

**STOCK TRANSFER AND  
CORPORATE RESTRUCTURING AGREEMENT**

THIS AGREEMENT is made and entered into this \_\_\_\_ day of **June, 2010**, by and between the Town of Hanover, a municipality incorporated under the laws of New Hampshire (“Hanover”) and Trustees of Dartmouth College, a private non-profit corporation and institution of higher learning duly created by Royal Charter and existing under the laws of New Hampshire (“Dartmouth”).

WHEREAS, Dartmouth is the owner of 818 shares of capital stock of Hanover Water Works Company, a New Hampshire corporation with offices at 41 Grasse Road, Hanover, New Hampshire (the “Company”), equal to 52.8% of the outstanding shares of capital stock of the Company;

WHEREAS, Hanover is the owner of 732 shares of capital stock of the Company, equal to 47.2% of the outstanding shares of capital stock of the Company;

WHEREAS, pursuant to the Purchase Agreement by and between the Company and Hanover dated of even date herewith (the “Purchase Agreement”), the Company has agreed to sell, and Hanover has agreed to purchase, the reservoirs, water treatment, and water distribution system of the Company;

WHEREAS, after the consummation of the transactions contemplated by the Purchase Agreement, the Company will continue to hold certain lands surrounding the water supply reservoirs, which comprise a part of the watershed for the water supply reservoirs;

WHEREAS, as a condition to the closing of the transactions contemplated by the Purchase Agreement, Hanover has agreed to deliver a certain agreement to Dartmouth in substantially in the form attached as Exhibit A (the “Water Service Agreement”), pursuant to which Hanover will agree to provide water service to Dartmouth at rates no less favorable than the rates charged to similarly situated customers;

WHEREAS, as a condition to the closing of the transactions contemplated by the Purchase Agreement, the Company shall be reorganized so that Dartmouth and Hanover shall each hold 50% of the outstanding shares of capital stock of the Company after the Closing, as that term is defined in the Purchase Agreement; and

WHEREAS, in order to facilitate the transactions contemplated by the Purchase Agreement, and in consideration of Hanover’s undertaking to provide Dartmouth with water service in accordance with the Water Service Agreement, Dartmouth desires to sell to Hanover, and Hanover desires to purchase from Dartmouth, 43 shares of capital stock of the Company, upon the terms and subject to conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the foregoing and the respective representations, warranties, covenants, agreements and conditions hereinafter set forth, and intending to be legally bound hereby, the parties hereto agree as follows:

## ARTICLE I

### TRANSFER OF SHARES

1.1 Shares to be Transferred. Upon the terms and subject to the conditions contained herein, at the Closing (as hereinafter defined), Dartmouth shall sell and transfer to Hanover, and Hanover shall purchase and accept from Dartmouth, 43 shares of the Company's capital stock (the "Shares").

1.2 Consideration. Upon the terms and subject to the conditions contained herein and in consideration of, and in full payment for, the aforesaid sale and transfer of the Shares, at the Closing, Hanover shall deliver or cause to be delivered to Dartmouth the Water Service Agreement.

1.3 Closing. The closing of the transactions contemplated by this Agreement (the "Closing") shall occur simultaneously with the closing of the transaction contemplated by the Purchase Agreement and will take place at the offices of McLane, Graf, Raulerson & Middleton, Professional Association, 900 Elm Street, Manchester, New Hampshire at 10:00 A.M., local time, on June 30, 2010 or at such other time and place as the parties may agree. The date and time at which the Closing actually occurs is referred to herein as the "Closing Date."

1.4 Deliveries by Dartmouth. On the Closing Date, Dartmouth shall deliver or cause to be delivered the following:

(a) One or more stock certificates evidencing the Shares duly endorsed in blank or accompanied by stock powers duly executed in blank, in proper form for transfer and with all requisite stock transfer stamps attached;

(b) The Amended and Restated Articles of Incorporation of the Company, and the Amended and Restated Bylaws of the Company, in the form attached as Exhibit B and Exhibit C, together with the appropriate resolutions permitting the adoption of the same, and Articles of Amendment in form sufficient for filing with the New Hampshire Secretary of State;

(c) Such other instruments or documents as may be reasonably necessary to carry out the transactions contemplated by this Agreement and to comply with the terms hereof.

1.5 Deliveries by Hanover. On the Closing Date, Hanover shall deliver or cause to be delivered the following:

(a) The letter agreement in the form attached as Exhibit A;

(b) The Amended and Restated Articles of Incorporation of the Company, and the Amended and Restated Bylaws of the Company, in the form attached as Exhibit B and Exhibit C, respectively, together with the appropriate resolutions permitting the adoption of the same, and Articles of Amendment in form sufficient for filing with the New Hampshire Secretary of State; and

(c) Such other instruments or documents as may be reasonably necessary to carry out the transactions contemplated by this Agreement and to comply with the terms hereof.

## ARTICLE II

### REPRESENTATIONS AND WARRANTIES OF DARTMOUTH

Dartmouth hereby represents and warrants to Hanover as follows:

2.1 Organization. Dartmouth is a private non-profit corporation duly created by Royal Charter, and is validly existing under the laws of the State of New Hampshire. The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of New Hampshire and has the corporate power and authority to own or lease its properties and to carry on its business as it is presently being conducted.

2.2 Authorization. Dartmouth has the requisite power and authority (corporate and otherwise) to enter into this Agreement and the other agreements, documents and instruments to be executed and delivered by Dartmouth pursuant hereto (the “Additional Dartmouth Documents”) and to carry out the transactions contemplated hereby and thereby. The execution, delivery and performance of this Agreement and the Additional Dartmouth Documents and the consummation of the transactions contemplated hereby and thereby have been duly authorized by the Board of Trustees of Dartmouth, and no other corporate or other proceedings on the part of Dartmouth is necessary to authorize this Agreement and the Additional Dartmouth Documents and the transactions contemplated hereby and thereby. When fully executed and delivered, this Agreement and each of the Additional Dartmouth Documents will constitute the valid and binding agreements of Dartmouth, enforceable against Dartmouth in accordance with their respective terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, moratorium or other similar laws affecting or relating to enforcement of creditors’ rights generally or general principles of equity.

2.3 Capitalization. The authorized capital stock of the Company consists of 1,550 Shares, all of which are issued and outstanding. All such outstanding Shares have been validly issued, are fully paid, nonassessable and free of any preemptive rights with respect thereto.

2.4 Ownership of Shares. Dartmouth has, and at the Closing, after making the required deliveries hereunder, Hanover will acquire, good and valid title to the Shares, free and clear of any lien, charge, encumbrance, security interest, claim or right of others of whatever nature.

2.5 Consents and Approvals; Non-Contravention. Neither the execution, delivery or perform of this Agreement or any of the Additional Dartmouth Documents nor the consummation by Dartmouth and the Company of the transactions contemplated hereby or thereby nor compliance by Dartmouth and the Company with any of the provisions hereof or thereof will (a) violate any provision of the charter or other organizational documents of Dartmouth or the Company, (b) require any filing with, or permit, authorization, consent or approval of, any court, arbitral tribunal, administrative agency or commission or other governmental or regulatory authority or agency (a “Governmental Entity”), (c) violate any order, writ, injunction, decree, statute, rule or regulation applicable to Dartmouth or the Company or any of their respective properties or assets, or (d) result in a violation or breach of, or constitute (with or without notice or lapse of time or both) a default (or give rise to any right of termination, amendment, cancellation or acceleration or any loss of a material benefit) under, or result in the creation or imposition of (or the obligation to create or impose) any security interest, lien or other encumbrance upon any property or assets of the Company under, any note, bond, mortgage, indenture, lease, license, contract, agreement or other instrument or obligation to which the Company is a party or by which the Company or any of its properties or assets may be bound.

### ARTICLE III

#### REPRESENTATIONS AND WARRANTIES OF HANOVER

Hanover hereby represents and warrants to Dartmouth hereof as follows:

3.1 Organization. Hanover is a municipal corporation duly organized and validly existing under the laws of the State of New Hampshire.

3.2 Authorization. Hanover has the requisite power and authority (corporate, municipal and otherwise) to enter into this Agreement and the other agreements, documents and instruments to be executed and delivered by Hanover pursuant hereto (the “Additional Hanover Documents”) and to carry out the transactions contemplated hereby and thereby. The execution, delivery and performance of this Agreement and the Additional Hanover Documents and the consummation of the transactions contemplated hereby and thereby have been duly authorized by Hanover, and no other corporate, municipal or other proceedings on the part of Hanover are necessary to authorize this Agreement and the Additional Hanover Documents and transactions contemplated hereby and thereby. When fully executed and delivered, this Agreement and each of the Additional Hanover Documents will constitute the valid and binding agreements of Hanover, enforceable against Hanover in accordance with their respective terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, moratorium or other similar laws affecting or relating to enforcement of creditors’ rights generally or general principles of equity.

3.3 Consents and Approvals; Non-Contravention. Neither the execution, delivery or performance of this Agreement or any of the Additional Hanover Documents by Hanover nor the consummation by Hanover of the transactions contemplated hereby or thereby

nor compliance by Hanover with any of the provisions hereof or thereof will (a) violate any provision of the Charter or other organizational documents of Hanover, (b) require any filing with, or permit, authorization, consent or approval of, any Governmental Entity or (c) violate any order, writ, injunction, decree, statute, rule or regulation applicable to Hanover or any of its properties or assets.

## ARTICLE IV

### ADDITIONAL AGREEMENTS

4.1 Consents and Approvals. Each of Hanover and Dartmouth shall, and Dartmouth shall cause the Company to, take all reasonable actions necessary to comply promptly with all legal requirements which may be imposed on itself with respect to the transactions contemplated hereby (which actions shall include, without limitation, furnishing all information required in connection with approvals of or filings with any other Governmental Entity) and will promptly cooperate with and furnish information to each other in connection with any such requirements imposed on any of them in connection with the transactions contemplated hereby. Hanover and Dartmouth shall, and Dartmouth shall cause the Company to, take all reasonable actions necessary to obtain (and shall cooperate with each other in obtaining) any consent, authorization, order or approval of, or any exemption by, any Governmental Entity or other public or private third party, required to be obtained or made by Hanover, Dartmouth or the Company in connection with the transactions contemplated hereby.

4.2 Further Assurances. From time to time after the Closing Dartmouth will execute and deliver such further documents and instruments, and use all reasonable efforts to obtain any licenses, permits, waivers, consents, authorizations, qualifications and orders of Governmental Entities or other persons or entities as Hanover shall reasonably request to vest good and valid title in the Shares to Hanover.

## ARTICLE V

### CONDITIONS PRECEDENT TO HANOVER'S OBLIGATIONS

All obligations of Hanover to consummate the transactions contemplated by this Agreement are subject to the satisfaction or waiver prior to or at the Closing of the following conditions:

5.1 Performance of Obligations; Representations and Warranties. Dartmouth and the Company shall have performed all obligations contained herein to be performed by Dartmouth and the Company at or prior to the Closing and the representations and warranties of Dartmouth contained herein shall be true and accurate on and as of the date of this Agreement and on and as of the Closing Date as if made on and as of such date.

5.2 No Pending Action. No action, suit, inquiry, proceeding or investigation shall be pending or threatened by or before any Governmental Entity to restrain, prohibit, collect damages arising out of or otherwise challenge the legality of this Agreement or the transactions contemplated hereby.

5.3 Regulatory Approvals. All authorizations, approvals, consents and waivers of any Governmental Entity, the lack of which prior to the Closing, under applicable law, rule or regulation, would render legally impermissible the transactions contemplated by this Agreement or which might result in a limitation of the benefit expected to be derived by Hanover as a result of the transactions contemplated hereby or might adversely affect the Company or Hanover or any of Hanover's affiliates, shall have been obtained and shall not be terminated, suspended or withdrawn.

5.4 Delivery of Reorganization Documents. Dartmouth shall have executed and delivered the following documents:

5.5 Joint Unanimous Written Consent of the Shareholders and Directors of the Company in the form attached as Exhibit D authorizing the adoption of Amended and Restated Articles of Incorporation and Amended and Restated Bylaws of the Company;

5.6 Amended and Restated Articles of Incorporation of the Company in the form attached as Exhibit B;

5.7 Amended and Restated Bylaws of the Company in the form attached as Exhibit C; and

5.8 Articles of Amendment to be filed with the New Hampshire Secretary of State adopting the Amended and Restated Articles of Incorporation (the documents described in sections 6.4.1 through 6.4.4 are referred to herein as the "Reorganization Documents").

5.9 The transactions contemplated by the Purchase Agreement shall have been completed in accordance with the terms thereof.

## ARTICLE VI

### CONDITIONS PRECEDENT TO DARTMOUTH'S OBLIGATIONS

All obligations of Dartmouth to consummate the transactions contemplated by this Agreement are subject to the satisfaction or waiver prior to or at the Closing of the following conditions:

6.1 Performance of Obligations; Representations and Warranties. Hanover shall have performed all obligations contained herein to be performed by Hanover at or prior to the Closing and the representations and warranties of Hanover contained herein shall be true and accurate on and as of the date of this Agreement and on and as of the Closing Date as if made on and as of such date.

6.2 No Pending Action. No action, suit, inquiry, proceeding or investigation shall be pending or threatened by or before any Governmental Entity to restrain, prohibit, collect damages arising out of or otherwise challenge the legality of this Agreement or the transactions contemplated hereby.

6.3 Regulatory Approvals. All authorizations, approvals, consents and waivers of any Governmental Entities, the lack of which prior to the Closing, under applicable law, rule or regulation, would render legally impermissible the transactions contemplated by this Agreement or which might result in a material limitation of the benefit expected to be derived by Dartmouth as a result of the transactions contemplated hereby, shall have been obtained and shall not be terminated, suspended or withdrawn.

6.4 Hanover shall have executed and delivered the Reorganization Documents.

6.5 Hanover shall have executed and delivered the Water Service Agreement.

6.6 The transactions contemplated by the Purchase Agreement shall have been completed in accordance with the terms thereof.

## ARTICLE VII

### SURVIVAL

All representations and warranties contained in this Agreement shall survive the Closing.

## ARTICLE VIII

### TERMINATION OF PRIOR CLOSING

8.1 Termination of Agreement. This Agreement and the transactions contemplated hereby may be terminated by notice to the other party prior to the Closing Date, as follows:

(a) By mutual written consent of Hanover and Dartmouth;

(b) By Dartmouth or Hanover (the "Terminating Party") in the event any of the conditions precedent to the obligation of the Terminating Party set forth in this Agreement are not fulfilled in any material respect as of the Closing Date specified in Section 1.03; or

(c) By Dartmouth or Hanover, if the Closing has not occurred on or before June 30, 2010 and this Agreement has not previously been terminated; provided, however, that the right to terminate the Agreement under this Section 9.01(c) shall not be available to any party whose failure to fulfill any obligation under this Agreement has been the cause of, or resulted in the failure of the Closing to occur on or before such date.

8.2 Effect of Termination. In the event this Agreement is terminated pursuant to Section 9.01 hereof, this Agreement shall become wholly void and of no force or effect, without any liability or further obligation on the part of Dartmouth or Hanover.

## ARTICLE IX

### GENERAL PROVISIONS

9.1 Amendment and Waiver. No amendment of any provision of this Agreement shall in any event be effective, unless the same shall be in writing and signed by the parties hereto. Any failure of any party to comply with any obligation, agreement or condition hereunder may only be waived in writing by the other party but such waiver shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure. No failure by any party to take any action against any breach of this Agreement or default by the other party shall constitute a waiver of such party's right to enforce any provision hereof or to take any such action.

9.2 Expenses. Each of the parties hereto agrees to pay all costs and expenses incurred by it in connection with this Agreement and the transactions contemplated hereby, including without limitation the fees of its counsel, consultants and accountants.

9.3 Broker's and Finder's Fees. Dartmouth hereby represents and warrants to Hanover with respect to Dartmouth and the Company, and Hanover hereby represents and warrants to Dartmouth with respect to Hanover, that no person or entity is entitled to receive from Dartmouth or the Company, on the one hand, or from Hanover, on the other hand, any investment banking, brokerage or finder's fee or fees for financial consulting or advisory services in connection with this Agreement or the transactions contemplated hereby.

9.4 Notices. All notices, requests and other communications hereunder shall be in writing and shall be deemed given if delivered personally, telecopied (which is confirmed) or mailed by registered or certified mail (return receipt requested) to the parties at the following addresses (or at such other address for a party as shall be specified by like notice):

(a) If to Hanover:

Town of Hanover  
41 South Main Street  
Hanover, NH 03755  
Attention: Julia N. Griffin, Town Manager

Tel.: (603) 643 0701

Fax: (603) 398 9899

With a copy to:

Walter L. Mitchell, Esq.  
Mitchell Municipal Group, P.A.  
25 Beacon Street East  
Suite 2  
Laconia, NH 03246

Tel.: (603) 524 3885  
Fax: (603) 524 0745

(b) If to Dartmouth:

Office of the President  
Dartmouth College  
Parkhurst Hall  
North Main Street  
Hanover, NH 03755

With a copy to:

Office of the General Counsel  
Dartmouth College  
14 South Main Street  
Suite 2-C  
Hanover, NH 03755  
Attention: Robert B. Donin, General Counsel

Tel.: 603 646-2444  
Fax: 603 646-2447

And in each case, with additional copies to:

Sarah B. Knowlton, Esq.  
McLane, Graf, Raulerson & Middleton,  
Professional Association  
100 Market Street  
Suite 301  
Portsmouth, NH 03802-0459

Tel.: (603) 334 6928  
Fax: (603) 436 5672

Michael B. Tule, Esq.  
McLane, Graf, Raulerson & Middleton  
Professional Association  
900 Elm Street  
P.O. Box 326  
Manchester, NH 03105-0326

Tel: (603) 628 1290

Fax: (603) 625 5650

9.5 Miscellaneous. This Agreement and the documents referred to herein (a) constitute the entire agreement and supersede all other agreements and understandings, both written and oral, between the parties with respect to the subject matter hereof [(provided that the Confidentiality Agreement shall survive the execution of this Agreement)], (b) shall not be assigned by either party (by operation of law or otherwise) without the prior written consent of the other party, except that Hanover may assign, in its sole discretion, any of its rights, interests and obligations hereunder to any affiliate of Hanover; provided, however, that no such assignment shall relieve Hanover of its obligations hereunder, and (c) shall be governed by and be construed in accordance with the laws of the State of Delaware, without giving effect to the principles thereof relating to conflicts of laws.

9.6 Parties in Interest. This Agreement shall be binding upon and inure solely to the benefit of each party hereto and their respective successors and assigns, and nothing in this Agreement, express or implied, is intended to confer upon any other person any rights or remedies of any nature whatsoever under or by reason of this Agreement.

9.7 Counterparts. This Agreement may be executed in any number of counterparts and by the different parties hereto on separate counterparts, each of which when so executed and delivered shall be deemed an original, but all of which together shall constitute one and the same instrument.

9.8 Headings. The section and other headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

9.9 Severability. In case any term, provision, covenant or restriction of this Agreement is held to be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining terms, provisions, covenants or restrictions, or of such term, provision, covenant or restriction in any other jurisdiction, shall not in any way be affected or impaired thereby.

*[Signature page follows]*

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their respective officers thereunto duly authorized as of the date first written above.

TOWN OF HANOVER, NEW HAMPSHIRE

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

DARTMOUTH COLLEGE

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

*[Signature Page - Stock Transfer and Corporate Reorganization Agreement]*