

EMPLOYMENT AGREEMENT BETWEEN JOHN P. GRANANHAN, JR.
AND
MIDDLEBOROUGH GAS & ELECTRIC BOARD OF COMMISSIONERS

WHEREAS, on January 13, 2009, the Middleborough Gas & Electric Department ("MGED") Board of Commissioners ("Board") appointed John P. Granahan, Jr., as General Manager of the MGED pursuant to the provisions of the Massachusetts General Laws Chapter 164, Section 56: and

WHEREAS, on February 10, 2009, the Board agreed to pay John P. Granahan, Jr. an annual salary of \$160,000 effective February 10, 2009, and to review the GM's salary in six months from that date and

WHEREAS, on August 11, 2009, the Board voted to raise the GM's salary by \$5,000 to \$165,000 effective August 10, 2009, and

WHEREAS, the parties are desirous of entering into a written agreement or contract for the General Manager.

NOW, THEREFORE in consideration of mutual covenants herein contained, the parties agree, promise and covenant as follows:

Agreement:

The Board of Commissioners ("Board") agrees to the continued appointment of John P. Granahan, Jr., as General Manager ("GM") in accordance with the terms and conditions as set forth below:

Compensation:

Annual Performance Adjustment: The GM will be eligible for a Base Salary Performance Adjustment, effective January 13th of each subsequent year. The exact amount of the Base Salary Performance Adjustment will be determined after a review of the GM's performance over the prior year.

Benefits: The GM shall receive all employee benefits presently in effect and all employee benefits established during the term of this Agreement that are applicable to Senior Management of the Department.

Term: The term of the Agreement shall be in effect for three (3) years (or Initial Term) beginning as of September 1, 2009. At the expiration of each year during the Initial Term and every year thereafter while the Agreement is in effect, the Agreement shall be automatically extended for additional three (3) year periods. ("Renewal Period").

Termination: The Board for any reason may terminate this Agreement, by giving the GM prior written notice. In the event of such termination, the GM's rights and entitlements shall be determined in accordance with the following provisions:

1. Termination of Cause

The GM's employment may be terminated "For Cause". For purposes of this Agreement, "For Cause" shall be:

- a. Conviction of an act constituting a felony under the laws of the United States or the Commonwealth of Massachusetts, or
- b. Death or
- c. Disability or incapacity as defined below.

Disability - In the event that John P. Granahan, Jr., shall become so disable or incapacitated because of permanent physical or mental disability that he shall be totally unable to perform the services required of him pursuant to the Agreement, then after the greater of (i) twelve (12) months or (ii) the expiration of John P. Granahan's available sick time after the onset of such total permanent physical or mental disability, this Agreement shall terminate.

2. Termination Not for Cause

The Board, in its sole discretion, may vote to terminate the employment of the GM for any reason other than "For Cause" (as described above).

3. Severance Benefits

- a. If the GM is terminated "For Cause" as described under the provisions of Section #1 above, the GM shall not be entitled to receive any additional compensation other than accrued vacation and sick time available prior to termination.
- b. If the GM is terminated under the provisions of Section #2 above, the GM shall be paid a severance amount that will be 24 months times 1/12th the base salary in effect at the time of termination plus any accrued benefits, including accrued vacation and sick time.
- c. The payment of any undisputed severance amounts will be distributed in a lump sum account, subject to applicable taxes, payable no later than thirty (30) days following such termination. Disputed amounts shall first be negotiated between the parties for a period not to exceed sixty (60) days. The parties agree that any amounts remaining in dispute after the negotiation period shall be administered by the American Arbitration

Association under its Employment Mediation Rules and Judgement upon the award rendered by the arbitrator(s) may be entered by any court having jurisdiction thereof. This will be the parties' sole remedy, and there shall be no accrued interest or penalties added to disputed amount that may eventually be awarded to the GM.

Miscellaneous:

1. This Agreement contains the entire Agreement of the parties. This Agreement may only be changed or amended in a written document signed by both parties.
2. The GM shall give the Board one hundred twenty (120) days written notice prior to resignation as General Manager. The Board at its sole discretion may accept a period of less than one hundred twenty (120) days.
3. This Agreement shall be binding upon and inure to the benefit of and shall be enforceable by the heirs, successors and assigns of the respective parties.
4. Notwithstanding item 3 (c), any controversy or claim arising out of or relating to this contract, or breach thereof, shall be settled by arbitration administered by the American Arbitration Association under its National Rules for the Resolution of Employment Disputes and Judgement upon the award rendered by the arbitrator(s) may be entered by any court having jurisdiction thereof.
5. Both parties agree to conduct themselves in a reasonable and prudent manner.

By: Donald R. Triner
Donald R. Triner, Chairman
Board of Commissioners

Date: Sept 8, 2009

By: John P. Granahan, Jr.
John P. Granahan, Jr.
General Manager

Date: Sept 8, 2009