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State of New Hampshire
OFFICE OF LEGISLATIVE BUDGET ASSISTANT
State House, Room 102
Concord, New Hampshire 03301

RICHARD J. MAHONEY, CPA
Director, Audit Division
(603) 271-2785

July 30, 2013

To the Members of the Long Range Capital
Planning and Utilization Committee

The Long Range Capital Planning and Utilization Committee, as established by RSA 17-M, will hold a special meeting on Tuesday, August 6, 2013, at 11:30 a.m. in Room 201 of the Legislative Office Building.

Please find attached information to be discussed at this meeting.

Sincerely,

A handwritten signature in cursive script that reads "Jeffry A. Pattison".

Jeffry A. Pattison
Legislative Budget Assistant

JAP/pe
Attachments

LONG RANGE CAPITAL PLANNING AND UTILIZATION COMMITTEE
SPECIAL MEETING AGENDA

Tuesday, August 6, 2013 at 11:30 a.m. in Room 201 of the Legislative Office Building

(1) **New Business:**

RSA 188-F:6, XIII-a, Authority of the Board of Trustees:

LRCP 13-033 Community College System of New Hampshire – request approval to amend LRCP 13-019, approved April 16, 2013, to move the expiration date of the “Due Diligence Period” from August 13, 2013 to December 31, 2013 and change the closing date to January 30, 2014 only for the sale of 89.9 +/- acres, consisting of a 100,035 +/- square foot building located at 275 Portsmouth Avenue, Stratham to Juliet Marine Systems, Inc., subject to the conditions as specified in the request dated July 29, 2013

RSA 4:40 Disposal of Real Estate:

LRCP 13-034 Department of Administrative Services – request approval of the Amendment Agreement with Concord Steam Corporation, 123 Pleasant Street, Concord to extend by an additional three (3) years the initial term of a three (3) year License for Use of Premises agreement to operate the boiler plant located at the Governor Hugh J. Gallen State Office Park near Pleasant Street in Concord through August 31, 2016, for the annual license fee of \$100,515.60, to be payable in equal monthly installments of \$8,376.30, subject to the conditions as specified in the request dated July 22, 2013

(2) **Miscellaneous:**

(3) **Date of Next Meeting and Adjournment:**

July 29, 2013

Representative David Campbell, Chairman
Long-Range Capital Planning and Utilization Committee
State House, Rm 102
Concord, NH 03301

Re: Amendment to Purchase and Sale Agreement between the Community College System
of New Hampshire and Juliet Marine Systems, Inc.

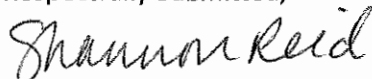
Dear Chairman Campbell and Members of the Committee,

The Community College System of New Hampshire (CCSNH) respectfully requests, pursuant to RSA 188-F:6, XIII-a, to amend LRCP 13-019 as adopted by the Committee on April 16, 2013 to move the expiration date of the "Due Diligence Period" from August 13, 2013 to December 31, 2013.

As you know, the due diligence period enables the Buyer to perform investigations related to the property. In the course of the Buyer's investigations, facilities upgrade needs were identified beyond those the Buyer had initially contemplated. The Buyer wishes to continue forward with the purchase, with this additional time to address the needs that have been identified.

The closing date would change to January 30, 2014, falling within the same fiscal year as originally established for the closing to take place. CCSNH remains engaged with the Buyer and with a very positive outlook about the economic and job-creation impact of this company in New Hampshire, and requests the committee's support.

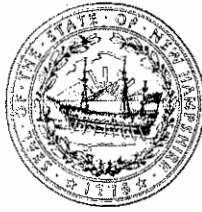
Respectfully Submitted,



Shannon Reid
Communications Director

Attached: Long Range Capital Planning & Utilization Committee Approval Letter, dated April 17, 2013
Original Request (LRCP 13-019), dated April 8, 2013

Cc: Gregory E. Sancioff, Juliet Marine Systems, Inc.
David Choate



LRCP 13-019

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April 17, 2013

Ross Gittell, Chancellor
Community College System of New Hampshire
26 College Drive
Concord, New Hampshire 03301

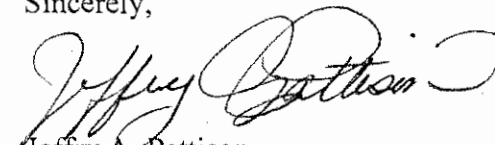
Dear Chancellor Gittell,

The Long Range Capital Planning and Utilization Committee approved the request as submitted, pursuant to the provisions of RSA 188-F:6, XIII-a, on April 16, 2013 by the Community College System of New Hampshire, of the purchase and sale agreement between the Community College System of New Hampshire and Juliet Marine Systems, Inc. for the sale of 89.9 +/- acres, consisting of a 100,035 +/- square foot building located at 275 Portsmouth Avenue, in the Town of Stratham, for \$2,750,000, and the waiver of the State's right of first refusal for the sale of the subject property, subject to the conditions as specified in the request dated April 8, 2013.

The Community College System of New Hampshire will make payment to the State in three equal installments of \$916,667 on the latter of: July 1, 2013, July 1, 2014, and July 1, 2015; or the sale closing date, with subsequent payments made 12 months and 24 months after said closing date.

Committee approval was granted subject to the Community College System of New Hampshire having first mortgage position.

Sincerely,


Jeffrey A. Pattison
Legislative Budget Assistant

JAP/pe
Attachment



April 8, 2013

Representative David Campbell, Chairman
Members of the Long Range Capital Planning and Utilization Committee
Office of Legislative Budget Assistant
107 N. Main Street
Concord, NH 03301

Dear Chairman Campbell and Members of the Committee,

The Community College System of NH (CCSNH) board of trustees respectfully submits for your consideration the attached Purchase and Sale Agreement between CCSNH and Juliet Marine Systems, Inc. ("JMS"). In doing so we bring an offer that significantly exceeds the current appraised value, provides an addition to the municipal tax base, and secures for New Hampshire an innovative company poised to become a major new employer with a significant positive economic impact on the State.

Requested Action

Pursuant to RSA 188-F:6, XIII-a, CCSNH requests approval of the attached Purchase and Sale Agreement. In addition, the State has retained a right of first refusal by the above-referenced statute, and we are asking that this committee affirmatively approve a waiver of the right of first refusal for this property to allow this sale to a third party. Upon recommendation by this committee, both the Purchase and Sale Agreement and the waiver of right of first refusal will be submitted to Governor and Executive Council for its approval as required by RSA 188-F:6, XIII-a.

Explanation

Current market conditions on the Statham property reflect a significant change from that prior to the real estate market decline and recession. This agreement is positive in light of the current market conditions, implications for ongoing financial position of CCSNH, and the overall economic benefits of this transaction for the state of New Hampshire.

The Buyer

Juliet Marine Systems, Inc. (www.julietmarine.com) is a leader in the innovative development of marine craft. Products under development include the GHOST, a revolutionary proprietary vessel with unique high-speed and stealth fighter/attack capabilities. Other marine systems development includes remotely operated vehicles, unmanned undersea vehicles, and large-displacement unmanned undersea vehicles.

This is an opportunity for NH to recruit an innovation leader and economic flagship company to the state. JMS is a private company that is positioned to add employment in NH in high-skill fields. The company's executive team has a strong record of accomplishments in launching and growing businesses and of financial success. CCSNH officials have met with the company's principals, and are convinced by review of their business strategy, innovative technology, and the experience and record of company executives and board members that this company has strong financial prospects and can have a significant positive economic impact on the state. This impact would include the employment of more than 200 skilled workers within 2 years, with additional growth in future years.

The company's plans are to establish the Stratham facility as the corporate headquarters and to use the facility to engage in "clean" technology, electronic and related assembly and for high level research and development. The facility would employ skilled technicians and high skilled engineers, as well as corporate executives and staff. Local zoning supports this use and the Town of Stratham would be able to add this property to its tax base.

We believe that this will represent a significant positive economic development for the State. Working from the company's business plans, we estimate the annual direct economic benefits in NH to be approximately \$50 million within 2 years of the property sale and with annual total direct and indirect impact of more than \$85 million.

Sale and Division of Proceeds

CCSNH negotiated with JMS from its initial offer of \$2 million to the purchase price of \$2.75 million. The offer reflects current market conditions and exceeds the current appraised value of the property.

2008 Special Session HB1-FN-A sets forth a specified division of proceeds from the sale of Stratham. Specifically, pursuant to paragraph II(a) of Special Session HB1-FN-A, the first \$3,000,000 realized from the sale shall be used to reduce, or redeem early, the \$3,000,000 of the State's capital appropriation for the Pease campus. The next \$2,500,000 realized from the sale would be used to reduce CCSNH's bonded indebtedness arising from the capital investment for the Pease campus.

The current purchase price of \$2.75 million would enable the State to redeem the majority of its \$3,000,000 capital appropriation. While the purchase price would not enable CCSNH to reduce any of its debt, CCSNH seeks this transaction in the best interests of the State -- to create well-paying jobs and further NH's innovation based economy. CCSNH would benefit from no longer carrying the upkeep of the building as an ongoing expense. Great Bay Community College is poised to be a training partner to JMS to support the company's need for a skilled technical workforce. The University of New Hampshire would also be a likely training partner for engineers. In light of the advantages to the State from this transaction, we would ask that the Legislature give consideration to future opportunities that would enable CCSNH to alleviate the debt associated with the Great Bay (Pease) Community College renovation, and

look forward to working with the committee to identify potential avenues of relief outside this proposed sale.

As the Purchase and Sale Agreement details, CCSNH would finance the transaction over a 10 year period. JMS is requesting this arrangement as a means to expedite the purchase and enable the company to focus efforts and resources on filling orders from clients including the US Department of Defense, and creating jobs. JMS plans to improve the building through an immediate investment of \$500,000-\$1,000,000 and to create jobs as soon as it can move into the facility.

CCSNH is positioned to facilitate the transaction in a manner supportive of the Buyer's objectives through effective cash management that enables 3 percent return on cash holdings. The CCSNH cash position reflects the size, nature and operational capacity of our organization. CCSNH proposes to remit the \$2.75 million purchase price to the State over three years at annual payments of \$916,667.

Conclusion

This property has been vacant since 2009 (see Property History, attached). Current market conditions reflect the influence of the real estate market recession over the past 6 years, and the offer well exceeds the appraised value. This is a prudent sale for CCSNH under the terms in the Purchase and Sale agreement given the current market conditions and carrying costs of the property. The long-term benefits of job creation, the addition of an innovative, private sector company to NH's business community, and the supply-chain effects of a growing manufacturing enterprise are further points in favor of this proposed sale. As we look into NH's economic future, we feel we are also bringing the committee an attractive opportunity to support economic growth and strengthen NH's positioning in the innovation economy.

While we understand that the prospective buyer's identity cannot remain confidential at this point, we wish to be respectful of their position and not widely communicate their interest in advance of the approval process.

We look forward to meeting with the committee on April 16th.

Sincerely,

A handwritten signature in cursive script that reads "Ross Gittell".

Ross Gittell
Chancellor

Property History

The Stratham campus opened in 1982. By 1993, the college began offering courses at a satellite campus at Pease Tradeport located at 67 New Hampshire Avenue, focusing on business training. In 2001, to accommodate the college's increasing enrollment and programming at Pease, the Pease campus moved to 320 Corporate Drive, Portsmouth, NH.

In 2004, CCSNH sought the consolidation of its seacoast operations at Stratham and Pease to a single campus at Pease.

In July 2005, legislation was passed authorizing the closure of the Stratham campus on or before July 1, 2009. The legislation stated that the Stratham site was to be sold for "not less than its fair market appraised value", and that the sale was subject to the approval of the long-range capital planning and utilization committee.

In Fall 2007, renovation of the Pease campus began. In 2009, the move to the Pease campus was completed and the Stratham campus was closed.

In June 2008, a Purchase and Sales Agreement was signed with Webster Continuing Care (\$5.5 million), and subsequently amended to extend the timeline.

In October 2010, the P&S was terminated due to the buyer not meeting specified deliverables and the buyer's desire to renegotiate the purchase price.

In August 2011, the State's right of first refusal was added as a condition for the transfer of CCSNH property.

In Fall 2011, CCSNH responded to potential interest in the site from the State, but in October 2011 was notified by DAS of no current interest.

In November 2011, CCSNH worked with a potential buyer/developer, but the client opted not to pursue.

In Fall 2012, CCSNH advertised a Request for Proposals for a commercial broker, and in October 2012 CCSNH retained Grubb & Ellis NNE to market the site.

In March 2013, a buyer was identified, negotiations made, and an offer price was solidified. A Purchase & Sales Agreement was signed and approved by the CCSNH Board of Trustees.

Building

The property is located at 275 Portsmouth Avenue in Stratham, approximately 5 miles from

I-95, 7 miles from downtown Portsmouth, and 5 miles from downtown Exeter. The property is secluded, making it an ideal location for the confidential nature of the technological systems being developed and produced by the proposed buyer.

The property consists of one building located on 89.9 acres and has access from Portsmouth Avenue. It also has frontage on Sandy Point Road, which is currently not developed. The building is a three story steel and concrete 100,035 square foot building.

The building was constructed in 1982 and was used continually as a community college until it was vacated in 2009. The building has been maintained and was heated until it was winterized prior to the winter of 2011.

The municipal assessment for the property is \$14,626,600, but the site is currently exempt from property taxation. The current tax rate in Stratham is \$19.31 per \$1,000 and the property is shown on Stratham Assessor's Map 22 as Lot 16. Based on the assessed value, taxes for 2012 would be approximately \$282,440 if the property were not tax exempt.

Company

Juliet Marine Systems, Inc. is a maritime technology company that develops manned, unmanned, surface, and subsurface maritime transport technology systems for commercial, surface warfare, submarine warfare, and special operations communities. These systems are also known as Remotely Operated Vehicles (ROVs), Unmanned Undersea Vehicles (UUVs), and Large Displacement Unmanned Undersea Vehicles (LDUUVs).

Its products are used for applications such as force protection; special operations support; anti-submarine warfare; mine warfare; intelligence, surveillance, and reconnaissance; high speed maritime ferry/taxi; offshore oil rig supply vessel; and pleasure craft.

Effective Date (as defined by Paragraph 19(f)): _____

PURCHASE AND SALE AGREEMENT

AGREEMENT made as of the Effective Date as defined in Paragraph 19(f), below, between the Community College System of New Hampshire, 26 College Drive, Concord, NH ("Seller"), and Juliet Marine Systems, Inc. 62 Deer Street, Portsmouth, NH 03801 ("Buyer").

For and in consideration of the mutual agreements herein contained and the consideration herein expressed, Buyer and Seller agree as follows:

1. Description and Sale of Premises. Subject to and upon the terms and conditions contained in this Agreement, Seller agrees to sell and convey and Buyer agrees to purchase certain tracts or parcels of land and the buildings and improvements thereon, situated in the Town of Stratham, New Hampshire, which premises are more particularly described in Schedule 1, together with and including all appurtenant rights and easements thereto, if any (the "Premises").

2. Purchase Price. Subject to the terms and conditions of this Agreement, Buyer shall buy the Premises and pay Seller therefore the sum of Two Million Seven Hundred Fifty Thousand Dollars and no cents (\$2,750,000) (the "Purchase Price"), payable as follows:

(a) Deposit. The Buyer shall deliver to Grubb Ellis/Northern New England, as escrow agent ("Escrow Agent"), \$25,000 on the execution of this Agreement (said amount being referred as the "Initial Deposit"). The Buyer shall deliver to the Escrow Agent an additional deposit of \$225,000 upon satisfactory completion of the Buyers due diligence. ("Second Deposit" The Initial Deposit and the Second Deposit in the combined amount of \$250,000 shall collectively be referred to as the "Deposit"). The Deposit shall become nonrefundable once the Buyer has provided the Seller with the Buyers Notice to Proceed.

The Escrow Agent shall hold the Deposit subject to the Escrow Provisions set forth in Exhibit A (the "Escrow Provisions"). The Escrow Agent shall acknowledge its acceptance of the Escrow Provisions by executing a counterpart of this Agreement. If Seller fails or refuses to perform its obligations under this Agreement, or if this Agreement is terminated by the Buyer in accordance with the provisions relating to termination set forth herein, then the Deposit shall be returned by the Escrow Agent to the Buyer. If Buyer fails or refuses to perform its obligations under this Agreement, then the Deposit shall be disbursed by the Escrow Agent to Seller. Upon a closing of this transaction, the Deposit shall be disbursed by the Escrow Agent to Seller and applied against the Purchase Price.

(b) Closing Payment. Buyer shall pay the balance of the Purchase Price, namely, \$2,500,000 to Seller at Closing (as defined below). Buyer's obligations under this Agreement are contingent on the Buyer obtaining a loan in said amount from the Community College System of New Hampshire, said loan to be evidenced by a Promissory Note in a form satisfactory to both Buyer and Seller from the Buyer to be secured by a mortgage in a form satisfactory to both Buyer and Seller on the Premises which Promissory Note shall be due and payable in full on or before Ten (10) years following the date of the Closing. Interest on the principal amount of said Promissory Note shall be fixed at a rate of no more than 3% per annum, and Principal and interest payments shall be paid monthly commencing one month

following the Closing with said payments amortized over twenty (20) year period and a balloon payment of all unpaid principal and interest due and payable ten (10) years from the date of the Closing.

3. Title and Title Examination.

(a) Title. Seller shall convey good and marketable record fee simple title to the Premises to Buyer, free and clear of all mortgages, liens, security interests or other encumbrances, subject to easements, covenants and restrictions of record (the "Title Exceptions").

(b) Title Examination.

(i) Buyer may, at its sole cost and expense, cause the title to the Premises to be examined by the Due Diligence Expiration Date. If upon examination of title, Buyer determines that title to the Premises is unsatisfactory (as determined solely by Buyer and including the Identified Encumbrances), then Buyer shall, no later than fifteen (15) days from the Due Diligence Expiration Date (the "Title Examination Period"), deliver to Seller a notification in writing detailing any exceptions, defects or objections to title which Buyer claims are unacceptable to it in its sole and absolute discretion (including the Identified Encumbrances) (the "Unacceptable Exceptions"), and shall simultaneously therewith furnish Seller's counsel with a copy of the title insurance commitment procured by Buyer which sets forth such Unacceptable Exceptions. Failure to timely comply in full with the foregoing sentence shall constitute a waiver of any exceptions, defects or objections to title which could have been raised or noted by Buyer had Buyer procured a title insurance commitment within said period, and Buyer shall accept title subject to all exceptions, defects or objections to title which could have been raised or noted by Buyer had it delivered such written notification and procured a title insurance commitment within said time period.

(ii) At the Closing, the Premises shall be free and clear of any encumbrances created or arising after the date of the title insurance commitment obtained by Buyer as delivered to Seller. If there are any Unacceptable Exceptions which can be cured by the payment by Seller of money, including undischarged mortgages, Seller shall be obligated to discharge and remove the same on or before the Closing Date by paying the same in full and obtaining appropriate discharges or other like instruments which are in recordable form and which are sufficient to discharge and remove said title encumbrances of record and are otherwise satisfactory in form and substance to the title company that issued the title insurance commitment. If Seller fails to comply with Seller's obligation under the foregoing sentence, Buyer shall have the right to cure the same and any amount required to be expended shall be credited against the Purchase Price payable at Closing. If there are any Unacceptable Exceptions which cannot be cured by the payment of money ("Non-Monetary Title Defects"), Seller shall have an additional period of up to thirty (30) days to attempt to cure the same. Seller shall use reasonable efforts to cure such Non-Monetary Title Defects, but shall not be required to expend more than \$5,000 ("Maximum Amount") to achieve such cure. If Seller fails to cure any Non-Monetary Title Defects for which Seller received timely notification within thirty (30) days after it receives such notification thereof from Buyer, then Buyer shall be entitled, within ten (10) days thereafter, but before such Non-Monetary Title Defects are cured, to terminate this Agreement by written notice to Seller and receive a return of the Deposit hereunder, and neither party hereto shall have any further obligation to the other under this Agreement, except to the extent such obligation specifically survives termination. If Buyer does not so notify Seller in writing of its election to terminate pursuant to this Section 3 within the ten (10) day period specified in the preceding sentence, Buyer shall be deemed to have waived its right of termination under this Section 3. The Closing Date, if it otherwise would have occurred shall be extended during the period in which the Seller is attempting any cure as may be required pursuant to this Section. Notwithstanding the foregoing

provisions, Buyer shall have the election, at either the original or any extended time for performance, to accept such title as Seller can deliver to the Premises in its then condition and to pay therefore the Purchase Price without deduction.

(c) Eminent Domain. If prior to the Closing Date any portion of the Premises shall have been taken by exercise of the power of eminent domain, then, at Buyer's election, (i) Buyer may terminate the Agreement and the Deposit shall be refunded to Buyer, or (ii) Seller shall pay over or assign to Buyer at Closing, all awards recovered or recoverable on account of such taking, less any amounts reasonably expended by Seller in obtaining such award.

4. Due Diligence/Inspections

(a) Inspection. Buyer or Buyer's duly authorized representatives shall have the right, following full execution hereof:

(i) To make such inspection and investigation of all circumstances regarding the Premises as the Buyer deems necessary, including, but not limited to, the general condition of the Property including but not limited to any environmental studies;

(ii) To perform whatever other due diligence the Buyer deems necessary or desirable.

The purpose of the above due diligence provision is to insure that the condition and circumstances of the Premises are satisfactory for the Buyer's intended uses and purposes as determined by Buyer in its sole and absolute discretion.

Buyer shall have (90) days following the Effective Date ("Due Diligence Period") to determine if the Premises is suitable for its intended uses and purposes as determined by the Buyer in its sole and absolute discretion. If the Buyer determines that the Premises is suitable for its intended uses and purposes, in its sole and absolute discretion, then Buyer shall notify Seller in writing no later than 5:00 PM on the 90th day of the Due Diligence Period, time being of the essence, that the Buyer intends to proceed with the closing on the Premises. ("Buyers Notice to Proceed") If the Buyer fails to so notify Seller prior to the expiration of the Due Diligence Period, of its intent to go forward with the Closing, it shall be conclusively deemed that the Buyer has determined that the Premises is not suitable for its intended uses and purposes and this Agreement shall be deemed null and void and the Deposit shall be immediately returned to the Buyer

5. Right of Entry and Inspection. At Buyer's sole expense Buyer shall be allowed reasonable access to the Premises for the purpose of conducting those land surveys, environmental assessments and related investigations deemed necessary by the Buyer to determine the suitability of the premises for Buyer's proposed use (the "Inspection(s)"). Provided, however, that such access shall in all cases be with no less than twenty four (24) hours advance notice to the Seller. No Inspection that requires digging, boring or other invasive testing techniques shall be conducted without the prior written consent of the Seller which may be reasonably conditioned by the Seller's. Similarly, no signs shall be erected on the Premises in

connection with the Inspections without the prior written consent of Seller which may be conditioned or denied in Seller's sole discretion. Buyer shall cause the activities of its contractors in connection with the Inspections to be as minimally disruptive to the business of Seller or any Seller tenants as is reasonably possible. Buyer shall keep the Property free of any liens, and repair any material physical damages to the Property arising from the Inspections. All Inspections shall be completed within ninety (90) days of the Effective Date of this Agreement. All contractors conducting land surveys, environmental assessments or related investigations on behalf of Buyer shall provide proof that they maintain commercial liability coverage in amounts acceptable to Seller prior to entering the Premises. The Buyer shall indemnify the Seller for any and all damages, fees, costs, expenses, losses and injuries arising out of or in connection with the Inspections performed by Buyer or by any other party on behalf of the Buyer except to the extent caused by the gross negligence or willful conduct of Seller or its agents.

6. Deed. Seller shall convey the Premises to Buyer, or its nominee, by Quit Claim Deed in proper form for recordation (the "Deed").

7. Prorations. Rents, utility bills, sewer rents, water bills, fuel in tanks and all other charges or assessments against the Premises shall be prorated as of the date of Closing between Buyer and Seller. Seller and Buyer shall each pay at Closing one-half (1/2) of the New Hampshire Real Estate Transfer Tax applicable to this transaction.

8. Representation and Warranties.

(a) Seller hereby represents and warrants that Seller has the legal power and authority to enter into this Agreement and to own, sell, convey and transfer the Premises after it receives approvals from Long Range Capital Planning and Utilization Committee ("LRCPUC") and Governor and Council. Seller has not entered into any other agreement, contract or option of any kind which has not been terminated in accordance with its terms, which grants any person or entity any right to acquire all or any portion of the Premises or any interest therein other than a waiver of right of first refusal by the State of New Hampshire.

(b) Operations of the Premises Between the Effective Date and Closing. From and after the execution of this Agreement and until the Closing, Seller shall perform its obligations to maintain the premises.

9. Possession. Seller shall deliver exclusive possession of the Premises to Buyer at Closing.

10. Insurance. The risk of Loss related to the Premises will remain with Seller through the date of Closing. Seller shall maintain fire and extended coverage insurance on the Premises through the date of Closing. In the event of any damage to the Premises in excess of \$50,000, Buyer may either take title to the Premises, in which event all insurance proceeds received by Seller will be paid to Buyer (plus the deductible amount under the policy, if any), or Buyer may terminate this Agreement, in which event the Deposit shall be promptly refunded to Buyer and neither party will have any further obligation to the other under this Agreement except to the extent such obligation specifically survives termination.

11. Brokerage Commissions. The parties agree that no brokers or real estate agents are involved in this transaction and no real estate commissions are due, except to Grubb Ellis (Northern New England Broker") and to Paul McInnis, Inc. under a separate agreement with Broker and Seller and Broker and

Meltnis, which commissions shall be paid from the sale and shall be the sole responsibility of the Seller. If any claim on behalf of any other broker or agent is made or upheld, then the party against or through whom such claim is made shall indemnify, defend and hold the other harmless against any commissions, fees, damages, costs or expenses in any way attributable to such claim, including without limitation, reasonable attorneys' fees.

12. Closing. Seller shall transfer title to the Premises to Buyer at such place as the parties may mutually agree upon, at a closing (the "Closing") which will take place on or before Thirty (30) Days from the expiration of the Due Diligence Period at a time to be mutually agreed upon (the "Closing Date").

13. Closing Deliverables of the Parties.

(a) Delivery of Items by Seller. Seller shall deliver (or cause to be delivered) to Buyer at the Closing the items listed below (collectively, "Seller's Closing Deliverables"):

- (i) the Deed;
- (ii) a receipt for payment of the Purchase Price;
- (iii) a Certificate of Non-Foreign Status;
- (iv) a closing statement setting forth the closing adjustments and prorations described in Section 6, executed by Seller and Buyer (the "Closing Statement");
- (v) an IRS Form 1099-R;
- (vi) a copy of the vote of Governor and Council authorizing the execution, delivery and performance by Seller of this Agreement and the documents and transactions contemplated hereby;
- (vii) a New Hampshire Department of Revenue Administration Real Estate Transfer Tax Declaration of Consideration (Form CD-57), executed by Seller and Buyer; and
- (viii) possession of the Premises.

(b) Delivery of Items by Buyer. Buyer shall deliver (or cause to be delivered) to Seller at the Closing the items listed below (collectively, "Buyer's Closing Deliverables"):

- (i) the Promissory Note and Mortgage in the amount of \$2,500,000 ;
- (ii) instructions to the Escrow Agent to deliver the Deposit to Seller;
- (iii) a Closing Statement setting forth the closing adjustments and prorations described in Section 6, executed by Seller and Buyer;
- (iv) certified resolutions of the Members of Buyer authorizing the execution, delivery and performance by Buyer of this Agreement and the documents and transactions contemplated hereby;
- (v) a certificate, dated not more than 30 days prior to the Closing Date certified by the New Hampshire Secretary of State, certifying the legal existence of Buyer in New Hampshire (the "Buyer's Certificate of Legal Existence"); and
- (vi) a New Hampshire Department of Revenue Administration Inventory of Property Transfer (Form PA-34)
- (vii) a Lender's title insurance policy in an insured amount equal to the face amount of the Promissory Note written on an ALTA 2006 form by a title insurance company authorized to issue policies in the State of New Hampshire, said company and said policy's coverage, exceptions and endorsements to be reasonably acceptable to the Seller. Buyer agrees to pay the required premium for said policy as a

Buyer's closing cost and Buyer further agrees to provide any information and execute any statements and affidavits reasonably required by the title insurance company as a precondition to issuing such policy.

14. Conditions to the Obligations of the Parties.

(a) Conditions to the Obligations of Buyer. The obligation of Buyer to consummate the transactions contemplated by this Agreement is subject to the fulfillment, on or before the Closing Date, of all of the following conditions (subject to the right of Buyer to waive any such condition in writing):

(i) No Litigation. No action, suit or proceeding (judicial or administrative) shall have been instituted or threatened which (A) seeks to restrain or prohibit this transaction or the other transactions contemplated by this Agreement, or (B) could, if adversely determined, materially diminish the value of the Premises.

(ii) Delivery of Consents and Approvals. All consents, approvals, permits and authorizations required to be obtained from, and all filings required to be made with, any person in connection with the consummation of the transactions contemplated hereby shall have been obtained or made.

(iii) Delivery of Seller's Closing Deliverables. Seller shall have delivered all of Seller's Closing Deliverables under Section 13(a).

(b) Conditions to the Obligations of Seller. The obligation of Seller to consummate the transactions contemplated by this Agreement is subject to the fulfillment, at or before the Closing Date, of all of the following conditions (subject to the right of Seller to waive any such condition in writing):

(i) Delivery of Purchase Price. Buyer shall have delivered the Purchase Price in accordance with Section 2(b).

(ii) Delivery of Buyer's Closing Deliverables. Buyer shall have delivered all of Buyer's Closing Deliverables under Section 13(b).

15. Disclaimers.

Disclaimer Regarding Environmental Matters. BUYER ACKNOWLEDGES THAT SELLER WILL PERMIT BUYER THE OPPORTUNITY TO CONDUCT SUCH ENVIRONMENTAL TESTING, STUDIES, ANALYSES AND ASSESSMENTS AS BUYER DEEMS APPROPRIATE WITH RESPECT TO THE PREMISES. BUYER ACKNOWLEDGES AND AGREES THAT IN PURCHASING THE PREMISES, BUYER IS TAKING THE PREMISES IN "AS IS" CONDITION WITH RESPECT TO ALL ENVIRONMENTAL MATTERS WITHOUT ANY REPRESENTATIONS, WARRANTIES OR ASSURANCES WHATSOEVER REGARDING ENVIRONMENTAL MATTERS OR COMPLIANCE WITH ENVIRONMENTAL LAWS OR OTHER LEGAL REQUIREMENTS GOVERNING ENVIRONMENTAL AND HEALTH AND SAFETY MATTERS. WITHOUT INTENDING TO LIMIT THE SCOPE OF THE FOREGOING, BUYER FURTHER ACKNOWLEDGES AND AGREES THAT IN PURCHASING THE PREMISES, BUYER TAKES THE PREMISES SUBJECT TO ANY AND ALL ENVIRONMENTAL, HEALTH AND SAFETY LIABILITIES EXISTING ON THE DATE OF THIS AGREEMENT, EXCEPT THOSE KNOWN TO SELLER AND NOT DISCLOSED TO BUYER PRIOR TO THE CLOSING.

16. Default. In the event of Buyer's failure or refusal to perform hereunder, Seller may retain the Deposit as complete liquidated damages as its sole remedy. If the transaction contemplated hereunder shall not be consummated as the result of Seller's default or its inability to perform or fulfill any obligation hereunder, Buyer shall receive a refund of the Deposit, and Seller shall have no further liability or obligations hereunder, unless Seller's failure to close is willful or attributable to Seller's bad faith, in which case Buyer may, at its election, seek specific performance of this Agreement. The parties shall not be entitled to seek or receive any remedies at law or in equity, except as provided in this Section.

17. Notice. All notices under this Agreement shall be deemed given if delivered personally or if mailed by certified or registered mail, return receipt requested, and addressed as follows (until either party notifies the other in writing of a different address by notice given in accordance with this Section):

If to Seller: Ron Rioux, Vice Chancellor
CCSNH
26 College Drive
Concord, NH 03301

With a copies to: Naomi Butterfield, Esquire
Bernstein & Shur
670 North Commercial Street, Suite 108
Manchester, NH 03105

and

Michael Marr
Director of Financial Operations
CCSNH
26 College Drive
Concord, NH 03301

If to Buyer: Juliet Marine Systems, Inc.
62 Deer Street
Portsmouth, NH 03801

With a copy to: Thomas M. Keane
Keane & Macdonald, PC
1000 Market Street Building 2, Suite 7
Portsmouth, NH 03801

If to Escrow Agent: David F. Choate, III
Grubb & Ellis|Northern New England
500 Market Street, Suite 9

Portsmouth, NH 03801

18. Disclosures - Notification of Radon Gas and Lead Paint

In compliance with the requirements of New Hampshire Revised Statutes Annotated 477:4-a, the following information on radon gas, lead paint and insulation is provided to the Buyer.

Radon Gas: Radon gas, the product of decay of radioactive materials in rock, may be found in some areas of New Hampshire. This gas may pass into a structure through the ground or through water from a deep well. Testing can establish its presence and equipment is available to remove it from the air or water.

Lead Paint: Before 1977, paint containing lead may have been used in structures. The presence of flaking lead paint can present a serious health hazard, especially to young children and pregnant women. Tests are available to determine whether lead paint is present.

Water and Sewer System: Private water and sewer systems.

Insulation: Seller has no information regarding the insulation, if any, in the various buildings which comprise the Premises.

19. Miscellaneous.

(a) This Agreement (including the Exhibits and Schedules referenced herein) contains the entire agreement between the parties relating to the transaction contemplated hereby and all prior or contemporary agreements, understandings, representations and statements, oral or written, are merged herein. No modification, waiver, amendment, discharge or change of this Agreement will be valid unless in writing and signed by the party against whom enforcement of such modification, waiver, amendment, discharge or change is sought.

(b) The interpretation of this Agreement and the rights and obligations of Buyer and Seller hereunder shall be governed by the laws of the State of New Hampshire. The parties acknowledge that they were represented by counsel and this Agreement shall be construed fairly as to all parties and not in favor of or against any party regardless of which party prepared this Agreement or the relative bargaining strength of the parties.

(c) The provisions, covenants and agreements herein contained will inure to the benefit of, and be binding upon, the parties hereto and their respective heirs, executors, administrators, successors, legal representatives and assigns.

(d) This Agreement may be executed in two or more counterparts, each of which will be deemed an original, but all of which collectively constitute one and the same agreement.

(e) This Agreement is made under, and shall be governed by, the laws of the State of New Hampshire.

(f) The Effective Date of this Agreement shall be the latest of the following dates: date of Buyer's execution hereof, date of Seller's execution hereof, date of approval by the Trustees of the

Community College System of New Hampshire, date of approval by the long Range Capital Planning and Utilization Committee, date of approval by the Governor and Council of the State of New Hampshire.

(g) Release of Due Diligence and Inspection Materials. In the event that the Buyer terminates this Agreement for any reason, the Buyer shall turn over to the Seller, at no additional cost to the Seller save reasonable copy and expedited delivery charges, copies of all final plans, surveys, inspections, studies, analyses and documents related to the condition of title to the Property, the environmental condition of the Property, the regulatory compliance of the Property with any city, county, state, federal, building, land use, fire, safety, health or other governmental or public agency codes, ordinances, regulations or orders, or the physical condition of the Property or any improvements located thereon, redacted or withheld as necessary to prevent the disclosure of Buyer's confidential operational or financial information, and including copies of any such plans, studies, analyses and materials submitted by the Buyer to any city or state agency or board related to the development of the Property for its intended purpose.

IN WITNESS WHEREOF, the parties have made this Purchase and Sale Agreement as of the date stated above.

SELLER: Community College System of New Hampshire

By: 

Its: Chancellor

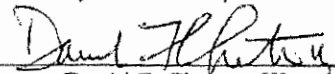
3-26-15

BUYER: Juliet Marine Systems, Inc.

By: 
By: Greg Sencoff, President

3-26-15

As to only the escrow provisions set forth in Exhibit A:


Name: David F. Choate, III

LIST OF SCHEDULES

Schedule	Description
1	Description of Premises

LIST OF EXHIBITS

Exhibit	Section Reference	Description
A	2(a)	Escrow Provisions

SCHEDULE 1

Description of Premises

275 Portsmouth Avenue, Stratham, New Hampshire consists of a 100,035+/-sf building situated on 89.9+/- acres.

EXHIBIT A

Escrow Provisions

1. Escrow Account. The Deposit shall be deposited by Escrow Agent in a non-interest bearing account.
2. Delivery of Deposit. Escrow Agent shall deliver the Deposit, (for purposes hereof, the "Escrow") to Seller and Buyer promptly after receiving a joint written notice from Seller and Buyer directing the disbursement of the same, such disbursement to be made in accordance with such direction. If Escrow Agent receives written notice from Buyer or Seller that the party giving such notice is entitled to the Escrow, which notice shall describe with reasonable specificity the reasons for such entitlement, then Escrow Agent shall (a) promptly give notice to the other party of Escrow Agent's receipt of such notice and enclosing a copy of such notice, and (b) subject to the provisions of the following paragraph which shall apply if a conflict arises, on the 14th day after the giving of the notice referred to in clause (a) above, deliver the Escrow to the party claiming the right to receive it.
3. Alternative Actions. In the event that Escrow Agent shall be uncertain as to its duties or actions hereunder or shall receive instructions or a notice from Buyer or Seller which are in conflict with instructions or a notice from the other party or which, in the sole opinion of Escrow Agent, are in conflict with any of the provisions of this Agreement, it shall be entitled to take any of the following courses of action:
 - (a) Hold the Escrow as provided in this Agreement and decline to take any further action until Escrow Agent receives a joint written direction from Buyer and Seller or any order of a court of competent jurisdiction directing the disbursement of the Escrow, in which case Escrow Agent shall then disburse the Escrow in accordance with such direction;
 - (b) In the event of litigation between Buyer and Seller, Escrow Agent may deliver the Escrow to the clerk of any court in which such litigation is pending; or
 - (c) Escrow Agent may deliver the Escrow to a court of competent jurisdiction and therein commence an action for interpleader, the cost thereof to Escrow Agent to be borne by whichever of Buyer or Seller does not prevail in the litigation. Upon delivering the Deposit to the clerk of court, the Escrow Agent shall be discharged from any further obligations as Escrow Agent. Both parties agree that the Escrow Agent may deduct the reasonable costs and expenses (including, if the Escrow Agent is a law firm, compensation for the time spent or contemplated to be spent by its attorneys at their regular hourly rates) of bringing and participating in such interpleader action from the Deposit funds held in Escrow prior to forwarding such funds to the clerk of court.
4. Liability. Escrow Agent shall not be liable for any action taken or omitted in good faith and believed by it to be authorized or within the rights or powers conferred upon it by this Agreement and it may rely, and shall be protected in acting or refraining from acting in reliance upon an opinion of counsel or upon any directions, instructions, notice, certificate, instrument, request, paper or other documents believed by it to be genuine and to have been made, sent, signed or presented by the proper party or parties. In no event shall Escrow Agent's liability hereunder exceed the aggregate amount of the Deposit. Escrow Agent shall be under no obligation to take any legal action in connection with the Escrow or this Agreement or to appear in, prosecute or defend any action or legal proceeding which would or might, in

its sole opinion, involve it in cost, expense, Loss or liability unless, in advance, and as often as reasonably required by it, Escrow Agent shall be furnished with such security and indemnity as it finds reasonably satisfactory against all such cost, expense, Loss or liability. Notwithstanding any other provision of this Agreement, Buyer and Seller jointly and severally agree to indemnify, hold harmless and reimburse Escrow Agent on demand against any Loss, liability or expense incurred without bad faith on its part and arising out of or in connection with its services under the terms of this Agreement, including the cost and expense of defending itself against any claim of liability (including, if Escrow Agent is a law firm, compensation for the time spent by its attorneys at their regular hourly rates).

5. Modification. Escrow Agent shall not be bound by any modification of this Agreement unless the same is in writing and signed by Buyer, Seller and Escrow Agent. From time to time on or after the date hereof, Buyer and Seller shall deliver or cause to be delivered to Escrow Agent such further documents and instruments that fall due, or cause to be done such further acts as Escrow Agent may reasonably request (it being understood that the Escrow Agent shall have no obligation to make any such request) to carry out more effectively the provisions and purposes of this Agreement, to evidence compliance with this Agreement or to assure itself that it is protected in acting hereunder.

6. Expenses. Escrow Agent shall not seek reimbursement for the services of its employees, but only for its actual and reasonably incurred out-of-pocket expenses, except in the event of a dispute or where indemnification is provided for herein. Seller shall pay the fees and expenses of the Escrow Agent incurred in connection with this Agreement.

7. Conflicts. These Escrow Provisions are made pursuant to the Purchase and Sale Agreement between Seller and Buyer (the "Purchase Agreement"). In the event of any inconsistency or conflict between the provisions of these Escrow Provisions and the provisions of the Purchase Agreement, these Escrow Provisions shall govern and control.



State of New Hampshire

LACP 13-034

DEPARTMENT OF ADMINISTRATIVE SERVICES
OFFICE OF THE COMMISSIONER
25 Capitol Street – Room 120
Concord, New Hampshire 03301

LINDA M. HODGDON
Commissioner
(603) 271-3201

JOSEPH B. BOUCHARD
Assistant Commissioner
(603) 271-3204

July 22, 2013

The Honorable David Campbell, Chairman
Long Range Capital Planning and Utilization Committee
L.O.B. – Room 201
Concord, New Hampshire 03301

REQUESTED ACTION

Pursuant to RSA 4:40, the Department of Administrative Services (the "Department" as "Licensor") requests approval of the attached Amendment Agreement with Concord Steam Corporation, 123 Pleasant Street, Concord, New Hampshire ("Licensee") to extend by an additional three (3) years the initial term of a three (3) year License for Use of Premises between the parties to operate the boiler plant located at the Governor Hugh J. Gallen State Office Park near Pleasant Street in Concord (the "Premises").

EXPLANATION

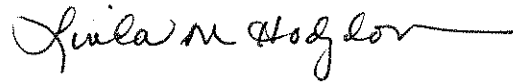
The existing License for Use of Premises (the "License") effectively serves as a three (3) year extension of a thirty (30) year lease of the Premises to the Licensee which commenced in 1980 and expired on August 31, 2010. The License was granted to allow the Licensee to continue operating the Premises for an additional three (3) years while constructing a new cogeneration plant at another location in Concord. The License commenced September 1, 2010 and expires August 31, 2013. The License was authorized by the Governor and Executive Council on August 11, 2010 as Agenda Item #17. The attached Amendment Agreement (the "Amendment") allows the Licensee to continue operating the Premises for another three (3) years beyond the expiration of the License, until August 31, 2016, while finalizing its transition to the new facility, the completion of which has been delayed. In light of the rapidly approaching expiration of the License, the Department is submitting the Amendment concurrently herewith to the Council on Resources and Development (CORD) for review at its next meeting.

Under the terms of the Amendment: (1) the annual license fee will remain unchanged at \$100,515.60, to be payable in equal monthly installments of \$8,376.30; (2) the Licensor will gain the unilateral right to terminate the license for any or no reason upon one hundred twenty (120) days advance written notice; (3) the Licensee will commission at its sole expense a full engineering study to determine any deficiencies with the smoke stack, fixed ladder, and platforms on the Premises, such study to be completed no later than December 2, 2013; and (4) any such deficiencies so determined shall be repaired by the Licensee at its

sole expense, such repairs to be completed no later than June 2, 2014. The Amendment shall become effective upon authorization by the Governor and Executive Council and shall extend the term of the License until August 31, 2016.

Authorization is hereby requested to enter into the attached Amendment Agreement with Concord Steam Corporation to extend by an additional three (3) years the term of the existing license to operate the boiler plant located at the Governor Hugh J. Gallen State Office Park subject to the conditions outlined above.

Respectfully submitted,

A handwritten signature in cursive script, reading "Linda M. Hodgdon", followed by a horizontal line.

Linda M. Hodgdon
Commissioner

AMENDMENT

This Agreement (hereinafter called the "Amendment") is dated, _____ 2013 and is by and between the State of New Hampshire acting by and through the Department of Administrative Services, 120 Capitol Street, Concord, New Hampshire 03301, (hereinafter referred to as the "Licensor") and Concord Steam Corporation, a New Hampshire Corporation with a place of business at 123 Pleasant Street, Concord, New Hampshire 03301 (hereinafter referred to as the "Licensee").

Whereas, pursuant to a three-year License agreement (hereinafter called the "Agreement"), for the rental of the boiler plant located at the Governor Hugh Gollen Office Park which was first entered into on June 21, 2010, which was approved by the Governor and Executive Council on August 11, 2010, item #17, the Licensor agreed to lease certain premises upon the terms and conditions specified in the Agreement and in consideration of rental payments by the Licensee of certain sums as specified therein; and

Whereas, the Licensor and Licensee are agreeable to a holdover term to facilitate the Licensee's finalization of their transition to a new facility, and;

The Licensee will need up to thirty-six (36) months to finalize the transition to a new functional facility or should delays in the new facility continue, Licensee may resort to revamping the aging facility by improving the existing infrastructure, however, the Agreement expires well in advance of this, and;

Amendment of the current Agreement to provide a delay in the expiration of the term will allow the Licensee to continue rental payments while continuing occupancy at the Premises and the Licensor is agreeable to providing such delay;

NOW THEREFORE, in consideration of the foregoing and the covenants and conditions contained in the Agreement as set forth herein, the Licensor and Licensee hereby agree to amend the Agreement as follows:

Amendment of Agreement;

II. Term: The expiration date of the current agreement, August 31, 2013 is hereby amended to terminate up to thirty-six (36) months thereafter, August 31, 2016. During the amended term the Licensor hereto may terminate this License for any reason upon serving one hundred and twenty (120) days prior written notice to the Licensee. During the amended Term the Parties hereto may enter into a New License", if such a License with the Licensee is entered into and subsequently authorized by the State of New Hampshire's Governor and Executive Council, the Amendment herein shall terminate upon the same date set for commencement of the "New License", replaced by the terms and conditions of the authorized "New License".

IV. Rent: The current annual rental income of \$100,515.60 will remain the same for the term, which shall be prorated to a monthly rental payment of \$8,376.30, which shall be due on the first day of the month during the amended term. The first monthly installment shall be due and payable September 1, 2013 or within 30 days of the Governor and Executive Council's approval of this agreement, whichever is later. The monthly rent shall continue to be paid on the 1st day of each month during the amended term unless the term is sooner terminated in accordance with the terms herein. The total amount of rent to be paid under the terms of this agreement shall not exceed \$301,546.80.

Initials: PKB

Date: 7/11/13

In lieu of a 3% increase in rents due the Licensor, Licensee shall schedule a full engineering study to determine any deficiencies on the smoke stack, fixed ladder and platforms. The engineering study to be borne at the sole expense of the Licensee. The study shall be completed no later than December 2, 2013, with a copy of the results provided to Licensor at the time of receipt. Should the engineering study of the smoke stack, fixed ladder and platforms reveal any deficiencies, Licensee shall make the necessary repairs at the sole expense of the Licensee. All repairs to be completed by June 2, 2014.

EFFECTIVE DATE OF THE AMENDMENT: This Amendment shall be effective upon its approval by the Governor and Executive Council of the State of New Hampshire. If approval is withheld, this document shall become null and void, with no further obligation or recourse to either party.

CONTINUANCE OF AGREEMENT: Except as specifically amended and modified by the terms and conditions of this Amendment, the Agreement and the obligations of the parties there under shall remain in full force and effect in accordance with the terms and conditions set forth therein.

Initials: PAB
Date: 7/1/13

IN WITNESS WHEREOF, the parties have hereunto set their hands;

LICENSOR: State of New Hampshire Department of Administrative Services

Date: _____

By _____

Linda M. Hodgdon, Commissioner

LICENSEE: Concord Steam Corporation

Date: 7/11/13

By Peter Bloomfield

Peter Bloomfield, President

Acknowledgement: State of New Hampshire, County of Merrimack

On (date) 07-11-13, before the undersigned officer, personally appeared Peter Bloomfield, who satisfactorily proved to be the person identified above as the owner, and he personally executed this document.

Signature of Notary Public or Justice of the Peace: Diane Burleigh

Commission expires: DIANE T. BURLEIGH, Notary Public
My Commission Expires April 13, 2016 Seal:

Name and title of Notary Public or Justice of the Peace (please print):

Diane Burleigh
Customer Service

Approval by New Hampshire Attorney General as to form, substance and execution:

By: _____, Assistant Attorney General; on _____

Approval by the New Hampshire Governor and Executive Council:

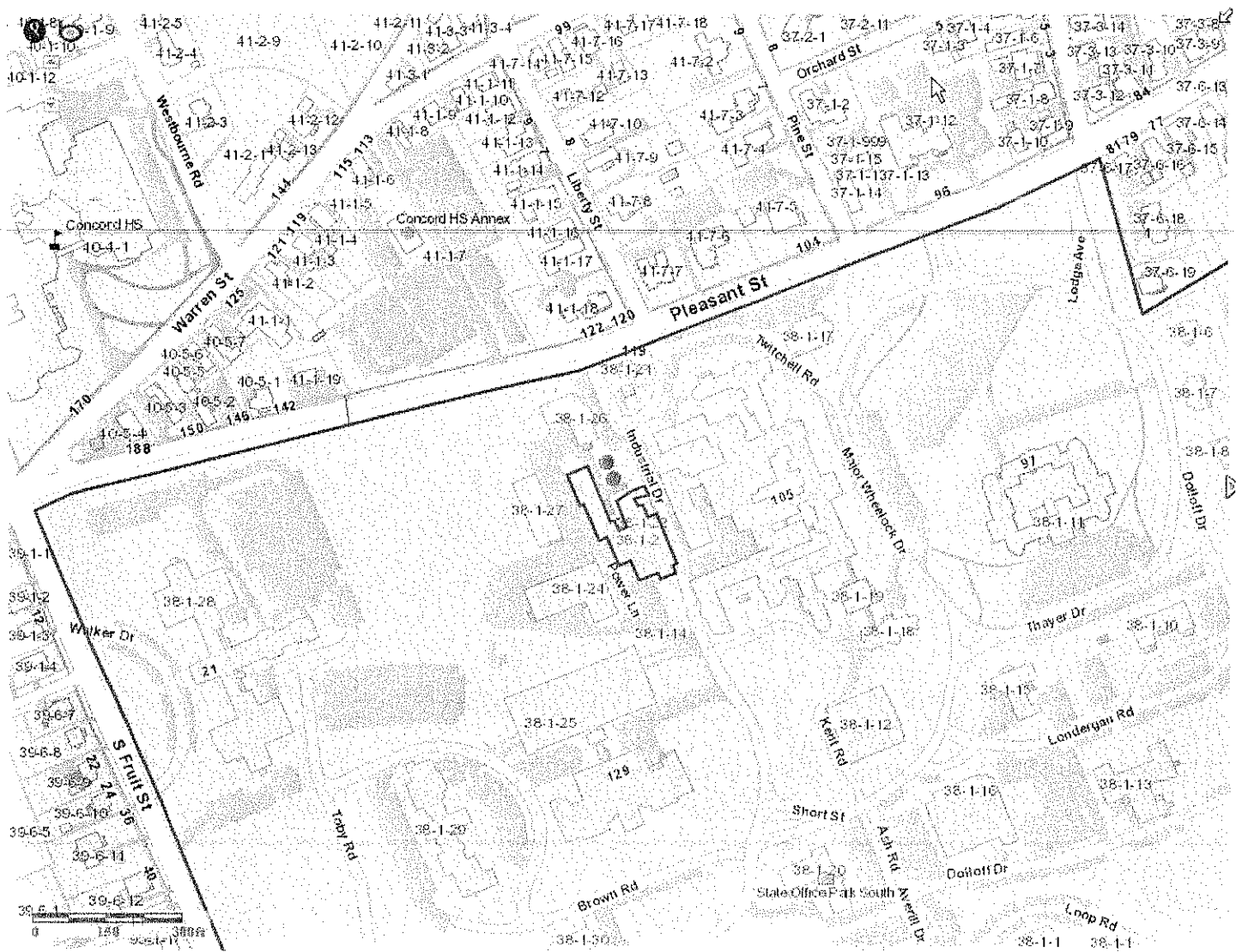
By: _____, on _____

LICENSOR'S FISCAL YEAR SCHEDULE OF RENTAL INCOME

<i>State Fiscal Year</i>	<i>Month</i>	<i>Monthly Rental Income</i>	<i>Yearly Total</i>	<i>Fiscal Year Total</i>
2014	9/1/2013	\$ 8,376.30		
	10/1/2013	\$ 8,376.30		
	11/1/2013	\$ 8,376.30		
	12/1/2013	\$ 8,376.30		
	1/1/2014	\$ 8,376.30		
	2/1/2014	\$ 8,376.30		
	3/1/2014	\$ 8,376.30		
	4/1/2014	\$ 8,376.30		
	5/1/2014	\$ 8,376.30		
	6/1/2014	\$ 8,376.30		\$ 83,763.00
	7/1/2014	\$ 8,376.30		
	8/1/2014	\$ 8,376.30	\$ 100,515.60	
2015	9/1/2014	\$ 8,376.30		
	10/1/2014	\$ 8,376.30		
	11/1/2014	\$ 8,376.30		
	12/1/2014	\$ 8,376.30		
	1/1/2015	\$ 8,376.30		
	2/1/2015	\$ 8,376.30		
	3/1/2015	\$ 8,376.30		
	4/1/2015	\$ 8,376.30		
	5/1/2015	\$ 8,376.30		
	6/1/2015	\$ 8,376.30		\$ 100,515.60
	7/1/2015	\$ 8,376.30		
	8/1/2015	\$ 8,376.30	\$ 100,515.60	
2016	9/1/2015	\$ 8,376.30		
	10/1/2015	\$ 8,376.30		
	11/1/2015	\$ 8,376.30		
	12/1/2015	\$ 8,376.30		
	1/1/2016	\$ 8,376.30		
	2/1/2016	\$ 8,376.30		
	3/1/2016	\$ 8,376.30		
	4/1/2016	\$ 8,376.30		
	5/1/2016	\$ 8,376.30		
	6/1/2016	\$ 8,376.30		\$ 100,515.60
	7/1/2016	\$ 8,376.30		
	8/1/2016	\$ 8,376.30	\$ 100,515.60	\$ 16,752.60
2017				
Total Rental Income			\$ 301,546.80	\$ 301,546.80

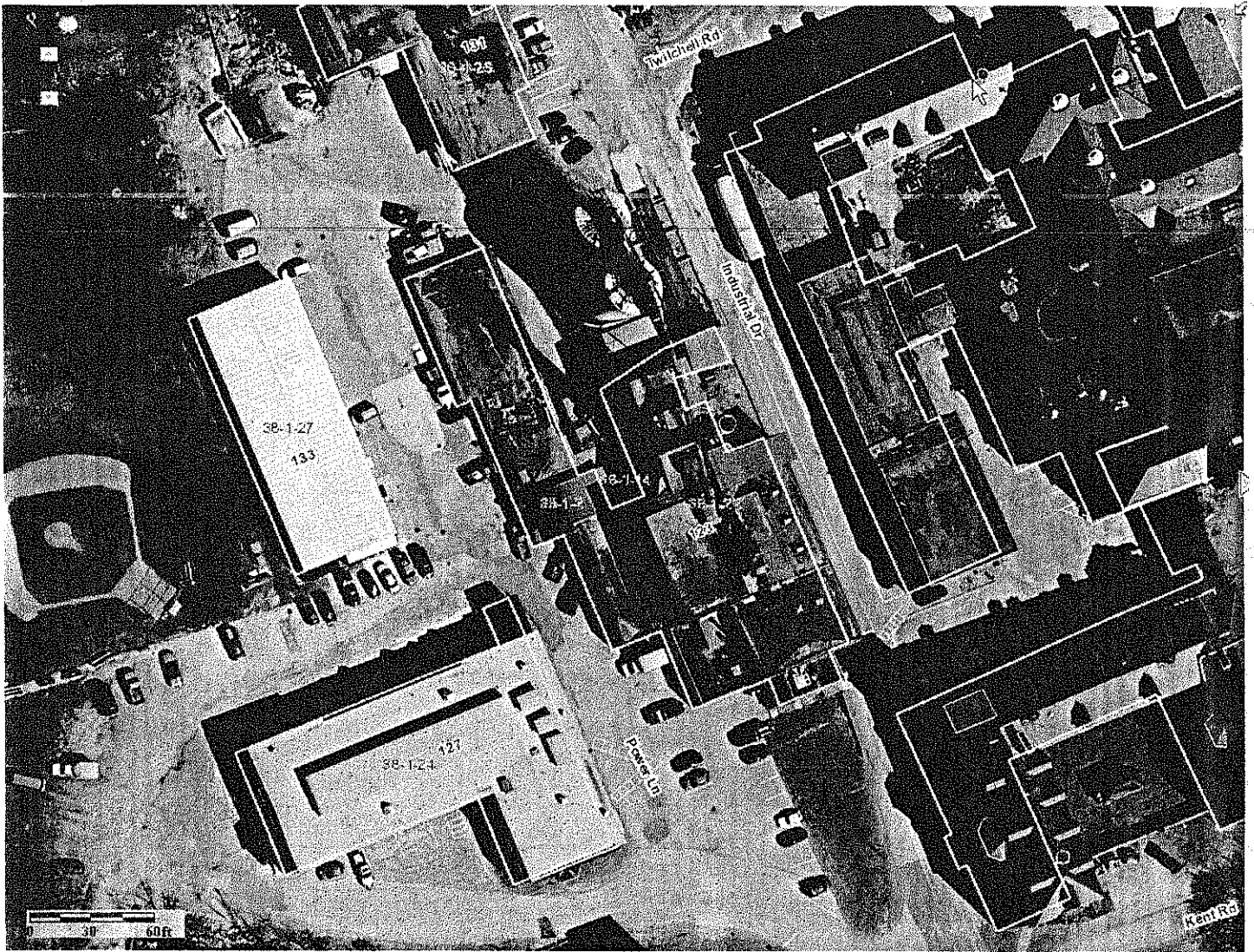
Initials: PAB

Date: 7/11/13



Tax Map Detail
 Steam Boiler Plant
 Governor Hugh J. Gallen State Office Park
 Concord, NH
 (Map 38, Block 1, Lot 22)

The licensed facilities are shown outlined above, adjacent to Industrial Drive. They are located within the Governor Hugh J. Gallen State Office Park parcel (shaded and outlined above).



Aerial View
Steam Boiler Plant
Governor Hugh J. Gallen State Office Park
Concord, NH

The licensed facilities are depicted above at center.

State of New Hampshire

DEPARTMENT OF ADMINISTRATIVE SERVICES

OFFICE OF THE COMMISSIONER

25 Capitol Street - Room 120

Concord, New Hampshire 03301

LINDA M. HODGDON

Commissioner

(603) 271-3201

JOSEPH B. BOURC

Assistant Commis

(603) 271-321

July 21, 2010

His Excellency, Governor John H. Lynch
and Honorable Council
State House
Concord, NH 03301

REQUESTED ACTION

Authorize the Department of Administrative Services, to enter into a three (3) year License for Use Agreement for the rental of the boiler plant located at the Governor Hugh Gallen Office Park to Concord Steam Corporation, Concord NH, for an amount not to exceed \$301,546.80. This agreement will commence on September 1, 2010 and end on August 31, 2013.

Revenue will be deposited in the General Fund account as follows:

00000014-404014

Concord Steam Rent

<u>SFY11</u>	<u>SFY12</u>	<u>SFY13</u>	<u>SFY14</u>
\$83,763.00	\$100,515.60	\$100,515.60	\$16,752.60

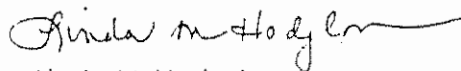
EXPLANATION

The boiler plant located at the Governor Hugh Gallen Office Park is owned by the state and originolly provided steam and power for the entire campus. In 1980, the State of New Hampshire entered a thirty (30) year lease with Concord Steam Corporation to utilize the boiler plant to provide steam to the campus and also several other customers located throughout central and downtown area of Concord. The initial lease is scheduled to terminate on August 31, 2010.

Concord Steam is planning to build a new cogeneration plant at another location in Concord and they have requested a three year agreement to continue operations while they construct a new plant.

The rental income for the three (3) year term shall be \$301,546.80. The Office of the Attorney General has reviewed and approved this License for Use Agreement.

Respectfully Submitted,



Linda M. Hodgdon,
Commissioner

LICENSE FOR USE OF PREMISES

THIS AGREEMENT, made this 21st day of JUNE, 2010 by and between the State of New Hampshire, Department of Administrative Services, 120 Capitol Street, Concord, New Hampshire 03301, hereinafter referred to the "Licensor" and Concord Steam Corporation, a New Hampshire Corporation with a place of business at 123 Pleasant Street, Concord, New Hampshire, hereinafter referred to as the "Licensee".

Whereas:

I. Description.

The Licensor, representing and warranting itself to be the owner of the premises herein described, for and in consideration of the rent to be paid, of the rights reserved and of the covenants and agreements hereinafter set forth to be kept, performed and observed by the Licensee, has and does hereby let and license unto Licensee with license to operate the premises described on EXHIBIT A hereto (hereinafter referred to as "the Premises").

II. Term.

The premises are licensed to the Licensee subject to all of the terms, covenants, and conditions contained herein for a term of three (3) years, commencing on September 1, 2010 and to terminate three years thereafter on August 31, 2013. It is understood and agreed by the parties hereto that this Agreement and the commencement of the term is conditioned upon approval being granted by the Governor and Executive Council. In the event that the execution of the Agreement shall not be so approved, then this Agreement shall there upon immediately terminate and all obligations hereunder of the parties hereto shall cease.

III. Licensee's Acceptance of License and Property.

In consideration of the licensing of the premises and of the rights hereby granted to it, the Licensee does hereby accept this license under the terms and conditions as herein provided. Neither the Licensor nor its agents have made any representation with respect to the premises except as set forth herein and no rights, easements, or licenses are acquired by Licensee by implication or otherwise except as expressly set forth in this license.

The parties agree that as at the date of this agreement, the premises consist of the property and equipment as indicated in Exhibits A and A-1. Except as to representation, warranties and covenants expressly set forth in this license by Licensor, Licensee accepts the premises in its present state and without any other representation, covenant or warranty by the Licensor as to the condition of the premises or as to the use which may be made therefore.

Initials: BS
Date: 7/21/10

Licensee is obligated to and will procure fire and extended coverage insurance and boiler insurance on the premises as required by paragraph V.D.1 herein. The parties agree that the survey done by the insurance underwriters in connection with procuring such insurance initially will be one basis for determining the condition of the premises. The surveys performed from time to time by the insurance underwriters shall be one basis for determining Licensee's compliance with this license relative to Licensee's obligation to maintain and repair the premises.

IV. Rent.

The Licensee does hereby agree and covenant to pay the Licensor during said term as rental for the premises, the yearly rent of One Hundred Thousand Five Hundred Fifteen Dollars and Sixty Cents (\$100,515.60) payable in equal monthly installments of Eight Thousand Three Hundred Seventy Six Dollars and 30 cents (\$8,376.30) each, in advance from September 1, 2010 to August 31, 2013, to Licensor at the address specified in paragraph XXIII of this license unless and until otherwise directed by Licensor.

V. Other Rent Payments by Licensee.

The Licensee agrees to pay, as rent, in addition to the rent specified in paragraph IV above, the following:

A. Taxes and Assessments.

1. The Licensee shall pay and discharge any and all properly assessed real and personal property taxes, and charges and governmental impositions, duties and charges of like kind and nature, no later than the due date, which shall or may during the term of this license be charged, laid, levied or imposed upon or become a lien or liens upon the premises or any part thereof or any improvements thereto, or which may become due and payable with respect thereto, and any and all taxes charged, laid or levied in addition to the foregoing under or by virtue of any present or future laws, rules, requirements, orders, directions, ordinances or regulations of the United States of America, or of the state, county or city government, or of any other municipal government or lawful authority whatsoever.

Failure of the Licensee to pay the duly assessed personal and real estate taxes when due shall be cause to terminate said license or agreement by the Licensor as provide in RSA 72:23, I.

2. The Licensee shall have the right to contest or review (in the name of the Licensee, or of the Licensor, or both, as the Licensee shall elect) by appropriate proceedings (which, if instituted, shall be conducted promptly at the Licensee's own expense free of all expenses to the Licensor), any tax, charge or other governmental imposition aforementioned upon

Initials: JB

Date: 7/21/10

condition that before instituting any such proceeding the Licensee shall pay (under protest) such tax, charge or other governmental imposition aforementioned on or before the date that any interest or penalties commence. If required, the Licensee shall prepare for the signature of Licensor and the Licensor shall timely file any annual inventory required by Chapter 74 of the Revised Statutes Annotated of New Hampshire.

B. Utilities.

The Licensee shall provide, and shall pay when due, all charges for water, gas, sewer, heat, telephone and any other utility services supplied to the premises.

C. Builder's Risk Insurance.

During any period or periods of construction by the Licensee of any improvements on the premises the construction of which is of a type as to which builder's risk insurance is applicable, the Licensee shall obtain and maintain in effect standard builder's risk insurance written on a completed value basis, including extended coverage and coverage for malicious mischief and vandalism, and utilizing a maximum value at date of completion not less than the greater of (1) the aggregate contract price or prices for construction of such facilities or (2) the amount which may be required by a mortgage which is financing such construction. Such insurance shall be obtained from an insurance company authorized to do business in New Hampshire and acceptable to the Licensor, and there shall be furnished to the Licensor a certificate of such insurance which shall not be cancelled without at least thirty (30) days' written notice to the Licensor. If such construction by the Licensee is of a type to which builder's risk insurance is not applicable, the Licensee shall provide the necessary additional coverage under the policies referred to in Section V.D. hereof.

D. Fire and Extended Coverage Insurance.

1. The Licensee shall procure and continue in force during the term hereof fire and extended coverage insurance, including malicious mischief and vandalism, and boiler insurance upon all facilities, fixtures, machinery, equipment and other appurtenances constructed, erected or installed on the premises on a full value, repair or replacement basis.

The policy or policies evidencing such insurance shall provide that loss, if any, payable thereunder shall be payable to the Licensor and/or the Licensee as their respective interests may appear, and such policies or evidence of the existence thereof satisfactory to Licensor, together with evidence of payment of the premiums thereon, shall be delivered to the Licensor. All such policies shall be taken in such responsible companies authorized to do business in New Hampshire as the Licensor shall approve and shall be in form satisfactory to the Licensor.

Initials: PR
Date: 7/21/10

Upon receipt of a copy of notice of cancellation of any insurance, which is the responsibility of the Licensee hereunder, the Licensor may pay the premiums necessary to reinstate the same. The amount so paid shall constitute additional rent payable by the Licensee at the next rental payment date. Payment of premiums by the Licensor shall not be deemed a waiver or relicensure by the Licensor of the default by the Licensee in failing to pay the same or of any action, which the Licensor may take hereunder as a result of such default. The Licensee shall not violate, nor permit, any person, firm, association, or corporation to violate any of the terms, conditions and provisions of such policies. In the event of loss, the Licensor may initiate action to effect a settlement with the insurer, and in such event the Licensee shall cooperate with the Licensor in connection with the processing and collection of claims, and shall execute and deliver to the Licensor such proofs of loss, of the Licensee, execute and deliver any such instrument, and the Licensee hereby nominates and appoints the Licensor the proper and legal attorney-in-fact of the Licensee for such purpose, hereby ratifying all that the Licensor may lawfully do as such attorney-in-fact. To the extent damage to the premises or its contents is covered by insurance, insurance proceeds shall be first applied toward restoring the premises at the minimum to its condition immediately prior to the damage and replacing or repairing its contents.

2. To the extent permitted without prejudice to any rights of the Licensee under the applicable insurance policy or policies, the Licensor shall be held free and harmless from liability for loss or damage to personal property of the Licensee in the premises by fire, extended coverage perils, sprinkler leakage, vandalism and malicious mischief if and to the extent actually insured against, whether or not such loss or damage be the result of the negligence of the Licensor, its employees or agents.

E. Liability Insurance.

During the Term and any extension thereof, the Licensee shall at its sole expense, obtain and maintain in force, and shall require any subcontractor or assignee to obtain and maintain in force, the following insurance with respect to the Premises and the property of which the Premises are a part: comprehensive general liability insurance against all claims of bodily injury, death or property damage occurring on, (or claimed to have occurred on) in or about the Premises. Such insurance is to provide minimum insured coverage conforming to: General Liability coverage of not less than one million (\$1,000,000) per occurrence and not less than two million (\$2,000,000) general aggregate; with coverage of Excess/Umbrella Liability of not less than one million (\$1,000,000) per occurrence and not less than four million (\$4,000,000) general aggregate.. The policies described herein shall

Initials: PSDate: 7/21/20

be on policy forms and endorsements approved for use in the State of New Hampshire by the N.H. Department of Insurance and issued by insurers licensed in the State of New Hampshire. Each certificate(s) of insurance shall contain a clause requiring the insurer to endeavor to provide the Licenser no less than ten (10) days prior written notice of cancellation or modification of the policy. The Licensee shall deposit with the Licenser certificates of insurance for all insurance required under this Agreement, (or for any Extension or Amendment thereof) which shall be attached and are incorporated herein by reference. During the Term of the Agreement the Licensee shall furnish the Licenser with certificate(s) of renewal(s) of insurance required under this Agreement no later than fifteen (15) days prior to the expiration date of each of the policies.

F. Workers Compensation Insurance: To the extent the Licensee is subject to the requirements of NH RSA chapter 281-A, Licensee shall maintain, and require any subcontractor or assignee to secure and maintain, payment of Workers' Compensation in connection with activities which the person proposes to undertake pursuant to this Agreement. The Licensee shall furnish the Licenser proof of Workers' Compensation in the manner described in N.H. RSA chapter 281-A and any applicable renewal(s) thereof, which shall be attached and are incorporated herein by reference. The Licenser shall not be responsible for payment of any Workers' Compensation premiums or for any other claim or benefit for the Licensee, or any subcontractor of the Licensee, which might arise under applicable State of New Hampshire Workers' Compensation laws in connection with the performance of the Services under this Agreement

G. Repairs by Licensee

1. The Licensee shall, at its cost and expense, maintain both the exterior and the interior of the premises including the roof, heating system, all structural components and all mechanical and non-mechanical installations, the fixtures and equipment located in the premises and all surfaced roadways, walks, loading, unloading and parking areas which are part of the premises, in as good condition and repair as at the commencement of this agreement, wear and tear not excepted; shall keep free from obstructions or encumbrances all surfaced roadways, walks, loading, unloading and parking areas which are part of the premises; shall keep clear of dirt, snow and ice all such roadways, walks and areas (see Exhibit A-1 as delineated); shall remove snow and ice from the roof of the premises when necessary; shall promptly clean up and remove all debris, refuse, garbage, dribble or other waste products associated with the operation of the plant, to assure the absence of any health hazard, or

Initials: FBDate: 7/21/10

noxious odors associated with the same; and shall keep the exterior of the premises clean and neat, including mowing of grass, raking of leaves and trimming of hedges or shrubbery as needed; shall promptly make any repairs and/or improvements lawfully required by any public authority as a result of changes in statutes or regulations which become effective subsequent to the beginning of the term of this license; and at the expiration of this license or earlier termination hereof for any cause herein provided for shall deliver up the premises, to the Licensor in as good condition and state of repair as when delivered to Licensee, taking by eminent domain, and damage due to fire or other casualty fully insured against excepted.

2. The Licensee's responsibility for maintenance and repair of the premises including all fixtures, equipment, and improvements shall be comprehensive and total; shall not be necessarily limited to those specific responsibilities enumerated above in this paragraph; and shall not exclude responsibility for repair or replacement necessitates by defective design or construction of the facilities whether constructed, erected or installed on the premises by the Licensor, the Licensee or otherwise.

pon termination of this Agreement, Licensee to ensure that the plant and all inventory remain in good working condition and the plant is providing the same output and service as demonstrated prior to the termination of the License.

The Licensor shall have no responsibility for any maintenance or repair of the premises. Despite this, however, Licensor will attempt to make available for Licensee any unexpired warranty or other claims it may have against any third party or parties with respect to claimed defects in any fixtures or equipment or other portion of the premises.

4. Licensee shall be responsible for the smoke stack. Licensee shall comply with all applicable codes, regulations, ordinances, and safety requirements for the smoke stack. Licensee shall be responsible to inspect, maintain, and repair the smoke stack and attachments as necessary. Smoke stack inspections shall be performed at a minimum of once per year in the month of September and a copy of the inspection report shall be provided to the Licensor within thirty days of completing these annual inspections. Each inspection report shall include a record of any deficiencies found and corrective action required. Licensee shall provide Licensor with verification that repair, or correction of deficiencies has been accomplished.

5. Licensee shall be responsible for the smoke stack fixed ladder and platforms. Licensee shall comply with all applicable codes, regulations, ordinances and safety requirements for the smoke stack fixed ladder and platforms, including but not limited to:

Initials: DB
Date: 7/21/10

ANSI A14.3-1984, 29CFR1926.1053(a), 29CFR1926.1060. Licensee shall be responsible to inspect, maintain, and repair or replace fixed ladder and platform components and attachments as necessary. Ladder and platform inspections shall be performed at a minimum of once per year in the month of September and a copy of the inspection report shall be provided to the Licensor within thirty days of completing these inspections. Each quarterly inspection report shall include a record of any deficiencies found and corrective action required. Deficiencies shall include, but not be limited to: loose, worn and damaged rungs or side rails; damaged or corroded cages; corroded guards, bolts and/or rivet heads; damaged or corroded handrails and brackets; broken or loose anchors; loose or damaged carrier rails; slippery surfaces from oil or ice; obstructions at base or platforms. Licensee shall provide Licensor with verification that repair, replacement and/or correction of deficiencies has been accomplished.

VI. Improvements by Licensee

The Licensee shall have full power and right at its own expense, at any time during the term of this license, provided it is not then in default in the performance of any of its obligations hereunder, to modify the boilers and related plant and equipment on the premises to convert the existing boilers from oil-fired to waste-fired; to connect the steam plant on the premises with the district system owned and operated by Licensee, in its present configuration or as expanded in the future; to install additional boilers; to expand the base load, standby and emergency capacity of the steam plant on the premises, provided that if said expansion involves improvements, renovations, or deletions to equipment of Licensor, Licensee shall obtain Licensor's prior approval, which approval shall not be reasonably withheld; to store reasonable quantities of fuel, including petroleum, coal, wood waste and refuse derived fuel on the premises, but not the rubbish or refuse-carrying trucks themselves, and only so long as Licensee complies with all public health and safety requirements in connection with such storage; and to make such other improvements as may be reasonably necessary or desirable in connection with Licensee's steam plant operation.

All alterations, additions, and improvements to the premises shall, at the termination of this license, be and remain in said premises and belong to the Licensor as a further consideration for this license. All alterations being the property of Licensor and cannot be removed, however, may be purchased by Licensee at a negotiated process, agreeable to both parties.

VII. Reservation of Certain Rights to the Premises by Licensor.

Initials: PB
Date: 7/21/10

Licensor hereby reserves and Licensee hereby accepts the reservation by Licensor for itself, its successors and assigns of the right of access to the premises at reasonable times for purposes of inspection and for making repairs and in the event of any emergency related to the operation of Governor Hugh J. Gallen State Office Park requiring such access.

VIII. Liability

Licensor shall not be liable for any injury or damage to any person happening on the premises or for any injury or damage to the premises or any property of the Licensee or to any property of any third person, firm, association, or corporation on the premises. The Licensee shall indemnify and save the Licensor harmless from and against any and all liability and damages, costs and expenses, including reasonable counsel fees, and from and against any and all suits, claims and demands of any kind or operation of the premises or the installation of any property therein or the removal of any property therefore, or operation of the premise or the installation of any property therein or the removal of any property therefrom.

Nothing contained in this license shall be construed as a waiver by the Licensor of the doctrine of sovereign immunity.

The Licensor shall not be responsible for damage to property or injuries to persons which may arise from or be attributed, or incident to the exercise of the privileges granted under this Agreement (including the condition or state of repair of the Premises and its use and occupation by the Licensee, or from damage to their property, or damage to the property, or injuries to the persons of the Licensee or any officers, employees, servants, agents, contractors, or others who may be at the Premises at their invitation or the invitation of any one of them arising from governmental activities at the Premises.

The Licensee agrees to assume all risk of loss or damage to the property and injury or death to persons by reason of the exercise of the privileges granted herein, and will settle and pay any claims arising out of the use of and occupancy of the Premises. The Licensee expressly waives all claims against the Licensor and the State of New Hampshire for any such loss, damage, personal injury or death caused by or occurring by reason of or incident to the possession and/or use of the Premises or as consequence of the conduct of activities or the performance of responsibilities under this Agreement.

The Licensee agrees, to indemnify, save, hold harmless and defend the Licensor and the State of New Hampshire, their officers, employees and agents from and against all suits, claims, or actions of any sort resulting from, related to or arising out of any activities conducted under this Agreement and any costs, expenses, liabilities, fines or penalties resulting from discharges.

Initials: FBDate: 7/21/16

emissions, spills, storage, disposal or any other action by the Licensee giving rise to liability to the Licensor or the State of New Hampshire, civil or criminal, or responsibility under federal, state or local environmental laws. This provision shall survive the expiration or termination of this Agreement and is not intended to waive the State's sovereign immunity, which is hereby reserved by the State.

On or before the expiration date of this Agreement, or within ten (10) business days after its revocation by the Licensor, or relinquishment by the Licensee, the Licensee shall vacate the Premises and shall, remove all their personal property therefrom and restore the Premises to a condition satisfactory to the Licensor. If the Licensee shall fail or neglect to remove their personal property and so restore the Premises, then at the option of the Licensor, such property shall either become property of the Licensor without compensation therefore, or the Licensor may cause property to be removed and the Premises to be so restored at the expense of the Licensee, and no claim for damage against the Licensor or its officers, employees or agents shall be created by or made on account of such removal and restoration work.

IX. Use of Premises

- A. In its use of the premises, the Licensee shall comply with all federal, state, and local statutes, ordinances, and regulations applicable to the use therefore, as now in effect.
- B. The Licensee shall not injure or deface, or commit waste with respect to the premises, nor occupy or use the premises, or permit or suffer any part thereof to be occupied or used, for any unlawful or illegal business, use or purpose, nor for any business, use or purpose deemed to be disreputable, nor in such manner as to constitute a nuisance of any kind, nor of any purpose nor in any manner in violation of any present or future laws, rules, requirements, orders directions, ordinances or regulations of any governmental or lawful authority, including Boards of Fire Underwriters or Department of Health. The Licensee shall, immediately upon the discovery of any such unlawful, illegal, disreputable or extra-hazardous use, take all necessary steps, legal and equitable, to compel the discontinuance of such use and to oust and remove persons guilty of such unlawful, illegal, disreputable or extra-hazardous use.
- C. The Licensee shall ensure that any licenses or permits required by any use of the premises are procured.
- D. The Licensee shall not permit any employee or visitor of the Licensee to violate the covenants or obligations of the Licensee under this license.

Initials: DB
Date: 7/21/10

- E. The Licensee shall not permit any lien, attachment, or other encumbrance to remain on property owned by Licensor for more than thirty (30) days following written notice from Licensor of the existence of such lien, attachment, or other encumbrance.
- F. No addition to or alterations or improvement of the Premises shall be made without prior written consent of the Licensor, which consent shall not be unreasonably withheld or delayed. Such written request must fully define the proposed scope of work, name the vendor(s), contractor(s), and detail any and all work requiring integration with the buildings' mechanical systems or are structural in nature. The Licensor reserves the right to define means, methods, materials, and specific contractors to be utilized in performing the work. Any required engineering fees, testing or certificates shall be at the sole expense of the Licensee.
- G. The Licensee will at all times during the existence of this Agreement, promptly observe and comply, at their sole cost and expense, with the provisions of all applicable federal, state and local laws, rules, regulations, and standards, and in particular those provisions concerning the protection and enhancement of environmental quality, pollution control and abatement, safe drinking water, life safety systems and solid and hazardous waste.

X. Total or Partial Destruction

The Licensee shall, at their own expense, promptly repair or replace to the satisfaction of the Licensor, property damaged or destroyed by the Licensee or guests, incident to its exercise of the privileges granted. Alternatively, if required by the Licensor, the Licensee shall pay the Licensor money in the amount sufficient to compensate for the loss sustained by the Licensor for damage to or destruction of the Premises.

A fire in 2009 on the Premises resulted in the damage to approximately fifty (50) windows in the facility. The windows shall be repaired/replaced by the Licensee on or before October 1, 2010.

In case the premises shall at any time during the term hereby granted be damaged or destroyed by fire, flood, tornado, or by elements or otherwise, the Licensee shall at its expense, repair and restore the premise to its prior status. Typical repairs shall be completed within thirty (30) days of occurrence; catastrophic failure will require completion for up to 90 days from the start of the process to completion, this may be extended by agreement with the Licensor.

XI. Eminent Domain

In the event that the premises shall be lawfully condemned or taken by any public authority either in their entirety or in such proportion that they are no longer suitable for the intended use

Initials: LB

Date: 7/21/10

as a steam plant by the Licensee, this license shall automatically terminate without further act of either party hereto on the date when possession of the premises is taken by such public authority, and each party hereto shall be relieved of any further obligation to the other, except that the Licensee shall be liable for and shall promptly pay to the Licensor any rent then in arrears or the Licensor shall promptly pay to Licensee a pro rata portion of any rent paid in advance. In the event the proportion of the premises so condemned or taken is such that they are still suitable for the use intended by the Licensee, this license shall continue in effect in accordance with its terms and a portion of the rent shall abate equal to the proportion of the rental value of the premises so condemned or taken. In either of the above events, the award for the property so condemned or taken shall be apportioned between the Licensor and the Licensee in such manner and amounts as shall be just and equitable under the circumstances. Notwithstanding the foregoing, Licensor agrees that it will not exercise its eminent domain power with respect to the premises unless it can demonstrate that the exercise of a governmental function or functions would be curtailed by the failure to exercise such power.

If the Licensor and the Licensee are unable to agree upon what division, annual abatement of rent or other adjustments as are just and equitable, within 30 days after such award has been made, then the matters in dispute shall by appropriate proceedings, be submitted to a court having jurisdiction of the subject matter of such controversy in Merrimack County, New Hampshire, for its decision and determination of the matters in dispute.

XII. Quiet Enjoyment

The Licensor hereby covenants that the Licensee on paying the rent above stipulated and performing all the covenants and all the coveventsand conditions of this license on its part to be performed, shall and may peaceably and quietly have, hold and enjoy the premises for the term aforesaid, free from molestation, eviction or disturbance by the Licensor, or by any other person or persons lawfully claiming under said Licensor.

XIII. Net License

It is the intention of the parties that the Licensor shall receive the rents, additional rents, and all sums payable by the Licensee under this license free of all taxes, expenses, charges, damages, and deductions of any nature whatsoever.

XIV. Access to Premises

Licensor and any agency of the State of New Hampshire, its officers, agents, and employees shall have the right at all reasonable times during business hours to enter the premises to examine the same for inspection; provided, however, that unless the entry is because of an emergency at the

Initials: PB
Date: 7/21/10

State Office Park South requiring immediate access to protect the interests of the patients, employees or the visiting public, Licensee's permission is first obtained. Licensee's permission shall not be arbitrarily withheld.

XV. Licenses and Right to Use Easements.

- A. Licensor hereby grants to Licensee a license and right of passage for the term of this license for vehicular and pedestrian access to the premises.
- B. The Licensor also grants a license and right to maintain steam lines running from the Premises to Licensee's district system on Pleasant Street and also on South Fruit Street.

XVI. Assignments and Subletting

- A. Licensee shall not have the right to sublicense all or any portion of the premises. Licensee may not assign its rights, duties, and obligations under this license.
- B. Notwithstanding the provisions of paragraph A of this Article XVI, the Licensee may sublet the portions of the Premises as shown on Exhibit A to a person, legal or natural, whether or not that person is an affiliate of Licensee, for the purpose of constructing, maintaining and operating a cogeneration facility within such portions of the Premises. Any such sublicense shall be generally in accord with the provisions of this License. Licensor, by and through the Commissioner of the Department of Administrative Services shall have the right to review and approve any sublicense for compliance with the provisions of this paragraph B. Unless Licensor and Licensee agree in writing otherwise, Licensee shall be fully liable and responsible to Licensor for all actions and activities occurring within the sublicensed premises as if Licensee were exclusively using said portion of the Premises. No rights of the Sub-licensee shall survive the termination of this License, whether by default or otherwise.

XVII Holding Over

If the Licensee shall hold over, after the expiration of the term hereby created, it shall be deemed a renewal of this license and of all the terms, covenants and conditions herein contained from month to month at a monthly rental equivalent to the last month's rental hereunder; and either the Licensee or Licensor may terminate such holding over upon thirty (30) days' written notice.

XVIII. Steam Plant Operation.

Licensor consents to Licensee's use of the Premises as its district steam plant. Licensee agrees to maintain the capacity of said plant, and continuing for the remainder of the term of this License, so that, should Licensor elect to purchase steam from Licensee, said plant will have sufficient capacity to serve Governor Hugh J. Gallen State Office Park's heating and cooling requirements. The Licensee

Initials: JS
Date: 7/21/10

shall maintain steam pressures necessary to maintain steam service for present requirements for the buildings located on the Governor Hugh Gallen Office Park.

Licensors agree that Licensee shall be permitted to give Licensors equal priority with Licensee over all other customers if steam supplies are interrupted or otherwise reduced, and Licensee may valve the steam plant and remaining district system to achieve this goal. Subject to the foregoing capacity requirements, Licensee shall have a complete discretion in determining the size and local configuration of the remaining district customers.

Licensors shall be entitled during the term of this license to purchase steam from Licensee in such quantities as Licensors deem necessary to meet its heating and cooling requirements at tariff rates approved from time to time by the New Hampshire Public Utilities Commission, which tariff rates shall be uniform for all district customers.

Licensors shall be entitled during the term of this license to purchase steam from Licensee in such quantities as Licensors deem necessary to meet its heating and cooling requirements at tariff rates approved from time to time by the New Hampshire Public Utilities Commission, which tariff rates shall be uniform for all district customers. Licensee agrees that it will install at its expense, appropriate equipment to meter the amount of steam purchased by the Licensee, the location of such metering equipment to be mutually determined by Licensors and Licensee. Notwithstanding the foregoing nothing herein shall require the Licensors to purchase steam from the Licensee.

For as long as Licensors elect to purchase steam from Licensee for use at the Governor Hugh J. Gallen State Office Park, Licensee agrees to maintain at its expense, the Licensors' steam distribution system and condensate return system in good working condition whether or not such systems are located within the licensed Premises. Neither the Licensors nor any licensee of Licensors occupying any buildings located on New Hampshire Hospital grounds will interfere with or prevent the return of condensate to Licensee through the existing condensate return system or any additional return systems constructed by Licensee at its expense.

Licensors specifically reserves the right, in addition to any other rights of inspection provided for in this License, to enter upon the Premises to inspect on a daily basis all meters within the Premises associated with Licensors' steam use.

XIX. Default

Except as otherwise specifically provided herein regarding default, if the Licensee shall default in the payment of rent, or in the performance of any of the provisions and covenants of this license, Licensors may give Licensee notice of the default in writing, and thereafter, Licensee shall have thirty (30) days within which to cure the nonpayment of rent and sixty (60) days

Initials: AB
Date: 7/21/10

within which to take reasonable steps to cure any other default. No remedy available to the Licensor for default herein may be exercised by the Licensor, unless Licensor has complied with the provisions of this section.

If the Licensee shall remain in default in the payment of rent or in the performance of any of the provisions and covenants of this license after the date for curing said default has expired, or if the premises shall be deserted, or if the Licensee's estate hereby created or any portion thereof shall be taken on execution or other process of law or if any assignment shall be made of the Licensee's property for the benefit of creditors, or if a receiver or other similar officer shall be appointed to take charge of any property of or to wind up the affairs of the Licensee, or if a petition in bankruptcy or insolvency is filed by or against the Licensee which is not discharged within sixty (60) days or upon which an adjudication of bankruptcy or insolvency is made, Licensor may at its election, proceed, either at law or in equity, to enforce performance of such covenants by the Licensee and/or to recover damages for the breach thereof, plus costs and reasonable attorney's fees; or terminate this license and the term granted hereby at any time thereafter by giving Licensee thirty (30) days notice in writing of its intention to do so, and such notice having been given, this license and the term granted shall terminate, expire and come to an end on the date fixed on the license for the termination and expiration thereof; but in the event of termination the Licensor shall nonetheless have the right to recover from Licensee any and all amounts which under the terms hereof may be due and unpaid, plus costs and reasonable attorney's fees.

XXI Waiver of Breach

Any assent, express or implied, by the Licensor to any breach of any agreement or condition herein contained or any waiver, express or implied, by the Licensor of any such agreement or condition shall operate as such only in the specific instance and shall not be construed as an assent or waiver of any such agreement or condition generally or of any subsequent breach thereof.

XXII Notices.

No notice, order, direction, determination, requirement consent, and/or approval under this Agreement shall be of any effect unless it is in writing. All notices to be given pursuant to this Agreement shall be addressed, if to the Licensor:

Licensor

State of New Hampshire

Department of Administrative Services

Initials: PJB

Date: 7/21/10

25 Capitol Street, Room 120

Concord, NH 03301

Attn: Linda M. Hodgdon, Commissioner

and if to the Licensee to:

Licensee

Concord Steam Corporation

PO Box 2520

Concord, NH 03301

Attn: Peter Bloomfield

XXIII. License Binding on Successors.

All of the agreements, conditions, and undertakings herein contained shall extend to and be binding upon the representatives, successors, and assigns of the Licensor and Licensee.

XXIV. Short Form Recording

The parties covenant and agree that there shall be recorded in the Merrimack County Registry of Deeds only a Memorandum of this license in the form hereto attached and made a part hereof as Exhibit B hereto, and that they will execute and deliver a Memorandum of License in such form and for such purpose. The parties further covenant and agree that, in the event of termination, cancellation or assignment of this license prior to the expiration of the term hereof, they will execute and deliver, in recordable form, an instrument setting forth such termination, cancellation or assignment.

XXV. Counterparts

This license may be executed in two (2) or more counterparts, each of which shall be deemed an original and all collectively but one and the same instrument.

XXVI. Appropriations.

To the extent that any provision herein may imply that Licensor is obligated to expend funds for any purposes hereunder, such obligations are contingent upon the availability of funds appropriated by the New Hampshire General Court for such purposes.

XXVII. Compliance with Laws, etc:

In connection with the performance of the Services set forth herein, the Licensee shall comply with all statutes, laws, regulations and orders of federal, state, county or municipal authorities which impose any obligations or duty upon the Licensee, including, but not limited to, civil

Initials: PB

Date: 7/21/10

rights and equal opportunity laws. In addition, the Licensee shall comply with all applicable copyright laws.

Discrimination: During the term of this Agreement, the Licensee shall not discriminate against employees or applicants for employment because of race, color, religion, creed, age, sex, handicap, sexual orientation, or national origin and will take affirmative action to prevent such discrimination.

Initials: DB
Date: 7/2/10

IN WITNESS WHEREOF; the parties hereto have set their hands as of the day and year first written above.

LICENSOR: The State of New Hampshire, acting through its Department of Administrative Services

Authorized by: (full name and title) Linda M. Hodgdon
Linda M. Hodgdon, Commissioner

LICENSEE Concord Steam Corporation

Authorized by: (full name and title) Peter Bloomfield, President
Signature
Peter Bloomfield, President

NOTARY STATEMENT: As Notary Public, REGISTERED IN THE STATE OF NEW HAMPSHIRE, COUNTY OF MERRIMACK, UPON THIS DATE, July 21, 2010 appeared before me, Bonita Webber, the undersigned officer, *Peter Bloomfield*, personally appeared who acknowledged himself to be President of Concord Steam Corporation and that as such Officer, he is authorized to do so, executed the foregoing instrument for the purposes therein contained, by signing himself in the name of the corporation.

In witness whereof I hereunto set my hand and official seal.

Bonita L. Webber
My Comm. Expires 3/22/2011
Notary Public

APPROVALS:

Approved by the Department of Justice as to form, substance and execution:

Approval date: 7-26-10

Approving Attorney: Rosemary Wiant
Rosemary Wiant

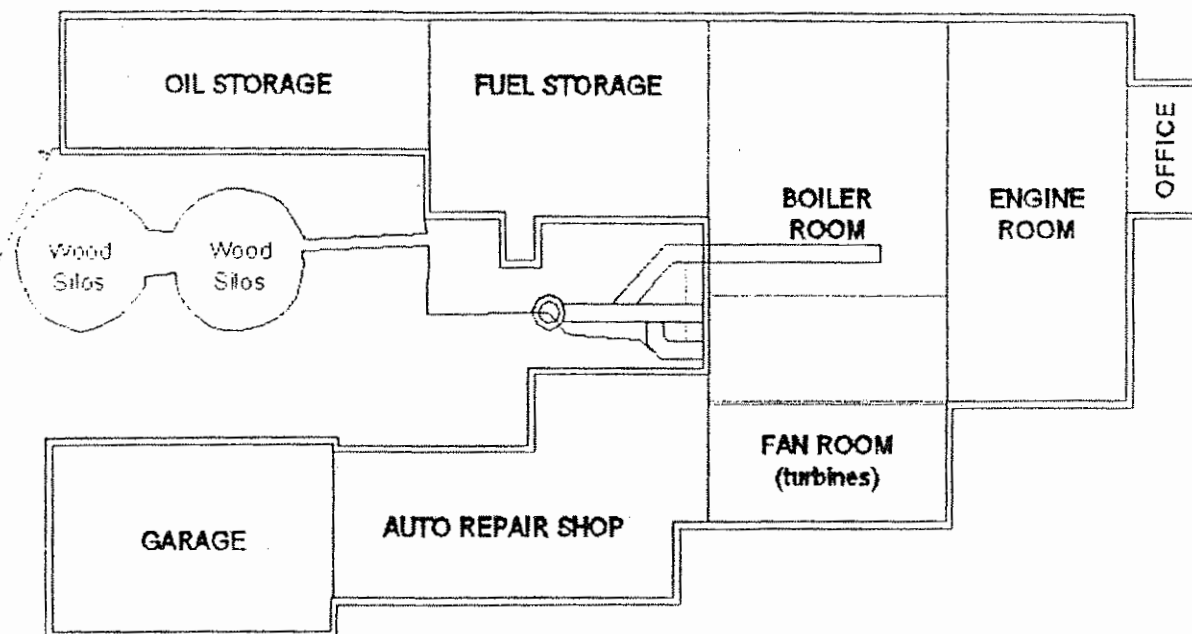
Approved by the Governor and Executive Council:

Approval date: AUG 11 2010

DEPUTY SECRETARY OF STATE

Initials: DB
Date: 7/21/10

EXHIBIT A

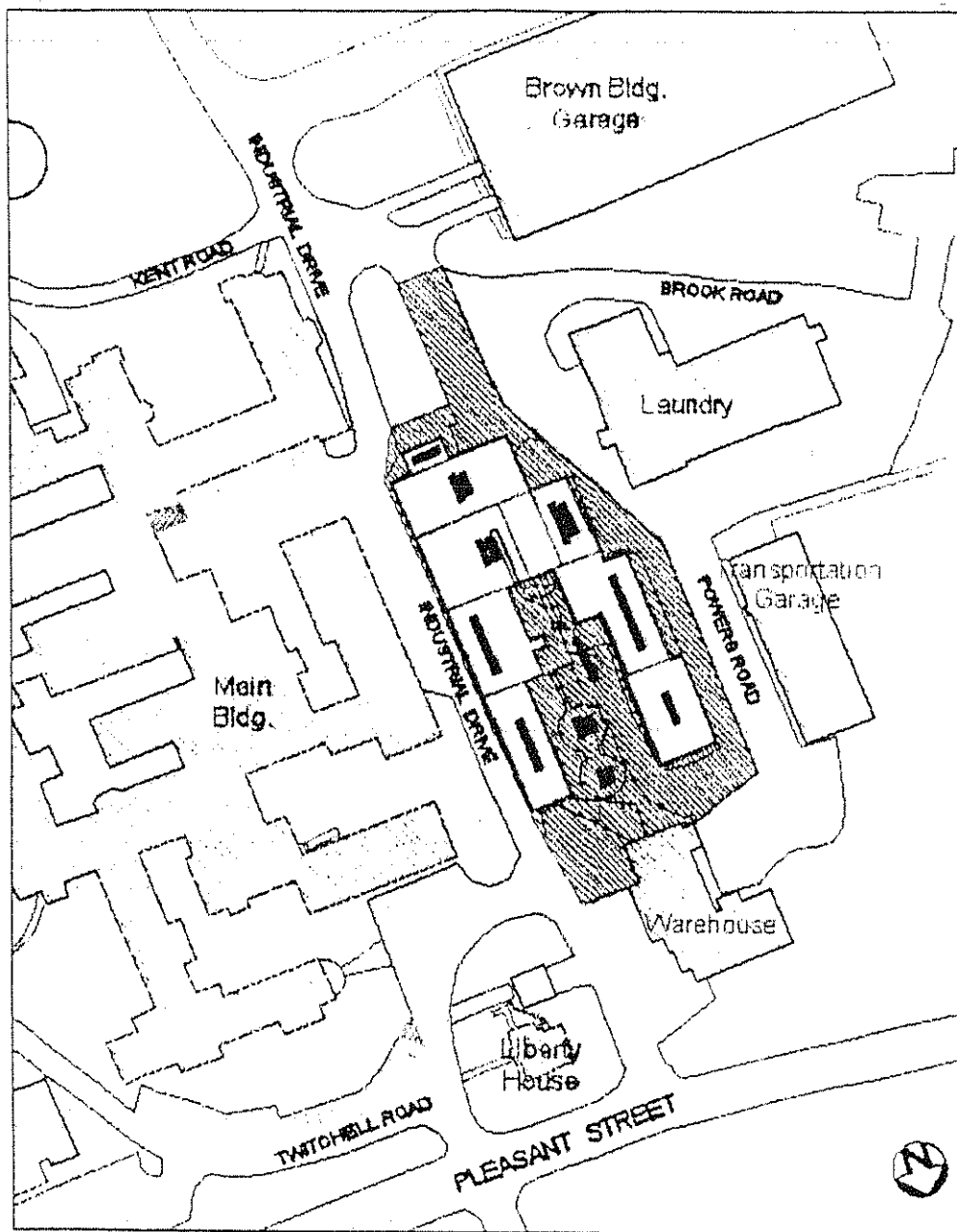


Initials: RS
Date: 7/21/10

EXHIBIT A-1

EXTERIOR

Maintenance – Snow Removal – Ice Treatment



Initials: PS
Date: 7/31/10

EXHIBIT B
NOTICE OF LEASE

1. Licensor: State of New Hampshire
Department of Administrative Services
25 Capitol Street, Room 120
Concord, NH 03301

Licensee: Concord Steam Corporation
PO Box 2520
Concord, NH 03301

2. Date of Execution:
- _____

3. Description of Demised Premises:
See EXHIBIT A

4. Term of Lease:
Three years

5. Date of Commencement:
September 1, 2010; no right of extension or renewal

IN WITNESS WHEREOF; the parties hereto have set their hands as of the day and year first written above.

LICENSOR: The State of New Hampshire, acting through its' Department of Administrative Services

Authorized by: (full name and title) Linda M. Hodgdon
Linda M. Hodgdon, Commissioner

Initials: PH
Date: 7/21/10

LICENSEE Concord Steam Corporation

Authorized by: (full name and title)

Signature

Print: Peter Bloomfield, President

NOTARY STATEMENT: As Notary Public, REGISTERED IN THE STATE OF NEW HAMPSHIRE, COUNTY OF MERRIMACK, UPON THIS DATE, July 21, 2010 appeared before me, Bonita Webber, the undersigned officer, *Peter Bloomfield*, personally appeared who acknowledged himself to be President of Concord Steam Corporation and that as such Officer, he is authorized to do so, executed the foregoing instrument for the purposes therein contained, by signing himself in the name of the corporation.

In witness whereof I hereunto set my hand and official seal.

Bonita L. Webber
My COMM. expires 3/22/2011
Notary Public

Initials: *PB*

Date: *7/21/10*