



The State of New Hampshire  
**Department of Environmental Services**



126

Robert R. Scott, Commissioner

June 8, 2022

His Excellency, Governor Christopher T. Sununu  
 and the Honorable Council  
 State House  
 Concord, New Hampshire 03301

**REQUESTED ACTION**

Authorize the Department of Environmental Services to **RETROACTIVELY** amend a Drinking Water and Groundwater Trust Fund loan agreement (PO# 1082334) with the Rye Water District (VC# 160018-B001), Rye, NH, by (1) increasing the loan amount by \$537,000 to \$852,000 from \$315,000 to finance the Wallis Road Water Main Replacement Project, (2) extending the completion date to December 1, 2023 from June 1, 2022, and (3) amending the payment terms to 20 years from 10 years under the provisions of RSA 485:F, effective as of June 1, 2022 through December 1 2023, upon Governor & Council approval. The original loan was approved by Governor & Council on November 18, 2020, Item #97. 100% Drinking Water and Groundwater Trust Fund.

Funding is available in the following account:

03-44-44-444010-7428-301-504059

Dept. Environmental Services, Drinking Water and Groundwater Trust, Loans

FY 2022

\$537,000

**EXPLANATION**

NHDES is requesting approval of an amendment to the Drinking Water and Groundwater Trust Fund (DWGTF) loan agreement to provide the Rye Water District additional funds to complete the agreed upon scope of services for the Wallis Road Water Main Replacement Project and to extend the loan repayment terms from 10 years to 20 years. NHDES is also requesting **retroactive** approval to extend the completion date due to delays of the Rye Water District to acquire the authority to borrow the additional loan funds. The Rye Water District received the authority to borrow at a meeting on April 27, 2022. However, the District subsequently requested a change to the loan repayment terms which was voted on at a meeting held on May 18, 2022, which did not allow any time for processing the loan amendment prior to the May 18, 2022 G&C closing deadline for the June 1, 2022 agenda.

The project is to replace approximately 1,200 linear feet of existing water main along Wallis Road that has significantly deteriorated from corrosive soil conditions resulting in numerous leaks. The Drinking Water and Groundwater Advisory Commission (Commission) approved the original funding request for the project in 2019. The project design was completed and bid in 2021. Due to increased project complexity and increased material costs, the bids came in above the available DWGTF loan funding. On

February 14, 2022, the Commission approved a \$537,000 increase to the loan amount for a total loan of \$852,000 to provide the necessary funding for the District to complete the project.

Due to the increased loan amount, the Rye Water District requested that the loan repayment term be extended from 10 years to 20 years. This allows the District to appropriately incorporate the higher loan repayment into their operating budget which ultimately impacts the user rates. The completion date is being extended to allow the Rye Water District the time necessary to complete the project. To date, \$41,000 of loan funds have been spent.

In the event that other funds become no longer available, General funds will not be requested to support this program.

We respectfully request your approval of this item.



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Robert R. Scott  
Commissioner

**AMENDMENT #1**  
TO  
STATE OF NEW HAMPSHIRE  
DRINKING WATER AND GROUNDWATER TRUST FUND

Rye Water District  
**ORIGINAL LOAN AGREEMENT**  
For Project #DWGT-55

**Whereas the Rye Water District, New Hampshire** wishes to increase the amount of their loan for **Project # DWGT-55** from **\$315,000** to **\$852,000**, an increase of **\$537,000** to finance the Wallis Road Water Main Replacement Project and to extend the Scheduled Completion date from June 1, 2022, to December 1, 2023, to complete the construction.

**Now Therefore.** amend the ORIGINAL LOAN AGREEMENT for Project DWGT-55 as approved by Governor and Council on November 18, 2020, as Item #97 in the following manner:

Change Page 1, Line 15 through Line 21 of the ORIGINAL LOAN AGREEMENT to read:

“II. The State agrees to loan to the Loan Recipient, and the Loan Recipient agrees to repay to the State, in accordance with the terms of this Agreement, the principal sum of **Eight Hundred Fifty-Two Thousand and 00/100 Dollars (\$852,000)** (Principal Sum) or such lesser amount as shall equal the aggregate of Disbursements made hereunder by the State to the Loan Recipient. In addition to the principal sum, the Loan Recipient agrees to pay the applicable interest accrued as described in Paragraphs III, V, and VII. Any Disbursement or other payment from the State to the Loan Recipient is contingent upon the availability of funds.”


Change Page 1, Line 23 through Page 2, Line 11 of the ORIGINAL LOAN AGREEMENT to read:

“III. Disbursements shall be made on a periodic basis, as requested by the Loan Recipient, but not more frequently than monthly, subject to the approval of the amount of each Disbursement by the State. The State shall approve the amount requested if it determines that the costs covered by the request are eligible under and consistent with the purposes of RSA485-F, and consistent with the project application as approved by the N.H. Drinking Water and Groundwater Advisory Commission. Such approval shall be within the sole discretion of the State but shall not be unreasonably withheld. The total reimbursement shall not exceed the loan amount of **\$852,000**. Interest on each Disbursement shall accrue on the outstanding principal balance from the date of the Disbursement at the rate of 1% per annum computed on the basis of 30-day months and 360-day years until the date of Substantial Completion of the Project or the date of Scheduled Completion as noted in Paragraph VI, whichever is earlier. At the option of the Loan Recipient, such interest may be paid (1) prior to the commencement of Loan repayment, (2) at the time of the first Loan repayment, or (3) by adding the charges to the outstanding principal Loan balance so long as the Loan Recipient’s authority to borrow is not exceeded.”

Change Page 2, Line 21 through Page 3, Line 2 of the ORIGINAL LOAN AGREEMENT to read:

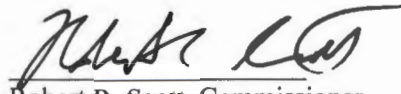
“VI. The Loan Recipient hereby authorizes the State to compute the payments of principal and interest on the Note. The principal shall be paid in full within **twenty (20)** years from the date of the Note. Note payments shall commence within one year of the Substantial Completion date of the Project or the Scheduled Completion date of the project, whichever is earlier. The Scheduled Completion date is hereby determined to be **December 1, 2023**; however, should the project experience an excusable delay, an extension may be granted by the Commissioner of the Department of Environmental Services upon request in writing by the Loan Recipient.”

Accepted By:  
Rye Water District

  
Arthur Ditto, Commissioner  
Rye Water District

6/1/22  
Date

Accepted By:  
State of New Hampshire

  
Robert R. Scott, Commissioner  
Department of Environmental Services

6/8/22  
Date

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The State of New Hampshire  
Department of Environmental Services



Robert R. Scott, Commissioner

October 20, 2020

His Excellency, Governor Christopher T. Sununu  
and the Honorable Council  
State House  
Concord, New Hampshire 03301

**APPROVED G & C**

DATE 18 November 2020

ITEM # 97

REQUESTED ACTIONS

1. Authorize the Department of Environmental Services to award a loan to the Rye Water District (VC# 160018—B001), Rye, NH in the amount not to exceed \$800,000 to finance the Garland Road Pump Station Rehabilitation Project under provisions of RSA 485:F and N.H. Code of Administrative Rules Env-Dw 1300 et seq., effective upon Governor & Council approval through December 1, 2021. 100% Drinking Water and Groundwater Trust Fund.

Funding is available in the following account:

03-44-44-442010-3904-301-504059	<u>FY 2021</u>
Dept. Environmental Services, Drinking Water and Groundwater Trust, Loans	\$800,000

2. Authorize the Department of Environmental Services to award a loan to the Rye Water District (VC# 160018- B001), Rye, NH in the amount not to exceed \$315,000 to finance the Wallis Road Water Main Replacement Project under provisions of RSA 485:F and N.H. Code of Administrative Rules Env-Dw 1300 et seq., effective upon Governor & Council approval through June 1, 2022. 100% Drinking Water and Groundwater Trust Fund.

Funding is available in the following account:

03-44-44-442010-3904-301-504059	<u>FY 2021</u>
Dept. Environmental Services, Drinking Water and Groundwater Trust, Loans	\$315,000

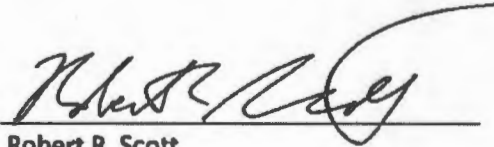
EXPLANATION

The Drinking Water and Groundwater Trust Fund was created in 2016, using \$276 million of MtBE trial judgement funds, as authorized by RSA 485-F. The purpose of the Trust Fund is to provide sustainable, long-term funding for the protection, preservation, and enhancement of the drinking water and groundwater resources of the state. The Drinking Water and Groundwater Advisory Commission was established to administer the Trust Fund and to provide guidance to the State on the use of the Trust Fund.

On December 9, 2019, the Advisory Commission voted to authorize a total of \$1,115,000 in loan funds to the Rye Water District for payment for capital improvements at their Garland Road Pump Station and water main in the area of Wallis Road. The pump station project includes modifications to the existing structure including electrical, mechanical, and architectural as required and site work. The improvements will bring the facility up to current

code compliance. The water main distribution piping along Wallis Road spans Route 1A to Odiorne Drive, crossing under a tidal marsh stream. Soil conditions have significantly deteriorated the pipe resulting in corrosion and numerous leaks. The project will replace the existing main with approximately 1,200 linear feet of corrosion resistant water main and install new connections and valves at intersections to abutting roads as needed. Both of these projects will significantly improve the reliability of Rye's water system. In the event that loan funds become no longer available, General Funds will not be requested to support this program.

We respectfully request your approval.



Robert R. Scott  
Commissioner



1 request are eligible under the Rules, as applicable, and consistent with the purposes of RSA485-F  
2 and with the project application as approved by the N.H. Drinking Water and Groundwater  
3 Advisory Commission. Such approval shall be within the sole discretion of the State but shall not  
4 be unreasonably withheld. The total reimbursement shall not exceed the loan amount of \$800,000.  
5 Interest on each Disbursement shall accrue on the outstanding principal balance from the date of  
6 the Disbursement at the rate of 1% per annum computed on the basis of 30-day months and 360-  
7 day years until the date of Substantial Completion of the Project or the date of Scheduled  
8 Completion as noted in Paragraph VI, whichever is earlier. At the option of the Loan Recipient,  
9 such interest may be paid (1) prior to the commencement of Loan repayment, (2) at the time of the  
10 first Loan repayment, or (3) by adding the charges to the outstanding principal Loan balance so  
11 long as the Loan Recipient's authority to borrow is not exceeded.

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13 IV. The aggregate of the Disbursements shall be consolidated by a Promissory Note (Note) of the  
14 Loan Recipient in a Supplemental Loan Agreement issued under and in accordance with the  
15 applicable provisions of this Agreement and the Municipal Finance Act, RSA 33, as amended and  
16 supplemented, including the provisions of RSA 485-F. The Note shall be substantially in the form  
17 of Exhibit B.

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19 V. The interest rate applicable to the Note will be 1.55%.

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21 VI. The Loan Recipient hereby authorizes the State to compute the payments of principal and  
22 interest on the Note. The principal shall be paid in full within twenty (20) years from the date of  
23 the Note. Note payments shall commence within one year of the Substantial Completion date of  
24 the Project or the Scheduled Completion date of the project, whichever is earlier. The Scheduled  
25 Completion date is hereby determined to be December 1, 2021; however, should the project



1 experience an excusable delay, an extension may be granted by the Commissioner of the  
2 Department of Environmental Services upon request in writing by the Loan Recipient.

3  
4 VII. The Loan Recipient reserves the right to prepay, at any time and without penalty, all or any  
5 part of the outstanding principal or interest of the Note.

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7 VIII. In the event of a default in the full and timely remittance of any Note payment, any State  
8 Grant funds payable to the Loan Recipient under RSA 486-A may be offset against and applied to  
9 the payment of any obligations that are due hereunder. The Loan Recipient agrees to be liable for  
10 all costs of collection, legal expenses, and attorney's fees incurred or paid by the State in enforcing  
11 this Agreement or in collecting any delinquent payments due hereunder.

12  
13 IX. No delay or omission on the part of the State in exercising any right hereunder shall operate  
14 as a waiver of such right or of any other right under this Agreement. A waiver on any one occasion  
15 shall not be construed as a bar to any right and/or remedy on any future occasion.

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17 X. The Loan Recipient agrees to comply, and to require all of its contractors to comply, with all  
18 applicable state requirements contained in the Rules and applicable state and federal laws.

19  
20 XI. The Loan Recipient is required to develop an asset maintenance and renewal plan for the  
21 assets(s) being funded under the loan or incorporate the funded asset(s) into an existing asset  
22 management plan. At a minimum the plan must include a commitment to asset management,  
23 financing and implementation strategy and an inventory of the funded asset(s).

1 XII. The Loan Recipient agrees to permit an authorized representative of the State of New  
2 Hampshire to have access to and the right to:

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4 (i) Examine any of the Loan Recipient's, the contractor's or any subcontractor's  
5 records that pertain to and involve transactions relating to this Agreement, the  
6 Construction Contract, the Engineering Contract or a subcontract thereunder; and

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8 (ii) Interview any officer or employee regarding such transactions.

9  
10 The Loan Recipient shall insert subparagraphs (i). and (ii). into the Construction Contract and  
11 require the Contractor to insert subparagraphs (i). and (ii). into all subcontracts thereunder.

12  
13 XIV. The effective date of this Agreement shall be the date of its approval by the Governor and  
14 Executive Council. This Agreement may be amended, waived, or discharged only by a written  
15 instrument signed by the parties hereto and only after approval of such amendment, waiver, or  
16 discharge by the Governor and Executive Council.

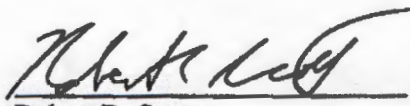
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18 XV. This Agreement shall be construed in accordance with the laws of the State of New  
19 Hampshire and is binding upon and inures to the benefit of the parties and their respective  
20 successors. The parties hereto do not intend to benefit any third parties and, consequently, the  
21 Agreement shall not be construed to confer any such benefit.

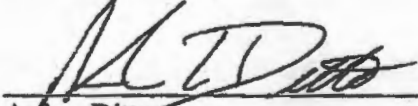
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23 XVI. This Agreement, which may be executed in a number of counterparts, each of which shall  
24 be deemed an original, constitutes the entire agreement and understanding between the parties

1 and supersedes all prior agreements and understandings relating thereto. Nothing herein shall be  
2 construed as a waiver of sovereign immunity, such immunity being hereby specifically reserved.

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6 STATE OF NEW HAMPSHIRE by: RYE WATER DISTRICT,  
7 NEW HAMPSHIRE by:

8  10/27/20  
Robert R. Scott Date  
9 Commissioner  
Department of Environmental Services

 9/30/2020  
Arthur Ditto Date  
Commissioner  
Rye Water District

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This Agreement was approved by Governor and Executive Council on \_\_\_\_\_  
as Item No. \_\_\_\_\_

**EXHIBIT A**

**STATE OF NEW HAMPSHIRE  
DRINKING WATER AND GROUNDWATER TRUST FUND**

**PROJECT DESCRIPTION**

The RYE WATER DISTRICT has applied for a Loan to be used for capital improvements necessary to upgrade the existing Garland Road Pump Station. The capital improvements include modifications to the existing facility including electrical, mechanical, architectural and instrumentation systems and site work to bring the facility up to current code compliance.

1 EXHIBIT B

2 STATE OF NEW HAMPSHIRE  
3 DRINKING WATER AND GROUNDWATER TRUST FUND

4 PROMISSORY NOTE AND REPAYMENT SCHEDULE

5  
6 The RYE WATER DISTRICT, New Hampshire (Loan Recipient) promises to pay to  
7 the Treasurer of the State of New Hampshire the principal sum of  
8 \_\_\_\_\_ Dollars (\_\_\_\_\_) in installments on (Month, Day) in  
9 each year as set forth below, with interest on the entire unpaid balance payable on the first principal  
10 payment date and annually, thereafter, at the rate of \_\_\_\_% per annum, computed on the basis of  
11 30-day months and 360-day years, in the respective years set forth below.

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13 REPAYMENT SCHEDULE

14 Payment Date Principal Payment Interest Payment Total Payment

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11       **This Promissory Note (Note) is issued under and by virtue of the New Hampshire**  
12 **Municipal Finance Act, an agreement duly entered into by the Loan Recipient and the Drinking**  
13 **Water and Groundwater Trust Fund, and is issued for the purpose of financing the cost of the**  
14 **Project as described in Exhibit A of the Supplemental Loan Agreement (Agreement).**

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16       **The Loan Recipient reserves the right to prepay, at any time and without penalty, all or**  
17 **any part of the outstanding principal or interest on this Note.**

18

19       **The terms and provisions of the Agreement are hereby incorporated in and made a part of**  
20 **this Note to the same extent as if said terms and provisions were set forth in full herein.**

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22       **It is hereby certified and recited that all acts, conditions, and things required to be done**  
23 **precedent to and in the issuing of this Note have been done, have happened, and have been**  
24 **performed in regular and due form and, for the payment hereof when due, the full faith and credit**  
25 **of the Loan Recipient are hereby irrevocably pledged.**



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**STATE OF NEW HAMPSHIRE**  
**DRINKING WATER AND GROUNDWATER TRUST FUND**

**RYE WATER DISTRICT**  
**(Project No. DWGT-55)**

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**ORIGINAL LOAN AGREEMENT**

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I. This Agreement is between the State of New Hampshire Drinking Water and Groundwater Trust Fund Loan Program (State) and the Rye Water District, New Hampshire (Loan Recipient) in accordance with RSA 485-F and New Hampshire Code of Administrative Rules Env-Dw 1300 (Rules) for the purpose of financing, to the extent of the aggregate amount of funds transferred (Disbursements) to the Loan Recipient made hereunder, the Wallis Road Water Main Replacement Project (Project) now being undertaken by the Loan Recipient. The Project is described in Exhibit A. The Loan Recipient shall abide by all of the requirements of RSA 485:F and the Rules.

II. The State agrees to loan to the Loan Recipient, and the Loan Recipient agrees to repay to the State, in accordance with the terms of this Agreement, the principal sum of **Three Hundred and Fifteen Thousand and 00/100 Dollars (\$315,000) (Principal Sum)** or such lesser amount as shall equal the aggregate of Disbursements made hereunder by the State to the Loan Recipient. In addition to the principal sum, the Loan Recipient agrees to pay the applicable interest accrued as described in Paragraphs III, V, and VI. Any Disbursement or other payment from the State to the Loan Recipient is contingent upon the availability of funds.

III. Disbursements shall be made on a periodic basis, as requested by the Loan Recipient, but not more frequently than monthly, subject to the approval of the amount of each Disbursement by the State. The State shall approve the amount requested if it determines that the costs covered by the



1 request are eligible under the Rules, as applicable, and consistent with the purposes of RSA485-F  
2 and with the project application as approved by the N.H. Drinking Water and Groundwater  
3 Advisory Commission. Such approval shall be within the sole discretion of the State but shall not  
4 be unreasonably withheld. The total reimbursement shall not exceed the loan amount of \$315,000.  
5 Interest on each Disbursement shall accrue on the outstanding principal balance from the date of  
6 the Disbursement at the rate of 1% per annum computed on the basis of 30-day months and 360-  
7 day years until the date of Substantial Completion of the Project or the date of Scheduled  
8 Completion as noted in Paragraph VI, whichever is earlier. At the option of the Loan Recipient,  
9 such interest may be paid (1) prior to the commencement of Loan repayment, (2) at the time of the  
10 first Loan repayment, or (3) by adding the charges to the outstanding principal Loan balance so  
11 long as the Loan Recipient's authority to borrow is not exceeded.

12  
13 IV. The aggregate of the Disbursements shall be consolidated by a Promissory Note (Note) of the  
14 Loan Recipient in a Supplemental Loan Agreement issued under and in accordance with the  
15 applicable provisions of this Agreement and the Municipal Finance Act, RSA 33, as amended and  
16 supplemented, including the provisions of RSA 485-F. The Note shall be substantially in the form  
17 of Exhibit B.

18  
19 V. The interest rate applicable to the Note will be 1.55%.

20  
21 VI. The Loan Recipient hereby authorizes the State to compute the payments of principal and  
22 interest on the Note. The principal shall be paid in full within ten (10) years from the date of the  
23 Note. Note payments shall commence within one year of the Substantial Completion date of the  
24 Project or the Scheduled Completion date of the project, whichever is earlier. The Scheduled  
25 Completion date is hereby determined to be June 1, 2022; however, should the project experience

1 an excusable delay, an extension may be granted by the Commissioner of the Department of  
2 Environmental Services upon request in writing by the Loan Recipient.

3  
4 VII. The Loan Recipient reserves the right to prepay, at any time and without penalty, all or any  
5 part of the outstanding principal or interest of the Note.

6  
7 VIII. In the event of a default in the full and timely remittance of any Note payment, any State  
8 Grant funds payable to the Loan Recipient under RSA 486-A may be offset against and applied to  
9 the payment of any obligations that are due hereunder. The Loan Recipient agrees to be liable for  
10 all costs of collection, legal expenses, and attorney's fees incurred or paid by the State in enforcing  
11 this Agreement or in collecting any delinquent payments due hereunder.

12  
13 IX. No delay or omission on the part of the State in exercising any right hereunder shall operate  
14 as a waiver of such right or of any other right under this Agreement. A waiver on any one occasion  
15 shall not be construed as a bar to any right and/or remedy on any future occasion.

16  
17 X. The Loan Recipient agrees to comply, and to require all of its contractors to comply, with all  
18 applicable state requirements contained in the Rules and applicable state and federal laws.

19  
20 XI. The Loan Recipient is required to develop an asset maintenancce and renewal plan for the  
21 assets(s) being funded under the loan or incorporate the funded asset(s) into an existing asset  
22 management plan. At a minimum the plan must include a commitment to asset management,  
23 financing and implementation strategy and an inventory of the funded asset(s).

1 XII. The Loan Recipient agrees to permit an authorized representative of the State of New  
2 Hampshire to have access to and the right to:

3  
4 (i) Examine any of the Loan Recipient's, the contractor's or any subcontractor's  
5 records that pertain to and involve transactions relating to this Agreement, the  
6 Construction Contract, the Engineering Contract or a subcontract thereunder; and

7  
8 (ii) Interview any officer or employee regarding such transactions.  
9

10 The Loan Recipient shall insert subparagraphs (i). and (ii). into the Construction Contract and  
11 require the Contractor to insert subparagraphs (i). and (ii). into all subcontracts thereunder.  
12

13 XIV. The effective date of this Agreement shall be the date of its approval by the Governor and  
14 Executive Council. This Agreement may be amended, waived, or discharged only by a written  
15 instrument signed by the parties hereto and only after approval of such amendment, waiver, or  
16 discharge by the Governor and Executive Council.  
17

18 XV. This Agreement shall be construed in accordance with the laws of the State of New  
19 Hampshire and is binding upon and inures to the benefit of the parties and their respective  
20 successors. The parties hereto do not intend to benefit any third parties and, consequently, the  
21 Agreement shall not be construed to confer any such benefit.  
22

23 XVI. This Agreement, which may be executed in a number of counterparts, each of which shall  
24 be deemed an original, constitutes the entire agreement and understanding between the parties

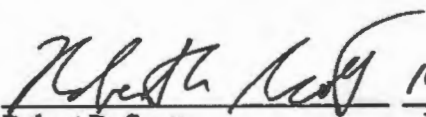
1 and supersedes all prior agreements and understandings relating thereto. Nothing herein shall be  
2 construed as a waiver of sovereign immunity, such immunity being hereby specifically reserved.

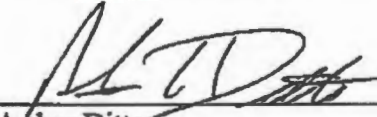
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STATE OF NEW HAMPSHIRE by:

RYE WATER DISTRICT,

NEW HAMPSHIRE by:

 10/23/20  
Robert R. Scott Date  
Commissioner  
Department of Environmental Services

 9/30/2020  
Arthur Ditte Date  
Commissioner  
Rye Water District

This Agreement was approved by Governor and Executive Council on \_\_\_\_\_  
as Item No. \_\_\_\_\_

**EXHIBIT A**

**STATE OF NEW HAMPSHIRE  
DRINKING WATER AND GROUNDWATER TRUST FUND**

**PROJECT DESCRIPTION**

The RYE WATER DISTRICT has applied for a Loan to be used for capital improvements necessary to replace approximately 1,200 linear feet of water main along Wallis Road in Rye, NH. The capital improvements include installation of new water main and new connection valves at intersections along the route.

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1 **EXHIBIT B**

2 **STATE OF NEW HAMPSHIRE**  
3 **DRINKING WATER AND GROUNDWATER TRUST FUND**

4 **PROMISSORY NOTE AND REPAYMENT SCHEDULE**

5  
6 The RYE WATER DISTRICT, New Hampshire (Loan Recipient) promises to pay to  
7 the Treasurer of the State of New Hampshire the principal sum of  
8 \_\_\_\_\_ Dollars (\_\_\_\_\_) in installments on **(Month, Day)** in  
9 each year as set forth below, with interest on the entire unpaid balance payable on the first principal  
10 payment date and annually, thereafter, at the rate of \_\_\_\_% per annum, computed on the basis of  
11 30-day months and 360-day years, in the respective years set forth below.

12  
13 **REPAYMENT SCHEDULE**

14 **Payment Date    Principal Payment    Interest Payment    Total Payment**

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11 This Promissory Note (Note) is issued under and by virtue of the New Hampshire  
12 Municipal Finance Act, an agreement duly entered into by the Loan Recipient and the Drinking  
13 Water and Groundwater Trust Fund, and is issued for the purpose of financing the cost of the  
14 Project as described in Exhibit A of the Supplemental Loan Agreement (Agreement).

15

16 The Loan Recipient reserves the right to prepay, at any time and without penalty, all or  
17 any part of the outstanding principal or interest on this Note.

18

19 The terms and provisions of the Agreement are hereby incorporated in and made a part of  
20 this Note to the same extent as if said terms and provisions were set forth in full herein.

21

22 It is hereby certified and recited that all acts, conditions, and things required to be done  
23 precedent to and in the issuing of this Note have been done, have happened, and have been  
24 performed in regular and due form and, for the payment hereof when due, the full faith and credit  
25 of the Loan Recipient are hereby irrevocably pledged.

