

PENNICHUCK EAST UTILITY, INC.  
BOARD OF DIRECTORS  
MINUTES OF OCTOBER 27, 2017 MEETING

A meeting of the Board of Directors of Pennichuck East Utility, Inc. (the “Company”) was held on Friday, October 27, 2017 at 11:37 a.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  
Elizabeth A. Dunn  
Stephen D. Genest  
Jay N. Lustig  
John D. McGrath  
John M. Murphy  
Preston J. Stanley, Jr.

Also attending the meeting from the Company were:

Larry D. Goodhue, Chief Executive Officer  
Donald L. Ware, Chief Operating Officer  
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 August 25, 2017 meeting and non-public session of the Board of Directors. There being none, on motion duly made by S. Genest and seconded by E. Dunn, all of the Directors present then voting, it was unanimously

Resolved: that the minutes of the August 25, 2017 meeting of the Board of Directors are hereby approved.

Resolved: that the sealed minutes of the August 25, 2017 non-public session of the Board of Directors are hereby approved.

### Refinance Intercompany Loans

L. Goodhue reported that a petition has been filed with the NH Public Utilities Commission to refinance all or a portion of two intercompany loans with Pennichuck Corporation, for a term of 30 years at an interest rate of approximately 3.2%. Each of the current loans has a 10 year term. He indicated that except for the new term and interest rate, all other terms of the current loans would remain the same. L. Goodhue indicated that the refinancing of these loans will help to reduce the rate increase requested in the recently filed PEU rate case. A discussion ensued.

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

Resolved: that the Board of Directors of Pennichuck East Utility, Inc. (the “Company”) hereby authorizes the Company to refinance a portion or all of the outstanding balances of the 2013 Intercompany Loan and the 2015 Intercompany Loan between the Company and Pennichuck Corporation, for a term of 30 years at an interest rate of approximately 3.2% on a fully amortizing basis.

### Purchase of Easement – PEU-PWW Interconnection Pipeline

L. Goodhue reported that the Company is purchasing an easement over property owned by Margaret and Gerard Parent in Litchfield, NH. He referred the Board to the draft Agreement to Grant Easement included in the written materials. He indicated that the easement is required for construction of the PEU-PWW interconnection pipeline. A discussion ensued.

On motion duly made by E. Dunn and seconded by J. Murphy, all of the Directors present then voting, it was unanimously

Resolved: that the Board of Directors of Pennichuck East Utility, Inc. (the “Company”) hereby approves the purchase by the Company of an easement over property owned by Margaret and Gerard Parent, known as Tax Map 3, Lot 30, located in Litchfield, NH, and recorded at the Hillsborough County Registry of Deeds at Book 8264, Page 2142, for a purchase price of \$16,400.00, for the purpose of constructing and maintaining an underground water pipeline; and

Further

Resolved: that the Chief Executive Officer and the Chief Operating Officer of the Company, acting singly, are each hereby authorized to execute and deliver, in the name and on behalf of the Company, the Agreement to Grant Easement, substantially in the form presented at this meeting, and take such further actions, as either of them, in their sole discretion, may deem necessary, proper or advisable in order to carry out the intent of these resolutions.

## Guaranty – TD Bank and Pennichuck Corporation Loan Agreement

L. Goodhue indicated that TD Bank is requesting that each of Pennichuck Corporation's subsidiaries guaranty the obligations of Pennichuck Corporation under a Loan Agreement with TD Bank dated June 25, 2014. He referred the Board to the draft Guaranty included in the written materials. A discussion ensued relative to the terms of the Guaranty and issues relating to the financial covenants contained in the Loan Agreement.

After discussion, on motion duly made by D. Bernier and seconded by G. Bower, all of the Directors present then voting, it was unanimously'

Resolved: that the following resolutions pertaining to a guaranty by Pennichuck East Utility, Inc. of the obligations of Pennichuck Corporation under the Loan Agreement dated June 25, 2014 between TD Bank, N.A. and Pennichuck Corporation, are hereby adopted contingent on a positive and satisfactory review by the Chief Executive Officer with the Company's attorneys of the issues raised by the Board of Directors at this meeting.

### Guaranty Resolutions

Whereas, reference is made to that Loan Agreement, dated as of June 25, 2014 and as amended on July 15, 2014, December 19, 2014, December 23, 2015, August 16, 2017, and September 12, 2017, between Pennichuck Corporation ("PC"), as borrower, and TD Bank, N.A. ("Bank"), as lender; and a certain Revolving Note in the face amount of \$10,000,000 made by PC in favor of the Bank, also dated June 25, 2014 and as amended from time to time (together the "Loan Documents");

Whereas, as a condition precedent to continuing to make the line of credit available to PC under the Loan Documents, the Bank has required that each of PC's subsidiaries guaranty the obligations of PC under the Loan Documents;

Now, Therefore, be it hereby:

Resolved: that the Board of Directors hereby approves the guaranty by Pennichuck East Utility, Inc. (the "Company") of the payment by Pennichuck Corporation ("PC") of all of its obligations under the Loan Documents.

Further

Resolved: that the Chief Executive Officer and the Chief Operating Officer of the Company are severally authorized, empowered and directed to execute and deliver, in the name and on behalf of the Company, the Guaranty agreement, substantially in the form presented at this meeting, with such other terms as may be deemed necessary or advisable in the several judgment of the officers executing the Guaranty agreement; the taking of such actions and the execution and delivery of such agreement by either or both of such officers to be sufficient and conclusive evidence that the same are within the authority conferred by these resolutions.

## CoBank Loans

L. Goodhue indicated that the resolutions set forth in the Agenda need to be approved to pursue the term loan and revolving line of credit with CoBank, as previously discussed at the August Board meeting and at the August meeting of the Audit, Finance and Risk Committee. A brief discussion ensued.

On motion duly made by J. McGrath and seconded by J. Murphy, all of the Directors present then voting, the following resolutions were unanimously approved

### Resolutions – Term Loan:

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 financing 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 Five Hundred Thousand Dollars and No Cents (\$500,000.00), 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.

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

Resolutions – Revolving Line of Credit:

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 financing interim capital expenditures, working capital and other corporate purposes.

NOW, THEREFORE, be it hereby:

Resolved: to authorize and approve that the Corporation enter into a fixed asset revolving line of credit (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 Three Million Dollars and No Cents (\$3,000,000.00) for up to 3 years.

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 11:50 a.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 an Electronic Commerce Master Service Agreement, a separate Service Agreement for each different service requested by the Borrower, and such other agreements, addenda, documents or instruments as may be required by CoBank in the event that the Borrower elects to use CoBank's electronic banking system (the "System"); (7) 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; (8) from time to time amend any such Loan; (9) 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 (10) 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 (9) or (10) 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 to: (1) establish a Cash Investment Services Account at CoBank; (2) make such investments therein as any Officer shall deem proper; (3) direct by written or telephonic instructions or electronically, if the Borrower has agreed to use the System for such purposes, the disposition of the proceeds therein; (4) delegate to designated employees of the Borrower the authority set forth in (2) and (3) above; and (5) execute and deliver all documents and agreements necessary to carry out this authority.

**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.