



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

Robert R. Scott, Commissioner

HO



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February 27, 2019

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 amend a Clean Water State Revolving Fund (CWSRF) loan agreement (P.O. #9005368) with The Star Island Corporation (VC #254041 B001) to increase funding by \$352,500, from \$947,500 to \$1,300,000, under the provisions of RSA 486:14 and N.H. Code of Admin. Rules Env-Wq 500 et seq., effective upon Governor & Council approval. Funding is 100% CWSRF Repayment Account Funds.

Funding is available in the account as follows:

03-44-44-441018-2001-301-500832

Dept. Environmental Services, CWSRF Loan Repayments, Loans

FY 2019  
\$352,500

**EXPLANATION**

The purpose of this amendment is to authorize the The Star Island Corporation to modify their existing CWSRF Loan by \$352,500 to finance the increase in costs associated with the Wastewater Treatment Facility Upgrade Project. The original loan agreement, in the amount of \$947,500, was approved by Governor & Council on July 19, 2017 as Item No. 90.

The final loan amount will be based on the total CWSRF funds disbursed, and may be less than \$1,300,000. The loan interest rate is 2.7040%.

Attached is a tabulation of the CWSRF showing the effect of this action on the funds available for loans.

We respectfully request your approval.

  
Robert R. Scott, Commissioner

DEPARTMENT OF ENVIRONMENTAL SERVICES  
WATER DIVISION  
CLEAN WATER STATE REVOLVING FUND

Supplemental information to Governor and Council request for loan agreements under RSA 486:14  
and N.H. Admin. Rules Env-Wq 500 for the municipality listed below:

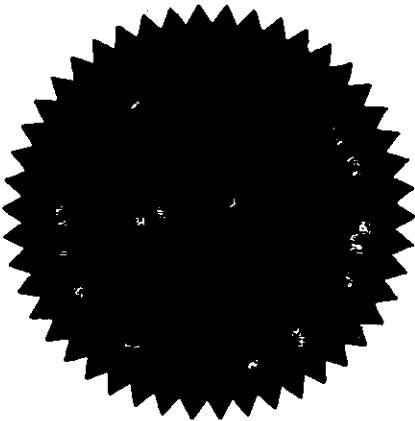
This request will change the balance available for loans as follows:

|   |                            |
|---|----------------------------|
|   | <b>CWSRF</b>               |
|   | <b>Repayment</b>           |
| <b>Repayment Funds as of February 23, 2019</b>    | <u><b>\$66,880,720</b></u> |
| <b>Loan Agreement(s) This Request:</b>            |                            |
| The Star Island Corporation                       | <b>\$352,500</b>           |
| <b>Other Requested Action(s)</b>                  |                            |
| <b>Net Change</b>                                 | <u><b>\$352,500</b></u>    |
| <b>Balance Available after G &amp; C Approval</b> | <u><b>\$66,528,220</b></u> |

# NEW HAMPSHIRE DEPARTMENT OF STATE



*I, David M. Scanlan, Deputy Secretary Of State, of the State of New Hampshire, do hereby certify that the Governor and Executive Council, at their meeting on July 19, 2017 approved ITEM #90 a Clean Water State Revolving Fund loan agreement with Star Island Corporation, in an amount not to exceed \$947,500 to finance the wastewater treatment facility upgrade project. Effective upon G&C approval. 100% CWSRF Repayment Funds.*



**In Testimony Whereof**, I hereto set my hand and cause to be affixed the Seal of the State of New Hampshire, this nineteenth day of July, in the year of Our Lord, two thousand and seventeen.

A handwritten signature in black ink, appearing to read "D. M. Scanlan", written over a horizontal line.

Deputy Secretary of State

## **CLOSING AGENDA**

### **STATE OF NEW HAMPSHIRE CLEAN WATER STATE REVOLVING LOAN FUND**

RE: AMENDMENT OF LOAN TO THE STAR ISLAND CORPORATION  
Project #CS-331000-01

DATE: \_\_\_\_\_, 2019

- |    |                             |       |
|----|-----------------------------|-------|
| 1. | State of New Hampshire      | "SNH" |
| 2. | Borrower                    | "B"   |
| 3. | State's Counsel, David Howe | "DMH" |

| No. | Item:  | Responsible Party: |
|-----|--|--------------------|
| 1   | Articles of Incorporation of Borrower  | B                  |
| 2   | Bylaws of Borrower   | B                  |
| 3   | Certificate of Existence of Borrower   | B                  |
| 4   | Resolutions of Borrower  | B                  |
| 5   | Amended Schedule of Costs (Budget) (Exhibit B)   | B                  |
| 6   | First Amendment to Loan Agreement and Security Instruments                                       | SNH                |
| 7   | Second Allonge to Promissory Note  | SNH                |
| 8   | First Amendment to Mortgage and Security Agreement and Collateral Assignment of Leases and Rents | SNH                |
| 9   | Endorsement to Title Insurance Policy  | B                  |
| 10  | Governor and Council approval  | SNH                |
| 11  | 399-B Disclosure   | SNH                |

**FIRST AMENDMENT TO LOAN AGREEMENT  
AND SECURITY INSTRUMENTS**

This First Amendment to Loan Agreement and Security Instruments is made this \_\_\_\_\_ day of \_\_\_\_\_, 2019 between The Star Island Corporation, a Massachusetts corporation with an address of 30 Middle Street, Portsmouth, New Hampshire 03801 (the "Borrower") and the State of New Hampshire with an address of c/o Department of Environmental Services, 29 Hazen Drive, P.O. Box 95, Concord, New Hampshire 03302-0095 (hereinafter the "Lender") for themselves and their successors and assigns.

**RECITALS**

A. The Lender has provided a loan of up to \$947,500 (the "Loan") to the Borrower as evidenced by a Promissory Note of the Borrower dated July 24, 2017 in the original principal amount of \$947,500 (the "Note") pursuant to a Loan Agreement dated July 24, 2017 between the Borrower and the Lender (the "Loan Agreement") to finance improvements to the Borrower's wastewater treatment facility in Rye, New Hampshire;

B. The Loan is secured by certain Security Instruments (as defined in the Loan Agreement), including, without limitation, a Security Agreement dated July 24, 2017 between the Borrower and the Lender (the "Security Agreement"), a Collateral Assignment of Contracts, Plans and Permits dated July 24, 2017 between the Borrower and the Lender (the "Collateral Assignment of Contracts, Plans and Permits"), a Mortgage and Security Agreement dated July 24, 2017 and a Collateral Assignment of Leases and Rents dated July 24, 2017 of the Borrower to the Lender;

C. The parties desire to increase the amount of the Loan to \$1,300,000 and are amending the Note pursuant to a Second Allonge to Promissory Note of even date to increase its principal amount and amend other terms (the "Allonge"); and

D. The parties desire to amend the Loan Agreement and certain Security Instruments in accordance with this agreement.

NOW THEREFORE, in consideration of the mutual covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the parties, the parties agree as follows:

1. **Defined Terms.** All capitalized terms used in this agreement shall have the meaning assigned to them in the Loan Agreement unless otherwise defined herein.

2. Amendment of the Loan Agreement.

(a) The third sentence of Recital Paragraph B on the first page of the Loan Agreement is hereby amended by replacing "\$947,500" with "\$1,300,000":

(b) Section 1 of the Loan Agreement is hereby amended by replacing the definition of "Note" with the following:

"Note" means the Borrower's Promissory Note dated July 24, 2017 in the original principal amount of \$947,500 payable to the order of the State in the form attached hereto as Exhibit C, as amended by a First Allonge to Promissory Note dated \_\_\_\_\_ between the Borrower and the Lender and by a Second Allonge to Promissory Note dated \_\_\_\_\_, 2019 between the Borrower and the Lender."

(c) Exhibit C to the Loan Agreement is hereby amended by supplementing it with Exhibit C attached hereto.

(d) Section 2 of the Loan Agreement is amended by adding to the end "until December 1, 2020".

(e) Section 5(a) of the Loan Agreement is hereby amended by replacing "May 1, 2019" in the seventh line with "June 4, 2019".

3. Amendment of Security Instruments.

(a) Recital Paragraph B of the Security Agreement is hereby amended by replacing it with the following:

B. The Secured Party has agreed to extend credit to the Borrower in the amount not to exceed One Million, Three Hundred Thousand Dollars (\$1,300,000) in exchange for the Borrower's Promissory Note dated July 24, 2017, as amended by a First Allonge to Promissory Note dated \_\_\_\_\_ between the Debtor and the Secured Party and by a Second Allonge to Promissory Note dated \_\_\_\_\_, 2019 between the Debtor and the Secured Party (as amended thereby and from time to time hereafter, the "Note").

(b) Section 1 of the Collateral Assignment, Plans and Permits is hereby amended by replacing it with the following:

1. Security. This Assignment is made as additional security for the performance of all the Assignor's obligations under the Loan Agreement, as amended, Assignor's Promissory Note in the original amount of \$947,500 as amended by a First Allonge to Promissory Note dated \_\_\_\_\_ between the Assignor and the Assignee and by a Second Allonge to Promissory Note dated \_\_\_\_\_, 2019 increasing the principal amount thereof to \$1,300,000 between the Assignor and the Assignee and certain security instruments as described in the Loan Agreement (as amended, the "Security Instruments").

5. Representations. The Borrower represents and warrants that the representation and warranties set forth in Section 2 of the Loan Agreement are true and correct as of the date hereof:

6. Ratification. The Borrower ratify and confirm all of the terms, conditions, covenants and provisions of the Loan Agreement, the Security Instruments, as amended hereby, the Note as amended by the Allonge, which shall remain in full force and effect.

EXECUTED on the day and year first above written.

BORROWER:

**THE STAR ISLAND CORPORATION**

By: \_\_\_\_\_  
Joseph W. Watts, IV  
Chief Executive Officer  
Duly Authorized

\_\_\_\_\_  
Witness

LENDER:

**THE STATE OF NEW HAMPSHIRE**

By: \_\_\_\_\_  
Robert R. Scott, Commissioner  
Department of Environmental Services  
Duly Authorized

\_\_\_\_\_  
Witness

## SECOND ALLONGE TO PROMISSORY NOTE

Allonge made this \_\_\_\_\_ day of \_\_\_\_\_, 2019 between The Star Island Corporation a Massachusetts corporation with an address of 30 Middle St, Portsmouth, New Hampshire 03801 (the "Maker"), and the State of New Hampshire with an address of c/o Department of Environmental Services, 29 Hazen Drive, P.O. Box 95, Concord, New Hampshire 03302-0095 (the "Payee") for themselves and their successors and assigns.

### RECITALS

A. Pursuant to a Loan Agreement dated July 24, 2017 between the Maker and the Payee (the "Loan Agreement"), the Payee agreed to provide a loan to the Maker of up to \$947,500, which is evidenced by the Promissory Note dated July 24, 2017 in the principal amount of up to \$947,500 as amended by a First Allonge dated \_\_\_\_\_ between the Maker and the Payee (as amended, the "Note");

B. The parties have amended the Loan Agreement and certain Security Instruments (as defined in the Loan Agreement) pursuant to a First Amendment to Loan Agreement and Security Instruments of even date among the Maker, the Payee (the "Amendment Agreement") and a First Amendment of Mortgage and Security Agreement and Collateral Assignment of Leases and Rents of even date between the Maker and the Payee (the "Mortgage Amendment"); and

C. The parties desire to increase the amount of such loan evidenced by the Note to up to \$1,300,000 and to modify the terms of repayment of the Note pursuant to the terms of this Allonge.

NOW THEREFORE, the parties agree as follows:

1. The Note is hereby amended as follows:

(a) The face amount of the Note as expressed in the top left corner of the first page of the Note is hereby increased from \$947,500 to \$1,300,000.

(b) The amount of "Nine Hundred Forty Seven Thousand Five Hundred Dollars (\$947,500)" in the fifth and sixth lines of the first paragraph of the Note is hereby replaced with "One Million, Three Hundred Thousand Dollars (\$1,300,000)".

(c) The first paragraph of the Note is hereby amended by replacing "May 1, 2019" in Clause (ii) with "June 4, 2019".

(d) The first paragraph of the Note is hereby amended by replacing "2.000%" in the twelfth line with "2.7040%".



(e) Paragraph 1 of the Note is hereby amended by replacing  
"\$947,500" in the ninth and tenth lines with "\$1,300,000".

(f) Paragraph 1 of the Note is hereby amended by replacing  
"Twenty (20)" in the second and twelfth lines with "Thirty (30)".

2. The Note, as amended hereby, and the Loan Agreement and the Security Instruments, as amended by the Amendment Agreement and the Collateral Assignment Amendment are hereby ratified and confirmed and shall remain in full force and effect.

Executed as of the day and year first above written.

**THE STAR ISLAND CORPORATION**

\_\_\_\_\_  
Witness

By: \_\_\_\_\_  
Joseph W. Watts, IV  
Chief Executive Officer  
Duly Authorized

**THE STATE OF NEW HAMPSHIRE**

\_\_\_\_\_  
Witness

By: \_\_\_\_\_  
Robert R. Scott, Commissioner  
Department of Environmental Services  
Duly Authorized

Return to: David M. Howe  
4 Wildemere Terrace  
Concord, NH 03301

**AMENDMENT TO MORTGAGE AND SECURITY AGREEMENT AND  
COLLATERAL ASSIGNMENT OF LEASES AND RENTS**

Amendment made this, \_\_\_\_ day of \_\_\_\_\_, 2019 between The Star Island Corporation, a Massachusetts corporation with an office at 30 Middle Street, Portsmouth, New Hampshire 03801 (the "Mortgagor"), and the State of New Hampshire with an office at Department of Environmental Services, 29 Hazen Drive, P.O. Box 95, Concord, New Hampshire 03302-0095 (the "Mortgagee").

**RECITALS**

A. The Mortgagee made a loan to the Mortgagor in the amount of \$947,500, and the parties desire to increase the loan to \$1,300,000.

B. The loan is evidenced by a Promissory Note of the Mortgagor dated July 24, 2017 in the principal amount of \$947,500 and is amended by a First Allonge dated \_\_\_\_\_ between the Mortgagor and the Mortgagee and by a Second Allonge to Promissory Note of even date between the Mortgagor and the Mortgagee increasing the principal amount to \$1,300,000 (as amended, the "Note").

C. The loan is made pursuant to a Loan Agreement dated July 24, 2017, which is amended by a First Amendment to Loan Agreement and Security Instruments of even date between the Mortgagor and the Mortgagee (as amended, the "Loan Agreement").

D. The loan is secured by certain Security Instruments (as defined in the Loan Agreement).

E. The loan is secured by Mortgage and Security Agreement dated July 27, 2017 of the Mortgagor to the Mortgagee, recorded at Rockingham County Registry of Deeds at Book 5839, Page 0224, which mortgages certain real property of the Mortgagor situated in Rye, New Hampshire (the "Mortgage") and by a Collateral Assignment of Leases and Rents dated July 27, 2017 of the Mortgagor to the Mortgagee, recorded at Rockingham County Registry of Deeds at Book 5839, Page 0238 (the "Assignment").

F. The parties desire to amend the Mortgage and the Assignment pursuant to this Amendment.

NOW THEREFORE the parties agree as follows:

1. The Mortgage is hereby amended as follows:
  - (a) The fifth and sixth line of the first paragraph of the Mortgage is amended by replacing "Nine Hundred Forty-Seven Thousand Five Hundred Dollars (\$947,500)" with "One Million, Three Hundred Thousand Dollars (\$1,300,000)".
2. The Assignment is amended as follows:
  - (a) Recital paragraph A is amended by replacing it with the following:

The Assignor has executed and delivered to the Assignee a Promissory Note dated July 24, 2017 in the principal amount of \$947,500 as amended by a First Allonge dated \_\_\_\_\_ of the Assignor to the Assignee and by a Second Allonge to Promissory Note dated \_\_\_\_\_, 2019 of the Assignor to the Assignee increasing the principal amount of the Note to \$1,300,000 (as amended, the "Note"), secured by Mortgage and Security Agreement of the Assignor (the "Mortgage") with respect to the real property and improvements of the Assignor located in Isle of Shoals, Rye, New Hampshire, more particularly described in Exhibit A annexed hereto (the "Mortgaged Premises").

3. The Mortgagor hereby ratifies and confirms all of the terms and conditions, covenants and provisions of the Mortgage and the Assignment as amended hereby.

Executed on the day and year first above written.

**THE STAR ISLAND CORPORATION**

By: \_\_\_\_\_  
Joseph W. Watts, IV  
Chief Executive Officer

**STATE OF NEW HAMPSHIRE**

By: \_\_\_\_\_  
Robert R. Scott, Commissioner  
Department of Environmental Services

STATE OF NEW HAMPSHIRE  
COUNTY OF

The foregoing instrument was acknowledged before me by Mark H. Tay, President of Tagro Homes, Inc, a New Hampshire corporation, on behalf of the corporation.

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Notary Public, Justice of the Peace  
My commission expires:

STATE OF NEW HAMPSHIRE  
COUNTY OF

The foregoing instrument was acknowledged before me by Robert R. Scott, Commissioner of Environmental Services, on behalf of the State.

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Notary Public, Justice of the Peace  
My commission expires:

DISCLOSURE OF FINANCE CHARGES  
STATE CLEAN WATER REVOLVING LOAN FUND

Pursuant to New Hampshire RSA Chapter 399-B:2

To: THE STAR ISLAND CORPORATION

Date: \_\_\_\_\_

Amount of Loan: \$1,300,000

Payable: As provided in the Note.

Finance Charges: 1% until the Interest Rate Change Date (as defined in the Note dated July 24, 2017 in the principal amount of \$947,500, as amended by a Second Allonge to Promissory Note increasing the principal amount to \$1,300,000 (the "Note")), then(A) 2.7040% as determined in accordance with RSA 486:14 and Env-Wq 500 et seq.

Late fee: 5% of each payment will be assessed if not paid within 7 days of its due date.

Above interest is based on the number of days elapsed over a 360 day year.

|                                |      |
|--------------------------------|------|
| Recording and filing fees:     | \$   |
| Title search fee:              | \$   |
| Title insurance policy:        | \$   |
| Environmental Site Assessment: | \$ 0 |

Acknowledged.

**THE STAR ISLAND CORPORATION**  
Borrower

By: \_\_\_\_\_  
Joseph W. Watts, IV  
Chief Executive Officer