



**NEW HAMPSHIRE
BUSINESS FINANCE AUTHORITY**

August 23, 2017

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

**RE: The Business Finance Authority's Purchase of a Loan Made by
Monadnock Economic Development Corporation to Wizoshan, LLC and
TFG Tree Free, Inc. Pursuant to RSA 162-A:10**

Dear Governor and Council:

REQUESTED ACTION

Holding of a public hearing in passage of a resolution entitled: A RESOLUTION UNDER RSA 162-A:18 AWARDING AND APPROVING A LOAN PURCHASE UNDER RSA 162-A:10 WITH RESPECT TO A LOAN MADE BY MONADNOCK ECONOMIC DEVELOPMENT CORPORATION TO WIZOSHAN, LLC AND TFG TREE FREE INC. (For the text of the requested Resolution see Exhibit 2 attached to this letter of transmittal).

The Business Finance Authority of the State of New Hampshire (the "Authority") respectfully requests that you hold a hearing and make the statutory finding under RSA 162-A:18, with respect to the proposed purchase of a loan by the Authority which was made by Monadnock Economic Development Corporation (the "Lender") to Wizoshan, LLC and TFG Tree Free, Inc., (collectively the "Borrower") in the principal amount of up to Two Hundred Seventy-Five Thousand and no/100 Dollars (\$275,000.00) (the "Loan"). The Authority recommends your favorable action and submits in support thereof, the following materials as designated:

- (1) a summary of the transaction
- (2) a proposed resolution for adoption by the Governor and Council;
- (3) a copy of RSA 162-A:10;
- (4) a letter from the undersigned explaining the transaction;
- (5) a commitment letter extended by the Authority to the Lender;
- (6) a draft Loan Purchase Agreement which, when executed and delivered, together with certain assignments referenced below will evidence the purchase by the Authority of the
Loan from the Lender:

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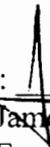
(7) a resolution adopted by the Authority on June 27, 2017, which recommends that Governor and Council approve the proposed loan;

(8) a summary of required statutory findings of the Governor and Council with reference materials to support each finding.

The Authority would be pleased to furnish any additional documentation and information which you may request.

Respectfully Submitted,

**BUSINESS FINANCE AUTHORITY
OF THE STATE OF NEW HAMPSHIRE**

By: 

James Key-Wallace
Executive Director

See Attached Exhibits

cmc\aidprog\threefree

LOAN SUMMARY

BORROWER – Monadnock Economic Development Corporation

LOCATION - 51 Railroad Street
Keene, New Hampshire 03431

TYPE OF BUSINESS –Economic Development

LENDER - Business Finance Authority of the State of New Hampshire
2 Pillsbury Street, Suite 201
Concord, New Hampshire 03301

AMOUNT OF LOAN - \$275,000

TYPE OF LOAN – Term Loan

PURPOSE – MEDC requests the BFA to purchase a Loan made by MEDC to the Wizoshan, LLC and TFG Tree Free, Inc., executed in October 2015. The original loan amount is \$275,000. MEDC will utilize funds from the Note purchase for economic development projects in the greater Keene area.

COLLATERAL –The note being purchase is collateralized with a second mortgage on property located at 3 Krif Court, Keene, New Hampshire.

**A RESOLUTION UNDER RSA 162-A:18
AWARDING A LOAN PURCHASE UNDER RSA 162-A:10
WITH RESPECT TO A CERTAIN LOAN FROM
THE MONADNOCK ECONOMIC DEVELOPMENT CORPORATION TO
WIZOSHAN, LLC AND TFG TREE FREE, INC.**

WHEREAS, the Governor and Council (the "Governor and Council") of the State of New Hampshire (the "State") have received from the Business Finance Authority of the State of New Hampshire (the "Authority") its written recommendation that the Governor and Council make certain findings and determinations pursuant to RSA 162-A:18 with respect to the purchase and acquisition by the Authority of a loan in the principal amount of Two Hundred Seventy-Five Thousand Dollars (\$275,000) (the "Loan") made by the Monadnock Economic Development Corporation, a municipal corporation, organized and existing under the laws of the State of New Hampshire and a local development organization (the "Lender") to Wizoshan, LLC and TFG Tree Free, Inc., a New Hampshire corporation (the "Borrower") to be used to construct a bio-mass plant.

WHEREAS, pursuant to the provisions of RSA Chapter 162-A, the Governor and Council is authorized to approve the recommendation of the Authority and to authorize and approve the purchase of the Loan by the Authority upon the making of specific findings after public hearing;

WHEREAS, the Governor and Council have received all the documentation and information with respect to the proposed purchase of the Loan by the Authority; and

WHEREAS, further action by the Authority with respect to the proposed transaction is subject to the passage of this resolution and cannot be taken until after its passage.

NOW, THEREFORE, IT IS HEREBY RESOLVED THAT:

1. Findings and Determinations. On the basis of the documentation and information received by the Governor and Council, and after a public hearing the Governor and Council find:

(a) Special Findings.

(i) The purchase and acquisition of the Loan will make available funds for the local or regional promotion, encouragement, or development of business activities in an area where such funds are needed; and

(ii) The Loan to be purchased by the Authority does not impose an undue risk of loss to the Authority.

(b) General Findings.

(i) The purchase of the Loan by the Authority as proposed will serve a public use and provide a public benefit.

(ii) The purchase of the Loan by the Authority as proposed is within the policy of, and the authority conferred by RSA Chapter 162-A.

(iii) The purchase of the Loan by the Authority as proposed will preserve or increase the social welfare or economic prosperity of the state and one or more of its political subdivisions, and will promote the general welfare of the state's citizens.

(iv) The purchase of the Loan by the Authority as proposed will promote the orderly development of business activities, create or preserve employment opportunities, or protect the physical environment.

2. Approval. The Governor and Council approve the purchase of the Loan by the Authority as recommended by the Authority and authorize the Authority to cause the execution and delivery of a Loan Purchase Agreement substantially in the form submitted to the Governor and Council and to take such further action under the Act with respect to the transaction as may be required.

3. Effective Date. This resolution shall take effect upon its passage.

Passed and Agreed to August 23, 2017.

The Governor

Councilor

Councilor

Councilor

Councilor

Councilor

.§ 162-A:10 Secondary Market for Loans Made by Local Development Organizations.

I. The authority may acquire for its own account, or for resale, loans made by local development organizations to businesses operating within the state. The authority shall acquire such loans only if the local development organization agrees to use the proceeds of the sale of such loans for the promotion, encouragement, or development of business within the state, or a region or community of the state.

II. Prior to the acquisition of any loans from a local development organization, the authority shall enter into a loan purchase agreement with such organization. Such loan purchase agreement shall specify terms and conditions under which the authority will purchase loans, the purchase price for such loans, and the terms and conditions for use of the purchase price by the local development organization. The loan purchase agreement may also contain such provisions as the authority may deem necessary or desirable, including, without limitation, representations, warranties, and covenants of the local development authority regarding the loans, conditions under which the local development authority may be required to repurchase the loans, provisions for the payment of guarantee fees to the authority in the event the loans are guaranteed under RSA 162-A:10, III, provisions for payment of the authority's costs and expenses, and provisions for the local development authority to continue servicing the loans on behalf of the authority or any subsequent purchaser.

III. In order to facilitate the resale of loans acquired under this section the governor and council, at the request of the authority, may award a state guarantee of up to 90 percent of the principal of, interest on, and reasonable collection expenses related to such loans. The full faith and credit of the state may be pledged for such guarantee. In addition, the total amount guaranteed shall also include interest and related reasonable collection expenses and costs and shall not cause the contingent credit limit under RSA 162-A:22 to be exceeded. The state's guarantee of loans under this section shall be evidenced by a guarantee agreement between the state and the purchaser of the loans. Such guarantee agreement shall be assignable to any subsequent purchaser or purchasers of the loans and shall contain such provisions as the authority and the governor and council may deem appropriate. Any guarantee agreement authorized in accordance with this section shall be executed on behalf of the state by the chairperson, vice chairperson, or executive director of the authority. The governor, with the advice and consent of the council, is authorized to draw a warrant for such sum as may be necessary out of money in the state treasury not otherwise appropriated, for the purpose of honoring any guarantee awarded under this section. The amount of any guarantee awarded under this section shall be reduced in proportion to any reduction in the principal balance of the loan.

IV. The authority shall not purchase any loans under RSA 162-A:10, I or enter into a loan purchase agreement under RSA 162-A:10, II unless after a hearing the governor and council have made the findings specified in RSA 162-A:18.

V. The governor and council shall not award any state guarantee under RSA 162-A:10, III unless after a hearing they have made findings specified in RSA 162-A:18.

Source. 1992, 262:3. 1993, 335:8. 1995, 128:5, eff. May 19, 1995. 1997, 329:5, eff. Oct. 1, 1997.



NEW HAMPSHIRE

BUSINESS FINANCE AUTHORITY

August 23, 2017

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

RE: The Business Finance Authority's Purchase of a Loan of the Monadnock Economic Development Corporation to Wizoshan, LLC and TFG Tree Free, Inc. pursuant to RSA 162-A:10

Dear Governor and Council:

The purpose of this letter is to describe and explain the transactions with respect to the purchase of the Loan, as described below, made by the Monadnock Economic Development Corporation (the "Lender") to Wizoshan, LLC and TFG Tree Free, Inc., (collectively the "Borrower") as recommended by the Business Finance Authority.

1. Statutory Authority. RSA 162-A:10 authorizes the Authority to purchase and acquire for its own account, or for resale, loans made by local development organizations to businesses operating within the State provided that the proceeds of the sale of such loans are used for the promotion, encouragement, or development of businesses within the State, or region or community of the State (the "Loan Purchase Program"). The statute also provides that, upon the Authority's recommendation, the Governor and Council may, after holding a public hearing and making certain findings, approve and authorize the purchase of loans by the Authority from a local development organization.

2. Concept of the Loan Purchase Program. The Authority has developed the Loan Purchase Program as a significant part of its new programs intended to facilitate the growth and the development of businesses within the State. In general, the Loan Purchase Program focuses on providing funds (in the form of proceeds from the purchase of loans) to local development organizations, which in turn use such funds for the promotion and development of business within New Hampshire.

3. Loan Purchase Agreement. RSA 162-A:10 requires the Authority to implement its Loan Purchase Program through "a Loan Purchase Agreement" between the Authority and a local development organization. Under the statute the Loan Purchase Agreement is required to specify terms and conditions under which the Authority will purchase loans, the purchase price for such loans, and terms and conditions for use of the purchase price by the local development organization. The Loan Purchase Agreement may also contain such other provisions as the Authority may deem necessary or desirable, including without limitation, representations, warranties, and covenants of the local development organization regarding the loans, conditions under which the local development organization may be required to repurchase the loans, provisions for



which the local development organization may be required to repurchase the loans, provisions for payment of the Authority's costs and expenses, and provisions for the local development organization to continue servicing the loans on behalf of the Authority or any subsequent purchaser.

4. The Proposed Transaction. With the above general background in mind, we proceed to describe the proposed financing transaction with respect to which the Authority has recommended the purchase of a loan pursuant to the Loan Purchase Program. The Lender has executed a loan to the Borrower in the principal amount of Two Hundred Seventy-Five Thousand and no/100 Dollars (\$275,000.00) (the "Loan") which was used for building renovations to its production facility in Keene, New Hampshire. Upon the fulfillment of certain terms and conditions as stated in the loan agreement by and between the Lender and the Borrower (the "Loan Agreement"), the Loan Purchase Agreement and the other Loan Documents, as defined in the Loan Agreement, the Authority would agree to purchase the Loan from the Lender, and the Lender would agree to sell the Loan to the Authority.

The Borrower, a New Hampshire corporation located at 3 Krif Court, Keene, New Hampshire is a manufacturer of environmentally friendly greeting cards. The company employs 30 full time employees.

5. Terms of the Loan Purchase Agreement. The terms and conditions of the Loan Purchase Program are to be expressed in a "Loan Purchase Agreement" between the Authority and the Lender. This Agreement, to be substantially in the form submitted to Governor and Council with this letter, includes the following terms and conditions which incorporate all statutory requirements.

(a) Terms upon which the Authority will Purchase Loans. As noted, the Loan Purchase Agreement sets forth certain specific terms and conditions upon which the Authority agrees to purchase the Loan from the Lender. The purchase price for the Loans and the use of the purchase price by the Lender is also specifically set forth within the Loan Purchase Agreement.

(b) Purchase Price of Loan. The Authority has agreed to purchase the Loan with full recourse. The Authority shall not be required to purchase the Loan, or any portion thereof, if there has occurred a default or an event of default under the Loan Agreement or any Loan Documents.

(c) Representations and Warranties of the Lender. The Loan Purchase Agreement contains such provisions as the Authority has deemed necessary or desirable in order to purchase the Loan from the Lender including, without limitation, representations, warranties and covenants of the Lender regarding the Lender and the Loan, the indemnification of the Authority, and the provisions for payment of the Authority's costs and expenses.

(d) Payment Terms Under the Note Evidencing the Loan. The Loan called for sixty monthly payments of \$1,666.45 principal plus interest at a fixed rate of four (4%) per cent followed by fifty-nine payments of \$1814.88 principal plus interest at a fixed rate of five

His Excellency, Governor Christopher T. Sununu and the Honorable
Council
August 2, 2017
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(5%) percent for and one final payment which shall be due on October 20, 2025 and which shall consist of the entire remaining unpaid balance of principal and accrued interest and any late charges and other costs due.

(e) Security. The Borrower's obligations under the Note and the Loan Agreement will be secured by a second mortgage on the property located at Krif Court, Keene, New Hampshire.

(f) Proceeds of Sale. The Lender will use the proceeds of the Loan purchase solely to provide the Loan to the Borrower, which the Lender has determined will promote, encourage and develop business within the state and the Keene area.

In summary, all statutory requirements are embodied and implemented in the proposed transactions and Loan Purchase Agreement.

Respectfully submitted,

BUSINESS FINANCE AUTHORITY
OF THE STATE OF NEW HAMPSHIRE

By: 

James Key-Wallace
Executive Director



**NEW HAMPSHIRE
BUSINESS FINANCE AUTHORITY**

**CONFIDENTIAL
COMMERCIAL AND FINANCIAL
INFORMATION**

June 29, 2017

Mr. Jack Dugan
Monadnock Economic Development
Corporation (MEDC)
51 Railroad Street, Suite 101
Keene, NH 03431

RE: Wizoshan LLC and TFG Tree Free, Inc.

Dear Mr. Dugan:

The Business Finance Authority of the State of New Hampshire ("the Authority") has approved in principal the application submitted by the Monadnock Economic Development Corporation (the "MEDC") with respect to Wizoshan LLC and TFG Tree Free, Inc. (collectively, the "Company"). Accordingly, the Authority is prepared to proceed with the discussions to implement the purchase of a loan to be made by the MEDC to the Company to be evidenced by a Promissory Note of the Company, in the original principal amount of \$275,000.00 payable to the order of the MEDC (the "Loan"), subject to the general terms and conditions set forth in this letter. This letter is an expression of the Authority's intent to recommend that the Governor and Council approve the loan purchase as described in this letter and upon information that the MEDC and the Company have submitted. Any obligation to recommend Governor and Council's approval of the Loan Purchase will arise only upon the satisfactory preparation, execution and delivery of documentation in form and substance satisfactory to the Authority.

In reaching its decision, the Authority has reviewed all information submitted in the application. We have acquired an understanding of the Company's financial situation. Of course, as we proceed, we will require further information.

POLICY BACKGROUND

The Authority has determined that the Company is a business operating within the State and that the proposed transaction will serve to promote business development within the State. The Authority's commitment concerning the Loan purchase reflects this fundamental determination that the proposed transaction will serve a public use and provide a public benefit.

FINANCING FOR NEW HAMPSHIRE'S FUTURE

2 PILLSBURY STREET, SUITE 201
CONCORD, NEW HAMPSHIRE 03301-4954
603-415-0190 • FAX: 603-415-0194



The Authority was created to offer credit enhancements to struggling New Hampshire businesses. The LDO loan program established under RSA Chapter 162-A:10 is intended to do so indirectly by assisting local development organizations in promoting and developing business within the State. In fact, the statute provides that the Authority may make a loan only if the local development organization agrees to the use of the proceeds of the loan for the promotion, encouragement or development of business within the State, or a region or community of the State and to the terms and conditions upon which the Authority will make the loan. This letter is intended to outline the ways in which the Authority intends to meet these requirements.

TERMS OF NOTE PURCHASE PROPOSAL

I am authorized to report to you that the Authority has approved in principal the MEDC's request, subject to and limited by the following terms and conditions:

- Loan Purchase:** The Authority will recommend the purchase of the Loan, to be made in the original amount of \$275,000.00 with sixty (60) principal plus interest payments (\$1,666.45) based on a fixed interest rate of 4.00% and fifty-nine (59) monthly principal plus interest payments (\$1,814.88) based on a fixed interest rate of 5.0% with one final payment of principal plus accrued interest. Loan is written on an ten (10) year term. Purchase of the Loan will be made on a full recourse basis.
- Use of Proceeds:** MEDC shall provide the Authority with a plan for use of the proceeds from the purchase of the Loan acceptable to the Authority.
- Conditions:** MEDC will assign all payments pursuant to October 13, 2015 Loan Agreement with Wizoshan LLC and TFG Tree Free, Inc. to the Authority.
- Documents:** The Loan Purchase Agreement to be drafted by counsel to the Authority shall contain such representations, warranties and covenants as are acceptable to the Authority, including a covenant of MEDC that it will use the proceeds from the sale of the Loan only in accordance with the plan approval by the Authority, as the Authority determined necessary. The assignment of the Loan documents shall be in form and substance acceptable to the Authority, and the MEDC shall provide the Authority with such other agreements and certificates the Authority may reasonably require.
- Servicing:** Under the terms of the Loan Purchase Agreement, the MEDC shall agree to service the Company's loan, provided however, that all payments by the Company pursuant to the Note shall be paid directly to the Authority.

**Further
Investigation
and Modification
of Documents:**

The Authority's obligation to purchase the Loan shall be subject to the Authority's review to its satisfaction of all loan documents relating to the loan, evidenced by the Loan and all other loan documentation, including without limitation, UCC search information confirming a first priority security interest, Loan payment records and financial statements, and further subject to any modification of the Loan documents that the Authority determines necessary to protect its interest in the Loan.

**Authority
Legal Expenses:**

As a condition to proceeding, the MEDC shall pay all reasonable legal counsel fees and expenses incurred in the evaluation, preparation and provision for the Authority's purchase of the loans, even if the transaction is not consummated.

Legal Opinion:

Counsel to the MEDC shall provide an opinion as of closing as to the due authority of the MEDC to enter into the Loan Purchase Agreement and the enforceability thereof.

**Ratification
and Approval:**

The final documentation under which the Authority shall purchase the Loan shall be subject to ratification of the board of directors of the Authority, and of course, as required by RSA 162-A:10, the transaction may become effective only upon approval of the Governor and Council.

If the MEDC wishes to proceed further to finalize the terms of this proposal, please sign and return this letter to us on or before 2:00 p.m. on July 13, 2017. As noted, any obligation to take action by the Authority will arise only upon satisfactory preparation, execution and delivery of documentation. With your execution of this letter, the MEDC agrees that it will pay the Authority's legal costs described above, even if the transactions are not consummated.

On behalf of the Authority, I look forward to working with the MEDC toward a successful financing transaction.

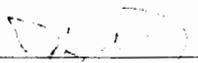
Sincerely,



Michael B. Donahue
Senior Credit Officer

Agreed and Accepted.

MONADNOCK ECONOMIC DEVELOPMENT CORPORATION

By:  Date: 7-13-17
Name: Michael B. Donahue

LOAN PURCHASE AGREEMENT

THIS AGREEMENT made this ____ day of _____, 2017 by and among the Business Finance Authority of the State of New Hampshire (the "Authority"), whose address is 2 Pillsbury Street, Concord, New Hampshire 03301, a public body corporate and an agency of the State of New Hampshire (the "State"), and the Monadnock Economic Development Corporation, a corporation and a New Hampshire local development organization, with a principal office at 51 Railroad Street, Suite 101, Keene, New Hampshire 03431 (the "Lender").

RECITALS

A. The Authority has been created and established as a public body corporate and agency of the State by Chapter 162-A:10 of New Hampshire's Revised Statutes Annotated for the purposes of providing for the preservation, establishment and redevelopment of business and industry in the State.

B. The Authority is authorized and empowered under RSA 162-A:10 to acquire for its own account or for resale loans made by local development organizations (individually an "LDO" and collectively "LDO's") to businesses operating within the State.

C. The Act provides that before acquiring a loan from an LDO the Authority shall enter into a loan purchase agreement with the LDO.

D. Pursuant to a Loan Agreement of dated October 13, 2015 between the Lender and the Borrower (the "Loan Agreement"), the Lender made a \$275,000.00 loan (the "Loan") to Wizoshan, LLC, a limited liability corporation and TFG Tree Free, Inc., a New Hampshire corporation (collectively the "Borrower"), for building renovations, which loan is evidenced by the Borrower's Promissory Note dated October , 2015 in such principal amount (the "Note").

E. The Lender is an LDO and has applied for the purchase of the Loan by the Authority.

F. The Lender agrees to use the sale proceeds to promote, encourage or develop business within the State or a region or community of the State.

G. The Borrower is a New Hampshire Corporation, which acts as a manufacturer of environmentally friendly greeting cards. The company employs 30 full time employees.

H. The Authority has determined that its purchase of the Loan will serve a public use and provide a public benefit and is within the policy of and the authority conferred by the Act.

I. The Authority has determined that its purchase of the Loan will preserve the economic prosperity of the State and the Keene area, will promote the general welfare of the State's citizens and will promote the orderly development of business activities and create and preserve employment opportunities within the State.

J. The Authority has determined that its acquisition of the Loan will make available funds for the promotion, encouragement and development of business activities within the Keene area and the southwest region of the State, which are areas where such funds are needed, and that the Loan does not impose an undue risk of loss to the Authority.

NOW THEREFORE, the parties agree as follows:

1. Definitions. Terms defined in the Loan Purchase Agreement shall have the meaning provided therein.

2. Purchase of Loan. The Authority hereby agrees to purchase the Loan with full recourse upon default of the loan documents, mortgages, and notes described therein. The Lender agrees to sell the Loan, subject to the terms of this Agreement.

3. Purchase Price. The purchase price of the Loan shall equal the amount of the loan balance outstanding which shall be stated in writing as of the closing, and shall be payable upon execution and delivery of this agreement and the assignments described in paragraph 4 below and satisfaction of each of the conditions described in paragraph 5 below.

4. Assignment of Loan Documents. Upon execution of this Agreement the Lender is executing and delivering to the Authority an Assignment of Loan Documents transferring all of its right, title and interest in the Loan and the loan documents listed in Schedule 4 attached hereto to the Authority (the "Loan Documents"), together with the original, executed Loan Documents and an Assignment of Note and Mortgage transferring all right, title and interest in the Note and the Mortgage to the Authority and an allonge endorsing the Note to the Authority with recourse.

5. Conditions Precedent to Obligations of the Authority. The obligation of the Authority to purchase the Loan pursuant to Paragraph 2 of this Agreement is subject to the following conditions:

(a) Receipt of Documents. The Authority shall have received the following, each dated the date of delivery thereof (unless otherwise specified below), in form and substance satisfactory to the Authority:

(i) counterpart to this Agreement, duly executed by the Lender.

(ii) executed copies of each Loan Document, duly executed by the parties thereto.

(iii) certificates of the Monadnock Economic Development Corporation and the Borrower authorizing, as applicable, the execution, delivery and performance of this Agreement, and the Loan Documents and all documents evidencing other necessary corporate action, if any, with respect to the execution, delivery and performance by Lender of this Agreement and by the Lender and the Borrower of the Loan Documents.

(iv) the favorable opinions of:

(A) Bradley, Burnett, Kinyon, Fernald & Green, P.A., counsel to the Lender, in substantially the form of Schedule 5(a) (iv) attached hereto and as to such other matters as the Authority may reasonably request;

(v) such other instruments, certificates, opinions, surveys, reports and other documents as the Authority may reasonably request, all in form and substance acceptable to the Authority.

(b) Fees and Expenses. The Lender shall have paid or caused to be paid by the Borrower all legal fees and other expenses of the Authority in connection with the transactions contemplated by this Agreement, to the extent then due and payable.

(c) Conditions. All conditions to the Lender's obligation to advance any of the Loan Proceeds pursuant to the Loan Agreement shall have been satisfied.

(d) Default to the Lender. The Lender shall not have defaulted in its representations and warranties or obligations under this Agreement.

6. Representations and Warranties of the Authority. The Authority represents and warrants:

(a) Valid Existence. The Authority is validly organized and existing as a public body corporate and an agency of the State.

(b) Due Authorization; No Violation. The execution, delivery and performance by the Authority of this Agreement are within the Authority's powers, have been duly authorized by all action necessary on the part of the Authority and the State, and do not and will not contravene any law or legal or contractual restriction binding upon or affecting the Authority.

(c) Validity. This Agreement, and the obligations contained herein are the legal, valid and binding obligations of the Authority, enforceable against the Authority in accordance with its terms.

7. Representations and Warranties of the Lender. The Lender represents and warrants:

(a) **Valid Existence and Qualifications.** The Monadnock Economic Development Corporation Development is a corporation duly organized and validly existing under the laws of the State of New Hampshire constituted under RSA Chapter 292:1.

(b) **Due Authorization; No Violation.** The execution, delivery and performance by the Lender of this Agreement and each loan document are within the Lender's powers, have been duly authorized by all necessary action of the Lender and the Board of Directors of the Monadnock Economic Development Corporation, and do not and will not contravene (i) the Lender's charter or (ii) any law or legal or contractual restriction binding upon or affecting the Lender.

(c) **Agreement in Loan Documents Valid and Binding.** This Agreement and each of the Loan Documents are the legal, valid and binding obligations of the Lender enforceable against the Lender in accordance with its respective terms.

(d) **No Default.** Immediately upon making the Loan, to the best of the Lender's knowledge, the Borrower will not be in material violation or default of any terms or conditions of any of the Loan Documents, any other agreement between the Lender and the Borrower or any obligation of the Borrower to the Lender.

(e) **Compliance with Laws.** The Lender has complied in all material respects with all applicable federal, state and local laws, statutes, rules and regulations pertaining to the making of the Loan.

(f) **True Documents.** No application, exhibit, schedule, report or other written information provided by the Lender or its agents to the Authority in connection with the negotiation, execution and closing of this Agreement knowingly contained when made any material misstatement of fact or knowingly omitted to state any material fact necessary to make the statements contained therein not misleading in light of the circumstances under which they were made.

(g) **Lender's Credit Decision.** The Lender acknowledges that it has, independently and without reliance upon the Authority or any of the Authority's officers, agents, employees or agents, and based upon such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into the Loans and the Loan Documents. The Lender further acknowledges that the Authority, its officers, employees or agents have not directly or indirectly controlled or influenced the Lender's decision to enter into the Loan and the Loan Documents.

(h) **No Other Agreements.** There does not exist, nor has the Lender entered into any additional, side, or collateral agreement with the Borrower relating to the Loans.

which are not fully set forth in the Loan Documents, and the Lender has not amended, supplemented or terminated the Loan Documents, which remain in full force and effect.

(i) Use of Proceeds. The Lender agrees to use the sale proceeds to promote, encourage or develop business within the State or a region or community of the State. Specifically, the Lender agrees to use the sales proceeds in the manner provided in the use of proceeds plan previously submitted to the Authority (the "Plan"). The Lender will not make any material deviations from the plan without the written approval of the Authority.

8. Indemnification. The Lender shall defend, indemnify and hold harmless the State and the Authority, and all of their directors, officers, employees, agents, attorneys and their successors and assigns (each, an "Indemnified Person") from and against all claims, damages, losses, liabilities, costs or expenses (including reasonable attorney's fees and expenses, whether or not such Indemnified Person is named as a party to any proceeding or investigation or is otherwise subjected to judicial or legal process arising from any such proceeding or investigation) which any of them may incur or which may be claimed against any of them by any person or entity (except to the extent such claims, damages, losses, liabilities, costs or expenses arise from the gross negligence or willful misconduct of the Indemnified Person) in connection with, resulting from or arising out of (or which may be claimed to arise out of) any breaches or defaults of the Lender with respect to the representations and warranties of the Lender in paragraph 7 of this Agreement.

9. Applicable Law. This Agreement shall be governed by the laws of the State of New Hampshire.

10. Entire Agreement. This Agreement, together with the accompanying documents, expresses the entire understanding, and the entire agreements of the parties with respect to the subject matter hereof, and it supersedes any and all prior agreements, representations or understandings, whether written or oral, with respect to the subject matter hereof.

11. Counterparts. This Agreement may be executed and delivered in several counterparts, each of which shall be deemed to be an original, but such counterparts together shall constitute one and the same instrument.

12. Severability. If any clause or provision hereof shall be held to be invalid by any court of competent jurisdiction, the invalidity of any such clause or provision shall not affect any of the remaining provisions hereof.

13. Captions. The captions of this Agreement are for convenience only and shall not affect the construction hereof.

14. Binding Effect. This instrument shall inure to the benefit of and shall be binding upon the Authority and the Lender and their respective successors and permitted assigns subject to the limitations contained herein.

15. Assignment. The Lender shall not assign this Agreement without the written consent of the Authority. The Authority may assign, negotiate or pledge all or any portion of its rights under this Agreement.

16. Notices. Unless otherwise expressly specified or permitted by the terms hereof, all notices, consents or other communications required or permitted hereunder shall be deemed sufficiently given or served if given in writing, mailed by first class mail, postage prepaid and addressed as follows:

(a) If to the Authority, addressed to:

Business Finance Authority of the
State of New Hampshire
2 Pillsbury Street, Suite 201
Concord, New Hampshire 03301-4954
Attn: Executive Director

(b) If to the Lender, addressed to:

Monadnock Economic Development Corporation
51 railroad Street, Suite 101
Keene, New Hampshire 03431
Attn: President

The parties may from time to time by notice in writing to the other designate a different address or addresses for notice hereunder.

17. Amendment. This Agreement may be amended only by a written instrument executed by the parties.

18. Waiver. The parties agree that the failure of either party to insist in any one or more instances upon strict and literal performance of any of the covenants, terms or conditions of this Agreement or to exercise any right herein contained shall not be construed as a waiver or a relinquishment for the future of such covenant, term, condition or right, but the same shall continue and remain in full force and effect.

ASSIGNMENT OF NOTE AND SECURITY AGREEMENT

Assignment ("Assignment"), made this ____ day of _____, 2017 by and between the Monadnock Economic Development Corporation, a corporation, existing and organized under the laws of the State of New Hampshire with its principal office located at 51 Railroad Street, Suite 101, Keene, New Hampshire 03431 (the "Lender") and the Business Finance Authority of the State of New Hampshire, a public body corporate and agency of the State of New Hampshire with its principal office located at 2 Pillsbury Street, Concord, New Hampshire (the "Authority").

RECITALS

WHEREAS, the Lender has loaned to Wizoshan, LLC and TFG Tree Free, Inc., a New Hampshire corporation, (the "Borrower") the principal amount of Two Hundred Seventy-Five Thousand Dollars (\$275,000.00) (the "Loan"), as evidenced by a promissory note of the Borrower dated October 13, 2015 payable to the order of the Lender in such principal amount (the "Note"), which is secured, in part, by a Security Agreement dated July 11, 2012 recorded at on business assets located in New Ipswich, New Hampshire;

WHEREAS, the Lender desires to assign, transfer and convey to the Authority all the Lender's rights, title and interest in and to the Note and Security Agreement and the Authority desires to assume all such rights, title and interest therein.

NOW, THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged the parties agree as follows:

The Lender hereby assigns, transfers and conveys to the Authority all of the Lender's rights, title and interest in and to the Note, the original of which has been endorsed by Lender as "payable to the order of the Business Finance Authority of the State of New Hampshire with full recourse" and delivered to the Authority contemporaneously with the execution of this Agreement, and any and all extensions, deferrals, renewals or substitutions thereof or therefor and the proceeds of any of the foregoing.

Furthermore, the Lender hereby assigns, transfers and conveys to the Authority all of the Lender's rights, title and interest in and to the Collateral Assignment and in and to the assets pledged by the Borrower to the Lender pursuant to such instruments. The Authority hereby consents and agrees to this assignment.

IN WITNESS WHEREOF, the Lender and the Authority shall have executed and delivered this Assignment of Note and Security Agreement as of the date set forth above.

ASSIGNMENT OF LOAN DOCUMENTS

Assignment, made this ___ day of _____, 2017 by and between Monadnock Economic Development Corporation, a New Hampshire voluntary corporation and a local development organization, existing and organized under the laws of the State of New Hampshire with its principal office located at 51 Railroad Street, Suite 101, Keene, New Hampshire, 03431 (the "Lender") to THE BUSINESS FINANCE AUTHORITY OF THE STATE OF NEW HAMPSHIRE, a public body corporate and agency of the State of New Hampshire with its principal office located at 2 Pillsbury Street, Concord, New Hampshire (the "Authority").

RECITALS

WHEREAS, pursuant to a certain loan agreement dated , 2015 ("Loan Agreement") the Lender made a loan to Wizoshan, LLC and TFG Tree Free, Inc., with its principal office located at 3 Krif Court, Keene, New Hampshire 03431 (hereinafter "the Borrower"), in the principal amount of Two Hundred Seventy-Five Thousand Dollars (\$275,000.00) (the "Loan") to make building renovations. (the "Loan").

WHEREAS, in connection with the Loan, the Lender and the Borrower executed certain instruments, agreements and records, more particularly described in Schedule 4 attached hereto and incorporated herein by this reference (collectively referred to as the "Loan Documents"); and

WHEREAS, the Lender desires to assign, transfer and convey to the Authority all of the Lender's rights, title and interest in and to the Loan Documents and the Authority desires to acquire Lender's rights, title and interest therein.

NOW THEREFORE, for good and valuable consideration, the receipt of which hereby acknowledges the parties agree as follows:

The Lender hereby assigns, transfers and conveys to the Authority all of the Lender's rights, title and interest in and to the Loan Documents and the Authority consents and agrees to such assignment.

Assignment of Loan Documents

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IN WITNESS WHEREOF, the Lender and the Authority shall have executed and delivered this Assignment as of the date set forth above.

WITNESS

MONADNOCK ECONOMIC DEVELOPMENT
CORPORATION

_____ By: _____

THE BUSINESS FINANCE AUTHORITY OF
THE STATE OF NEW HAMPSHIRE

_____ By: _____
Its: Senior Credit Officer

**A RESOLUTION RECOMMENDING THE PURCHASE OF A LOAN
BY THE BUSINESS FINANCE AUTHORITY OF THE STATE OF NEW HAMPSHIRE
OF A LOAN MADE BY MONADNOCK ECONOMIC DEVELOPMENT
CORPORATION,
A LOCAL DEVELOPMENT ORGANIZATION,
TO WIZOSHAN, LLC AND TFG TREE FREE, INC., PURSUANT TO THE
AUTHORITY'S LOAN PURCHASE PROGRAM**

I, the undersigned, HEREBY CERTIFY that the following are true and correct.

WHEREAS, the Business Finance Authority of the State of New Hampshire (the "Authority") has been requested by Monadnock Economic Development Corporation, a local development organization (the "LDO"), organized and existing under the laws of the State of New Hampshire to purchase a loan made by the lender to Wizoshan, LLC a New Hampshire limited liability corporation and TFG Tree Free, Inc., a New Hampshire corporation doing business in Keene, New Hampshire (collectively the "Borrower"); in the original principal amount of Two Hundred Seventy-Five Thousand and no/100 Dollars (\$275,000.00) with a current principal amount of approximately \$275,000.00 (the "Loan");

WHEREAS, the Credit Committee of the Board of Directors of the Authority has recommended that the Authority purchase the Loan in accordance with the terms and conditions presented to the Board pursuant to a Loan Purchase Agreement to be executed by the Lender and the Authority;

WHEREAS, the Authority took official action with respect to the Loan by passing a resolution on June 27, 2017;

WHEREAS, the Authority has been furnished with (a) information and materials about the Borrower and the Loan, (b) the proposed terms and conditions of the purchase of the Loan, (c) a commitment of the Lender that the proceeds of the sale of the Loan shall be used only for the promotion, encouragement, or development of business within the state or a region or community of the state; (d) certain financial information concerning the Borrower; and (e) other information, materials and assurances deemed relevant by the Authority;

IT IS HEREBY RESOLVED THAT:

1. Factual Findings. On the basis of the information, materials and assurances received by the Authority and considered by it, the Authority finds:

(a) The Loan is a term loan by the Lender to the Borrower evidenced by an ten year term note by Wizoshan, LLC for building renovations. The note is secured by a second mortgage on property located at 3 Krif Court, Keene, New Hampshire.

(b) The Lender is a local development organization operating within the state of New Hampshire.

(c) The Authority is authorized and empowered under RSA 162-A:10 to acquire for its own account, or for resale, loans made by local development organizations.

(d) The Lender has agreed to use the proceeds of the sale of the Loan in accordance with a plan approved by the Authority for the promotion, encouragement, or development of business within the state, or a region or a community of the state.

(e) The Borrower is a manufacturer of environmentally friendly greeting cards and employs 30 full-time employees.

(f) The purchase of the Loan will permit the Lender to promote significant employment opportunities to residents of the state and contributes significantly to the economy and industry of the state.

2. Special Findings.

(a) The purchase and acquisition of the Loan will make available funds for the local or regional promotion, encouragement, or development of business activities in an area where such funds are needed; and

(b) The Loan to be purchased by the Authority does not impose an undue risk of loss to the Authority.

3. General Findings.

(a) The purchase of the Loan as proposed will serve a public use and provide a public benefit.

(b) The purchase of the Loan as proposed is within the policy of, and the authority conferred by RSA Chapter 162-A.

(c) The purchase of the Loan as proposed will preserve or increase the social welfare or economic prosperity of the state and one or more of its political subdivisions, and will promote the general welfare of the state's citizens.

(d) The purchase of the Loan as proposed will promote the orderly development of business activities, create or preserve employment opportunities, or protect the physical environment.

4. Determination and Recommendation. The Authority finds that the purchase of the Loan as proposed will serve a public use and provide a public benefit and determines that the purchase of the Loan as proposed will be within the policy of, and the authority conferred by the

SUMMARY OF REQUIRED STATUTORY FINDINGS OF THE GOVERNOR AND COUNCIL UNDER RSA 162-A:18

The materials appearing in quotations below are extracts from RSA 162-A:18. The complete text of RSA 162-A:18 is attached to this summary.

General Findings

1. "The proposed action will serve a public use and provide a public benefit."

The proposed loan purchase agreement by and between the Authority and the Lender (the "Loan Purchase Agreement") and the "Loan Documents", as defined in the Loan Purchase Agreement, being assigned to the Authority in accordance with the terms of the Loan Purchase Agreement contain commercially prudent financial safeguards and workable provisions designed to lessen the potential of the Authority's loss in the event of default by Warwick Mills, Inc., (the "Borrower"). (Tabs 4 and 6 through 9) The Authority has determined that the business of the Borrower offers significant employment opportunities to residents of the State. (Tab 9) The materials and information furnished and the findings described below support, and enable the making of, this general finding.

2. "The proposed action is within the policy of, and the authority conferred by, this chapter."

The Loan Purchase Agreement implements and incorporates all statutory requirements. (Tabs 2, 3 and 4) The Authority, which is the agency responsible for administration of RSA 162-A, has determined that the proposed transaction and the proposed purchase of Loan (as defined in the Loan Purchase Agreement) by the Authority satisfy all statutory and policy requirements of RSA Chapter 162-A. (Tabs 3 and 9) The materials and information furnished and the findings described below support, and enable the making of, this general finding.

3. "The proposed action will preserve or increase the social welfare or economic prosperity of the State and one or more of its political subdivisions, and will promote the general welfare of the State's citizens."

The Loan Purchase Agreement is a condition of the proposed financing, and if awarded, will facilitate the provision of the proposed financing. (Tabs 3, 4 and 9) The proceeds from the sale of the Loan will be used by the Lender for business development activities and will create significant employment opportunities to residents of the State. (Tabs 4 and 9)

4. "The proposed action will promote the orderly development of business activities, create or preserve employment opportunities, or protect the physical environment."

The Borrower offers significant employment opportunities to residents of the State and provides substantial business activities for the region. (Tab 9)

Special Findings

5. "Such acquisition will make available funds for the local or regional promotion, encouragement, or development of business activities in an area where such finds are needed"."

The purchase of the Loan by the Authority from the Lender will provide the Lender with funds to loan for business activities in the Keene region. (Tabs 3, 4, 6 and 9).

6. "The loan being acquired does not impose an undue risk of loss to the Authority."

The proposed Loan Purchase Agreement and Loan Documents which are assigned thereunder contain commercially prudent financial safeguards and workable provisions designed to lessen the potential of Authority's loss in the event of default by the Borrower. (Tabs 3, 4 and 6 through 9) Based solely upon the information and documents provided to the Authority from the Borrower the Authority determined the purchase of the Loan does not impose an undue risk of loss to the Authority. (Tab 9).