

Settlement Agreement

This Settlement Agreement is made as of August 29, 2011 (the “Effective Date”), by and between **The RiverWoods Company, at Exeter, New Hampshire** (“RiverWoods”), a New Hampshire nonprofit corporation with a principal place of business at 7 RiverWoods Drive, Exeter, NH 03833, and **Unitil Energy Systems, Inc.** (“Unitil”), a New Hampshire corporation with a principal place of business at 6 Liberty Lane West, Hampton, NH 03842.

WHEREAS, Unitil is a New Hampshire public utility that furnishes electric service to RiverWoods, the operator of a continuing care retirement community in Exeter, New Hampshire (“the Community”);

WHEREAS, on February 7, 2011, Unitil learned that a manufacturer’s mislabeling of a current transformer, which Unitil installed on September 10, 2004, had resulted in the billing and collection of overcharges for electricity consumption (“the Overcharge”) at the Community;

WHEREAS, on May 13, 2011, Unitil paid RiverWoods the sum of \$611,699;

WHEREAS, on May 13, 2011, Unitil filed a Petition for Declaratory Ruling with the New Hampshire Public Utilities Commission (“PUC”), requesting that the agency determine, among other things, the total amount due RiverWoods under the applicable laws and regulations (“the PUC Case”);

WHEREAS, on June 20, 2011, RiverWoods commenced a lawsuit in the Rockingham County (NH) Superior Court, styled as *The RiverWoods Company, at Exeter, New Hampshire v. Unitil Energy Systems, Inc.*, Docket No. 218-2011-CV-00701 (the “Litigation”), embracing claims by RiverWoods (“the Claims”) arising out of the Overcharge;

WHEREAS, RiverWoods intervened in the PUC Case and requested that the PUC dismiss or stay the agency proceeding in favor of a resolution of the parties' rights and obligations through the Litigation;

WHEREAS, by letter dated August 1, 2011, the PUC's Executive Director informed the parties that "[t]he Commission ha[d] determined to temporarily suspend [the PUC Case] pending a ruling of the Superior Court in the [Litigation];" and

WHEREAS, the parties wish to resolve, settle and dispose of, fully and completely, any and all claims, demands, actions, and causes of action by RiverWoods that arise out of the Overcharge, the PUC Case, the Litigation, and the Claims;

NOW, THEREFORE, in consideration of the mutual promises, covenants, agreements, representations and warranties contained herein, the sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, the parties agree as follows:

1. Upon the execution of this Settlement Agreement, Unitil shall pay RiverWoods the sum of one million four hundred fifty-nine thousand seven hundred twenty-one dollars (\$1,459,721) ("the Settlement Amount").

2. Upon payment of the Settlement Amount, the parties shall, through their counsel, terminate the Litigation by filing a Stipulation for Docket Markings, which shall recite:

Now come the parties in the above-captioned matter, and by and through their attorneys, respectfully request that this Honorable Court mark the docket as follows:

Judgment for neither party. No interest. No costs. No fees. No further action for the same cause.

3. Except as provided in this Settlement Agreement, RiverWoods releases and forever discharges Unitil, its past and present parent companies, affiliates, subsidiaries, representatives, attorneys, insurers, agents, officers, directors, shareholders, managers,

employees, successors and assigns, from any and all claims, demands, actions, and causes of action, which RiverWoods ever had, now has, or which it can, shall or may have for, or by reason of, the Overcharge, the PUC Case, the Litigation, and the Claims.

4. The parties shall not disparage one another on account of the Overcharge, the PUC Case, the Litigation, and the Claims. Nor shall they make or publish any statement, with reference thereto, that has the purpose of causing, or that by natural consequences causes, injury or damage to the reputation or business of the other.

5. This Settlement Agreement is in compromise of disputed matters, and does not constitute an admission of liability, fault or wrongdoing by any of the parties.

6. The parties represent and warrant that they have read this Settlement Agreement, and sign it freely, without constraint or duress, and on the advice of legal counsel.

7. This Settlement Agreement sets forth the parties' entire agreement, superseding all prior negotiations and agreements, whether written or oral, concerning the Overcharge, the PUC Case, the Litigation, and the Claims. There are no collateral or outside agreements of any kind between the parties concerning the subject matter hereof, other than those expressly reflected herein.

8. The parties cooperated in the drafting of this Settlement Agreement. In the construction of this Settlement Agreement, its provisions shall not be construed against any party.

9. Each party represents and warrants that the individual signing this Settlement Agreement on behalf of that party is duly authorized and empowered to enter into it.

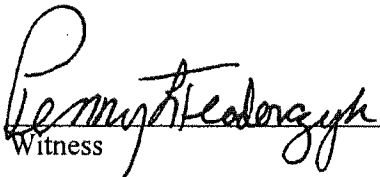
10. This Settlement Agreement may be executed simultaneously or in one or more counterparts, all of which shall together constitute one and the same agreement.

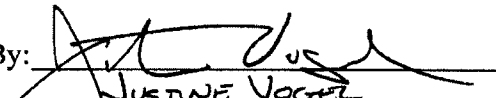
11. This Settlement Agreement shall in all respects be interpreted, construed, enforced, and governed by the laws of the State of New Hampshire, without regard to that state's choice of law principles.

12. This Settlement Agreement shall be binding upon and inure to the benefit of the parties' respective successors and/or assigns.

IN WITNESS WHEREOF, the parties hereby execute this Settlement Agreement as of the Effective Date.

The RiverWoods Company,
at Exeter, New Hampshire


Witness

By: 
Its: JUSTINE VOGEL
PRESIDENT & CEO

Unitil Energy Systems, Inc.

Witness

By: _____
Mark H. Collin, Treasurer

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The RiverWoods Company,
at Exeter, New Hampshire

Witness

By: _____

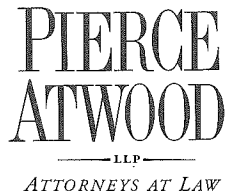
Its: _____

Unitil Energy Systems, Inc.



Witness

By: 
Mark H. Collin, Treasurer



Mary E. Cameron
Paralegal

One New Hampshire Avenue, Suite 350
Pease International Tradeport
Portsmouth, NH 03801

603-373-2009 voice
603-433-6372 fax
mcameron@pierceatwood.com
www.pierceatwood.com

August 30, 2011

Raymond W. Taylor, Clerk
Rockingham County Superior Court
P.O. Box 1258
Kingston, NH 03848-1258

Re: The RiverWoods Company at Exeter, New Hampshire
v. Unitil Energy Systems, Inc.
Case No. 218-2011-CV-00701

Dear Mr. Taylor:

I have enclosed the following original documents in the above referenced action:

1. Appearance on behalf of Unitil Energy Systems, Inc.; and
2. Stipulation for Docket Markings.

Please note that copies of these documents have been mailed to Christopher H.M. Carter, Esquire, counsel of record.

Thank you for your attention to this matter.

Very truly yours,

A handwritten signature in cursive script that reads "Mary E. Cameron".
Mary E. Cameron
Paralegal

/mec
Enclosures

cc: Gary Epler, Esquire
Christopher H.M. Carter, Esquire

THE STATE OF NEW HAMPSHIRE

County of Rockingham

Superior Court
Case No.: 218-2011-CV-00701

☐ COURT

☐ JURY

The RiverWoods Company
at Exeter, New Hampshire
7 RiverWoods Drive
Exeter, NH 03833

vs.

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

APPEARANCE

Please enter my appearance as:

☒ counsel for:

Unitil Energy Systems, Inc.

☐ Pro se

WITHDRAWAL

Please withdraw my appearance as:

☐ Counsel for: _____

Notice of withdrawal sent to my

clients on: _____

at the following address: _____

I hereby certify that duplicates of this notice were

☐ delivered to:

☒ mailed to: _____

Christopher H.M. Carter, Esquire

Dated: August 30, 2011


Lawrence M. Edelman

Bar No. 738

Pierce Atwood LLP

Pease International Tradeport

One New Hampshire Avenue, Suite 350

Portsmouth, NH 03801

(603) 433-6300

(603) 433-6372 (fax)

The State of New Hampshire

Rockingham County

Superior Court
September Term, 2011
Case No. 218-2011-cv-00701

The RiverWoods Company, at Exeter, New Hampshire

v.

Unitil Energy Systems, Inc.

Stipulation for Docket Markings

Now come the parties in the above-captioned matter, and by and through
their attorneys, respectfully request that this Honorable Court mark the docket as follows:

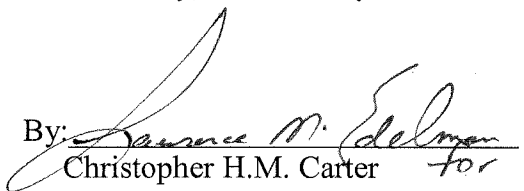
Judgment for neither party. No interest. No costs. No fees. No further
action for the same cause.

Respectfully submitted,

The RiverWoods Company,
at Exeter, New Hampshire

By its attorneys,
Hinckley, Allen & Snyder LLP

Date: August 30, 2011

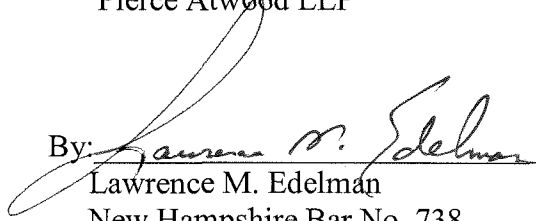
By: 
Christopher H.M. Carter *for*
New Hampshire Bar No. 12452
11 South Main Street, Suite 400
Concord, NH 03301
(603) 225-4334

Unitil Energy Systems, Inc.

By its attorneys,
Pierce Atwood LLP

Date: August 30, 2011

By:

A handwritten signature in black ink, appearing to read "Lawrence M. Edelman", is written over a horizontal line.

Lawrence M. Edelman
New Hampshire Bar No. 738
Pease International Tradeport
One New Hampshire Avenue
Suite 350
Portsmouth, NH 03801
(603) 433-6300