



The State of New Hampshire
Department of Environmental Services

Clark B. Freise, Assistant Commissioner



May 22, 2017

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 loan agreement with Tagro Homes Inc. d/b/a Pineland Park (VC#259764-B001), Exeter, NH by increasing the loan amount by \$57,500 from \$262,500 to \$320,000 to finance water system improvements under the provisions of RSA 486:14 and N.H. Code of Administrative Rules Env-Dw 1100 et seq. effective upon Governor & Council approval. The original loan agreement was approved on February 25, 2015, Item #50. 100% Drinking Water State Revolving Loan Fund (DWSRF) Repayment Funds.

Funding is available in the account as follows:

03-44-44-441018-4791-301-500833	<u>FY 2017</u>
Dept Environmental Services, DWSRF Loan Repayments, Loans	\$57,500

EXPLANATION

The purpose of this amendment is to authorize Tagro Homes Inc. d/b/a Pineland Park to modify their original loan agreement approved by Governor and Council on February 25, 2015, Item #50. The Park had originally requested \$262,500 from the Drinking Water State Revolving Fund Program (DWSRF) to finance a project which includes water systems improvements such as replacing construction of an above ground pump house and installation of variable speed submersible pumps. The additional funds are necessary due to the cost of the necessary work being higher than expected. DES has sufficient funds at this time to meet the Park's request. This project will improve water system safety and reliability.

There is currently a balance of \$12,341,394 in the DWSRF Repayment Account available for new loans. Attached is a tabulation of the Repayment Account showing the effect of this loan on the funds available.

We respectfully request your approval.

Clark B. Freise
Assistant Commissioner

His Excellency, Governor Christopher T. Sununu
and the Honorable Council

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DEPARTMENT OF ENVIRONMENTAL SERVICES
WATER DIVISION

DRINKING WATER STATE REVOLVING FUND

Supplemental information to Governor and Council request of the loan agreement(s) under RSA 486:14 and N.H. Code of Administrative Rules Env-Dw 1100 et seq. for the public water system(s) listed below.

This request will affect the balance of the loan funds as follows.

	<u>REPAYMENT</u>
Repayment Account (Balance as of 5/19/17)	<u>\$17,904,574</u>
Less Loans Previously Approved	<u>\$5,563,180</u>
Funds Available for Loans	<u>\$12,341,394</u>
 Amendment Being Requested	
Pineland Park (Project #: 1583010)	(57,500)
Net Change to Loan(s)	<u>(57,500)</u>
 Balance Available After G & C Approval	 <u><u>\$12,283,894</u></u>

CLOSING AGENDA

**STATE OF NEW HAMPSHIRE
STATE DRINKING WATER REVOLVING LOAN FUND**

RE: AMENDMENT OF LOAN TO TAGRO HOMES, INC. d/b/a PINELAND PARK
COMMUNITY WATER SYSTEM
MILTON, NEW HAMPSHIRE
Project #1583010

DATE: _____, 2017

- | | | |
|----|---------------------------------------|-------|
| 1. | State of New Hampshire | “SNH” |
| 2. | Tagro Homes, Inc. d/b/a Pineland Park | “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 _____, 2017 between Tagro Homes, Inc. d/b/a Pineland Park, a New Hampshire corporation with an address of 188 Water Street, P.O. Box 391, Exeter, New Hampshire 03833 (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 \$262,500 (the "Loan") to the Borrower as evidenced by a Promissory Note of the Borrower dated September 21, 2015 and amended on August 11, 2016 in the original principal amount of \$262,500 (the "Note") pursuant to a Loan Agreement dated September 21, 2015 between the Borrower and the Lender (the "Loan Agreement") to finance the improvements to the Borrower's water system in Milton, New Hampshire;

B. The Loan is secured by certain Security Instruments (as defined in the Loan Agreement), including, without limitation, a Security Agreement dated September 21, 2015 between the Borrower and the Lender (the "Security Agreement"), a Collateral Assignment of Contracts, Plans and Permits dated September 21, 2015 between the Borrower and the Lender (the "Collateral Assignment of Contracts, Plans and Permits"), a Mortgage and Security Agreement dated September 21, 2015 and a Collateral Assignment of Leases and Rents dated September 21, 2015 of the Borrower to the Lender;

C. The parties desire to increase the amount of the Loan to \$320,000 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 "\$262,500" with "\$320,000":

(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 September 21, 2015 in the original principal amount of \$262,500 payable to the order of the State in the form attached hereto as Exhibit C, as amended by a Second Allonge to Promissory Note dated _____, 2017 between the Borrower and the Lender."

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

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 Three Hundred Twenty Thousand Dollars (\$320,000) in exchange for the Borrower's Promissory Note dated September 21, 2015, as amended by a Second Allonge to Promissory Note dated _____, 2017 between the Borrower and the Lender (as amended thereby and from time to time hereafter, the "Note").

(c) 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 \$262,500 as amended by a Second Allonge to Promissory Note dated _____, 2017 increasing the principal amount thereof to \$320,000 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:

TAGRO HOMES, INC. d/b/a Pineland Park

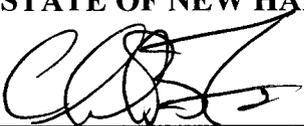
Witness

By: _____
Mark H. Tay
President
Duly Authorized

LENDER:

THE STATE OF NEW HAMPSHIRE

Witness

By:  _____
Clark B. Freise, Assistant Commissioner
Department of Environmental Services
Duly Authorized

SECOND ALLONGE TO PROMISSORY NOTE

Allonge made this _____ day of _____, 2017 between Tagro Homes, Inc., a New Hampshire corporation with an address of 188 Water Street, P.O. Box 391, Exeter, New Hampshire 03833 (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 September 21, 2015 between the Maker and the Payee (the "Loan Agreement"), the Payee agreed to provide a loan to the Maker of up to \$262,500, which is evidenced by the Promissory Note dated September 21, 2015, and amended on August 11, 2016 of the Maker in the principal amount of up to \$262,500 (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 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 \$320,000 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 \$262,500 to \$320,000.

(b) The amount of "Two Hundred Sixty Two Thousand Five Hundred Dollars (\$262,500)" in the fifth and sixth lines of the first paragraph of the Note is hereby replaced with "Three Hundred Twenty Thousand Dollars (\$320,000)".

(c) The first paragraph of the Note is hereby amended by replacing "September 1, 2017" in Clause (ii) with "December 1, 2017".

(d) Paragraph 1(b) of the Note is hereby amended by replacing "\$262,500" in the eleventh and twelfth lines with "\$320,000".

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.

TAGRO HOMES, INC. d/b/a Pineland Park

Witness

By: _____
Mark H. Tay
President
Duly Authorized

THE STATE OF NEW HAMPSHIRE

Witness

By:  _____
Clark B. Freise, Assistant Commissioner
Department of Environmental Services
Duly Authorized

Return to:

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

Amendment made this ___ day of _____, 2017 between Tagro Homes, Inc., a New Hampshire corporation with an office at 188 Water Street, Exeter, New Hampshire 03833 (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 \$262,500, and the parties desire to increase the loan to \$320,000.

B. The loan is evidenced by a Promissory Note of the Mortgagor dated September 21, 2015 in the principal amount of \$262,500 and is amended by a Second Allonge to Promissory Note of even date between the Mortgagor and the Mortgagee increasing the principal amount to \$320,000 (as amended, the "Note").

C. The loan is made pursuant to a Loan Agreement dated September 21, 2015, 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 September 21, 2015 of the Mortgagor to the Mortgagee, recorded at Strafford County Registry of Deeds at Book 4326, Page 871, which mortgages certain real property of the Mortgagor situated in Milton, New Hampshire (the "Mortgage") and by a Collateral Assignment of Leases and Rents dated September 21, 2015 of the Mortgagor to the Mortgagee, recorded at Strafford County Registry of Deeds at Book 4326, Page 886 (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 sixth line of the first paragraph of the Mortgage is amended by replacing “Two Hundred Sixty-Two Thousand Five Hundred Dollars (\$262,500)” with “Three Hundred Twenty Thousand Dollars (\$320,000)”.

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 September 21, 2015 in the principal amount of \$262,500 as amended by a Second Allonge to Promissory Note dated _____, 2017 of the Assignor to the Assignee increasing the principal amount of the Note to \$320,000 (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 Milton, 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.

TAGRO HOMES, INC.

By: _____
Mark H. Tay
President

STATE OF NEW HAMPSHIRE

By:  _____
Clark B. Freise, Assistant 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.

Notary Public, Justice of the Peace
My commission expires:

STATE OF NEW HAMPSHIRE
COUNTY OF

The foregoing instrument was acknowledged before me by Clark B. Freise, Assistant Commissioner of Environmental Services, on behalf of the State.

Notary Public, Justice of the Peace
My commission expires:

DISCLOSURE OF FINANCE CHARGES
STATE DRINKING WATER REVOLVING LOAN FUND

Pursuant to New Hampshire RSA Chapter 399-B:2

To: TAGRO HOMES, INC. d/b/a PINELAND PARK

Date: _____

Amount of Loan: \$320,000

Payable: As provided in the Note.

Finance Charges: 1% until the Interest Rate Change Date (as defined in the Note dated September 21, 2015 in the principal amount of \$262,500, as amended by a Second Allonge to Promissory Note increasing the principal amount to \$320,000 (the "Note")), then lower of (A) 3.168% or (B) eighty percent (80%) of the established market rate as determined in Env-Dw 1106.03 and 1106.04.

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.

TAGRO HOMES, INC. d/b/a Pineland Park
Borrower

By: _____
Mark H. Tay
President