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April 14, 1994

U. S. Nuclear Regulatory Commission
One White Flint North
11555 Rockville Pike
Rockville, Maryland 20852
Attn: Document Control Desk

Re: (a) Facility Operating License No. NPF-86, as amended, Docket No. 50-443 (the "Operating License");
(b) Order Approving Transfer of License, dated August 16, 1993, Docket No. 50-443 (the "Order");
(c) Letter, dated February 3, 1994, from Ropes & Gray to the Commission, requesting an extension of the Commission's Order;
(d) Order for Modification of Order Approving Transfer of License, dated February 15, 1994, Docket No. 50-443 (the "Extension Order").

Subject: Great Bay Power Corporation (formerly EUA Power Corporation) Plan of Reorganization: Second Supplemental Status Report

Gentlemen:

This Second Supplemental Status Report is filed by North Atlantic Energy Service Corporation ("North Atlantic"), for itself and as agent for the Joint Owners of Seabrook Station, Unit No. 1, and the Official Bondholders' Committee (the "Committee") of Great Bay Power Corporation ("GBPC"), to keep the Commission informed on the progress of the GBPC bankruptcy proceeding and the Plan of Reorganization (the "Plan") sponsored by the Committee.

Background

At the time of filing the Request for Extension of the Order (Ref. (a)), the Committee reported that the regulatory approval process with respect to the Plan had proceeded satisfactorily and that the sole remaining obstacle to final implementation of the Plan was the placement of the proposed $45 million credit facility (the "POR Facility"). It also reported that on

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February 2, 1994, the day preceding the date of filing that Request, the Committee had reached an agreement in principal with Omega Advisors on a proposal for funds advised by Omega to invest $35 million in exchange for 60% of GBPC's equity in lieu of the originally contemplated POR Facility. The Extension Order was requested in order to provide adequate time for the approval and confirmation process on this modification (the "Modified Plan").

Interim Progress

Because this equity financing differed from the debt financing approach described in the original Disclosure Statement approved by the Bankruptcy Court, the Committee sought the Court's approval of the Modified Plan. On March 11, 1994, the Bankruptcy Court entered into an order approving the Committee's Supplemental Disclosure Statement and directing the Committee to submit that statement to creditors for approval. A confirmation hearing on the Modified Plan was also scheduled for May 13, 1994. On April 7, 1994, the Committee mailed the Supplemental Disclosure Statement to all creditors of record. A copy of those materials is enclosed herewith.

The Supplemental Disclosure Statement describes the modification of the Plan to substitute an equity financing for the originally contemplated POR Facility and the fact that the new equity funds will receive 60% of GBPC's equity and the bondholder creditors will receive 40% of GBPC's equity. It also contains a copy of the Stock Purchase Agreement, dated April 7, 1994 (see Exhibit A to the enclosed Modified Plan), entered into among GBPC and the several purchasers which sets forth the terms on which the several Omega entities and Elliott Associates, L.P., a New York limited partnership, will be acquiring an aggregate of 60% of GBPC's equity securities. It also contains a copy of the Registration Rights Agreement, dated as of April 7, 1994 (see Exhibit C to the Modified Plan), among the same parties, which sets forth the purchasers rights to obtain registration of their GBPC stock at some future date.

The Committee is confident that the Modified Plan will be confirmed by the Bankruptcy Court at the May 13, 1994 confirmation hearing. That should allow adequate time for the Modified Plan to become effective and be implemented within the time frame authorized by the Commission's Extension Order. North Atlantic and the Committee will continue to keep the Commission informed of important events and of the final implementation of the indirect transfer originally approved by the Commission's Order.

Very truly yours,

NORTH ATLANTIC ENERGY SERVICE CORPORATION, for itself and as agent as aforesaid

By its attorney,

John A. Ritsher

John A. Ritsher, Esq.
Ropes & Gray
One International Place
Boston, Massachusetts 02110

THE OFFICIAL BONDHOLDERS' COMMITTEE OF GREAT BAY POWER CORPORATION

By its attorney,

Mark N. Polebaum, Jr.

Mark N. Polebaum, Esq.
Hale and Dorr
60 State Street
Boston, Massachusetts 02109

JARNRC.NA

HALE AND DORR
COUNSELLORS AT LAW

60 STATE STREET, BOSTON, MASSACHUSETTS 02109
617-526-6000 • FAX 617-526-5000

April 7, 1994

TO: THE RECORD HOLDERS OF EUA POWER CORPORATION'S 17 1/2% SERIES B AND SERIES C SECURED NOTES

RE: EUA Power Corporation n/k/a Great Bay Power Corporation
Chapter 11 Case No. 91-10525

Dear Sir/Madam:

Enclosed please find solicitation materials related to the above-referenced Chapter 11 case. On March 11, 1994, the Bankruptcy Court entered an order (a) approving the Official Bondholders' Committee's Supplemental Disclosure Statement (the "Supplemental Disclosure Statement") Relating to the First Modification to the Committee's Fifth Amended Plan of Reorganization (the "Modified Plan"), (b) directing the Committee to mail a copy of the Supplemental Disclosure Statement, the Modified Plan and a ballot for changing a prior vote to all creditors on or before April 7, 1994, and (c) scheduling a confirmation hearing on the Modified Plan for May 13, 1994.

In order to expedite the distribution process, the Committee through its solicitation agent, Logan and Company, Inc. ("Logan"), contacted the brokers and other record holders directly to determine the requisite number of copies of the solicitation materials needed for their respective beneficial holders.

Based upon information obtained by Logan, the Committee believes that your firm maintains client accounts for one or both of the Debtor's outstanding debentures listed below. Pursuant to an order of the Bankruptcy Court dated March 11, 1994, you are required to forward copies of the enclosed solicitation materials to the beneficial holders of the debentures within five (5) days of your receipt of the materials.

Instrument	Cusip No.
EUA Power Corporation	
- 17 1/2% Series B Secured Notes	269260-AC-9
- 17 1/2% Series C Secured Notes	269260-AB-1

If you have any questions concerning the solicitation materials, please contact Frank W. Getman Jr. at (617) 526-6740. If you need more copies of the solicitation materials, please contact the Committee's solicitation agent directly at (201) 798-1031.

Very truly yours,

THE OFFICIAL BONDHOLDERS' COMMITTEE
OF EUA POWER CORPORATION

by its attorneys,

Mark N. Polebaum, Esq.
Frank W. Getman Jr., Esq.

HALE AND DORR
COUNSELLORS AT LAW

60 STATE STREET, BOSTON, MASSACHUSETTS 02109
617-526-6000 • FAX 617-526-5000

April 7, 1994

TO: CREDITORS OF EUA POWER CORPORATION, n/k/a GREAT BAY POWER CORPORATION

The Official Bondholders' Committee (the "Committee") of EUA Power Corporation, n/k/a Great Bay Power Corporation (the "Debtor") is pleased to forward to you for your consideration the Committee's First Modification to the Fifth Amended Plan of Reorganization (the "Modified Plan"). Accompanying this letter is the Supplemental Disclosure Statement (the "Supplemental Disclosure Statement") which describes the Modified Plan, a ballot to vote on the Modified Plan, the Notice of Confirmation Hearing and the Order of the Bankruptcy Court approving the Supplemental Disclosure Statement.

The Modified Plan amends the Committee's previously confirmed Fifth Amended Plan by implementing plan of reorganization financing that is different from the financing contemplated by the Fifth Amended Plan. The Fifth Amended Plan anticipated the placement of a $45 million debt facility to cover the reorganized Debtor's future projected operating losses. The Committee was unsuccessful in its efforts to place the debt facility on the terms described in the Fifth Amended Plan. The Committee was successful, however, with the assistance of Lehman Brothers, in placing $35 million in equity financing. The Committee believes that the equity financing will provide the reorganized Debtor with sufficient funds to cover projected future operating losses. Although not as favorable as the financing anticipated in the Fifth Amended Plan, the Committee believes that the equity financing described in the Supplemental Disclosure Statement is the best plan financing presently available.

Pursuant to bankruptcy court procedures for modifying a plan that was previously confirmed, a creditor who previously voted may change its vote by completing and returning the enclosed ballot by the deadline stated below. **If you do not wish to change your vote, you do not have to file a ballot. The Committee unanimously recommends that you continue to support the Modified Plan and not change your vote.**

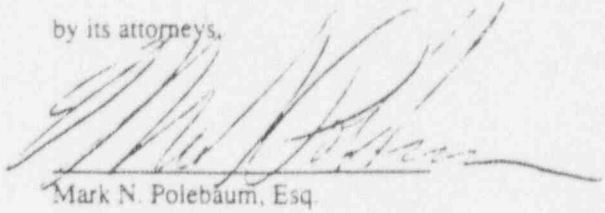
The record date for determining the holders of claims entitled to change their vote to accept or reject the Modified Plan is February 22, 1994. THE DEADLINE FOR SUBMITTING BALLOTS TO CHANGE YOUR VOTE IS 5:00 P.M., EASTERN STANDARD TIME, ON MAY 9, 1994, unless such deadline is extended. The ballots, certain related materials and a prepaid self-addressed return envelope are enclosed. PLEASE READ AND CAREFULLY CONSIDER THE MATTERS DESCRIBED IN THE SUPPLEMENTAL DISCLOSURE STATEMENT.

Please call either of the undersigned if you have any questions.

Very truly yours,

THE OFFICIAL BONDHOLDERS' COMMITTEE
OF EUA POWER CORPORATION

by its attorneys,



Mark N. Polebaum, Esq.
Frank W. Getman Jr., Esq.

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW HAMPSHIRE

In Re:	)	
	)	Chapter 11
EUA POWER CORPORATION, n/k/a GREAT BAY POWER CORPORATION,	)	Case No. 91-10525
Debtor.	)	

ORDER APPROVING SUPPLEMENTAL DISCLOSURE STATEMENT DATED FEBRUARY 11, 1994 RELATING TO FIRST MODIFICATION TO BONDHOLDERS' COMMITTEE'S FIFTH AMENDED PLAN OF REORGANIZATION, FIXING TIME FOR CHANGING VOTE ON PLAN AND SCHEDULING HEARING ON CONFIRMATION OF FIRST MODIFICATION TO FIFTH AMENDED PLAN OF REORGANIZATION COMBINED WITH NOTICE THEREOF

The Supplemental Disclosure Statement Dated February 11, 1994 Relating To First Modification To Bondholders' Committee's Fifth Amended Plan Of Reorganization (the "Supplemental Disclosure Statement") and the First Modification to Bondholders' Committee's Fifth Amended Plan of Reorganization dated February 11, 1994 (the "Modified Plan") having been filed by the Official Bondholders Committee of EUA Power Corporation n/k/a Great Bay Power Corporation (the "Committee") on February 14, 1994; and

It having been determined after proper notice and a hearing on the Supplemental Disclosure Statement that the Supplemental Disclosure Statement contains adequate information, it is hereby ORDERED and notice is hereby given that

1. The Supplemental Disclosure Statement is approved.

2. On or before April 7, 1994, the Modified Plan, the Supplemental Disclosure Statement and a ballot conforming to Official Form No. 14 shall be transmitted by mail to creditors, equity security holders and other parties as provided in Fed. R. Bankr. P. 3017(d) for the purposes of providing such parties with an opportunity to change their previous vote on the Fifth Amended Plan of Reorganization.

3. The record date for determining which equity holders, bondholders and holders of Contingent Interest Certificates may vote on the Fifth Amended Plan shall be February 22, 1994.

4. **May 13, 1994 at 10:00 a.m.** is fixed for the hearing on confirmation of the Modified Plan. The hearing shall be held before this Court at Norris Cotton Federal Building, 275 Chestnut Street, Fourth Floor, Manchester, New Hampshire 03101.

5. Pursuant to Fed. R. Bankr. P. 3020(b) objections to confirmation of the Modified Plan shall be in writing and shall be filed with this Court by **May 5, 1994 at 4:30 p.m.**, with copies served upon counsel to the Committee, Mark N. Polebaum, Esquire, Hale and Dorr, 60 State Street, Boston, Massachusetts 02109, and counsel to EUA Power Corporation, Alan L. Lefkowitz, Dechert Price & Rhoads, 10 Post Office Square, Boston, Massachusetts 02109.

6. Pursuant to 11 U.S.C. § 1127(d) all ballots changing a previous vote must be returned to counsel to the Committee, at the address set forth above, no later than **5:00 p.m. on May 9, 1994.** Any claim or interest holder who does not wish to change its vote is not required to return a ballot.

7. The Committee within three days after mailing the Modified Plan and Supplemental Disclosure Statement as required by this order shall file a certificate of such mailing with this Court accompanied by an attached copy of the Modified Plan and Supplemental Disclosure Statement as mailed. The Committee shall also submit for the personal use of the Judge, an extra copy of the foregoing certificate and attachment.

/s/
James E. Yacos
United States Bankruptcy Judge

Dated: March 11, 1994

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW HAMPSHIRE

In Re:	
EUA POWER CORPORATION n/k/a GREAT BAY POWER CORPORATION	Chapter 11 Case No. 91-10525
Debtor.	

BALLOT FOR CHANGING PRIOR VOTE ON
OFFICIAL BONDHOLDERS' COMMITTEE'S PLAN OF REORGANIZATION

The undersigned, a creditor of EUA Power Corporation (the "Debtor") in the amount of $_____ (if known), hereby changes its vote on the Bondholders' Committee's Fifth Amended Plan of Reorganization dated December 21, 1992 and

[Check only one box]

[ ] ACCEPTS

[ ] REJECTS

the First Modification to Bondholders' Committee's Fifth Amended Plan of Reorganization dated February 11, 1994 (the "Modified Plan").

_____
Name of Beneficial Holder (please print)

_____
Signature and (if applicable) Title

ANY CREDITOR WHO DOES NOT WISH TO CHANGE ITS VOTE IS NOT REQUIRED TO RETURN THIS BALLOT. IF NO BALLOT IS SUBMITTED, YOU WILL BE DEEMED TO HAVE ACCEPTED OR REJECTED THE MODIFIED PLAN BASED ON YOUR PRIOR BALLOT. THE OFFICIAL BONDHOLDERS' COMMITTEE UNANIMOUSLY RECOMMENDS THAT YOU CONTINUE TO SUPPORT THE MODIFIED PLAN AND NOT CHANGE YOUR VOTE.

THIS BALLOT MUST BE RECEIVED BY 5:00 P.M. ON MAY 9, 1994 IN ORDER FOR YOUR CHANGED VOTE TO COUNT. IT SHOULD BE DELIVERED TO COUNSEL FOR THE OFFICIAL BONDHOLDERS' COMMITTEE IN THE ENCLOSED, SELF-ADDRESSED ENVELOPE.

The Plan referred to in this ballot can be confirmed by the Court and thereby made binding on you if it is accepted by the holders of two-thirds in amount and more than one-half in number of claims in each class voting on the Plan and the holders of two-thirds in amount of equity interest holders in each class voting on the Plan. In the event the requisite acceptances are not obtained, the Court may nevertheless confirm the Plan if the Court finds that the Plan accords fair and equitable treatment to the class rejecting it and otherwise satisfies the requirements of § 1129(b) of the Code.

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW HAMPSHIRE

In Re:	
EUA POWER CORPORATION, n/k/a GREAT BAY POWER CORPORATION,	Chapter 11 Case No. 91-10525
Debtor.	

SUPPLEMENTAL DISCLOSURE STATEMENT DATED FEBRUARY 11, 1994 RELATING TO FIRST MODIFICATION TO BONDHOLDERS' COMMITTEE'S FIFTH AMENDED PLAN OF REORGANIZATION

I. INTRODUCTION

The Official Bondholders' Committee (the "Committee") of the Debtor, Great Bay Power Corporation, formerly known as EUA Power Corporation (the "Debtor"), provides this Supplemental Disclosure Statement to all known claim and interest holders of the Debtor pursuant to Section 1125 of the Bankruptcy Code. The Committee is providing this Supplemental Disclosure Statement to all of the known claim and interest holders of the Debtor in connection with its First Modification to Fifth Amended Plan of Reorganization. A copy of the Fifth Amended Plan of Reorganization, as modified by the proposed First Modification is attached to this Supplemental Disclosure Statement as Exhibit A and is referred to hereafter as the "Plan".

The Plan was filed by the Committee with the United States Bankruptcy Court for the District of New Hampshire (the "Bankruptcy Court") on February 11, 1994. The purpose of this Supplemental Disclosure Statement is to provide to the Debtor's

claim and interest holders information which is adequate for each claim or interest holder to make a reasonably informed decision whether to change its vote previously filed with respect to the Fifth Amended Plan of Reorganization dated December 21, 1992 (the "Fifth Amended Plan"). The Fifth Amended Plan was confirmed by the Bankruptcy Court on March 5, 1993. Any claim or interest holder who does not wish to change its vote, as originally filed, is not required to submit any ballot. If no ballot is submitted, the claim or interest holder will be deemed to have accepted or rejected the Plan based on its prior ballot.

TERMS DEFINED IN THE PLAN AND NOT DEFINED HEREIN SHALL HAVE THE RESPECTIVE MEANINGS ASCRIBED TO THEM IN THE PLAN OR, IF NOT DEFINED IN THE PLAN, AS DEFINED IN THE BANKRUPTCY CODE OR THE FOURTH AMENDED DISCLOSURE STATEMENT DATED DECEMBER 21, 1992.

Each claim and interest holder should carefully review the Plan and Supplemental Disclosure Statement and determine whether or not to change its vote based on its independent evaluation and judgment. In determining whether a plan of reorganization has been accepted by the requisite majority of claim and interest holders, only those claim and interest holders who actually vote on the Plan are counted.

THE COMMITTEE UNANIMOUSLY RECOMMENDS THAT YOU CONTINUE TO SUPPORT THE PLAN AND NOT CHANGE YOUR VOTE.

The Committee does not warrant or make any representation as to accuracy of the information obtained from the Debtor or from public records nor does the Committee warrant the

accuracy of the projected valuations, pro forma financial data or conclusions of law set out in the Supplemental Disclosure Statement. The Committee has used reasonable efforts and relied upon the views provided to it by its financial, management and legal advisors with respect to the accuracy of these matters.

II. OVERVIEW

A. Executive Summary. The Fifth Amended Plan was confirmed by the Bankruptcy Court on March 5, 1993. The Plan provided that it would become effective only if necessary regulatory approvals and a $45,000,000 plan of reorganization financing facility for Reorganized EUAP were obtained. The Fifth Amended Plan proposed to obtain $45,000,000 of debt financing on terms which would require Reorganized EUAP to issue up to 15% of its common shares to the lender as an inducement to make the loan. The financing also expected that the lender would require a first lien on all of the assets of Reorganized EUAP, interest at as much as prime plus 7% per year and other terms and conditions described in the Fifth Amended Plan.

To date, the Nuclear Regulatory Commission ("NRC") and the New Hampshire Public Utility Commission ("NHPUC") have approved the Fifth Amended Plan. The Federal Energy Regulatory Commission ("FERC") withheld action pending receipt of the final terms of the plan financing facility. The Committee expects that FERC approval will be obtained upon submission of the financing proposed by the Plan.

In connection with confirmation of the Plan, the Committee obtained Bankruptcy Court approval to retain the services of Lehman Brothers ("Lehman") to place the proposed debt financing. Notwithstanding Lehman's best efforts to place that financing on the terms described in the Fifth Amended Plan, Lehman was unable to obtain the financing on the terms described in the Fifth Amended Plan.

Lehman was, however, able to obtain plan of reorganization financing on terms different from those proposed in the Fifth Amended Plan. Omega Advisors, Inc. ("Omega"), a New York-based hedge fund manager, on behalf of various funds which it manages, and Elliott Associates, L.P. ("Elliott"), a private investment partnership, have agreed to invest $35,000,000 in Reorganized EUAP in exchange for 60% of the common stock of Reorganized EUAP -- 49% to Omega and 11% to Elliott. A copy of the commitment letter between Omega and the Committee is attached hereto as Exhibit B. After the date of the Exhibit B committment letter, Elliott agreed to purchase its share of the Omega Financing. Solely for purposes of the definition of Omega Financing under the Plan, Elliott is deemed to be a designee of Omega and therefore a participant in the Omega Financing. The Committee believes that the proposed $35,000,000 equity investment will provide Reorganized EUAP with more than sufficient cash resources to pay its operating costs until such time as its share of electricity and capacity from Seabrook can be sold on a

long-term basis. Furthermore, the $35,000,000 equity investment will provide Reorganized EUAP with a stronger capital structure than one which relies on debt.

Under the terms of the Fifth Amended Plan, the Committee has the authority to enter into plan of reorganization financing on terms less favorable than those described in the Plan if the Committee concludes that such financing should be accepted. While the Committee considered proceeding under this authority granted to it under the Fifth Amended Plan, the Committee concluded that because the Omega Financing requires the issuance of 60% of the common stock of Reorganized EUAP to the purchasers, the financing should be implemented through a modification to the Fifth Amended Plan and that creditors should be provided with an opportunity to change their votes.

The Committee believes that the Omega Financing is the best available financing. The Omega Financing places a higher value on the Debtor's business than other financing proposals considered by the Committee. Moreover, because the Omega Financing is an all equity financing, the value of the remaining 40% of Reorganized EUAP available for distribution to Class One and Class Three creditors is enhanced. The Committee also believes that implementation of the Plan will create more value for creditors than would the only other option available to the Committee -- liquidation of the Debtor.

The Committee believes that implementation of the Plan with the Omega Financing is the best alternative available to the creditors of the Debtor. Because the Fifth Amended Plan was accepted by all creditors who submitted a vote, the Committee recommends that no creditor submit a new vote with respect to the Plan.

Implementation of the Omega Financing will result in the Bondholders owning 40% of the common equity of Reorganized EUAP on a fully diluted basis. Reorganized EUAP will emerge from Chapter 11 without any debt obligations and $35,000,000 of proceeds from the Omega Financing as working capital for future operations, less amounts required to pay principal and interest on the Third Stipulation (estimated at $9,160,000 as of June 30, 1994) and administrative expenses and reorganization costs (estimated at $4,500,000).

The $4,500,000 estimate for administrative expenses and reorganization costs includes a $937,500 success fee payable to Lehman for services rendered by Lehman in connection with the placement and consummation of the Omega Financing. The Committee and the Debtor have filed with the Bankruptcy Court a joint motion to amend the retention of Lehman to reflect Lehman's involvement in placing the Omega Financing and to pay the $937,500 success fee. A copy of the motion to amend the retention of Lehman, which is scheduled to be heard by the Bankruptcy Court on May 13, 1994, is attached hereto as Exhibit E. If the motion is allowed, Lehman's success fee will be paid upon the consummation of the

sale of Reorganized EUAP's common stock to Omega. Pursuant to an order of the Bankruptcy Court dated March 11, 1994, the Debtor is also obligated to pay on a current basis the reasonable and necessary out-of-pocket costs and expenses incurred by Omega in connection with the Omega Financing, regardless of whether the Plan is confirmed or the Omega Financing is consummated, provided, however, that payment of such costs and expenses is subject to subsequent oversight by the Bankruptcy Court or objection by a party in interest at such time and in such matter as may be determined by the Bankruptcy Court. The Committee has also agreed to file with the Bankruptcy Court a motion seeking authority to pay from the Debtor's estate the reasonable fees and expenses incurred by Elliott in connection with the Omega Financing on the same terms as the order obligating the Debtor to pay Omega's reasonable fees and expenses. Also, the Committee has filed a motion with the Bankruptcy Court seeking authority to pay from the Debtor's estate certain fees and expenses of the law firm of Skadden, Arps, Slate, Meagher & Flom ("Skadden") in the amount of $116,600 for services rendered to Lehman relating to the placement of Plan financing in this case. A copy of the motion for authority to pay Skadden's fees, which is scheduled to be heard by the Bankruptcy Court on May 13, 1994, is attached hereto as Exhibit F.

The Committee expects that the Effective Date of the Plan should occur by June 30, 1994.

III. SUPPLEMENTAL INFORMATION

A. Disclosure Statement Requirements. The Disclosure Statement requirements are listed in the Fourth Amended Disclosure which accompanied the Fifth Amended Plan. Reference is made to the Fourth Amended Disclosure Statement for the references contained therein.

B. Risk Factors. The risk factors described in the Fourth Amended Disclosure Statement are the same risk factors applicable to the Plan. Since the Fourth Amended Disclosure Statement, the Committee has obtained plan of reorganization financing, a ten megawatt power contract referred to in paragraph 4 of Section C has in fact been signed and is in full force and effect and the necessary regulatory approvals for the Fifth Amended Plan becoming effective, except for FERC, were obtained.

C. Debtor's Post-Petition Operations. The information contained in the Disclosure Statement continues to describe accurately the Debtor's operations during the pendency of the Chapter 11 case. In connection with confirmation of the Fifth Amended Plan, the Debtor, the Committee and the Participating Joint Owners entered into the Third Stipulation. The Third Stipulation has provided the Debtor with adequate financing to continue its operations throughout the period from confirmation of the Fifth Amended Plan to date.

To date, the borrowings on the Third Stipulation have been in the range of $1,000,000 to $2,000,000. The Debtor expects that $1,000,000 to $2,000,000 will continue to be the range of

borrowings until late March 1994 when Seabrook will be shut down for its regularly scheduled refueling. That refueling is scheduled to last for a period of approximately 60 days. While the plant is being refueled, no electricity will be generated and therefore the Debtor will have no revenues. By early June 1994, the time by which Seabrook is expected to be back on line following the refueling, the Committee anticipates that the borrowings outstanding on the Third Stipulation will total approximately $8,700,000. The Third Stipulation allows the Debtor to borrow up to $20,000,000.

The Debtor is presently in default of the Third Stipulation because of the Committee's failure to obtain plan financing to effect the Fifth Amended Plan and necessary regulatory approvals by the dates required by the Third Stipulation. While the Participating Joint Owners have taken no action to enforce the defaults and have, in fact, continued to fund the Debtor's operations, the Participating Joint Owners have not formally waived the defaults.

D. Plan Modification. The classification and treatment of claims set forth in the Fifth Amended Plan have been changed only to the extent required to implement the Omega Financing. The Fifth Amended Plan contemplated a $45,000,000 secured debt financing. The Omega Financing is an all equity financing. The Fifth Amended Plan contemplated issuance of up to 15% of the equity of Reorganized EUAP to the plan funder. The Omega Financing requires issuance of 60% of the equity of

Reorganized EUAP to Omega and Elliott but will not subject Reorganized EUAP to any debt obligations.

As a result of the Omega Financing, 40% of the equity of Reorganized EUAP is available for distribution to the holders of Class One and Class Three creditors. The 40% available for Class One and Class Three creditors will be split between those classes in the same proportion as provided for in the Fifth Amended Plan -- 85% to Class One and 15% to Class Three. As a result, the Plan provides that 34% and 6%, respectively, of the equity of Reorganized EUAP, determined on a fully diluted basis, will be distributed to Class One and Class Three creditors. Under the Fifth Amended Plan, had the plan financing described therein been available, which it was not, 85% of the equity of Reorganized EUAP, on an undiluted basis, would have been available for distribution to holders of Class One and Class Three claims.

The Omega Financing does not provide for any breakup fee and the Committee is permitted to accept alternative plan financing if a more advantageous proposal is made. The Committee does not expect to receive a more advantageous proposal.

E. Alternatives to Omega Financing. In connection with confirmation of the Fifth Amended Plan, Lehman was retained as placement agent to place the then proposed $45,000,000 secured debt plan of reorganization financing facility. Lehman first tried to place the facility with persons other than Bondholders. Lehman contacted over 200 financial institutions and had serious discussions with a number of financial institutions to provide

this financing. None of those efforts, which were made over a four month period from April 1993 through August 1993, resulted in financing commitments being obtained from any non-Bondholder. Lehman then concentrated on trying to raise the $45,000,000 debt financing from the Bondholders. Lehman was able to obtain commitments for $25,000,000 of debt financing from the Bondholders.

The Committee requested the Participating Joint Owners, the utilities who have been providing debtor-in-possession financing to the Debtor throughout the Chapter 11 case, to provide the remaining $20,000,000 of debt financing.

While the Participating Joint Owners were considering this request, Leucadia National ("Leucadia") and CNA Realty Corp., Continental Assurance Company, on behalf of its separate account, and Continental Assurance Company Pension Investment Funds (collectively, "CNA") proposed a $45,000,000 financing consisting of a $25,000,000 equity investment for 45% of the equity of Reorganized EUAP and a $20,000,000 revolving line of credit which would require payment of a 1% origination fee, a 1% unused commitment fee, an interest rate of prime plus 6%, 15% of the equity of Reorganized EUAP and three out of five seats on Reorganized EUAP's board of directors.

The Participating Joint Owners indicated that they were willing to provide $20,000,000 of revolving debt financing, provided $25,000,000 of Bondholder funds were invested as equity. The Committee determined that the Bondholders willing to purchase

$25,000,000 of equity would have required 45% of the equity of Reorganized EUAP for that investment. In addition to being paid interest at a rate of prime plus 6%, the Participating Joint Owners required a default provision which provided that, if funds were drawn on the revolving debt facility and not repaid within one year, the Participating Joint Owners would be entitled to elect all of the members of Reorganized EUAP's board of directors. The Participating Joint Owners also requested a seat on the board of directors from the Effective Date and 51% of all proceeds from the sale of Debtor's interest in Seabrook over the revolving credit amount in the event of a default.

Of the three financing proposals finally considered, the Committee concluded that the Omega Financing was superior. The Omega Financing values Reorganized EUAP higher than the Leucadia/CNA proposal. The financing proposed by the Participating Joint Owners contained onerous and unacceptable control features.

The all-equity financing provided by Omega and Elliott will provide Reorganized EUAP with a much stronger capital base than either of the other proposals and therefore increases the likelihood that Reorganized EUAP will successfully realize the long-term value of its interest in Seabrook.

The Participating Joint Owners include the largest utility in New England. As such, that utility is a competitor of Reorganized EUAP in the long term power markets. Providing such a competitor with board representation, and under certain

circumstances complete control of the board, was in the judgment of the Committee an extremely onerous provision and was wholly unacceptable based on the availability of the Omega Financing.

After extensive marketing efforts by Lehman, the marketplace has determined that the cost of financing the Plan is 60% of Reorganized EUAP's equity. The Committee believes, and has been advised by Lehman, that the Omega Financing is a fair financial transaction.

F. Means of Execution and Implementation of the Plan. As under the Fifth Amended Plan, the New Securities to be issued to the holders of Class One and Class Three claims will be issued pursuant to Section 1145 of the Bankruptcy Code.

The shares of Reorganized EUAP which are to be issued to Omega and Elliott will be issued under private placement exemptions under the Securities Act of 1933, as amended, and applicable state and local securities laws.

Reorganized EUAP will enter into a registration rights agreements with Omega and Elliott and any other person who will own 10% or more of the common stock of Reorganized EUAP as of the Confirmation Date. The Committee expects that the registration rights agreement will permit the holders to demand multiple registrations, provided that any demand must be for registration of 5% or more of the total number of shares of Reorganized EUAP outstanding at the time of the demand and subject to the right of the Reorganized EUAP board of directors to delay the demand and registration on one occasion for up to ten (10) days only for

bonafide business reasons. Reorganized EUAP will be responsible for the expenses of any registration under the registration rights agreement.

The Committee intends to use good faith efforts to list the New Securities to be issued pursuant to the Plan on the NASDAQ National Market System. Reorganized EUAP will not meet the listing requirements for the NASDAQ National Market System, but the Committee believes that the listing requirements that are not satisfied will be waived. There can be no assurance, however, that the Committee will be successful in listing the New Securities.

As with the Fifth Amended Plan, the Plan is subject to approval by the NHPUC, FERC and the NRC. Approval by the Securities and Exchange Commission is not required because the Debtor has obtained the designated status of exempt wholesale generator pursuant to the Public Utility Holding Company Act of 1935, as amended. There is the possibility that one or more of the investments proposed by Omega would be subject to the Hart-Scott-Rodino Antitrust Improvements Act of 1976, which requires that persons contemplating acquisitions meeting certain commerce and size tests file notification thereof with federal antitrust authorities and wait a specified period of time prior to consummation.

As part of the Committee's efforts to obtain consummation of the Fifth Amended Plan, requests for approval of the Fifth Amended Plan had been filed with each of the NHPUC, the

FERC and the NRC. The NHPUC and the NRC each separately approved the Fifth Amended Plan. The FERC was waiting for the final details of the financing that would be used to implement the Plan before it made its ruling. The NRC approval required that the change of ownership occur by February 16, 1994, unless extended by further order of the NRC. The Committee has requested the NRC to extend the deadline for consummating the change of ownership that will be accomplished pursuant to the Plan and will seek confirmation of the NRC's prior approval. The Debtor will amend its application to FERC and seek either confirmation of its prior approval or amended approval from the NHPUC. The Committee believes the necessary regulatory approvals will be obtained, although there can be no assurance that that will be the case.

The Third Stipulation, although presently in default, continues in effect and the Committee expects that the Participating Joint Owners will continue to advance funds under the Third Stipulation. The Third Stipulation will provide sufficient financing to the Debtor during the period between confirmation of the Plan and the time that the Plan becomes effective provided that the Participating Joint Owners continue to make funds available thereunder.

G. Future Operations. The Committee has updated the projections which were attached to the Fourth Amended Disclosure Statement. The updated projections incorporate new revised estimates of the Debtor's share of the costs of operating Seabrook as well as updated revenue projections. The Committee has

prepared two sets of projections: (1) the base case projection which contains the Committee's best estimate of when long-term power contracts will be placed; and (2) the floor case projection which assumes that longer-term power contracts are further delayed beyond the base case projection for an additional two years.

Seabrook's revised expense projections anticipate that operating costs will be lower than previously forecasted and the Committee anticipates that unit availability will be higher than previously forecasted. In addition, the New Hampshire nuclear facilities tax which was in dispute as of the time of the Fourth Amended Disclosure Statement has been resolved and has resulted in a substantial reduction in the Debtor's tax burden.

The revised projections reflect a delay in the time by which the Committee had expected Reorganized EUAP to place substantial long-term power contracts. As a result, the period when Reorganized EUAP will continue to sell its share of Seabrook energy and capacity in the spot market is longer than previously projected. As a result, expected revenues will be lower. The revised forecasts show that the funds raised from the Omega Financing are more than sufficient to finance operating shortfalls through the date when long-term power contracts can be placed under both the base case and floor case projections. Under the base case and floor case projections, Reorganized EUAP's year-end cash reserves will not dip below $16,000,000 and $7,500,000, respectively. Also, because the Omega Financing is an all equity

financing, Reorganized EUAP might be able to borrow additional funds if actual results are worse than even the floor case and the need arises.

Since the Fourth Amended Disclosure Statement, the Debtor, through the request of the Committee, has retained UNITIL Resources, Inc. ("UNITIL") as its marketing agent. UNITIL has been responsible for selling the Debtor's share of energy and capacity of Seabrook since April 1, 1993. In addition, the Committee has entered into an agreement with UNITIL which will become effective on the Effective Date which will provide for UNITIL to act as Reorganized EUAP's managing agent. UNITIL's status as marketing and managing agent is terminable on 90 days notice.

The information contained in the Fourth Amended Disclosure Statement concerning the marketing strategy and the market for electricity continues to be the Committee's view on those matters except that the time when utilities will be prepared to enter into long-term power contracts on the economic terms similar to the Fourth Amended Disclosure Statement is now projected to be delayed until 1998 under the base case.

The updated projections for Reorganized EUAP's future operations are attached as Exhibits C (base case) and D (floor case). The base case is the case which the Committee believes is the most reasonable set of assumptions of what is likely to occur

based on the current information and conditions. The floor case assumes that long-term power contracts at favorable long-term prices are not available until 1999.

These projections constitute the Committee's present view of the costs and expenses and revenues which it believes Reorganized EUAP is likely to incur and obtain. However, like any projections, they are only good faith estimates of what might happen in the future. There is no assurance that these projections will, in fact, be obtained.

In the Fourth Amended Disclosure Statement, the Committee's financial advisor estimated that the fair market value of the Debtor's interest in Seabrook was approximately $130,000,000. The estimate was based on a discounted cash flow analysis through 2029 at a 13% discount rate. That estimate of value was made on a going concern basis by projecting the revenues that the Seabrook Interest would generate under prices established by a then current market contract for electrical capacity and energy, filed with the FERC on March 23, 1992, between United Illuminating as seller and UNITIL Power Corporation as buyer.

In the course of the Committee's attempts through Lehman to arrange Plan of Reorganization financing, the financial markets have implicitly valued the Seabrook Interest at significantly less than $130,000,000. The financial markets' lower valuation may reflect a number of considerations: a different expectation of the magnitude and timing of future market prices; a higher implicit discount rate than 13%; or a shorter valuation time

horizon. Most importantly, the financial markets' lower implicit valuation is based on a pre-financing transaction in a distressed situation, as opposed to a going concern analysis of the Seabrook Interest.

As a result of the terms upon which 60% of Reorganized EUAP will be sold to Omega and Elliott for $35,000,000, the overall value of Reorganized EUAP based on that investment is approximately $58,000,000. However, that investment is being made in a distressed situation. The Committee believes that in this distressed situation the pre-financing valuation is lower than the value which the market will apply after the financing. How the market will value the securities being issued by Reorganized EUAP cannot be determined at this time. Lehman has advised the Committee, however, that it is reasonable to expect that the securities issued pursuant to the Plan following the Effective Date may trade at a price higher than the price at which the Omega Financing is being consummated.

The Committee expects that the Effective Date of the Plan should occur by June 30, 1994.

H. Certain Federal Income Tax Consequences. Except to the extent that the Disclosure Statement provides that the Bondholders will exchange their Notes for in excess of 85 percent of the equity in the Debtor, the Disclosure Statement continues to describe accurately the potential federal income tax consequences of the Plan to holders of claims. Moreover, except as provided

below, the Disclosure Statement continues to describe accurately the potential federal income tax consequences of the Plan to the Debtor.

1. Amount and Utilization of Net Operating Loss Carryforwards and Investment Tax Credits. As of December 31, 1993, the Debtor had unrestricted net operating loss carryforwards ("NOLs") of approximately $105 million. If not utilized, the Debtor's NOLs are scheduled to expire between 2005 and 2008. The Debtor's investment tax credit carryforwards have been exhausted.

Prior to February 5, 1993, the Debtor, as a wholly-owned subsidiary of Eastern Utilities Associates ("EUA"), was a member of the group of corporations filing a consolidated tax return with EUA (the "EUA Group"). On February 5, 1993, pursuant to the EUA Settlement, the Debtor redeemed all of its outstanding stock and ceased to be a member of the EUA Group. Nevertheless, as a result of the Debtor's membership in the EUA Group through February 5, 1993, the Debtor's NOLs could be reduced and possibly exhausted by the other members of the EUA Group if there were subsequent adjustments (by the Internal Revenue Service (the "Service") or otherwise) to the taxable income of the EUA Group for the group's pre-1994 consolidated return years, including the portion of the group's 1993 consolidated return year after the Debtor departed from the EUA Group.

2. General Limitation on Utilization of NOLs Following an Ownership Change. Section 382 (in conjunction with Section 383) of the Tax Code generally restricts a corporation's utilization of its NOLs after the "Change Date" (i.e., the date on which the corporation undergoes an ownership change) by limiting the amount of income earned by the corporation after the ownership change that may be offset by NOLs that arose prior to the ownership change (the "Section 382 Limitation"). Although the matter is not free from doubt, the Committee believes that an ownership change, within the meaning of Section 382 of the Tax Code, may have occurred with respect to the Debtor on or before February 5, 1993, the date on which the Debtor redeemed all of its outstanding stock.

Moreover, pursuant to the Plan, Omega and Elliott, on behalf of various funds that they manage, will invest $35 million in the Debtor in exchange for 60 percent of the common stock of the Debtor. Upon the consummation of the Omega Financing, which consummation is expected to occur on the Effective Date, an ownership change, within the meaning of Section 382 of the Tax Code, will occur with respect to the Debtor. If the Omega Financing is consummated prior to the Effective Date, then the acquisition of New Securities by the Class One and Class Three creditors could cause (or contribute to causing) the Debtor to undergo a further ownership change on or after the Effective Date.

In general, when an ownership change occurs, a corporation's utilization of its pre-Change Date NOLs for taxable periods following the Change Date (i.e., its Section 382 Limitation) is limited to the annual amount of its NOLs equal to the product of (i) the value of the corporation immediately before the ownership change multiplied by (ii) the long-term tax-exempt rate on the date of the ownership change (as announced each month by the Treasury Department). To the extent that the annual limitation is not utilized in any year, the annual limitation for the following year is increased on a cumulative basis. The long-term tax-exempt rate for ownership changes occurring in March, 1994, is fixed at 5.15 percent.

As a general matter, the value of a corporation for purposes of calculating its Section 382 Limitation is equal to the value of the corporation's stock immediately before it undergoes its ownership change. The application and/or applicability of this rule to the Debtor is uncertain, as the Debtor has had no stock outstanding since February 5, 1993. The Committee believes, but cannot confirm, that in the absence of corporate stock, the Debtor will be valued using alternative valuation methods, subject to the rules set forth below, and will not be assigned a value of zero.

Furthermore, in calculating the Section 382 Limitation, a special rule reduces the value of the corporation for any capital contribution received by the corporation as part of a plan a principal purpose of which is to avoid or increase the

corporation's Section 382 Limitation. Except as provided in regulations, any capital contribution made during the two-year period ending on the Change Date is presumptively treated as part of a plan a principal purpose of which is to avoid or increase the corporation's Section 382 Limitation. At present, no regulations have yet been promulgated which would explicitly allow for the inclusion of the Omega Financing in the valuation of the Debtor. Yet, while no such regulations have been promulgated, the legislative history of Section 382 of the Tax Code indicates that Congress intended that such regulations, when promulgated, will allow for the inclusion of capital contributions made to continue basic operations of the corporation's business. Accordingly, the Committee believes that, based on such legislative history, the Debtor may be permitted to include the Omega Financing in its valuation for purposes of calculating its Section 382 Limitation. Because no regulations have actually been promulgated, however, there can be no assurance that the Debtor will, in fact, be permitted to include the Omega Financing in its valuation.

Also, as a general matter, if a redemption or other corporate contraction occurs in connection with an ownership change, the value of the corporation for purposes of calculating the Section 382 Limitation is determined after taking such redemption or other corporate contraction into account. Accordingly, if the Debtor is deemed to have undergone an

ownership change as a result of its redemption of all of its outstanding stock, such redemption will be taken into account in valuing the Debtor at that time.

Finally, in the case of a corporation involved in proceedings under Chapter 11 of the Code that either (i) does not qualify for the Bankruptcy Exception discussed in the Disclosure Statement or (ii) elects out of the Bankruptcy Exception, the value of the corporation for purposes of computing the Section 382 Limitation is adjusted to reflect any increase in the corporation's value as a result of any cancellation or surrender of claims of creditors in the transaction. The Committee continues to believe that by electing out of the Bankruptcy Exception, and by utilizing the immediately foregoing rule, the Debtor can effect the most efficient use of its NOLs.

Due to inherent uncertainties regarding, among other items, (i) the extent to which the Debtor's NOLs may be utilized by the EUA Group, (ii) the valuation of the Debtor for purposes of Section 382 of the Tax Code, and (iii) the fact that the Debtor will have had no stock outstanding prior to the consummation of the Omega Financing and the Effective Date, there can be no assurance with respect to the extent of the Debtor's ability to offset future income with its NOLs. Further, due to uncertainties regarding the amount and timing of the Debtor's future income and future income tax rates, the value to the Debtor of utilizing its NOLs on such a restricted basis cannot be ascertained with any certainty.

INFORMATION WITH RESPECT TO THE DEBTOR WAS OBTAINED BY THE COMMITTEE FROM MANAGEMENT OF THE DEBTOR OR WAS PUBLICLY AVAILABLE, AND THE COMMITTEE MAKES NO REPRESENTATION AS TO THE ACCURACY OF SUCH INFORMATION.

DUE TO THE UNSETTLED AND COMPLEX NATURE OF SOME OF THE TAX ISSUES, AS WELL AS THE POSSIBILITY THAT DEVELOPMENTS SUBSEQUENT TO THE DATE HEREOF COULD AFFECT THE TAX CONSEQUENCES OF THE PLAN, THE FOREGOING DISCUSSION SHOULD NOT BE REGARDED AS DEFINITIVE OR AS COVERING ALL POSSIBLE TAX CONSEQUENCES. ADDITIONALLY, THIS SUMMARY DOES NOT DISCUSS ALL ASPECTS OF FEDERAL INCOME TAXATION THAT MAY BE RELEVANT TO A PARTICULAR CREDITOR OR STOCKHOLDER IN LIGHT OF ITS PERSONAL INVESTMENT CIRCUMSTANCES OR TO CERTAIN PERSONS SUBJECT TO SPECIAL TREATMENT UNDER THE FEDERAL INCOME TAX LAWS (FOR EXAMPLE, INSURANCE COMPANIES, TAX-EXEMPT ORGANIZATIONS, BROKER-DEALERS, AND FOREIGN PERSONS) AND DOES NOT DISCUSS ANY ASPECT OF STATE, LOCAL, OR FOREIGN TAXATION. CREDITORS AND STOCKHOLDERS ARE URGED TO CONSULT WITH THEIR OWN TAX ADVISORS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF THE PLAN, INCLUDING THE APPLICABILITY OF ANY STATE, LOCAL, AND FOREIGN TAX LAWS.

THE FOREGOING ANALYSIS IS BASED UPON THE TAX CODE, REGULATIONS, RULINGS AND DECISIONS IN EFFECT ON THE DATE HEREOF, AND UPON PROPOSED REGULATIONS, ALL OF WHICH ARE SUBJECT TO CHANGE (POSSIBLY WITH RETROACTIVE EFFECT) BY LEGISLATION, ADMINISTRATIVE ACTION, OR JUDICIAL DECISION. MOREOVER, DUE TO A LACK OF DEFINITIVE JUDICIAL OR ADMINISTRATIVE AUTHORITY AND

INTERPRETATION, SUBSTANTIAL UNCERTAINTIES EXIST WITH RESPECT TO VARIOUS TAX CONSEQUENCES OF THE PLAN AS DISCUSSED HEREIN. NO RULINGS HAVE BEEN OR ARE EXPECTED TO BE REQUESTED FROM THE SERVICE CONCERNING ANY OF THE TAX MATTERS DESCRIBED HEREIN, AND THERE CAN BE NO ASSURANCE THAT THE SERVICE WILL NOT CHALLENGE THE POSITIONS TAKEN WITH RESPECT TO ANY OF THE ISSUES ADDRESSED HEREIN OR THAT A COURT WOULD NOT SUSTAIN SUCH A CHALLENGE.

I. Ballots. Accompanying this Supplemental Disclosure Statement is a ballot which you must complete and return to counsel to the Committee at the following address: Frank W. Getman Jr., Esquire, Hale and Dorr, 60 State Street, Boston, Massachusetts 02109 by May 9, 1994 if you wish to change your vote from the vote previously submitted. If you do not wish to change your vote, it is not necessary to complete and return this ballot. The Committee recommends that you not change your vote. The

hearing on confirmation of the Plan has been scheduled for May 13, 1994 at 10:00 a.m.

THE OFFICIAL BONDHOLDERS' COMMITTEE OF EUA POWER CORPORATION n/k/a GREAT BAY POWER CORPORATION

By Authorized Committee Member,

/S/
E. Decker Adams, Vice President
State Street Bank and Trust Company

Of Counsel:

/S/
Mark N. Polebaum, Esq. (BNH 01615)
Frank W. Getman Jr., Esq. (BNH 04234)
HALE AND DORR
60 State Street
Boston, Massachusetts 02109

Dated: February 11, 1994

EXHIBIT A

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW HAMPSHIRE

In Re:	)	
	)	Chapter 11
EUA POWER CORPORATION n/k/a GREAT BAY POWER CORPORATION,	)	Case No. 91-10525
	)	
Debtor.	)	

FIRST MODIFICATION TO BONDHOLDERS' COMMITTEE'S FIFTH AMENDED PLAN OF REORGANIZATION DATED FEBRUARY 11, 1994

The Official Bondholders' Committee (the "Committee") of Great Bay Power Corporation, f/k/a EUA Power Corporation (the "Debtor") proposes the following First Modification To Fifth Amended Plan of Reorganization to all of the Debtor's Claim and Interest holders pursuant to Section 1121(c) of the Bankruptcy Code.

ARTICLE I.

DEFINITIONS

1.1 For purposes of the Plan, the following terms shall have the respective meanings set forth below:

(a) Allowed Amount means (a) the amount of any Claim that has been allowed by a Final Order; or (b) the amount of any Claim that is timely filed with the Clerk of the Bankruptcy Court or that is listed by the Debtor in its Schedule of Assets and Liabilities filed with the Bankruptcy Court on April 5, 1991, as amended or supplemented from time to time in accordance with Federal Rule of Bankruptcy Procedure (the "Bankruptcy Rules") as undisputed, noncontingent or liquidated and as to which Claim (i) no objection to the allowance thereof has been filed with the Bankruptcy Court within any period of limitation fixed by the Bankruptcy Code, the Bankruptcy Rules or orders of the Bankruptcy Court or (ii) an objection has been timely filed with the Bankruptcy Court but has been withdrawn prior to entry of a Final Order with respect to the Claim, or (iii) an

objection has been filed, which objection is determined in favor of the claimant by a Final Order; or (c) the amount of a Claim for an administrative expense as to which (i) no objection has been filed within any period of limitation fixed by the Bankruptcy Code, applicable Bankruptcy Rules or (ii) an objection has been timely filed but withdrawn prior to entry of a Final Order on the Claim or (iii) as to which Claim a timely objection has been filed, which objection is determined in favor of the claimant by a Final Order or (iv) with respect to fees and expenses of Professional Persons, the amount of such fees and expenses allowed by a Final Order; or (d) with respect to the Series B Notes and the Series C Notes, the principal amount of the Notes, together with accrued and unpaid interest at the rate provided for in the Indenture through the Filing Date.

(b) Bankruptcy Case means In re EUA Power Corporation, n/k/a/ Great Bay Power Corporation, Case No. 91-10525-JEY pending before the Bankruptcy Court.

(c) Bankruptcy Code means the Bankruptcy Reform Act of 1978, 11 U.S.C. §§101 et seq., as it may be amended from time to time.

(d) Bankruptcy Court means the United States Bankruptcy Court for the District of New Hampshire or such other court as may hereafter assume jurisdiction over the Debtor's Chapter 11 case.

(e) Bondholders means all holders of the Series B Notes and the Series C Notes as of the Record Date.

(f) CICs means the Contingent Interest Certificates issued by the Debtor.

(g) Claim means any claim, as that term is defined in the Bankruptcy Code, against the Debtor.

(h) Committee means the Official Bondholders' Committee for EUA Power Corporation appointed by the United States Trustee on March 14, 1991, as modified by the addition or removal of members from time to time.

(i) Confirmation Date means the date on which an order of the Bankruptcy Court confirming the Plan is entered on the docket of the Bankruptcy Court in the Bankruptcy Case.

(j) Debtor means Great Bay Power Corporation, f/k/a EUA Power Corporation, the debtor-in-possession in Chapter 11 Case No. 91-10525.

(k) Decommissioning Costs Guaranty means that certain Limited Guaranty dated May 4, 1990 pursuant to which EUA guaranteed the obligations and liabilities of the Debtor for Decommissioning Costs and Costs of Cancellation as defined in the Joint Ownership Agreement.

(l) Effective Date means the date designated in Article VIII.

(m) EUA means Eastern Utilities Associates, a Massachusetts voluntary association.

(n) EUA Service means EUA Service Corporation, a Massachusetts corporation.

(o) EUA Settlement means that certain Settlement Agreement dated November 18, 1992 among the Debtor, EUA and the Committee approved by an order of the Bankruptcy Court dated December 8, 1992.

(p) FERC means the Federal Energy Regulatory Commission.

(q) Filing Date means February 28, 1991.

(r) Final Order or Orders means an order or orders of a court or administrative agency of competent jurisdiction which shall not have been reversed or stayed, as duly entered on the docket of the case or proceeding in which the order is or orders are issued; the time to appeal which shall have expired, with no appeal or motion seeking rehearing, review or reconsideration pending, as a result of which, such order or orders shall have become final in accordance with applicable law.

(s) Final Confirmation Order means an order confirming the Plan which is entered by the Bankruptcy Court and duly entered on the docket of the Bankruptcy Court in the Bankruptcy Case

with respect to which no stay has been entered and the time for filing appeals has expired with no appeals pending.

(t) First Stipulation means the Stipulation and Consent Order Under 11 U.S.C. §§ 363, 364 and 365 Concerning Advances by Participating Joint Owners dated as of August 29, 1991.

(u) Gap Period means the time period beginning on the Confirmation Date and ending on the Effective Date.

(v) Indenture means the Indenture of Trust dated as of November 15, 1986, as amended by three supplemental indentures dated February 24, 1987, May 1, 1988 and November 1, 1988, pursuant to which the Debtor issued the Series B Notes and the Series C Notes.

(w) Indenture Trustee means the State Street Bank and Trust Company.

(x) Interest means any equity security in the Debtor, as that term is defined in the Bankruptcy Code.

(y) IDA means the State of New Hampshire Industrial Development Authority.

(z) Joint Ownership Agreement means the Agreement for Joint Ownership, Construction and Operation of New Hampshire Nuclear Units dated May 1, 1973, as amended.

(aa) Joint Owners means all current Participants (as defined in the Joint Ownership Agreement)

(ab) New Securities means the shares of common stock issued by Reorganized EUAP on the Effective Date, representing 100% of the equity in Reorganized EUAP, in accordance with the revised Articles of Incorporation of Reorganized EUAP.

(ac) NHPUC means the New Hampshire Public Utilities Commission.

(ad) NRC means the Nuclear Regulatory Commission.

(ae) Notes means the Series B Notes and the Series C Notes.

(af) Omega Financing means the sale of 60% of the New Securities to Omega Advisors, Inc., or its designees, for an aggregate sale price of $35 million on the terms set forth in the Stock Purchase Agreement dated April 7, 1994, a copy of which is attached hereto as Exhibit A.

(ag) Participating Joint Owners means United Illuminating and Connecticut Light & Power.

(ah) Plan means this plan of reorganization and the exhibits hereto, either in their present form or as they may be altered, amended, or modified from time to time.

(ai) Plan Regulatory Approvals means, to the extent reasonably deemed necessary by the Committee: (i) a Final Order or Orders of the NHPUC approving the reorganization of the Debtor, the issuance of the New Securities by Reorganized EUAP, and granting any other necessary approvals with respect to the transactions contemplated hereby to occur by the Effective Date, (ii) a Final Order or Orders of FERC approving the reorganization of the Debtor and granting any other necessary approvals with respect to the transactions contemplated hereby to occur by the Effective Date, (iii) a Final Order or Orders of the NRC granting authorization for the transfer of the Seabrook license, and any necessary approvals with respect to the transactions contemplated hereby to occur by the Effective Date, or (iv) any other governmental approval or order reasonably deemed by the Committee to be necessary under applicable law with respect to the transactions contemplated hereby to occur by the Effective Date.

(aj) Professional Persons means those attorneys, accountants, appraisers, financial advisors, auctioneers or other professional persons retained by the Debtor or the Committee or the Court, or other professionals authorized to be paid out of the assets of the Debtor's estate.

(ak) Pro Rata means the same proportion that the Allowed Amount of a Claim in a particular class bears to the aggregate Allowed Amount of all Claims in such class.

(al) PUHCA means the Public Utility Holding Company Act of 1935, as amended.

(am) Record Date means, (i) with respect to voting on the Plan, the date fixed by the Bankruptcy Court as the record date for determination of the holders of Interests, CICs, and the Series B Notes and Series C Notes for the purpose of voting on the Plan or (ii) with respect to distributions under the Plan, the date fixed by the Bankruptcy Court as the record date for determination of the holders of Interests, CICs, and the Series B Notes and Series C Notes for the purposes of making distributions under the Plan.

(an) Reorganized EUAP means the Debtor after the cancellation of the Debtor's existing Interests on and after the Effective Date.

(ao) Seabrook means the Seabrook Nuclear Power Plant, Seabrook, New Hampshire.

(ap) Seabrook Interest means all of Debtor's right, title and interest in and to its 12.1324% interest in Seabrook.

(aq) Second Stipulation means the Second Stipulation and Consent Order Under 11 U.S.C. §§ 363, 364 and 365 Concerning Advances By Participating Joint Owners.

(ar) SEC means the Securities and Exchange Commission.

(as) Series B Notes means the notes designated as "17⅛% Series B Secured Notes due May 15, 1993" issued pursuant to the Indenture and secured by a first lien on the Seabrook Interest.

(at) Series C Notes means the notes designated as "17⅛% Series C Secured Notes due November 15, 1992" issued pursuant to the Indenture and secured by a first lien on the Seabrook Interest.

(au) Service Agreement means the agreement between the Debtor and EUA Service dated January 2, 1992.

1.2 Terms defined in the Bankruptcy Code or Bankruptcy Rules and not otherwise specifically defined in the Plan shall, when used in the Plan, have the meanings ascribed to them in the Bankruptcy Code or Bankruptcy Rules.

ARTICLE II.

ADMINISTRATIVE EXPENSES AND PRIORITY CLAIMS

The Allowed Amount of all Claims for administrative expenses and Claims entitled to priority in accordance with Section 507(a) of the Bankruptcy Code, with the exception of Claims entitled to priority in accordance with Section 507(a)(7) of the Bankruptcy Code, including the Claims of Professional Persons, shall be paid in full in cash on the Effective Date, or upon the date on which the amount of each such Claim becomes an Allowed Amount, whichever shall be later. All trade and service debts and obligations incurred in the normal course of business by the Debtor during the Debtor's Chapter 11 proceedings shall be paid in the ordinary course of business by the Debtor or, at the Debtor's option, in full in cash on the Effective Date.

The Allowed Amount of all Claims entitled to priority in accordance with Section 507(a)(7) of the Bankruptcy Code, if any, shall be paid, at the Debtor's option, in cash upon the Effective Date or in installments over six years. If paid over six years, the principal amount of each such Claim shall bear interest at a rate determined by the Debtor and the holder of such claim or, if necessary, by the Bankruptcy Court, to be sufficient to provide that the deferred payments will have a value equal to the present value of the Allowed Amount of each such Claim.

ARTICLE III.

DESIGNATION OF CLASSES OF CLAIMS AND INTERESTS

3.1 All Claims against and Interests in the Debtor of whatever nature, whether or not scheduled, liquidated or unliquidated, absolute or contingent, including all Claims arising from the rejection of executory contracts, and all Claims or Interests arising from the past or present ownership or sale or purchase of the securities of the Debtor, including all administrative expense and priority Claims, shall be satisfied and discharged pursuant to and as provided in this Plan. All Claims and Interests, excluding all administrative expense and priority Claims in accordance with Section 1123(a)(1) of the Bankruptcy Code which are addressed in Article II hereof, are classified as follows:

(a) Class One. All Claims based upon the Notes and the Indenture to the extent of the value of the interest in the property of the Debtor granted to the holders of such Claims, or to the Indenture Trustee under the Indenture, to secure those Claims.

(b) Class Two. All Claims arising prior to the Filing Date held by taxing authorities for unpaid real property taxes, which are secured by a lien on property of the Debtor. Class Two shall include any claims of taxing authorities which may arise upon disgorgement by any taxing authority of funds received from the Debtor after the Filing Date without authority of the Bankruptcy Court in payment of taxes incurred prior to the Filing Date.

(c) Class Three. All Claims not included in Classes One, Two or Four, including the Claims based on the Notes and Indenture to the extent that such Claims exceed the value of the interest in the property of the Debtor granted to the holders of such Claims or to the Indenture Trustee under the Indenture to secure those Claims.

(d) Class Four. All Claims which are allowed in the amount of $25,000 or less, or which have been reduced to $25,000 at the election of the holder, which would otherwise have been classified in Class Three. The Claims in this class may not exceed $500,000 after giving effect to any reductions to $25,000 and all reduced Claims will be excluded from this class if their inclusion would cause the aggregate amount of the Claims in this class to exceed $500,000.

(e) Class Five. All Interests as of the Record Date.

(f) Class Six. All CICs as of the Record Date.

ARTICLE IV.

TREATMENT OF CLASSES OF CLAIMS AND INTERESTS

4.1 Class One Claim.

The Class One Claims are impaired. In full payment and satisfaction of the Class One Claims, each holder of an allowed Class One Claim shall receive a number of shares of New Securities equal to the holder's pro rata share of 34% of the issued and outstanding New Securities or such other percentage of the issued and outstanding New Securities as the Bankruptcy Court shall determine based on any objection which a holder of a Class Three Claim asserts to the allocation of the New Securities between Class One and Class Three. Except to the extent otherwise specifically provided for in the Confirmation Order, if no objection to the allocation of New Securities between Class One and Class Three is filed prior to the date set by the Bankruptcy Court for filing objections to the Plan, then the entry of the Confirmation Order shall constitute the Bankruptcy Court's order that the New Securities shall be allocated 34% to Class One and 6% to Class Three. The initial distribution of New Securities shall

be made to the holders of Class Three Claims on the later of the Effective Date or the date the Class Three Claim becomes an Allowed Amount. Subsequent distributions of New Securities shall be made in accordance with the provisions of Section 6.6(b) of the Plan. The New Securities to be distributed to holders of Class One claims will be distributed to each holder pro rata based on the amount of that holder's Class One Claim relative to the amount of all Class One Claims.

4.2 Class Two Claims.

The Class Two Claims, if any, are impaired. The holders of the Class Two Claims shall receive payment of the Allowed Amount of such Claims in three (3) equal annual installments of principal and interest, having a present value, as of the Effective Date, of not less than the value of the holder's lien on the Debtor's interest in the property which secures such Claims. The Allowed Amount of the Class Two Claim shall bear interest at the rate equal to the prevailing interest rate on two-year treasury notes, calculated on each anniversary of the Effective Date. The first payment shall be due on the later of (a) the first day of the first full month after the Effective Date or (b) the date the Class Two Claim is allowed by final order of the Bankruptcy Court. The remaining payments shall be due within thirty (30) days after the first two anniversaries of the Effective Date. The holders of the Class Two Claims shall retain their liens until such Claims have been paid in full.

4.3 Class Three Claims.

The Class Three Claims are impaired. On the Effective Date, Reorganized EUAP shall issue New Securities equal to 6% of the New Securities issued under the Plan to holders of allowed Class Three Claims. The New Securities to be distributed to holders of Class Three claims will be distributed to each holder pro rata based on the amount of that holder's Class Three Claim relative to the amount of all Class Three Claims. The initial distribution of New Securities shall be made to the holders of Class Three Claims on the later of the Effective Date or the date the Class Three Claim becomes an Allowed Amount. Subsequent distributions of New Securities shall be made in accordance with the provisions of Section 6.6(b) of the Plan.

4.4 Class Four Claims.

The Class Four Claims are impaired. On the later of the Effective Date or the date the Class Four Claim becomes an Allowed Amount, the holder of each Class Four Claim shall receive cash in an amount equal to 50% of the Allowed Amount of such Claim.

4.5 Class Five Interests.

Class Five Interests, if any, are impaired. All Class Five Interests in the Debtor shall be cancelled as of the Effective Date and the holders of such Interests shall receive no distribution under the Plan.

4.6 Class Six Interests.

Class Six Interests are impaired. All outstanding CICs shall be cancelled as of the Effective Date and the holders of such Class Six Interests shall receive no distribution under the Plan.

ARTICLE V.

NEW SECURITIES

5.1 Description Of New Securities.

The New Securities distributed to Class One and Class Three shall be issued by Reorganized EUAP pursuant to Section 1145 of the Bankruptcy Code and shall be freely tradeable under state and federal securities laws. The New Securities distributed pursuant to the Omega Financing shall be issued by Reorganized EUAP through a private placement pursuant to Section 4(2) of the Securities Act of 1933, as amended (15 U.S.C. 77(e)) (the "Securities Act"), and will therefore be restricted securities under state and federal securities laws. Reorganized EUAP will use its good faith efforts to have the New Securities listed for trading on a national stock market.

The New Securities shall consist of a single class of common stock. The terms and conditions of the New Securities shall be as provided in the Articles of Incorporation of Reorganized EUAP, as approved by the Committee prior to the Confirmation Date. The Articles of Incorporation will authorize the issuance of a total of 8,000,000 shares of common stock, at $.01 par value per share. Such shares shall be issued to holders of Class One and Class Three Claims and pursuant to the Omega Financing as and to the extent provided in the Plan. The New Securities to be issued under the Plan will be, when issued, fully paid and nonassessable. Pursuant to Section 1145 of the Bankruptcy Code, Section 5 of the Securities Act and any state or local law requiring registration for offer of sale of a security or registration or licensing of an issuer of, underwriter of, or broker or dealer in, a security, shall not apply to the issuance of the New Securities to the holders of Class One and Class Three Claims, except to the extent a holder is an "underwriter" pursuant to Section 1145(b) of the Bankruptcy Code.

ARTICLE VI.

MEANS OF EXECUTION AND IMPLEMENTATION OF THE PLAN

6.1 Articles of Incorporation of Reorganized EUAP.

As of the Effective Date, Reorganized EUAP shall adopt amended Articles of Incorporation complying with the requirements of this Plan. A copy of the amended Articles of Incorporation is attached hereto as Exhibit B.

6.2 Issuance Of New Securities.

On the Effective Date, the Debtor's existing Interests, if any, shall be cancelled and of no further force or effect, without any further action on the part of any entity. Immediately subsequent to such cancellation, on the Effective Date, Reorganized EUAP shall issue the New Securities, representing 100% of its issued and outstanding shares. Such issuance of New Securities shall be made to the holders of Class One and Class Three Claims which have an Allowed Amount in exchange for debt pursuant to Section 1145 of the Bankruptcy Code and in the Omega Financing pursuant to Section 4(2) of the Securities Act.

Upon the Effective Date, Reorganized EUAP will enter into a registration rights agreement, a copy of which is attached hereto as Exhibit C (the "Registration Rights Agreement"), with Omega or its designees and any other persons (or groups of holders who, under Section 240-13d-3 of the regulations promulgated under the Securities Exchange Act of 1934, are deemed to be the beneficial owners of each other's New Securities) of 10% or more of the New Securities outstanding on the Effective Date, provided that such holders would have been holders of 10% or more of the New Securities if the New Securities had been distributed to those holders of the New Securities in exchange for Series B or Series C Notes held by the holders on the Confirmation Date. The Registration Rights Agreement will provide that such holders may demand multiple registrations, provided that any demand is for registration of 5% or more of the total New Securities outstanding at the time of the demand and subject to the right of the Reorganized EUAP Board of Directors to delay the demanded registration for bona fide business reasons. Reorganized EUA Power will be responsible for the expenses of any registration under the Registration Rights Agreement.

6.3 Calculation of Distribution Amounts of New Securities.

No fractional share of New Securities shall be issued. Fractional shares or certificates shall be rounded to the next greater or next lower whole number of shares as follows: (a) fractions of 0.5 or greater shall be rounded to the next greater whole number, and (b) fractions of less than 0.5 shall be rounded

to the next lesser whole number, provided, however, that each holder of a Claim to which New Securities shall be distributed pursuant to the Plan shall receive at least one share of New Securities. For purposes of the foregoing, all reference to holders of Claims herein shall refer to the beneficial owners of such claims, and all calculations relating to the rounding provisions or cash distribution of this section shall be made based on such beneficial ownership.

6.4 Ownership and Ongoing Operation of Seabrook Interest.

Reorganized EUAP shall succeed to ownership of the Seabrook Interest and the Debtor's rights and obligations under the Joint Ownership Agreement and the other agreements executed by the Joint Owners pertaining to the ownership and operation of Seabrook.

6.5 Financing.

(a) Gap Period Financing.

During the Gap Period, the Debtor will be funded under a debtor-in-possession facility or in such other manner as the Committee directs. On the Effective Date, all amounts owing under such a debtor-in-possession facility as shall be in place, if any, shall be paid in full in cash from the proceeds of the sale of New Securities in the Omega Financing.

(b) Plan of Reorganization Financing.

The Plan will be funded from the proceeds received by Reorganized EUAP from the sale of 60% of the New Securities in the Omega Financing for $35 million.

6.6 Distribution.

(a) Disbursing Agent.

Such entity or entities as may be designated by the Committee, including a stock transfer agent for the New Securities, shall act as Disbursing Agent under this Plan with respect to property to be distributed under this Plan. The Disbursing Agent may employ or contract with entities to assist in or perform the distribution of property to be distributed. The Disbursing Agent shall maintain such accounts as may be authorized by the Debtor for the purposes of maintaining any reserve provided for in this Plan or for such other purpose as may facilitate the distributions contemplated by this Plan. The Disbursing Agent shall serve without bond and shall receive reasonable fees and expenses from Reorganized EUAP, which may be paid in the ordinary course of business without obtaining an order from the Bankruptcy

Court. The Disbursing Agent, may retain counsel, which counsel shall be paid its reasonable fees and expenses, subject to the approval of the Bankruptcy Court, from Reorganized EUAP.

(b) Disputed Claims or Interests.

(i) Reserve

Notwithstanding any other provision of this Plan, the Disbursing Agent shall withhold from the property to be distributed under this Plan to each class of Claims, and shall place in a separate reserve for such class a sufficient amount to be distributed on account of the face amount or estimated amount, as the case may be, of each Claim that is disputed, contingent or unliquidated, and that does not have an Allowed Amount as of the date of initial distribution under this Plan, including without limitation, all disputed claims in respect of executory contracts rejected pursuant to the Plan. For purposes of this provision (i) a claim which does not have an Allowed Amount shall constitute a "disputed claim"; and (ii) the "face amount" of a claim shall be the amount set forth on the proof of such claim, or if no proof of such claim has been filed, the amount of such claim scheduled in the Debtor's Schedules of Assets and Liabilities filed with the Bankruptcy Court, as amended, plus any unpaid pre-Filing Date interest accrual.

In the case of a disputed claim in Class One or Class Three, the property so withheld and placed in reserve shall consist of that number of shares of the New Securities which represents the same percentage of all New Securities to be issued to the holders of Class One or Class Three Claims, as the case may be, as the percentage which the dollar amount of the disputed Class One or Class Three Claim represents of the dollar amount of all Class One or Class Three Claims, as the case may be.

As to any unliquidated claim or contingent claim, the Bankruptcy Court shall, upon motion by the holder of the claim, or the Committee, estimate the maximum amount of such claim for purposes of allowance pursuant to Section 502(c) of the Bankruptcy Code. Such estimation shall constitute the maximum amount in which such claim may ultimately become an Allowed Claim and shall be used in calculating the reserve in the immediately preceding paragraph.

To the extent practicable, the Disbursing Agent shall invest any cash in the reserve in a manner that will yield a reasonable net return, taking into account the safety of the investment. The Disbursing Agent shall also place in the same reserve any distributions received on any securities held in the reserve, including dividends (in stock or cash) received on shares of Reorganized EUAP common stock.

(ii) Distribution

The property in the reserve, including the allocable portion of the net return and any dividends, interest or other payments received thereon, shall be distributed on account of the disputed, contingent or unliquidated claims or interests as and to the extent that such claims or interests become Allowed Amounts.

Any property in reserves established for disputed Claims in Classes One and Three, remaining after the resolution of all disputes over the allowance or subordination of Claims in such classes, including the remaining net returns and dividends, interest or other payments received thereon, shall be distributed pro rata to the holders of Claims in Allowed Amounts in Class One and Class Three in accordance with Sections 4.1 and 4.3 of this Plan, provided however, that if the amount remaining to be distributed does not exceed in value $250,000, then such property shall be turned over to Reorganized EUAP.

For the sake of efficiency and economy in connection with distributions, the making of the foregoing distributions may be withheld until a number of Final Orders respecting disputed Claims in a particular class have been entered, but such distributions shall be made not less frequently than once every six months.

(c) Status of New Securities in Reserve.

Any New Securities held in a reserve for disputed, contingent or unliquidated claims shall be treated as issued and outstanding Reorganized EUAP common stock for all purposes (including dividends). The Disbursing Agent shall vote such shares in the same proportions as the vote, including abstentions and shares that were not voted, on all issued and outstanding shares of Reorganized EUAP Common Stock that are not held in a reserve.

(d) Surrender of Securities.

As a condition to participation under this Plan (i) a holder of a Series B or Series C Note that desires to receive the property to be distributed on account of a Claim arising from that Series B or Series C Note shall surrender the Series B or Series C Note to the Disbursing Agent or its designee.

If a holder of a Series B or Series C Note is unable to surrender such note because it has been destroyed, lost or stolen, such holder may receive a distribution with respect to such note upon presenting to the Disbursing Agent, in a form acceptable to such agent: (i) proof of such holder's title to such note, (ii) proof of the destruction or theft of such note, or an affidavit to the effect that the same has been lost and after

diligent search cannot be found; and (iii) such indemnification as may be required by the Disbursing Agent in its sole discretion to indemnify the Disbursing Agent, Reorganized EUAP, and all other persons deemed appropriate by the Disbursing Agent against any loss, action, suit or other claim whatsoever which may be made as a result of such holder's receipt of a distribution on account of such note under this Plan.

(e) Unclaimed Property.

Any property which is unclaimed for one year after distribution thereof by mail (i) except as provided in (ii), to the latest mailing address filed of record with the Bankruptcy Court for the party entitled thereto or if no such mailing address has been so filed, the mailing address reflected in the Schedule of Assets and Liabilities filed by the Debtor, as amended, or (ii) in the case of the holder of Series B or C Notes to the latest mailing address maintained of record by the Indenture Trustee, shall become property of Reorganized EUAP.

(f) Withholding Taxes.

The Disbursing Agent shall withhold from any property distributed under this Plan any property which must be withheld for taxes payable by the person entitled to such property to the extent required by applicable law.

(g) Indenture Trustee.

Upon the Effective Date, the Disbursing Agent or Reorganized EUAP, at the direction of the Committee, shall reimburse the Indenture Trustee in cash for all reasonable and necessary fees and expenses incurred by the Indenture Trustee during the Chapter 11 case, including the fees and expenses of the Indenture Trustee's counsel.

6.7 Miscellaneous.

The Debtor and Reorganized EUAP shall execute such documents and take such other actions as are necessary to effectuate the transactions which, under this Plan, are contemplated to occur on the Effective Date.

6.8 Operations.

a. Gap Period Management.

During the GAP Period, the Debtor shall employ those agents designated by the Committee, which may include EUA Service as permitted under the EUA Settlement, to perform all functions currently performed or required to be performed by EUA Service pursuant to the Service Agreement, including, without limitation

(i) a marketing agent to develop and update a strategy to maximize the value of Reorganized EUAP's assets based upon assessment of market conditions and appropriate contract terms and (ii) a managing agent to attend meetings of the Joint Owners and otherwise manage and maintain the Debtor's business, in each case pursuant to written agreements approved by the Bankruptcy Court and any regulatory body with jurisdiction under applicable law. During the Gap Period, the Debtor shall continue to own its assets and operate its business as a debtor in possession, except as otherwise provided for in the Plan or the Final Confirmation Order. The Debtor shall seek such regulatory approval for its GAP Period management and marketing services as the Committee may reasonably direct. Mr. Stevens and Mr. Samuels shall be entitled to the indemnification rights set forth in the EUA Settlement.

b. Post-Effective Date Management

Upon the Effective Date, all directors of the Debtor shall be deemed to have resigned without any further action on the part of any person or entity. The new board of directors of Reorganized EUAP appointed by the Committee (the "New Board") shall take office upon the Effective Date. The members of the New Board appointed pursuant to this Section 6.8(b) shall continue in office until they resign, are removed or their successors are elected pursuant to Reorganized EUAP's charter, as amended, or Reorganized EUAP's bylaws.

6.9 Decommissioning Costs Guaranty.

The Decommissioning Costs Guaranty shall remain enforceable and in full force and effect in accordance with its terms.

6.10 Litigation.

The Committee may commence and prosecute any claims, other than those resolved as part of, or as limited by, the EUA Settlement, and defend any claims made against the Debtor, including preference, fraudulent conveyance or other bankruptcy claims in the name of and on behalf of the Debtor, Reorganized EUAP and/or the Bondholders. Net proceeds of such litigation shall be used for working capital or general corporate purposes of Reorganized EUAP.

6.11 Vesting And Revesting.

Except as otherwise provided in any provision of this Plan or in the Final Confirmation Order, all property of the estate shall revest in Reorganized EUAP on the Effective Date, free and clear of all claims, liens and other interests of creditors and equity security holders. Without in any manner limiting the scope of the foregoing, any claim or interest

belonging to the Debtor or to the estate shall be retained by and shall vest in Reorganized EUAP on the Effective Date and Reorganized EUAP may enforce, settle or adjust any such claim or interest. As of the Effective Date, Reorganized EUAP may use acquire and dispose of property without supervision by the Bankruptcy Court and free of any restrictions of the Bankruptcy Code, other than those restrictions expressly imposed by this Plan and the Confirmation Order.

6.12 Continued Existence Of The Committee.

The Committee shall continue to exist as constituted by the United States Trustee, from time to time, with the powers and authorities provided for in Section 1104 of the Bankruptcy Code, provided for in the Plan and provided for in the Final Confirmation Order. Upon the Effective Date, the Committee shall have no further responsibility for the direction or supervision of the management or conduct of affairs of Reorganized EUAP. The Committee shall continue to exist after the Effective Date only for the purposes of administering and closing the Chapter 11 case, and such other purposes as may be provided for in the Final Confirmation Order.

6.13 Determination of Tax Assessment.

By the Plan, the Committee seeks a determination by the Bankruptcy Court, pursuant to Section 505 of the Bankruptcy Code, of the tax liability of the Debtor for real estate taxes assessed against the Debtor's interest in the real property associated with its Seabrook Interest (the "Seabrook Property"). The Plan shall constitute the Committee's motion for a determination by the Bankruptcy Court that the assessed value of the Seabrook Property is substantially less than the value assessed by the relevant taxing authorities. The Committee reserves the right to withdraw such an action under Section 505 of the Bankruptcy Code at its discretion.

6.14 Discharge.

Upon the Effective Date, all claims against and all debts and liabilities of the Debtor shall be discharged as provided in the Plan and Bankruptcy Code sections 524 and 1141.

ARTICLE VII.

TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES

7.1 As of the Effective Date, Reorganized EUAP hereby rejects any and all executory contracts and unexpired leases of every name and nature, except those which (a) prior to the Effective Date, the Debtor shall have assumed with the consent of

the Committee or (b) as of the Effective Date, are the subject of pending motions to assume, with the consent of the Committee or (c) as of the Effective Date, are designated by the Committee to be assumed pursuant to the Plan. Any Claim arising from or as a result of the rejection of any executory contract or unexpired lease must be filed within twenty days after the Effective Date, and the Allowed Amount thereof shall be treated as a Class Three Claim, but nothing herein shall constitute a determination that any such rejection gives rise to or results in a Claim or constitutes a waiver of any objections to such Claim by the Debtor, the Committee, or any party in interest.

7.2 The Plan shall constitute the Debtor's motion to assume the following contracts, agreements, purchase orders, leases, governmental permits, licenses and approvals with respect to the Seabrook Plant that have been entered into by the Debtor, or by an agent (including, without limitation, the New Hampshire Yankee division of PSNH, and North Atlantic Energy Service Corporation) for or on behalf of the Participants:

(i) The Agreement for Joint Ownership, Construction and Ownership of New Hampshire Nuclear Units, dated as of May 1, 1973, as amended (the "Joint Ownership Agreement");

(ii) The Seventh Amendment to and Restated Amendment for Seabrook Project Disbursing Agent, dated as of November 1, 1990, as amended through and including the Second Amendment to the Seventh Amendment made as of the 29th day of June, 1992 by and among North Atlantic Energy Corporation and the other Participants;

(iii) The Transmission Support Agreement dated as of May 1, 1973, as amended, by and among PSNH, New England Power Company and the other Participants;

(iv) Agreement of Settlement dated as of January 13, 1989 ("Comprehensive Settlement Agreement"), by and among PSNH, The United Illuminating Company, Canal Electric Company, The Connecticut Light and Power Company, EUA Power Corporation, Massachusetts Municipal Wholesale Electric Company, Montaup Electric Company, New England Power Company, and Taunton Municipal Lighting Plant, Bangor Hydro-Electric Company, Central Maine Power Company, Central Vermont Public Service Corporation, Fitchburg Gas & Electric Light Company, and Maine Public Service Company, and Yankee Atomic Electric Company;

(v) Agreement of Compromise and Settlement dated as of November 1, 1991, among United Engineering & Constructors, Inc., The Participating Seabrook Joint Owners named therein and Yankee Atomic Electric Company;

(vi) Seabrook Project Managing Agent Operating Agreement, dated as of June 29, 1992, as amended, between North Atlantic Energy Service Corporation and the other Participants; and

(vii) Such other agreements which pertain to Seabrook and which have been entered by the Debtor or by or on behalf of all Joint Owners, a complete list of which shall be filed no later than ten days prior to the date scheduled for confirmation of the Plan.

ARTICLE VIII.

CONDITIONS TO OCCURRENCE OF EFFECTIVE DATE

The Effective Date of this Plan shall occur, and this Plan shall take effect, to the extent not implemented upon the Confirmation Order becoming a Final Order, on the day designated by the Committee which shall be as soon as is reasonably practicable but not more than thirty days (as calculated in accordance with Bankruptcy Rule 9006(a)) after all the following conditions are satisfied or waived; provided that the Effective Date shall not be later than June 30, 1994 unless extended in accordance with Section 8.3 below:

8.1 The Confirmation Order shall have been entered and shall have become a Final Confirmation Order.

8.2 Each of the following conditions shall have occurred or been waived pursuant to Section 8.3 below:

(a) All Plan Regulatory Approvals shall have been obtained and shall be in full force and effect and shall not contain any provision or be subject to any condition reasonably unacceptable to the Committee.

(b) All necessary consents of all entities, if any, who are parties to executory contracts or unexpired leases to be assumed pursuant to this Plan, or which were entered into by the Debtor after the date of commencement of the Bankruptcy Case and are reasonably deemed by the Committee to be material to the Debtor, shall have been obtained.

(c) The conditions to closing the Omega Financing shall have been satisfied other than the requirement that the Effective Date occur.

(d) The revised Articles of Incorporation of Reorganized EUAP contemplated by Section 6.1 shall have been filed with the New Hampshire Secretary of State.

8.3 Waiver Of Conditions. The Committee may waive any of the conditions to the Effective Date described in Article VIII of the Plan or extend or reduce, one or more times, any time period described in Article VIII, including, but not limited to, the date specified for the occurrence of the Effective Date above and in Section 8.4 below. Any such waiver or extension shall become effective upon the filing with the Bankruptcy Court of a notice which states that the Committee has granted such waiver or extension. No order of the Bankruptcy Court shall be required to make any such waiver or extension effective.

8.4 Effect Of Nonoccurrence Of Conditions To The Effective Date. If each of the conditions to the Effective Date has not occurred or been duly waived by June 30, 1994, or by such later date as may be established in accordance with Section 8.3, then, upon motion by any party in interest made after the date for satisfying (or obtaining waivers of) the conditions to the Effective Date (as such date may be extended hereunder), and prior to the time that each of said conditions has occurred or been duly waived, the Confirmation Order may be vacated by the Bankruptcy Court. Notwithstanding the foregoing, however, the Confirmation Order may not be vacated after each of the conditions to the Effective Date has either occurred or been waived.

ARTICLE IX.

RETENTION OF JURISDICTION

Following Confirmation of this Plan and until the reorganization case is closed, the Bankruptcy Court shall retain such jurisdiction as is set forth in this Plan. Without in any manner limiting the scope of the foregoing, the Bankruptcy Court shall retain jurisdiction for the following purposes:

a. To determine the allowability, classification, priority or subordination of claims and interests upon objection, or to estimate pursuant to Section 502(c) of the Bankruptcy Code the amount of any claim which is or is anticipated to be unliquidated as of the Effective Date, or proceedings to subordinate claims or interests by Reorganized EUAP, or by any other party in interest with standing to bring such objection or proceeding which shall be deemed to include any proponent of this Plan;

b. To construe and to take any action to enforce this Plan, issue such orders as may be necessary for the implementation, execution, and consummation of this Plan, including, without limiting generality of the foregoing, orders to expedite Plan Regulatory Approvals, orders implementing or relating to the plan for interim management referred to in Section

6.8, all notwithstanding any otherwise applicable non-bankruptcy law;

c. To determine any and all applications for allowance of compensation and expense reimbursement for periods on or before the Effective Date and to determine any other request for payment of administrative expenses;

d. To determine all matters which may be pending before the Bankruptcy Court on or before the Effective Date;

e. To resolve any dispute regarding the implementation or interpretation of this Plan which arises at any time before the Reorganization Case is closed;

f. To determine any and all applications pending on the Effective Date for the rejection, assumption or assignment of executory contracts or unexpired leases and the allowance of any claim resulting therefrom;

g. To determine all applications, adversary proceedings, contested matters and other litigated matters pending on or before the Effective Date, including a determination of the Debtor's tax liability as provided in Section 6.13 hereof pursuant to Section 505 of the Bankruptcy Code;

h. To determine such other matters and for such other purposes as may be provided in the Confirmation Order; and

i. To modify this Plan pursuant to Bankruptcy Code Section 1127, or to remedy any apparent nonmaterial defect or omission in this Plan, or to reconcile any nonmaterial inconsistency in the Plan so as to carry out its intent and purposes.

ARTICLE X.

CONFIRMATION REQUEST

The Committee, as proponent of this Plan, hereby requests confirmation of this Plan pursuant to Bankruptcy Code Section 1129(b) in the event that this Plan is not accepted by all classes of Claims and Interests entitled to vote; provided however, that

the Committee will not seek to confirm the Plan unless the Plan is accepted by the Class One creditors.

THE OFFICIAL BONDHOLDERS'
COMMITTEE OF EUA POWER CORPORATION

By Authorized Committee Member,

/S/
E. Decker Adams, Vice President
State Street Bank and Trust Company

Of Counsel:

/S/
Mark N. Polebaum, Esq. (BNH 01615)
Frank W. Getman Jr., Esq. (BNH 04234)
HALE AND DORR
1155 Elm Street
Manchester, NH 03101
(603) 627-7600

Dated: February 11, 1994

EXHIBIT A

OMEGA STOCK PURCHASE AGREEMENT

STOCK AND SUBSCRIPTION AGREEMENT

AMONG

GREAT BAY POWER CORPORATION
(f/k/a/ EUA POWER CORPORATION)

and

THE PURCHASERS
SIGNATORIES HERETO

Dated as of April 7, 1994

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STOCK AND SUBSCRIPTION AGREEMENT

STOCK AND SUBSCRIPTION AGREEMENT (the "Agreement"), dated as of April 7, 1994, by and among Great Bay Power Corporation (f/k/a EUA Power Corporation), a corporation and a debtor-in-possession under the Bankruptcy Code (the "Company") and the purchasers listed on the signature pages hereto (each a "Purchaser" and collectively, the "Purchasers").

WHEREAS, pursuant to or in connection with the Plan and Solicitation, the Company intends to reorganize and desires to restructure its equity capitalization;

WHEREAS, in connection with the consummation of the Plan, the Company desires to issue and sell to the Purchasers a total of 4,800,000 shares of New Common Stock, representing 60% of the fully diluted common stock of the Company upon consummation of the Plan, for an aggregate purchase price of $35,000,000; and

WHEREAS, the Purchasers desire to subscribe for and purchase such New Common Stock upon the terms and subject to the conditions specified herein (the "Sale Transaction").

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements set forth herein, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

1.1. Definitions. As used in this Agreement, the following terms shall have the following meanings:

"Additional Power Purchase Agreements" means any contract or agreement (other than the UNITIL Power Purchase Agreements) having a term equal to or greater than one year entered into by the Company and approved by FERC relating to the purchase or sale of electrical power generated by the Facility.

"Affiliate" has the meaning ascribed to it in Section (a)(1) of Rule 144 promulgated under the Securities Act.

"Articles of Organization" means the Restated Articles of Incorporation of the Reorganized Company, filed with the Secretary of State of New Hampshire on the Closing Date, substantially in the form of Exhibit A to this Agreement.

"Balance Sheet" means the balance sheet of the Company as of the Closing Date referred to in Section 7.1(g)(ii) hereof.

"Bankruptcy Code" means Title 11, Section 101 et seq. of the United States Code titled "Bankruptcy," as amended from time to time, and any successor statute thereto.

"Bankruptcy Court" means the United States Bankruptcy Court for the District of New Hampshire.

"Base Case Forecast" shall mean the financial projections satisfactory in form, substance and detail to the Purchasers delivered to the Purchasers pursuant to Section 7.1(l) relating to the Company's operation of its Undivided Interest prepared by the Company and certified by the chief financial officer of the Company.

"Benefit Plan" means each bonus, deferred compensation, incentive compensation, stock purchase, stock option, severance or termination pay, hospitalization or other medical, life or other insurance, supplemental unemployment benefits, profit-sharing, pension, or retirement plan, program, agreement or arrangement, and each other employee benefit plan, program, agreement or arrangement sponsored, maintained or contributed to or required to be contributed to by the Company or by any ERISA Affiliate, for the benefit of any employee or former employee of the Company or any ERISA Affiliate.

"Blue Sky Laws" means the securities and take-over laws of the applicable state or states.

"Closing Date" means the date on which the Sale Closing occurs.

"Code" means the Internal Revenue Code of 1986, as amended from time to time.

"Confirmation Order" means the order entered by the Bankruptcy Court confirming the Plan pursuant to Section 1129 of the Bankruptcy Code.

"Disclosure Statement" means the Fourth Amended Disclosure Statement For Bondholders' Committee Fifth Amended Plan of Reorganization Dated December 21, 1992, as amended by the Supplemental Disclosure Statement Dated February 11, 1994 Relating to First Modification to Bondholders' Committee's Fifth Amended Plan of Reorganization of Great Bay Power Corporation filed with the Bankruptcy Court.

"Effective Date" shall have the meaning ascribed to such term in the Plan.

"Environmental Laws" means all federal, state, local and foreign laws and regulations relating to pollution or the environment (including, without limitation, ambient air, surface water, ground water, land surface or subsurface strata), including, without limitation, laws and regulations relating to emissions, discharges, releases or threatened releases of Materials of Environmental Concern, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Materials of Environmental Concern.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, together with the rules and regulations promulgated thereunder.

"ERISA Affiliates" means any trade or business, whether or not incorporated, that together with the Company would be deemed a "single employer" within the meaning of Section 4001(a)(14) of ERISA.

"Existing Debt" shall mean the Company's liabilities under its 17 1/2% Series B Notes due on May 15, 1993 and its 17 1/2% Series C Notes due on November 15, 1992.

"Facility" means Seabrook Nuclear Generating Station Unit 1, a nuclear-fuel electrical generating unit located in Seabrook, New Hampshire.

"FERC" means the Federal Energy Regulatory Commission.

"FPA" means the Federal Power Act.

"GAAP" means generally accepted accounting principles in the United States as in effect from time to time.

"Governmental Approval" shall mean any authorization, consent, approval, license, ruling, permit, certification, exemption, filing, variance, claim, order, judgment, decree, publication, notices to, declarations of or with or registration by or with any Governmental Entity.

"Governmental Entity" means any federal, state, local or foreign legislative body, court, government, department or instrumentality, or governmental, administrative or regulatory authority or agency.

"Governmental Rule" shall mean any statute, law, regulation, ordinance, rule, judgment, order, decree, permit, concession, grant, franchise, license, agreement, directive, guideline, policy, requirement, or other governmental restriction or any similar form of decision of or determination by, or any interpretation or administration of any of the foregoing by, any Government Entity, whether now or hereafter in effect.

"HSR Act" means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.

"Joint Ownership Agreement" means the Agreement for Joint Ownership, Construction and Operation of New Hampshire Nuclear Units, dated as of May 1, 1973, by and between the Original Participants (as defined therein), as amended, supplemented or modified and in effect from time to time.

"Liens" has the meaning set forth in Section 3.15 hereof.

"Management Agreement" shall mean the management agent agreement to be dated as of the Effective Date and a letter agreement, dated as of August 26, 1993, each between the Company and UNITIL or a designated affiliate of UNITIL.

"Marketing Agreement" means the marketing agent agreement, dated April 1, 1993, between the Company and UNITIL or a designated affiliate of UNITIL.

"Material Adverse Effect" means (a) any change or effect that is materially adverse to the business, results of operations, properties (including intangible properties), condition (financial or otherwise), prospects or assets or liabilities of the Company or (b) a material adverse effect on the Facility.

"Materials of Environmental Concern" means hazardous substances as defined under the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601 et seq. and hazardous wastes as defined under the Resource Conservation and Recovery Act, 42 U.S.C. § 6901, et seq. and petroleum and petroleum products and such other chemicals, materials or substances as are listed as "hazardous wastes", "hazardous materials", "toxic substances", or words of similar import under any similar federal, state, local or foreign laws.

"Multiemployer Plan" shall mean a multiemployer plan defined as such in Section 3(37) of ERISA to which contributions have been made by the Company or any ERISA Affiliate and which is covered by Title IV of ERISA.

"NHPUC" means the New Hampshire Public Utility Commission.

"NRC" means the Nuclear Regulatory Commission.

"New Common Stock" means the 8,000,000 shares of common stock, par value $.01 per share, of the Reorganized Company after the Articles of Organization are filed with the Secretary of State of New Hampshire.

"Omega Entities" shall mean Omega Capital Partners L.P., Omega Institutional Partners L.P., Omega Overseas Partners L.P., Common Fund, Omega Overseas

Partners II Ltd., Goldman Sachs & Co. Profit Sharing Master Trust and 88 Pine Street.

"PBGC" means the Pension Benefit Guaranty Corporation.

"Pension Plan" means any employee plan that is subject to the provisions of Title IV of ERISA and that is maintained by or to which contributions are made by the Company or any of its ERISA Affiliates other than a Multiemployer Plan.

"Plan" means the First Modification to Bondholders' Committee's Fifth Amended Plan of Reorganization of Great Bay Power Corporation, dated February 11, 1994, as filed with the Bankruptcy Court.

"Project Documents" means, collectively, the UNITIL Documents, the Joint Ownership Agreement, the Transmission Agreement, and, at all times after the due execution and delivery thereof, each Additional Power Purchase Agreement.

"Property" means any right or interest in or to property of any kind whatsoever, whether real, personal or mixed and whether tangible or intangible.

"Purchase Price" has the meaning set forth in Section 2.1 hereof.

"Registration Rights Agreement" means the Registration Rights Agreement to be entered into on the Closing Date between the Reorganized Company and the Purchasers, substantially in the form attached hereto as Exhibit B.

"Reorganized Company" shall mean the Company, as reorganized pursuant to the Plan on and after the Effective Date.

"Restructuring" means all of the material transactions contemplated by, or in connection with, the Plan, as described in the Disclosure Statement, including, but not limited to, (i) the filing of the Articles of Organization with the Secretary of State of New Hampshire, and (ii) the issuance and sale by the Reorganized

Company of 4,800,000 shares of New Common Stock to the Purchaser.

"Sale Closing" has the meaning set forth in Section 2.2 hereof.

"Sale Transaction" shall have the meaning set forth in the recitals hereto.

"SEC" means the United States Securities and Exchange Commission.

"Securities Act" means the Securities Act of 1933, as amended, together with the rules and regulations promulgated thereunder.

"Securities Exchange Act" means the Securities Exchange Act of 1934, as amended, together with the rules and regulations promulgated thereunder.

"Solicitation" means the solicitation of acceptances of the Plan pursuant to and in accordance with the terms of Sections 1125, 1126(b), 1127 and 1129 of the Bankruptcy Code by the Company from its creditors and equity interest holders whose claims or interests will be impaired under the Plan.

"Subsidiaries" means, with respect to any person, any corporation, partnership, joint venture or other legal entity of which such person (either alone or through or together with any other Subsidiaries) owns, directly or indirectly, 50% or more of the outstanding stock or other equity interest the holders of which are generally entitled to vote for the election of the board of directors or other governing body of such corporation or other legal entity.

"Taxes" means all taxes, charges, fees, levies, duties or other assessments, including without limitation all net income, gross income, gross receipts, franchise, value added, sales, use, property, ad valorem, transfer, withholding, profits, license, employee, payroll, social security, unemployment, excise, estimated, severance and any other taxes, duties, withholdings, fees, assessments or charges of any kind whatsoever, including any interest, penalties or additional amounts attributable there-

to, imposed by any federal, state, local or foreign taxing authority.

"Tax Return" means any report, return, information statement or other information required to be supplied to any federal, state, local or foreign taxing authority, or any election permitted to be made, in connection with Taxes.

"Transmission Agreement" means the Transmission Support Agreement dated as of May 1, 1973, as amended, by and between Public Service Company of New Hampshire, New England Power Company and the other Participants.

"UNITIL" means UNITIL Power Corp., a Delaware corporation.

"UNITIL Documents" means the Marketing Agreement, the Management Agreement, the UNITIL Power Purchase Agreements and the UNITIL Subordinated Mortgages.

"UNITIL Power Purchase Agreements" means the Purchased Power Agreement, dated as of April 26, 1993, and the Power Purchase Option Agreement, dated as of April 26, 1993, each by and between the Company and UNITIL.

"UNITIL Subordinated Mortgages" means the Second Mortgage and Security Agreement and the Third Mortgage and Security Agreement, each dated as of December 22, 1993 by and among the Company and UNITIL.

"Undivided Interest" means the Company's undivided interest in the Facility, the percentage of which equals the Undivided Interest Percentage.

"Undivided Interest Percentage" means 12.1324%.

Section 1.2. Several Obligations. The obligations of each Purchaser and the obligations of the Company hereunder are subject to the execution and delivery of this Agreement by all Purchasers. The obligations of each Purchaser shall be several and not joint, and no Purchaser shall be liable or responsible for the acts of any other Purchaser.

ARTICLE II

PURCHASE AND SALE OF SHARES

2.1. Agreement to Purchase and Sell. Upon the terms and subject to the conditions hereinafter set forth, each Purchaser hereby subscribes for and agrees to purchase from the Company, and the Company agrees to issue and sell to each Purchaser, on the Closing Date, the number of shares of New Common Stock specified opposite such Purchaser's name on the attached Schedule 1.1 for the purchase price specified thereon (the "Purchase Price").

2.2. Sale Closing. (a) The closing of the purchase and sale of the New Common Stock pursuant to Section 2.1 hereof (the "Sale Closing") shall take place as promptly as practicable following the satisfaction or waiver of the conditions set forth in Article VII hereof. The Sale Closing shall be held at the offices of Skadden, Arps, Slate, Meagher & Flom, 919 Third Avenue, New York, New York 10022, or at such other place as the parties hereto shall mutually agree.

(b) At the Sale Closing, (i) the Company shall deliver to each Purchaser, against payment of its Purchase Price therefor, one or more certificates for the shares of New Common Stock, in definitive form and registered in the name of such Purchaser or its nominee, which name shall be designated in writing at least two (2) business days prior to the Sale Closing, representing the New Common Stock being purchased by it, (ii) each Purchaser shall deliver to the Company against delivery of the certificate or certificates representing the New Common Stock, by wire transfer to such account as the Company shall designate in writing at least two (2) business days prior to the Sale Closing, its Purchase Price payable in immediately available funds, and (iii) each party to this Agreement shall deliver to the others such other documents, instruments and writings as may be required to be delivered in accordance with this Agreement or as may be reasonably requested by such other party.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company hereby represents and warrants to each Purchaser as follows:

3.1. Corporate Organization. The Company is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation, and, subject to the jurisdiction of the Bankruptcy Court, has all requisite corporate power and authority to own or lease and operate its properties and to carry on its business as now being conducted, and is duly qualified to do business and in good standing in each jurisdiction in which the property owned, leased or operated by it or the nature of the business conduced by it makes such qualification necessary. The Company has made available to each Purchaser or its agents complete and correct copies of its Articles of Organization and by-laws as in effect on the date hereof.

3.2. Capitalization. (a) On the Closing Date, after giving effect to the Plan and the Restructuring, the authorized capital stock of the Reorganized Company will consist of 8,000,000 shares of New Common Stock, 4,800,000 shares of which will be sold to the Purchasers and when sold will be duly authorized and validly issued, fully paid and nonassessable and 3,200,000 shares of which will be reserved for issuance upon cancellation of the Company's Existing Debt.

(b) On the Closing Date, after giving effect to the Plan and the Restructuring, except as set forth in Section 3.2(a) above, the Reorganized Company will not have outstanding any capital stock or securities convertible into or exchangeable for any shares of capital stock and there will be no options, warrants or other rights, agreements, arrangements or commitments of any character to which the Reorganized Company is a party or otherwise obligating the Reorganized Company to issue or sell, or, entitling any person to acquire from the Reorganized Company, and, the Reorganized Company will not be a party to any agreement, arrangement or commitment obligating it to repurchase, redeem or otherwise acquire, any shares of its capital stock or securities convertible

into or exchangeable for any of its capital stock.

(c) Upon delivery of the certificate(s) representing the New Common Stock, and payment of the Purchase Price therefor, pursuant to the Sale Transaction in accordance with the terms of this Agreement, the Reorganized Company will transfer to each Purchaser good and valid title to the New Common Stock, free and clear of any Lien, other than Liens, if any, created by such Purchaser.

3.3. Subsidiaries. The Company has no, and never has had any, Subsidiaries and neither owns nor holds any interest in any corporation, partnership, joint venture or other person except for the Company's ownership of the Undivided Interest.

3.4. Authorization. (a) Subject to the entry of the Confirmation Order, the Company has full corporate power and authority to execute and deliver this Agreement and the Registration Rights Agreement and to consummate the transactions contemplated hereby and thereby in accordance with the terms hereof and thereof and otherwise pursuant to the Restructuring. Except for the approval of the Bankruptcy Court, no other corporate proceedings on the part of the Company are necessary to approve and authorize the execution and delivery of this Agreement and the Registration Rights Agreement and the consummation of the transactions contemplated hereby and thereby in accordance with the terms hereof and thereof and otherwise pursuant to the Restructuring. Upon the approval by the Bankruptcy Court, each of this Agreement and the Registration Rights Agreement will constitute a valid and binding agreement of the Reorganized Company, enforceable against the Reorganized Company, in accordance with its terms, except (a) to the extent limited by (i) bankruptcy, insolvency, reorganization, fraudulent transfer, moratorium or other similar laws now or hereafter in effect relating to creditors' rights generally and (ii) general principles of equity and (b) the enforceability of the rights to indemnity provided for in the Registration Rights Agreement may be limited by public policy considerations.

(b) The Company has or on the Closing Date will have full corporate power and authority to effect the Restructuring in accordance with the terms

thereof and otherwise pursuant to the Plan and to execute and deliver each agreement, instrument and document required to be executed by it in connection therewith and to consummate the transactions contemplated thereby. The consummation of the Restructuring has or on the Closing Date will have been duly authorized or ratified by the Board of Directors of the Company, and no other corporate proceedings on the part of the Company will be necessary to approve and authorize the consummation of the Restructuring or the execution and delivery of the agreements, instruments and documents contemplated thereby in accordance with their terms. As of their respective dates of execution and delivery, each agreement required to be executed by the Company, subject to approval by the Bankruptcy Court, or the Reorganized Company in connection with the Restructuring will constitute a valid and binding agreement of the Company or the Reorganized Company as the case may be, enforceable against the Company or the Reorganized Company, as the case may be, in accordance with its terms, except, in the case of the Reorganized Company, to the extent limited by (i) bankruptcy, insolvency, reorganization, fraudulent transfer, moratorium or similar laws now or hereafter in effect relating to creditors' rights generally and (ii) general principles of equity.

3.5. Breach. Neither the execution and delivery of this Agreement by the Company, and each other agreement, instrument and document required to be executed by the Company or the Reorganized Company in connection with Restructuring, nor the consummation of the transactions contemplated hereby or thereby, including the Restructuring, nor the compliance by the Company or the Reorganized Company with any of the provisions hereof or thereof, will, except as set forth on Schedule 3.5 hereto, (i) conflict with, violate or result in any breach of the certificate of incorporation, by-laws or other charter documents of the Company or the Reorganized Company, as the case may be, (ii) result in a violation or breach of, or constitute (with or without due notice or lapse of time or both) a default or give rise to any right of termination, cancellation or acceleration under, or result in the creation of any Lien on or against any of the Properties of the Company or the Reorganized Company, as the case may be, pursuant to any of the terms or conditions of any note, bond, mortgage, indenture, license, agreement or other instrument or obligation to

which the Company or the Reorganized Company as the case may be is a party or by which any of them or any of their properties or assets may be bound, or (iii) subject to Bankruptcy Court approval, violate in any material respects any Governmental Rule binding on the Company or the Reorganized Company or any of its Properties.

3.6. Governmental Approvals. All of the Government Approvals necessary for the Company to own, manage and operate its Undivided Interest as contemplated by the Project Documents are set forth in Schedule 3.6 and have been duly obtained, were validly issued and are in full force and effect, are not subject to appeal and are held in the name of the Company. The information set forth in each application submitted in connection with each such Government Approval is accurate and complete in all material respects. Each Purchaser has received a true complete copy of each such Government Approval heretofore obtained or made by the Company.

3.7. Compliance with Applicable Law. The business of the Company is not being conducted in violation of any material Governmental Rule. The Company possesses all domestic and to the knowledge of the Company, foreign governmental licenses, permits, authorizations and approvals and has made all registrations and given all notifications required under federal, state, local or, to the knowledge of the Company, foreign law to carry on in all respects its business as currently conducted, except as otherwise disclosed in writing by the Company to the Purchasers on or prior to the date hereof and except to the extent that not having such items could not reasonably be expected to result in a Material Adverse Effect. No investigation or review by any Governmental Entity is pending or, to the knowledge of the Company, threatened against the Company or the Facility, other than those the outcome of which, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

3.8. Litigation. Except as set forth on Schedule 3.8 hereto, there is no claim, action or proceeding (including any condemnation proceeding) pending or, to the best knowledge of the Company, threatened against or relating to the Company, its Undivided Interest or any of its other Properties by or before any Governmental Entity that will not be discharged in bank-

ruptcy, nor is there any judgment, decree, injunction, rule or order of any Governmental Entity or arbitrator outstanding against the Company or any of its Properties that will not be discharged in bankruptcy. To the best knowledge of the Company without independent investigation, there is no action, suit or proceeding at law or in equity or by or before any Government Entity, arbitral tribunal or other body, now pending or threatened against any party to any Project Document or any of their respective Properties which could reasonably be expected to result in a Material Adverse Effect.

3.9. Financial Condition. The financial statement of the Company to be delivered to the Purchasers pursuant to Section 7.1(g)(i) (including the related notes and schedules thereto) is complete and correct and fairly presents the financial condition of the Company as at said date and the results of operations for the fiscal period ended on said date, all in accordance with GAAP applied on a consistent basis. The Company does not have on said date any material contingent liabilities, liabilities for taxes, unusual forward or long-term commitments or unrealized or anticipated losses from any unfavorable commitments, except as referred to or reflected or provided for in said financial statement as at said date. Since the date of such financial statements, there has been no material adverse change in the business, operations, condition (financial or otherwise) or Property taken as a whole of the Company from that set forth in said financial statements as at said date.

3.10. No Undisclosed or Contingent Liabilities. Except as described in the Disclosure Statement, the Company owes no claims (including, but not limited to, any claims as defined in Section 101(5) of the Bankruptcy Code), liabilities or obligations of any nature whatsoever (whether absolute, accrued, contingent or otherwise and whether due or to become due) that would be required to be reflected or reserved against on the balance sheet of the Company or disclosed in footnotes thereto, all in accordance with GAAP, except for claims, liabilities or obligations reflected or reserved against on the Balance Sheet or disclosed in footnotes thereto.

3.11. Taxes. The Company has timely filed with the appropriate federal, state, local and foreign taxing authorities all Tax Returns required to be filed

by or with respect to the Company. The Company has paid or caused to be paid in full or has made or has caused to be made adequate provision for on its books and records (in accordance with GAAP) all Taxes shown to be due on such Tax Returns, (in accordance with GAAP) for all taxes payable by the Company. The Company has not granted any waivers, consents or extensions which extend the statute of limitations to assess U.S. federal income taxes of the Company to a date after the date hereof. Schedule 3.11 hereto sets forth all material written deficiency notices or assessments from any federal, state, local or foreign taxing authority with respect to liability for Taxes of the Company that has not been fully paid or finally settled other than notices or assessments for Taxes that in the aggregate would not have a Material Adverse Effect, and all such deficiency notices or assessments are being contested in good faith. Schedule 3.11 hereto sets forth all Tax Returns of the Company that are currently (or proposed to be) the subject of any audit or other proceeding by (i) the U.S. Internal Revenue Service or (ii) by any other tax authority whose audit or proceeding singly or in the aggregate could reasonably be expected to involve an amount of Taxes that would have a Material Adverse Effect. Except as set forth on Schedule 3.11 hereto, the statute of limitations to assess U.S. federal income taxes has expired for all taxable periods through the taxable year ended December 31, 1989 with respect to the Company. Except as set forth on Schedule 3.11 hereto, there are no material Liens for Taxes upon the assets of the Company except for statutory liens for current Taxes that are not yet due or Taxes that are being contested in good faith. The Company has not filed a consent pursuant to section 341(f) of the Code or agreed to have section 341(f)(2) of the Code apply to any disposition of a subsection (f) asset (as such term is defined in section 341(f)(4) of the Code) owned by the Company. Except as set forth on Schedule 3.11 hereto, the Company is not a party to any written agreement providing for the allocation, sharing or indemnification of Taxes that would reasonably be expected to have a Material Adverse Effect.

3.12. Employee Benefit Plans. The Company and the ERISA Affiliates have no Pension Plans or Multiemployer Plans and are in compliance in all material respects with the presently applicable provisions of ERISA and the Code.

3.13. Absence of Certain Changes or Events. Except (a) as set forth in the Disclosure Statement and (b) for such changes contemplated by or provided for in the Plan, since January 1, 1994, (i) the Company has conducted its business, operations and affairs in the ordinary course of business consistent with past practice, except for such changes primarily occurring as a result of the Company operating as a debtor-in-possession during the pendency of the bankruptcy case; and (ii) there has not been any change, condition or event that, individually or in the aggregate, has had or could reasonably be expected to have a Material Adverse Effect.

3.14. Environmental Matters. (a) Except as set forth in Schedule 3.14, the Company has obtained all permits, licenses and other authorizations, and have made all registrations and given all notifications, that are required with respect to the operation of its business under all applicable Environmental Laws.

(b) Except as set forth in Schedule 3.14, the Company is in compliance in all material respects with all terms and conditions of the required permits, licenses and other authorizations referred to in paragraph (a) above, and is also in compliance in all material respects with any other limitations, restrictions, conditions, standards, prohibitions, requirements, obligations, schedules and timetables contained in the Environmental Laws or contained in any regulation, code, plan, order, decree, judgment, injunction, settlement agreement, notice or demand letter issued, entered, promulgated or approved thereunder.

(c) Except as set forth on Schedule 3.14, there is no civil, criminal or administrative action, suit, demand, claim, hearing, notice of violation, investigation, proceeding, notice or demand letter (collectively "Actions") pending or, to the best knowledge of the Company, threatened against the Company or the Facility relating in any way to Environmental Laws or any regulation, code, plan, order, decree, judgment, injunction, notice or demand letter issued, entered, promulgated or approved thereunder.

3.15. Material Contracts. Except as set forth on Schedule 3.15, after giving effect to the Plan and the Restructuring, each material note, bond, mort-

gage, indenture, license, contract, agreement or other instrument or obligation of the Company which is being assumed pursuant to the Plan will be in full force and effect and will constitute a legal, valid and binding obligation of the Company and, to the best knowledge of the Company, each other party thereto, and will be enforceable against the parties thereto in accordance with its terms as modified, if applicable, under the Plan or pursuant to Bankruptcy Court order, and except to the extent that such enforceability is limited by (i) bankruptcy, insolvency, reorganization, fraudulent transfer, moratorium or other similar laws now or hereafter in effect relating to creditors' rights generally and (ii) general principles of equity, and neither the Company nor, to the knowledge of the Company, any other party thereto is in violation or breach thereof or default thereunder.

3.16. Properties; Encumbrances. On the Closing Date after giving effect to the Plan and the Restructuring, the Reorganized Company will have good and valid, and in the case of real property marketable, title to all material properties and assets which it purports to own (real, personal and mixed, tangible and intangible, including all forms of intellectual property and intellectual property rights), including, without limitation, all the material properties and assets reflected on the Balance Sheet and all material properties and assets purchased by the Company since the date of the Balance Sheet. All material properties and assets of the Reorganized Company will be free and clear of all liens, mortgages, claims (including, but not limited to, any claims as defined in Section 101(5) of the Bankruptcy Code), interests, charges, security interests or other encumbrances or adverse interests of any nature whatsoever and other title or interest retention arrangements ("Liens"), except (a) as reflected on the Balance Sheet, (b) statutory Liens of carriers, warehousemen, mechanics, workmen and materialmen for liabilities and obligations incurred in the ordinary course of business consistent with past practice that are not yet delinquent or are being contested in good faith, (c) such defects, irregularities, encumbrances and other imperfections of title as normally exist with respect to property similar in character and that, individually or in the aggregate together with all other such exceptions, do not and would not have or result in a Material Adverse Effect, (d) Liens for Taxes,

(e) the rights of the joint owners pursuant to the Joint Ownership Agreement and (f) the UNITIL Subordinated Mortgages. On the Closing Date after giving effect to the Plan and Restructuring, the rights, properties and other assets owned, leased or licensed by the Reorganized Company will include all rights, properties and other assets necessary to permit the Reorganized Company to conduct its business in all material respects in accordance with the Reorganized Company's business plan described in the Disclosure Statement.

3.17. Insurance. All current primary, excess and umbrella policies of insurance owned or held by or on behalf of or providing insurance coverage to the Company are in full force and effect. With respect to all such insurance policies providing insurance coverage to the Company, no premiums are in arrears, no notice or cancellation or termination has been received with respect to any such policy, other than notices of cancellation or termination routinely sent at the end of a policy term, and all such insurance policies are valid, outstanding, collectible and enforceable policies. The insurance coverage of the Company is adequate and sufficient to cover claims in the ordinary course of business beyond applicable deductibles or self-insured retention amounts and, to the best knowledge of the Company, is consistent with the coverage maintained by corporations of similar size and engaged in similar lines of business.

3.18. Employee Claims; Labor Matters. (a) Except as set forth on Schedule 3.18, on the Closing Date, after giving effect to the Plan and the Restructuring, there will be no claims or actions pending or, to the best knowledge of the Company, threatened between the Reorganized Company and any of its employees that would, or would be reasonably likely to, individually or in the aggregate, have a Material Adverse Effect. Except as set forth in Schedule 3.18 hereto, (i) on the Closing Date, after giving effect to the Plan and the Restructuring, no current or former employee of the Company or the Reorganized Company owns any securities of the Reorganized Company and (ii) there will be no agreements, arrangements or understandings between any employee of the Company on the one hand and the Reorganized Company on the other hand providing any such rights to any of such employees.

(b) On the Closing Date, after giving effect to the Plan and the Restructuring, there will be no unfair labor practice complaints pending against the Reorganized Company before the National Labor Relations Board or any union representation questions involving employees of the Reorganized Company that would, individually or in the aggregate, have a Material Adverse Effect. The Company has no knowledge of any strikes, slowdowns, work stoppages or lockouts, or threats thereof, by or with respect to any employees of the Company that would, individually or in the aggregate, have a Material Adverse Effect.

3.19. Disclosure Statement. The Disclosure Statement and any supplements thereto taken as a whole will comply with the requirements of Section 1125 of the Bankruptcy Code.

3.20. Material Disclosure. This Agreement (including any Exhibit or Schedule hereto), the Plan and the Disclosure Statement, and any supplements thereto, and any written statements, documents or certificates furnished to any Purchaser by the Company, and as of the Closing Date, in connection with the transactions contemplated hereby, taken as a whole, do not and will not contain any untrue statement of a material fact or omit to state a material fact required to be stated herein or therein or necessary to make the statements herein or therein, in light of the circumstances under which they were made, not misleading. The pro forma financial projections contained in the Base Case Forecast were made in good faith and the assumptions on which such projections were made were (when made) and are (as of the Closing Date) reasonable. There is no fact known to the Company on the Closing Date that has not been disclosed in writing to the Purchasers which has, or which could reasonably be expected in the future to have, a Material Adverse Effect.

3.21. Delivery of Documents. Each Purchaser has received a true and complete copy of each Project Document as in effect on the date of this representation (including all exhibits, schedules and disclosure letters referred to therein or delivered pursuant thereto, if any). Except as may be permitted from time to time pursuant to Sect[illegible] 5.1(i), none of the Project Documents has been amended, [illegible]odified or terminated, and all of the

\Project Documents are in full force and effect. All conditions precedent to the effectiveness of the obligations of the respective parties under the Project Documents will have been satisfied or waived on or before the Closing Date. All representations, warranties and other factual statements made by the Company, and, to the best knowledge of the Company without independent investigation, made by each other Person in the Project Documents or documents furnished thereunder are true and correct in all material respect and do not omit to state any material fact necessary to make such representations, warranties and other factual statements not misleading.

3.22. Securities Laws. The offer, sale and issuance of the New Common Stock by the Company pursuant to the Sale Transaction, and in accordance with the terms and conditions of the Plan, the Restructuring and this Agreement has not violated, and will not violate, the Securities Act or Blue Sky Laws.

3.23. Reorganization Case. The Company has not taken any action, or failed to take any action, which action or failure would prevent, materially impede or result in the revocation of (i) entry of the Confirmation Order (as provided in Section 1129 of the Bankruptcy Code), (ii) a full and complete discharge of all material debts of the Company to the fullest extent possible under Section 1141(d) of the Bankruptcy Code and (iii) the vesting upon the entry of the Confirmation Order of the property of the Company in the Company in its reorganized form, free and clear of all Liens in accordance with Section 1141(b) and (c) of the Bankruptcy Code.

3.24. Status. The Company is exempt from all provisions of the Public Utility Holding Company Act of 1935, as amended. None of the Purchasers, solely by virtue of the execution, delivery or performance of, and the consummation of the transactions, contemplated by, this Agreement and the Project Documents shall be or become (i) subject to regulation under the Public Utility Holding Company Act of 1935, as amended (ii) subject to regulation as a "public utility" under and as defined in the FPA, or (iii) subject to regulation as a "public utility" or "public service corporation" or the equivalent under the laws of the State of New Hampshire. The Company is not an "investment company" or a company "controlled" by an "investment company" within the mean-

ing of the Investment Company Act of 1940, or an "investment advisor" within the meaning of the Investment Company Act of 1940.

3.25. Exempt Wholesale Generator. The Company is an "Exempt Wholesale Generator" as such term is defined in Section 32 of the Public Utility Holding Company Act of 1935, as amended.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF THE PURCHASERS

Each Purchaser hereby represents and warrants (in respect of itself only) to the Company as follows:

4.1. Organization; Authorization. It is a corporation or partnership, validly existing and in good standing under the laws of its jurisdiction of organization or formation and has full power and authority to execute and deliver this Agreement and the Registration Rights Agreement, and to consummate the transactions contemplated hereby and thereby in accordance with the terms hereof and otherwise pursuant to the Restructuring. The execution and delivery of this Agreement and the Registration Rights Agreement and the consummation of the transactions contemplated hereby and thereby have been duly authorized by such Purchaser, and no other proceedings on the part of such Purchaser are necessary to approve and authorize the execution and delivery of this Agreement and the Registration Rights Agreement and the consummation of the transactions contemplated hereby and thereby in accordance with the terms hereof and otherwise pursuant to the Restructuring. This Agreement and the Registration Rights Agreement constitute valid and binding agreements of such Purchaser, enforceable against it in accordance with their terms, except to the extent limited by (i) bankruptcy, insolvency, reorganization, fraudulent transfer, moratorium or similar laws now or hereafter in effect relating to creditors' rights generally and (ii) general principles of equity.

4.2. No Violation; Consents. (a) Neither the execution and delivery by such Purchaser of this Agreement and the Registration Rights Agreement nor the consummation by such Purchaser of the transactions contemplated hereby or thereby will (i) conflict with, violate or result in a breach of the certificate of incorporation, bylaws, partnership agreement or other governing document of such Purchaser, (ii) result in a violation or breach of, or constitute (with or without due notice or lapse of time or both) a default or give rise to any right of termination, cancellation or acceleration under, or result in the creation of any Lien on or against any of the properties of such Purchaser pursu-

ant to, any of the terms or conditions of any note, bond, mortgage, indenture, license, agreement or other instrument or obligation to which such Purchaser is a party or by which it or any of its properties or assets may be bound, or (iii) violate any statute, law, rule, regulation, writ, injunction, judgment, order or decree of any Governmental Entity, binding on such Purchaser or any of its properties or assets, excluding from the foregoing clauses (ii) and (iii) violations, breaches and defaults that individually or in the aggregate, would not prevent or materially delay consummation of or justify rescission of the transactions contemplated hereby.

(b) No filing, consent, approval, permit, authorization, notice, registration or other action of or with any Governmental Entity is required to be made or obtained by or with respect to such Purchaser in connection with the execution and delivery of this Agreement and the Registration Rights Agreement, or the consummation by such Purchaser of the transactions contemplated hereby and thereby, other than such filings, consents, approvals, permits, authorizations, notices or registrations the failure of which to make or obtain, individually or in the aggregate, would not prevent or materially delay consummation of the transactions contemplated hereby.

4.3. Status and Investment Intent. (a) It is an "accredited investor" as defined in Rule 501(a) under the Securities Act, and it is acquiring the New Common Stock hereunder for its own account for investment purposes only and (subject to its property being at all times within its control) not with a view to, or with any present intention of, resale, distribution or other disposition thereof except as is otherwise provided in this Agreement and pursuant to the Plan with respect to the New Common Stock or as permitted under applicable securities laws.

(b) It has sufficient knowledge and experience in financial and business matters so as to be capable of evaluating the merits and risks of its investment in the New Common Stock and it is capable of bearing the economic risks of such investment, including a complete loss of its investment.

4.4. 1935 Act. It is not, and has no "affiliate" or "associate company" that is, an "electric utility company," as each of those terms are defined in the Public Utility Holding Company Act of 1935, as amended.

ARTICLE V

COVENANTS OF THE COMPANY

5.1. Conduct of Business by the Company Pending the Closing. Except as contemplated by this Agreement or the Plan or as described in the Disclosure Statement, the Company covenants and agrees that, during the period between the date of this Agreement and through and including the Closing Date, unless the Purchasers shall otherwise unanimously agree in writing, it will:

(a) conduct its business only, and not take any action except in the ordinary course of business and in a manner consistent with past practice or otherwise in connection with the Restructuring, and, subject to the applicable provisions of the Bankruptcy Code and orders of the Bankruptcy Court and the Plan, shall use its reasonable efforts to preserve substantially intact the business organization of the Company to keep available the services of the present consultants of the Company and to preserve the present relationships of the Company with customers, suppliers and other persons with which the Company has significant business relations;

(b) not amend either its Articles of Incorporation or by-laws;

(c) not split, combine or reclassify its outstanding capital stock or declare, set aside, make or pay any dividend or other distribution in respect of its capital stock (in cash or otherwise);

(d) except as provided for in the Plan, not to issue or sell (or agree to issue or sell) any of its respective shares of capital stock of any class or other equity interests, as the case may be, or any securities convertible into or exchangeable for such shares or interests, or any subscriptions, options, warrants, conversion or other rights, warrants, agreements, arrangements or understandings of any kind obli-

gating it to issue or sell any such shares or interests or any such convertible securities;

(e) except as set forth in Schedule 5.1(e), not (i) grant to any director or officer or to any consultant or employee any increase in compensation in any form, (ii) grant to any such person any severance or termination pay or benefit, or (iii) make any loan or advance to, or enter into, amend, modify, terminate or renew any collective bargaining agreement or compensation, benefit or employment agreement or arrangement with, any such person;

(f) not adopt, enter into, amend, modify or terminate, or announce any intention to adopt, enter into, amend, modify or terminate any Benefit Plan or any other employee benefit plan, program or arrangement of general applicability, except as required by applicable law and following prior notice to and consultation with the Purchasers;

(g) not agree or otherwise commit to take any of the actions described in the foregoing paragraphs (b) through (f); and

(h) not engage in any transactions which could result in a civil penalty assessed pursuant to Section 502(i) of ERISA or a tax imposed by Section 4975 of the Code;

(i) not agree to amend the Joint Ownership Agreement or amend in any material respects any other Project Document; and

(j) not enter into any Additional Power Purchase Agreements.

5.2. Restructuring; Bankruptcy Cases. The Company shall use good faith reasonable efforts to effect the transactions contemplated hereby and the other Restructuring transactions contemplated hereby and the other Restructuring transactions pursuant to the Plan and the Solicitation. Without limiting the foregoing, (i) the Company shall use its good faith, reasonable efforts to cause confirmation of the Plan by the Bankruptcy Court using the acceptances of the Plan received pursuant to the Solicitation; (ii) the Company shall comply in all

material respects with the Bankruptcy Code and other laws, rules, regulations, decrees and orders promulgated thereunder in connection with obtaining confirmation of the Plan; (iii) subject to (ii) above and except as otherwise permitted by Section 5.3 hereof, shall use its reasonable good faith efforts to obtain, and shall refrain from knowingly taking any action that would be likely to prevent, materially impede or result in the revocation of, (A) the entry by the Bankruptcy Court of the Confirmation Order, (B) a full and complete discharge of all debt of the Company (to the fullest extent possible under Section 1141(d) of the Bankruptcy Code) in accordance with the Plan and (C) the vesting upon the occurrence of the Effective Date of the property of the Company in the Company in its reorganized form, free and clear of all Liens in accordance with Sections 1141(b) and (c) of the Bankruptcy Code, except as specifically set forth in the Plan; and (iv) the Company shall not consent to any change in the financial, economic or other terms or any other amendment or supplement to, or modification of, the Plan or the Disclosure Statement without the prior written consent of the Purchasers.

5.3. No Solicitation of Transactions. Except as contemplated by this Agreement or the Plan, from the date hereof through and including the Closing Date, the Company shall not, directly or indirectly, through any officer, director, agent or otherwise, solicit or initiate proposals or offers from any person relating to any acquisition of all or a material part of the assets of the Company or any acquisition of the securities of the Company, including, without limitation, any merger, consolidation, recapitalization or restructuring of the Company, or any similar transaction (an "Acquisition"); provided that if an Acquisition Proposal is made from any person, the Company and the Bondholders' Committee shall be free to participate in any negotiations regarding or furnish to any other person any information with respect to, or otherwise cooperate in any way with, assist, facilitate or encourage, any effort or attempt by any other person to do or seek an Acquisition. The Company shall promptly notify each Purchaser if it receives a proposal or offer, or any inquiry or contact from any person, relating to a potential Acquisition, and shall, in any such notice to the Purchasers, indicate in reasonable detail the identity of the offeror and the terms and conditions of any such potential Acquisition.

5.4. No Amendment of the Plan or Waiver of Discharge. The Company shall not, at any time after the date hereof through and including the Closing Date, (i) agree to any amendment or supplement to, or modification of the Plan or (ii) waive, the discharge of, or reinstate, or agree to the reinstatement of, or acknowledge or confirm, or reassume any debt which has been discharged by virtue of the confirmation of the Plan or any claim or interest extinguished with respect to the property vested in the Reorganized Company.

5.5. Disclosure Relating to Purchasers. The Company shall not disclose any information with respect to any Purchaser or the Person for whom such Purchaser acts as nominee, including but not limited to the identity of any Purchaser or such Person, in any document other than the disclosure approved by such Purchaser to be included in the Disclosure Statement except where such disclosure is (i) required by law or court order, (ii) required by the SEC, (iii) at the express direction of any government agency of the United States or of any state in which the Company conducts business or (iv) approved by such Purchaser. If such disclosure (other than under clause (ii) above) is required by law or court order, the Company shall, to the extent it is reasonably able, notify the affected Purchaser prior to making such disclosure.

ARTICLE VI

ADDITIONAL AGREEMENTS OF THE PARTIES

6.1. Investigation by the Purchasers. (a) During the period from the date hereof until the Closing Date, the Company will provide each Purchaser and its representatives full access upon reasonable notice and at reasonable times to the personnel, properties and all books, records and other information concerning the Company and will furnish to each Purchaser and its representatives such financial and operating data, including financial statements, and other information with respect to the business, assets, financial condition and operations of the Company (including, without limitation, all filings with the Bankruptcy Court and other Governmental Entities) as such Purchaser or its representatives shall from time to time reasonably request.

(b) No investigation pursuant to this Section 6.1 shall affect any representations or warranties of the Company herein or the conditions to the obligations of each Purchaser hereto.

6.2. Notification of Certain Matters. (a) The Company shall give prompt written notice to each Purchaser, and each Purchaser shall give prompt written notice to the Company, of (i) the occurrence or non-occurrence of any event the occurrence or non-occurrence of which would be likely to cause any representation or warranty contained in this Agreement to be untrue or inaccurate and (ii) any failure of the Company or such Purchaser, as the case may be, to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by it hereunder;

(b) The Company shall give prompt written notice to each Purchaser of (i) the occurrence or existence of any Material Adverse Effect, and any event, occurrence, fact, condition, change or effect that has had or would reasonably be expected to have or result in a Material Adverse Effect or (ii) of any event, occurrence or state of facts that would cause any Schedule or any other written disclosure provided to such Purchaser by the Company on or prior to the date hereof to not be true and correct in any material respect as of the Closing Date, provided that no such written notice shall affect the rights of any Purchaser or the obligations of the Company in respect of the representations, warranties or covenants of the Company contained in or made pursuant to this Agreement.

(c) The delivery of any notice pursuant to this Section 6.2 shall not limit or otherwise affect the remedies available hereunder to the party receiving such notice.

6.3. Further Action; Reasonable Efforts. Upon the terms and subject to the conditions hereof, each of the parties hereto shall use all reasonable efforts to take or cause to be taken all appropriate action and to do or cause to be done all things necessary, proper or advisable under applicable laws and regulations to consummate the transactions contemplated by this Agreement, including, without limitation, using all reasonable efforts to (i) obtain all licenses, permits, consents,

approvals, authorizations, qualifications and orders of Governmental Entities (including, without limitation, pursuant to any applicable requirements under or in connection with the HSR Act, the NRC, the NHPUC, the FERC and applicable foreign laws) and third parties and (ii) effect the execution and delivery of the Registration Rights Agreement.

6.4. Public Announcements. Except as may be otherwise required by law, each Purchaser and the Company shall consult with each other before issuing any press release or otherwise making any public statements with respect to this Agreement and shall not issue any such press release or make any such public statement prior to such consultation.

6.5. Restrictive Legend. Each certificate representing the New Common Stock purchased under the Agreement shall contain a legend relating to restrictions on resale arising under the Securities Act and Blue Sky laws substantially in the following form:

> THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 OR APPLICABLE STATE SECURITIES OR "BLUE SKY" LAWS AND MAY NOT BE TRANSFERRED OR OTHERWISE DISPOSED OF UNLESS THEY HAVE BEEN REGISTERED UNDER THAT ACT AND APPLICABLE STATE SECURITIES AND BLUE SKY LAWS OR AN EXEMPTION FROM REGISTRATION IS AVAILABLE.

ARTICLE VII

CONDITIONS TO CLOSING

7.1. Conditions to Obligations of the Purchasers. The obligation of each Purchaser to purchase the New Common Stock hereunder pursuant to the Sale Transaction is subject to the satisfaction or waiver at, or prior to, the Sale Closing of the following conditions:

(a) Representations and Warranties; Agreements and Covenants. (i) The representations and warranties of the Company contained in this Agreement, the Registration Rights Agreement and in any certificate or agreement of the Company delivered pursuant hereto or thereto shall be true and correct in all respects as of the date hereof and as of the Closing Date, with the same force and effect as if made on the Closing Date, (ii) the Company shall have performed or complied with in all material respects all agreements and covenants contained in this Agreement, the Registration Rights Agreement and in any certificate or agreement of the Company delivered pursuant hereto or thereto to be performed or complied with by the Company at or before the Sale Closing, and (iii) each Purchaser shall have received a certificate of the Company, signed by the President or a Vice President thereof, on behalf of the Company, as to the fulfillment of the conditions set forth in the foregoing clauses (i) and (ii).

(b) Confirmation of the Plan and Entry of the Confirmation Order. The Plan shall have been confirmed by the Bankruptcy Court and the Confirmation Order, in form and substance reasonably satisfactory to each Purchaser, shall have been entered. The Confirmation Order shall not exclude from the scope of the discharge granted to the Company any monetary liability for the litigation referred to in paragraph 2 of Schedule 3.8. On the date upon which all other conditions precedent set forth in this Section 7.1 have been satisfied or waived, (x) any motion for rehearing or reconsideration of the Confirmation Order shall have been denied or withdrawn and (y) no request for revocation of the Confirmation Order under section 1144 of the Bankruptcy Code shall have been made or, if made, shall remain pending.

The time allowed for appeals (including the time to seek review or rehearing) of the Confirmation Order shall have expired without any appeal having been taken or, if the Confirmation Order shall have been appealed, either (i) the parties hereto shall have filed with the Bankruptcy Court a statement that such parties will consummate the transactions contemplated herein notwithstanding such appeal, (ii) no stay of the Confirmation Order shall be in effect, (iii) such appeal shall have been dismissed with prejudice, or (iv) if such a stay has been granted by the Bankruptcy Court then (A) the stay shall have been dissolved or (B) a final order of the district court having jurisdiction to hear such appeal (or, in the case of a request for review or rehearing, the Bankruptcy Court) shall have affirmed the Confirmation Order and the time allowed to appeal from such affirmation or to seek review or rehearing thereof shall have expired and no further hearing, appeal or petition for certiorari can be taken or granted. The Confirmation Order shall not have been modified or amended or have been dissolved, revoked or rescinded, shall be in full force and effect on the Closing Date and, without the necessity of any further action or proceedings by the Company, the Bankruptcy Court shall have (x) as of the date of the Confirmation Order and as of the Closing Date, effected a full and complete discharge and release of, and thereby extinguished, all debts of the Company (to the fullest extent possible under Section 1141(d)(1) of the Bankruptcy Code) except as specifically set forth in the Plan and (y) vested the property of the Company in the Company in its reorganized form, free and clear of all Liens, to the extent contemplated by the Plan.

(c) Litigation. Other than the Confirmation Order, there shall have been no order or preliminary or permanent injunction entered in any action or proceeding before any Governmental Entity, nor other action taken by any Governmental Entity, nor any statute, rule, regulation, legislation, interpretation, judgment or order enacted, entered, enforced, promulgated, amended, issued or deemed applicable to any Purchaser, the Company, the Plan, the Solicitation or the Restructuring by any Governmental Entity that shall have remained in effect and that shall have had the effect of: (i) making illegal, materially delaying or otherwise directly or indirectly prohibiting or materially restraining or making materially more costly the Sale Transaction, the

confirmation of the Plan or the consummation of any other aspect of the Restructuring; (ii) prohibiting or materially limiting the ownership or operation by the Company of all or any material portion of its respective businesses or assets, or compelling the Company to dispose of or hold separate all or any material portion of its business or assets, as a result of the Restructuring; (iii) imposing or confirming material limitations on the ability of any Purchaser to effectively exercise full rights of ownership of the New Common Stock to be acquired pursuant to this Agreement, including, without limitation, the right to vote any New Common Stock on all matters properly presented to stockholders; (iv) requiring divestiture by any Purchaser of any of the New Common Stock; or (v) causing a Material Adverse Effect.

(d) No Action or Proceeding. No action, suit, claim or proceeding by or before any Governmental Entity shall have been commenced and be pending that seeks to have, or is reasonably likely to have, any of the effects described in clauses (i) through (v) of Section 7.1(c) above.

(e) Organizational Documents. A copy of the Certificate of Incorporation or Articles of Organization and by-laws of the Company, in each case as in effect on the Closing Date, certified by the Secretary of State of its state of incorporation, and a certificate as to the good standing of, payment of franchise taxes by and charter documents filed by the Company from such Secretary of State, dated as of a recent date, shall have been delivered to the Purchasers.

(f) Officer's Certificate. A certificate of an authorized officer of the Company, dated the Closing Date and certifying (A) that attached thereto is a true and complete copy of the by-laws of the Company as in effect on the date of such certificate, (B) that attached thereto is a true and complete copy of resolutions duly adopted by the board of directors of the Company ratifying the execution, delivery and performance of the Stock Purchase Agreement and Registration Rights Agreement, and that such resolutions have not been modified, rescinded or amended and are in full force and effect, (C) that the Certificate of Incorporation or Articles of Organization and by-laws of the Company has not been amended since the date of the certification

thereto furnished pursuant to clause (e) above, and (D) as to the name, incumbency and specimen signature of each officer of the Company executing the Stock Purchase Agreement and Registration Rights Agreement and each other document to be delivered by the Company from time to time in connection therewith.

(g) Financial Condition. The Purchasers shall have received (i) copies of the financial statements of the Company for the most recently completed fiscal year of the Company, together with a certificate dated the Closing Date from an authorized officer of the Company to the effect that (A) such financial statements are complete and correct and fairly present the financial condition of the Company as at December 31, 1993 and the results of operations for the fiscal period ended on said date, all in accordance with GAAP applied on a consistent basis, (B) there has been no change in its financial condition from the date of such financial statements to the Closing Date which (although after giving effect to the fresh start accounting rules as of the Effective Date, the Company's financial statements will be substantially different from the financial statements delivered pursuant to this sub-subparagraph (i) of sub-paragraph (g)) could reasonably be expected to have a material adverse effect on its ability to perform its obligations under the Project Documents to which it is a party and (C) no other event affecting the Company shall have occurred since the date of such financial statements which could reasonably be expected to have a material adverse effect on its ability to perform its obligations under the Project Documents to which it is a party; (ii) copies of the pro forma balance sheet of the Reorganized Company as at the Closing Date, based on the most recent month-end statement of North Atlantic Energy Services Company relating to the Facility accompanied by the opinion of Arthur Anderson, or other independent public accountants of reorganized public standing, that such pro forma balance sheet was prepared in accordance with GAAP applied on a consistent basis and otherwise reasonably acceptable to each Purchaser and certified by the chief financial officer or treasurer of the Company as complete and correct and fairly presenting the financial condition of the Company as at the Closing Date in accordance with GAAP and (iii) if the Company is required to file regular periodic reports with the Securities and Exchange Commission, the most recent such report so filed.

(h) Government Approvals. All Governmental Approvals required to be made or obtained with respect to the Company or the Reorganized Company in connection with the Project Documents, the Restructuring or the consummation of the transactions contemplated hereby and thereby are in full force and effect and are not subject to appeal; provided that if (i) the FERC has determined that judicial review of determinations by the FERC of exempt wholesale generator status is provided under Section 25 of the 1935 Act, 15 U.S.C. § 79y, and (ii) Section 25 of the 1935 Act does not provide a time limit for obtaining judicial review, then FERC's determination of the Company's exempt wholesale generator status may be subject to review. Originals (or copies certified by an authorized officer of the Company to be true copies) of all such Government Approvals and such other Government Approvals as any Purchaser may reasonably request and which, in the opinion of special counsel to the Purchasers, are necessary under applicable Government Rules in connection with the transactions contemplated by the Project Documents and the Restructuring and certified copies of all material correspondence referred to in such Government Approvals and all applications for such Government Approvals.

(i) Certain Project Documents. Evidence delivered to the Purchasers that each of the Project Documents, including any amendments, supplements and waivers, has been duly executed and delivered by each Person that is intended to be a party thereto, that the conditions to the effectiveness of such documents have been satisfied or waived and that each of such documents are in full force and effect; and the Purchasers shall have received a true and correct copy of each such Project Document, certified as such by an authorized officer of the Company; provided that evidence of the due execution and delivery by the other parties to the Joint Ownership Agreement and the Transmission Agreement shall not be required to be delivered hereunder.

(j) Registration Rights Agreement. The Registration Rights Agreement shall have been duly executed and delivered by the Reorganized Company and the other parties thereto other than the Purchasers.

(k) Insurance. Evidence of all insurance maintained by or on behalf of the Company has been

delivered to the Purchasers, in form and substance reasonably satisfactory to the Purchasers.

(l) Projections. The Base Case Forecast shall have been delivered to the Purchasers.

(m) Material Adverse Change. No change, condition or event shall have occurred that has had, or would be reasonably likely to have, a Material Adverse Effect.

(n) Documentation. All documentation relating to the Restructuring and the Plan shall be reasonably satisfactory in form and substance to the Purchasers.

(o) Consummation of Plan. All conditions precedent to the consummation of the Plan (other than the closing of the transactions contemplated hereunder) shall have been met and all conditions precedent to the occurrence of the Effective Date (other than the closing of the transactions contemplated hereunder) shall have occurred pursuant to the terms and conditions thereof.

(p) Opinion of Company Counsel. The Purchasers shall have received a written opinion, dated the Closing Date, from Hale and Dorr, special counsel to, and New Hampshire counsel to, the Company, in form and substance (including qualifications) reasonably satisfactory to the Purchasers.

(q) PUHCA Opinion. The Purchasers shall have received a written opinion, dated on or before the Closing Date, from Skadden, Arps, Slate, Meagher & Flom, special counsel to the Purchasers, or such other counsel reasonably acceptable to the Purchasers, in form and substance satisfactory to the Purchasers to the effect that the Purchasers will not be subject to regulation under the Public Utility Holding Company Act of 1935, as amended, solely by virtue of the consummation of the transactions contemplated herein.

(r) Other Purchasers. Each other Purchaser shall simultaneously pay its Purchase Price and the Company shall simultaneously deliver to each of the

other Purchasers one or more certificates for its shares of New Common Stock.

(s) Other Documents. Such other documents, instruments or opinions any Purchaser or counsel to the Purchasers may reasonably request.

7.2. Conditions to Obligations of the Company. The obligation of the Reorganized Company to issue and sell the New Common Stock hereunder pursuant to the Sale Transaction is subject to the satisfaction or waiver at, or prior to, the Sale Closing of the following conditions:

(a) Representations and Warranties, Agreements and Covenants. (i) The representations and warranties of each Purchaser contained in this Agreement, the Registration Rights Agreement and in any certificate or agreement of any Purchaser delivered pursuant hereto and thereto shall be true and correct in all material respects as of the date hereof and as of the Closing Date, except for changes specifically set forth in the Plan and the Restructuring, with the same force and effect as if made on the Closing Date, (ii) each Purchaser shall have performed or complied with in all material respects all agreements and covenants contained in this Agreement, the Registration Rights Agreement and in any certificate or agreement of any Purchaser delivered pursuant hereto or thereto to be performed or complied with by such Purchaser, at or before the Sale Closing, and (iii) the Company shall have received a certificate of each Purchaser, signed by a duly authorized officer of such Purchaser, as to the fulfillment of the conditions set forth in the foregoing clauses (i) and (ii).

(b) Confirmation of the Plan and Entry of the Confirmation Order. The Plan shall have been confirmed by the Bankruptcy Court and the Confirmation Order, in form and substance satisfactory to the Company, shall have been entered. Any motion for rehearing or reconsideration of the Confirmation Order shall have been denied or withdrawn. The time allowed for appeals (including the time to seek review or rehearing) of the Confirmation Order shall have expired without any appeal having been taken or, if the Confirmation Order shall have been appealed, either (i) no stay of the Confirmation Order shall be in effect, (ii) such appeal shall

have been dismissed, or (iii) if such a stay has been granted by the Bankruptcy Court, then (A) the stay shall have been dissolved or (B) a final order of the district court having jurisdiction to hear such appeal (or, in the case of a request for review or rehearing, the Bankruptcy Court) shall have affirmed the Confirmation Order and the time allowed to appeal from such affirmation or to seek review or rehearing thereof shall have expired and no further hearing, appeal or petition for certiorari can be taken or granted.

(c) Litigation. Other than the Confirmation Order, there shall have been no order or preliminary or permanent injunction entered in any action or proceeding before any Governmental Entity, nor other action taken by any statute, rule, regulation, legislation, interpretation, judgment or order enacted, entered, enforced, promulgated, amended, issued or deemed applicable to the Company, the Plan, the Solicitation or the Restructuring, by any Governmental Entity that shall have remained in effect and that shall have had the effect of making illegal, materially delaying or otherwise directly or indirectly prohibiting or materially restraining or making materially more costly the Sale Transaction, the confirmation of the Plan or the consummation of any other aspect of the Restructuring.

(d) Consummation of Plan. All conditions precedent to the consummation of the Plan (other than the closing of the transactions contemplated hereunder) shall have been met and all conditions precedent to the occurrence of the Effective Date (other than the closing of the transactions contemplated hereunder) shall have occurred pursuant to the terms and conditions thereof.

ARTICLE VIII

TERMINATION AND ABANDONMENT

8.1. Termination. Notwithstanding the fact that acceptances may have been received pursuant to the Solicitation to confirm the Plan, this Agreement may be terminated, or, in the case of clause (b) below, will be terminated, and the transactions contemplated hereby abandoned at any time prior to the Closing Date,

(a) by written agreement of the Purchasers and the Company duly authorized by their respective Boards of Directors;

(b) automatically and without any further action on the part of the Purchasers, on the one hand, or the Company, on the other hand, if the Closing Date shall not have occurred on the later of August 31, 1994 or within 60 days of the date of confirmation of the Plan, provided that the Plan shall have been confirmed on or before July 31, 1994;

(c) by the Purchasers, on the one hand, or the Company, on the other hand, if any condition to such party's obligations hereunder becomes incapable of fulfillment other than as a result of such party's material breach of any provision of this Agreement which breach is not waived in accordance with the provisions of Section 9.5 hereof;

(d) by any Purchaser if the Bondholders' Committee of the Company shall have withdrawn or modified its approval of the Plan or the Restructuring or shall have approved any Acquisition or proposed Acquisition or if the Company shall have sought to amend or modify the Plan with respect to the financial or economic terms in a manner that would have an adverse effect on the value of the New Common Stock to such Purchaser or in any material respect as to any other aspect of the Plan or withdraw the Plan without the prior written approval of such Purchaser.

8.2. Effect of Termination. (a) In the Event of termination and abandonment of this Agreement pursuant to Section 8.1 hereof, this Agreement shall, subject to Section 9.1 hereof, forthwith become void and have no further effect and, except as set forth in Sections 8.2(b) and 9.7 hereof, there shall be no liability on the part of any party hereto.

(b) Notwithstanding any other provision of this Agreement (including Section 8.2(a)), no termination of this Agreement shall release any party hereto from liability for any willful breach hereof.

ARTICLE IX

MISCELLANEOUS

9.1. Notices. Any notices or other communications required or permitted hereunder shall be given in writing and shall be delivered or sent in person, by facsimile, telex or telegram or by certified or registered mail, postage prepaid, to the following addresses:

If to the Purchasers:

Omega Advisors, Inc.
Wall Street Plaza
88 Pine Street
31st Floor
New York, New York 10005
Fax No.: (212) 495-5236
Attention: Charles Leeds

and

Elliott Associates, L.P.
712 Fifth Avenue
36th Floor
New York, New York 10019
Fax No.: (212) 974-2092
Attention: John Levin

Copy to:

Kleinberg, Kaplan, Wolff & Cohen, P.C.
551 Fifth Avenue
18th Floor
New York, New York 10176
Fax No.: (212) 986-8866
Attention: Stephen Schultz

Copy to:

Skadden, Arps, Slate, Meagher & Flom
919 Third Avenue
New York, New York 10022
Fax No.: (212) 735-2001
Attention: Harold F. Moore, Esq.

If to the Company:

Great Bay Power Corporation
c/o John Tillinghast
20 Ladd Street
Portsmith, New Hampshire 03801
Fax No.: (603) 433-8645

Copy to:

Hale and Dorr
60 State Street
Boston, Massachusetts 02109
Fax No.: (617) 526-5000
Attention: Mark Polebaum

or to such other address as shall be furnished in writing by such party, and any such notice or communication shall be deemed to have been duly given an the date of receipt if delivered by hand or overnight courier service or sent by telex, graphic scanning or other telegraphic communications equipment of the sender, or on the date two Business Days after dispatch by certified or registered mail, if mailed, in each case delivered, sent or mailed (properly addressed) to such party as provided in this Section or in accordance with the latest unrevoked direction from such party given in accordance with this Section.

9.2. Complete Agreement. This Agreement contains the entire understanding of the parties with respect to the transactions contemplated hereby and supersedes all prior agreements, arrangements or understandings with respect thereto. There are no restrictions, agreements, promises, representations, warranties, covenants or undertakings by or on behalf of any party hereto with respect to the transactions contemplated hereby, other than those expressly set forth herein.

9.3. Binding Notice of Agreement; No Third Party Beneficiary. This Agreement shall be binding upon and inure to the benefit of the parties hereto, their successors and permitted assigns. Nothing herein express or implied is intended to or shall be construed to confer upon or give to any person, corporation, group or other entity (of any nature) other than the parties hereto,

their successors or permitted assigns any rights or remedies under or by reason of this Agreement.

9.4. Modifications, Amendments and Waivers. Subject to applicable provisions of the Bankruptcy Code, except with respect to the provisions of Section 8.1(b) hereof, at any time prior to the Closing Date, (i) the parties hereto may modify, amend or supplement any term or provisions of this Agreement, but only by written agreement executed by such parties, and (ii) any term or provision of this Agreement may be waived by the party which is entitled to the benefits thereof. No waiver shall be deemed to have been made by any party hereto of any of its rights hereunder or any provision or term hereof unless the same shall be in writing and is signed on its behalf by its authorized officer or representative. Any such waiver or extension shall constitute a waiver or extension only with respect to the specific matter described in such writing and shall in no way impair the rights of the party granting such waiver in any other respect or any other time. No delay on the part of any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof. The rights and remedies herein provided are cumulative and are not exclusive of any rights or remedies that any party may otherwise have in law or equity. The rights and remedies of any party based upon, arising out of or otherwise in respect of any inaccuracies in or breach of any representation, warranty, covenant or agreement contained in this Agreement shall in no way be limited by the fact that the act, omission, occurrence or other state of fact upon which any claim of any such inaccuracy or breach is based may also be the subject matter of any other representation, warranty, covenant or agreement contained in this Agreement as to which there is no inaccuracy or breach. The representations and warranties of the Company contained in this Agreement shall not be affected or deemed waived by reason of any investigation made by or on behalf of any Purchaser or its representatives or by reason of the fact that any Purchaser or such representatives knew or should have know that any such representation or warranty is or might be inaccurate.

9.5. Counterparts. This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement and each of which shall be deemed an original.

9.6. Expenses. Subject to the order of the Bankruptcy Court, dated March 11, 1994, the Company will pay the Omega Entities' reasonable out-of-pocket costs and expenses incurred by the Omega Entities related to this Agreement and the Registration Rights Agreement (whether incurred before or after execution of this Agreement and the Registration Rights Agreement) (including, without limitation, the fees and expenses of Skadden, Arps, Slate, Meagher & Flom, counsel to the Omega Entities), accountants, and other experts, additional counsel and consultants reasonably retained in connection with the transactions contemplated hereby. Such reimbursement shall be made whether the transactions contemplated by this Agreement are consummated or the Agreement is terminated. Subject to the order of the Bankruptcy Court, dated March 11, 1994, upon either termination of this Agreement or consummation of the transactions contemplated hereby, the Company or the Reorganized Company, as the case may be, shall make any required reimbursements in cash by wire transfer of immediately available funds promptly after receipt by the Company or the Reorganized Company, as the case may be, of an itemized statement of such costs and expenses, together with reasonably satisfactory supporting documentation. The Company shall seek approval of the Bankruptcy Court by appropriate pleadings filed on or before April 11, 1994 to pay the reasonable fees and expenses of Elliott Associates, L.P. on the same terms on which it has been authorized to pay the fees and expenses of the Omega Entities.

9.7. Nominee; Benefits. All references to any Purchaser in this Agreement shall include the Person for whom such Purchaser is a nominee, and the benefits of and rights and obligations under the Agreement shall accrue to such Person or Persons which have a beneficial interest in the New Common Stock being acquired hereunder and for whom such Purchaser is a nominee.

9.8. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York, without regard to applicable principles of conflicts of law thereof.

9.9. Headings. The descriptive headings of the several Articles and Sections of this Agreement are

inserted for convenience only and do not constitute a part of this Agreement.

9.10. Severability. Whenever possible, each provision of this Agreement will be interpreted in such a manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be prohibited by or invalid under applicable law, such provision will be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of this Agreement, except to the extent that such prohibition or invalidity would constitute a material change in the terms of this Agreement taken as a whole.

9.11. Assignment. The Purchaser may assign its rights hereunder to any of its Affiliates, provided that such assignment shall not release the Purchaser from its obligations hereunder.

9.12. Specific Performance. The parties hereto agree that irreparable damage would occur in the event any of the provisions of this Agreement were not to be performed in accordance with the terms hereof and that the parties shall be entitled to specific performance of the terms hereof, in addition to any other remedy at law or equity.

9.13. This Agreement is being executed on behalf of the Company by John R. Stevens, who serves as its president and sole director, at the request, and subject to the direction, of the Official Bondholders' Committee duly constituted in the Company's pending Chapter 11 proceeding. Neither Mr. Stevens nor any officer, director, employee or agent of Eastern Utilities Associates ("EUA"), of which Mr. Stevens is president, or of any affiliate of EUA, has participated in the negotiations or preparation of this Agreement, or makes any warranty, representation or covenant under this Agreement. Mr. Stevens has executed this Agreement at the request of the Bondholders' Committee. No Purchaser under this Agreement and no person or entity at any time acquiring an interest in the New Common Stock of the Reorganized Company shall have any claim against Mr. Stevens, EUA or any affiliate of EUA, or any officer, director, employee of EUA or of any affiliate of EUA on account of any provision of this Agreement or the Regis-

tration Rights Agreement. The Company and the Reorganized Company have agreed to indemnify Mr. Stevens with respect to the assertion of any such claim by instrument dated December 29, 1992. Nothing herein is intended to release the Company from its liabilities and obligations under this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year first above written.

GREAT BAY POWER CORPORATION

By: /s/ John R. Stevens
Title: President

OFFICIAL BONDHOLDERS' COMMITTEE OF EUA POWER CORPORATION n/k/a GREAT BAY POWER CORPORATION

By their attorneys:

/s/ Mark N. Polebaum
Mark N. Polebaum, Esq. (BNH 01615)
Frank W. Getman Jr., Esq. (BNH 04234)
HALE AND DORR
60 State Street
Boston, Massachusetts 02109
(617) 526-6000

OMEGA CAPITAL PARTNERS L.P.

By: /s/ Charles A. Leeds, Jr.
Name: Charles A. Leeds, Jr.
Title: Partner

OMEGA INSTITUTIONAL PARTNERS L.P.

By: /s/ Charles A. Leeds, Jr.
Name: Charles A. Leeds, Jr.
Title: Partner

OMEGA OVERSEAS PARTNERS L.P.

By: /s/ Charles A. Leeds, Jr.
Name: Charles A. Leeds, Jr.
Title: Partner

COMMON FUND

By: /s/ Charles A. Leeds, Jr.
Name: Charles A. Leeds, Jr.
Title: Partner

OMEGA OVERSEAS PARTNERS II LTD.

By: /s/ Charles A. Leeds, Jr.
Name: Charles A. Leeds, Jr.
Title: Partner

GOLDMAN SACHS & CO. PROFIT SHARING
MASTER TRUST
GOLDMAN SACHS & CO., POOLED IRA 2

By: /s/ Charles A. Leeds, Jr.
Name: Charles A. Leeds, Jr.
Title: Partner

88 PINE STREET

By: /s/ Charles A. Leeds, Jr.
Name: Charles A. Leeds, Jr.
Title: Partner

ELLIOTT ASSOCIATES, L.P.

By: /s/ Paul Singer
Name: Paul Singer
Title: General Partner

Schedule 1.1

Name of Purchaser	Number of Shares of Common Stock to be Purchased	Purchase Price
Omega Capital Partners L.P.	1,215,200	8,860,833
Omega Institutional Partners L.P.	1,136,800	8,289,166
Omega Overseas Partners L.P.	1,019,200	7,431,666
Common Fund	196,000	1,429,166
Omega Overseas Partners II Ltd.	156,800	1,143,333
Goldman Sachs & Co. Profit Sharing Master Trust	78,400	571,666
88 Pine Street	117,600	857,500
Elliott Associates, L.P.	880,000	6,416,670
	4,800,000	35,000,000

STOCK AND SUBSCRIPTION AGREEMENT AMONG
GREAT BAY POWER CORPORATION AND THE
PURCHASERS LISTED IN THE ATTACHED SCHEDULE A

Schedule 3.5

1. The change in ownership to be effected pursuant to the Restructuring is subject to approval by the NRC, the NHPUC, and the FERC.

2. The liens and mortgages securing the Existing Debt and the debtor-in-possession loans made by the Participating Joint Owners are encumbrances on assets of the Company which will be paid and satisfied in accordance with the Plan and will not be liens and mortgages on the assets of the Reorganized Company.

STOCK AND SUBSCRIPTION AGREEMENT AMONG
GREAT BAY POWER CORPORATION AND THE
PURCHASERS LISTED IN THE ATTACHED SCHEDULE A

Schedule 3.6

The Company has obtained approvals from the SEC, the NRC, the NHPUC and the FERC to manage and operate its Undivided Interest in the Facility. The Reorganized Company will need to obtain the regulatory approvals referred to in Schedule 3.5.

STOCK AND SUBSCRIPTION AGREEMENT AMONG
GREAT BAY POWER CORPORATION AND THE
PURCHASERS LISTED IN THE ATTACHED SCHEDULE A

Schedule 3.8

1. In January 1991, the SEC's Division of Corporation Finance commenced a review of the Company's Annual Report on Form 10-k for the year ended December 31, 1989 and subsequent quarterly reports. The Company submitted written responses to all of the inquiries made by the Division of Corporate Finance.

In May 1991, the SEC's Division of Enforcement commenced an informal review with respect to certain issues addressed by the Division of Corporate Finance, principally relating to the accounting for the capitalized financing costs related to the Company's investment in Seabrook Unit 1. The Company completed its responses to the Division of Enforcement's inquiries in July 1991 and the Company has received no communications from the Division of Enforcement since that time.

2. On January 8, 1992, the Massachusetts Municipal Wholesale Electric Cooperative and its member municipalities, all of which are members of the New England Power Pool ("NEPOOL"), filed a suit in Massachusetts Superior Court against the investor-owned utilities that are also members of NEPOOL. The suit alleges damages by NEPOOL's establishment of minimum size requirements for generating units designated as pool-planned generating units. The suit names as defendants members of NEPOOL, including the Company. The Company cannot predict the ultimate outcome of this proceeding at this time. The Committee takes the position that any liability of the Reorganized Company in the Massachusetts litigation will be discharged upon the Effective Date of the Plan.

3. The FERC initiated an action after certain participants in the Facility, including the Company, filed an amendment to the NEPOOL Agreement with the FERC that concerns many of the issues raised in the Massachusetts litigation. The plaintiffs in the Massachusetts litigation and one other participant objected to the amendment, seeking to prevent or delay its effectiveness. The FERC has not yet determined whether or when it will hold hearings on this matter. The Company cannot predict the ultimate outcome of this proceeding at this time.

STOCK AND SUBSCRIPTION AGREEMENT AMONG
GREAT BAY POWER CORPORATION AND THE
PURCHASERS LISTED IN THE ATTACHED SCHEDULE A

Schedule 3.11

None.

STOCK AND SUBSCRIPTION AGREEMENT AMONG
GREAT BAY POWER CORPORATION AND THE
PURCHASERS LISTED IN THE ATTACHED SCHEDULE A

Schedule 3.14

None.

STOCK AND SUBSCRIPTION AGREEMENT AMONG
GREAT BAY POWER CORPORATION AND THE
PURCHASERS LISTED IN THE ATTACHED SCHEDULE A

Schedule 3.15

None.

STOCK AND SUBSCRIPTION AGREEMENT AMONG
GREAT BAY POWER CORPORATION AND THE
PURCHASERS LISTED IN THE ATTACHED SCHEDULE A

Schedule 3.18

None.

Schedule 5.1e

Memorandum *CONFIDENTIAL*

To: *Great Bay Power Committee Members*
From: *Decker Adams*
Date: *April 15, 1993*
Subject: *President of Great Bay Power Corporation*

In our negotiations with Ken Buckfire over the POR financing he has stated that he feels that more lenders would be interested in participating if they knew who was going to oversee the day to day affairs of the Company. In this regard Mark Polebaum has talked with John Tillinghast about acting as President. John has indicated that he would be interested in doing so. Thus, Mark asked me to negotiate a compensation package with John.

John and I have agreed on the following, subject to your approval which will be sought on our Wednesday conference call:

One year contract from the effective date.

$95,000.00 annual salary, no additional Directors fees.

Stock appreciation rights (or option) to the increase in price of 17,500 shares from the effective date to the date five years thereafter. Paid within 30 days after each anniversary date as follows: 100% of the appreciation during the first year, 100% of the appreciation during the second year, 75% of the appreciation during the third year, 50% of the appreciation during the fourth year and 25% of the appreciation during the fifth year. If there is a decline in any year, then no additional compensation will be due. (see attached schedule).

D & O insurance and by laws indemnity provide satisfactory coverage in John's and his attorney's opinions.

John will have the opportunity to preapprove the third Director.

John may have a couple of consulting clients or serve as a director of other corporations to the extent that such duties do not conflict with Great Bay Power Corporation's time requirements or interests.

I recommend approval of this package.

The package was arrived at by my first trying to estimate the number of hours that John would have to put in. These hours are shown on the attached schedule. If we were to continue his consulting fee of $200.00 per hour, he would earn between $70,000 and $140,000. However, I believe that the responsibilities are greater as an Officer than as a consultant. Thus, my initial

thoughts were in the 590 to $125,000 range. It should be noted that since John would now be an employee, he would not normally receive Directors fees. Thus I included estimated times for such duties in my schedule. I asked John if here were any benefits that he would want. Other than D & O insurance there were none. We also established that this would be the compensation package for the first year only. The Board of Directors will establish any package after the first year and may supplement this package if the time estimates are wrong, there are extraordinary demand on his time due to litigation or other unexpected event, or if John has an exceptional year. Since it is likely that John will not serve a number of years in this capacity, I felt that it would be appropriate to encourage him to look at long term success for the Company rather than just his term. Thus, I suggested that part of his salary consist of stock appreciation rights (or options) payable over multiple years. This also offers John the opportunity to effectively defer some of his "income". John had had the same idea. I suggested 10,000 shares and he was thinking 25,000, thus we halved the difference. If you have any questions, please give me a call at 617-985-3020.

John has asked that any refarence in the Offering Circular to his acting as President note that it is subject to his satisfactory review of the D & O policy, by laws indemnification and third Director

Decker

GREAT BAY POWER CORPORATION

Estimated Hours for President

Month	Task	Least # Of Hours	Most # Of Hours
1	Review Marketing Activities	8	16
	Review Management Activities	8	16
	Review Seabrook activities	2	4
	Oversee, review and execute 10Q	4	8
	Oversee, review and execute 8K & FERC Filing		4
2	Review Marketing Activities	8	16
	Review Management Activities	8	16
	Review Seabrook Activities	2	4
	Prepare for and hold Board of Directors Meeting		12
	Oversee, review and execute 8K & FERC Filing	4	4
3	Review Marketing Activities	8	16
	Review Management Activities	8	16
	Review Seabrook Activities	2	4
	Prepare for and hold Board of Directors Meeting	12	
	Oversee, review and execute 8K & FERC Filing		4
	Talk with providers of financing		3
4	Review Marketing Activities	8	16
	Review Management Activities	8	16
	Review Seabrook Activities	2	4
	Oversee, review and execute 10Q	4	8
	Oversee, review and execute 8K & FERC Filing	4	4
	Prepare for & hold Board of Directors Meeting		12
5	Review Marketing Activities	8	16
	Review Management Activities	8	16
	Review Seabrook Activities	2	4
	Oversee, review & execute 8K & FERC Filing		4
6	Review Marketing Activities	8	16
	Review Management Activities	8	16
	Review Seabrook Activities	2	4
	Prepare for and hold Board of Directors meeting	12	12
	Oversee, review & execute 8K & FERC Filing	4	4
	Talk with financing providers	3	3
	TOTAL HOURS FOR SIX MONTHS	155	298
	FOLLOWING SIX MONTHS	155	298
	Oversee, review & execute 10K & Annual Report	16	32
	Unanticipated	16	56
	Prepare and run Annual Meeting	8	16
	TOTAL ANNUAL HOURS	350	700

STOCK APPRECIATION RIGHTS

Assume that the stock appreciates at 10% per annum.

Shares	End of Period Price	Value	Increase	%Due	$ Due	Cumulative $
17,500	$10.00	= $175,000				
17,500	[illegible]	= 192,500	$17,500	100	$17,500	$ 17,500
17,500	12.10	= 211,750	19,250	100	19,250	36,750
17,500	13.31	= 232,925	21,175	75	15,881	52,631
17,500	14.64	= 256,200	23,275	50	11,637	64,268
17,500	16.10	= 281,750	25,550	25	6,388	70,656

Assume that stock fluctuates:

17,500	$10.00	= $175,000				
17,500	12.50	= 218,750	$43,750	100	$43,750	$ 43,750
17,500	12.25	= 214,375	-0-	100	-0-	43,750
19,250*	12.10	= 232,925	18,850	75	13,912	57,663
19,250	11.90	= 229,075	0-	50	-0-	57,663
19,250	12.00	= 231,000	1,925	25	481	58,144

* 10% stock split
Note: cents dropped

EXHIBIT B

AMENDED ARTICLES OF INCORPORATION OF REORGANIZED EUA

EXHIBIT B

AMENDED ARTICLES OF INCORPORATION OF REORGANIZED EUA

STATE OF NEW HAMPSHIRE

Filing fee: $35.00 Form No. 16-A
+ License fee: $_____ (See Section 1.31) RSA 293-A:10.07

Total fees $_____
Use black print or type.
Leave 1" margins both sides

RESTATED
ARTICLES OF INCORPORATION
INCLUDING DESIGNATED AMENDMENT(S)

PURSUANT TO THE PROVISIONS OF THE NEW HAMPSHIRE BUSINESS CORPORATION ACT, THE UNDERSIGNED CORPORATION, PURSUANT TO A RESOLUTION DULY ADOPTED BY ITS BOARD OF DIRECTORS, HEREBY ADOPTS THE FOLLOWING RESTATED ARTICLES OF INCORPORATION, INCLUDING DESIGNATED AMENDMENT(S):

FIRST: The name of the Corporation is: Great Bay Power Corporation.

SECOND: The period of its duration is perpetual.

THIRD: Deleted

FOURTH: The aggregate number of shares which the Corporation shall have authority to issue is:

Class	Par Value	No. of Shares Authorized
Common Stock	$.01	8,000,000

FIFTH: The capital stock will be sold or offered for sale within the meaning of RSA 421-B (New Hampshire Securities Act).

SIXTH: Deleted.

SEVENTH: Provisions for the regulation of the internal affairs of the Corporation are:

See Attachment 7A.

EIGHTH: Provision eliminating or limiting personal liability of directors or officers:

See Attachment 8A.

NINTH: The address of the registered office of the Corporation is:

_____
_____
_____

TENTH: The name and address of each incorporator is:

Name	Address
Mary Karlin	1850 Elm Street Manchester, New Hampshire 03105

The name of its registered agent at such address is:
_____

Except for the Designated Amendment(s) to Article(s) THIRD, FOURTH, SIXTH, SEVENTH, EIGHTH and NINTH, the Restated Articles of Incorporation correctly set forth without change the corresponding provisions of the Articles of Incorporation as previously amended, and the Restated Articles of Incorporation together with the Amendment(s) designated herein supersede the original Articles of Incorporation and all amendments to the Articles.

FIRST: (Check one)

xxx The restated articles contain amendment(s) adopted by the board of directors and did not require shareholder approval.

_____ The restated articles contain amendment(s) which required shareholder approval.

SECOND: The amendment(s) were adopted on (date) _____

THIRD: the amendment(s) were approved by the shareholders as follows:

If any voting group is entitled to vote separately, give respective information for each voting group.

Designation of voting group	Number of shares outstanding	Number of votes entitled to be cast	Number of votes indisputably represented at the meeting
Not Applicable			

Designation of voting group	Total number of votes cast: FOR	AGAINST	OR	Total number of undisputed votes cast FOR
Not Applicable				

FOURTH: The number cast for the amendment(s) by each voting group was sufficient for approval.

Dated_____, 1994

GREAT BAY POWER CORPORATION

By_____
Signature of its_____

_____
Print or type name

Attachment 7A

1. Articles of Incorporation. Notwithstanding any other provisions of law, these Articles or the By-Laws of the Corporation, and notwithstanding the fact that a lesser percentage may be specified by law, the affirmative vote of the holders of at least seventy-five percent (75%) of the shares of capital stock issued and outstanding and entitled to vote shall be required to amend or repeal, or to adopt any provision inconsistent with, these Articles.

2. By-Laws. The Board of Directors is expressly authorized to adopt, amend or repeal the By-Laws of the Corporation to the extent permitted by law, provided, however, that the affirmative vote of the holders of at least seventy-five percent (75%) of the shares of the capital stock of the Corporation issued and outstanding and entitled to vote shall be required to amend or repeal, or to adopt any provision inconsistent with, Section 1.10, Section 1.11, Section 1.13, Article 2 or Article 6 of the By-Laws.

3. Removal of Directors. Directors of the Corporation may be removed only for cause by the affirmative vote of the holders of at least two-thirds of the shares of the capital stock of the Corporation issued and outstanding and entitled to vote.

Attachment 8A

Article A

Except to the extent that the New Hampshire Business Corporation Act prohibits the elimination or limitation of liability of directors or officers, or both, for breaches of fiduciary duty, no director, officer, or both, of the Corporation shall be personally liable to the Corporation or its shareholders for monetary damages for any action taken, or any failure to take action, as a director of officer, or both, notwithstanding any provision of law imposing such liability. No amendment to or repeal of this provision shall apply to or have any effect on the liability or alleged liability of any director, officer, or both, of the Corporation for or with respect to any acts or omissions of such director, officer, or both, occurring prior to such amendment.

Article B

1. Action, Suits and Proceedings other than by or in the Right of the Corporation. The Corporation shall indemnify each person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative and whether formal or informal (other than an action by or in the right of the Corporation), by reason of the fact that he or she is or was, or has agreed to become, a director or officer of the Corporation, or is or was serving, or has agreed to serve, at the request of the Corporation, as a director, officer, partner, trustee, employee or agent of, or in a similar capacity with, another corporation, partnership, joint venture, trust or other enterprise (including any employee benefit plan) (all such persons being referred to hereafter as an "Indemnitee"), or by reason of any action alleged to have been taken or omitted in such capacity, against all expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him or her or on his or her behalf in connection with such action, suit or proceeding and any appeal therefrom, if (1) he or she acted in good faith and (2) he or she reasonably believed: (a) in the case of conduct in his or her official capacity with the Corporation, that his or her conduct was in its best interests; and (b) in all other cases, that his or her conduct was at least not opposed to its best interests, and, (3) with respect to any criminal action or proceeding, the Indemnitee had no reasonable cause to believe his or her conduct

was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent, is not, of itself, determinative that the person did not meet the standard of conduct described in this Section. Notwithstanding anything to the contrary in this Article B, except as set forth in Section 6 below, the Corporation shall not indemnify an Indemnitee seeking indemnification (1) in connection with a proceeding (or part thereof) initiated by the Indemnitee unless the initiation thereof was approved by the Board of Directors of the Corporation, or (2) in connection with a proceeding charging improper personal benefit to him or her, whether or not involving action in such person's official capacity, in which he or she was adjudged liable on the basis that personal benefit was improperly received by him or her.

2. Actions or Suits by or in the Right of the Corporation. The Corporation shall indemnify any Indemnitee who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative and whether formal or informal by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that he or she is or was, or has agreed to become, a director or officer of the Corporation, or is or was serving, or has agreed to serve, at the request of the Corporation, as a director, officer, partner, trustee, employee or agent of, or in a similar capacity with, another corporation, partnership, joint venture, trust or other enterprise (including any employee benefit plan), or by reason of any action alleged to have been taken or omitted in such capacity, against reasonable expenses (including attorneys' fees) if (1) he or she acted in good faith and (2) he or she reasonably believed: (a) in the case of conduct in his or her official capacity with the Corporation, that his or her conduct was in its best interests; and (b) in all other cases, that his or her conduct was at least not opposed to its best interests, and, (3) with respect to any criminal action or proceeding, the Indemnitee had no reasonable cause to believe his or her conduct was unlawful, except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the Corporation. The termination of any action, suit or proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent, is not, of itself, determinative that the person did not meet the standard of conduct described in this Section.

3. Indemnification for Expenses of Successful Party and Court-Ordered Indemnification. Notwithstanding the other provisions of this Article B, to the extent that an Indemnitee has been wholly successful, on the merits or otherwise, in defense of any action, suit or proceeding referred to in Sections 1 and 2 of

this Article B, or in defense of any claim, issue or matter therein, or on appeal from any such action, suit or proceeding, he or she shall be indemnified against reasonable expenses (including attorneys' fees) incurred by him or her or on his or her behalf in connection therewith. Without limiting the foregoing, if any action, suit or proceeding is disposed of, on the merits or otherwise (including a disposition without prejudice), without (i) the disposition being adverse to the Indemnitee, (ii) an adjudication that the Indemnitee was liable to the Corporation, (iii) a plea of guilty or nolo contendere by the Indemnitee, (iv) an adjudication that the Indemnitee did not act in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Corporation, and (v) with respect to any criminal proceeding, an adjudication that the Indemnitee had reasonable cause to believe his or her conduct was unlawful, the Indemnitee shall be considered for the purposes hereof to have been wholly successful with respect thereto.

4. Notification and Defense of Claim. As a condition precedent to his or her right to be indemnified, the Indemnitee must notify the Corporation in writing as soon as practicable of any action, suit, proceeding or investigation involving him or her for which indemnity will or could be sought. With respect to any action, suit, proceeding or investigation of which the Corporation is so notified, the Corporation will be entitled to participate therein at its own expense and/or to assume the defense thereof at its own expense, with legal counsel reasonably acceptable to the Indemnitee. After notice from the Corporation to the Indemnitee of its election so to assume such defense, the Corporation shall not be liable to the Indemnitee for any legal or other expenses subsequently incurred by the Indemnitee in connection with such claim, other than as provided below in this Section 4. The Indemnitee shall have the right to employ his or her own counsel in connection with such claim, but the fees and expenses of such counsel incurred after notice from the Corporation of its assumption of the defense thereof shall be at the expense of the Indemnitee unless (i) the employment of counsel by the Indemnitee has been authorized by the Corporation, (ii) counsel to the Indemnitee shall have reasonably concluded that there may be a conflict of interest or position on any significant issue between the Corporation and the Indemnitee in the conduct of the defense of such action or (iii) the Corporation shall not in fact have employed counsel to assume the defense of such action, in each of which cases the fees and expenses of counsel for the Indemnitee shall be at the expense of the Corporation, except as otherwise expressly provided by this Article. The Corporation shall not be entitled, without the consent of the Indemnitee, to assume the defense of any claim brought by or in the right of the Corporation or as to which counsel for the Indemnitee shall have reasonably made the conclusion provided for in clause (ii) above.

5. Advance of Expenses. Subject to the provisions of Section 6 below, in the event that the Corporation does not assume the defense pursuant to Section 4 of this Article B of any action, suit, proceeding or investigation of which the Corporation receives notice under this Article, any expenses (including attorneys' fees) incurred by an Indemnitee in defending a civil or criminal action, suit, proceeding or investigation or any appeal therefrom shall be paid by the Corporation in advance of the final disposition of such matter, provided, however, that the payment of such expenses incurred by an Indemnitee in advance of the final disposition of such matter shall be made only upon (1) receipt of an undertaking executed by or on behalf of the Indemnitee to repay all amounts so advanced if it is ultimately determined that the Indemnitee is not entitled to be indemnified by the Corporation as authorized in this Article, (2) receipt of a written affirmation of the Indemnitee's good faith belief that he or she has met the standards of conduct required by this Article, and (3) a determination that, based on the facts then known, indemnification would not otherwise be precluded by the standards of conduct set forth in Sections 1 or 2. Such determination shall be made in the manner specified in Section 6 of this Article B.

6. Procedure for Indemnification. In order to obtain indemnification or advancement of expenses pursuant to Section 1, 2, 3 or 5 of this Article, the Indemnitee shall submit to the Corporation a written request, including in such request such documentation and information as is reasonably available to the Indemnitee and is reasonably necessary to determine whether and to what extent the Indemnitee is entitled to indemnification or advancement of expenses and including, with respect to advancement of expenses, the undertaking to repay and the affirmation of good faith required by Section 5. Any such indemnification or advancement of expenses shall be made (1) with respect to requests under Sections 1, 2 or 5, only upon a determination by the Corporation that the Indemnitee has met the applicable standards of conduct set forth in Sections 1 or 2, as the case may be, and (2) with respect to a request under Section 3, within 60 days after receipt by the Corporation of the written request of the Indemnitee. The determination required under clause (1) of the preceding sentence shall be made in each instance within 60 days of the date of Indemnitee's written request by (a) a majority vote of a quorum of the directors of the Corporation consisting of persons who are not at that time parties to the action, suit or proceeding in question ("disinterested directors"), (b) if no such quorum is obtainable, a majority vote of a committee of two or more disinterested directors, (c) a majority vote of a quorum of the outstanding shares of stock entitled to vote for directors, which quorum shall consist of shareholders who are not at that time parties to the action, suit or proceeding in question, or (d) special legal counsel (who may be regular legal counsel to the

Corporation) selected by the Board of Directors or its committee, or (e) a court of competent jurisdiction.

7. Remedies. The right to indemnification or advances as granted by this Article shall be enforceable by the Indemnitee in any court of competent jurisdiction if the Corporation denies such request, in whole or in part, or if no disposition thereof is made within the 60-day period referred to above in Section 6. Unless otherwise provided by law, the burden of proving that the Indemnitee is not entitled to indemnification or advances of expenses under this Article shall be on the Corporation. Neither the failure of the Corporation to have made a determination prior to the commencement of such action that indemnification is proper in the circumstances because the Indemnitee has met the applicable standard of conduct, nor an actual determination by the Corporation pursuant to Section 6 that the Indemnitee has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that the Indemnitee has not met the applicable standard of conduct. The Indemnitee's reasonable expenses (including attorneys' fees) incurred in connection with successfully establishing his or her right to indemnification, in whole or in part, in any such proceeding shall also be indemnified by the Corporation.

8. Subsequent Amendment. No amendment, termination or repeal of this Article or of the relevant provisions of the Business Corporation Act of New Hampshire or any other applicable laws shall affect or diminish in any way the rights of any Indemnitee to indemnification under the provisions hereof with respect to any action, suit, proceeding or investigation arising out of or relating to any actions, transactions or facts occurring prior to the final adoption of such amendment, termination or repeal.

9. Other Rights. The indemnification and advancement of expenses provided by this Article shall not be deemed exclusive of any other rights to which an Indemnitee seeking indemnification or advancement of expenses may be entitled under any law (common or statutory), agreement or vote of shareholders or disinterested directors or otherwise, both as to action in his or her official capacity and as to action in any other capacity while holding office for the Corporation, and shall continue as to an Indemnitee who has ceased to be a director or officer, and shall inure to the benefit of the estate, heirs, executors and administrators of the Indemnitee. Nothing contained in this Article shall be deemed to prohibit, and the Corporation is specifically authorized to enter into, agreements with officers and directors providing indemnification rights and procedures different from those set forth in this Article. In addition, the Corporation may, to the extent authorized from time to time by its Board of Directors,

grant indemnification rights to other employees or agents of the Corporation or other persons serving the Corporation and such rights may be equivalent to, or greater or less than, those set forth in this Article.

10. Partial Indemnification. If an Indemnitee is entitled under any provision of this Article to indemnification by the Corporation for some or a portion of the expenses (including attorneys' fees), judgments, fines or amounts paid in settlement actually and reasonably incurred by him or her or on his or her behalf in connection with any action, suit, proceeding or investigation and any appeal, therefrom but not, however, for the total amount thereof, the Corporation shall nevertheless indemnify the Indemnitee for the portion of such expenses (including attorneys' fees), judgments, fines or amounts paid in settlement to which the Indemnitee is entitled.

11. Insurance. The Corporation may purchase and maintain insurance, at its expense, to protect itself and any director, officer, employee or agent of the Corporation or another corporation, partnership, joint venture, trust or other enterprise (including any employee benefit plan) against any expense, liability or loss incurred by him or her in any such capacity, or arising out of his or her status as such, whether or not the Corporation would have the power to indemnify such person against such expense, liability or loss under the Business Corporation Act of New Hampshire.

12. Merger or Consolidation. If the Corporation is merged into or consolidated with another corporation and the Corporation is not the surviving corporation, the surviving corporation shall assume the obligations of the Corporation under this Article B with respect to any action, suit, proceeding or investigation arising out of or relating to any actions, transactions or facts occurring prior to the date of such merger or consolidation.

13. Savings Clause. If this Article B or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the Corporation shall nevertheless indemnify each Indemnitee as to any expenses (including attorneys' fees) judgments, fines and amounts paid in settlement in connection with any action, suit, proceeding or investigation, whether civil, criminal or administrative, including an action by or in the right of the Corporation, to the fullest extent permitted by any applicable portion of this Article that shall not have been invalidated and to the fullest extent permitted by applicable law.

14. Subsequent Legislation. If the Business Corporation Act of New Hampshire is amended after adoption of this Article to expand further the indemnification permitted to Indemnitees, then the Corporation shall indemnify such persons to the fullest extent permitted by the Business Corporation Act of New Hampshire, as so amended.

EXHIBIT C

REGISTRATION RIGHTS AGREEMENT

REGISTRATION RIGHTS AGREEMENT

AMONG

GREAT BAY POWER CORPORATION
(f/k/a/EUA POWER CORPORATION)

and

THE PURCHASERS SIGNATORIES HERETO

REGISTRATION RIGHTS AGREEMENT

Dated as of April 7, 1994

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REGISTRATION RIGHTS AGREEMENT

REGISTRATION RIGHTS AGREEMENT, dated as of April 7, 1994, among Great Bay Power Corporation (f/k/a/EUA Power Corporation), a New Hampshire corporation (the "Company"), and certain stockholders of the Company signatories hereto (the "Stockholders").

1. Introduction. The Company is a party to the separate Stock and Subscription Agreement (the "Stock Purchase Agreement"), dated April 7, 1994, with the Stockholders, pursuant to which the Company has agreed, among other things, to issue 4,800,000 shares of its common stock, par value $.01 per share (the "Common Stock"), to the Stockholders. This Agreement shall become effective upon the issuance of such securities to such parties pursuant to the Stock Purchase Agreement. Certain capitalized terms used in this Agreement are defined in section 3 hereof; references to sections shall be to sections of this agreement.

2. Registration under Securities Act, etc.

2.1 Registration on Request.

(a) Request. At any time or from time to time after the date hereof, upon the written request of one or more Initiating Holders, requesting that the Company effect the registration under the Securities Act of all or part of the Registrable Securities held by such Initiating Holder or Holders, and specifying the intended method of disposition thereof, the Company will promptly give written notice of such requested registration to all registered holders of Registrable Securities, and thereupon the Company will, subject to the terms of this Agreement, effect the registration under the Securities Act of:

(i) the Registrable Securities which the Company has been so requested to register by such Initiating Holders for disposition in accordance with the intended method of disposition stated in such request; and

(ii) all other Registrable Securities the holders of which shall have made a written request to the Company for

registration thereof within 30 days after the giving of such written notice by the Company (which request shall specify the intended method of disposition of such Registrable Securities).

all to the extent requisite to permit the disposition (in accordance with the intended methods thereof as aforesaid) of the Registrable Securities so to be registered, provided that the Company shall not be required to effect any registration of Registrable Securities pursuant to this section 2.1 unless a single holder of Registrable Securities has requested the registration of a number of shares of Registrable Securities held by such holder which is equal to or greater than 5% of the shares of Common Stock at the time outstanding.

(b) Registration Statement Form. Registrations under this section 2.1 shall be on such appropriate registration form of the Commission (i) as shall be selected by the Company and the holders of more than 50% (by number of shares) of the Registrable Securities so to be registered and (ii) as shall permit the disposition of such Registrable Securities in accordance with the intended method or methods of disposition specified in their request for such registration. If, in connection with any registration under section 2.1 which is proposed by the Company to be on Form S-3 or any similar short form registration statement which is a successor to Form S-3, the managing underwriters, if any, shall advise the Company in writing that in their opinion the use of another permitted form is of material importance to the success of the offering, then such registration shall be on such other permitted form.

(c) Expenses. The Company will pay all Registration Expenses in connection with any registration requested pursuant to this section 2.1 by any Initiating Holders of Registrable Securities prior to the time at which three such registrations shall have been effected in which all of the Registrable Securities requested to be included in such registration by any holders of Registrable Securities shall have been registered pursuant to this section 2.1. The Registration Expenses (and underwriting discounts and commissions and transfer taxes, if any) in connection with each other registration requested under this section 2.1 shall be allocated pro rata among all Persons on whose behalf securities of the Company are included in such registration, on the basis of the respective amounts of the securities then being registered on their behalf.

(d) Effective Registration Statement. A registration requested pursuant to this section 2.1 shall not be deemed to have been effected (i) unless a registration statement with respect thereto has become effective, provided

that a registration which does not become effective after the Company has filed a registration statement with respect thereto solely by reason of the refusal to proceed of the Initiating Holders (other than a refusal to proceed based upon the advice of the single counsel to the Initiating Holders, if any, relating to a matter with respect to the Company) shall be deemed to have been effected by the Company at the request of such Initiating Holders unless the Initiating Holders shall have elected to pay all Registration Expenses in connection with such registration, (ii) if, after it has become effective, such registration becomes subject to any stop order, injunction or other order or requirement of the Commission or other governmental agency or court for any reason, or (iii) the conditions to closing specified in the purchase agreement or underwriting agreement entered into in connection with such registration are not satisfied, other than by reason of some act or omission by such Initiating Holders.

(e) Selection of Underwriters. If a requested registration pursuant to this section 2.1 involves an underwritten offering, the underwriter or underwriters thereof shall be selected by the holders of at least a majority (by number of shares) of the Registrable Securities as to which registration has been requested and shall be acceptable to the Company, which shall not unreasonably withhold its acceptance of any such underwriters.

(f) Priority in Requested Registrations. If a requested registration pursuant to this section 2.1 involves an underwritten offering, and the managing underwriter shall advise the Company in writing (with a copy to each holder of Registrable Securities requesting registration) that, in its opinion, the number of securities requested to be included in such registration exceeds the number which can be sold in such offering within a price range acceptable to the holders of a majority of the Registrable Securities requested to be included in such registration, the Company will include in such registration, to the extent of the number which the Company is so advised can be sold in such offering, Registrable Securities requested to be included in such registration by the holder or holders of Registrable Securities, pro rata among such holders requesting such registration on the basis of the number of such securities requested to be included by such holders. In connection with any registration subject to this Section 2.1(f), no securities other than Registrable Securities shall be covered by such registration.

(g) If, at the time of a requested registration pursuant to this section 2.1, the Company is engaged in any other activity which, in the good faith determination of the Company's Board of Directors, would be adversely affected by the requested registration to the material detriment of the Company, then

the Company may at it option direct that such request be delayed for period not in excess of 10 days from the date of such request.

2.2 Incidental Registration.

(a) Right to Include Registrable Securities. If the Company at any time proposes to register any of its securities under the Securities Act (other than pursuant to section 2.1), whether or not for sale for its own account, it will each such time give prompt written notice to all holders of Registrable Securities of its intention to do so and of such holders' rights under this section 2.2. Upon the written request of any such holder made within 30 days after the receipt of any such notice (which request shall specify the Registrable Securities intended to be disposed of by such holder), the Company will, subject to the terms of this Agreement, effect the registration under the Securities Act of all Registrable Securities which the Company has been so requested to register by the holders thereof, to the extent requisite to permit the disposition of the Registrable Securities so to be registered, by inclusion of such Registrable Securities in the registration statement which covers the securities which the Company proposes to register, provided that if, at any time after giving written notice of its intention to register any securities and prior to the effective date of the registration statement filed in connection with such registration, the Company shall determine for any reason either not to register or to delay registration of such securities, the Company may, at its election, give written notice of such determination to each holder of Registrable Securities and, thereupon, (i) in the case of a determination not to register, shall be relieved of its obligation to register any Registrable Securities in connection with such registration (but not from its obligation to pay the Registration Expenses in connection therewith), without prejudice, however, to the rights of any holder or holders of Registrable Securities entitled to do so to request that such registration be effected as a registration under section 2.1, and (ii) in the case of a determination to delay registering, shall be permitted to delay registering any Registrable Securities, for the same period as the delay in registering such other securities. No registration effected under this section 2.2 shall relieve the Company of its obligation to effect any registration upon request under section 2.1, nor shall any such registration hereunder be deemed to have been effected pursuant to section 2.1. The Company will pay all Registration Expenses in connection with each registration of Registrable Securities requested pursuant to this section 2.2.

(b) Priority in Incidental Registrations. If (i) a registration pursuant to this section 2.2 involves an underwritten offering of the securities so being registered, whether or not for sale for the account of the Company, to be

distributed (on a firm commitment basis) by or through one or more underwriters of recognized standing under underwriting terms appropriate for such a transaction, (ii) the Registrable Securities so requested to be registered for sale for the account of holders of Registrable Securities are not also to be included in such underwritten offering (either because the Company has not been requested so to include such Registrable Securities pursuant to section 2.4(b) or, if requested to do so, is not obligated to do so under section 2.4(b)), and (iii) the managing underwriter of such underwritten offering shall inform the Company and holders of the Registrable Securities requesting such registration by letter of its belief that the number of securities requested to be included in such registration exceeds the number which can be sold in (or during the time of) such offering, then the Company will include in such registration, to the extent of the number which the Company is so advised can be sold in (or during the time of) such offering, securities proposed by the Company to be sold for its own account and Registrable Securities requested to be included in such registration pro rata on the basis of the number of shares of such securities so proposed to be sold and so requested to be included.

2.3 Registration Procedures. If and whenever (a) the Company is required to effect the registration of any Registrable Securities under the Securities Act as provided in sections 2.1 and 2.2 or (b) there is a Requesting Holder in connection with any other proposed registration by the Company under the Securities Act, the Company shall, as expeditiously as possible:

(i) prepare and (within 60 days after the end of the period within which requests for registration may be given to the Company or in any event as soon thereafter as possible) file with the Commission the requisite registration statement to effect such registration (including such audited financial statements as may be required by the Securities Act or the rules and regulations promulgated thereunder) and thereafter cause such registration statement to become and remain effective, provided however that the Company may discontinue any registration of its securities which are not Registrable Securities (and, under the circumstances specified in section 2.2(a), its securities which are Registrable Securities) at any time prior to the effective date of the registration statement relating thereto, provided further that before filing such registration statement or any amendments thereto, the Company will furnish to the single counsel selected by the holders of Registrable Securities which are to be included in such registration, if any, copies of all such documents proposed to be filed, which documents will be subject to the review of such counsel;

(ii) prepare and file with the Commission such amendments and supplements to such registration statement and the prospectus used in connection therewith as may be necessary to keep such registration statement effective and to comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such registration statement until such time as all of such securities have been disposed of in accordance with the intended methods of disposition by the seller or sellers thereof set forth in such registration statement;

(iii) furnish to each seller of Registrable Securities covered by such registration statement and each Requesting Holder such number of conformed copies of such registration statement and of each such amendment and supplement thereto (in each case including all exhibits), such number of copies of the prospectus contained in such registration statement (including each preliminary prospectus and any summary prospectus) and any other prospectus filed under Rule 424 under the Securities Act, in conformity with the requirements of the Securities Act, and such other documents, as such seller or Requesting Holder may reasonably request;

(iv) use its best efforts to register or qualify all Registrable Securities and other securities covered by such registration statement under such other securities laws or blue sky laws of such jurisdictions as any seller thereof and any Requesting Holder shall reasonably request, to keep such registrations or qualifications in effect for so long as such registration statement remains in effect, and take any other action which may be reasonably necessary or advisable to enable such seller to consummate the disposition in such jurisdictions of the securities owned by such seller, except that the Company shall not for any such purpose be required to qualify generally to do business as a foreign corporation in any jurisdiction wherein it would not but for the requirements of this subdivision (iv) be obligated to be so qualified or to consent to general service of process in any such jurisdiction;

(v) use its best efforts to cause all Registrable Securities covered by such registration statement to be registered with or approved by such other governmental agencies or authorities as may be necessary to enable the seller or sellers thereof to consummate the disposition of such Registrable Securities;

(vi) at the request of any holder of Registrable Securities representing 5% or more of the Common Stock at the time outstanding (a "5% Holder") furnish to each seller of Registrable Securities and each Requesting Holder a signed counterpart, addressed to such seller, such Requesting Holder and the underwriters, if any, of:

(x) an opinion of counsel for the Company, dated the effective date of such registration statement (or, if such registration includes an underwritten public offering, an opinion dated the date of the closing under the underwriting agreement), reasonably satisfactory in form and substance to such seller, and

(y) a "comfort" letter (or, in the case of any such Person which does not satisfy the conditions for receipt of a "comfort" letter specified in Statement on Auditing Standards No. 72, an "agreed upon procedures" letter), dated the effective date of such registration statement (and, if such registration includes an underwritten public offering, a letter of like kind dated the date of the closing under the underwriting agreement), signed by the independent public accountants who have certified the Company's financial statements included in such registration statement,

covering substantially the same matters with respect to such registration statement (and the prospectus included therein) and, in the case of the accountants' letter, with respect to events subsequent to the date of such financial statements, as are customarily covered in opinions of issuer's counsel and in accountants' letters delivered to the underwriters in underwritten public offerings of securities (with, in the case of an "agreed upon procedures" letter, such modifications or deletions as may be required under Statement on Auditing Standards No. 35) and, in the case of the accountants' letter, such other financial matters, and, in the case of the legal opinion, such other legal matters, as such seller or such Requesting Holder (or the underwriters, if any) may reasonably request;

(vii) notify the sellers of Registrable Securities, each Requesting Holder and the managing underwriter or underwriters, if any, promptly and confirm such advice in writing promptly thereafter:

(a) when the registration statement, the prospectus or any prospectus supplement related thereto or post-effective amendment to the registration statement has been filed, and, with respect to the registration statement or any post-effective amendment thereto, when the same has become effective;

(b) of any request by the Commission for amendments or supplements to the registration statement or the prospectus or for additional information;

(c) of the issuance by the Commission of any stop order suspending the effectiveness of the registration statement or the initiation of any proceedings by any Person for that purpose;

(d) if at any time the representations and warranties of the Company made as contemplated by section 2.4 below cease to be true and correct;

(e) of the receipt by the Company of any notification with respect to the suspension of the qualification of any Registrable Securities for sale under the securities or blue sky laws of any jurisdiction or the initiation or threat of any proceeding for such purpose; and

(viii) notify each seller of Registrable Securities covered by such registration statement and each Requesting Holder, at any time when a prospectus relating thereto is required to be delivered under the Securities Act, upon discovery that, or upon the happening of any event as a result of which, the prospectus included in such registration statement, as then in effect, includes an untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances under which they were made, and at the request of any such seller or Requesting Holder promptly prepare and furnish to such seller or Requesting Holder and each underwriter, if any, a reasonable number of copies of a supplement to or an amendment of such prospectus as may be necessary so that, as thereafter delivered to the purchasers of such securities, such prospectus shall not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances under which they were made;

(ix) make every reasonable effort to obtain the withdrawal of any order suspending the effectiveness of the registration statement at the earliest possible moment;

(x) otherwise use its best efforts to comply with all applicable rules and regulations of the Commission, and make available to its security holders, as soon as reasonably practicable, an earnings statement

covering the period of at least twelve months, but not more than eighteen months, beginning with the first full calendar month after the effective date of such registration statement, which earnings statement shall satisfy the provisions of Section 11(a) of the Securities Act and Rule 158 thereunder, and will furnish to each such seller and each Requesting Holder at least five business days prior to the filing thereof a copy of any amendment or supplement to such registration statement or prospectus and shall not file any thereof to which any such seller or any Requesting Holder shall have reasonably objected on the grounds that such amendment or supplement does not comply in all material respects with the requirements of the Securities Act or of the rules or regulations thereunder;

(xi) provide and cause to be maintained a transfer agent and registrar for all Registrable Securities covered by such registration statement from and after a date not later than the effective date of such registration statement;

(xii) enter into such agreements and take such other actions as sellers of such Registrable Securities holding 51% of the shares so to be sold shall reasonably request in order to expedite or facilitate the disposition of such Registrable Securities;

(xiii) use its best efforts to list all Registrable Securities covered by such registration statement on any securities exchange on which any of the Registrable Securities are then listed; and

(xiv) use its best efforts to provide a CUSIP number for the Registrable Securities, not later than the effective date of the registration statement.

The Company may require each seller of Registrable Securities as to which any registration is being effected to furnish the Company such information regarding such seller and the distribution of such securities as the Company may from time to time reasonably request in writing.

The Company will not file any registration statement or amendment thereto or any prospectus or any supplement thereto (including such documents incorporated by reference and proposed to be filed after the initial filing of the registration statement) to which the holders of at least a majority of the Registrable Securities covered by such registration statement or the underwriter or underwriters,

if any, shall reasonably object, provided that the Company may file such document in a form required by law or upon the advice of its counsel.

Each holder of Registrable Securities agrees by acquisition of such Registrable Securities that, upon receipt of any notice from the Company of the occurrence of any event of the kind described in subdivision (viii) of this section 2.3, such holder will forthwith discontinue such holder's disposition of Registrable Securities pursuant to the registration statement relating to such Registrable Securities until such holder's receipt of the copies of the supplemented or amended prospectus contemplated by subdivision (viii) of this section 2.3 and, if so directed by the Company, will deliver to the Company (at the Company's expense) all copies, other than permanent file copies, then in such holder's possession of the prospectus relating to such Registrable Securities current at the time of receipt of such notice.

If any such registration statement refers to any holder of Registrable Securities by name or otherwise as the holder of any securities of the Company, then such holder shall have the right to require (i) the insertion therein of language, in form and substance satisfactory to such holder, to the effect that the holding by such holder of such securities is not to be construed as a recommendation by such holder of the investment quality of the Company's securities covered thereby and that such holding does not imply that such holder will assist in meeting any future financial requirements of the Company, or (ii) in the event that such reference to such holder by name or otherwise is not required by the Securities Act or any similar federal statute then in force, the deletion of the reference to such holder.

2.4 Underwritten Offerings.

(a) Requested Underwritten Offerings. If requested by the underwriters for any underwritten offering by holders of Registrable Securities pursuant to a registration requested under section 2.1, the Company will enter into an underwriting agreement with such underwriters for such offering, such agreement to be satisfactory in substance and form to the Company, each such holder and the underwriters, and to contain such representations and warranties by the Company and such other terms as are generally prevailing in agreements of this type, including, without limitation, indemnities to the effect and to the extent provided in section 2.7. The holders of the Registrable Securities will cooperate with the Company in the negotiation of the underwriting agreement and will give consideration to the reasonable suggestions of the Company regarding the form thereof, provided that nothing herein contained shall diminish the foregoing obligations of the Company. The holders of Registrable Securities to be distributed by such under-

writers shall be parties to such underwriting agreement and may, at their option, require that any or all of the representations and warranties by, and the other agreements on the part of, the Company to and for the benefit of such underwriters shall also be made to and for the benefit of such holders of Registrable Securities and that any or all of the conditions precedent to the obligations of such underwriters under such underwriting agreement be conditions precedent to the obligations of such holders of Registrable Securities. Any such holder of Registrable Securities shall not be required to make any representations or warranties to or agreements with the Company or the underwriters other than representations and warranties contained in a writing furnished by such holder expressly for use in such registration statement or agreements regarding such holder, such holder's Registrable Securities and such holder's intended method of distribution and any other representation required by law.

(b) Incidental Underwritten Offerings. If the Company at any time proposes to register any of its securities under the Securities Act as contemplated by section 2.2 and such securities are to be distributed by or through one or more underwriters, the Company will, if requested by any holder of Registrable Securities as provided in section 2.2 and subject to the provisions of section 2.2(b), use its best efforts to arrange for such underwriters to include all the Registrable Securities to be offered and sold by such holder among the securities to be distributed by such underwriters. The holders of Registrable Securities to be distributed by such underwriters shall be parties to the underwriting agreement between the Company and such underwriters and may, at their option, require that any or all of the representations and warranties by, and the other agreements on the part of, the Company to and for the benefit of such underwriters shall also be made to and for the benefit of such holders of Registrable Securities and that any or all of the conditions precedent to the obligations of such underwriters under such underwriting agreement be conditions precedent to the obligations of such holders of Registrable Securities. Any such holder of Registrable Securities shall not be required to make any representations or warranties to or agreements with the Company or the underwriters other than representations, warranties or agreements regarding such holder, such holder's Registrable Securities and such holder's intended method of distribution and any other representation required by law.

(c) Participation in Underwritten Offerings. No Person may participate in any underwritten offering hereunder unless such Person (i) agrees to sell such Person's securities on the basis provided in any underwriting arrangements approved, subject to the terms and conditions hereof, by the Company and the holders of a majority of Registrable Securities to be included in such underwritten

offering and (ii) completes and executes all questionnaires, indemnities, underwriting agreements and other documents (other than powers of attorney) required under the terms of such underwriting arrangements. Notwithstanding the foregoing, no underwriting agreement (or other agreement in connection with such offering) shall require any holder of Registrable Securities to make any representations or warranties to or agreements with the Company or the underwriters other than representations and warranties contained in a writing furnished by such holder expressly for use in the related registration statement or agreements regarding such holder, such holder's Registrable Securities and such holder's intended method of distribution and any other representation required by law.

2.5 Preparation; Reasonable Investigation. In connection with the preparation and filing of each registration statement under the Securities Act pursuant to this Agreement, the Company will give the holders of Registrable Securities registered under such registration statement, their underwriters, if any, each Requesting Holder and their respective counsel and accountants, the opportunity to participate in the preparation of such registration statement, each prospectus included therein or filed with the Commission, and eac. amendment thereof or supplement thereto, and will give each of them such access to its books and records and such opportunities to discuss the business of the Company with its officers and the independent public accountants who have certified its financial statements as shall be necessary, in the opinion of such holders' and such underwriters' respective counsel, to conduct a reasonable investigation within the meaning of the Securities Act.

2.6 Rights of Requesting Holders. The Company will not file any registration statement under the Securities Act (other than by a registration on Form S-8), unless it shall first have given to each holder of Registrable Securities at the time outstanding (other than any such Person who acquired all such securities held by such Person in a public offering registered under the Securities Act or as the direct or indirect transferee of shares initially issued in such an offering), at least 30 days prior written notice thereof. Any such Person not participating in a registration pursuant hereto holding 5% or more of the Common Stock at the time outstanding who shall so request within 30 days after such notice (a "Requesting Holder") shall have the rights of a Requesting Holder provided in sections 2.3, 2.5 and 2.7. In addition, if any such registration statement refers to any Requesting Holder by name or otherwise as the holder of any securities of the Company, then such holder shall have the right to require (a) the insertion therein of language, in form and substance satisfactory to such holder, to the effect that the holding by such holder of such securities does not necessarily make such holder a "controlling person" of the

Company within the meaning of the Securities Act and is not to be construed as a recommendation by such holder of the investment quality of the Company's debt or equity securities covered thereby and that such holding does not imply that such holder will assist in meeting any future financial requirements of the Company, or (b) in the event that such reference to such holder by name or otherwise is not required by the Securities Act or any rules and regulations promulgated thereunder, the deletion of the reference to such holder.

2.7 Indemnification.

(a) Indemnification by the Company. In the event of any registration of any securities of the Company under the Securities Act, the Company will, and hereby does agree to, indemnify and hold harmless (i) in the case of any registration statement filed pursuant to section 2.1 or 2.2, the holder of any Registrable Securities covered by such registration statement, its directors and officers, each other Person who participates as an underwriter in the offering or sale of such securities and each other Person, if any, who controls such holder or any such underwriter within the meaning of the Securities Act, and (ii) in the case of any registration statement of the Company, any Requesting Holder, its directors and officers and each other Person, if any, who controls such Requesting Holder within the meaning of the Securities Act, against any losses, claims, damages or liabilities, joint or several, to which such holder or Requesting Holder or any such director or officer or underwriter or controlling person may become subject under the Securities Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions or proceedings, whether commenced or threatened, in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in any registration statement under which such securities were registered under the Securities Act, any preliminary prospectus, final prospectus or summary prospectus contained therein, or any amendment or supplement thereto, or any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and the Company will reimburse such holder, such Requesting Holder and each such director, officer, underwriter and controlling person for any legal or any other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, liability, action or proceeding, provided that the Company shall not be liable in any such case to a holder of Registrable Securities or a Requesting Holder to the extent that any such loss, claim, damage, liability (or action or proceeding in respect thereof) or expense arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in such registration statement, any such preliminary prospectus, final prospectus, summary prospectus,

amendment or supplement in reliance upon and in conformity with written information furnished to the Company through an instrument duly executed by such holder or Requesting Holder, as the case may be, specifically stating that it is for use in the preparation thereof and, provided further that the Company shall not be liable to any Person who participates as an underwriter in the offering or sale of Registrable Securities or to any other Person, if any, who controls such underwriter within the meaning of the Securities Act, in any such case to the extent that any such loss, claim, damage, liability (or action or proceeding in respect thereof) or expense arises out of such Person's failure to send or give a copy of the final prospectus, as the same may be then supplemented or amended, within the time required by the Securities Act to the Person asserting the existence of an untrue statement or alleged untrue statement or omission or alleged omission at or prior to the written confirmation of the sale of Registrable Securities to such Person if such statement or omission was corrected in such final prospectus. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of such holder or such Requesting Holder or any such director, officer, underwriter or controlling person and shall survive the transfer of such securities by such holder.

(b) Indemnification by the Sellers. The Company may require, as a condition to including any Registrable Securities in any registration statement filed pursuant to section 2.3, that the Company shall have received an undertaking satisfactory to it from the prospective seller of such Registrable Securities, to indemnify and hold harmless (in the same manner and to the same extent as set forth in subdivision (a) of this section 2.7) the Company, each director of the Company, each officer of the Company and each other person, if any, who controls the Company within the meaning of the Securities Act, with respect to any statement or alleged statement in or omission or alleged omission from such registration statement, any preliminary prospectus, final prospectus or summary prospectus contained therein, or any amendment or supplement thereto, if such statement or alleged statement or omission or alleged omission was made in reliance upon and in conformity with written information furnished to the Company through an instrument duly executed by such seller specifically stating that it is for use in the preparation of such registration statement, preliminary prospectus, final prospectus, summary prospectus, amendment or supplement. Any such indemnity shall remain in full force and effect, regardless of any investigation made by or on behalf of the Company or any such director, officer or controlling person and shall survive the transfer of such securities by such seller.

(c) Notices of Claims, etc. Promptly after receipt by an indemnified party of notice of the commencement of any action or proceeding

involving a claim referred to in the preceding subdivisions of this section 2.7, such indemnified party will, if a claim in respect thereof is to be made against an indemnifying party, give written notice to the latter of the commencement of such action, provided that the failure of any indemnified party to give notice as provided herein shall not relieve the indemnifying party of its obligations under the preceding subdivisions of this section 2.7, except to the extent that the indemnifying party is actually prejudiced by such failure to give notice. In case any such action is brought against an indemnified party, unless in such indemnified party's reasonable judgment a conflict of interest between such indemnified and indemnifying parties may exist in respect of such claim, the indemnifying party shall be entitled to participate in and to assume the defense thereof, jointly with any other indemnifying party similarly notified, to the extent that the indemnifying party may wish, with counsel reasonably satisfactory to such indemnified party, and after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party shall not be liable to such indemnified party for any legal or other expenses subsequently incurred by the latter in connection with the defense thereof other than reasonable costs of investigation. No indemnifying party shall, without the consent of the indemnified party, consent to entry of any judgment or enter into any settlement of any such action which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such indemnified party of a release from all liability, or a covenant not to sue, in respect to such claim or litigation. No indemnified party shall consent to entry of any judgment or enter into any settlement of any such action the defense of which has been assumed by an indemnifying party without the consent of such indemnifying party.

(d) Other Indemnification. Indemnification similar to that specified in the preceding subdivisions of this section 2.7 (with appropriate modifications) shall be given by the Company and each seller of Registrable Securities with respect to any required registration or other qualification of securities under any Federal or state law or regulation of any governmental authority, other than the Securities Act.

(e) Indemnification Payments. The indemnification required by this section 2.7 shall be made by periodic payments of the amount thereof during the course of the investigation or defense, as and when bills are received or expense, loss, damage or liability is incurred.

(f) Contribution. If the indemnification provided for in the preceding subdivisions of this section 2.7 is unavailable to an indemnified party in respect of any expense, loss, claim, damage or liability referred to therein, then each

indemnifying party, in lieu of indemnifying such indemnified party, shall contribute to the amount paid or payable by such indemnified party as a result of such expense, loss, claim, damage or liability (i) in such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand and the holder or underwriter, as the case may be, on the other from the distribution of the Registrable Securities or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company on the one hand and of the holder or underwriter, as the case may be, on the other in connection with the statements or omissions which resulted in such expense, loss, damage or liability, as well as any other relevant equitable considerations. The relative benefits received by the Company on the one hand and the holder or underwriter, as the case may be, on the other in connection with the distribution of the Registrable Securities shall be deemed to be in the same proportion as the total net proceeds received by the Company from the initial sale of the Registrable Securities by the Company to the purchasers pursuant to the Stock Purchase Agreement bear to the gain, if any, realized by the selling holder or the underwriting discounts and commissions received by the underwriter, as the case may be. The relative fault of the Company on the one hand and of the holder or underwriter, as the case may be, on the other shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or omission to state a material fact relates to information supplied by the Company, by the holder or by the underwriter and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission, provided that the foregoing contribution agreement shall not inure to the benefit of any indemnified party if indemnification would be unavailable to such indemnified party by reason of the provisions contained in the first sentence of subdivision (a) of this section 2.7, and in no event shall the obligation of any indemnifying party to contribute under this subdivision (f) exceed the amount that such indemnifying party would have been obligated to pay by way of indemnification if the indemnification provided for under subdivisions (a) or (b) of this section 2.7 had been available under the circumstances.

The Company and the holders of Registrable Securities agree that it would not be just and equitable if contribution pursuant to this subdivision (f) were determined by pro rata allocation (even if the holders, Requesting Holders and any underwriters were treated as one entity for such purpose) or by any other method of allocation that does not take account of the equitable considerations referred to in the immediately preceding paragraph. The amount paid or payable by an indemnified party as a result of the losses, claims, damages and liabilities referred to in the immediately preceding paragraph shall be deemed to include, subject to the

limitations set forth in the preceding sentence and subdivision (c) of this section 2.7, any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim.

Notwithstanding the provisions of this subdivision (f), no holder of Registrable Securities or underwriter shall be required to contribute any amount in excess of the amount by which (i) in the case of any such holder, the net proceeds received by such holder from the sale of Registrable Securities or (ii) in the case of an underwriter, the total price at which the Registrable Securities purchased by it and distributed to the public were offered to the public exceeds, in any such case, the amount of any damages that such holder or underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission. No Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

2.8 Adjustments Affecting Registrable Securities. The Company will not effect or permit to occur any combination or subdivision of shares which would adversely affect the ability of the holders of Registrable Securities to include such Registrable Securities in any registration of its securities contemplated by this section 2 or the marketability of such Registrable Securities under any such registration.

3. Definitions. As used herein, unless the context otherwise requires, the following terms have the following respective meanings:

Commission: The Securities and Exchange Commission or any other Federal agency at the time administering the Securities Act.

Common Stock: As defined in section 1.

Company: As defined in the introductory paragraph of this Agreement.

Exchange Act: The Securities Exchange Act of 1934, or any similar Federal statute, and the rules and regulations of the Commission thereunder, all as the same shall be in effect at the time. Reference to a particular section of the Securities Exchange Act of 1934 shall include a reference to the comparable section, if any, of any such similar Federal statute.

Initiating Holders: Any holder or holders of Registrable Securities holding at least 5% of the Common Stock (by number of shares at the time issued and outstanding), and initiating a request pursuant to section 2.1 for the registration of all or part of such holder's or holders' Registrable Securities.

Person: A corporation, an association, a partnership, an organization, business, an individual, a governmental or political subdivision thereof or a governmental agency.

Registrable Securities: Any shares of Common Stock issued to the Stockholders pursuant to the Stock Purchase Agreement and any securities issued or issuable with respect to any Common Stock referred to above by way of stock dividend or stock split or in connection with a combination of shares, recapitalization, merger, consolidation or other reorganization or otherwise. As to any particular Registrable Securities, once issued such securities shall cease to be Registrable Securities when (a) a registration statement with respect to the sale of such securities shall have become effective under the Securities Act and such securities shall have been disposed of in accordance with such registration statement, (b) they shall have been distributed to the public pursuant to Rule 144 (or any successor provision) under the Securities Act, (c) they shall have been otherwise transferred, new certificates for them not bearing a legend restricting further transfer shall have been delivered by the Company and subsequent disposition of them shall not require registration or qualification of them under the Securities Act or any similar state law then in force, (d) they shall have become eligible for sale pursuant to Rule 144(k) under the Securities Act, or (e) they shall have ceased to be outstanding.

Registration Expenses: All expenses incident to the Company's performance of or compliance with section 2, including, without limitation, all registration, filing and NASD fees, all stock exchange listing fees, all fees and expenses of complying with securities or blue sky laws, all word processing, duplicating and printing expenses, messenger and delivery expenses, the fees and disbursements of counsel for the Company and of its independent public accountants, including the expenses of any special audits or "cold comfort" letters required by or incident to such performance and compliance, the fees

and disbursements of any a single counsel and accountants retained by the holder or holders of more than 51% of the Registrable Securities, Securities Act liability insurance (if the Company so desires such insurance) and any fees and disbursements of underwriters customarily paid by issuers or sellers of securities, but excluding underwriting discounts and commissions and transfer taxes, if any, provided that, in any case where Registration Expenses are not to be borne by the Company, such expenses shall not include salaries of Company personnel or general overhead expenses of the Company, auditing fees, premiums or other expenses relating to liability insurance required by underwriters of the Company or other expenses for the preparation of financial statements or other data normally prepared by the Company in the ordinary course of its business or which the Company would have incurred in any event.

Requesting Holder: As defined in section 2.6.

Securities Act: The Securities Act of 1933, or any similar Federal statute, and the rules and regulations of the Commission thereunder, all as of the same shall be in effect at the time. References to a particular section of the Securities Act of 1933 shall include a reference to the comparable section, if any, of any such similar Federal statute.

Stock Purchase Agreement: As defined in section 1.

4. Rules 144 and 144A. So long as the Company shall not have filed a registration statement pursuant to section 12 of the Exchange Act or a registration statement pursuant to the requirements of the Securities Act, the Company shall, at any time and from time to time, upon the request of any holder of at least 5% of the Registrable Securities (by number of shares at the time issued and outstanding) and upon the request of any Person designated by such holder as a prospective purchaser of at least 5% of the Registrable Securities (by number of shares at the time issued and outstanding), furnish in writing to such holder or such prospective purchaser, as the case may be, a statement as of a date not earlier than 12 months prior to the date of such request of the nature of the business of the Company and the products and services it offers and copies of the Company's most recent balance sheet and profit and loss and retained earnings statements, together with similar financial statements for such part of the two preceding fiscal years as the Company shall have been in operation, all such financial statements to be audited

to the extent audited statements are reasonably available, provided that, in any event the most recent financial statements so furnished shall include a balance sheet as of a date less than 16 months prior to the date of such request, statements of profit and loss and retained earnings for the 12 months preceding the date of such balance sheet, and, if such balance sheet is not as of a date less than 6 months prior to the date of such request, additional statements of profit and loss and retained earnings for the period from the date of such balance sheet to a date less than 6 months prior to the date of such request. In addition, the Company shall take such other action as is necessary to comply with 144A of the Securities Act. If the Company shall have filed a registration statement pursuant to the requirements of section 12 of the Exchange Act or a registration statement pursuant to the requirements of the Securities Act, the Company shall timely file the reports required to be filed by it under the Securities Act and the Exchange Act (including but not limited to the reports under sections 13 and 15(d) of the Exchange Act referred to in subparagraph (c) of Rule 144 adopted by the Commission under the Securities Act) and the rules and regulations adopted by the Commission thereunder (or, if the Company is not required to file such reports, will, upon the request of any holder of Registrable Securities, make publicly available other information) and will take such further action as any holder of Registrable Securities may reasonably request, all to the extent required from time to time to enable such holder to sell Registrable Securities without registration under the Securities Act within the limitation of the exemptions provided by (a) Rule 144 under the Securities Act, as such Rule may be amended from time to time, or (b) any similar rule or regulation hereafter adopted by the Commission. Upon the request of any holder of Registrable Securities, the Company will deliver to such holder a written statement as to whether it has complied with the requirements of this Section 4.

5. Amendments and Waivers. The provisions of this Agreement, including the provisions of this sentence, may not be amended, modified or supplemented, and waivers or consents to departures from the provisions hereof may not be given, unless the Company has obtained the written consent of each 5% Holder (as defined in Section 2.3(vi)). Notwithstanding the foregoing, a waiver or consent to depart from the provisions hereof with respect to a matter which relates exclusively to the rights of holders of Registrable Securities whose securities are being sold pursuant to a Registration Statement and which does not directly or indirectly affect the rights of other holders of Registrable Securities may be given by holders of at least a majority in aggregate principal amount of the Registrable Securities, being sold by such holders, provided that the provisions of this sentence may not be amended, modified, or supplemented except in accordance with the provisions of the immediately preceding sentence.

6. Liquidated Damages.

(a) If the Company fails to file a registration statement complying with the requirements of this Agreement within 60 days of the written request of the Initiating Holder(s) or if such registration statement has not become effective within 180 days of such written request (the elapsing of such number of days in either case being referred to herein as a "Failure to Register"), the Initiating Holder(s) and all other holders who have requested inclusion (collectively, the "Included Holders") shall have, in addition to and without limiting any other rights they may have at law, in equity or under this Agreement (including the right to specific performance), the right to receive, as liquidated damages, the payments set forth in paragraph (b) of this section.

(b) The payments referred to in paragraph (a) of this section shall be payable to the Included Holders in cash, monthly and in arrears, on the last day of the applicable month, and shall be equal to (x) the applicable percentage (as set forth in paragraph (c) of this section) times (y) the "value" of such Included Holder's Registrable Securities requested to be registered pursuant to the applicable registration statement times (z) the number of such Included Holder's such Registrable Securities. The "value" of the Registrable Securities shall be the greater of (A) the market price on the date of the Initiating Holders' request for registration or (B) the market price on the date occurring 3 trading days prior to the last day of the month for which such payment is to be made, with "market price" being determined as follows:

(i) If the Registrable Securities are listed on a national securities exchange in the United States, they shall be valued at their last reported sales price on the date of determination on the national securities exchange on which they are principally traded, or, if there are no sales on such date on such exchange, at the mean between the "bid" and "asked" prices, at the close of trading on such date on such exchange.

(ii) If the Registrable Securities are not traded on a recognized securities exchange but traded over the counter, they shall be valued at the mean between the last "bid" and "asked" prices on the date of determination, as reported by NASDAQ, the National Quotation Bureau, Inc. or any other nationally recognized source selected by the Company.

(c) The applicable percentage referred to in paragraph (b) of this section shall be as follows:

(i) For the first four (4) months following the Failure to Register, one percent (1%);

(ii) For the fifth through and including the eighth month following the Failure to Register, one and one-half percent (1.5%); and

(iii) For the eighth through and including the twelfth month following the Failure to Register, two percent (2%).

(d) The Company acknowledges that its failure to register the Registrable Securities in accordance with this Agreement will cause the Stockholders to suffer damages in an amount that will be difficult to ascertain. Accordingly, the parties agree that it is appropriate to include in this Agreement a provision for liquidated damages. The parties acknowledge and agree that the liquidated damages provisions set forth above represent the parties' good faith effort to quantify such damages and, as such, agree that the form and amount of such liquidated damages are reasonable and will not constitute a penalty.

7. Nominees for Beneficial Owners. In the event that any Registrable Securities are held by a nominee for the beneficial owner thereof, the beneficial owner thereof may, at its election, be treated as the holder of such Registrable Securities for purposes of any request or other action by any holder or holders of Registrable Securities pursuant to this Agreement or any determination of any number or percentage of shares of Registrable Securities held by any holder or holders of Registrable Securities contemplated by this Agreement. If the beneficial owner of any Registrable Securities so elects, the Company may require assurances reasonably satisfactory to it of such owner's beneficial ownership of such Registrable Securities.

8. Notices. Except as otherwise provided in this Agreement, all notices, requests and other communications to any Person provided for hereunder shall be in writing and shall be given to such Person (a) in the case of a party hereto other than the Company, addressed to such party in the manner set forth in the Stock Purchase Agreement or at such other address as such party shall have furnished to the Company in writing, or (b) in the case of any other holder of Registrable Securities, at the address that such holder shall have furnished to the Company in writing, or, until any such other holder so furnishes to the Company an address, then

to and at the address of the last holder of such Registrable Securities who has furnished an address to the Company, or (c) in the case of the Company, at 20 Ladd Street, Suite 202, Portsmouth, New Hampshire 03801-4080, to the attention of its President, or at such other address, or to the attention of such other officer, as the Company shall have furnished to each holder of Registrable Securities at the time outstanding. Each such notice, request or other communication shall be effective (i) if given by mail, 72 hours after such communication is deposited in the mails with first class postage prepaid, addressed as aforesaid or (ii) if given by any other means (including, without limitation, by air courier), when delivered at the address specified above, provided that any such notice, request or communication to any holder of Registrable Securities shall not be effective until received.

9. Assignment. This Agreement shall be binding upon and inure to the benefit of and be enforceable by the parties hereto and their respective successors and assigns. In addition, and whether or not any express assignment shall have been made, the provisions of this Agreement which are for the benefit of the parties hereto other than the Company shall also be for the benefit of and enforceable by any subsequent holder of any Registrable Securities, subject to the provisions respecting the minimum numbers or percentages of shares of Registrable Securities required in order to be entitled to certain rights, or take certain actions, contained herein.

10. Descriptive Headings. The descriptive headings of the several sections and paragraphs of this Agreement are inserted for reference only and shall not limit or otherwise affect the meaning hereof.

11. GOVERNING LAW. THIS AGREEMENT SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, AND THE RIGHTS OF THE PARTIES SHALL BE GOVERNED BY, THE LAWS OF THE STATE OF NEW YORK WITHOUT REFERENCE TO THE PRINCIPLES OF CONFLICTS OF LAWS.

12. Counterparts. This Agreement may be executed simultaneously in any number of counterparts, each of which shall be deemed an original, but all such counterparts shall together constitute one and the same instrument.

13. Entire Agreement. This Agreement embodies the entire agreement and understanding between the Company and each other party hereto relating to the subject matter hereof and supersedes all prior agreements and understandings relating to such subject matter.

14. SUBMISSION TO JURISDICTION. ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT MAY BE BROUGHT IN THE COURTS OF THE STATE OF NEW YORK OR OF THE UNITED STATES OF AMERICA FOR THE SOUTHERN DISTRICT OF NEW YORK, AND, BY EXECUTION AND DELIVERY OF THIS AGREEMENT, THE COMPANY HEREBY ACCEPTS FOR ITSELF AND IN RESPECT OF ITS PROPERTY, GENERALLY AND UNCONDITIONALLY, THE JURISDICTION OF THE AFORESAID COURTS AND APPELLATE COURTS FROM ANY THEREOF. THE COMPANY HEREBY IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS OUT OF ANY OF THE AFOREMENTIONED COURTS IN ANY ACTION OR PROCEEDING BY THE MAILING OF COPIES THEREOF TO THE COMPANY BY REGISTERED OR CERTIFIED MAIL, POSTAGE PREPAID, RETURN RECEIPT REQUESTED, TO THE COMPANY AT ITS ADDRESS SPECIFIED IN SECTION 7. THE COMPANY HEREBY IRREVOCABLY WAIVES ANY OBJECTION, INCLUDING, WITHOUT LIMITATION, ANY OBJECTION TO THE LAYING OF VENUE OR BASED ON THE GROUNDS OF FORUM NON CONVENIENS, WHICH IT MAY NOW OR HEREAFTER HAVE TO THE BRINGING OF ANY SUCH ACTION OR PROCEEDING IN SUCH RESPECTIVE JURISDICTIONS.

15. Severability. If any provision of this Agreement, or the application of such provisions to any Person or circumstance, shall be held invalid, the remainder of this Agreement, or the application of such provision to Persons or circumstances other than those to which it is held invalid, shall not be affected thereby.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed and delivered by their respective officers thereunto duly authorized as of the date first above written.

GREAT BAY POWER CORPORATION

By: /s/ John R. Stevens
Title: President

OFFICIAL BONDHOLDERS' COMMITTEE OF EUA POWER CORPORATION n/k/a GREAT BAY POWER CORPORATION

By their attorneys:

/s/ Mark N. Polebaum
Mark N. Polebaum, Esq. (BNH 01615)
Frank W. Getman Jr., Esq. (BNH 04234)
HALE AND DORR
60 State Street
Boston, Massachusetts 02109
(617) 526-6000

OMEGA CAPITAL PARTNERS L.P.

By: /s/ Charles A. Leeds, Jr.
Name: Charles A. Leeds, Jr.
Title: Partner

OMEGA INSTITUTIONAL PARTNERS L.P.

By: /s/ Charles A. Leeds, Jr.
Name: Charles A. Leeds, Jr.
Title: Partner

OMEGA OVERSEAS PARTNERS L.P.

By: /s/ Charles A. Leeds, Jr.
Name: Charles A. Leeds, Jr.
Title: Partner

COMMON FUND

By: /s/ Charles A. Leeds, Jr.
Name: Charles A. Leeds, Jr.
Title: Partner

OMEGA OVERSEAS PARTNERS II LTD.

By: /s/ Charles A. Leeds, Jr.
Name: Charles A. Leeds, Jr.
Title: Partner

GOLDMAN SACHS & CO. PROFIT SHARING
MASTER TRUST
GOLDMAN SACHS & CO., POOLED IRA 2

By: /s/ Charles A. Leeds, Jr.
Name: Charles A. Leeds, Jr.
Title: Partner

88 PINE STREET

By: /s/ Charles A. Leeds, Jr.
Name: Charles A. Leeds, Jr.
Title: Partner

ELLIOTT ASSOCIATES, L.P.

By: /s/ Paul Singer
Name: Paul Singer
Title: General Partner

Omega Advisors, Inc. · Wall Street Plaza · 88 Pine Street · 31st Floor · New York, New York 10005
Tel 212 495 5200 · Fax 212 495 5236

EXHIBIT B

February 1, 1994

Confidential

Mr. Kenneth A. Buckfire
Lehman Brothers
18th Floor
200 Vesey Street
New York, NY

Dear Ken:

Omega Advisors, Inc. ("Omega") on behalf of three limited partnerships and five managed accounts which collectively have equity in excess of $3 billion, is pleased to propose the following terms for an investment in Great Bay Power Corporation ("Great Bay"). Omega is willing to purchase 60% of the fully-diluted common stock outstanding upon consummation of Great Bay's plan of reorganization for $35 million. Our willingness to make this investment is conditioned upon (i) receipt of all necessary approvals from all relevant governmental authorities and the U.S. Bankruptcy Court, (ii) receipt of appropriate opinions from counsel, (iii) satisfaction with the initial composition of the Great Bay's Board of Directors (which initially shall be composed of three members), (iv) a satisfactory Registration Rights Agreement, and (v) satisfactory legal due diligence. We expect that Great Bay will reimburse us for all out-of-pocket expenses (including the expense of retaining outside counsel), which we will endeavor to keep at a minimum.

We understand that the Bondholder Committee is considering alternative financing proposals which involve less equity and a standby revolving credit facility. Our proposal assumes no revolving credit facility. However, if you believe that some facility is required, we are willing to permit Great Bay to arrange a facility so long as it is on terms wholly acceptable to us.

We are looking forward to working with you to bring Great Bay out of bankruptcy as quickly as possible. We would appreciate an indication as soon as practicable that the Bondholder Committee is prepared to accept our proposal. We are prepared to issue a commitment letter in form and substance acceptable to the U.S. Bankruptcy Court having jurisdiction in this case as quickly as you deem necessary.

Very truly yours,

Charles A. Leeds Jr.

Charles A. Leeds Jr.
General Partner

CAL/mdb

SUBJECT TO BANKRUPTCY COURT APPROVAL:

Accepted By Official Bondholders'
Committee Of Great Bay Power Corporation
f/k/a EUA Power Corporation,

By its counsel,

Mark N. Polebaum, Esquire
HALE AND DORR
60 State Street
Boston, Massachusetts 02109
(617) 526-6000

Dated: 2/4/94

Exhibit C

Great Bay Power Corporation

Base Case Scenario

Cash Flow Schedule

($ millions, except as noted)

		1994	1995	1996	1997	1998	1999	2000	2001	2002
Capacity Factor (a)		67.6%	73.9%	89.3%	73.9%	73.9%	89.3%	74.1%	73.9%	89.3%
Operating Revenues										
Spot Price (¢/kWh)			2.54	2.62	2.67	0.00	0.00	0.00	0.00	0.00
Total Spot Revenues			17.15	20.47	11.16	0.00	0.00	0.00	0.00	0.00
Niche Price (¢/kWh)			2.75	3.00	3.20	3.50	3.90	4.40	5.00	0.00
Niche Sales			2.67	4.71	5.18	6.80	9.15	8.57	9.71	0.00
UNITIL Contract Price (¢/kWh)			5.16	5.27	5.39	5.51	5.74	5.74	5.74	5.74
UNITIL Contract Revenues			3.34	4.14	3.49	3.57	4.49	3.73	3.72	4.49
LT Contracts Price (¢/kWh)			2.75	3.15	3.65	4.25	5.00	6.20	6.41	6.62
Total LT Revenues			1.78	2.47	9.45	27.38	38.93	40.10	41.28	67.07
Total Operating Revenues (a)		21.69	24.94	31.78	29.27	37.74	52.57	52.40	54.71	71.56
Other Receipts		0.07	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06
Total Receipts		21.76	25.01	31.84	29.33	37.80	52.63	52.46	54.77	71.63
Operating Disbursements										
Fuel Costs		2.49	5.30	6.19	1.74	6.66	1.84	7.06	1.95	7.49
Operating		17.30	17.74	15.08	18.61	19.10	16.47	20.34	20.87	18.00
Transmission Expenses		1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Service Contract Expense		1.04	0.82	0.88	0.86	0.88	0.94	0.97	1.03	1.15
Decommissioning		0.93	0.92	0.96	1.00	1.03	1.07	1.11	1.15	1.19
Seabrook Tax		0.91	0.91	0.91	0.91	0.91	0.91	0.91	0.91	0.91
Property Taxes		3.73	2.60	2.68	2.76	2.84	2.93	3.01	3.10	3.20
Reorganization Costs (b)		4.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Miscellaneous		0.57	0.18	(0.06)	(0.07)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)
Total Operating Disbursements (a)		32.47	29.48	27.64	26.81	32.41	25.15	34.40	30.01	32.93
Operating Cash Flow		(10.71)	(4.47)	4.20	2.53	5.39	27.48	18.06	24.76	38.69
Operating Deposit		(0.59)	0.24	0.19	(0.80)	0.38	0.25	(0.80)	0.40	0.40
Capital Additions		2.62	2.79	2.47	1.95	1.82	1.88	1.93	1.99	2.05
Cash Flow Before Interest		(12.74)	(7.50)	1.55	1.38	3.19	25.35	16.93	22.37	36.24
Interest on DIP Loan	13.0%	0.41	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Interest Income	3.0%	0.33	0.59	0.51	0.58	0.66	1.12	1.79	2.45	3.42
Cash Flow After Interest		(12.82)	(6.91)	2.06	1.95	3.85	26.47	18.72	24.81	39.66
Equity Contribution		35.00								
Beginning Cash Balance (c)		0.86	23.05	16.13	18.20	20.15	24.00	50.47	69.19	94.01
Ending Cash Balance		23.05	16.13	18.20	20.15	24.00	50.47	69.19	94.01	133.66
Beginning DIP Loan Balance		0.00								
Additional Borrowings through July 1		8.75								
DIP Principal Repayment on July 1		(8.75)								
Ending Loan Balance at July 1		0.00								

(a) Figures reflect unplanned outage during January, February 1994.

(b) Includes bankruptcy costs, due diligence costs, Lehman Brothers fees and estimated legal fees.

(c) 1994 beginning cash balance reflects receipt of December 1993 revenues; ongoing annual revenues are reflected in year sold.

Exhibit D

Great Bay Power Corporation

Floor Case Scenario

Cash Flow Schedule

($ millions, except as noted)

	1994	1995	1996	1997	1998	1999	2000	2001	2002
Capacity Factor (a)	67.6%	73.9%	89.3%	73.9%	73.9%	89.3%	74.1%	73.9%	89.3%
Operating Revenues									
Spot Price (¢/kWh)		2.54	2.62	2.67	2.74	2.85	0.00	0.00	0.00
Total Spot Revenues		21.26	26.64	22.40	22.98	15.47	0.00	0.00	0.00
Niche Price (¢/kWh)		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Niche Sales		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
UNITIL Contract Price (¢/kWh)		5.16	5.27	5.39	5.51	5.74	5.74	5.74	5.74
UNITIL Contract Revenues		3.34	4.14	3.49	3.57	4.49	3.73	3.72	4.49
LT Contracts Price (¢/kWh)		0.00	0.00	0.00	0.00	5.00	6.20	6.41	6.62
Total LT Revenues		0.00	0.00	0.00	0.00	23.47	52.18	53.73	67.07
Total Operating Revenues (a)	**21.69**	**24.60**	**30.77**	**25.88**	**26.55**	**43.43**	**55.91**	**57.44**	**71.56**
Other Receipts	0.07	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06
Total Receipts	**21.76**	**24.66**	**30.83**	**25.95**	**26.61**	**43.49**	**55.97**	**57.50**	**71.63**
Operating Disbursements									
Fuel Costs	2.49	5.30	6.19	1.74	6.66	1.84	7.06	1.95	7.49
Operating	17.30	17.74	15.08	18.61	19.10	16.47	20.34	20.87	18.00
Transmission Expenses	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Service Contract Expense	1.04	0.82	0.88	0.78	0.79	0.96	1.19	1.24	1.30
Decommissioning	0.93	0.92	0.96	1.00	1.03	1.07	1.11	1.15	1.19
Seabrook Tax	0.91	0.91	0.91	0.91	0.91	0.91	0.91	0.91	0.91
Property Taxes	3.73	2.60	2.68	2.76	2.84	2.93	3.01	3.10	3.20
Reorganization Costs (b)	4.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Miscellaneous	0.57	0.18	(0.06)	(0.07)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)
Total Operating Disbursements (a)	32.47	29.47	27.64	26.72	32.32	25.17	34.61	30.22	33.09
Operating Cash Flow	**(10.71)**	**(4.81)**	**3.20**	**(0.78)**	**(5.71)**	**18.32**	**21.36**	**27.28**	**38.54**
Operating Deposit	(0.59)	0.24	0.19	(0.80)	0.38	0.25	(0.80)	0.40	0.40
Capital Additions	2.62	2.79	2.47	1.95	1.82	1.88	1.93	1.99	2.05
Cash Flow Before Interest	(12.74)	(7.85)	0.54	(1.93)	(7.91)	16.20	20.23	24.89	36.09
Interest on DIP Loan 13.0%	0.41	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Interest Income 3.0%	0.33	0.58	0.49	0.48	0.35	0.48	1.05	1.77	2.76
Cash Flow After Interest	**(12.82)**	**(7.26)**	**1.03**	**(1.45)**	**(7.56)**	**16.68**	**21.28**	**26.66**	**38.84**
Equity Contribution	**35.00**								
Beginning Cash Balance (c)	0.86	23.05	15.78	16.81	15.37	7.81	24.49	45.77	72.43
Ending Cash Balance	23.05	15.78	16.81	15.37	7.81	24.49	45.77	72.43	111.27
Beginning DIP Loan Balance	0.00								
Additional Borrowings through July 1	8.75								
DIP Principal Repayment on July 1	(8.75)								
Ending Loan Balance at July 1	0.00								

(a) Figures reflect unplanned outage during January, February 1994.

(b) Includes bankruptcy costs, due diligence costs, Lehman Brothers fees and estimated legal fees.

(c) 1994 beginning cash balance reflects receipt of December 1993 revenues; ongoing annual revenues are reflected in year sold.

EXHIBIT E

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW HAMPSHIRE

In Re:	)	
	)	Chapter 11
EUA POWER CORPORATION n/k/a	)	Case No. 91-10525
GREAT BAY POWER CORPORATION,	)	Hearing Date: May 13, 1994
	)	Hearing Time: 10:00 a.m.
Debtor.	)	

JOINT MOTION OF DEBTOR AND OFFICIAL BONDHOLDERS' COMMITTEE TO AMEND RETENTION OF LEHMAN BROTHERS AS PLAN FINANCING PLACEMENT AGENT

EUA Power Corporation n/k/a Great Bay Power Corporation (the "Debtor") and the Official Bondholders' Committee for the Debtor (the "Committee") request that this Court enter an order authorizing the Debtor to amend its retention of Shearson Lehman Brothers, Inc. ("Lehman") as plan financing placement agent. In support of this motion, the Debtor and the Committee state as follows:

1. The Debtor commenced this case on February 28, 1991 by filing a voluntary petition under Chapter 11 of Title 11 of the United States Code, 11 U.S.C. § 101, et seq (the "Bankruptcy Code"). The Committee represents the holders of $294,000,000 in Series B and Series C secured notes issued by the Debtor (the "Bondholders"). The Bondholders' claims represent substantially all of the claims against the Debtor.

2. The Committee's Fifth Amended Plan of Reorganization (the "Fifth Amended Plan") was confirmed by an order of this Court

dated March 5, 1993. The Fifth Amended Plan provided that it would become effective only if the necessary regulatory approvals and a $45,000,000 plan of reorganization debt financing facility (the "Debt Financing Facility") for the Debtor were obtained.

3. Pursuant to an engagement letter dated February 25, 1993 (the "Engagement Letter") and an order of this Court dated March 5, 1993, the Debtor retained Lehman to act as the Debtor's placement agent for the Debt Financing Facility. The Debt Financing Facility was to be funded upon the effective date of the Fifth Amended Plan.

4. Following confirmation of the Fifth Amended Plan, Lehman first tried to place the Debt Financing Facility with persons other than Bondholders. Lehman contacted over 200 financial institutions and had serious discussions with a number of financial institutions to provide this financing. None of those efforts, which were made over a four month period from April, 1993 through August, 1993, resulted in financing commitments being obtained from any non-Bondholder.

5. Lehman then concentrated on trying to raise the $45,000,000 debt financing from the Bondholders. Lehman was able to obtain commitments for $25,000,000 of debt financing from certain Bondholders, but, notwithstanding Lehman Brothers' best efforts to place the Debt Financing Facility on the terms described in the Fifth Amended Plan, Lehman was unable to complete the financing on the terms described in the Fifth Amended Plan.

6. Lehman was, however, able to obtain plan of reorganization financing on terms different from those proposed in the Fifth Amended Plan. Lehman was successful in obtaining a commitment from Omega Advisors, Inc. ("Omega"), a New York-based hedge fund manager, to invest $35,000,000 in the reorganized Debtor in exchange for 60% of the common stock of the reorganized Debtor (the "Omega Financing").

7. The letter agreement among the Debtor, the Committee and Lehman amending certain terms of the Engagement Letter is attached hereto as Exhibit A (the "Amendment"). The Amendment provides for the retention of Lehman by the Debtor on an exclusive basis to provide financial advisory services to the Debtor related to the Omega Financing. Under the terms of the Amendment, Lehman's engagement is extended for six months from the date of approval of the Amendment by this Court and is modified to cover placement of equity securities.

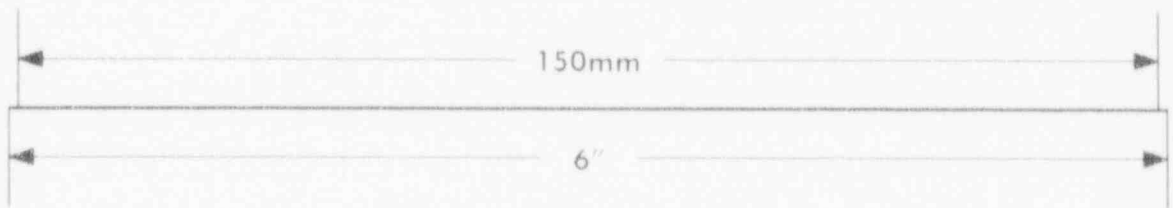
8. As compensation for the services rendered by Lehman to the Debtor in connection with the placement and consummation of the Omega Financing, the Debtor agrees to pay Lehman a success fee of $937,500, payable upon the sale of the reorganized Debtor's common stock to Omega. The fee is calculated based on the amount payable under the Engagement Letter. Pursuant to the Amendment, the Debtor will pay less than 3% of the amount of the Omega Financing as a success fee. This amount is reasonable under the

circumstances and is lower than the percentage customarily paid to investment banks for raising equity financing. The proposed success fee is in lieu of all other fees or other compensation owed to Lehman by the Debtor under the Engagement Letter, other than the initial $75,000 fee previously paid at the time the Engagement Letter was initially approved by this Court.

9. John R. Stevens, the President of Great Bay Power Corporation, serves at the request, and subject to the direction of the Committee and under those circumstances has executed (or will execute) the Amendment to the Engagement Letter (Exhibit A hereto). Mr. Stevens did not participate at all in the selection of Lehman as a placement agent or in negotiating the terms of the original Engagement Letter or the amendment thereto (Exhibit A). Mr. Stevens has no knowledge as to whether or not any financial advisory services of Lehman are necessary or desirable in placing $35 million of common stock, and if such services are necessary or desirable, whether $937,500 is appropriate compensation as "a success fee." In no event shall Mr. Stevens, EUA, any of EUA's corporate affiliates, or any officer, trustee or director of EUA or any of its affiliates, incur any liability on account of any services rendered or omitted by Lehman and the fee paid therefor, or be required to furnish any indemnification as provided in the Engagement Letter.

2

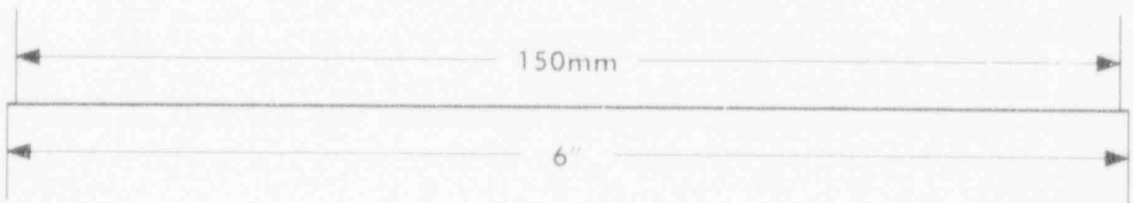
IMAGE EVALUATION TEST TARGET (MT-3)



PHOTOGRAPHIC SCIENCES CORPORATION
770 BASKET ROAD
P.O. BOX 338
WEBSTER, NEW YORK 14580
(716) 265-1600

2

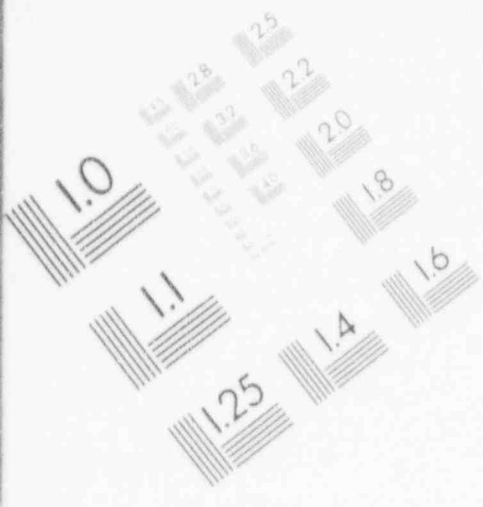
IMAGE EVALUATION TEST TARGET (MT-3)

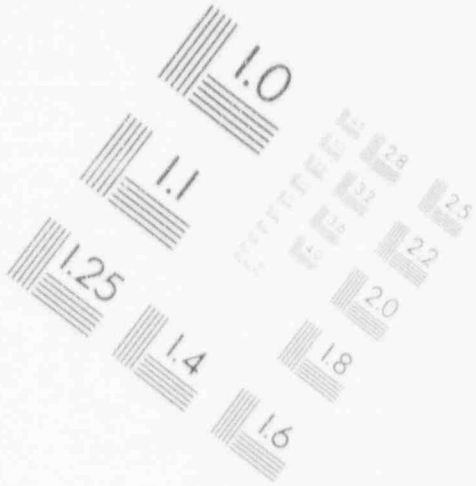


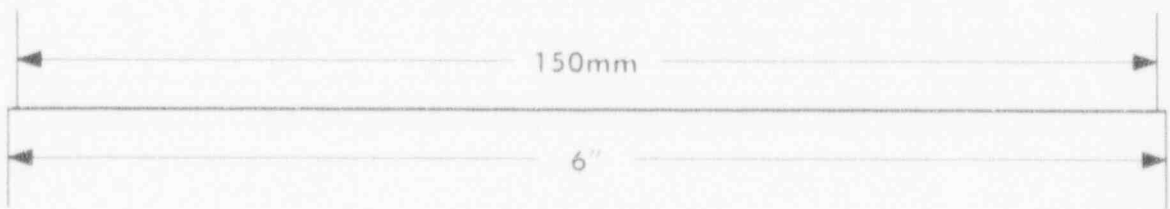
PHOTOGRAPHIC SCIENCES CORPORATION
770 BASKET ROAD
P.O. BOX 338
WEBSTER, NEW YORK 14580
(716) 265-1600

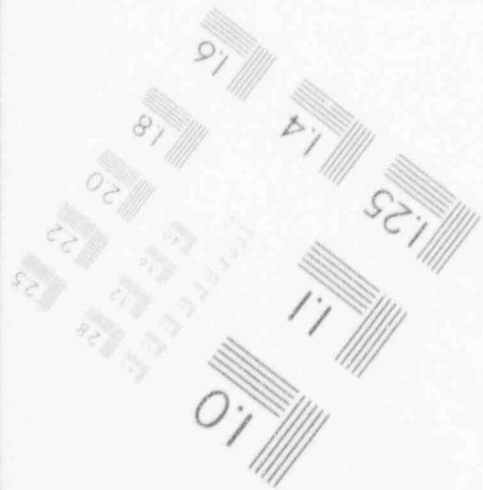
2

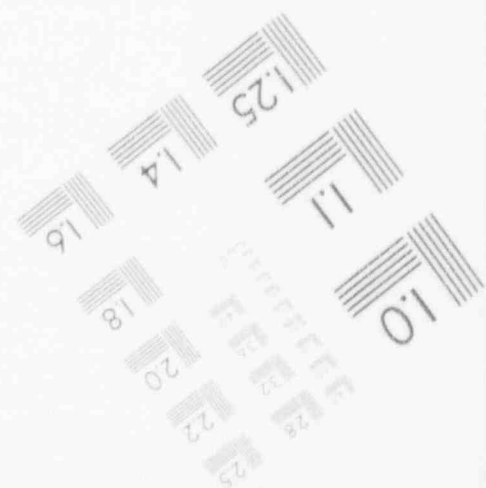
IMAGE EVALUATION TEST TARGET (MT-3)











PHOTOGRAPHIC SCIENCES CORPORATION
770 BASKET ROAD
P.O. BOX 338
WEBSTER, NEW YORK 14580
(716) 265-1600

WHEREFORE, the Debtor and the Committee request that the Court authorize the Debtor to execute, deliver and perform under the Amendment attached hereto as Exhibit A.

EUA POWER CORPORATION n/k/a
GREAT BAY POWER CORPORATION

By its attorneys,

Alan L. Lefkowitz (BNH 03348)
DECHERT PRICE & RHOADS
Ten Post Office Square, South
Boston, MA 02109
(617) 728-7100

THE OFFICIAL BONDHOLDERS'
COMMITTEE OF EUA POWER CORPORATION
n/k/a GREAT BAY POWER CORPORATION

By its attorneys,

Mark N. Polebaum, Esq. (BNH 01615)
Frank W. Getman, Jr., Esq. (BNH 04234)
HALE AND DORR
60 State Street
Boston, MA 02109
(617) 526-6000

Dated: February 15, 1994

EXHIBIT A

LEHMAN BROTHERS

February 10, 1994

Great Bay Power Corporation
f/k/a EUA Power Corporation
Forty Stark Street
P.O. Box 326
Manchester, New Hampshire 03105

Gentlemen:

This will serve as an amendment to the engagement letter dated February 25, 1993 (the "February Letter") by and between Lehman Brothers Inc., the successor to the Lehman Brothers Division of Shearson Lehman Brothers Inc. ("Lehman Brothers"), and Great Bay Power Corporation, f/k/a EUA Power Corporation (the "Company") as follows:

1. Lehman Brothers is hereby engaged on an exclusive basis to provide financial advisory services to the Company concerning the placement of $35 million of common stock (the "Common Stock") to finance the Company's working capital requirements. Such services shall include advice with respect to the structure and pricing of the Common Stock sale and assisting the Company with any amendments to the Disclosure Document.

2. As compensation for the services rendered by Lehman Brothers hereunder, the Company shall pay Lehman Brothers a success fee of $937,500, payable upon sale of the Common Stock.

3. The Term of Lehman Brothers's engagement, and all terms and conditions of the February Letter, shall be extended for six months from the date of approval by the Bankruptcy Court of this Amendment.

If the foregoing correctly sets forth the understanding and agreement between Lehman Brothers and the Company, please so indicate in the space provided for that purpose below, whereupon this Amendment shall constitute a binding agreement as of the date first above written.

LEHMAN BROTHERS INC.

By: _____
Gordon A. Paris
Managing Director

AGREED:

GREAT BAY POWER CORPORATION

By:_____
AT THE DIRECTION OF THE OFFICIAL BONDHOLDERS
COMMITTEE OF EUA POWER CORPORATION

CONSENTED TO:

OFFICIAL BONDHOLDERS COMMITTEE OF EUA POWER CORPORATION
N/K/A GREAT BAY POWER CORPORATION

By:_____

EXHIBIT F

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW HAMPSHIRE

In Re:	)	
	)	
EUA POWER CORPORATION n/k/a	)	Chapter 11
GREAT BAY POWER CORPORATION,	)	Case No. 91-10525
	)	Hearing Date: May 13, 1994
Debtor.	)	Hearing Time: 10:00 a.m.

MOTION OF BONDHOLDERS' COMMITTEE FOR AUTHORIZATION TO PAY FEES AND EXPENSES OF SKADDEN, ARPS, SLATE, MEAGHER & FLOM RELATED TO PLAN OF REORGANIZATION FINANCING

The Official Bondholders' Committee (the "Committee") of EUA Power Corporation n/k/a Great Bay Power Corporation (the "Debtor") hereby moves this Court to enter an order authorizing the Debtor to pay certain fees and expenses of the law firm of Skadden, Arps, Slate, Meagher & Flom ("Skadden") in the amount of $116,600 for services rendered to the Debtor's placement agent relating to the placement of plan of reorganization financing for the Debtor in this case. In support of this motion the Committee states as follows:

1. The Debtor filed its Chapter 11 petition on February 28, 1991.

2. The Bondholders' Committee's Fifth Amended Plan of Reorganization for the Debtor (the "Fifth Amended Plan") was confirmed by an order of this Court dated March 5, 1993. The Fifth Amended Plan provided that it would become effective only if the necessary regulatory approvals and a $45 million plan of

reorganization debt financing facility for the Debtor were obtained.

3. By an order of this Court dated March 5, 1993, the Debtor retained Shearson Lehman Brothers ("Lehman") to act as its agent in placing the $45 million plan financing facility. As described more fully in the supplemental disclosure statement filed on February 14, 1994, Lehman made extensive efforts to place the facility on the terms described in Fifth Amended Plan. Lehman's efforts included contacting over 200 financial institutions, entering serious discussions with a number of financial institutions, preparing a private placement memorandum and negotiating with existing bondholders of the debtor and other joint owners of Seabrook over possible plan financing.

4. Notwithstanding its best efforts, Lehman was unable to place the debt financing facility on the terms described in the Fifth Amended Plan. Lehman was, however, able to obtain a commitment for $35,000,000 in new equity financing, from Omega Advisors, Inc. ("Omega"). The $35,000,000 equity investment will provide the reorganized Debtor with more than sufficient cash resources to pay its operating expenses and a stronger capital structure than the one proposed by the Fifth Amended Plan.

5. The Committee filed the First Modification to the Fifth Amended Plan (the "Modified Plan") on February 12, 1994 to reflect the new equity financing. The confirmation hearing on the

Modified Plan is currently scheduled for May 13, 1994 at 10:00 a.m.

6. As part of its efforts as the Debtor's placement agent, Lehman retained Skadden as its counsel and counsel to potential lenders to assist with the placement of the plan financing facility. Skadden represented Lehman and assisted potential lenders with respect to various matters, including regulatory issues, drafting and revising proposed term sheets, drafting an extensive credit agreement and security agreement and performing due diligence related to the Debtor's operations and the proposed financing. The Committee anticipated and the disclosure statement disclosed that the Debtor would be obligated to pay the lender's counsel's fees and expenses.

7. Skadden incurred $151,600 in fees and expenses in connection with Lehman's efforts to raise the $45 million plan financing.

8. The engagement letter between Lehman and the Debtor setting forth the terms of Lehman's retention, which was attached as an exhibit to the motion to retain Lehman, provides, inter alia, that the Debtor is obligated to reimburse Lehman on demand for its reasonable expenses, including professional fees and disbursements, up to a maximum of $75,000. The Debtor is obligated to reimburse Lehman for such expenses regardless of whether or not the $45 million debt facility is established.

9. To date, the Debtor has reimbursed Lehman $37,971 for miscellaneous out-of-pocket expenses and $35,000 for legal fees incurred by Skadden in its representation of Lehman. After application of the $35,000, there is approximately $116,600 in outstanding fees and expenses owed to Skadden.

10. The services provided by Skadden were an essential and integral element of Lehman's efforts to obtain plan financing for the Debtor. Skadden's services directly benefitted the Debtor's estate as Lehman was ultimately successful in obtaining plan financing.

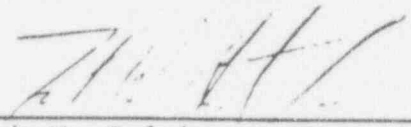
11. Skadden performed its services in good faith with the reasonable expectation, which expectation was shared by the Committee, that it would be paid for such services at the time the debt financing was closed. The Committee believes that the payment of Skadden's fees and expenses is in the best interests of the Debtor and its estate.

12. The background work and diligence already performed by Skadden places it in the best position to assist Omega in finalizing the new equity financing. Omega and its designees have retained Skadden to represent them in the closing of the equity financing. The entities providing the equity financing will be the source of the funds which will be used to repay all administrative expenses. Those entities support allowance of this motion.

WHEREFORE, the Committee respectfully requests that the Court enter an order authorizing the Debtor to pay the fees and expenses of Skadden in the amount of $116,600.

OFFICIAL BONDHOLDERS' COMMITTEE OF EUA POWER CORPORATION n/k/a GREAT BAY POWER CORPORATION,

By their attorneys,



Mark N. Polebaum, Esq. (BNH 01615)
Frank W. Getman Jr., Esq. (BNH 04234)
HALE AND DORR
60 State Street
Boston, Massachusetts 02109
(617) 526-6000

Dated: April 5, 1994