

PENNICHUCK EAST UTILITY, INC.

BOARD OF DIRECTORS
MINUTES OF FEBRUARY 22, 2019 MEETING

A meeting of the Board of Directors of Pennichuck East Utility, Inc. (the “Company”) was held on Friday, February 22, 2019 at 10:06 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:

John D. McGrath, Acting Chairman
David P. Bernier (telephonically)
C. George Bower
Elizabeth A. Dunn
Stephen D. Genest
Jay N. Lustig
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

D. Bernier stated the reason he was unable to attend the meeting in person, that he was alone and could hear the proceedings.

S. Ansara recorded the minutes of the meeting.

Approval of Minutes

There being no comments on the draft minutes of the October 26, 2018 meeting of the Board of Directors, on motion duly made by S. Genest and seconded by P. Stanley, all of the Directors present then voting, it was unanimously

Resolved: that the minutes of the October 26, 2018 meeting of the Board of Directors are hereby approved.

Distribution to Pennichuck Corporation

L. Goodhue stated that management is seeking approval of a distribution from the Company to Pennichuck Corporation in the amount of \$155,299.19 to fund Pennichuck Corporation's payment of the City's acquisition debt.

On motion duly made by S. Genest and seconded by P. Stanley, all of the Directors present then voting, it was unanimously

Resolved: that a distribution in the amount of \$155,299.19 (from additional paid in capital) be recorded to Pennichuck Corporation on February 22, 2019.

CoBank – Term Loan

L. Goodhue indicated that management is seeking approval for the Company to enter into a term loan with CoBank in an amount up to \$1,450,000, with an amortization period up to 25 years. The interest rate will be determined based on market conditions. Proceeds from the loan will be used to refinance and repay up to approximately \$1,450,000 of Fixed Asset Line of Credit (FALOC) borrowings by the Company under its \$3 Million FALOC with CoBank. The loan will be secured by an unconditional guarantee of the Company's obligations by Pennichuck Corporation.

On motion duly made by S. Genest and seconded by J. Murphy, 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 2018 capital expenditures paid for with the CoBank Fixed Asset Line of Credit.

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 One Million Four Hundred Fifty Thousand Dollars and No Cents (\$1,450,000), with a 20-25 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 New Loan 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 10:07 a.m.

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