



RESOLUTION

APPROVING THE PROPOSAL OF PENNICHUCK CORPORATION TO BORROW UP TO TEN MILLION DOLLARS (\$10,000,000) UNDER A REVOLVING LINE OF CREDIT WITH RBS CITIZENS, NATIONAL ASSOCIATION

CITY OF NASHUA

In the Year Two Thousand and Twelve

RESOLVED by the Board of Aldermen of the City of Nashua that the City of Nashua is the sole shareholder of Pennichuck Corporation and each of its subsidiaries; and

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”; and

WHEREAS, Pennichuck Corporation is proposing to borrow up to Ten Million Dollars (\$10,000,000) under a revolving line of credit with RBS Citizens, National Association, and may do so in one or more loans or letters of credit as may be entered into from time to time by Pennichuck Corporation in connection with such revolving line of credit for the purpose of financing general working capital needs, bridging CAPEX expenditures and providing general corporate financing; and

WHEREAS, that borrowing also requires the approval of the sole shareholder, City of Nashua, under the terms of the Pennichuck Corporation by-laws;

NOW, THEREFORE, BE IT RESOLVED by the Board of Aldermen of the City of Nashua that the City approves Pennichuck Corporation’s proposal to borrow up to Ten Million Dollars (\$10,000,000) under a revolving line of credit with RBS Citizens, National Association under terms substantially the same as those contained in Citizens Bank’s Summary of Indicative Terms and Conditions, dated January 20, 2012, and attached hereto.

LEGISLATIVE YEAR 2012

RESOLUTION: R-12-007

PURPOSE: Approving the proposal of Pennichuck Corporation to borrow up to Ten Million Dollars (\$10,000,000) under a Revolving Line of Credit with RBS Citizens, National Association

ENDORSERS: Mayor Donnalee Lozeau

**COMMITTEE
ASSIGNMENT:**

FISCAL NOTE: None.

ANALYSIS

This resolution approves the proposal by Pennichuck Corporation to borrow up to Ten Million Dollars (\$10,000,000) under a revolving line of credit with RBS Citizens, National Association. The purpose of the revolving line of credit is to finance general working capital needs; to bridge CAPEX expenditures; and, provide general corporate financing. This revolving line of credit replaces one held by the Pennichuck Corporation prior to its acquisition by the City.

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:



Date: January 23, 2012

RESOLUTION R-12-007

Approving the proposal of _____

Pennichuck Corporation to _____

borrow up to Ten Million Dollars _____

(\$10,000,000) under a Revolving _____

Line of Credit with RBS Citizens, _____

National Association _____

IN THE BOARD OF ALDERMEN

1st READING JANUARY 24, 2012

Referred to:

PENNICHUCK SPECIAL WATER COMMITTEE

2nd Reading FEBRUARY 14, 2012

3rd Reading _____

4th Reading _____

Other Action _____

Passed FEBRUARY 14, 2012

Indefinitely Postponed _____

Defeated _____

Attest: [Signature]
City Clerk
[Signature]
President

Approved [Signature]
Mayor's Signature

February 15, 2012
Date

Endorsed by
[Signature] MAYOR
[Signature] WILSHIRE
[Signature] MELIZZI-GOLJA
[Signature] TABACSKO
[Signature] SHEEHAN
[Signature] PRESSLY
[Signature] MCCARTHY

Vetoed: _____

Veto Sustained: _____

Veto Overridden: _____

Attest: _____
City Clerk

President