

COPY

SECOND AMENDED AND RESTATED PROMISSORY NOTE

Date: July 18, 2013

This Second Amended and Restated Promissory Note amends and restates the promissory note dated December 21, 2012 by and between Granite State Electric Company and Liberty Utilities Co. for the principal sum of \$1,545,454.55, first amended and restated to reflect a change to the interest rate from 5.24% to 4.89%, and herein amended and restated to ensure compliance with respect to certain existing Promissory Notes. ("Note"). This Second Amended and Restated Note shall be effective as of December 21, 2012

Granite State Electric Company, a corporation duly organized under the laws of the State of New Hampshire (herein called the "Company", which term includes any successor or resulting Person), for value received, hereby promises to pay to Liberty Utilities Co., or registered assigns (the "Holder"), the principal sum of \$1,545,454.55 United States Dollars on December 20, 2027, ("Stated Maturity"), and to pay interest thereon from the date hereof or from the most recent Interest Payment Date to which interest has been paid or duly provided for, semi-annually on January 30 and July 30 in each year, commencing July 2013, ("Interest Payment Date") at the rate of 4.89% per annum, until the principal hereof is paid or made available for payment; and at the rate of the greater of (i) 4.89%, plus 2.0% or (ii) 2% over the rate of interest publicly announced by J.P. Morgan Securities LLC from time to time in New York, New York as its "base" or "prime" rate, payable semi-annually as aforesaid (or, at the option of the registered holder hereof, on demand) on any overdue principal and on any installment of interest (to the extent payment of such interest is legally enforceable). Interest on this Note will be computed on the basis of a 360-day year comprised of twelve 30-day months. Notwithstanding anything in this Promissory Note to the contrary, any interest payable hereunder shall be deferred to the extent required to ensure compliance with respect to any of the following existing Promissory Notes: (i) a note dated November 1, 1993 payable to The Paul Revere Life Insurance Company or its successors or assigns, (ii) a note dated July 1, 1995 payable to First Colony Life Insurance Company or its successors or assigns, and (iii) a note dated June 15, 1998 payable to First Colony Life Insurance Company or its successors or assigns. Any interest payments so deferred shall be without penalty.

Payment of the principal of (and premium if any) and any such interest on this Note will be made at the office or agency of the Company in the United States of America, in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts or subject to any laws or regulations applicable thereto; and *provided, however*, that payment of interest may be made by wire transfer of immediately available funds to an account maintained by the payee at a financial institution in the United States.

This Note is a general, unsecured, obligation of the Company and may be prepaid in whole or in part by the Company.

In the event of payment of this Note in part only, a new Note of like tenor for the unpaid portion hereof will be issued in the name of the holder hereof upon the cancellation hereof.

No service charge shall be made for any exchange of the Note, but the Company may

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require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

Upon receipt by the Company of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Note, and in the case of any such loss, theft or destruction, upon delivery of an indemnity reasonably satisfactory to the Company or, in case of any such mutilation, upon surrender and cancellation of this Note, the Company will issue a new Note of like tenor in lieu of this Note.

Wherever possible, each provision of this Note shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Note shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Note.

This Note may only be changed, waived, modified or otherwise amended by a writing executed by both the Company and Holder.

The Company agrees to pay on all costs and expenses, if any, including counsel fees and expenses, in connection with the enforcement (whether through negotiations, legal proceedings or otherwise) of this Note.

This Note shall be governed by and construed in accordance with the laws of the State of New York without regard to principles of conflict of law except Section 5-1401 of the New York General Obligations Law.

This Note shall be binding upon the Company and its successors, and shall inure to the benefit of Holder and its successors and permitted assigns. The Company may not assign its obligations under this Note without Holder's prior written consent and any attempt shall be null and void.

As used herein the following terms have the following meanings:

"Person" means an individual, corporation, limited liability company, partnership, limited partnership, joint venture, association, trust, other entity, unincorporated organization, or government or any agency or political subdivision thereof.

Signatures appear on the next page

COPY

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed.

Granite State Electric Company

By: 

Name: PETER ROBERTSON

Title: PRESIDENT

By: 

Name: DAVID BLOMCHOWSKI

Title: SECRETARY

Acknowledged by:

LIBERTY UTILITIES CO.

By: 

Name: DAVID BLOMCHOWSKI

Title: SECRETARY

COPY

SECOND AMENDED AND RESTATED PROMISSORY NOTE

Date: July 18, 2013

This Second Amended and Restated Promissory Note amends and restates the promissory note dated December 21, 2012 by and between Granite State Electric Company and Liberty Utilities Co. for the principal sum of \$4,121,212.12, first amended and restated to reflect a change to the interest rate from 5.24% to 4.89%, and herein amended and restated to ensure compliance with respect to certain existing Promissory Notes. ("Note"). This Second Amended and Restated Note shall be effective as of December 21, 2012.

Granite State Electric Company, a corporation duly organized under the laws of the State of New Hampshire (herein called the "Company", which term includes any successor or resulting Person), for value received, hereby promises to pay to Liberty Utilities Co., or registered assigns (the "Holder"), the principal sum of \$4,121,212.12 United States Dollars on December 20, 2027, ("Stated Maturity"), and to pay interest thereon from the date hereof or from the most recent Interest Payment Date to which interest has been paid or duly provided for, semi-annually on January 30 and July 30 in each year, commencing July 2013, ("Interest Payment Date") at the rate of 4.89% per annum, until the principal hereof is paid or made available for payment; and at the rate of the greater of (i) 4.89%, plus 2.0% or (ii) 2% over the rate of interest publicly announced by J.P. Morgan Securities LLC from time to time in New York, New York as its "base" or "prime" rate, payable semi-annually as aforesaid (or, at the option of the registered holder hereof, on demand) on any overdue principal and on any installment of interest (to the extent payment of such interest is legally enforceable). Interest on this Note will be computed on the basis of a 360-day year comprised of twelve 30-day months. Notwithstanding anything in this Promissory Note to the contrary, any interest payable hereunder shall be deferred to the extent required to ensure compliance with respect to any of the following existing Promissory Notes: (i) a note dated November 1, 1993 payable to The Paul Revere Life Insurance Company or its successors or assigns, (ii) a note dated July 1, 1995 payable to First Colony Life Insurance Company or its successors or assigns, and (iii) a note dated June 15, 1998 payable to First Colony Life Insurance Company or its successors or assigns. Any interest payments so deferred shall be without penalty.

Payment of the principal of (and premium if any) and any such interest on this Note will be made at the office or agency of the Company in the United States of America, in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts or subject to any laws or regulations applicable thereto; and *provided, however*, that payment of interest may be made by wire transfer of immediately available funds to an account maintained by the payee at a financial institution in the United States.

This Note is a general, unsecured, obligation of the Company and may be prepaid in whole or in part by the Company.

In the event of payment of this Note in part only, a new Note of like tenor for the unpaid portion hereof will be issued in the name of the holder hereof upon the cancellation hereof.

No service charge shall be made for any exchange of the Note, but the Company may

COPY

require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

Upon receipt by the Company of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Note, and in the case of any such loss, theft or destruction, upon delivery of an indemnity reasonably satisfactory to the Company or, in case of any such mutilation, upon surrender and cancellation of this Note, the Company will issue a new Note of like tenor in lieu of this Note.

Wherever possible, each provision of this Note shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Note shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Note.

This Note may only be changed, waived, modified or otherwise amended by a writing executed by both the Company and Holder.

The Company agrees to pay on all costs and expenses, if any, including counsel fees and expenses, in connection with the enforcement (whether through negotiations, legal proceedings or otherwise) of this Note.

This Note shall be governed by and construed in accordance with the laws of the State of New York without regard to principles of conflict of law except Section 5-1401 of the New York General Obligations Law.

This Note shall be binding upon the Company and its successors, and shall inure to the benefit of Holder and its successors and permitted assigns. The Company may not assign its obligations under this Note without Holder's prior written consent and any attempt shall be null and void.

As used herein the following terms have the following meanings:


"Person" means an individual, corporation, limited liability company, partnership, limited partnership, joint venture, association, trust, other entity, unincorporated organization, or government or any agency or political subdivision thereof.

Signatures appear on the next page

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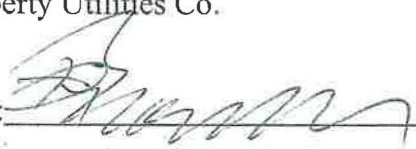
IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed.

GRANITE STATE ELECTRIC COMPANY

By: 
Name: IAN ROBERTSON
Title: PRESIDENT

By: 
Name: DAVID BRONICHESKI
Title: SECRETARY

Acknowledged by:
Liberty Utilities Co.

By: 
Name: DAVID BRONICHESKI
Title: SECRETARY

SECOND AMENDED AND RESTATED PROMISSORY NOTE

Date: July 18, 2013

This Second Amended and Restated Promissory Note amends and restates the promissory note dated December 21, 2012 by and between Granite State Electric Company and Liberty Utilities Co. for the principal sum of \$7,898,989.90, first amended and restated to reflect a change to the interest rate from 4.84% to 4.49%, and herein amended and restated to ensure compliance with respect to certain existing Promissory Notes. ("Note"). This Second Amended and Restated Note shall be effective as of December 21, 2012.

Granite State Electric Company, a corporation duly organized under the laws of the State of New Hampshire (herein called the "Company", which term includes any successor or resulting Person), for value received, hereby promises to pay to Liberty Utilities Co., or registered assigns (the "Holder"), the principal sum of \$7,898,989.90 United States Dollars on December 20, 2022, ("Stated Maturity"), and to pay interest thereon from the date hereof or from the most recent Interest Payment Date to which interest has been paid or duly provided for, semi-annually on January 30 and July 30 in each year, commencing July 2013, ("Interest Payment Date") at the rate of 4.49% per annum, until the principal hereof is paid or made available for payment; and at the rate of the greater of (i) 4.49%, plus 2.0% or (ii) 2% over the rate of interest publicly announced by J.P. Morgan Securities LLC from time to time in New York, New York as its "base" or "prime" rate, payable semi-annually as aforesaid (or, at the option of the registered holder hereof, on demand) on any overdue principal and on any installment of interest (to the extent payment of such interest is legally enforceable). Interest on this Note will be computed on the basis of a 360-day year comprised of twelve 30-day months. Notwithstanding anything in this Promissory Note to the contrary, any interest payable hereunder shall be deferred to the extent required to ensure compliance with respect to any of the following existing Promissory Notes: (i) a note dated November 1, 1993 payable to The Paul Revere Life Insurance Company or its successors or assigns, (ii) a note dated July 1, 1995 payable to First Colony Life Insurance Company or its successors or assigns, and (iii) a note dated June 15, 1998 payable to First Colony Life Insurance Company or its successors or assigns. Any interest payments so deferred shall be without penalty

Payment of the principal of (and premium if any) and any such interest on this Note will be made at the office or agency of the Company in the United States of America, in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts or subject to any laws or regulations applicable thereto; and *provided, however*, that payment of interest may be made by wire transfer of immediately available funds to an account maintained by the payee at a financial institution in the United States.

This Note is a general, unsecured, obligation of the Company and may be prepaid in whole or in part by the Company.

In the event of payment of this Note in part only, a new Note of like tenor for the unpaid portion hereof will be issued in the name of the holder hereof upon the cancellation hereof.

No service charge shall be made for any exchange of the Note, but the Company may

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require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

Upon receipt by the Company of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Note, and in the case of any such loss, theft or destruction, upon delivery of an indemnity reasonably satisfactory to the Company or, in case of any such mutilation, upon surrender and cancellation of this Note, the Company will issue a new Note of like tenor in lieu of this Note.

Wherever possible, each provision of this Note shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Note shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Note.

This Note may only be changed, waived, modified or otherwise amended by a writing executed by both the Company and Holder.

The Company agrees to pay on all costs and expenses, if any, including counsel fees and expenses, in connection with the enforcement (whether through negotiations, legal proceedings or otherwise) of this Note.

This Note shall be governed by and construed in accordance with the laws of the State of New York without regard to principles of conflict of law except Section 5-1401 of the New York General Obligations Law.

This Note shall be binding upon the Company and its successors, and shall inure to the benefit of Holder and its successors and permitted assigns. The Company may not assign its obligations under this Note without Holder's prior written consent and any attempt shall be null and void.

As used herein the following terms have the following meanings:

"Person" means an individual, corporation, limited liability company, partnership, limited partnership, joint venture, association, trust, other entity, unincorporated organization, or government or any agency or political subdivision thereof.

Signatures appear on the next page

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IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed.

GRANITE STATE ELECTRIC COMPANY

By: 

Name: DAN ROBERTSON
Title: PRESIDENT

By: 

Name: DAVID BRONCHOWSKI
Title: SECRETARY

Acknowledged by:

Liberty Utilities Co.

By: 

Name: DAVID BRONCHOWSKI
Title: SECRETARY

SECOND AMENDED AND RESTATED PROMISSORY NOTE

Date: July 18, 2013

This Second Amended and Restated Promissory Note amends and restates the promissory note dated December 21, 2012 by and between Granite State Electric Company and Liberty Utilities Co. for the principal sum of \$3,434,343.43, first amended and restated to reflect a change to the interest rate from 3.86% to 3.51%, and herein amended and restated to ensure compliance with respect to certain existing Promissory Notes. ("Note"). This Second Amended and Restated Note shall be effective as of December 21, 2012.

Granite State Electric Company, a corporation duly organized under the laws of the State of New Hampshire (herein called the "Company", which term includes any successor or resulting Person), for value received, hereby promises to pay to Liberty Utilities Co., or registered assigns (the "Holder"), the principal sum of \$3,434,343.43 United States Dollars on December 20, 2017, ("Stated Maturity"), and to pay interest thereon from the date hereof or from the most recent Interest Payment Date to which interest has been paid or duly provided for, semi-annually on January 30 and July 30 in each year, commencing July 2013, ("Interest Payment Date") at the rate of 3.51% per annum, until the principal hereof is paid or made available for payment; and at the rate of the greater of (i) 3.51%, plus 2.0% or (ii) 2% over the rate of interest publicly announced by J.P. Morgan Securities LLC from time to time in New York, New York as its "base" or "prime" rate, payable semi-annually as aforesaid (or, at the option of the registered holder hereof, on demand) on any overdue principal and on any installment of interest (to the extent payment of such interest is legally enforceable). Interest on this Note will be computed on the basis of a 360-day year comprised of twelve 30-day months. Notwithstanding anything in this Promissory Note to the contrary, any interest payable hereunder shall be deferred to the extent required to ensure compliance with respect to any of the following existing Promissory Notes: (i) a note dated November 1, 1993 payable to The Paul Revere Life Insurance Company or its successors or assigns, (ii) a note dated July 1, 1995 payable to First Colony Life Insurance Company or its successors or assigns, and (iii) a note dated June 15, 1998 payable to First Colony Life Insurance Company or its successors or assigns. Any interest payments so deferred shall be without penalty.

Payment of the principal of (and premium if any) and any such interest on this Note will be made at the office or agency of the Company in the United States of America, in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts or subject to any laws or regulations applicable thereto; and *provided, however*, that payment of interest may be made by wire transfer of immediately available funds to an account maintained by the payee at a financial institution in the United States.

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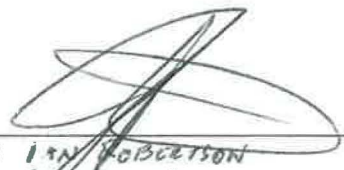
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Signatures appear on the next page

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IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed.


GRANITE STATE ELECTRIC COMPANY

By: 
Name: IAN ROBERTSON
Title: PRESIDENT

By: 
Name: DAVID BRONICKESI
Title: SECRETARY

Acknowledged by:

LIBERTY UTILITIES CO.

By: 
Name: DAVID BRONICKESI
Title: SECRETARY