

**LEWISTON CITY COUNCIL
BUDGET WORKSHOP AGENDA**

Thursday, April 14, 2016

City Council Chambers

5:30 pm Workshop

Pledge of Allegiance to the Flag.
Moment of Silence.

WORKSHOP

Discussion concerning Efforts to Acquire Canals/Proposed Brookfield White Pine Hydro, LLC Term Sheet.

BUDGET WORK SESSION

| | |
|---|---|
| Debt | pgs. 92-93 |
| Miscellaneous including Nonprofit Requests | pgs. 95-96 and attached memo & summary |
| Municipal Revenues | pgs. 14-17 |
| General Discussions | |



EXECUTIVE DEPARTMENT

Edward A. Barrett, City Administrator
Phil Nadeau, Deputy City Administrator

April 8, 2016

To: Honorable Mayor and Members of the City Council
Fr: Edward A. Barrett
Su: Efforts to Acquire Canals/Proposed Brookfield Term Sheet

Recent discussions between the City and Brookfield White Pine Hydro, LLC have resulted in a draft Term Sheet (see Attachment A) which would achieve a long held goal of the City – acquisition of the Lewiston Canal System. As noted, this term sheet is a draft and subject to changes and modifications as the process moves forward. Should things progress, it would eventually become the basis for a more detailed agreement between the City and Brookfield. The major terms include:

- Brookfield will transfer its ownership interest in the canal system to the City;
- The City will retain its current water rights, and Brookfield will recognize that the water can be used for power generation and other purposes, eliminating the potential issue of those rights being restricted to power generation only;
- The City will not be required to undertake any repair work on the canals¹, although such work may be required in the future to ensure appropriate water levels in the canals;
- Brookfield, with the assistance of a consulting firm, will proceed in applying to remove the canal system from its Federal Energy Regulation Commission (FERC) license;
- Brookfield has offered, at no cost to the City, to allow the City at its request to use its consulting firm to prepare a draft application to FERC for delicensing the Upper A generating facility. Because this work is already underway, Brookfield has asked that the City make such a request no later than April 26, 2016. Once the FERC delicensing application is prepared and ready for submission, the City can evaluate whether to proceed with abandoning the license or not. Note that FERC may require the City to undertake certain repair/maintenance work on the Upper A and its associated water control structures to ensure that they will continue to function appropriately. Similarly, FERC may require Brookfield to undertake certain repairs to those elements of the canal system currently included in its license.

This draft term sheet will allow the City to reach the goals it has pursued over more than seven years of discussions: gaining ownership of the canals so that they can be aesthetically improved to support Riverfront Island's economic development and limiting the costs to the City of such

¹ Note this clause in the term sheet “. . .the City will maintain the Upper Bates Weir gates in good operating condition and Brookfield will maintain the telecommunications and controller cabinet facilities in the Upper Bates Weir building in good operating condition so that Brookfield can coordinate the opening of the gates in the Main Gatehouse for Flushing Flows with the opening of the gates of the Upper Bates Weir so that Flushing Flows can descend through Cross Canal No. 1 into the Lower Canal.”

acquisition. However, this potential agreement goes further. It will allow the City to retain its current water rights and would allow the City to use the water for both generation and other purposes, potentially including recreation.

Given the history of the Monty Hydro, the complexity of the legal agreements involved in establishing it, and the technical issues involved with the Upper A, reaching this point has been a complex endeavor. At times, we have been near agreement only to have a new issue or complexity arise.

In order to evaluate this proposal, some background and history may be helpful.

Background

The City has been involved in a multi-year effort to acquire ownership of the Lewiston Canal System. That system, along with a number of abandoned power generating stations in various mills, is and has been owned by the owner/operator of the Monty Hydro power station located in Lewiston at the Great Falls. The initial owner was Central Maine Power (CMP). Electricity deregulation resulted in CMP selling its power generation to focus on power distribution. The Monty was sold to Florida Power and Light (FPL). Subsequently, FPL sold the facility to Brookfield White Pine Hydro, LLC in 2013.

The City has long been interested in gaining ownership of the canal system in order to improve the aesthetics and economic development value of the system, as noted in the following excerpts from the Riverfront Island Master Plan:

“Lewiston’s network of canals harnessed the Androscoggin to power the city’s great mill complexes. Today, the canals play almost no role in power generation but continue to be owned by a power company (NextEra Energy, formerly Florida Power & Light). Early photographs and postcards show the canals as gracious tree-lined waterways that were a unique and attractive amenity for the city. Today the tree canopy is much deteriorated and the canals are frequently treated primarily as safety hazards, surrounded by unattractive fences and other barriers. The City of Lewiston is working with NextEra to acquire ownership of the canal network, opening the door to reestablishing the canals as attractive and unique community amenities. Through establishing walking and bike paths along the canals, Lewiston can create much stronger and more inviting connections among key destinations, highlighting a unique community asset in a new way.”

“City ownership will also open the door to consideration of use of the canals themselves for water-based recreation—in small boats, for ice skating and other purposes—further enhancing the appeal of canal edges for pedestrians. Each form of water-based recreation will have its own needs and constraints, and the feasibility of these uses will need to continue to be considered as the City works with the power company to ensure that adequate water is provided within the canals to preserve their amenity and facilitate use.”

Initial Deal Framework with FPL

The City’s initial efforts to acquire the Lewiston Canal System date back to the prior City Administrator’s tenure when discussions began between FPL and the City. While I was not a

party to those negotiations, I understand that the potential framework for the City to gain ownership included a Tax Increment Financing agreement that would return to FPL a significant percentage of the new assessed value anticipated to result from new, upgraded generators that FPL was considering installing at Gulf Island Dam² as well as a release of certain of the City's water rights and the City's agreement to abandon power generation using water flows in the canal. During the same time period, the City was discussing CMP's potential purchase of an easement within the upper canal to install an upgraded 145 kV line running from a substation located near the downstream end of the canal system to the major downtown substation on Main Street. If the City owned the canals, revenue associated with selling this easement could then be used to "offset" at least a portion of the revenue lost through the TIF.

As these discussions continued, staff became increasingly concerned about the potential revenue that would be lost through the TIF and whether the remaining water flow to the canals would be adequate to maintain water level and quality. It also became clear that CMP was likely to abandon the idea of laying a high voltage cable in the canal because of the cost. CMP's current plan is to lay the new line underground in Canal Street, a project scheduled to begin shortly.

Given this, the City began to back away from the framework of the initial deal; however, those early negotiations led FPL to believe that the City was willing to provide some compensation to them in return for canal ownership. As the City backed away from this position, negotiations became more difficult.

Letter of Agreement with FPL

Nevertheless, the City eventually reached a tentative agreement with FPL subject to both parties undertaking additional due diligence. The basic framework was that the City would gain ownership in return for ceasing power generation at the Upper A³, transferring certain of its water rights⁴ to FPL, and providing FPL with a 20-year 20% TIF on its investment in a rubber dam system allowing for better water management at the Great Falls. See Attachment B, a May 28, 2011 memo from Linc Jeffers, for greater detail.

During the required due diligence period, FPL withdrew from the deal due to issues involving certain bond indentures affecting the Monty Hydro project and its unwillingness to provide environmental indemnifications.

² At the time, FPL implied that a TIF was required for them to undertake the full investment needed to upgrade all of the generators at Gulf Island. Since then, the generators were upgraded without a TIF.

³ The Upper A generating facility is located at the lower end of the Upper Canal adjacent to the Androscoggin Mill. The City came into ownership of this facility as part of a multi-party deal that allowed the Monty Hydro to be constructed. Prior to Monty, the City owned and operated a small electric generating facility at the Great Falls. In return for transferring this property to CMP, the City gained ownership of the Upper A. This facility has three installed generators, one of which operates under base flow conditions (first 150 cfs) and two of which could be brought on line in sequence under excess flow conditions. The two excess flow generators have not operated since 2006. The base flow generator last operated in 2011. Subsequent to the end of a long-term power purchase agreement with CMP (also a part of the overall Monty deal), continued operation of these generators was no longer cost effective, so the City could not justify the capital cost to rebuild them and bring them back on-line.

⁴ The city has two sets of water rights. The first is the right to the initial 150 cfs of river flow. The second is referred to as the "excess" flow and is 555 cfs that is available to the City when the river flow is above 8,280 cfs.

Brookfield

In early 2013, Brookfield acquired the Monty Hydro project, canal system, and associated hydro facilities. While Brookfield retained some of the FPL personnel involved in negotiations with the City, this ownership transition allowed us, to an extent, to wipe the slate clean and begin over with the goal of limiting any financial cost to the City in acquiring the canals. Our goal remained eventual ownership of the canals, the elimination of Brookfield's interest in Mill 5⁵, ensuring adequate water flow in the canals for aesthetic purposes, and lengthening the time span during which repairs would be made to the canals and their water control structures to reduce "leakage".⁶

Tentative Agreement with Brookfield

By the Fall of 2014, the City had reached a tentative agreement with Brookfield. While certain elements of the prior conceptual agreement with Next Era/FPL carried forward into this agreement, the City was no longer offering a TIF for any improvements to Gulf Island or the rubber dams at the Monty. The City's sole financial obligation was to pay for a share of the costs of seeking the necessary regulatory approvals to implement the transfer of the canals and abandonment of our Federal Energy Regulatory Commission (FERC) license for the Upper A. Attachment C summarizes that agreement.

Agreement Placed on Hold

In the past, the City had primarily focused on the potential value of the canal system as an amenity and an economic development support. In addition, the City had reached the conclusion that generating power at the Upper A was no longer economically viable given the expiration of a long term power purchase agreement with CMP⁷ and the capital costs associated with rebuilding the facility's three generators.

As we discussed the potential agreement with Brookfield, members of the community raised issues regarding the value of the water rights that would be transferred to Brookfield and/or the potential of retaining all of these rights to support recreational uses of the canal such as a standing surfing wave or a white water kayaking course.

As a result of these concerns, the negotiations with Brookfield were placed on hold. Recently, however, they restarted and this term sheet has resulted.

⁵ The generating facility in Mill 5 is located at the end of the building nearest the cross canal. While the building is owned by the City, Brookfield, as successor to FPL and CMP, has an unrestricted right to use this space for power generation. This continuing right could complicate the eventual sale or demolition of Mill 5.

⁶ Part of the tentative agreement with FPL referenced earlier was that the City would undertake efforts to reduce leakage from the canal system with the potential to further reduce the 70 cfs then proposed to be committed to the canals. Toward that end, FPL was looking for certain repairs to be made within a year of the City acquiring ownership.

⁷ This agreement was part of the overall initial Monty agreement and provided the City with a guaranteed price per Kilowatt Hour. When this agreement expired, the City could only sell the power on the open market at a significantly reduced price.

Recommendation

Staff recommends that the following formal actions be taken at a regular or special meeting prior to April 27th:

1. Endorse the proposed Term Sheet and direct staff to work to develop a final set of agreements with Brookfield to effectuate its terms and conditions.
2. Authorize staff to accept Brookfield's offer to pay the costs associated with preparation of an application to FERC to abandoned power generation at the Upper A, subject to final Council approval to submit that application once prepared.

As to the FERC license, we believe it is in the City's best interest to at least go forward with preparation of the proposal to abandon generation. As noted above, the City has not generated power at the Upper A for some time, and we have concluded that re-establishing generation is not financially feasible based on anticipated capital costs and current and projected electricity markets. Once the application has been developed, including estimates of any maintenance and repair costs that FERC is likely to impose, the Council can make a final decision on whether to proceed. Given that the City will face either relicensing or abandoning the Upper A when the current license expires, proceeding now will avoid the costs of that process later. I would also note that, should the license be abandoned and the situation change to where generation would be cost effective, the City would be able to reapply for a license in the future. As a result, we see only benefits in proceeding at this time, recognizing that the Council will need to give its final approval after the application is completed and prior to its submittal.

As a final note, I would like to express my appreciation to the representatives of Brookfield who have been involved in this process. They have been forthright in their discussions with us, fully cooperated in sharing information, and have shown patience as the City investigated its options and worked through the public policy process. They also relocated their Maine headquarters from Augusta to Lewiston during this time. We look forward to a long and productive relationship with them.

Term Sheet

City of Lewiston (“City”)

and

Brookfield White Pine Hydro LLC (“Brookfield”)

This Term Sheet, dated as of April __, 2016, summarizes the principal terms with respect to (i) transfer to the City of ownership of Brookfield’s right, title and interest in certain portions of the Lewiston Canal System (the “**Canals**”), in Lewiston, Maine, as outlined in the description attached hereto as Schedule A (the “**Real Estate**”); (ii) transfer to the City, in an as is where is condition, all of Brookfield’s right, title and interest to related Canal assets including five (5) hydroelectric and all personal property located on the Real Estate, save and except for the Personal Property listed or described on Schedule B (the “**Related Assets**”); and (iii) modifying certain rights of the City to water flows into the Upper Canal from the Androscoggin River.

This Term Sheet is for discussion purposes only and is not intended to be construed as a binding obligation. Until execution and delivery of mutually a satisfactory definitive agreement (the “**Donation Agreement**”), the parties hereto shall have the absolute right to terminate all discussions and/or negotiations for any reason whatsoever. The execution of the Donation Agreement will require the approval of the Lewiston City Council and Brookfield management.

Background

A 1991 Deed (the “**Existing Deed**”) from Brookfield’s predecessor in title, The Union Water Power Company, conveyed to the City rights to certain water flowage in the Androscoggin River to and through the Canals that are regulated by releases at the Main Gatehouse at the head of the Upper Canal. The water flowage consists of three tranches: (i) the “**Main Flow**” consisting of the first 150 cubic feet per second (“cfs”) of river flow; (ii) the “**Surplus Flow**” of up to 555 cfs, which pursuant to the Existing Deed begins only above a river flow of 8,280 cfs, subject to certain exceptions as set forth in the Existing Deed; and (iii) at the request of the City such additional amount of water, not exceeding a rate of 224 cfs, as the City determines necessary to reduce stagnation conditions in the Lower Canal, but only for up to one hour duration (at times of day reasonably selected by Brookfield) not more than (A) twice a week in the period extending from June 1st to September 30th of each year and (B) once a week in the period extending from October 1st to May 31st of each year (the “**Flushing Flow**”).

Terms

A. Donation Agreement.

The Donation Agreement would include, among other provisions, clauses providing for the following (all of which would survive such Closing):

1. Following the receipt of necessary approvals from the Federal Energy Regulatory Commission (“**FERC**”), and other governmental and third-party consents, the City and Brookfield would take the following actions at a “**Closing**” under the Donation Agreement:

- a. By release (indenture) deed, Brookfield would convey title to the Canals to the City.
- b. By release bill of sale, Brookfield would convey title to the Related Assets the City.
- c. By exchange of deeds or recordable modifications to the Existing Deed to be attached as exhibits to the Donation Agreement (the “**Modification Documents**”), the City and Brookfield would agree to the following terms effective on the date of such Closing:
 - i. The Main Flow:
 - A. will be delivered to the City at the point downstream from the Main Gatehouse where the City’s ownership of the Upper Canal begins; and
 - B. can be claimed by the City whether or not such Main Flow is used for generation of electricity.
 - ii. The City and Brookfield reserve their respective rights and obligations with respect to the Surplus Flow as in effect on the date of the Donation Agreement.
 - iii. The rights and obligations of Brookfield and the City with respect to Flushing Flows would remain in effect, subject to the following: the City will maintain the Upper Bates Weir gates in good operating condition and Brookfield will maintain the telecommunications and controller cabinet facilities in the Upper Bates Weir building in good operating condition so that Brookfield can coordinate the opening of the gates in the Main Gatehouse for Flushing Flows with the opening of the gates of the Upper Bates Weir so that Flushing Flows can descend through Cross Canal No. 1 into the Lower Canal.
 - iv. The City will not itself, or permit others to, (A) remove water from the Canals without returning it in the substantially same volume to the Canals; (B) add or remove thermal energy to or from waters flowing in the Canals that at any time has a material adverse effect on water quality or other regulatory compliance considerations in the Androscoggin River; or (C) except for storm water that is lawfully drained into the Canals, add any chemicals, effluent or other materials to the waters flowing in the Canals.
2. An assignment by Brookfield to the City of the benefit of the environmental indemnity (“**CMP Indemnity**”) given by Central Maine Power Company (“**CMP**”) pursuant to a certain asset purchase agreement dated as of April 7, 1999 (the “**ARAPA**”), and if CMP’s consent to the assignment of the CMP Indemnity has not been delivered as of the

Closing, then until CMP's consent has been delivered and the assignment is executed and delivered, Brookfield would, to the extent that Brookfield would itself be indemnified by CMP, indemnify, defend and hold harmless the City from and against losses arising out of violations of environmental laws or hazardous substances on or migrating from the Canals.

3. An indemnity by the City of Brookfield for losses asserted against or suffered by Brookfield that first accrue or are first due to be paid, observed or performed on or after the Closing that relate to the failure of the City to comply with, pay, observe and/or perform obligations assumed by the City under the Donation Agreement, including but not limited to assumed obligations under the ARAPA.
4. Preservation of (i) the City's and Brookfield's rights and remedies against third parties under any applicable law; or (ii) the rights of the City against Brookfield under any applicable law with respect to indemnifiable loss on account of violations of environmental laws or hazardous substances on or migrating from the Donated Property during the time that Brookfield was the owner of the Canals.

B. Consulting Services

1. Brookfield is party to a consulting agreement with TRC Solutions ("**TRC**") pursuant to which TRC is providing the application materials, related studies and other services to Brookfield for Brookfield's application to FERC (the "**Brookfield FERC Application**") for approval to remove the Canals and the Related Assets from Brookfield's current FERC license for the Lewiston Falls hydroelectric generating station (the "**TRC Contract**").
2. In consideration of the City's execution of the Donation Agreement, *provided* that the City notifies Brookfield of the City's desire to avail itself of such the following opportunity no later than April 26, 2016
 - a. Brookfield will modify the scope of work under the TRC Contract to add the preparation of application materials, related studies and other services (similar to those now in effect for the Brookfield FERC Application) for a possible application by the City to FERC (the "**City FERC Application**") for the surrender of the City's FERC license for the City's Upper Andro Station (the "**City Workslope**").
 - b. The budget for, and the terms and descriptions of, the City Workslope initially and any subsequent change orders shall be subject to the approval of the City and Brookfield.
 - c. Brookfield will pay TRC's reasonable charges for TRC's performance of the City Workslope, *provided* that Brookfield's total payments will not exceed the agreed budget for the City Workslope without Brookfield's prior written agreement.
 - d. The City acknowledges and agrees that (i) any review or comment that Brookfield personnel may make with respect to any work product delivered in the course of

TRC's performance of the City Workslope may not be relied upon by the City; (ii) Brookfield's sole obligation under this provision will be to contract and pay for the City Workslope; and (iii) the City will contract and pay for the services of any consulting engineers, attorneys or other consultants the City determines it needs to review the work product or other performance of the City Workslope or to prepare, file and prosecute the City FERC Application.

Schedule A

DEED INDENTURE

BROOKFIELD WHITE PINE HYDRO, a Delaware limited liability company formerly known as FPL Energy Maine Hydro LLC, with a mailing address of 26 Katherine Drive, Hallowell, Maine 04347 ("**Grantor**," which term is intended to include, unless expressly stated otherwise, its successors and assigns), for consideration paid, releases to the CITY OF LEWISTON, a Maine municipality with a mailing address of 27 Pine Street, Lewiston, ME 04240 ("**Grantee**," which term is intended to include, unless expressly stated otherwise, its successors and assigns) certain land and interests in land with the Canals and Canal Structures, as such terms are defined herein, and buildings and other improvements thereon in the City of Lewiston, Androscoggin County, Maine, more particularly described in Schedule I and made a part hereof (hereinafter, the "**Granted Premises**").

Reference is made to those certain plans captioned "Lewiston Falls Project Plan," Drawing 322A-22-01, Sheets 1, 3, 4 and 5, dated March 26, 1999, which plans are recorded in the Androscoggin County Registry of Deeds in Plan Book 40, Pages 135, 137, 138, and 139 (hereinafter, the "**1999 Project Plans**") with respect to the Lewiston Falls hydroelectric project as licensed by Federal Energy Regulatory Commission ("**FERC**") under Project No. 2302 (such hydro-electric facility and associated real estate, real estate rights, dams, impoundments and other structures and equipment being the "**Monty Hydro Project**"). For purposes of this Deed, the term "**Canals**" means collectively the Upper Canal, Lower Canal, Cross Canal 1, Cross Canal 2, Cross Canal 3 and Gully Brook as depicted on the 1999 Project Plans and the term "**1999 Project Boundary**" means the project boundaries depicted on the 1999 Project Plans. The FERC license for FERC Project No. 2302 has been amended by order of FERC, dated _____, _____, _____ FERC _____, to exclude the Granted Premises (as so amended, the "**FERC License**").

[[EXCEPTING AND RESERVING from the Granted Premises to Grantor, its successors and assigns forever the buildings and other property in the City of Lewiston, Androscoggin County, Maine, more particularly described in Schedule II attached hereto and made a part hereof (hereinafter, "**Brookfield Reserved Property**").]]

ALSO EXCEPTING AND RESERVING from the Granted Premises to Grantor, its successors and assigns forever the rights and easements and real property in the City of Lewiston, Androscoggin County, Maine, more particularly described in Schedule III attached hereto and made a part hereof (hereinafter, "**Brookfield Reserved Rights and Easements**") as rights appurtenant to the real estate included in the Monty Hydro Project.

[[ALSO EXCEPTING AND RESERVING from the Granted Premises to Grantor, its successors and assigns forever all of the Personal Property, as hereinafter defined, located on or attached to either (1) the Brookfield Reserved Property or (2) those portions of the Granted Premises burdened by Brookfield Reserved Rights and Easements.]]

ALSO EXCEPTING AND RESERVING from the Granted Premises all real estate, real estate rights and property reserved and excepted by Central Maine Power Company, The Union Water-Power Company and Cumberland Securities Corporation (hereinafter referred to collectively as (“**CMP**”) in that certain Indenture Deed between CMP and Grantor, dated April 5, 1999, and recorded in the Androscoggin Registry of Deeds, Book 4207, Page 1 (the “**CMP Source Deed**”).

[[ALSO EXCEPTING AND RESERVING from the Granted Premises, all real estate, real estate rights and property provisionally granted or conveyed by Grantor in the instruments listed or described on Schedule IV attached hereto.]]

ALSO EXCEPTING AND RESERVING **[[Address any lingering rights of CMP under the CSIA that may affect the Granted Premises.]]**

[[Grantor and Grantee acknowledge that Grantor’s Monty Hydro Project is licensed by FERC. Grantee by its acceptance hereof hereby COVENANTS AND AGREES for itself and its successors and assigns with Grantor, its successors and assigns as follows: to the extent any portions of the Granted Premises, including without limitation any appurtenant rights or easements, affect any of the project lands, works or waters identified in the FERC License (any such portions of the Granted Premises that have such effect being the “**FERC Jurisdictional Premises**”), the FERC Jurisdictional Premises are subject to the terms and conditions of that license and to the following covenants:

(1) The use of lands or rights constituting the FERC Jurisdictional Premises shall not endanger health, create a nuisance or otherwise be incompatible with overall project recreational use of the Monty Hydro Project;

(2) Grantee, its successors and assigns, shall take all reasonable precautions to insure that the construction, operation, and maintenance of structures or facilities in, on or under the FERC Jurisdictional Premises will occur in a manner that will protect the scenic, recreational and environmental values of the Monty Hydro Project; and

(3) Grantee, its successors and assigns, will not unduly restrict public access to project waters of the Monty Hydro Project.]]

Grantee by acceptance hereof hereby further COVENANTS AND AGREES for itself and its successors and assigns with Grantor, its successors and assigns that, except as provided in the Water Release Indenture referenced below, Grantee shall not use the Granted Premises or any water that may flow in the Canals included in the Granted Premises in any manner to generate electricity, whether for Grantee’s consumption or for consumption by others.

The foregoing obligations of Grantee are in addition to the obligations of Grantee as set forth in that certain Water Release Indenture between Grantor and Grantee to be recorded in said Registry of Deeds after the recording of this Deed (the “**Water Release Indenture**”).

[End of Page. Signature Pages Follow.]

IN WITNESS WHEREOF, the said BROOKFIELD WHITE PINE HYDRO LLC has caused this instrument to be executed and delivered in its name and on its behalf, by its duly authorized officer, as of the ____ day of _____, 201__.

BROOKFIELD WHITE PINE HYDRO LLC, a
Delaware Limited Liability Company

Witness

By: _____

Its: _____

STATE OF MAINE
COUNTY OF _____, ss.

On _____, 201__, personally appeared the above-named _____,
_____ of Brookfield White Pine Hydro LLC, and acknowledged
the foregoing to be ___ free act and deed in said capacity and the free act and deed of said
Brookfield White Pine Hydro LLC.

Before me,

Notary Public
Name: _____
My Commission Expires:

GRANTEE'S ACCEPTANCE

The said CITY OF LEWISTON hereby acknowledges its acceptance of this Deed Indenture and hereby covenants and agrees for itself and its successors and assigns to assume, be bound by, observe and perform the obligation of Grantee above set-forth the terms, conditions and provisions set forth in this Indenture Deed or the schedules thereto, and has caused this instrument to be executed by _____, CITY OF LEWISTON's duly authorized _____, as of the ____ day of _____, 201__.

ATTEST:

CITY OF LEWISTON, a Maine municipality

By: _____

Its _____, duly authorized

STATE OF MAINE
COUNTY OF _____, ss.

On _____, 201__, personally appeared the above-named _____,
_____ of City of Lewiston, and acknowledged the foregoing to
be ___ free act and deed in said capacity and the free act and deed of said City of Lewiston.

Before me,

Notary Public
Name: _____
My Commission Expires:

Schedule I

Part A. CANAL PROPERTY.

Parcel One.

Subject to exceptions and reservations set forth in the Deed Indenture to which this Schedule I is attached (the “**Indenture Deed**”), to the exceptions set forth on Schedule II and Schedule III and/or the 1999 Project Plans and to the covenants of Grantee as set forth in the Indenture Deed or any of the schedules attached thereto, the land and interests in land with any improvements thereon (including without limitation all generation-asset-related facilities, structures and equipment, flumes, penstocks, gates, gatehouses, spillways, retaining walls, buildings, structures and appurtenances thereto, if any) exclusive of Brookfield Reserved Property and Brookfield Reserved Rights and Easements, situated in the City of Lewiston, in Androscoggin County, Maine, more particularly bounded and described as set forth in the following Paragraphs A through D:

A. All real estate and interests in real estate, exclusive of Brookfield Reserved Property and Brookfield Reserved Rights and Easements, of Grantor in the City of Lewiston that is inside the 1999 Project Boundary and located within either of the following described area:

The area bounded on the north by the northerly sideline of the right of way for Main Street as depicted on Sheet 3 of the 1999 Project Plans, on the east by the 1999 Project Boundary on the east side of the Upper Canal as depicted on said Sheet 3, on the south by the 1999 Project Boundary on the south side of Gulley Brook as depicted on said Sheet 3, and on the south and west by the 1999 Project Boundary at the easterly shore of the Androscoggin River; excepting from the above described area that portion of Cross Canal 1, Cross Canal 3 and Gulley Brook and the adjacent land within the 1999 Project Boundary on either side of Cross Canal 1, Cross Canal 3 and Gulley Brook that is located between the Androscoggin River and the westerly face of the existing weir or dam presently located in Cross Canal 1, Cross Canal 3 and Gulley Brook immediately up-flow from the Androscoggin River.

Grantee hereby acknowledges that the nature of the interests herein conveyed varies amongst fee, easement and other rights and that Grantor makes no representations or warranties as to the nature or quality of such interests.

B. All right, title and interest of Grantor, if any, in and to those portions of railroad rights of way and public streets, roads and ways situated within the land described in Paragraph (A) above, subject to rights of the public, rights reserved to CMP in the CMP Source Deed and rights of others in such property.

C. Also, an additional parcel of land in said Lewiston which may be located fully or partially outside of the 1999 Project Boundary, being bounded on the west by land now or

formerly owned by Lewis J. Rosenthal pursuant to the deed recorded at the Androscoggin County Registry of Deeds in Book 525, Page 159, on the east by the 1999 Project Boundary which lies southwesterly of the area designated "Lower Androscoggin Station (formerly called Bates Centennial)" on Sheet 5 of the 1999 Project Plans, on the south by Lincoln Street, and on the north by the 1999 Project Boundary.

D. Without limiting the foregoing grants and subject to all the exceptions and reservations set forth the first paragraph of this Schedule I, Grantor hereby releases all of its right, title and interest in and to the following described land, rights and interests in real estate located in the City of Lewiston. The descriptions in this Paragraph D describe more specifically rights and interests located partially within the 1999 Project Boundary and described in Paragraph A above or adjacent to the 1999 Project Boundary, and are intended to be supplemental thereto.

Parcel D-1 -- Designated "Bates Upper, aka Bates Weave Shed Generating System" on the 1999 Project Plans.

A. Subject to all terms and provisions relative thereto, all right, title and interest of Grantor to certain interests and premises and related rights as follows:

All that part of the land described as "Parcel I.A" conveyed by Central Securities Corporation to Central Maine Power Company, by deed dated December 30, 1986 and recorded in the Androscoggin County Registry of Deeds, Book 2041, Page 140, which is located directly beneath the forebay, the generating station, the wheel pit and the tailrace which were formerly used in connection with the generation of electric energy in the Weave Shed, so-called, including fee interests and easement rights appurtenant to the above-described premises (exclusive of Brookfield Reserved Property and Brookfield Reserved Rights and Easements), together with the rights of access to the above-described premises over and across the parcels more particularly described in the above-referenced deed over and across mutually convenient locations. As provided in the CMP Source Deed, Grantor did not assume responsibility for, or liability with respect to, the maintenance of the building, which is located in part over the above-described land.

Meaning and intending hereby to transfer all interests and appurtenant rights (exclusive of Brookfield Reserved Property and Brookfield Reserved Rights and Easements), in the above-described premises set forth in the deed from Central Securities Corporation to Central Maine Power Company, dated December 30, 1986 and recorded in said Registry of Deeds in Book 2041, Page 140, including rights obtained by this Grantor under Indenture from Lewiston Community Enterprises, Inc., dated November 2, 1964, but subject to any obligations of Grantor and reversionary interests if any, all as contained in said Indenture as duly recorded in said Registry of Deeds in Book 927, Page 71, et seq., but only to the extent obligations of Grantor have not merged or been extinguished.

Also conveying, subject to Grantee's covenant (set forth in the Indenture Deed) not to use such property for the generation of electricity and subject also to any restrictions and requirements imposed by FERC, all right, title and interest of Grantors in and to certain generation assets-

related real estate and certain generation-assets-related interests in real estate, together with all appurtenant rights and privileges (exclusive of Brookfield Reserved Property and Brookfield Reserved Rights and Easements), situated in Lewiston and described as follows:

1. All hydroelectric generating equipment and related structures and accessory electrical equipment, including switchgear and electrical connections, both underground and overhead, within the generating stations and mill buildings and to Central Maine Power Company's electrical system, all located on and included in the premises conveyed by Bates Manufacturing Company to Lewiston Community Enterprises, Inc. by deed, dated November 2, 1964 and recorded in the Androscoggin County Registry of Deeds, Book 927, Page 6.
2. The right and privilege to maintain and remove, but not operate for generation purposes, the generating equipment, and related cables and electrical equipment associated with the assets described in clause 1 above.
3. The right, privilege and easement to enter upon said premises conveyed by Bates Manufacturing Company to Lewiston Community Enterprises, Inc. as aforesaid, at any and all reasonable times for the purpose of maintaining or removing (but not operating for generation purposes), said generating equipment and related structures and accessory electrical equipment, including switchgear and electrical connections, both underground and overhead, within the generating stations and mill buildings located on said premises.

Meaning and intending to convey and transfer all appurtenant rights that are not Brookfield Reserved Property or Brookfield Retained Rights and Easements, including without limitation prescriptive rights acquired by Grantor's predecessors in ownership, and the rights and interests (other than Brookfield Reserved Property and Brookfield Retained Rights and Easements) more particularly set forth in a deed from Cumberland Securities Corporation to Central Maine Power Company by deed recorded in said Registry of Deeds in Book 2041, Page 156.

Grantee by acceptance hereof hereby covenants and agrees for itself, its successors and assigns, with Grantor, its successors and assigns that, upon discontinuance of the generation of electric energy by means of the hydroelectric generators located in said Weave Shed, Grantee will reconvey the above-described land to Bates Fabrics, Inc., its successors and assigns, without further consideration and subject to acceptance of said reconveyance to the extent required as set forth in Book 927, Page 71, but only to the extent said obligation of Grantor has not been merged or extinguished.

Parcel D-2 -- Designated "Hill Mill Generating Station" on the 1999 Project Plans.

A. Subject to all terms and provisions relative thereto, all right, title and interest of Grantor to certain interests and premises and related rights, exclusive of Brookfield Reserved Property and Brookfield Reserved Rights and Easements, as follows:

All that part of the land described as "Parcel II.A" conveyed by Central Securities Corporation to Central Maine Power Company, by deed dated December 30, 1986 and recorded in the Androscoggin County Registry of Deeds, Book 2041, Page 140, which is located directly beneath the intake tunnels, the forebay, the generating station, the wheel pits and the tailrace tunnels which are used in connection with the generation of electric energy in the Hill Mill, so-called, including fee interests and easement rights, appurtenant to the above-described premises (exclusive of Brookfield Retained Property or Brookfield Retained Rights and Easements), together with the rights of access to the above-described premises over and across the parcels more particularly described in the above-referenced deed over and across mutually convenient locations.

As provided in the CMP Source Deed, Grantor did not assume responsibility for, or liability with respect to, the maintenance of the building, which is located in part over the above-described land.

Meaning and intending hereby to transfer all interests and appurtenant rights (other than Brookfield Reserved Property and Brookfield Retained Rights and Easements), in the above-described premises set forth in the deed from Central Securities Corporation to Central Maine Power Company dated December 30, 1986 and recorded in said Registry of Deeds in Book 2041, Page 140, including rights obtained by this Grantor under Indenture from Lewiston Community Enterprises, Inc. dated November 2, 1964, but subject to any obligations of Grantor and reversionary interests if any, all as contained in said Indenture as duly recorded in said Registry of Deeds in Book 927, Page 71, et seq., but only to the extent obligations of Grantor have not merged or been extinguished.

Also conveying, subject to Grantee's covenant (set forth in the Indenture Deed) not to use such property for the generation of electricity and subject also to any restrictions and requirements imposed by FERC, all right, title and interest of Grantor in and to certain generation asset-related real estate and certain generation-asset-related interests in real estate, together with all appurtenant rights and privileges (exclusive of Brookfield Reserved Property and Brookfield Retained Rights and Easements), situated in Lewiston and described as follows:

1. All hydroelectric generating equipment and related structures and accessory electrical equipment, including switchgear and electrical connections, both underground and overhead, within the generating stations and mill buildings and the related electrical systems owned by Grantor, all located on and included in the premises conveyed by Bates Manufacturing Company to Lewiston Community Enterprises, Inc. by deed dated November 2, 1964 and recorded in the Androscoggin County Registry of Deeds, Book 927, Page 6.
2. The right and privilege to maintain and remove, but not operate for generation purposes, generating equipment and related cables and electrical equipment necessary to connect the electric generating stations to CMP's electrical system.
3. The right, privilege and easement to enter upon said premises conveyed by Bates Manufacturing Company to Lewiston Community Enterprises, Inc. as aforesaid,

at any and all reasonable times for the purpose of maintaining or removing (but not operating for generation purposes) said generating equipment and related structures and accessory electrical equipment, including switchgear and electrical connections, both underground and overhead, within the generating stations and mill buildings located on said premises.

Meaning and intending to convey and transfer all appurtenant rights (other than Brookfield Retained Property or Brookfield Retained Rights and Easements), including without limitation prescriptive rights acquired by Grantor's predecessors in ownership and the rights and interests (other than Brookfield Reserved Property and Brookfield Retained Rights and Easements) more particularly set forth in a deed from Cumberland Securities Corporation to Central Maine Power Company by deed recorded in said Registry of Deeds in Book 2041, Page 156.

Grantee by acceptance hereof hereby covenants and agrees for itself, its successors and assigns, with Grantor, its successors and assigns that, upon discontinuance of the generation of electric energy by means of the hydroelectric generators located in said Hill Mill, it will reconvey the above-described land to Roy-Hill Corporation, its successors and assigns, without further consideration, and subject to acceptance of said reconveyance to the extent required as set forth in Book 927, Page 71, but only to the extent said obligation of Grantor has not been merged or extinguished.

Parcel D-3 -- Continental Mill.

Subject to all terms and provisions relative thereto, all Grantor's right, title and interest in certain real estate and certain interests in real estate together with all appurtenant rights and privileges related thereto (exclusive of Brookfield Reserved Property and Brookfield Reserved Rights and Easements) as described in the deed from The Continental Corporation to Central Maine Power Company dated February 1, 1963 and recorded in the Androscoggin County Registry of Deeds in Book 888, Page 112.

Excepting and reserving from the above-described premises the lot known as Parcel "B" described in Paragraph No. 1 in the above-referenced deed on recorded Page 115 and any references to Parcel B set forth in said deed and the non-generation-asset-related equipment and facilities described in Paragraph No. 4 in the above-referenced deed on recorded Page 117, all as reserved by CMP in the Source Deed.

Grantee by acceptance hereof hereby covenants and agrees for itself, its successors and assigns, with Grantor, its successors and assigns that, upon discontinuance of the generation of electric energy by means of the hydroelectric generators located in said Continental Mill, it will reconvey the above-described land to the Continental Corporation, its successors and assigns, without further consideration and subject to acceptance of said reconveyance to the extent said obligation has not been merged or extinguished.

Parcel D-4 -- Lower Androscoggin.

Lot 1: Subject to all terms and provisions relative thereto, all Grantor's right, title and interest in certain real estate and certain interests in real estate together with all appurtenant rights and privileges related thereto (exclusive of Brookfield Reserved Property and Brookfield Reserved Rights and Easements) described as the "Androscoggin Weir" parcel conveyed by the Franklin Company to Union Water-Power Company by deed dated December 5, 1878 and recorded in the Androscoggin County Registry of Deeds in Book 95, Page 411.

Subject to the rights and easements set forth in the deed from Union Water-Power Company to City of Lewiston dated April 10, 1991 and recorded in Androscoggin County Registry of Deeds in Book 2670, Page 30.

Lot 2: Also conveying all right, title and interest of Grantor in and to certain real estate and certain interests in real estate, together with all appurtenant rights and privileges (exclusive of Brookfield Reserved Property and Brookfield Reserved Rights and Easements) situated in Lewiston and being described as all land lying northwesterly of Lot 1, herein and southeasterly of the following described line:

Beginning at a point in the westerly line of the right of way of the Maine Central Railroad Company at the easterly corner of land of Miller Industries, Inc., formerly owned by Lewis J. Rosenthal as described in Book 525, Page 159; thence southwesterly along the southeasterly line of said land of Miller Industries, Inc., formerly owned by Rosenthal, to the point where said southeasterly line intersects a line parallel with and eighteen (18) feet southeasterly of the southeasterly wall of the Picker House, so-called; thence southwesterly parallel with and eighteen (18) feet southeasterly from the southeasterly wall of said Picker House to a point opposite the southerly corner of said Picker House and eighteen (18) feet distant therefrom; thence northwesterly at right angles to said last described line to a point in the projection of a line which is parallel with and fifteen (15) feet southeasterly from the southeasterly main wall of Mill No. 2; thence southwesterly parallel with and fifteen (15) feet southeasterly from said southeasterly wall of Mill No. 2, for a distance of 92 feet, more or less, to a point which is 5.00 feet northeasterly of the northeasterly wall of the Boiler House, so-called; thence, southeasterly parallel with and 5.00 feet northeasterly from said northeasterly wall of the Boiler House for a distance of 20 feet, more or less to a point in the projection of a line which is the northeasterly extension of the centerline of the interior wall separating the Boiler House from the Lower Androscoggin Station or Powerhouse, formerly known as Bates Centennial Station; thence southwesterly by said northeasterly extension of the centerline of the interior wall, and continuing along said centerline of the interior wall and its southwesterly extension to Lincoln Street, formerly known as the Old Lisbon Road.

Being a portion of the premises excepted and reserved in the deed from Androscoggin Mills to Lewis J. Rosenthal dated July 29, 1941 and recorded in said Registry of Deeds in Book 525, Page 159.

Also being a portion of the premises included in the deed from Central Securities Corporation to Central Maine Power Company dated December 30, 1986 and recorded in the Androscoggin County Registry of Deeds in Book 2041, Page 140.

Together with Grantor's right, title and interest in and to the following described right-of-way as set forth in Indenture between Union Water Power Company and W. S. Libbey, dated November 27, 1946 and recorded in said Registry of Deeds in Book 592, Page 255, and in accordance with the terms and conditions relative thereto, to wit:

“... the privilege in common with this Grantor and in common with such others as this Grantor has heretofore or may hereafter grant a similar privilege, of passage and conveyance of material and equipment between the Old Lisbon Road and the Androscoggin Pond as now enjoyed, being over a location the center line of which is about ten feet northerly from and parallel with the northerly wall, extended easterly, of the Cumberland Mill Building, as it now stands, on the parcel of land conveyed by said Indenture; provided that said right shall not be used in such manner as unnecessarily to interfere with passage over the same location by others entitled thereto; reserving however to this Grantor, its successors and assigns, the privilege of passage and conveyance of material and equipment over and across so much of the land hereby conveyed as is not now or may not hereafter be obstructed by the erection of buildings.”

Together with the right and easement, in common with Grantor and others, and their successors and assigns, to use the existing parking area on retained land of Grantor located northeasterly of Lincoln Street and southwesterly of Lower Androscoggin Station for the purpose of parking vehicles and to maintain the Lower Androscoggin Station and appurtenant facilities.

Said Lot 2 is subject to the right of Miller Industries, Inc., its successors and assigns for access and to park vehicles on the land which lies southwesterly of Lower Androscoggin Station and northeasterly of Lincoln Street.

Also granting the right, to the extent of Grantor's right, to attach the existing generator lead from Androscoggin Lower Station to CMP's Circuit 424D6 substantially as now located.

Parcel D-5 -- Bates Lower.

Subject to all terms and provisions relative thereto, all right, title and interest of Grantors to certain interests and premises and related rights (exclusive of Brookfield Reserved Property and Brookfield Reserved Rights and Easements) as follows:

All that part of the land described as "Parcel I.C" conveyed by Central Securities Corporation to Central Maine Power Company, by deed dated December 30, 1986 and recorded in the Androscoggin County Registry of Deeds, Book 2041, Page 140, including fee interests and easement rights appurtenant to the above-described premises (exclusive of Brookfield Reserved Property and Brookfield Retained Rights and Easements), together with the rights of access to the above described premises over and across the

parcels more particularly described in the above referenced deed over and across mutually convenient locations.

Meaning and intending hereby to transfer all interests and appurtenant rights (other than Brookfield Reserved Property and Brookfield Retained Rights and Easements) in the above-described premises set forth in the deed from Central Securities Corporation to Central Maine Power Company dated December 30, 1986 and recorded in said Registry of Deeds in Book 2041, Page 140, including rights obtained by Grantor's predecessors in interest under Indenture from Lewiston Community Enterprises, Inc. dated November 2, 1964, but subject to any obligations of Grantor contained in said Indenture as duly recorded in said Registry of Deeds in Book 927, Page 71, et seq. which obligations Grantor by acceptance hereof hereby covenants and agrees for itself and its successors and assigns with Grantor, its successors and assigns, to assume, be bound by, observe and perform but only to the extent obligations of Grantor have not merged or been extinguished.

Also conveying, subject to Grantee's covenant (hereinafter set forth) not to use such property for the generation of electricity and subject also to any restrictions and requirements imposed by FERC, all right, title and interest of Grantor in and to certain generation asset-related real estate and certain generation-asset-related interests in real estate, together with all appurtenant rights and privileges (exclusive of Brookfield Reserved Property and Brookfield Reserved Rights and Easements), situated in Lewiston and described as follows:

1. All hydroelectric generating equipment and related structures and accessory electrical equipment, including switchgear and electrical connections, both underground and overhead, within the generating stations and mill buildings and to Central Maine Power Company's electrical system, all located on and included in the premises conveyed by Bates Manufacturing Company to Lewiston Community Enterprises, Inc. by deed dated November 2, 1964 and recorded in the Androscoggin County Registry of Deeds, Book 927, Page 6.
2. The right and privilege to operate, maintain, replace and remove, but not operate for generation purposes, the generating equipment, and related cables and electrical equipment necessary to connect the electric generating stations to CMP's electrical system.
3. The right, privilege and easement to enter upon said premises conveyed by Bates Manufacturing Company to Lewiston Community Enterprises, Inc. as aforesaid, at any and all reasonable times for the purpose of operating (but not operating for generation purposes), maintaining, replacing or removing said generating equipment and related structures and accessory electrical equipment, including switchgear and electrical connections, both underground and overhead, within the generating stations and mill buildings located on said premises.

Meaning and intending to convey and transfer all appurtenant rights including without limitation prescriptive rights (other than Brookfield Reserved Property and Brookfield Reserved Rights and Easements), acquired by Grantor and the rights and interests more particularly set forth in a deed

from Cumberland Securities Corporation to Central Maine Power Company by deed recorded in said Registry of Deeds in Book 2041, Page 156.

Parcel Two. Hill Mill Control House Easement.

The personal property that constitutes the Hill Mill Generator Lead (as hereinafter defined). For the purposes of the Deed Indenture, the term "Hill Mill Generator Lead" means the generator lead running from the Hill Mill Generating Station to the Hill Mill Control House (as each such structure is shown on Sheet 4 of the 1999 Project Plans (hereinafter, the "Hill Mill Generating Station" and the "Hill Mill Control House," respectively) and to breaker KTIL, including without limitation cables, wires, lines, circuit breakers, switch gears, communications equipment, support structures, poles, towers, pipes, ducts, ductbanks, conduits, manholes, handholes, riser poles, anchors, guys, braces, fittings, crossarms, and foundations, equipment and appurtenances related thereto (including ally of the aforementioned items which are related to the Hill Mill Generator Lead and located in CMP's underground cable way running northerly from the Hill Mill Control House in the Tunnel Dugout to the Tardis (as said Tardis is shown on Sheet 4 of the 1999 Project Plans (hereinafter, the "Tunnel Dugout" and the "Tardis," respectively)).

Together with the perpetual, non-exclusive right and easement, to the extent of Grantor's rights and in common with CMP, its successors and assigns, for access to the Hill Mill Generator Lead, including access to and use of the Hill Mill Control House, the Tunnel Dugout, and the Tardis, to erect, bury, construct, maintain, repair, rebuild, respace, replace, operate (but not for electrical generation), patrol and remove the Hill Mill Generator Lead generally in its existing location with suitable and sufficient pipes, ductbanks and conduits, together with sufficient other equipment and appurtenances, for the delivery of energy, communications and control signals to and from the Granted Premises, all in accordance with applicable transmission and interconnection agreements with CMP and with the benefit of any obligations that CMP may have to maintain the Hill Mill Control House, the Tunnel Dugout, and the Tardis in good repair and condition.

The rights granted herein include such right, if any, as Grantor may have to restrict the construction of structures and improvements which, in the judgment of Grantee, may interfere with the proper operation (other than for electrical generation purposes) or maintenance of the Hill Mill Generator Lead and the right to enter upon the rights of CMP, if any, for any and all of the foregoing purposes. The foregoing rights are subject to all rights of CMP to maintain, repair and replace CMP's structures and improvements.

Grantee, by acceptance hereof, hereby agrees that the exercise of its rights under this Parcel Four is subject to the rights and interests reserved to CMP in the CMP Source Deed.

Grantor hereby assigns to Grantee and Grantee by acceptance hereof hereby accepts and assumes the rights and obligations of Grantor under the CMP Source Deed with respect to access to the Hill Mill Control House and Tardis.

Part B. COWAN POND PROPERTY

All of Grantor's right, title and interest in that certain parcel of land described as "Cowan Pond" in Detail "A" on Sheet 3 of the 1999 Project Plans, together with all rights and easements (exclusive of Brookfield Reserved Property and Brookfield Reserved Rights and Easements) appurtenant thereto.

EXCEPTING AND RESERVING from the Granted Premises, however, to Grantor, CMP, Union Water Power Company, and their respective successors and assigns, all interest in the streets or ways in the City of Lewiston known as Mill Street.

* * * *

This conveyance of the Granted Premises as described in this Schedule I, including but not limited to easements, licenses, leasehold rights and other rights and interests is made subject to all of the terms, reservations, exceptions, covenants and conditions contained in the respective deeds, indentures or leases by which Grantor's right, title or interest in the Granted Premises were created and through which Grantor derives rights in the Granted Premises that are intended hereby to be conveyed. Grantee, by the acceptance hereof hereby covenants and agrees, for itself and its successors and assigns, with Grantor, its successors and assigns forever to keep and observe all such terms, reservations, exceptions, covenants and conditions forever to the extent they have not been merged or extinguished and to hold Grantor, its successors and assigns harmless from loss, cost or damage arising from failure to comply therewith or to perform any of the duties and obligations imposed upon the grantee named therein and/or upon Grantor as successor to said grantee by the terms of said Indentures or any of them. For the absence of doubt, Grantee acknowledges that the aforesaid obligations to be kept and observed by Grantee include any obligation to maintain the Canal Structures and other facilities that contain and control the flow of water in the canals hereby conveyed and that the retention of Brookfield Reserved Property and Brookfield Reserved Rights and Easements shall not be construed to obligate Grantor to with respect to any such obligations or to contribute to Grantee's costs of performing such obligations.

[Note: Before finalization of the execution version of this Deed Indenture, and subject to the provisions of the Section 10(c) of the Donation Agreement to which this is an Exhibit, Brookfield shall have the right to revise the foregoing description as are necessary or desirable to enable Brookfield to comply with the terms and conditions of any Final Approval or to operate the Monty Facility in accordance with the FERC license in light of the terms and conditions of any such Final Approval.]

Schedule II

Brookfield Reserved Property

NONE

None

[Note: Before finalization of the execution version of this Deed Indenture, and subject to the provisions of the Section 10(c) of the Donation Agreement to which this is an Exhibit, Brookfield shall have the right to revise the foregoing description as are necessary or desirable to enable Brookfield to comply with the terms and conditions of any Final Approval or to operate the Monty Facility in accordance with the FERC license in light of the terms and conditions of any such Final Approval.]

Schedule III

Brookfield Reserved Rights and Easements

1. Water, Water Rights, Mill Privileges and Flowage Rights

All right, title and interest, if any, in and to water, water rights, mill privileges and flowage rights, whether acquired by prescription or otherwise, in, on, over, appurtenant to or otherwise associated with the lands and interests herein conveyed, including without limitation (1) such flowage rights as have been acquired by Grantor or its predecessors in title by virtue of current and/or historic flowage, including but not limited to all right to flow the land retained by CMP in the CMP Source Deed; (2) all right, title and interest in and to the flowage described in deed of Franklin Company to Union Water Power Company, dated December 5, 1878 and recorded in the Androscoggin Registry of Deeds in Book 95, Page 411, as follows: the "right of flowage above or below said Dams, caused by the same in and upon said Great Androscoggin River, which [Franklin Company] now possesses in whatever manner the same may have been acquired, whether by grant, prescription, or otherwise;" and (3) all of the water, water rights and mill privileges described in the following Paragraphs A, B and C:

A. Bates Upper, aka Bates Weave Shed Generating System

All property in and rights, benefits and privileges under certain grants of water and water rights as appurtenant to the land described as "Parcel I.A" conveyed by Central Securities Corporation to Central Maine Power Company, by deed dated December 30, 1986 and recorded in the Androscoggin County Registry of Deeds, Book 2041, Page 140, which is located directly beneath the forebay, the generating station, the wheel pit and the tailrace which are used in connection with the generation of electric energy in the Weave Shed, so-called, and growing out of said grants by virtue of the following indentures and agreements expressly assigning its interest as assignee therein, including without limitation to wit:

1. Between Lewiston Water Power Company and Bates Manufacturing Company dated November 5, 1856, and recorded in Androscoggin County Registry of Deeds, Book 6, Page 167.
2. Between Union Water Power Company and Bates Manufacturing Company, dated June 27, 1883, and recorded in said Registry of Deeds, Book 133, Page 40.
3. Between Union Water Power Company and Bates Manufacturing Company, dated October 14, 1924, and recorded in said Registry of Deeds, Book 344, Page 408.

B. Hill Mill Generating Station

All property in and rights, benefits and privileges under certain grants of water and water rights as appurtenant to the land described as "Parcel II.A" conveyed by Central Securities Corporation to Central Maine Power Company, by deed dated December 30, 1986 and recorded in the

Androscoggin County Registry of Deeds, Book 2041, Page 140, which is located directly beneath the intake tunnels, the forebay, the generating station, the wheel pits and the tailrace tunnels which are used in connection with the generation of electric energy in the Hill Mill, so-called, growing out of said grants by virtue of the following indentures and agreements expressly assigning its interest as assignee therein, including without limitation, to wit:

1. Between Lewiston Water Power Company and Hill Mill Manufacturing Company, dated November 6, 1856, recorded in said Registry of Deeds in Book 6, Page 175.
2. Between Franklin Company and Hill Manufacturing Company, dated December 30, 1865, recorded in said Registry of Deeds in Book 41, Page 545.
3. Between Union Water Power Company and Hill Manufacturing Company, dated June 27, 1883, recorded in said Registry of Deeds in Book 111, Page 580.
4. Between Union Water Power Company and Hill Manufacturing Company, dated October 14, 1924, recorded in said Registry of Deeds in Book 344, Page 438.

C. Bates Lower

Property in and rights, benefits and privileges under certain grants of water and water rights as appurtenant to the land described as "Parcel I.C" in deed of Central Securities Corporation to Central Maine Power Company, dated December 30, 1986 and recorded in the Androscoggin County Registry of Deeds, Book 2041, Page 140, and growing out of said grants by virtue of the following indentures and agreements expressly assigning its interest as assignee therein, including without limitation to wit:

1. Between Franklin Company and Lewiston Bagging Company dated April 13, 1863, and recorded in Androscoggin County Registry of Deeds in Book 31, Page 310, and assigned to Bates Manufacturing Company under deed from Orlando H. Alford dated April 30, 1903, and recorded in said Registry of Deeds in Book 198, Page 67.
2. Between Franklin Company and Lewiston Mills, dated January 1, 1865, and recorded in said Registry of Deeds in Book 36, Page 421, and assigned to Bates Manufacturing Company by deed from Orlando H. Alford, dated April 30, 1903, and recorded in said Registry of Deeds in Book 198, Page 67.
3. Between Union Water Power Company and Lewiston Mills dated June 27, 1883, and recorded in said Registry of Deeds in Book 133, Page 52, and assigned to Bates Manufacturing Company by deed from Orlando H. Alford dated April 30, 1903, and recorded in said Registry of Deeds in Book 198, Page 67.
4. Between Union Water Power Company and Bates Manufacturing Company, dated May 1, 1903, and recorded in said Registry of Deeds in Book 199, Page 66.

5. Between Union Water Power Company and Bates Manufacturing Company, dated October 14, 1924, and recorded in said Registry of Deeds in Book 344, Page 397.

2. Other Rights

The right (i) to install, maintain, repair, and replace devices on property included in the Granted Premises (including but not limited to the Water Level Transducer and the PLC Cabinet as more fully described in the Water Release Indenture) for the purpose of monitoring the delivery of water to Grantee pursuant to the water release rights granted in the Water Release Indenture and, in the case of the Upper Bates Weir, controlling the flow of water into the Lower Canal; and (ii) at reasonable times, to enter on said property of Grantee to ensure that water furnished to Grantee under the Water Release Indenture complies with the requirements thereof, to install, maintain, repair, and replace any such monitoring and control equipment, or for any other purpose connected with the operation of the Monty Hydro Project, the provision of water under the Water Release Indenture or enforcing Grantor's rights hereunder or thereunder. Before any entry under this Section, Grantor shall provide Grantee with proof of liability insurance reasonably satisfactory to Grantee. Grantor shall indemnify, defend and hold Grantee harmless from any and all claims or liabilities arising out of or relating to any entry, including costs of enforcement of this Indenture and reasonable attorneys' fees.

[Note: Before finalization of the execution version of this Deed Indenture, and subject to the provisions of the Section 10(c) of the Donation Agreement to which this is an Exhibit, Brookfield shall have the right to revise the foregoing description as are necessary or desirable to enable Brookfield to comply with the terms and conditions of any Final Approval or to operate the Monty Facility in accordance with the FERC license in light of the terms and conditions of any such Final Approval.]

Schedule B

FPLE Retained Personal Property
(2 pages)

GENERAL

ALL STATION BOOKS & RECORDS, INCLUDING THOSE RELATED TO FERC, SPILL PREVENTION AND CONTROL, SYSTEM DIAGRAMS, METER READINGS, LOGS, PRINTS AND DRAWINGS

THE FOLLOWING TOOLS:

BATES UPPER

OIL SPILL KITS
30 GAL DRUM WASTE NON CLORINATED SOLVENT
SOLVENT RAGS & PADS
5 GAL HEAVY MED OIL
2 GAL PAINT
5 SPRAY CANS PAINT
OIL SAMPLES
14' LADDER STRAIGHT
FIRE EXTINGUISHER
NITROGEN BOTTLE
FILE CABINET
BREAKER HOIST
LADDERS at site in addition to 14' Straight ladder
SYNC SCOPES

CONTINENTAL MILL

BATTERY FRAME WORK
STOCK , BRUSHES , CONTACTS ECT.
ABSORBENT PADS
2 DRUMS GPS 30 GAL 1 NEW 1 WASTE
1 30 GAL DRUM SOLVENT RAGS, NOT FULL
MOBIL GREASE 5 GAL PAIL
MOBIL HEAVY MED OIL 5 GAL PAIL
KENT FLOOR BUFFER
1.5 GAL P F DEGREASER IN SPRAYER
4 GAL PAINT UNIT CPLORS
1 SET OF WORK LIGHTS , GREEN STAND
BATTERY CHARGER
FILEING CABINET
OIL SPILL KIT
FIRE EXTINGUISHER
BELT LACER
LADDERS
SYNC SCOPES

ANDROSCOGGIN LOWER

MOBIL HEAVY MED OIL 5 GAL PAIL
1.5 GAL WASTE OIL
4 GAL PAINT UNIT COLORS

(ANDROSCOGGIN LOWER, CONTINUED):

NUTS BOLTS WASHERS ASST SIZES
ABSORBENT PADS
FILE CABINET
SMALL WET VAC
SYNC SCOPES
OIL SPILL KIT
FIRE EXTINGUISHER
LADDERS

HILL MILL

BOAT BARRIERS
HIGH HATS
STOCK
20 FILE CABINETS
BOATS
GENERATOR
STEAMER
NEW PRESSURE WASHER
ABSORBENT PADS AND BOOMS
SALVAGE DRUMS , 20 GAL , 30 GAL , 55 GAL
55 GAL BARREL WASTE OIL
55 GAL BARREL 629 SYNTHETIC LUBRICANT
55 GAL BARREL HEAVY MED OIL MOBILE
5 GAL PAIL HEAVY MED
14 GALS PAINT UNIT COLORS ASST OTHER
3 -5 GAL PAILS PAINT ASST COLORS
TRUCK TIRES
OIL SPILL KIT
STAGING
FIRE EXTINGUISHER
6 BASLER RELAYS
LADDERS
SYNC SCOPES

5 Ton Hoist

BATES LOWER

32' EXT LADDER
STEAMER HOSES
HAND RAKE HEADS
4 GAL DTE HEAVY MED OIL
2 GAS CANS
ASST 30 GAL DRUMS SALVAGE TYPE
TOOLS
SPREADER BEAM LIFTING DEVISE
SYNC SCOPES
OVER HEAD HOIST

RED SHOP

8 X 8 TIMBERS
3 WALL CABINETS
ASSORTED LUMBER
TOOLS



Executive Department
Lincoln Jeffers
Assistant to the Administrator



ATTACHMENT B

To: Honorable Mayor and Members of the City Council
From: Lincoln Jeffers
RE: Canal Acquisition – Letter of Agreement
Date: May 28, 2011

Staff has been in discussions with FPL Energy Maine Hydro, LLC (FPLE) for several years working to structure an agreement that would result in transfer of the canal system to the city. The portion to be conveyed is that portion of the canal system downstream of the main gatehouse.

The issues surrounding the possible transfer are diverse and complex. This memo is intended to summarize the history and major issues associated with the possible transfer. The details of the agreement are contained within the *Letter Agreement Regarding the Purchase and Sale of Lewiston Canal*, which is included in the council packet. The council is being asked to authorize the City Administrator to execute the agreement. Upon execution of the agreement a 60 day due diligence period will begin where the details of this opportunity can be more fully explored, and a final decision on whether to proceed as outlined in the agreement.

Canal System

The Lewiston Canal System is approximately 1.5 miles in length. It consists of an upper canal, lower canal, and two cross canals. The main upper canal is 4,400 feet long, Cross Canal #1 is 1,350 long, as is the lower canal. The canals vary in width between 62 feet on the upper canal and 47 feet on the lower canal. Water is controlled by the gate house at the head of the main canal; and by weirs, dams, and gates at hydroelectric sites in the canal system. The City owns the Upper Androscoggin Generating Station (Upper A), which is located at the southern end of the upper canal. FPL owns generating stations that are located inside of Bates Mill #5, Hill Mill, Continental Mill, and in independent structures at the Red Shop, and Lower Androscoggin station.

Currently, none of the generating stations fed from the canal system are generating power.

Development of the Monty Hydroelectric Station

In 1983-'84 the City of Lewiston, City of Auburn and Central Maine Power Company all filed the initial paper work to build a hydroelectric facility that would take advantage of the elevation drop at the Great Falls of the Androscoggin River. Through negotiation it was determined that the cities would withdraw their applications in exchange for CMP moving forward with development of what is now known as the Charles E. Monty Hydro Power Plant (Monty). In exchange for the cities withdrawing their applications, CMP transferred ownership of the Upper A to Lewiston.

Water Rights

As part of the broader agreement CMP agreed to deliver historic water rights owned by the city that had been used at the site where the Monty was being built, to the Upper A. intakes via the canal system. Lewiston has water rights to the first 150 cubic feet per second (cfs) of water flow. CMP had rights for the water flow between 151 cfs and 8,280 cfs. Lewiston has rights to the next 555 cfs. CMP had rights to all flowage thereafter. On average, the river flows in excess of 8,280 cfs only 30 to 45 days per year.

FPLE purchased CMP's generating assets, including the canals, in 1999.

Upper A Not Profitable

For the period between December 1984 and December 1998, CMP had a contractual obligation to purchase electricity generated at the Upper A at a rate varying between 9 and 12 cents per kWh for the majority of the contract period. During this time the Upper A was profitable. Since the contract expired, Upper A electricity has been sold on the spot market at prices ranging on average from 2 to 6 cents per kWh. Of the three turbines located at Upper A, Turbine #1 (700KW) has been non-operational since 1996. Turbine #2 (515KW) hasn't spun since 2007. It is estimated to cost \$400,000 to refurbish. Turbines #1 and #2 historically were only put in service during periods of high water and surplus flowage. Turbine #3 (480kW) generated using the city's first 150 cfs of water. It became non-operational late summer 2011. It is estimated to cost \$125,000 to repair.

Over the last several years, the Upper A has lost between \$42,000 and \$78,000 annually on operations and debt service compared to revenues. The Upper A currently has approximately \$381,500 in outstanding debt, with an annual debt payment of \$48,659 in 2012. The debt payment will decline each year (see proforma) until retired in 2027. To be able to generate revenue an estimated minimum of \$125,000 must be invested in Turbine #3, increasing and extending the debt on an asset that even without the additional debt, has not been covering its expenses. For similar reasons, recent councils have chosen not to invest in repairs to Turbine #2. The city's experience has been that turbines need to be rebuilt, on average, every 10 years

With low wholesale electric rates, more traditional and alternative energy capacity planned and coming on line, downward pressure on retail rates for New England to remain economically competitive, and the need for relatively frequent

capital expenditures to maintain generating capacity, the long term prognosis for profitability is not good.

Revenue/Cost Sharing Agreement with Auburn

In 1984, Lewiston and Auburn entered into a joint agreement where Auburn receives 17.5% of the property taxes paid on the Monty. Auburn also receives 50% of the revenues generated from the surplus flowage (the 555 cfs) at the Upper A. Coterminous with their rights to 50% of surplus flowage revenues, Auburn is responsible for 17.7% of the capital expenses, maintenance, and operational expenses of the Upper A; 17.7% of the cost of the production, distribution, and sale of power; and 17.7% of Lewiston's share of the cost of canal maintenance.

Possibility of losing water rights

The city had been given early advice from outside legal counsel that if the city stopped generating power at the Upper A, FPLE would have no obligation to deliver water to the site, and the canals could go dry. When this agreement was last before the council for discussion in public session, that fact was questioned. Brann and Isaacson evaluated the possibility and determined that loss of water rights was not automatic. FPLE does not agree with that assessment. The issue has been put aside for the time being, with both the City and FPLE preferring to focus their energies to see if a mutually beneficial agreement could be reached.

Impetus for an Agreement

The canals have been a part of the fabric of Lewiston since the 1850's. For the last several decades, they have been sequestered behind chain link fence topped with barbed wire. Pedestrian bridges are severely deteriorated. The canals are an unrecognized, blighted, and underutilized asset. One of the recommendations of the draft **Riverfront Island Master Plan** is that the city explore a variety of approaches to securing long terms control of the city's canal network for a variety of public purposes. If owned by the city, they have the potential to become an asset that attracts people and investment.

Deal Structure

The City's goals in discussions with FPL have been to gain control of the canals and ensure long term water flow while minimizing any adverse impact on the City's tax rate. City ownership of the canals would allow them to be better maintained as an asset and amenity.

The following summarizes the Letter of Agreement:

- 1) City stops generating power at Upper A, surrenders FERC license
- 2) FPLE will amend its Lewiston Falls FERC license to remove the property to be conveyed from their license
- 3) Ownership of canals and hydro generating stations/equipment transfers to city. FPL retains ownership of the gate house.
- 4) City gives up all but 70 cfs of its water rights to FPL
- 5) To avoid stagnation, the canals would get flushing flows of:
 - a. An additional 224 cfs for 1 hour 2x week - June 1 –Sept 30

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- b. An additional 224 cfs for 1 hour 1x week – October 1 - May 31
- 6) Transfer to the City of CMP's environmental indemnity to FPLE
- 7) An additional \$500,000 environmental indemnity from FPLE
- 8) If desired the City may use the canals as a thermal sink for heating or cooling purposes.

City obligations:

- 9) Repair leaks at dams, weirs, and gates along the canal
 - a. estimated at \$750,000
 - b. repairs are necessary to maintain water at historic levels at reduced water flows.
- 10) Create a Tax Increment Financing district to use a portion of the new tax revenue generated by the rubber dams being installed at the Monty (Lewiston Falls FERC license) to pay canal repair debt (see proforma).
- 11) FPL receives 20 year, 20% TIF on their rubber dam investment
- 12) If the city determines in its reasonable discretion that the full 70 cfs is not needed to maintain aesthetic flows at historic levels, FPLE may request that the company be allowed to flow those waters not needed through the Monty. The city will not unreasonably withhold its approval.

Benefits

- A. Would ensure canals remain full of water at historic levels if City stops generating
- B. The Monty has much more efficient equipment and higher head than the Upper A, so the City's water allocation will generate more power flowing through the Monty.
- C. The energy potential of the canals is greater as a heat source for heat pump technology than it is for hydroelectric generation. It would take investment to capture it, but there is enough potential in the canals to heat the entire Bates Mill or another mill complex without burning fossil fuels.
- D. FPL would no longer be a tenant in Bates #5, simplifying options for how to move forward with the building.
- E. The long term operational losses and debt service at Upper A are capped

Other Considerations

- Any investment beyond stabilization of the canal to stop leaks would need to come back to Council for action
- Over the term of negotiating this agreement FPLE has invested \$8.6 million installing new turbines at Gulf Island dam and approximately \$2 million in rubber dams and other improvements at Deer Rips

Financial Implications

As noted above, over the last several years the Upper A has lost between \$42,000 and \$78,000 annually. With the turbine shut down it is no longer generating revenues, but the debt service remains as will some of the

operational expenses. Some of the costs associated with staffing won't disappear, but can be redirected to other projects

Canal Maintenance Costs

The canals and generating assets to be transferred currently generate \$57,600 annually in taxes. The City has a contractual obligation to pay a share of the maintenance cost of the canals. The most recent annual fee was \$59,200. That fee is adjusted annually for inflation. In the *Annual Canal Maintenance* proforma, the payment to FPL is projected to increase 1.8% annually for the next 20 years. This is based on the city's increase in annual payments over the last 9 years.

If the City takes ownership of the canals Public Works has projected the annual maintenance cost to be \$90,000 in Year 1, \$60,000 in Year 2, and \$45,000 annually thereafter.

Over the course of 20 years the city is estimated to spend \$450,000 less in maintenance if the canals are city owned.

Tax Increment Financing

Tax increment Financing (TIF) is a statutory mechanism that allows taxes generated by new investment in a community to be used to pay for municipal debt associated with a project and/or to return a portion of the tax revenues generated by a project to the developer to assist them with their project development costs. TIFs are used to support economic development and to reduce the impacts of development on the tax rate and general fund.

The amount the City pays in County Taxes, and the amount of State Revenue Sharing and State Aid for Education received is based on the City's Total Valuation. The higher the total valuation, the less money received from the state and the more paid to the County. When creating a TIF District, the amount of Assessed Valuation associated with paying TIF project costs are not included in the City's Total Valuation. Keeping that value out of the Total Valuation is called sheltering, and is one of the major benefits of TIFs to cities. Sheltering does not bring new revenue to the City, but maintains levels of state funding received that would otherwise be lost, and the level of county taxes paid which would be increased if the value was not sheltered.

Conclusion

The City is actively engaged in planning the future of the downtown. There has been a lot of focus on the canals as an unrecognized and untapped asset in both the Strategic Plan adopted by the Council last year, and in the Riverfront Island Master Planning initiative that is nearing completion. They are recognized as having the potential to play a large role in the future of the community.

In May 2011 the Planning Board voted 4 to 3 to send a positive recommendation to the City Council regarding acquisition of the canals.

Next steps

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The letter of agreement is among the first steps in moving forward with acquisition of the canals. Following is an outline of the steps that need to be taken.

- Planning Board recommendation on acquisition
- Council approval of Letter of Agreement
- Due diligence
 - Confirm 70 cfs will be adequate to keep canals full at historic levels
 - Review title and environmental indemnity to be provided
 - Negotiate and approve Joint Development Agreement and TIF
 - Get CMP release of FPL Continuing Site and Interconnection Agreement, to be effective at closing
- TIF approvals
 - Surrender FERC license
 - Transfer canals
 - Engineer canal fixes
 - Complete canal repairs within 1 year

I look forward to discussing this with you in workshop to see how you would like to proceed.

ATTACHMENT C

SUMMARY OF AGREEMENT TO ACQUIRE CANALS FROM BROOKFIELD – 11-13-2014

The following is a summary of the terms and conditions of a canal acquisition with Brookfield that was reviewed at a Council Workshop in November 2014. Subsequent to the workshop, no action was taken. It is included here to continue to show the changes that have occurred over time in the structure of an agreement.

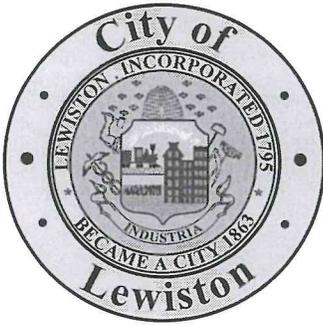
Canal Donation Agreement

- Brookfield will donate the canals to the City excluding the Main Gatehouse, all riparian and flowage rights to withdraw water from the river, and all mill privileges
- Excludes certain personal property to be identified in the agreement
- Will cooperate with City to seek assignment of CMP environmental indemnification to City and if CMP does not consent will act on City's behalf to utilize indemnification.
- City will retire upper A generating station
- City will surrender all water rights in the Canals in return for Brookfield's agreement to provide certain amounts of water at the Maine Gatehouse (See Water Rights Indenture below)
- The City and Brookfield will cooperate in seeking the necessary regulatory approvals to implement the transfer of the canals and share costs on a 50/50 basis. An estimate of the Federal Regulatory Commission cost is about \$80,000, with the City's surrender of its license likely the more costly endeavor. The City and Brookfield will split the cost equally with the City's contribution capped at \$60,000 unless the City provides written consent to exceed this amount.
- Conditions precedent include receiving all necessary regulatory approvals; a release of the property from Brookfield's applicable mortgages; no materially adverse change in the condition of the property.
- Closing will take place 10 days after the last of the pre-closing conditions have been met. This is likely to require about one year due to the FERC process. There will also be an outside closing date, tentatively December 31, 2015, by which everything must be concluded.
- Each party will be responsible for its own closing costs.
- The parties may terminate the agreement by mutual consent; if the closing is not complete by the outside closing date except where the closing has been delayed by the failure of a party to fulfill obligations under the agreement; if regulatory consent is not granted or is conditioned in a manner that is unacceptable to the City or Brookfield; if court judgments or decrees would prohibit a closing; or due to any change in law that would prohibit a closing. If a party wishes to terminate, it must provide the other party notice of the reason. The other party may request that the parties meet to discuss what could be done to allow the deal to move forward. The agreement may also be terminated due to a breach of the agreement by either party, in which case the breaching party will be liable for all costs incurred by the other party.
- Mutual indemnifications from and after the closing date against damages, claims and costs arising from any misrepresentations or warranties, any breach or non-fulfillment of post-closing covenants or agreements, and all actions, suits, proceedings, and judgments incident thereto.

- Agreement can be assigned only with consent of the other party, which shall not be unreasonably withheld.

Water Release Indenture

- Brookfield will provide water to the canals at the lesser of the amount necessary to maintain the canals at 163.5 feet of water elevation (current fill level) measured at the Main Gatehouse or 70 cfs, whichever is lesser. Dave Jones has concluded that this should be sufficient to avoid stagnant water.
- At City request, Brookfield will provide flushing flows not exceeding 224 cfs for up to one hour not more than twice a week from June through September and once a week from October through May. City and Brookfield will cooperate to determine the extent to which such flows are necessary, and City will use reasonable methods to minimize requests for flows.
- City assumes responsibility to make repairs to the canals and acknowledges that the failure to make repairs could cause water levels to be aesthetically unsatisfactory. However, City is no longer required to make repairs and will likely only have to do so when keeping the canals full would require more than 70 cfs. Note that this is an improvement over prior drafts where there were more specific repair obligations placed on the City. Over the past few years, it appears that the average daily flow in the canals has been in the 55 cfs range.
- The City and Brookfield will consult from time to time on data regarding flow levels in the canals. Brookfield may recommend certain repairs for the City to consider undertaking, but city has no obligation to do so. City may review its repair plans with them. Brookfield will periodically provide flow data to the City so that we can monitor water demand/receive early indication of any problems.
- We can request that the water flow be stopped when necessary for repairs/maintenance.
- We cannot use canal water for generating electricity. Brookfield will entertain a proposal from Museum LA to use water to generate electricity for an educational exhibit
- Without prior consent, City will not and will not allow others to remove water from the canals without returning substantially the same amount; add or remove thermal energy from the canals; or add any chemicals, effluent, or other materials (except stormwater from surrounding properties) to the canals.
- Water delivery to the canals may be interrupted for reasons beyond the control of Brookfield. If so, water will be restored as soon as it can.
- Brookfield retains the right to drain the head pond at the gatehouse for inspections, repair, maintenance, etc. They may also reconstruct or relocate the headgate so long as when complete they will be able to continue to deliver the required water to the canals.



The Office of
Deputy City Administrator
Phil Nadeau
MEMORANDUM

TO: Mayor and City Council
FR: Phil Nadeau
CC:
RE: Special Event Charitable City Donations
DT: 4.8.16

The enclosed spreadsheet is a summary of all special event costs to be reviewed and approved by the City Council for FY 2017.

A few notes:

- The \$37,717 “Total In-Kind Requested” column represents all staff hours and only a few other miscellaneous fees to be waived through the budget process
- All permits, licenses and park charges are paid by the events with the exception of those events that will pay for those costs (and labor costs---see numbers 5 and 15 on the spreadsheet) and Veterans and Twin Cities Holiday Celebration events which are city sponsored (numbers 23 and 24)
- Total OT (overtime) costs represent total wages and fringe benefits
- Only two organizations have requested cash donations – the Liberty Festival (number 14) and the Progress Center (number 19)
- If you desire to review the actual applications, please go to web link:
https://www.dropbox.com/sh/gfww34uu2margl0/AAAzgb_grquexfiXOVWd9Ewla?dl=0

Summary & Special Notes on Municipal Dues and Donations Budget

Phil Nadeau - 4.8.16

| | 4.8.16 | Total all OT Costs | ALL FEES IN THIS COLUMN ARE PAID BY EVENTS UNLESS NOTED | Park Charges | Misc,Perm, Licenses | Total In-Kind Requested | COMMENTS | EVENT CATEGORY |
|---|---------------|--------------------|---|--------------|---------------------|-------------------------|--|----------------|
| FY2017 | | | | | | | | |
| | Cash Requests | | | | | | | |
| Advocates for Children - Children's Hol Fest | \$ - | \$ - | \$ 250.00 | | | \$ 250.00 | FEE WAIVER REQUESTED - 50 tables only (Adv for Child will deliver) | B4 |
| A-L rotary Criterium Bike Race | \$ - | \$ 537.00 | | | | \$ 537.00 | | B1 |
| Bartlett St Mosque Eid Event | | | | | | | | |
| Central Maine Heart Walk | \$ - | \$ 407.55 | | \$ 67.50 | | \$ - | no city support needed except for Franklin Pasture access in back of bldg. | B3 |
| Color Me Rad 5K - BILLABLE | | | | | | \$ 407.55 | | B1 |
| Dempsey Challenge - CMMC (1) | \$ - | \$ 3,088.02 | \$ 69.02 | \$ 864.00 | \$ 69.02 | \$ 3,088.02 | \$3000 field impact charges paid only if required | B1 |
| Farmers Market | \$ - | \$ - | \$ 372.50 | | | \$ - | | B2 |
| Farmers Mobile Unit Market | \$ - | \$ - | \$ 34.00 | | | \$ - | | B2 |
| GAHS - Strutt Your Mutt Walk | \$ - | \$ - | | | | \$ - | no city costs | B1 |
| Great Falls Balloon Fest (1) | \$ - | \$ 10,529.92 | \$ 541.00 | \$ 864.00 | \$ 541.00 | \$ 10,529.92 | \$3000 field impact charges only speculative | B2 |
| LA Arts ArtWalk, Concerts, Ice Festival | \$ - | \$ - | | | | \$ - | no park fees per policy for concerts; parking free on weekends for ice fest | B2 |
| LA Bridge Run - Triple Crown Series | \$ - | \$ 1,731.63 | | \$ 108.00 | | \$ 1,731.63 | | B1 |
| L-A Greek Festival--Holy Trinity Greek Church | | | | | | | picking up parking signs | B2 |
| Liberty Festival (1) | \$ 10,000.00 | \$ 3,889.82 | \$ 78.00 | | | \$ 13,889.82 | \$3000 field impact charges only speculative | B2 |
| Maine Fallen Heroes 5 & 10K - BILLABLE | | | | | | | | B1 |
| March for Babies - March of Dimes | \$ - | \$ 148.20 | | | | \$ 148.20 | | B1 |
| McMahon School Tiger 5K Run | \$ - | \$ 185.25 | \$ 13.26 | | | \$ 185.25 | | B1 |
| MS Walk | | | | | | | cash donation only | B4 |
| Progress Center - CASH ONLY | \$ 1,600.00 | \$ - | | | | \$ 1,600.00 | | B1 |
| Safe Voices Walk Fundraiser | \$ - | \$ 1,049.14 | \$ 19.04 | \$ 108.00 | \$ 19.04 | \$ 1,049.14 | | B1 |
| Shriner Festival of Trees - PARKING GARAGE | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | parking fees for Mon-Tue-Wed to be paid by Shriners - free parking on weekend | B4 |
| Trot for Autism 5K - M Murphy Homes | \$ - | \$ 148.20 | | | | \$ 148.20 | | B1 |
| Twin Cities Holiday Celeb | \$ - | \$ 1,074.45 | | | | \$ 1,074.45 | | B2 |
| Veterans Council (approved by CC 5/5/15) | \$ - | \$ 1,346.55 | \$ 32.00 | | | \$ 1,346.55 | 3 events(Mem Day Parade;June Flag Day; Nov Vets day review--APPROVED AS OFFICIAL CITY EVENTS IN POLICY 5.19.15 | CITY SPONSORED |
| Walk to End Alzheimers | \$ - | \$ 111.15 | \$ 67.50 | | | \$ 111.15 | | B1 |
| YMCA Fit Test - Triple Crown Series | \$ - | \$ 1,620.48 | \$ 108.00 | | | \$ 1,620.48 | | B1 |
| | | | | | | | | 14 - B1 |
| | | | | | | | | 8 - B2 |
| | | | | | | | | 0 - B3 |
| | | | | | | | | 3 - B4 |
| TOTAL REQUESTS | \$ 11,600.00 | \$ 25,867.36 | \$ 2,187.00 | \$ 1,414.60 | \$ 37,717.36 | | | |

(1) Dempsey, Great Falls Balloon Festival, Liberty Festival all reflect \$3,000 field charge for possible rain damaged fields