



RESOLUTION

AUTHORIZING THE MAYOR TO EXECUTE AN EXTENSION OF THE AGREEMENT AND PLAN OF MERGER BETWEEN THE CITY OF NASHUA AND PENNICHUCK CORPORATION

CITY OF NASHUA

In the Year Two Thousand and Eleven

RESOLVED by the Board of Aldermen of the City of Nashua that

WHEREAS on November 11, 2010 the city of Nashua and Pennichuck Corporation entered an Agreement and Plan of Merger for the City to purchase all the outstanding stock of Pennichuck Corporation; and

WHEREAS § 8.02(e) of that Merger Agreement contemplates termination if that acquisition has not occurred prior to December 31, 2011; and

WHEREAS § 8.05(a) of that Merger Agreement permits the parties to extend the agreement at any time before December 31, 2011; and

WHEREAS the New Hampshire Public Utilities Commission recently approved the acquisition on November 23, 2011; and

WHEREAS the City's bond advisors and underwriters predict the sale and settlement of bonds will not occur until January 2012, and

NOW, THEREFORE, BE IT RESOLVED by the Board of Aldermen of the City of Nashua that the mayor is authorized to execute the attached consent agreement extending the time to effect the Merger under Section 8.02(e) of the Agreement to February 3, 2012.

CONSENT AGREEMENT

CONSENT AGREEMENT (this "Consent") dated as of December __, 2011 between the City of Nashua, New Hampshire, a municipal corporation ("Acquirer"), and Pennichuck Corporation, a New Hampshire business corporation (the "Company").

WHEREAS, Acquirer and the Company entered into that certain Agreement and Plan of Merger dated as of November 11, 2010 (the "Agreement");

WHEREAS, Section 8.02(e) of the Agreement provides, in part, that the Agreement may be terminated by either Acquirer or the Company if the Effective Time shall not have occurred prior to December 31, 2011;

WHEREAS, Section 8.05 of the Agreement provides that the parties to the Agreement may extend the time for the performance of any of the obligations or other acts of the other parties under the Agreement; and

WHEREAS, capitalized terms used in this Consent and not defined herein shall have the definitions provided for such terms in the Agreement.

NOW, THEREFORE, the parties hereto agree as follows:

1. Consent to Extend Time to Effect Merger. The parties hereby agree to extend the time to effect the Merger under Section 8.02(e) of the Agreement to February 3, 2012.
2. No Other Consents or Waivers. Except as specifically set forth in this Consent, the Agreement shall remain in full force and effect, without any amendment or modification thereto.

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IN WITNESS WHEREOF, Acquirer and the Company have caused this Consent to be executed as an instrument under seal as of the date first written above by their respective officers thereunto duly authorized.

CITY OF NASHUA

By: _____
Name: **Donnalee Lozeau**
Title: **Mayor**

PENNICHUCK CORPORATION

By: _____
Name: **Duane C. Montopoli**
Title: **President and Chief Executive Officer**

LEGISLATIVE YEAR 2011

RESOLUTION: R-11-170

PURPOSE: Authorizing the mayor to execute an extension of the agreement and plan of merger between the City of Nashua and Pennichuck Corporation

ENDORSER(S): Mayor Donnalee Lozeau

**COMMITTEE
ASSIGNMENT:**

FISCAL NOTE: None

ANALYSIS

This resolution authorizes an extension of the agreement and plan of merger between the City of Nashua and Pennichuck Corporation to February 3, 2012.

The New Hampshire Public Utilities Commission (PUC) approved the city's acquisition of Pennichuck Corporation on November 23, 2011. The parties can only complete that acquisition after the time for requesting a rehearing by the PUC expires on December 24, 2011.

The city's bond advisors and underwriters advise that the period between December 24 and January 3 is not a good time to issue bonds. This extension permits the city sufficient time to sell the necessary bonds in order to close this transaction. The agreement selects a new deadline of February 3, 2012 because the current Pennichuck board of directors is scheduled to meet on February 6th and would normally approve a dividend at that meeting. The city wants to close the transaction before the Pennichuck board approves a dividend to shareholders.

Approved as to form: Office of Corporation Counsel

By:



Date:



