RESOLUTION

APPROVING THE PROPOSAL OF PENNICHUCK CORPORATION TO GIVE PENNICHUCK EAST UTILITY, INC. AUTHORITY TO ENTER INTO LONG TERM LOANS FROM COBANK, ACB

CITY OF NASHUA

In the Year Two Thousand and Thirteen

WHEREAS, the City of Nashua is the sole shareholder of Pennichuck Corporation and each of its subsidiaries:

WHEREAS, Article VI §2 of the by-laws of the Pennichuck Corporation states that “[n]o loan shall be contracted on behalf of the Corporation and no evidence of indebtedness shall be issued in its name unless authorized by the Sole Shareholder [the City of Nashua]”;

WHEREAS, Pennichuck East Utility, Inc. (“PEU”), is a New Hampshire public utility corporation providing retail water service to approximately 6,800 New Hampshire customers, and is wholly owned by Pennichuck Corporation (“Pennichuck”) which, in turn, is wholly owned by the City of Nashua:

WHEREAS, PEU is proposing to enter into two new long term loans: (i) a loan from CoBank, ACB (“CoBank”) in the principal amount of $925,000 to refinance short term debt that was used for the prepayment of a loan from the Business Finance Authority of the State of New Hampshire (“BFA”), and (ii) a second loan from CoBank in the principal amount of $1,723,150 to refinance an existing intercompany long term loan;

NOW, THEREFORE, BE IT RESOLVED by the Board of Aldermen of the City of Nashua that the City approves PEU and Pennichuck’s proposal for two loans from CoBank in the principal amounts of $925,000 and $1,723,150.
RESOLUTION: R-13-092

PURPOSE: Approving the proposal of Pennichuck Corporation to give Pennichuck East Utility, Inc. authority to enter into long term loans from CoBank, ACB

ENDORSED: Mayor Donnalee Lozeau

COMMITTEE ASSIGNMENT:

FISCAL NOTE: None.

ANALYSIS

This resolution approves the proposal by Pennichuck Corporation and Pennichuck East Utility, Inc. for two loans from CoBank in the principal amounts of $925,000 and $1,723,150.

Pennichuck has provided detailed additional information which is being provided to the Board of Aldermen by communication.

Article VI §2 of the Pennichuck Corporation's by-laws requires City approval for the borrowing.

Approved as to form: Office of Corporation Counsel

By: [Signature]

Date: January 17, 2013