

PENNICHUCK EAST UTILITY, INC.

BOARD OF DIRECTORS
MINUTES OF JANUARY 22, 2016 MEETING

A meeting of the Board of Directors of Pennichuck East Utility, Inc. (the “Company”) was held on Friday, January 22, 2016 at 12:15 p.m. at the Company’s offices at 25 Manchester Street, Merrimack, New Hampshire.

Written materials relating to items listed in the Agenda were provided to the Board members for their review prior to the meeting.

The following Directors were present, constituting a quorum:

Thomas J. Leonard, Chairman
David P. Bernier
C. George Bower
James P. Dore
Elizabeth A. Dunn
Stephen D. Genest
Paul A. Indeglia
Jay N. Lustig
John D. McGrath
Preston J. Stanley, Jr.

Also attending the meeting from the Company was Suzanne L. Ansara, Corporate Secretary.

S. Ansara recorded the minutes of the meeting.

Approval of Minutes

The Chairman inquired whether there were any comments with respect to the draft minutes of the October 23, 2015 meeting of the Board of Directors. There being none, on motion duly made by S. Genest and seconded by J. McGrath, all of the Directors present then voting, it was unanimously

Resolved: that the minutes of the October 23, 2015 meeting of the Board of Directors are hereby approved.

SRF Loan – Water Main Replacement – Varney Road, Locke Lake, Barnstead, NH

The Chairman asked for a motion to approve the resolutions set forth in the Agenda relating to the borrowing by Pennichuck East Utility, Inc. of up to \$1,650,000 from the State of New Hampshire to fund the replacement of water mains in the Varney Road area at Locke Lake, Barnstead, NH. The matter was discussed earlier in the day at the Pennichuck Corporation Board meeting.

On motion duly made by D. Bernier and seconded by J. McGrath, all of the Directors present then voting, it was unanimously

Resolved: that the Board of Directors hereby approves the borrowing by Pennichuck East Utility, Inc. (the "Company") of up to \$1,650,000 in principal amount from the State of New Hampshire (the "State"), such amount to be paid over a 20-year term, level payment, with interest and related costs, for the purpose of funding the replacement of water mains in the Varney Road area (Phase I, II and III) at Locke Lake, Barnstead, NH, pursuant to a Loan Agreement between the Company and the State under the State's Drinking Water Revolving Loan Fund program.

Further
Resolved: that the officers of the Company are severally authorized, empowered and directed to execute and deliver, in the name and on behalf of the Company, the Loan Agreement for the SRF loan described in the previous resolution (the "SRF Loan") with such terms, including the exhibits and schedules to such Loan Agreement, as may be deemed necessary or advisable in the several judgment of the officers executing the Loan Agreement.

Further
Resolved: that the officers of the Company are hereby authorized, empowered and directed to take any and all actions to obtain all necessary approvals for the SRF Loan from the New Hampshire Public Utilities Commission, the New Hampshire Department of Environmental Services, the Governor and Executive Council, and the City of Nashua in its capacity as the sole shareholder of Pennichuck Corporation (the Company's parent corporation), and any other authority determined by such officers relating to the SRF Loan.

Further
Resolved: that Larry D. Goodhue and Donald L. Ware are severally authorized, empowered and directed to take such actions and to execute and deliver such documents as in the opinion of the officer or officers so acting or in the opinion of counsel, are necessary or desirable to effect the SRF Loan and to carry out the purposes of the preceding resolutions, the taking of such actions and the execution and delivery of such documents to be sufficient and conclusive evidence that the same are within the authority conferred by these resolutions.

CoBank, ACB Loan

The Chairman asked for a motion to approve the resolutions set forth in the Agenda relating to a term loan from CoBank, ACB to Pennichuck East Utility, Inc. in an amount up to \$2,200,000, which loan was discussed at the Pennichuck Corporation Board meeting held earlier in the day.

On motion duly made by S. Genest and seconded by P. Stanley, all of the Directors present then voting, the following resolutions were unanimously approved:

WHEREAS, reference is made to that certain Master Loan Agreement, dated as of February 9, 2010, between Pennichuck East Utility, Inc. (the “Corporation”), as borrower, and CoBank, ACB (“CoBank”), as lender (the “MLA”);

WHEREAS, by resolutions taken on February 4, 2010, the directors of the Corporation approved the MLA and transactions related to loans dated February 9, 2010; and

WHEREAS, the Corporation finds it beneficial that the Corporation take out an additional loan under the terms and conditions of the MLA (such New Loan further described below), for the purposes of refinancing intercompany debt between the Corporation and Pennichuck Corporation and providing financing for a portion of the Corporation’s 2016 capital expenditures.

NOW, THEREFORE, be it hereby:

Resolved: to authorize and approve that the Corporation enter into a term loan (the “New Loan”) to be advanced under and subject to the terms and conditions of the MLA and a new Promissory Note and Supplement thereto, as follows: up to Two Million Two Hundred Thousand Dollars and No Cents (\$2,200,000.00), with a 25-year amortization schedule.

Further

Resolved: to approve the other resolutions set forth in Exhibit A relating to said MLA and the New Loan, as proposed by CoBank and recommended by management, including without limitation that the Chief Executive Officer, the Chief Operating Officer and the Assistant Treasurer of the Corporation are, and each is, authorized to act as the Corporation’s representative for the purposes of executing and administering documents necessary to effecting the above-referenced loans subject to the MLA, and/or executing any other related documents, certificates and undertakings on behalf of the Corporation with respect to said New Loan.

There being no further business to come before the Board, the meeting was adjourned at 12:16 p.m.

/s/ Suzanne L. Ansara
Suzanne L. Ansara
Corporate Secretary

RESOLUTIONS OF THE BOARD OF DIRECTORS
of
PENNICHUCK EAST UTILITY, INC.
Merrimack, New Hampshire

WHEREAS, Pennichuck East Utility, Inc. ("Borrower"), under its articles of incorporation, bylaws, or other organizational documents has full power and authority to borrow money and to secure the same with its own property and property delivered to it for marketing or otherwise; and

WHEREAS, all prerequisite acts and proceedings preliminary to the adoption of these Resolutions have been taken and done in due and proper form, time and manner;

NOW, THEREFORE, BE IT RESOLVED, that the Chief Executive Officer, the Chief Operating Officer, and the Assistant Treasurer ("Officers") of the Borrower are jointly and severally authorized and empowered to obtain for and on behalf of the Borrower from time to time, from CoBank, ACB ("CoBank"), a loan or loans or other financial accommodations (including, without limitation, letters of credit, note purchase agreements and bankers acceptances) (collectively, a "Loan") under these Resolutions; and for such purposes: (1) to execute such application or applications (including exhibits, amendments and/or supplements thereto) as may be required for all borrowings; (2) to obligate the Borrower to pay such rate or rates of interest as the Officers so acting shall deem proper, and in connection therewith to purchase such interest rate risk management products as may be offered from time to time by CoBank; (3) to obligate the Borrower to make such investments in CoBank as required by CoBank and to obligate the Borrower to such other terms and conditions as the Officers so acting shall deem proper; (4) to execute and deliver to CoBank or its nominee all such written loan agreements, documents and instruments as may be required by CoBank in regard to or as evidence of any Loan made pursuant to the terms of this Resolution; (5) to pledge, grant a security interest or lien in, or assign property of the Borrower or property of others on which it is entitled to borrow, of any kind and in any amount as security for any or all obligations (past, present and/or future) of the Borrower to CoBank; (6) to execute and deliver to CoBank any agreements, addenda, authorization forms and other documents or instruments as may be required by CoBank in the event that the Borrower elects to use any services or products related to the Loan that are offered by CoBank now or in the future, including without limitation an automated clearing house (ACH) service; (7) from time to time amend any such Loan; (8) to direct and delegate to designated employees of the Borrower the authority to direct, by written or telephonic instructions or electronically, if the Borrower has agreed to use the System for such purpose, the disposition of the proceeds of any Loan authorized herein or any property of the Borrower at any time held by CoBank; and (9) to delegate to designated employees of the Borrower the authority to request by telephonic or written means or electronically, if the Borrower has agreed to use the System for such purpose, loan advances and/or other financial accommodations, and in connection therewith, to fix rates and agree to pay fees. In the absence of any direction or delegation authorized in (8) or (9) above, all existing directions and/or delegations shall remain in full force and effect and shall be applicable to any Loan authorized herein.

RESOLVED FURTHER, That each of the Officers are hereby jointly and severally authorized and directed to do and/or cause to be done, from time to time, all things which may be necessary and/or proper for the carrying out of the terms of these Resolutions.

RESOLVED FURTHER, That all prior acts by the Officers or other employees or agents of the Borrower to accomplish the purposes of these Resolutions are hereby approved and ratified.

RESOLVED FURTHER, That any Officer of the Borrower is hereby authorized and directed to cast the ballot of the Borrower in any and all proceedings in which the Borrower is entitled to vote for the selection of a member of CoBank's board of directors or for any other purpose.

RESOLVED FURTHER, That these Resolutions shall remain in full force and effect until a certified copy of a duly adopted resolution effecting a revocation or amendment, as the case may be, shall have been received by CoBank. The authority hereby granted shall apply with equal force and effect to the successors in office of the Officers herein named.

RESOLVED FURTHER, That effective on the date when the Loan under these Resolutions becomes available, the following listed Resolutions are hereby revoked: N/A .

RESOLVED FURTHER, That the Secretary or any Assistant Secretary of the Borrower is hereby authorized and directed to certify to CoBank a copy of these Resolutions, the names and specimen signatures of the present Officers above referred to, and if and when any change is made in the personnel of any said Officers, the fact of such change and the name and specimen signatures of the new Officers. CoBank shall be entitled to rely on any such certification until a new certification is actually received by CoBank.