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EXHIBIT A

THIS AGREEMENT, made as of the 10th day of April, 1981, (hereinafter referred to as "Agreement"), by and between Seaward Construction Company, Inc. (hereinafter referred to as "Seaward"), a corporation organized and existing under the laws of the State of Maine, with its principal place of business at Kittery, Maine, and the Town of Rollinsford, New Hampshire (hereinafter referred to as "Rollinsford"), a town organized and existing under the laws of the State of New Hampshire:

W I T N E S S E T H :

WHEREAS, Rollinsford is the owner of certain real estate and other property known as the Salmon Falls Hydro-electric Station, located in the Town of Rollinsford, County of Strafford, State of New Hampshire, and the Towns of Berwick and South Berwick, County of York, State of Maine, more fully described by the deed description attached hereto as Exhibit A and incorporated herein (hereinafter referred to as "the Premises"); and

WHEREAS, Seaward desires to lease, redevelop and operate said Premises; and

WHEREAS, Rollinsford desires to cause said Premises to be redeveloped and operated by Seaward;

NOW, THEREFORE, in consideration of the mutual covenants, representations, warranties and agreements herein contained, the parties hereto do hereby agree as follows:

1. PURPOSE

This Agreement is entered into in order to provide for

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the redevelopment and operation of the Salmon Falls Hydroelectric Station. Seaward's use of the Premises under this Agreement shall be limited to these purposes and such other purposes as may be specified in the Federal Energy Regulatory Commission (hereinafter "FERC") license or any other licenses and permits validly issued in connection with the Premises. Such redevelopment and operation shall be carried out so as to achieve the maximum permissible electric power production from the Premises which is financially feasible, consistent with the conditions of any licenses and permits, including the FERC license and any amendments thereto, validly issued in connection with the Premises.

2. COOPERATION

Within the scope of their respective obligations hereunder, Seaward and Rollinsford shall each cooperate to achieve the purposes of this Agreement. Such cooperation shall include, but not be limited to, keeping the other party reasonably informed as to all matters relating to the achievement of the purposes of this Agreement, the performance of the parties' obligations under this Agreement, and taking such steps as are reasonably necessary to facilitate performance by the other party.

3. LEASING

Subject to the terms and conditions set forth below, Rollinsford hereby agrees to lease the Premises to Seaward. Full possession of the Premises will be delivered to Seaward upon execution of this Agreement, said Premises to be in the

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(a) Redevelopment.

same condition as they now are, reasonable use and wear excepted. In addition, Seaward shall have the right to utilize the water rights of Rollinsford in connection with the Premises and exercise any right of Rollinsford under any license or permit validly issued in conjunction with the generation of electricity at the Premises.

4. REDEVELOPMENT AND OPERATION

Subject to the terms and conditions set forth below, Seaward hereby agrees to redevelop the Premises for hydroelectric generation, including without limitation, refurbishment of the power house, repair of the penstock, reconstruction of the intake structure, repair of the dam and installation of equipment; and Seaward further agrees to operate the Premises at the maximum electric generating capacity which is financially feasible. Equipment installed and improvements made at the Premises by Seaward, its subcontractors, agents or licensees, shall hereinafter be referred to as the "Seaward Facilities". Seaward shall install no less than 1492 kilowatts installed capacity, as per the FERC license application described in paragraph 27 herein. During redevelopment of the Premises, Seaward shall install turbines and other electric generating equipment for the purposes of maximizing the generation of electric power at the Premises to the extent financially feasible, consistent with applicable licenses and permits.

insert (b)

5. TERM OF AGREEMENT

Except as may be otherwise provided herein, this Agree-

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ment shall expire upon expiration of the original term of the FERC license issued in connection with the Premises. Failure by Rollinsford to obtain said FERC license shall render this Agreement nugatory.

6. PAYMENT SCHEDULE

Payments shall be made by Seaward to Rollinsford according to the following schedule:

A. For purposes of this Agreement, the first "fiscal year" shall commence on the date on which electricity is first generated at the Premises and sold by Seaward to a public utility. Each succeeding fiscal year shall commence on the anniversary of said date. No payments shall be required hereunder until such time as electricity is first generated at the Premises and sold by Seaward to a public utility.

B. For any fiscal year in which total electricity generated at the Premises and sold by Seaward to a public utility is 3 million kilowatt hours or less, including the event that no power is generated at the Premises and sold by Seaward to a public utility, Seaward will pay Rollinsford the sum of $20,000.

C. For any fiscal year in which total electricity generated at the Premises and sold by Seaward to a public utility is in excess of 3 million kilowatt hours but not more than 4 million kilowatt hours, Seaward will pay Rollinsford $25,000.

D. For any fiscal year in which total electricity

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generated at the Premises and sold by Seaward to a public utility is 4 million kilowatt hours or less and in which gross revenues from the sale of such electricity are in excess of $360,000, Seaward shall pay to Rollinsford such sums as may otherwise be due under this paragraph, together with a sum equal to 20% of such gross revenues in excess of $360,000.

E. For any fiscal year in which total electricity generated at the Premises and sold by Seaward to a public utility is in excess of 4 million kilowatt hours, Seaward will pay to Rollinsford the total of:

1) A fixed payment of $30,000; and

2) 20% of the incremental gross revenue for all electricity generated and sold in excess of 4 million kilowatt hours but not more than 5 million kilowatt hours; and

3) 25% of the incremental gross revenue for all electricity generated and sold in excess of 5 million kilowatt hours but not more than 6 million kilowatt hours; and

4) 30% of the incremental gross revenue for all electricity generated and sold in excess of 6 million kilowatt hours.

F. The annual fixed payment referred to in subparagraph (E)(1) of this paragraph has been established on the assumption that the initial "base payment rate", stated in the contract between Seaward and a public utility for the

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sale of electricity generated at the Premises, will be 7.7 cents per kilowatt hour. In the event that said initial base payment rate is greater or less than 7.7 cents per kilowatt hour, and for each subsequent increase or decrease in said base payment rate, the annual fixed payment shall be adjusted according to the following formula:
$30,000 + 4,000,000 x 0.25 x (increase (+) or decrease (-) in base payment rate) = adjusted fixed payment.

In no event shall the annual fixed payment referred to in subparagraph (E)(1) of this paragraph be less than $25,000.

G. Payments shall be made on a quarterly basis, the first quarter to commence at the beginning of the first fiscal year. Quarterly payments shall be made within thirty (30) days after the end of the quarter for which payment is made, or thirty (30) days after Seaward receives full payment from a public utility for all electricity generated and sold in the quarter, whichever last occurs. Quarterly payments shall be based on the amount of electricity sold to a public utility in the then current fiscal year, up to and including the quarter for which payment is made (hereinafter referred to as "Total Electricity"). Quarterly payments shall be calculated as follows:

1) Where the Total Electricity is 3 million kilowatt hours or less, the quarterly payment shall be $5,000;

(2) Where the Total Electricity is in excess of 3 million kilowatt hours, the quarterly payment shall be equal to (a) the amount which would be due for the fiscal year to

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date under subparagraphs (A) through (F) of this paragraph; minus (b) the total of the quarterly payments previously made to Rollinsford for quarters occurring in the fiscal year.

For purposes of determining quarterly payments under this subparagraph, Seaward shall make available to Rollinsford for its inspection during normal business hours such books and records pertaining to the sale to a public utility of electricity generated at the Premises as Rollinsford may reasonably request.

7. POWER CONTRACTS

During the term of this Agreement, Seaward shall make no contract for the sale to a public utility of electricity generated at the Premises without the consent of Rollinsford, which consent shall not be unreasonably withheld.

8. COMPLETION

Seaward will use its best efforts to complete redevelopment of the Premises so as to commence the generation and sale of electricity to a public utility prior to the time that the so-called "Seabrook I" project begins the commercial generation of electricity.

9. QUIET POSSESSION AND USE

Rollinsford covenants and warrants that it is the lawful owner of the Premises free from any and all liens or encumbrances, and that Seaward shall peaceably and quietly hold, possess and use the Premises during the term of this Agreement without hindrance.

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10. TITLE TO EQUIPMENT AND IMPROVEMENTS

During the term of this Agreement, Seaward shall retain all title, right and interest to and in the Seaward Facilities, including without limitation all equipment installed and improvements made by Seaward at the Premises. At the expiration of this Agreement or at the expiration of any renewal hereof, title to said Seaward Facilities shall pass to Rollinsford at the option of Rollinsford. In the event that Rollinsford exercises its option hereunder, Rollinsford hereby agrees to assume any and all debt outstanding with respect to said Seaward Facilities at the time of said passing of title.

11. SECURITY INTERESTS

Seaward may create unsubordinated security interests and mortgages in the Seaward Facilities without the prior approval of Rollinsford, for the purpose of financing Seaward's performance of or activities under this Agreement.

12. INDEMNITY

Seaward agrees to indemnify and hold harmless Rollinsford, its successors and assigns, from any and all liability, damages, penalties, claims, actions and suits, including legal expenses, asserted against Rollinsford as a result of Seaward's performance under this Agreement; provided, however, that in no event shall Seaward's total liability under this paragraph exceed the limits of Seaward's general comprehensive liability policy or its equivalent; and further provided, that, if the limit of Rollinsford's liability

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under applicable New Hampshire statutes is changed to an amount in excess of said general comprehensive liability policy or its equivalent, the limits of said general comprehensive liability policy or its equivalent shall be increased to equal any such change in the limit of Rollinsford's liability.

13. RENEWAL

Provided that this Agreement has not been earlier terminated, Seaward may elect, by written notice delivered to Rollinsford not less than sixty (60) days prior to the end of the term of this Agreement or any renewal hereof, to extend the term of this Agreement for a renewal term not to exceed the initial renewal term, if any, or subsequent renewal terms, if any, of the FERC license issued in connection with the Premises.

14. BUY-OUT

Within sixty (60) days after the expiration of the eighth fiscal year under this Agreement, Rollinsford may make an offer to purchase Seaward's interest in this Agreement and the Seaward Facilities. The offer shall be at a price set at the fair market value, at the time of the offer, of the Seaward Facilities at the Premises, including reasonable costs of installation, said fair market value to be ascertained with reference to facilities of like kind and condition, as installed. The fair market value shall be determined by two competent, disinterested appraisers, one selected by Seaward and one selected by Rollinsford. If the two appraisers cannot agree on such fair market value, said

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two appraisers may choose a third disinterested appraiser to assist in the determination of fair market value. The costs of said appraisals, including the fees of the appraisers, shall be borne equally by Rollinsford and Seaward. For purposes of this paragraph, Seaward and Rollinsford shall make available to said appraisers for their inspection during normal business hours such books and records which may be necessary to determine the fair market value of the Seaward Facilities as said appraisers may reasonably request.

Within sixty (60) days after receiving Rollinsford's offer, if any, Seaward shall respond in writing to the offer. If Seaward accepts the offer, Seaward in its acceptance shall schedule the date of the Closing of said purchase and sale transaction, which Closing date shall be binding on Rollinsford. Said Closing date shall be scheduled to take place not more than thirty (30) months after Seaward's acceptance of Rollinsford's offer.

During the period between acceptance of the offer and Closing, the rights and obligations of both parties under this Agreement shall continue in full force and effect.

15. ASSIGNMENT AND SUBLETTING

Seaward at any time may, with the written approval of Rollinsford, which shall not unreasonably be withheld, sell, convey, transfer, assign or sublet its interest in this Agreement.

16. INSURANCE

Seaward shall provide at its own expense, and keep in

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force during the term of this Agreement, comprehensive general liability insurance on the Premises in the amount of $1,000,000 with respect to one or more persons for any one accident and $1,000,000 with respect to damage to property. Such insurance policy or policies shall include Rollinsford as an insured as its interests may appear.

During the term of this Agreement, Seaward shall keep the Seaward Facilities, including all structures and improvements built or erected and equipment installed by Seaward at the Premises, insured for the benefit of Rollinsford and Seaward, as their respective interests may appear, against loss or damage by fire, flood or other casualty in the amount of $1,000,000, including customary extended coverage.

For purposes of this paragraph, said insurance amounts shall be measured in constant, 1981 dollars.

17. FORCE MAJEURE; LOSS BY FIRE

In the event that Rollinsford or Seaward shall be delayed, hindered in or prevented from the performance of any act required hereunder, by reason of fire, floods, storms or other casualties, strikes, riots and insurrections, declared or undeclared acts of war or other unforeseen and unforeseeable events beyond its control, then performance of such act shall be excused for the period of the delay occasioned thereby and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay occasioned thereby.

In the event that the Premises shall be damaged or

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destroyed by fire or other casualty, so as to interfere substantially with the transactions contemplated by this Agreement, then in such event Seaward shall have the option to terminate this Agreement by giving written notice to Rollinsford within thirty (30) days after such damage or destruction. Neither party shall incur any liability to the other as a result of such termination.

18. DEFAULT, BANKRUPTCY OR INSOLVENCY

In case of default, bankruptcy or insolvency on the part of Rollinsford, Rollinsford agrees to the full extent of its capacity to transfer to Seaward all licenses or permits issued in connection with the Premises, including without limitation, the FERC license; and Rollinsford agrees to obtain such approvals as may be necessary from any federal, state or local regulatory agencies or other governmental entities to transfer said licenses or permits.

If (1) Seaward is adjudged a bankrupt, or (2) if it makes a general assignment for the benefit of its creditors, or (3) if a receiver is appointed on account of its insolvency, or (4) if within thirty (30) days after receipt of written notice from Rollinsford of Seaward's default under laws, ordinances, rules, regulations or orders of any public authority pertaining to the operation of the Premises for the generation of electric power Seaward fails to commence cure of said default or otherwise to take such steps as may be convenient or necessary to protect its legal interests with regard to said default, then Rollinsford may at its

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option terminate this Agreement by giving written notice to Seaward within thirty (30) days of such event. Neither party shall incur any liability to the other as a result of such termination.

19. EMINENT DOMAIN

If all or part of the Premises is taken for public use under any statute or by right of eminent domain during the term of this Agreement, and as a result Seaward's ability to use and operate the Premises is terminated or impaired, Seaward shall have the option to terminate this Agreement by giving written notice to Rollinsford within thirty (30) days after such taking. Neither party shall incur any liability to the other as a result of such termination. In the event of any taking of all or any part of the Premises, both parties agree to cooperate in applying for and in prosecuting any claims for an award for such taking. Seaward shall be entitled to that portion of the eminent domain award attributable to the loss of any Seaward Facilities and any unexpired leasehold interest in the Premises, and to loss of its portion of revenue from the Premises, to the extent that the foregoing constitute elements of the eminent domain award. In the event Rollinsford and Seaward shall fail to agree as to the apportionment of the eminent domain award, then on the written demand of either, each shall select a competent disinterested appraiser and notify the other of the appraiser selected within twenty (20) days of such demand. Said appraisers shall apportion the eminent domain award

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between Seaward and Rollinsford. If said appraisers cannot agree upon apportionment of the eminent domain award, they may choose a third disinterested appraiser to assist in the determination of apportionment. The costs of said appraisals, including the fees of the appraisers, shall be borne equally by Rollinsford and Seaward.

Rollinsford agrees that, at the reasonable request of Seaward, it will exercise its power of eminent domain to facilitate access to or use of the Premises by Seaward in accordance with this Agreement. Seaward will reimburse Rollinsford in the amount of the award resulting from any such exercise and will reimburse Rollinsford its reasonable attorneys' fees and other costs incurred in connection with any such exercise.

20. TAXES

Payments made by Seaward to Rollinsford pursuant to this Agreement shall be deemed to be in lieu of any real or personal property taxes which now or in the future may be otherwise assessed against Seaward by Rollinsford.

In the event federal or state energy related tax credits or similar legislation affecting the Premises is enacted and Rollinsford receives benefit from such tax credits or other legislation, the payment amounts hereunder shall be adjusted downward to reflect, to the extent reasonably practicable and in such manner as may be reasonably agreed upon by the parties, the amount of the actual tax saving or other saving to Rollinsford resulting from any such tax credit or other

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legislation, for the period of such actual saving.

21. NOTICES

All notices, requests, demands, and other communications hereunder shall be in writing and shall be deemed to have been duly given when delivered in hand to such party or mailed by certified or registered mail, postage prepaid.

22. REPRESENTATIONS AND WARRANTIES OF ROLLINSFORD

Rollinsford represents and warrants that:

A. Rollinsford is a Town duly organized under the laws of the State of New Hampshire, and that it has taken all necessary steps, obtained all necessary authorizations, including that of a special town meeting (a copy of which authorization by special town meeting is attached hereto as Exhibit B), and possesses full capacity to enter into and discharge its obligations under this Agreement;

B. Rollinsford owns good and marketable title to the Premises. The Premises are not subject to any mortgage, lien, lease, agreement, instrument, order or decree or other restriction of any kind of character, except the easement held by Public Service Company of New Hampshire described in Exhibit A hereto, which would inhibit or restrict Seaward in the exercise of its rights and obligations under this Agreement;

C. No action, suit, proceeding or investigation is pending or threatened before any court or other governmental department or agency against Rollinsford which may adversely affect this Agreement, the Premises being leased to Seaward

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hereunder or Seaward's rights hereunder, except as described by the pleadings annexed hereto as Exhibit C and made a part hereof;

D. Rollinsford will take no action which will affect adversely the flowage of the Salmon Falls River, nor any other action which will adversely affect the electric generating potential of the Premises or the ability of Seaward to redevelop the Premises or to operate the Premises at maximum electric generating capacity;

E. Rollinsford will not, during the term of this Agreement, sell or otherwise dispose of the Premises, nor mortgage, pledge or grant any security interest in or otherwise encumber said Premises.

23. REPRESENTATIONS AND WARRANTIES OF SEAWARD

Seaward represents and warrants that:

A. Seaward is a corporation duly organized, validly existing and in good standing under the laws of the State of Maine and has all requisite corporate power and authority to carry on the business presently conducted by it and to enter into this Agreement. The execution and delivery of this Agreement and the performance of Seaward's obligations hereunder have been duly authorized by Seaward's Board of Directors and all necessary corporate action to consummate the transactions contemplated hereunder has been or will be taken. A Clerk's Certificate stating that performance of Seaward's obligations hereunder has been duly authorized by its Board of Directors is attached hereto as Exhibit D;

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B. Seaward will redevelop and operate the Premises in such a manner as to generate the maximum electric power at the Premises which is financially feasible;

C. Seaward will take no action which will unreasonably interfere with Rollinsford's present or future municipal obligations toward Damart Industries;

D. Seaward will take such steps as are reasonably necessary to improve the environmental quality at the dam and intake area of the Premises; to comply with the restoration guidelines of the New Hampshire Office of Historic Preservation; to comply with safety recommendations made by any regulatory agency or other governmental entity with appropriate jurisdiction, including the Dam Safety Inspection Program of the New Hampshire Water Resources Board; and to participate in the Salmon Falls Hydropower Association.

24. OPINION OF ROLLINSFORD'S COUNSEL

Upon execution of this Agreement, Rollinsford shall deliver to Seaward a written opinion of counsel for Rollinsford addressed to Seaward, in scope and substance acceptable to Seaward, to the effect that:

A. Rollinsford has good and marketable title to the Premises; and

B. Rollinsford is duly organized under the laws of the State of New Hampshire, and has taken all necessary steps, obtained all necessary authorizations, and has full capacity to enter into and discharge its obligations under this Agreement.

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25. OPINION OF SEAWARD'S COUNSEL

Upon execution of this Agreement, Seaward shall deliver to Rollinsford a written opinion of counsel for Seaward, in scope and substance acceptable to Rollinsford, to the effect that:

A. Seaward is a corporation duly organized, validly existing and in good standing under the laws of the State of Maine; and

B. Seaward has all requisite corporate power and authority to carry on the business presently conducted by it and to enter into this Agreement; and that the execution and delivery of this Agreement and the performance of Seaward's obligations hereunder have been duly authorized by Seaward's Board of Directors, and all necessary corporate action to enter into this Agreement has been taken.

26. SPECIFIC PERFORMANCE

The parties to this Agreement acknowledge that the Premises to be utilized hereunder are unique property and that the remedies available at law to Seaward and to Rollinsford for breach hereof may be inadequate. The parties therefore acknowledge and agree that this Agreement may, in addition to any other remedy available at law, in equity or otherwise, be enforced by way of specific performance.

27. LICENSES, PERMITS

Seaward, at its own expense, agrees to make application on behalf of Rollinsford for all necessary and appropriate licenses, certificates, permits and approvals from federal,

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state or local regulatory agencies or other governmental entities, and to use due diligence in seeking to obtain such licenses, certificates, permits, and approvals, through its own efforts or the efforts of consultants or attorneys of its choosing. Such licenses, certificates, permits, and approvals shall include, but not be limited to the license as prescribed by §4(e) of the Federal Power Act (16 U.S.C. §797(e)) to be issued by FERC.

The parties agree that, at any time during the term of this Agreement, application may be made by Seaward, in its reasonable discretion and on behalf of Rollinsford, to FERC and such other regulatory agencies or governmental entities as may be appropriate to amend the FERC license and other certificates, permits and approvals to allow increased electricity generation at the Premises, and each party will use its best efforts to effect such amendment.

28. AMENDMENTS

Rollinsford agrees that it will, if requested by Seaward in writing, make such minor and reasonable amendments to this Agreement as are required to carry out the purposes of this Agreement.

29. PHOTOGRAPHS

Photographs of the Premises shall be taken prior to redevelopment of the Premises, during redevelopment as becomes necessary in the reasonable opinion of either party, and at the completion of redevelopment. Said photographs shall be witnessed by duly authorized representatives of

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Seaward and Rollinsford as exact representations of the condition of the Premises at the time said photographs were taken. Said photographs shall be witnessed on a standard form, a copy of which is attached hereto as Exhibit E.

30. MISCELLANEOUS

A. All of the respective covenants, obligations, agreements, representations, warranties and indemnities of the parties hereto shall be binding upon the heirs, successors, executors, administrators and assigns of the parties hereto and shall continue in full force and effect throughout the duration of the Agreement;

B. This Agreement may not be modified, waived, amended or terminated except in writing signed by the parties hereto, unless it is terminated by written notice as provided in this Agreement;

C. This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same Agreement, and shall become effective when one or more counterparts have been signed by each party hereto and delivered to the other party;

D. In the event that any provision of this Agreement shall be held to be invalid, the other provisions hereof shall remain in full force and effect;

E. This Agreement and the performance hereof shall be interpreted and governed by the laws of the State of New Hampshire;

F. The section headings herein are for reference and

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convenience only and shall not affect the interpretation of this Agreement;

G. This Agreement supersedes all prior oral and written agreements between the parties hereto and contains the entire agreement between the parties with respect to the subject matter hereof. Any modification of or addition to this Agreement shall be by writing executed by the parties hereto;

H. Seaward agrees to reimburse Rollinsford for legal fees reasonably incurred in its preparation and review of this Agreement, up to a maximum of $2,500.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

WITNESS:

SEAWARD CONSTRUCTION COMPANY, INC.

By: Daniel O. Seaward
Its President

TOWN OF ROLLINSFORD, NEW HAMPSHIRE

By: Grace L. Jones

By: Edmund F. Jensen Jr.

By: Joseph R. Lauze
Its Selectmen

AND

By:
Its

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EXHIBIT A

Description of the Premises contained in deed dated December 11, 1975, from Public Service Company of New Hampshire to the Town of Rollinsford and recorded in the Strafford County, New Hampshire, Registry of Deeds at Book 979, Page 113, and in the York County, Maine, Registry of Deeds at Book 2111, Page 843:

The following tracts of land, with the buildings, dam and other structures thereon, located on the Salmon Falls River in Rollinsford, in the County of Strafford, in the State of New Hampshire, and in Berwick and South Berwick, in the County of York, in the State of Maine:

Tract 1.

All the land conveyed to the Grantor by New England Public Service Company by deed dated July 2, 1945, and recorded in the Strafford County Registry of Deeds, Book 525, Page 467.

Meaning and intending to convey two parcels of land located northerly and southerly, respectively, of the Boston and Maine Railroad, Portland Division, railroad right-of-way, in said Rollinsford, and being, in part, part of the abandoned right-of-way of the Great Falls and Conway Railroad.

Tract 2.

The land, with the dam and buidings thereon, described in paragraph number (1) in the deed of New England Public Service Company to the Grantor dated December 16, 1930 and recorded in the Strafford County Registry of Deeds, Book 443, Page 201 and recorded in the York County Registry of Deeds, Book 824, Page 332.

Meaning and intending to convey the dam together with the land adjacent to the dam on the westerly and easterly sides of the Salmon Falls River, in Rollinsford and Berwick.

Tract 3.

The land, with the dam and buildings thereon, described in paragraph number (2) in said deed of New England Public Service Company to the Grantor dated December 16, 1930 and recorded in York County as set forth above.

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Meaning and intending to convey certain property located on the southerly side of Salmon Street and along the Salmon Falls River in South Berwick.

Tract 4.

The land, with the powerhouse and dam and penstock thereon, described in paragraph number (3) in said deed of New England Public Service Company to the Grantor dated December 16, 1930 and recorded in Strafford County as set forth above.

Meaning and intending to convey the powerhouse and other property located southerly of the Dover Road, so-called, in said Rollinsford.

Tract 5.

All the land, with any structures thereon, and any other property, except as hereinafter reserved, conveyed to the Grantor by New England Public Service Company by deed dated November 30, 1944, and recorded in the Strafford County Registry of Deeds, Book 524, Page 488.

Reserving, however, to the Grantor, its successors and assigns, the perpetual privilege, authority and easement to construct, operate and maintain pole lines and wires, all as set forth in the third paragraph of said deed dated November 30, 1944 to which deed reference is made for a more specific description of these rights.

Tract 6.

The first strip of land described in the deed of New England Public Service Company to the Grantor dated July 2, 1945 and recorded in the Strafford County Registry of Deeds, Book 525, Page 474, which strip of land is described as extending from the southerly boundary of the premises conveyed as Parcel A in deed dated July 15, 1927 of Salmon Falls Manufacturing Company to the concrete wall in the powerhouse of the Grantor and the northerly wall of the lower mill, so-called.

BK 1156 PG 0299

PIERCE, ATWOOD, SCRIBNER, ALLEN, SMITH & LANCASTER
ONE MONUMENT SQ.
PORTLAND, MAINE
04101

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EXHIBIT B

Minutes of Special Town Meeting
ROLLINSFORD, NEW HAMPSHIRE
October 28, 1980

STATE OF NEW HAMPSHIRE, STRAFFORD, SS:

The meeting was called to order on October 28, 1980 at 7:00 p.m. The Moderator, Joseph Caouette, read the warrant and established the rules for the meeting.

At this time the Moderator brought to the group's attention that two words had been added to the warrant since it's original draft. In ARTICLE I, the word develop was added. In ARTICLE II, the word development was added.

A motion was made by Corydon Curtis, that the two words be included in their proper places. Seconded by Ovid Viel. The motion was accepted.

ARTICLE I

To see if the Town will authorize the Board of Selectmen to apply to the Federal Energy Regulatory Commission for a FERC Minor License to develop, reconstruct and operate the town-owned Hydroelectric plant in Rollinsford.

Motion was made by Corydon Curtis that the article be accepted as read,,seconded by Neal Gordon. At this time a discussion began concerning several issues pertaining to the licensing. The fact that the developers Webster & Gleason, one of the private developers who submitted a proposal, had already applied for a Minor License from the FERC was questioned. Selectmen, Edmund Jansen reported that although this was so, the Town of Rollinsford's application should take preference over the Webster & Gleason application.

Marian Aikman asked that the Chairman of the Hydroelectric Study Committee explain how the committee arrived at a decision to award the project to Seward Construction. Specifics were asked concerning monies involved, long term control, and buy back options. These questions were answered by Selectmen, Edmund Jansen. Frederick Courser, a member of the Hydro Study Committee, mentioned that the Seward Construction Co. had more flexibility if the situation of change in stream control arose.

Motion was made by Ovid Viel that Town Council, Daniel Newman, and the Seward Construction representative address the gathering to clarify many of the questions being asked. The motion was seconded by Marian Aikman. A lengthy discussion followed, and this motion was not brought to a vote.

Kevin Golden moved to allow the developers present, (all developers who submitted proposals to the committee), to speak on the issues. This motion was seconded by Albert Dionne. The Moderator interjected

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with a reminder that a special meeting had already been held by the Hydro Study Committee specificly to answer questions and inform residents of the proposals being considered from all the developers in question.

Before a vote could be taken on the motion, Robert Vaughan asked that the developers present be allowed to speak to the gathering. Town council, Daniel Newman, informed all present that not all of the developers considered for the project were in attendance, therefore, the question of legality had to be considered. If not legality, at least common courtesy.

Motion was made by Robert Vaughan to table ARTICLE I, seconded by David Landry. Vote was made by standing. Yes 30 votes - No 27 votes. The motion was carried.

ARTICLE II

To see if the Town will authorize the Selectmen to negotiate and execute a long term lease agreement with Seward Construction of Kittery, Maine, for the development, reconstruction and operation of the Town-owned Hydroelectric plant in Rollinsford, under the FERC license issued to the Town of Rollinsford.

Motion was made by Fred Green to accept the article as read, seconded by Armand LaLiberte. Motion carried, but debate began, so the Moderator ruled that the motion for a re-vote be entertained.

Paul Ayer Jr. moved that a re-vote be taken on ARTICLE II, seconded by David Landry. Motion affirmative.

Motion was made by Armand LaLiberte to vote by secret ballot on ARTICLE II, seconded by Jean Dionne. Motion was affirmative.
Results: 58 ballots cast yes 37 votes - no 21 votes

Motion was made by Robert Vaughan to vote on ARTICLE I, seconded by Neal Gordon. Motion was affirmative.

ARTICLE I was re-read for the benefit of the gathering.

Motion was made by Robert Vaughan to accept the article as read, seconded by Fred Green. Vote was affirmative.

There being no other business brought before this meeting, June Barry moved to adjourn, seconded by Edmund Jansen. Motion was carried. Meeting was adjourned at 9:50 p.m. (continued)

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Given under our hands and seal this 29th day of October, 1980.

Board of Selectmen
Rollinsford

A True Copy Attest:

BK 1156 PG 0302

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OFFICE OF
CLERK OF SUPERIOR COURT
STRAFFORD COUNTY

RICHARD H. KEEFE, CLERK
MARIE L. EDIN, DEPUTY

DOVER, NEW HAMPSHIRE
03820

SCHEDULE C

November 14, 1980

Daniel Newman, Esq.
45 Silver Street
Dover, New Hampshire 03820

Re: #10,027 John Webster v. Town of Rollinsford

Dear Sir:

On November 13, 1980 the Court made the following orders re Motions to dismiss:

"Motion to dismiss filed 11/5/80."
The petition is dismissed for the further reason that it fails to allege actual or threatened action by an insufficient number of legal voters to bind the municipality to expend money or incur debt.

Motion to dismiss filed 11/13/80.

"It is admitted at hearing that plaintiff has filed no pleading or petition with FERC seeking to raise matters addressed in petition. Except for the reason expressed on page 4 of this motion, the motion is granted and petition dismissed on this alternative ground to those noted in ruling of even date on motion to dismiss dated Nov. 4, 1980."

Very truly yours,

Richard H. Keefe

Clerk

RHK/i

cc: Ronald Willoughby, Esq.

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EXHIBIT D

SEAWARD CONSTRUCTION COMPANY, INC.
CERTIFICATE OF CLERK AS TO
ACTION OF DIRECTORS

The undersigned, being the duly elected, qualified and acting Clerk of the above-named corporation, HEREBY CERTIFIES that the following resolution or resolutions of the Board of Directors of the above-named corporation were duly and unanimously adopted by the Board of Directors of said corporation, either at a meeting thereof duly called and held at which a quorum of the Directors was present and acting throughout or by unanimous written consents of the Directors as permitted by 13-A M.R.S.A. Section 711, said resolution or resolutions having been so duly adopted on 198 , and that said resolution or resolutions have not been modified or rescinded and are still in full force and effect on the date hereof.

"RESOLVED: 1) That the President of the corporation be and hereby is authorized to execute and deliver on behalf of the corporation a certain agreement with the Town of Rollinsford, New Hampshire for redevelopment of a hydroelectric facility, a copy of which agreement is attached hereto and shall be incorporated in the minutes of this corporation; and

2) The President of the corporation be and hereby is authorized to take such other action as may be necessary to enter into and perform Seaward's obligations under said agreement."

The undersigned does HEREBY FURTHER CERTIFY that he has custody of the records of all proceedings of the Board of Directors and that if the foregoing action were taken by unanimous written consents, such consents are filed with the minutes of Directors' meetings kept by him.

IN WITNESS WHEREOF the undersigned has executed this certificate and caused the corporate seal of the above-named corporation to be hereunto affixed this 10th day of April, 1981.

David C. Seaward
Clerk

1156 PG 0304

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STATE OF MAINE
County of York, SS. April 10, 1981

Personally appeared the above-named Daniel O. Seaward Clerk of the above-named corporation and made oath that the foregoing certificate by him subscribed is true.

Before me,

Denise M. Raitt
Notary Public
Justice of the Peace

DENISE M. RAITT, Notary Public
My Commission Expires December 19, 1987

B 56 P0305

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EXHIBIT E

On , I was present at and observed the condition of the Salmon Falls Hydroelectric Station, so-called. I observed the taking of the attached photographs on that day. The attached photographs are exact representations of the condition of the Salmon Falls Hydroelectric Station, so-called, as I observed it on that day.

WITNESS:

SEAWARD CONSTRUCTION COMPANY, INC.

_____ By: _____
Its

TOWN OF ROLLINSFORD, NEW HAMPSHIRE

_____ By: _____
Its

DATED:

BK 56 PG 0306

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CURTIS THAXTER STEVENS BRODER & MICOLEAU
ONE CANAL PLAZA • PORTLAND, MAINE 04112
ATTORNEYS AT LAW
(207) 775-2361

SIDNEY W. THAXTER (1914-1977)

KENNETH M. CURTIS*
ROBERT E. STEVENS
SIDNEY ST. F. THAXTER
JAMES N. BRODER
CHARLES J. MICOLEAU
JOHN W. BERNOTAVICZ
MICHAEL B. PEISNER
SHARON M. LAWRENCE
LAWRENCE C. WALDEN
NANCY C. ZIEGLER
D. MICHAEL FRINK
JOHN D. GLEASON
STEPHEN E. CHAMPAGNE
KIMBALL L. KENWAY

OF COUNSEL
WALTER E. COREY, III

*ON LEAVE OF ABSENCE

AUGUSTA OFFICE
181 STATE STREET
P.O. BOX 5307
AUGUSTA, ME 04330
(207) 626-0388

June 11, 1987

Selectmen
Town of Rollinsford
Rollinsford, New Hampshire

Dear Selectmen:

The Town of Rollinsford signed an agreement with Seaward Construction Company, Inc. on April 10, 1981, which granted an interest in certain real estate and other property known as the Salmon Falls Hydroelectric Station (the "Project"). The lease was assigned to Salmon Falls Associates ("Lessee"), a Maine limited partnership, with the consent of the Town given on August 12, 1983. Subsequently, Lessee acquired the Seaward Facilities by Bill of Sale on October 21, 1983.

The Town of Rollinsford and Lessee entered a Project Agreement on October 3, 1986 to formalize and clarify their relationship in connection with the operation of the Project under the lease and in accordance with the terms and conditions of the license, Project No. 3777, issued to the Town by the Federal Energy Regulatory Commission on September 18, 1981. As you know, the partnership interests in Lessee were sold to Consolidated Hydro, Inc. ("CHI") on October 3, 1986.

CHI intends to reduce the number of its subsidiaries for administrative simplicity, without impairing in any way any obligations to third parties, including the Town of Rollinsford. The only steps involving a change of name of Lessee or its partners will be as follows:

1. Lessee's general partner, Rollinsford Hydro, Inc. will be merged into Consolidated Hydro New Hampshire, Inc. ("CHNH") in the type of merger where all attributes of the original corporations, including all obligations, survive as part of the surviving corporation.

2. Lessee's limited partner, CHI Universal, Inc. will contribute its interest to CHNH.

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3. As a result of Step 2, CHNH will remain the only partner of Lessee. By operation of law, this will cause Lessee to be dissolved with all of its interests and obligations passing to CHNH.

Lessee's obligations to the Town of Rollinsford under the lease and Project Agreement will never be impaired in the above steps, and actual ownership will not change at all. I have enclosed a copy of CHI's 1986 annual report for your information.

While CHNH will ultimately own at least two other projects currently owned by other CHI subsidiaries, the power production lease, environmental and other operational records will continue to be maintained on a project-by-project basis.

If you have no objection to the above, we would greatly appreciate it if you would sign the consent below and return an executed copy to me at your earliest convenience, before the end of June if at all possible. After we receive such consent, we will let you know when the transactions have been completed.

Very truly yours,

Michael B. Peisner

Michael B. Peisner, attorney for
CHI and its subsidiaries

Town of Rollinsford,
New Hampshire

By: Grace L. Joncas
Edmund F. Jansen Jr.
Thomas G. Mansfield Sr.

Duly Authorized as its Selectmen

Dated: June 30, 1987

cc: Mr. Olof S. Nelson, President of CHI
John W. Bernotavicz, Esq.
Mr. Michael J. Alessi

CAE5D

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