject to the qualifications and exceptions set forth in the opinion of Ransmeier & Spellman, P.C., which has been separately provided to you, the Indenture has been filed for record in all offices where such filings are necessary in order that it create a valid and effective Lien of record on all the Company's property intended to be subject thereto, and the Indenture creates the valid, direct first Lien which the Indenture purports to create upon the Company's property, real and personal, now owned or hereafter acquired, described therein, subject only to Liens permitted by the Indenture; and there is no requirement that the Indenture shall be refiled or rerecorded at any time or from time to time in order to continue or perfect the Lien thereof.

8. The issuance and sale of the Bonds have to the extent required by law been duly authorized by an order of the NHPUC, such order is in full force and effect and the applicable appeal period has expired. No other consent, exemption, approval or authorization by any other governmental authority is required in connection with the execution and delivery of the Agreement or the Sixteenth Supplemental Indenture or the issuance, sale and delivery of the Bonds, except such as may be required under state securities or blue sky laws in connection with the offer, sale and delivery of the Bonds (as to which I express no opinion).

#### Form of Opinion of Ransmeier & Spellman P.C.

The following or substantially similar opinions are to be provided by Ransmeier & Spellman P.C., subject to customary assumptions, limitations and qualifications. All capitalized terms used in the opinions without definition shall have the meanings ascribed thereto in the executed opinion letter, a draft of which has been provided to the Purchasers.

1. Based upon our examination of the records as aforesaid, it is our opinion that the Company holds good and marketable title to the property conveyed by the Mortgage subject only to the lien of the Mortgage, to permitted encumbrances as defined therein and other encumbrances and matters allowed thereby, and to the following further qualifications and exceptions....

2. Subject to the foregoing, it is our opinion that the Mortgage has been filed for record in all offices where such filings are necessary in order that it create a valid and effective Lien of record on all the Company's property intended to be subject thereto, including the above-referenced property of the Company owned by Exeter which was acquired by the Company as a result of the Merger; that the Mortgage creates the valid, direct first Lien which it purports to create upon the Company's property, real and personal, now owned or hereafter acquired, described therein subject only to the Liens permitted by the Mortgage; and that there is no requirement that

the Mortgage be refiled or rerecorded at any time or from time to time in order to continue or perfect the Lien thereof.

**FORM OF OPINION OF SPECIAL COUNSEL  
TO THE PURCHASERS**

To be provided to the Purchasers only.

EXHIBIT 15.3

[FORM OF] U.S. TAX COMPLIANCE CERTIFICATE

Reference is hereby made to the Bond Purchase Agreement dated as of September 15, 2020 (as amended, supplemented or otherwise modified from time to time, the “Bond Purchase Agreement”), among Unitil Energy Systems, Inc. (the “Company”), a New Hampshire corporation and the holders of Bonds that are signatories thereto.

Unless otherwise defined herein, capitalized terms defined in the Bond Purchase Agreement and used herein have the meanings given to them in the Bond Purchase Agreement.

Pursuant to the provisions of Section 15.3 of the Bond Purchase Agreement, the undersigned hereby certifies that:

- (i) it is the sole record and beneficial owner of the Bonds in respect of which it is providing this certificate;
- (ii) it is not a bank within the meaning of Section 881(c)(3)(A) of the Code;
- (iii) it is not a ten percent shareholder of the Company within the meaning of Section 871(h)(3)(B) of the Code; and
- (iv) it is not a controlled foreign corporation related to the Company as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished the Company with a certificate of its non-U.S. Person status on IRS W-8BEN-E.

[•]

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

Name:

Title:

Date: \_\_\_\_\_, [•]

Execution Version

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UNITIL ENERGY SYSTEMS, INC.  
TO  
U.S. BANK NATIONAL ASSOCIATION, TRUSTEE

SIXTEENTH  
SUPPLEMENTAL INDENTURE  
DATED AS OF SEPTEMBER 15, 2020

ADDITIONAL ISSUE OF BONDS  
(SERIES R, 3.58%, DUE SEPTEMBER 15, 2040)  
\$27,500,000

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This Sixteenth Supplemental Indenture encumbers property in Merrimack and Rockingham Counties.

This Sixteenth Supplemental Indenture is dated as of September 15, 2020 (the or this "Sixteenth Supplemental Indenture") and entered into by and between Unitil Energy Systems, Inc., a corporation duly organized and existing under and by virtue of the laws of the State of New Hampshire, having its principal office and place of business in Hampton, County of Rockingham in the State of New Hampshire at 6 Liberty Lane West, Hampton, New Hampshire 03842-1720 (hereinafter sometimes referred to as the "Company"), and U.S. Bank National Association, a national banking association (successor to Old Colony Trust Company), having an office and place of business in Boston, Massachusetts at 1 Federal Street, Boston, Massachusetts 02110, as Trustee (hereinafter sometimes referred to as the "Trustee"), with reference to the following Recitals:

**WITNESSETH:**

Whereas, the Company heretofore duly executed and delivered to the Trustee its Indenture of Mortgage and Deed of Trust (hereinafter generally referred to as the "Original Indenture" and referred to, with each and every other instrument, including the Twelfth Supplemental Indenture, which amended and restated the Original Indenture in its entirety, and each subsequent instrument which the Company may execute with the Trustee and which is therein stated to be supplemental to the Original Indenture, as the "Indenture"), dated as of July 15, 1958, but actually executed on September 18, 1958, and recorded, among other places, in Merrimack County, New Hampshire, Registry of Deeds, Volume 832, Page 96, and in the Office of the City Clerk of the City of Concord, New Hampshire, Volume 188, Page 156 and duly recorded First, Second, Third, Fourth, Fifth, Sixth, Seventh, Eighth, Ninth, Tenth, Eleventh, Twelfth, Thirteenth, Fourteenth, and Fifteenth Supplemental Indentures thereto dated as of January 15, 1968, as of November 15, 1971, as of July 1, 1975, as of March 28, 1984, as of June 1, 1984, as of October 29, 1987, as of August 29, 1991, as of October 14, 1994, as of September 1, 1998, as of January 15, 2001, as of April 20, 2001, as of December 2, 2002, as of September 26, 2006, as of March 2, 2010, and as of November 29, 2018, respectively, to which this instrument is supplemental and in modification and confirmation thereof, whereby substantially all the properties of the Company used by it in its electric business, whether then owned or thereafter acquired, with certain exceptions and reservations fully set forth in the Indenture were given, granted, bargained, sold, warranted, pledged, assigned, transferred, mortgaged and conveyed to the Trustee, its successors and assigns, in trust upon the terms and conditions set forth therein to secure bonds of the Company issued and to be issued thereunder, and for other purposes more particularly specified therein; and

Whereas, on January 4, 1971 Old Colony Trust Company was merged into The First National Bank of Boston, which thereupon succeeded to the trusts under the Indenture; and

Whereas, effective May 1, 1996 The First National Bank of Boston resigned as trustee under the Indenture and the Company appointed State Street Bank and Trust Company ("State Street") as successor trustee, which accepted such appointment and thereupon succeeded to the trusts under the Indenture; and

Whereas, effective January 1, 2003 U.S. Bank National Association purchased substantially all of the corporate trust business of State Street including the trust herein and thereupon succeeded State Street as Trustee hereunder; and

Whereas, on December 2, 2002 (the "Merger Date"), Unital Corporation, a corporation organized under the laws of the State of New Hampshire ("Unital"), combined all of the operations of the Company and Exeter & Hampton Electric Company ("Exeter") through the merger of Exeter into the Company pursuant to an Agreement and Plan of Merger dated as of November 26, 2002 between the Company and Exeter. On the Merger Date the Company assumed all of the obligations of Exeter under (a) Exeter's Indenture of Mortgage and Deed of Trust dated as of December 1, 1952 (hereinafter referred to as the "Original Exeter Indenture") as supplemented by the First, Second, Third, Fourth, Fifth, Sixth, Seventh, Eighth, Ninth, Tenth, Eleventh and Twelfth Supplemental Indentures thereto dated as of January 16, 1956, as of January 15, 1960, as of June 1, 1964, as of January 15, 1968, as of November 15, 1971, as of April 1, 1974, as of December 15, 1977, as of October 28, 1987, as of August 29, 1991, as of October 14, 1994, as of September 1, 1998, and as of April 20, 2001, respectively (the Original Exeter Indenture and such supplemental indentures being sometimes collectively referred to as the "Exeter Indenture"), and (b) the bonds then outstanding under the Exeter Indenture (the "Exeter Bonds") pursuant to a Consent and Agreement dated as of November 26, 2002 among Exeter, the Company and the holders of the Exeter Bonds and the Bonds outstanding under the Indenture; and

Whereas, on January 24, 2003 (i) each holder of an Exeter Bond exchanged such Exeter Bond for a bond issued by the Company under the Indenture containing substantially the same terms and provisions as such Exeter Bond, (ii) the Exeter Indenture was cancelled and discharged and (iii) the Exeter Bonds were cancelled; and

Whereas, there are now outstanding under the Indenture \$1,800,000 in principal amount of First Mortgage Bonds, Series I, \$8,000,000 in principal amount of First Mortgage Bonds, Series J, \$7,500,000 in principal amount of First Mortgage Bonds, Series K, \$2,700,000 in principal amount of First Mortgage Bonds, Series L, \$8,000,000 in principal amount of First Mortgage Bonds, Series M, \$7,500,000 in principal amount of First Mortgage Bonds, Series N, \$15,000,000 in principal amount of First Mortgage Bonds, Series O, \$0 in principal amount of First Mortgage Bonds, Series P, and \$30,000,000 in principal amount of First Mortgage Bonds, Series Q; and the Company proposes to issue \$27,500,000 in principal amount of additional First Mortgage Bonds of a new Series designated as First Mortgage Bonds, Series R (hereinafter sometimes referred to as "Series R Bonds" or "bonds of Series R") to be issued under this Sixteenth Supplemental Indenture and that certain Bond Purchase Agreement dated as of September 15, 2020 among the Company and purchasers of the Series R Bonds party thereto, and accepted and acknowledged by the Trustee (the "2020 Series R BPA"); and

Whereas, all things have been done and performed which are necessary to make the Series R Bonds, when authenticated by the Trustee and issued as in the Indenture and herein provided, and to make this Sixteenth Supplemental Indenture, when executed and delivered by the Company and the Trustee, legal, valid and binding obligations of the Company;

Now, Therefore, in consideration of the premises, and of the acceptance and purchase of the Series R Bonds by the holder thereof, and of other good and valuable consideration, the receipt whereof is hereby acknowledged, and in confirmation of and supplementing the Indenture and in performance of and compliance with the provisions thereof, the Company, by these presents, does give, grant, bargain, sell, warrant, pledge, assign, transfer, mortgage, and convey unto the Trustee,

as provided in the Indenture, and its successor or successors in the trust thereby and hereby created, and its and their assigns, all and singular, the property, and rights and interests in property, described in the Indenture and thereby conveyed, pledged, assigned, transferred and mortgaged, or intended or required so to be (said descriptions in the Indenture being hereby made a part hereof to the same extent as if set forth herein at length), whether then or now owned or thereafter or hereafter acquired, except such of said properties or interests therein as may have been released by the Trustee or sold or disposed of in whole or in part as permitted by the provisions of the Indenture and also, but without in any way limiting the generality of the foregoing, all the rights, titles, interests, easements and properties described as acquired by the Company in Schedule A hereto attached and hereby made a part hereof as fully as if set forth herein at length, and all proceeds of any of the foregoing at any time conveyed, pledged, assigned, transferred, mortgaged, paid or delivered to and from time to time held by the Trustee upon the trusts of the Indenture.

Subject, However, insofar as affected hereby, to any Permitted Encumbrances as defined in Section 1.01 of the Indenture, and, as to the property specifically described in Schedule A of the Indenture and in Schedule A hereof, to the liens, encumbrances, reservations, restrictions, conditions, limitations, covenants, interests and exceptions, if any, set forth or referred to in the descriptions thereof contained in said Schedules, none of which substantially interferes with the free use and enjoyment by the Company of the property and rights hereinabove described for the general purposes and uses of the Company's electric business;

And Subject Further, as to all hereafter-acquired property, insofar as affected thereby, to any mortgages, encumbrances or liens on such after-acquired property existing at the time of such acquisition or contemporaneously created, conforming to the provisions of Section 8.07 of the Original Indenture;

But Specifically Reserving, Excepting and Excluding from this instrument, and from the grant, conveyance, mortgage, transfer and assignment herein contained, all right, title and interest of the Company, now owned or hereafter acquired in and to properties and rights of the kind specified in subclauses (a) to (d), both inclusive, of the paragraph beginning "But Specifically Reserving, Excepting and Excluding from this Indenture" of the granting clauses of the Indenture.

To Have and to Hold the trust estate, with all of the privileges and appurtenances thereunto belonging, unto the Trustee, its successors in the trusts of the Indenture, and its and their assigns, to its and their own use, forever;

But in Trust Nevertheless, upon the terms and trusts set forth in the Indenture, for the equal pro rata benefit, security and protection (except as provided in Section 8.14 of the Indenture and except insofar as a sinking, improvement and analogous fund or funds, established in accordance with the provisions of the Indenture, or any indenture supplemental thereto, may afford particular security for bonds of one or more series) of the bearers and the registered owners of the bonds from time to time authenticated, issued and outstanding under the Indenture, and the bearers of the coupons appertaining thereto, without (except as aforesaid) any preference, priority or distinction whatever of any one bond over any other bond by reason of priority in the issue, sale or negotiation thereof, or otherwise;

Provided, However, and these presents are upon the condition, that, if the Company shall pay or cause to be paid the entire outstanding aggregate principal amount of and premium, if any, and interest on the bonds at the times and in the manner therein and in the Indenture provided, and shall keep, perform and observe all and singular the covenants, agreements and provisions in the bonds and in the Indenture expressed to be kept, performed and observed by or on the part of the Company, then (i) this Sixteenth Supplemental Indenture and the estate and rights hereby granted shall, pursuant to the provisions of Article XIII of the Indenture, cease and terminate and (ii) the Trustee shall, upon the request of the Company, cancel, discharge, and release the lien of the Indenture; and

And Provided, However, that, upon the satisfaction of the Collateral Release Conditions as set forth in the 2020 Series R BPA, as such term is defined therein, the Company may request that the lien of the Indenture be completely released from all property and collateral securing the bonds issued and outstanding under the Indenture, and at such time (i) the Indenture shall cease and terminate and (ii) the lien of the Indenture shall be cancelled, discharged, and released.

And it is Hereby Covenanted, Declared and Agreed, upon the trusts and for the purposes aforesaid, as set forth in the following covenants, agreements, conditions and provisions, viz.:

#### ARTICLE ONE

##### SERIES R BONDS

Section 1.01. There shall be and is hereby created an additional Series of bonds designated as and entitled "First Mortgage Bonds, Series R." Series R Bonds shall be fully registered bonds without coupons, of the denomination of at least \$500,000. The bonds of Series R originally issued shall be dated the date of such issue and any bonds of Series R subsequently issued shall be dated as provided in Section 2.03 of the Indenture. All Series R Bonds shall mature on September 15, 2040, and shall bear interest at the rate of three and fifty-eight hundredths percent (3.58%) per annum from their respective dates, such interest to be payable semi-annually in arrears on the fifteenth (15th) day of March and September in each year commencing March 15, 2021, and shall bear interest on any overdue principal (including any overdue prepayment of principal) and premium, if any, and (to the extent permitted by applicable law) on any overdue payment of interest, at the rate of five and fifty-eight hundredths percent (5.58%) per annum. The principal of, premium, if any, and interest on bonds of Series R shall be payable at the corporate trust office of U.S. Bank National Association, in Boston, Massachusetts, St. Paul, Minnesota, or at the corporate trust office designated by the Trustee or by its successors as Trustee hereunder, in lawful money of the United States of America, provided that the Company may enter into a written agreement with any registered Institutional Holder of the bonds of Series R providing that payment of interest thereon and of the redemption price of any portion of the principal amount thereof (including premium, if any) which may be redeemed shall be made directly to such holder or to its nominee, as the case may be, at a duly designated place of payment within the United States, without surrender or presentation of such bonds of Series R to the Trustee, provided that (A) there shall have been filed with the Trustee a copy of such agreement (and the Trustee hereby acknowledges that it has received a copy of the 2020 Series R BPA providing for such direct

payment to the holders of the bonds of Series R), (B) pursuant to such agreement such holder shall agree that it will not sell, transfer or otherwise dispose of any such bond of Series R in respect of which any such payment or redemption shall have been made unless, prior to the delivery thereof by it, either (i) it shall have made a clear and accurate notation of the amount of principal so redeemed upon any such bond to be transferred, or (ii) such bond of Series R shall have been presented to the Trustee for appropriate notation thereon of the portion of the principal amount thereof redeemed, or (iii) such bond or bonds of Series R shall have been surrendered in exchange for a new bond or bonds of Series R for the unredeemed balance of the principal amount thereof in accordance with the other terms of the Indenture, and (C) in such agreement such holder shall agree that prior to receiving any final payment of the entire remaining unpaid principal amount of any Series R Bond, the holder thereof shall be required to deliver such bond to the Trustee. For purposes of this Section 1.01, the term "Institutional Holder" shall mean any insurance company, bank, savings and loan association, trust company, investment company, charitable foundation, employee benefit plan (as defined in ERISA) or other institutional investor or financial institution. The Trustee may assume that any holder of the bonds of Series R that has entered into an agreement for direct payment on such Bonds satisfies the requirements for an Institutional Holder and shall not be required to independently confirm such status. The Trustee may further assume that such agreement for direct payment to a holder of the bonds of Series R remains in effect unless and until it receives written notice from the Company that payment to such holder shall thereafter be made through the Trustee in accordance with the Indenture. The text of the Series R Bonds and of the Trustee's or Company's Certificate, as applicable, with respect thereto shall be respectively substantially of the tenor and purport set forth in Exhibit B to the 2020 Series R BPA. The Series R Bonds shall be numbered in such manner or by such method as shall be satisfactory to the Trustee.

The issue of bonds of Series R hereunder is hereby limited to the \$27,500,000 in aggregate principal amount of Series R Bonds initially issued as provided in Section 1.08 hereof and to Series R Bonds issued in exchange or substitution for outstanding Series R Bonds under the provisions of Sections 2.08, 2.10, 2.11 and 7.05 of the Indenture and Section 1.07 hereof.

From and after the Collateral Release Date (as such term is defined in the 2020 Series R BPA), (i) the Series R Bonds shall be governed solely by the terms of the 2020 Series R BPA, (ii) this Sixteenth Supplemental Indenture and the estate and rights hereby granted shall cease and terminate, and (iii) the lien of the Indenture shall be cancelled, discharged, and released.

Section 1.02. As provided therein, the entire unpaid principal balance of each Series R Bond shall be due and payable on September 15, 2040. In addition, the Series R Bonds are subject to optional redemption in accordance with the terms of the Indenture.

Section 1.03. The Company will give notice, by registered mail, postage prepaid, or by a reputable overnight carrier to the Trustee and to each registered owner of a bond of Series R of any required or optional payment to be made pursuant to Section 1.02, Section 1.04, or Section 1.05 hereof not more than 60, nor less than 30, days prior to such redemption date (or other designated date of redemption in the case of a redemption pursuant to Section 1.04 or Section 1.05).

Section 1.04. Before the date that is four months prior to the Maturity Date (as defined in the 2020 Series R BPA), all of the bonds of Series R, or any part of the principal amount thereof, shall be subject to redemption, at the option of the Company, pursuant to and in accordance with the provisions of Article VII of the Indenture (prior to the Collateral Release Date), and by payment of an amount equal to the aggregate principal amount being redeemed and all accrued interest thereon plus the Make Whole Amount (as defined in the 2020 Series R BPA), if any, determined five Business Days prior to such redemption. Two Business Days prior to the redemption date the Company shall deliver a certificate to the Trustee from an Officer of the Company specifying the calculation of the Make-Whole Amount, if any. The Trustee may rely upon such Officer's certificate as to the Make Whole Amount and shall have no duty to determine or confirm the calculation of such amount. On and after the date that is four months prior to the Maturity Date, all of the bonds of Series R shall be subject to redemption, at the option of the Company, pursuant to and in accordance with the provisions of Article VII of the Indenture (prior to the Collateral Release Date), and by payment of an amount equal to the aggregate principal amount being redeemed and all accrued interest thereon, but without payment of the Make Whole Amount.

Section 1.05. (a) Prior to the Collateral Release Date, the Series R Bonds may be redeemed pursuant to Article XI of the Indenture (i) out of Trust Moneys required by Section 8.12 of the Indenture to be deposited with the Trustee, on any date and shall be redeemed for an amount equal to the principal amount of the bonds to be redeemed, plus interest accrued to the date of redemption; or (ii) out of Trust Moneys required by Sections 8.10, 10.03, 10.04 or 10.04A of the Indenture to be deposited with the Trustee, on any date and shall be redeemed for an amount equal to the Make Whole Amount (as such term is defined, for purposes of this Section 1.05, in the Twelfth Supplemental Indenture).

(b) From and after the Collateral Release Date, the Series R Bonds shall be redeemed in accordance with the terms of the 2020 Series R BPA.

Section 1.06. In the event that all or any part of the bonds of Series R shall be redeemed or otherwise discharged prior to their maturity pursuant to or in accordance with the order of any governmental commission or regulatory authority upon the reorganization, dissolution or liquidation of the Company, or otherwise, the registered owners of such bonds of Series R shall be entitled to be paid thereafter an amount equal to the principal amount of the bonds of Series R to be redeemed, plus accrued interest to the date of redemption, plus the Make Whole Amount.

Section 1.07. (a) Prior to the Collateral Release Date, Bonds of Series R, upon surrender thereof at the principal corporate trust office of the Trustee in Boston, Massachusetts, St. Paul, Minnesota, or other such office designated by the Trustee, may be exchanged for the same aggregate principal amount of other fully registered bonds of this Series in an authorized denomination.

Within a reasonable time after the receipt of a request for such an exchange, the Company shall issue, and the Trustee shall authenticate and deliver all bonds required in connection therewith, and the Trustee shall make such exchange upon payment to it of such charge, if any, as is required by the following paragraph.

(b) From and after the Collateral Release Date, any exchange of the Series R Bonds shall be governed in accordance with the terms of the 2020 Series R BPA.

Section 1.08. Upon the execution of this Sixteenth Supplemental Indenture and subject to the provisions of Article III of the Indenture and upon compliance with the applicable provisions of Articles IV of the Indenture (or waiver thereof duly obtained), the Company shall execute and deliver to the Trustee, and the Trustee shall authenticate and deliver to or upon the order of the Company, bonds of Series R in the form set forth in Exhibit B to the 2020 Series R BPA in the aggregate principal amount of Twenty-Seven Million Five Hundred Thousand Dollars (\$27,500,000).

## **ARTICLE TWO**

### **REDEMPTION PRIOR TO THE COLLATERAL RELEASE DATE**

Section 2.01. In the case of any proposed redemption pursuant to Sections 1.04 or 1.05(a), forthwith after the Trustee's receipt of proper notice from the Company of any such proposed redemption, the Trustee shall act in accordance with the provisions of Article VII of the Indenture.

The Company covenants that it will pay to the Trustee:

(i) on or before the day prior to the date proposed by the Company in a notice (which notice shall conform to the requirements of Article VII of the Indenture) of any redemption pursuant to Section 1.04 or 1.05(a) hereof, the amount payable in accordance with such notice, and

(ii) at the time of each redemption the Company shall pay to the Trustee the amount of the charges which shall be due the Trustee and the amount of expenses which the Trustee advises the Company it has incurred or will incur in connection with such redemption.

## **ARTICLE THREE**

### **COVENANTS OF THE COMPANY PRIOR TO THE COLLATERAL RELEASE DATE**

Section 3.01. The Company covenants that it will not declare or pay dividends (other than in its own common stock) or make any other distribution on shares of its common stock or apply any of its property or assets (other than amounts equal to any proceeds received from the sale of common stock of the Company) to the purchase or retirement of, or make any other distribution through reduction of capital or otherwise, in respect of, any shares of its common stock (which dividends, distributions, purchases and retirements are hereinafter referred to as "distributions")

if, after giving effect to such distribution, the aggregate of all such distributions declared, paid, made or applied subsequent to December 31, 2019, plus the amount of all dividends declared on any class of preferred stock of the Company subsequent to December 31, 2019, and any amounts charged to net income after December 31, 2019 in connection with the purchase or retirement of any shares of preferred stock of the Company would exceed an amount equal to net income of the Company available for dividends after December 31, 2019, plus the net proceeds from any common or preferred equity issuances by the Company subsequent to December 31, 2019, plus the sum of \$70,000,000.

The term "net income", as applied to any period shall mean the net income (or deficit) of the Company for such period properly transferable to its earned surplus, all computed, if a uniform system of accounts is prescribed by any commission or other governmental body having jurisdiction in the premises, in accordance with such uniform system; otherwise in accordance with accepted accounting practice, and in any event by deducting from the aggregate gross revenues of the Company for such period all expenses required to be deducted in computing earnings available for interest charges for such period in accordance with Section 4.02B of the Indenture, and also by deducting all interest requirements, taxes, amortization of debt discount and expense and other deferred charges, and all other non-operating expenses for such period.

#### ARTICLE FOUR

##### MISCELLANEOUS PROVISIONS PRIOR TO THE COLLATERAL RELEASE DATE

Section 4.01. Prior to the Collateral Release Date, the Company covenants that, except as to that part of the trust estate which may hereafter be acquired by it, it is now well seized of the physical properties by it hereby mortgaged or intended so to be and has good right, full power, and lawful authority to make this Sixteenth Supplemental Indenture and to subject such physical properties to the lien of the Indenture as hereby supplemented; and that, subject to the provisions of the Indenture as hereby supplemented, it has and will preserve good and indefeasible title to all such physical properties and will warrant and forever defend the same to the Trustee against the claims of all persons whomsoever.

Section 4.02. The use of terms and the construction of the provisions hereof shall be in accordance with the definitions, uses and constructions contained in the Indenture as hereby supplemented.

Section 4.03. The Trustee shall be entitled to, may exercise and shall be protected by, where and to the full extent that the same are applicable, with respect to the Series R Bonds herein provided for, all the rights, powers, privileges, immunities and exemptions provided in the Indenture as if the provisions concerning the same were incorporated herein at length. The recitals and statements in this Sixteenth Supplemental Indenture and in the Series R Bonds (other than the Trustee's Certificate attached thereto) shall be taken as statements by the Company alone, and shall not be considered as made by or as imposing any obligation or liability upon the Trustee, nor shall the Trustee be held responsible for the legality or validity of this Sixteenth Supplemental Indenture or of the Series R Bonds, and the Trustee makes no covenant or representation, and shall not be responsible, as to and for the effect, authorization, execution, delivery or recording of this

Sixteenth Supplemental Indenture. The Trustee shall not be taken impliedly to waive by this Sixteenth Supplemental Indenture any right it would otherwise have. As provided in the Indenture, this Sixteenth Supplemental Indenture shall hereafter form a part of the Indenture.

The remedies and provisions of the Indenture applicable in case of any default by the Company thereunder are hereby adopted and made applicable in case of any default with respect to the properties included herein and, without limitation of the generality of the foregoing, there are hereby conferred upon the Trustee the same powers of sale and other powers over the properties described herein as are expressly to be conferred by the Indenture.

Section 4.04. The Series R Bonds issued under this Sixteenth Supplemental Indenture are subject to the terms of the Indenture and the 2020 Series R BPA.

Section 4.05. This Sixteenth Supplemental Indenture and the estate and rights hereby granted shall cease and terminate when the Indenture ceases or terminates, including upon the occurrence of the Collateral Release Date.

Section 4.06. This Sixteenth Supplemental Indenture may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 4.07. The cover of this Sixteenth Supplemental Indenture and all article and descriptive headings herein are inserted for convenience only and shall not effect any construction or interpretation hereof.

In Witness Whereof, Unifil Energy Systems, Inc. has caused this instrument to be executed in its corporate name by its President, one of its Vice Presidents, its Treasurer or its Assistant Treasurer and its corporate seal to be hereunto affixed and to be attested by the Secretary of the Board of Directors or its Secretary, and U.S. Bank National Association, to evidence its acceptance of the trust hereby created, has caused this instrument to be executed in its corporate name, all as of the day and year first above written.

Attest:

Unifil Energy Systems, Inc.

/s/ Sandra L. Whitney  
Secretary

By: /s/ Todd R. Diggins  
Name: Todd R. Diggins  
Title: Treasurer

Signed, sealed and delivered by  
Unifil Energy Systems, Inc.  
in the presence of us:

/s/ Kristina Guay

/s/ Robert B. Hevert

By: /s/ David W. Doucette  
Authorized Officer

Signed and delivered by  
U.S. Bank National Association  
in the presence of us:

/s/ Steve Gomes

/s/ Lisa Doucette

On this 11th day of September 2020, before me personally appeared Todd R. Diggins, to me personally known, who, being by me duly sworn, did say that he is the Treasurer of Unitil Energy Systems, Inc., that the seal affixed to the foregoing instrument was signed and sealed by him on behalf of said corporation by authority of its Board of Directors; and the said Todd R. Diggins acknowledged said instrument to be the free act and deed of said corporation.

/s/ Michelle Caracciolo  
Notary Public  
My Commission Expires: August 2, 2022

(Notarial Seal)

Commonwealth of Massachusetts )  
 ) SS  
County of Suffolk )

On this 11th day of September 2020, before me personally appeared David Doucette, to me personally known, who being by me duly sworn, did say that he is an authorized officer of U.S. Bank National Association, and that the foregoing instrument was signed by him on behalf of said Bank by authority of its Board of Directors; and the said David Doucette acknowledged said instrument to be the free act and deed of said Bank.

/s/ Steven J. Gomes  
Notary Public  
My Commission Expires: 08-20-2021

(Notarial Seal)

**DESCRIPTION OF CERTAIN LAND AND EASEMENTS  
ACQUIRED BY THE COMPANY SINCE NOVEMBER 29, 2018**

1. PARCELS ACQUIRED:
  - a. Land and Drainage Easement on Continental Drive, Exeter, NH from Garrison Glen, LLC to UNITIL Energy Systems, Inc. dated August 14, 2019 and recorded with the Rockingham County Registry of Deeds at Book 6026, Page 1782.
  - b. Land, Sewer Easement and Slope Easement on Gourmet Place, Exeter, NH from the 12 Continental Drive, LLC to UNITIL Energy Systems, Inc. dated August 14, 2019 and recorded with the Rockingham County Registry of Deeds at Book 6026, Page 1785.
2. EASEMENTS AND RIGHTS ACQUIRED FOR TRANSMISSION LINES:
  - a. None.

Schedule A  
(to Sixteenth Supplemental Indenture)

1. PARCELS CONVEYED:
  - a. None.
  
2. EASEMENTS AND RIGHTS CONVEYED FOR TRANSMISSION LINES:
  - a. None.