

FIRST AMENDMENT TO INTERMUNICIPAL AGREEMENT

This First Amendment (the “**Amendment**”) is made and entered into on October 2, 2017 by and between The Town of Andover, Massachusetts, a municipal corporation within the County of Essex, Commonwealth of Massachusetts, acting through its Board of Selectman (“**Andover**”) and the Town of North Reading, a municipal corporation within the County of Middlesex, Commonwealth of Massachusetts, acting through its Board of Selectman (“**North Reading**,” and together with Andover, the “**Parties**”). The Parties desire to amend the Intermunicipal Agreement (also known as the “Third Andover / North Reading Water Supply Agreement”) between the Parties, dated as of June 26, 2015 (the “**Agreement**”) as follows:

Section 1. Section 2.1A(1) is hereby amended and restated as follows:

Andover shall furnish (i) until June 30, 2019, subject to permitting, up to an annual average of 1.5 million gallons per day (MGD), and up to a maximum of 2.4 MGD; and (ii) thereafter, subject to permitting and any necessary infrastructure upgrade, up to an annual average of 1.75 MGD, and up to a maximum of 2.6 MGD to North Reading through interconnections identified in section 2.1(E) of this Agreement. The amount of water North Reading draws on a daily basis up to the amounts described herein shall be within its sole discretion, except in the case of a Force Majeure or a Water Drought Warning or Emergency event as described in section 2.2 of this Agreement.

Section 2. Section 3.1 (*North Reading Rate*) of the Agreement is hereby amended by deleting the rate for FY 19 and replacing and adding the following rates:

FY 19: 7/1/18-6/30/19: Andover rates tiered North Reading rate shall increase by 5% to \$3.59 per one hundred cubic feet (FY 18 rate of \$3.42 per one hundred cubic feet X 1.05)

FY 20: 7/1/19-6/30/20: Andover rates tiered North Reading rate shall be \$3.59 per one hundred cubic feet (same in FY 2020 as it is in FY 2019)

FY 21: 7/1/20-6/30/21: Andover rates tiered North Reading rate shall increase by 2.5% to \$3.68 per one hundred cubic feet (FY 20 rate of \$3.59 per one hundred cubic feet X 1.025)

Section 3. The following new Section 3.6 (*MWRA Reimbursement*) is hereby added to the end of Article 3:

A. Andover will reimburse North Reading’s costs already incurred in preparation for joining the Massachusetts Water Resources Authority (“**MWRA**”), up to \$953,000, which costs will be reimbursed by Andover through credits to North Reading’s water invoices, beginning on July 1, 2018 in the amount of \$93,500 annually, ending on the date North Reading executes a long term agreement with the MWRA. Such credits shall be applied on a monthly basis in the amount of \$7,791.66 per month, until North Reading executes a long term agreement with the MWRA or the total amount of credits equals \$953,000, whichever event occurs first. North Reading will provide

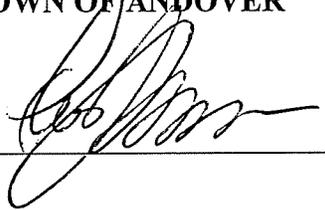
Andover with documentation reasonably acceptable to Andover for all such costs assumed.

Section 4. Section 4.8 (*Effective Date and Duration*) of the Agreement is hereby amended and restated as follows:

4.8 Effective Date and Duration. This Agreement shall be in full force and effect and shall be binding on North Reading and Andover for six (6) years from the effective date of July 1, 2014, unless sooner terminated in accordance with Section 4.10 of this Agreement or extended in accordance with this Section 4.8. Unless North Reading gives notice to Andover prior to November 1, 2019, this Agreement shall automatically renew for one additional one (1) year period from July 1, 2020 through June 30, 2021. Except as otherwise set forth in this Amendment, this Amendment shall not otherwise alter, modify or amend the Agreement. All other terms of the Agreement are hereby ratified and affirmed in all respects and shall continue in full force and effect.

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed by their duly authorized representatives, on the date and year first above written.

TOWN OF ANDOVER



TOWN OF NORTH READING
