

[date]

Board of Selectmen
Att'n: Brian Walsh (Chair)
Town of Hanover
Hanover, NH 03755

Re: Hanover Water Works Company, Inc. Municipalization

Dear Brian:

This letter sets forth the agreement ("Agreement") between the Town of Hanover ("the Town") and Trustees of Dartmouth College ("Dartmouth") concerning the supply of water and the rates to be charged Dartmouth by the Town for water service upon the municipalization of the Hanover Water Works Company, Inc. water service assets by the Town.

In consideration for Dartmouth's consent, as the majority shareholder of Hanover Water Works Company, Inc. ("HWW"), to the municipalization of HWW's water system assets, and other good and valuable consideration, the Town and Dartmouth agree as follows:

1. Water Rates. As at present, (a) the water rates for all customers of the Town-operated water system, established in accordance with RSA 38:28 (as it may be amended or replaced) (the "Water Rates"), shall be based upon the consumption of water at premises connected to the system; and (b) the Water Rates to be charged Dartmouth by the Town-operated water system shall be no less favorable than the most favorable Water Rates that the Town charges any other water customer. The foregoing represents a continuation of the current basis of payment by Dartmouth for water provided by HWW and is a material part of the consideration for this Agreement. Whether a Water Rate charged Dartmouth is less favorable than a rate charged another customer shall be determined on a unit price basis for water consumed without differentiation among categories of users or the purpose for which water is purchased, and without consideration of: i) the size of the water system connection(s) at premises owned or occupied by Dartmouth or, ii) the aggregate quantity of water consumed at any individual premises or at all premises owned or occupied by Dartmouth.
2. Assessments for Water Supply. Any and all assessments upon persons served by the Town-operated water system for the costs of constructing, acquiring and operating the system or paying any capital debt or interest incurred for the system, assessed in accordance with RSA 38:28 (as it may be amended or replaced), shall be determined on an equitable basis. Dartmouth's share of any such assessment(s) shall be no greater than the pro-rata share of the quantity of water consumed at all premises owned or operated by Dartmouth in comparison to the aggregate quantity of water supplied by the Town-operated water system over a specified period of one or more full calendar years.
3. Term. The term of this agreement shall be perpetual. This Agreement may be amended, modified or supplemented only by written agreement of the Town and Dartmouth.

4. Authority. The parties represent that they have full corporate power and authority to execute and deliver this Agreement. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly and validly authorized by the Board of Selectmen of the Town and the Board of Trustees of Dartmouth and no other corporate proceedings on the part of the Town or Dartmouth are necessary to authorize this Agreement or to consummate the transactions contemplated hereby. This Agreement has been duly and validly executed and delivered by the Town and Dartmouth and constitutes a valid and binding agreement of the Town and Dartmouth, enforceable against the parties in accordance with its 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.
5. Consents and Approvals; No Violation. This Agreement constitutes a discrete and non-severable portion of the consideration to be paid by the Town in connection with the HWW municipalization. The execution and delivery of this Agreement will not (i) conflict with or result in any breach of any provision of law or any governing document of the parties, (ii) require any consent, approval, authorization or permit of, or filing with or notification to, any governmental or regulatory authority, or (iii) result in a default (or give rise to any right of termination, cancellation or acceleration) under any of the terms, conditions or provisions of any note, bond, mortgage, indenture, agreement, lease or other instrument or obligation to which either the Town or Dartmouth is a party or by which any of their respective assets may be bound, except for such defaults (or rights of termination, cancellation or acceleration) as to which requisite waivers or consents have been obtained.
6. Assignment. This Agreement and all of the provisions hereof shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns, but neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any party hereto, including by operation of law without the prior written consent of the other party, nor is this Agreement intended to confer upon any other person except the parties hereto any rights or remedies hereunder.
7. Entire Agreement. This Agreement, together with the documents executed by the parties in connection with the municipalization of HWW, constitutes the entire agreement and understanding of the parties hereto in respect of the transactions contemplated by this Agreement. There are no restrictions, promises, representations, warranties, covenants or undertakings, other than those expressly set forth or referred to herein or therein. This Agreement, together with the documents executed by the parties in connection with the municipalization of HWW, supersedes all prior agreements and understandings between the parties with respect to such transactions.
8. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New Hampshire as to all matters, including but not limited to matters of validity, construction, effect, performance and remedies.

If the foregoing terms correctly reflect our Agreement, please indicate the Town's agreement by signing the two enclosed copies of this Agreement in the space indicated below and returning one fully executed copy of to me.

Thank you.

TRUSTEES OF DARTMOUTH COLLEGE

By: _____
Adam Keller, Executive Vice President for Finance
and Administration

AGREED:

TOWN OF HANOVER

By: _____
Brian Walsh, Chairman
Board of Selectmen

Date: _____