

98. ORDINANCE AUTHORIZING THE EXPENDITURE OF MONIES FOR THE ACQUISITION OF ALL OF THE ISSUED AND OUTSTANDING CAPITAL STOCK OF THE BOZRAH LIGHT AND POWER COMPANY (SEPTEMBER 6, 1994)

SECTION 1. \$5,400,000 is appropriated and authorized to be expended for the acquisition by the City of Groton ("the City") of the Bozrah Light and Power Company ("BL&P") pursuant to a merger of a Connecticut stock corporation to be formed and wholly-owned by the City with and into BL&P. \$4,700,000 of said amount may be expended for the acquisition of all of the issued and outstanding shares of BL&P pursuant to the Agreement and Plan of Merger by and among the City, a wholly-owned subsidiary of the City and the BL&P pursuant to which the shareholders of BL&P will have their shares converted into the right to receive approximately \$2,900 per share and the City will become the sole stockholder of BL&P (the "Agreement and Plan of Merger"), and \$700,000 of said amount may be expended, in the discretion of the Utilities Commissioners, for the retirement of existing long term indebtedness of the BL&P which will be assumed by the City in connection with the Agreement and Plan of Merger.

SECTION 2. The Mayor and Director of Utilities on behalf of the City, subject to the approval of the Utilities Commissioners, are authorized and empowered to (1) enter into and perform the Agreement and Plan of Merger, (2) enter into and perform an Indemnity Claims Escrow Agreement pursuant to which the City will be indemnified, up to the maximum amount of \$400,000 for losses, costs, and expenses arising out of any breach by BL&P of any representation, obligation or covenant of said company contained in the Agreement and Plan of Merger, and (3) execute and deliver such documents as are necessary for the formation of a Connecticut stock corporation to be wholly-owned by the City and to be merged with and into BL&P and to take such other and further action, as is necessary, appropriate, or desirable to form said corporation, including without limitation, capitalization of the corporation, and the election of directors and officers for said corporation.

SECTION 3. The Utilities Commissioners shall approve the form of the Agreement and Plan of Merger, the Indemnity Claims Escrow Agreement and all such documents as are necessary for the formation of a Connecticut stock corporation to be wholly-owned by the City, and the Mayor and Director of Utilities are authorized, empowered, and directed on behalf of the City to execute and deliver all such documents as are necessary or desirable pursuant to such approvals of the Utilities Commissioners.

SECTION 4. To meet said appropriation, the Department of Utilities of the City is authorized and empowered to expend such funds as are available in the Investment General Funds Electric Account.

SECTION 5. The Utilities Commissioners are hereby authorized, empowered, and directed to approve such other instruments and documents, and to take such other and further action, as they shall deem necessary, appropriate or desirable to carry out the purpose and intent of this ordinance and to effectuate the transactions contemplated hereby, the taking of such actions to be conclusive evidence of the necessity, appropriateness, or desirability thereof.

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(SEPTEMBER 6, 1994)**

SECTION 6. All of the actions of the Utilities Commissioners heretofore taken relating to any of the matters referred to in this ordinance are hereby confirmed, ratified, and approved in all respects.

SECTION 7. This Ordinance shall take effect September 14, 1994.

Initially approved: August 1, 1994
Finally approved: September 6, 1994

Approved by Electors and Qualified Citizens September 6, 1994


Catherine S. Kolnaski, Mayor


Debra E. Dickey, City Clerk