



RESOLUTION

AUTHORIZING THE MAYOR AND CITY TREASURER TO ISSUE BONDS OR NOTES NOT IN EXCESS OF TWO HUNDRED TWENTY MILLION DOLLARS (\$220,000,000.00) TO PAY ALL COSTS OF ACQUIRING THE STOCK AND/OR ASSETS OF THE PENNICHUCK CORPORATION

CITY OF NASHUA

In the Year Two Thousand and Ten

RESOLVED by the Board of Aldermen of the City of Nashua that in accordance with RSA 38:3 the Board of Aldermen, by a two-thirds vote of all of its members and the Mayor have determined that it is in the best interests of the City to establish a municipal water company, through the purchase of the stock and/or assets of the Pennichuck Corporation, as authorized by Chapter 347 of the Acts of 2007, as amended and supplemented by Section 118 of Chapter 1 of the Special Session of the Acts of 2010, which vote has been confirmed by a majority of the qualified voters of the City of Nashua at a regular election duly called and held for such purpose.

RESOLVED That the Mayor of the City of Nashua and the City Treasurer of the City of Nashua are hereby authorized to issue and sell general obligation bonds of the City, in an aggregate principal not to exceed Two Hundred Twenty Million Dollars (\$220,000,000.00). The proceeds of said bonds shall be used to pay all costs of purchasing the stock and/or assets of the Pennichuck Corporation, which purchase shall be upon such terms and conditions as shall be set forth in a Merger Agreement to be entered into by the City and the Pennichuck Corporation. The life span of this project is at least 30 years.

The bonds shall be general obligations of the City of Nashua, payable as to principal and interest from ad valorem taxes, which will be levied without limitation as to rate or amount on all taxable property within the territorial limits of the City of Nashua.

The bonds shall bear the manual and facsimile signature of the City Treasurer and the Mayor. None of said bonds shall be obligatory without the authenticating certificate signed by an authorized officer of a bank or trust company doing business in the State of New Hampshire or The Commonwealth of Massachusetts, or the Commissioner of Revenue Administration.

The bonds are to be issued in fully-registered form by means of a book-entry system or otherwise and shall have such terms and conditions and be in such form, subject to the provisions of this resolution and applicable law, as such shall be determined by the Mayor and the City Treasurer. The Mayor is authorized to enter into the required contracts therefore as well as any amendments to be made thereto or any other documentation necessary for the receipt of said funds.

RESOLVED that in accordance with RSA 38:13, as supplemented by Chapter 347 of the Acts of 2007, as amended and supplemented by Section 118 of Chapter 1 of the Special Session of the Acts of 2010, this resolution shall constitute the City's ratification of the purchase price to be paid by the City for the stock and/or assets of the Pennichuck Water Corporation. The Mayor and any other appropriate officer of the City are authorized to take any and all actions necessary to carry out the purposes of this resolution and to execute and deliver the Merger Agreement between the City and the Pennichuck Corporation and any other documents or agreements necessary or convenient to the carrying out of the purposes of this resolution.

RESOLVED FURTHER, that the Mayor is authorized to enter into the required contracts therefore as well as any amendments to be made thereto or any other documentation necessary for the receipt of said funds.

LEGISLATIVE YEAR 2010

RESOLUTION:

R-10-82

PURPOSE:

Authorizing the Mayor and City Treasurer to issue bonds or notes not in excess of Two Hundred Twenty Million Dollars (\$220,000,000.00) to pay all costs of acquiring the stock and/or assets of the Pennichuck Corporation

ENDORSER(S):

**Mayor Donnalee Lozeau
Alderman-at-Large Brian S. McCarthy**

**COMMITTEE
ASSIGNMENT:**

FISCAL NOTE:

Debt in the amount not to exceed \$220,000,000 will be sold with a thirty year term. Pursuant to the definitive merger agreement, a bond in the amount of \$160,000,000 at an interest rate of 6.5% assuming level payments results in a total cost of approximately \$364,000,000. The remainder of the \$220,000,000 bond authorization may be necessary for other acquisition related costs, including possible payoff of existing Pennichuck debt of approximately \$50,000,000.

ANALYSIS

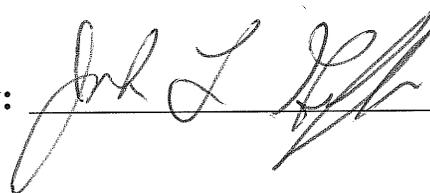
This resolution authorizes the Mayor and the City Treasurer of the City of Nashua to issue and sell general obligation bonds of the City in an aggregate principal amount not to exceed two hundred twenty million dollars (\$220,000,000,000). The proceeds of said bonds shall be used for the acquisition of the stock and/or assets of the Pennichuck Corporation..

Pursuant to Nashua City Charter §54-a, this resolution requires a "duly advertised public hearing". Also see NH RSA 33:9, which requires a 2/3 vote for passage of this resolution.

**Approved as to content,
account structure,
numbers and amount:**

Financial Services Division

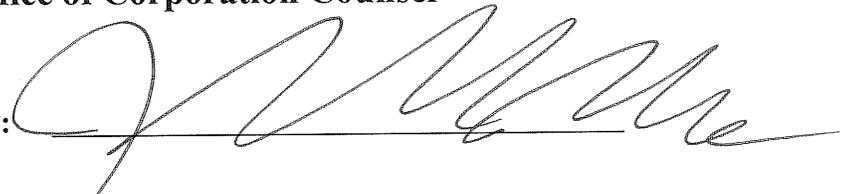
By:



Approved as to form:

Office of Corporation Counsel

By:



Date:

12/10/10

RESOLUTION R-10-82
Authorizing the Mayor and City Treasurer to issue bonds or notes not in excess of Two Hundred Twenty Million Dollars (\$220,000,000.00) to pay all costs of acquiring the stock and/or assets of the Pennichuck Corporation

IN THE BOARD OF ALDERMEN

1ST READING DECEMBER 14, 2010

Referred to:

BUDGET REVIEW COMMITTEE AND
PUBLIC HEARING ON THURSDAY,
JANUARY 6, 2011 AT 7:00 PM IN
ALDERMANIC CHAMBERS

2nd Reading JANUARY 11, 2011

3rd Reading _____

4th Reading _____

Other Action _____

Passed JANUARY 11, 2011

Indefinitely Postponed _____

Defeated _____

Attest: Paul Bergern
City Clerk

Ben Smith
President

Approved Jessie Logan
Mayor's Signature

1/11/11
Date

Endorsed by
Jessie Logan MAYOR

MCCARTHY

CLEMONS
Kathleen Vitale VITALE
Barbara Pressly PRESSLY

LAROSE
Michael J. Tabacko TABACKO
Marylou Melizzi-Golja MELIZZI-GOLJA

COX
Diane Sheehan SHEEHAN
Lauri Wilshire WILSHIRE
Richard Flynn FLYNN

Vetoed: _____

Veto Sustained: _____

Veto Overridden: _____

Attest: _____
City Clerk

President