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VIA EMAIL – Laura.Paye@maine.gov

August 3, 2026

Laura Paye
Hydropower Coordinator
Maine Department of Environmental Protection
17 State House Station
Augusta, Maine 04333

Re: Maine Department of Environmental Protection (the “Department”) Consolidated Petition for Release from Dam Ownership related to Silver Lake, Alamoosook Lake, and Toddy Pond, 38 M.R.S. §§ 901, et. seq. (the “Petition”)

Dear Ms. Paye:

In accordance with its June 17, 2026 request, which the Department granted on June 26, 2026, Bucksport Mill LLC (“Bucksport Mill” or “Petitioner”) hereby provides an update on the status of negotiations to transfer portions of the Fresh Water Supply System.¹ Petitioner continues to negotiate transactions whereby the town of Bucksport (“Town of Bucksport”) will be the transferee of Silver Lake and Dam, the Alamoosook Lake Watershed Management District (“Alamoosook Lake District”) will be the transferee of Alamoosook Lake and Dam, and the Toddy Pond Watershed Management District (the “Toddy Pond District” and, together with Alamoosook Lake District, the “Watershed Districts”) will be the transferee of Toddy Pond and Dam (the “Contemplated Transfers”). Petitioner had hoped the terms of the Contemplated Transfers would be nearly finalized by this point to comply with Bucksport’s municipal timelines. However, while

¹ As defined in the Easement, the Fresh Water Supply System is comprised of Silver Lake and dam, Toddy Pond and dam, Alamoosook Lake and dam, as well as the filter house and associated piping utilized by Bucksport Generation to draw water from Silver Lake (the “Downstream Infrastructure”), and the historic infrastructure designed to pump water from Alamoosook Lake and transport it to Silver Lake (the “Refill Piping”). The Downstream Infrastructure and the Refill Piping are excluded from the Contemplated Transfers and will be retained by Petitioner.

significant progress has been made, there are still open issues to resolve, and Bucksport Mill respectfully requests additional time to finalize the details of each of the Contemplated Transfers.

As described below, Bucksport Mill is currently negotiating transaction documents with the Town of Bucksport and the Watershed Districts. Petitioner is pleased to report that parties are largely aligned on terms and drafting is well underway. Discussions with the Town of Bucksport and the Watershed Districts are active, with conferences of counsel occurring as recently as today.

The participation of Maine Water Company and Bucksport Generation, the existing Silver Lake Water Users, is essential and remains the key outstanding area of ongoing negotiation towards the Contemplated Transfers. This may require some possible revisions to the existing deal structures, which revisions are under discussion. Petitioner is working towards a solution where the rights of Bucksport Generation and Maine Water Company will be appropriately addressed and respectfully requests additional time to work through the terms of that participation.

Consistent with our previous updates to the Department, Petitioner summarizes its efforts since June 17, 2026 to negotiate transaction documents with the Town of Bucksport and the Watershed Districts and to achieve the terms of Maine Water Company and Bucksport Generation's participation:

- June 30, 2026 – Bucksport Mill emails Bucksport Generation requesting additional information and providing information about permits.
- June 30, 2026 – Bucksport Mill responds to Maine Water Company communication about setting a meeting. Maine Water Company proposes meeting the week of July 13, 2026.
- July 2, 2026 – Bucksport Mill corresponds with Bucksport Generation regarding permits and water usage data.
- July 14, 2026 – Counsel for the Watershed Districts provides draft real estate transfer agreements for Toddy Pond and Alamoosook Lake. Petitioner, in coordination with the Watershed Districts, continues to review and revise the draft agreements.
- July 16, 2026 – Bucksport Mill and Maine Water Company meet to discuss the terms of Maine Water Company's participation relative to the Contemplated Transfers, based on certain assumptions which remain under review.
- July 22, 2026 – Bucksport Generation responds to Bucksport Mill's written response to the June 16, 2026 proposal.
- July 23, 2026 – Maine Water Company, Bucksport Generation, the Town of Bucksport, and Bucksport Mill meet to discuss the Contemplated Transfers. Bucksport Mill learns that the other participants are actively negotiating with one another, and requests additional information to inform the Contemplated Transfers.
- July 27, 2026 – Bucksport Mill provides the Town of Bucksport with a draft transfer agreement for Silver Lake and Dam and proposed form of easement amendment for negotiation.
- July 29, 2026 – Bucksport Mill provides a written response to Bucksport Generation and again requests the terms of any agreements with other participants in order to evaluate the impact of such agreements.
- July 30, 2026 – Bucksport Mill and Bucksport Generation meet to discuss Bucksport Mill's position on the terms of Bucksport Generation's participation, in which Bucksport Mill

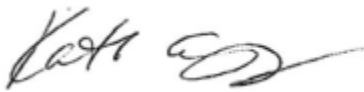
committed to revisiting the structure of the transaction to evaluate whether there are alternatives that allow for Bucksport Generation's participation in an achievable manner.

- July 31, 2026 – Bucksport Mill provides brief updates to Bucksport Generation and Maine Water Company on the status of negotiations. Bucksport Mill also requests a meeting with both the Districts and Bucksport for additional discussion.
- August 3, 2026 – Bucksport Mill participates in a conference of counsel with the Watershed Districts.
- August 3, 2026 – Bucksport emails the Department, copying Bucksport Mill, and states that side agreements between the Town, Maine Water Company, and Bucksport Generation appear to be in place, presumably contingent upon successful final discussions between Bucksport Mill, Bucksport Generation, and Maine Water Company.
- August 3, 2026 – The Town of Bucksport provides Bucksport Mill with a revised draft transfer agreement for further negotiation. The Town of Bucksport indicates that it has been drafting amendments to (1) the Easement with Bucksport Generation and (2) the Indenture with Maine Water Company and expects to share those draft amendments with Bucksport Mill in short order.
- August 3, 2026 – Bucksport Mill participates in a conference of counsel with the Town of Bucksport to review deal terms.

Bucksport Mill thanks the Department and all participants for their attention throughout this Petition process and looks forward to finalizing the Contemplated Transfers. Given the progress made and continued optimism regarding the Contemplated Transfers, Bucksport Mill respectfully requests a further extension of the consultation period until November 3, 2026, by which date Petitioner will provide an update to the Department. Should the negotiations conclude unfavorably or should universally acceptable terms (including those for Bucksport Generation's and Maine Water Company's participation) be achieved sooner, Petitioner will promptly inform the Department.

Please do not hesitate to contact me if you have any questions or require additional information.

Sincerely,

A handwritten signature in dark ink, appearing to read "Kath Joy", with a stylized flourish at the end.

Katherine Joyce