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## Lease Agreement

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This Lease Agreement ("Lease") is made and effective as of January 1, 2021, by and between Unitil Energy Systems, Inc. ("Lessor") and Unitil Realty Corp. ("Lessee"). Lessor is the owner of land and improvements located at 30 Energy Way, Exeter, New Hampshire (the "Property"). Lessor desires to lease a portion of the Property to Lessee, and Lessee desires to lease the same from Lessor for the term, at the rental and upon the covenants, conditions and provisions herein set forth.

NOW THEREFORE, in consideration of the mutual promises herein contained and other good and valuable consideration, the parties hereto agree as follows:

### 1. Term.

A. Lessor hereby leases that portion of the Property indicated as USC in the Area Legend on the site plan appended hereto as Exhibit A (the "Leased Premises") to Lessee, and Lessee hereby leases the Leased Premises from Lessor, subject to and together with all easements, covenants, restrictions and encumbrances of record for an "Initial Term" beginning January 1, 2021 (the "Commencement Date") and ending December 31, 2030 (the "Termination Date"). Lessee takes the Leased Premises "AS IS", both as to title and physical condition, there being no representations or warranties by Lessor concerning the title to or physical condition of the Leased Premises, except as expressly provided in this Lease.

B. Lessee may renew the Lease for one extended term of ten (10) years. Lessee shall exercise such renewal option, if at all, by giving written notice to Lessor not less than ninety (90) days prior to the Termination Date. The renewal term shall be at the rental set forth below and otherwise upon the same covenants, conditions and provisions as provided in this Lease.

### 2. Rental.

Lessee shall pay to Lessor a rental amount equal to the annual Total Cost of Service of the Leased Premises, in equal monthly installments, on or before the first of each month. As of the Commencement Date, the annual Total Cost of Service of the Leased Premises is set forth in Exhibit C appended hereto and made a part hereof. The annual Total Cost of Service shall be updated on January 1 of each year of the Initial Term and any extension thereof. The Total Cost of Service shall be determined by Lessor in a manner that is substantially similar to the calculation set forth in Exhibit C.

### 3. Use

The Lessee shall use the Leased Premises only for a service center and general office purposes provided, however, that Lessee may use the Leased Premises for other lawful purposes with the prior written consent of the Lessor. Notwithstanding the forgoing, Lessee shall not use the Leased Premises for the purposes of storing, manufacturing,

selling or disposing of hazardous substances, hazardous wastes, or any explosives, flammables or other inherently dangerous substance, chemical, thing or device.

#### **4. Sublease and Assignment.**

Lessee shall have the right without Lessor's consent but after a minimum ten day written notice to Lessor, to assign this Lease to a corporation with which Lessee may merge or consolidate, to any subsidiary of Lessee, to any corporation under common control with Lessee, or to a purchaser of substantially all of Lessee's assets. Except as set forth above, Lessee shall not sublease all or any part of the Leased Premises, or assign this Lease in whole or in part without Lessor's consent, such consent not to be unreasonably withheld or delayed.

#### **5. Repairs.**

During the Initial Term and any extensions thereof, Lessee shall be responsible for all repairs and replacements to the Leased Premises necessary to keep the Leased Premises clean and in first-class condition and repair. All repairs and replacements shall be in accordance with all present and future laws, regulations, codes and ordinances.

#### **6. Alterations and Improvements.**

Lessee shall have the right following Lessor's consent to remodel, redecorate, and make additions, improvements and replacements of and to all or any part of the Leased Premises from time to time as Lessee may deem desirable, provided the same are made in a workmanlike manner and utilizing good quality materials. Lessee shall have the right to place and install personal property, trade fixtures, equipment and other temporary installations in and upon the Leased Premises. All personal property, equipment, machinery, trade fixtures and temporary installations, whether acquired by Lessee at the commencement of the Initial Term or placed or installed on the Leased Premises by Lessee thereafter, shall remain Lessee's property free and clear of any claim by Lessor. Lessee shall have the right to remove the same at any time during the term of this Lease provided that all damage to the Leased Premises caused by such removal shall be repaired by Lessee at Lessee's expense.

#### **7. Property Taxes.**

Lessee shall be responsible for all taxes imposed upon its business operations, its personalty, and any fixtures or appurtenances included as part of the Leased Premises. In addition, Lessee shall be responsible for all real estate taxes assessed against the Leased Premises.

#### **8. Insurance.**

A. If the Leased Premises is damaged by fire or other casualty resulting from any act or negligence of Lessee or any of Lessee's agents, employees or invitees, rent shall not be diminished or abated while such damages are under repair, and Lessee shall be responsible for the costs of repair not covered by insurance.

B. Lessee shall maintain fire and extended coverage insurance on the Leased Premises in such amounts as Lessor shall deem appropriate. Lessee shall be responsible for fire and extended coverage insurance on all of its personal property, including removable trade fixtures, located in the Leased Premises.

C. As of the Commencement Date, Lessee and Lessor are named insureds in a certain commercial general liability insurance policy and/or excess liability Insurance policy with respect to their activities at the Leased Premises. Lessee and Lessor each agree to maintain such insurance continuously throughout the Initial Term of this Lease and any extension thereof in amounts and on terms and conditions reasonably acceptable to each party.

**9. Utilities.**

Lessee shall be responsible for all charges for water, sewer, gas, electricity, telephone, cable, internet and other services and utilities used by Lessee at the Leased Premises during the term of this Lease.

**10. Signs.**

Following Lessor's consent, Lessee shall have the right to place on the Leased Premises, at locations selected by Lessee, any signs which are permitted by applicable zoning ordinances and private restrictions. Lessor may refuse consent to any proposed signage that is in Lessor's opinion too large, deceptive, unattractive or otherwise inconsistent with or inappropriate to the Leased Premises or use of any other Lessee. Lessor shall assist and cooperate with Lessee in obtaining any necessary permission from governmental authorities or adjoining owners and occupants for Lessee to place or construct the foregoing signs. Lessee shall repair all damage to the Leased Premises resulting from the removal of signs installed by Lessee.

**11. Entry.**

Lessor shall have the right to enter upon the Leased Premises at reasonable hours to inspect the same, make repairs, or show the Leased Premises provided Lessor shall not thereby unreasonably interfere with Lessee's business at the Leased Premises.

**12. Parking.**

During the term of this Lease, Lessee shall have the non-exclusive use in common with Lessor, their guests and invitees, of the non-reserved common automobile parking areas, driveways, and footways, subject to rules and regulations for the use thereof as prescribed from time to time by Lessor. Lessor reserves the right to designate parking areas within a reasonable proximity of the building, for Lessee and Lessee's agents and employees.

**13. Damage and Destruction.**

Subject to Section 8 A. above, if the Leased Premises or any part thereof or any appurtenance thereto is so damaged by fire, casualty or structural defects that the same cannot be used for Lessee's purposes, then Lessee shall have the right within ninety

(90) days following damage to elect by notice to Lessor to terminate this Lease as of the date of such damage. In the event of minor damage to any part of the Leased Premises, and if such damage does not render the Leased Premises unusable for Lessee's purposes, Lessor shall promptly repair such damage at the cost of the Lessor. In making the repairs called for in this paragraph, Lessor shall not be liable for any delays resulting from strikes, governmental restrictions, inability to obtain necessary materials or labor or other matters which are beyond the reasonable control of Lessor. Lessee shall be relieved from paying rent and other charges during any portion of the Lease term that the Leased Premises are inoperable or unfit for occupancy, or use, in whole or in part, for Lessee's purposes. Rentals and other charges paid in advance for any such periods shall be credited on the next ensuing payments, if any, but if no further payments are to be made, any such advance payments shall be refunded to Lessee. The provisions of this paragraph extend not only to the matters aforesaid, but also to any occurrence which is beyond Lessee's reasonable control and which renders the Leased Premises, or any appurtenance thereto, inoperable or unfit for occupancy or use, in whole or in part, for Lessee's purposes.

#### **14. Default.**

If default shall at any time be made by Lessee in the payment of rent when due to Lessor as herein provided, and if said default shall continue for fifteen (15) days after written notice thereof shall have been given to Lessee by Lessor, or if default shall be made in any of the other covenants or conditions to be kept, observed and performed by Lessee, and such default shall continue for thirty (30) days after notice thereof in writing to Lessee by Lessor without correction thereof then having been commenced and thereafter diligently prosecuted, Lessor may declare the term of this Lease ended and terminated by giving Lessee written notice of such intention, and if possession of the Leased Premises is not surrendered, Lessor may reenter said premises. Lessor shall have, in addition to the remedy above provided, any other right or remedy available to Lessor on account of any Lessee default, either in law or equity. Lessor shall use reasonable efforts to mitigate its damages.

#### **15. Quiet Possession.**

Lessor covenants and warrants that upon performance by Lessee of its obligations hereunder, Lessor will keep and maintain Lessee in exclusive, quiet, peaceable and undisturbed and uninterrupted possession of the Leased Premises during the term of this Lease.

#### **16. Condemnation.**

If any legally, constituted authority condemns the Leased Premises or such part thereof which shall make the Leased Premises unsuitable for leasing, this Lease shall cease when the public authority takes possession, and Lessor and Lessee shall account for rental as of that date. Such termination shall be without prejudice to the rights of either party to recover compensation from the condemning authority for any loss or damage caused by the condemnation. Neither party shall have any rights in or to any award made to the other by the condemning authority.



**17. Subordination.**

Lessee accepts this Lease subject and subordinate to any mortgage, deed of trust or other lien presently existing or hereafter arising upon the Leased Premises, and to any renewals, refinancing and extensions thereof, but Lessee agrees that any such mortgagee shall have the right at any time to subordinate such mortgage, deed of trust or other lien to this Lease on such terms and subject to such conditions as such mortgagee may deem appropriate in its discretion. Lessor is hereby irrevocably vested with full power and authority to subordinate this Lease to any mortgage, deed of trust or other lien now existing or hereafter placed upon the Leased Premises, and Lessee agrees upon demand to execute such further instruments subordinating this Lease or attorning to the holder of any such liens as Lessor may request. In the event that Lessee should fail to execute any instrument of subordination herein required to be executed by Lessee promptly as requested, Lessee hereby irrevocably constitutes Lessor as its attorney-in-fact to execute such instrument in Lessee's name, place and stead, it being agreed that such power is one coupled with an interest. Lessee agrees that it will from time to time upon request by Lessor execute and deliver to such persons as Lessor shall request a statement in recordable form certifying that this Lease is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as so modified), stating the dates to which rent and other charges payable under this Lease have been paid, stating that Lessor is not in default hereunder (or if Lessee alleges a default stating the nature of such alleged default) and further stating such other matters as Lessor shall reasonably require.

**18. Reserved.**

**19. Notice.**

Any notice required or permitted under this Lease shall be in writing and deemed sufficiently given or served when hand-delivered to the party to be given such notice or on the first business day following the day such notice is sent by overnight mail or other overnight delivery service, addressed as follows:

If to Lessor to:

Unitil Energy Systems, Inc.  
6 Liberty Lane West  
Hampton, NH 03842

If to Lessee to:

Unitil Realty Corp.  
6 Liberty Lane West  
Hampton, NH 03842

Lessor and Lessee shall each have the right from time to time to change the place notice is to be given under this paragraph by written notice thereof to the other party.

20. **Brokers.**

Lessee represents that Lessee was not shown the Leased Premises by any real estate broker or agent and that Lessee has not otherwise engaged in, any activity which could form the basis for a claim for real estate commission, brokerage fee, finder's fee or other similar charge, in connection with this Lease.

21. **Waiver.**

No waiver of any default of Lessor or Lessee hereunder shall be implied from any omission to take any action on account of such default if such default persists or is repeated, and no express waiver shall affect any default other than the default specified in the express waiver and that only for the time and to the extent therein stated. One or more waivers by Lessor or Lessee shall not be construed as a waiver of a subsequent breach of the same covenant, term or condition.

22. **Memorandum of Lease.**

The parties hereto contemplate that this Lease should not and shall not be filed for record, but in lieu thereof, at the request of either party, Lessor and Lessee shall execute a Memorandum of Lease to be recorded for the purpose of giving record notice of the appropriate provisions of this Lease.

23. **Headings; Invalidity of Provisions.**

The headings used in this Lease are for convenience of the parties only and shall not be considered in interpreting the meaning of any provision of this Lease. If any term or provision of this Lease or the application thereof to any person or circumstance shall, to any extent be invalid or unenforceable, the remainder of this Lease, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term and provision of this Lease shall be valid and shall be enforced to the fullest extent permitted by law.

24. **Successors.**

The provisions of this Lease shall extend to and be binding upon Lessor and Lessee and their respective legal representatives, successors and assigns.

25. **Consent.**

Lessor shall not unreasonably withhold or delay its consent with respect to any matter for which Lessor's consent is required or desirable under this Lease.

26. **Performance.**

If Lessee, at any time after the lapse of any grace or cure period provided in paragraph 14, shall fail to make any payment or perform any other act on its part to be made or performed, then Lessor, without waiving Lessee's default, may (but shall be under no obligation to) make any payment or perform any other act on Lessee's part to be made

or performed as provided in this Lease. All sums paid by Lessor and all reasonable costs and expenses incurred by Lessor in connection with the performance of any act, shall constitute additional rent and shall be paid by Lessee to Lessor upon demand. If there is a default with respect to any of Lessor's covenants, warranties or representations under this Lease, and if the default continues more than fifteen (15) days after notice in writing from Lessee to Lessor specifying the default, Lessee may, at its option and without affecting any other remedy hereunder, cure such default and deduct the cost thereof from the next accruing installment or installments of rent payable hereunder until Lessee shall have been fully reimbursed for such expenditures.

**27. Compliance with Law.**

Lessee shall comply with all laws, orders, ordinances and other public requirements now or hereafter pertaining to Lessee's use of the Leased Premises. Lessor shall comply with all laws, orders, ordinances and other public requirements now or hereafter affecting the Leased Premises.

**28. Final Agreement.**

This Agreement terminates and supersedes all prior understandings or agreements on the subject matter hereof. This Agreement may be modified only by a further writing that is duly executed by both parties.

**29. Governing Law.**

This Agreement shall be governed, construed and interpreted by, through and under the Laws of the State of New Hampshire.

[signature page follows]

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

Unitil Energy Systems, Inc.

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

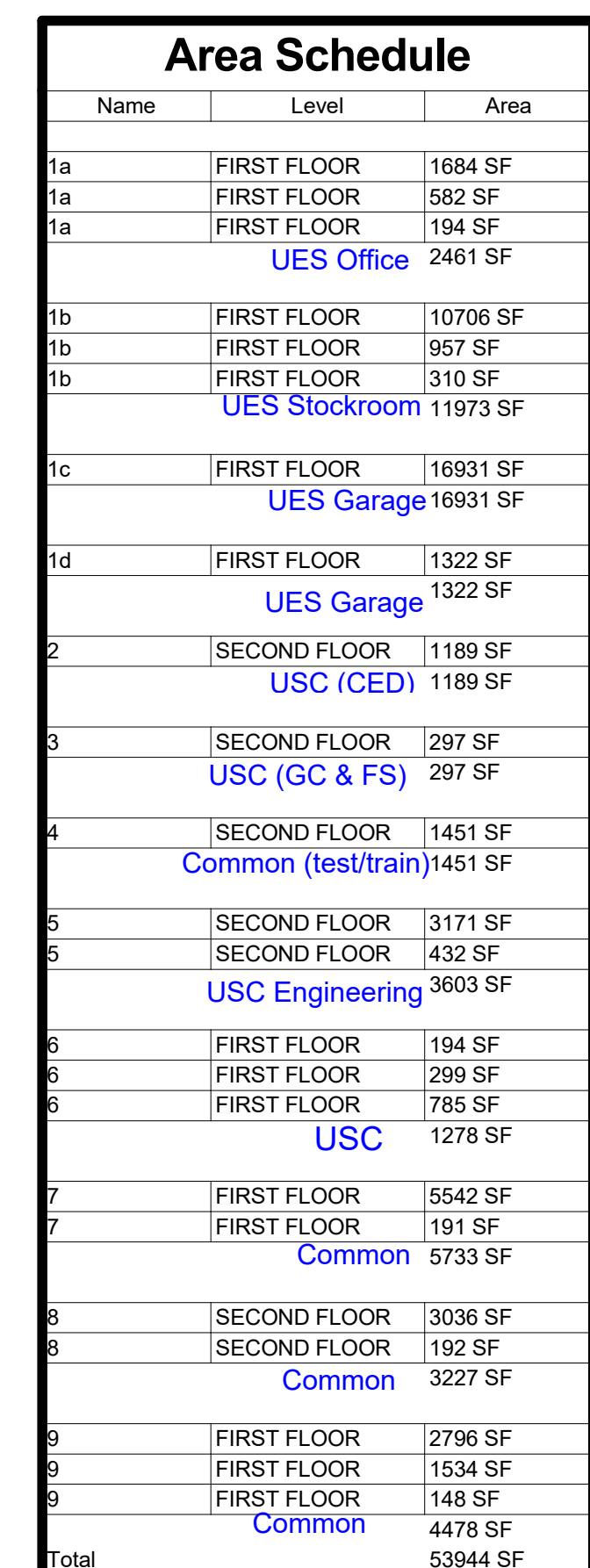
Name: Todd Diggins, Treasurer

Unitil Realty Corp.

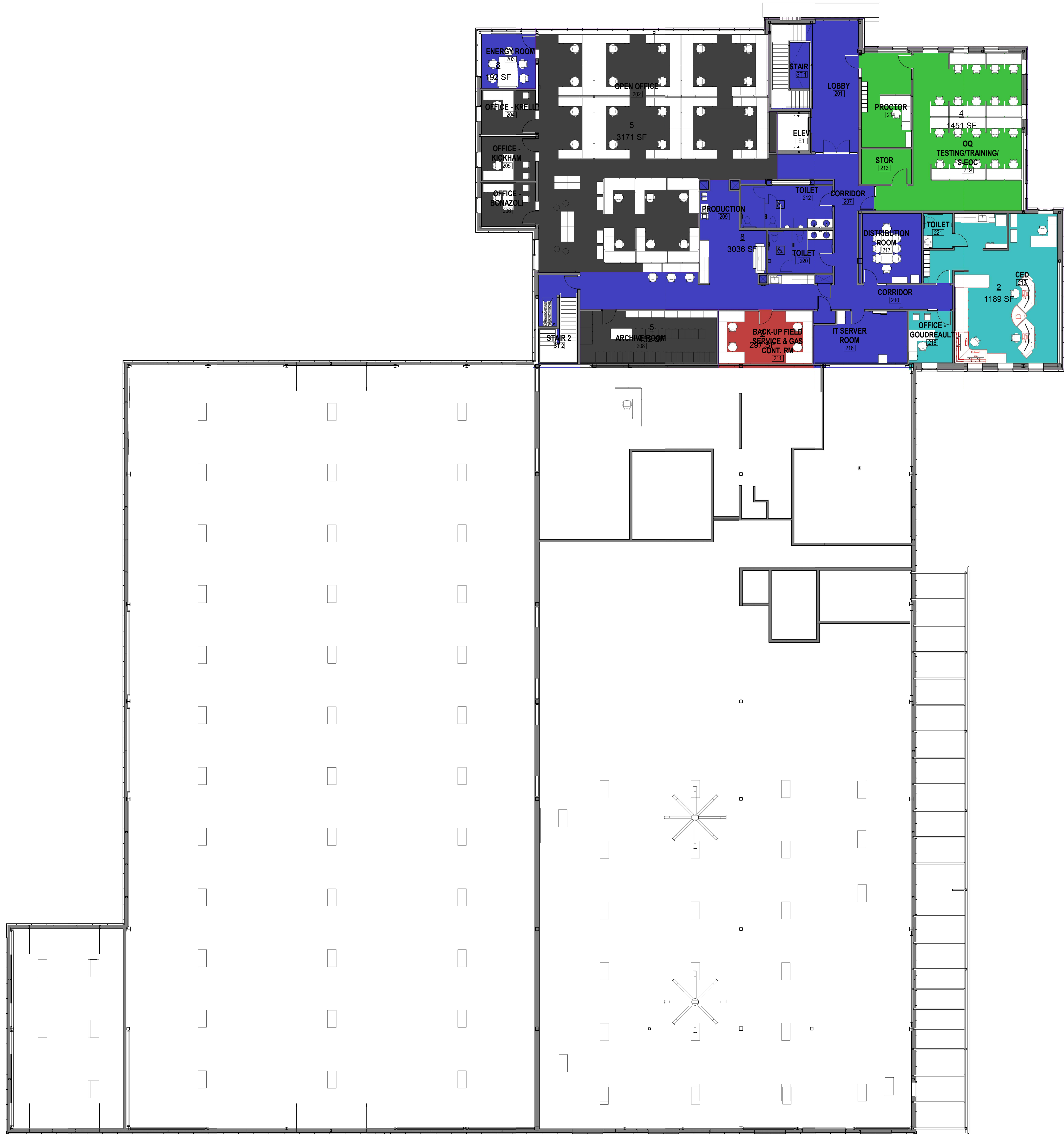
By:  \_\_\_\_\_

Name: John Closson, President









Area Legend

- 2 USC (CED/Gouldreault)
- 3 USC (Gas Control & Field Services Business Continuity)
- 4 Common (OQ Testing & Training Rm)
- 5 USC (Engineering)
- 8 Common

Area Schedule		
Name	Level	Area
1a	FIRST FLOOR	1684 SF
1a	FIRST FLOOR	582 SF
1a	FIRST FLOOR	194 SF
		2461 SF
1b	FIRST FLOOR	10706 SF
1b	FIRST FLOOR	957 SF
1b	FIRST FLOOR	310 SF
		11973 SF
1c	FIRST FLOOR	16931 SF
		16931 SF
1d	FIRST FLOOR	1322 SF
		1322 SF
2	SECOND FLOOR	1189 SF
		1189 SF
3	SECOND FLOOR	297 SF
		297 SF
4	SECOND FLOOR	1451 SF
		1451 SF
5	SECOND FLOOR	3171 SF
5	SECOND FLOOR	432 SF
		3603 SF
6	FIRST FLOOR	194 SF
6	FIRST FLOOR	299 SF
6	FIRST FLOOR	785 SF
		1278 SF
7	FIRST FLOOR	5542 SF
7	FIRST FLOOR	191 SF
		5733 SF
8	SECOND FLOOR	3036 SF
8	SECOND FLOOR	192 SF
		3227 SF
9	FIRST FLOOR	2796 SF
9	FIRST FLOOR	1534 SF
9	FIRST FLOOR	148 SF
		4478 SF
Total		53944 SF

1 AREA PLAN - OVERALL SECOND FLOOR - LEASE ALLOCATIONS  
3/32" = 1'-0"



PROCON  
CONNECT • CREATE • CONSTRUCT

PO BOX 4430  
MANCHESTER NH 03108  
603.623.8811  
PROCONINC.COM

Unitil/NH Electric Operations DOC – Seacoast  
Region  
2 ENERGY WAY  
EXETER, NH

PROJECT:

Date Issue Description

PROFESSIONAL SEAL

Architect: JAL  
Drawn By: JW  
Project No.: 301730  
Copyright: 2018 PROCON INC

Drawing Sheet

OVERALL SECOND  
FLOOR PLAN

Drawing Sheet

LE 1.2



**Unitil Energy Systems to Unitil Realty Corp.  
Cost of Service for Energy Way, Exeter  
Used for Calculation of 2021 Rent Charges**

<b>Ln. No.</b>		<b><u>Exeter</u></b>	
1	O&M Expense	\$ 39,244	source: Shared O&M
2	Depreciation	275,735	see rate base calculations below
3	Property Tax	290,743	source: Building Property Tax
4	Income Tax	233,590	source: Rate Base * Tax Rate (UES Capital Structure L.13)
5	Return	997,134	source: Rate Base * ROR (UES Capital Structure L.6)
6	<b>Total Cost of Service</b>	<b>\$ 1,836,446</b>	
7	Unitil Service Corp Allocation Percentage	16.31%	source: Building Alloc tab
8	<b>Costs to be Allocated to URC for Unitil Service Corp.</b>	<b>\$ 299,436</b>	or <b>\$ 24,953 per month</b>
9	<b>Balance to stay with Unitil Energy Systems, Inc.</b>	<b>\$ 1,537,010</b>	
<b><u>Supporting Information</u></b>		<b><u>Amount</u></b>	
10	<b>Rate Base Estimate</b>		
11	Property, Plant and Equipment		
12	Building @ Original Cost	\$ 13,256,505	source: Building Plant and Deferred Tax
13	Less: Accumulated Depreciation	-	source: Building Plant and Deferred Tax
14	Net Property, Plant and Equipment	13,256,505	
15	Less: Deferred Taxes	14,359	source: Building Plant and Deferred Tax
16	Total Rate Base	\$ 13,242,145	
17	<b>Annual Depreciation Expense:</b>	<b>\$ 275,735</b>	source: Building Plant and Deferred Tax
		<b><u>Proof</u></b>	
18	Total Revenue Requirement	\$ 1,836,446	
19	O&M Expense	605,722	
20	Operating Income before Tax	1,230,724	
21	Interest Expense	368,132	source: Rate Base * ROR (UES Capital Structure L.2 + L.3)
22	Taxable Income	862,592	
23	Effective Tax Rate	27.08%	
24	Income Tax	\$ 233,590	rounding, if any
25	Net Income	\$ 629,002	
26	ROE * Rate Base	\$ 629,002	source: Rate Base * ROR (UES Capital Structure L.4 + L.5)
	<b>Difference</b>	<b>-</b>	