



The State of New Hampshire **DEPARTMENT OF ENVIRONMENTAL SERVICES**



Thomas S. Burack, Commissioner



American Recovery and Reinvestment Act



February 22, 2013

Her Excellency, Governor Margaret Wood Hassan
and the Honorable Council
State House
Concord, New Hampshire 03301

ARRA
Funds

REQUESTED ACTION

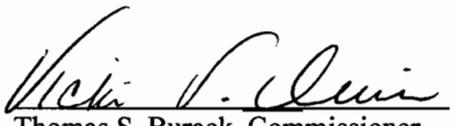
Authorize the Department of Environmental Services to approve an Allonge to Promissory Note and Amendment of Loan Agreement with Lawrence E. Olson and Jean C. Hill (VC #201807), Litchfield, NH, in the amount of \$80,000. This finalizes the loan amount used to finance the water system improvements project under the provisions of RSA 486:14 and N.H. Administrative Rules Env-Dw 1100 effective upon Governor & Council approval. 50% ARRA, 40% Federal Funds, 10% Capital (General) Funds.

EXPLANATION

The purpose of the Allonge for Lawrence E. Olson and Jean C. Hill is to amend the Original Loan Agreement that was originally approved by Governor and Council on October 7, 2009, in the amount of \$80,000 as ITEM #late O. The project is complete and the full amount was disbursed. This Allonge finalizes the principal loan amount and establishes the long term principal and interest repayment schedule. The purpose of the project was to interconnect the Olson's Mobile Home Park with the Town of Litchfield water system..

Under the terms of the Allonge, Lawrence E. Olson and Jean C. Hill will pay back the principal sum of \$40,000 with interest, over a twenty-year period, payable in installments as provided in the agreement. Under the American Recovery and Reinvestment Act of 2009, the project is eligible for 50% principal forgiveness. This represents the total amount borrowed of \$80,000 less principal forgiveness at the rate of 50%, for a total repayment balance of \$40,000. This loan is being issued under the Drinking Water State Revolving Loan Fund program for the purpose of financing the water system improvements mentioned above. Attached are the agreement and the debt service schedule for this loan.

We respectfully request your approval.

for 
Thomas S. Burack, Commissioner

Attachments

DEPARTMENT OF ENVIRONMENTAL SERVICES
WATER DIVISION

DRINKING WATER STATE REVOLVING FUND

Supplemental information to Governor and Council request to finalize 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>DWSRF</u>	<u>REPAYMENT</u>	<u>ARRA</u>
Federal Funds	\$104,221,498	\$0	\$18,720,000
Plus 20% State Match	\$28,249,860	\$0	\$0
Repayment Account	\$0	\$23,578,939	\$0
Total Funds Authorized/Available	<u>\$132,471,358</u>	<u>\$23,578,939</u>	<u>\$18,720,000</u>
Less Loans Previously Approved	<u>\$120,885,072</u>	<u>\$0</u>	<u>\$18,720,000</u>
Funds Available for Loans	\$11,586,286	\$23,578,939	\$0
New Loan Agreement(s)			
Northern View Apartments		(\$195,000)	
Well Hill Cooperative, Inc.		(\$268,000)	
Rolling Acres MHP		(\$220,000)	
Amended Loan Agreement(s)			
	<u>Original Loan</u>	<u>Final Loan</u>	
Swains Lake Village District	\$250,000	(\$160,406)	\$89,594
North Conway Water Precinct	\$2,060,000	(\$2,011,099)	\$48,901
City of Portsmouth	\$5,000,000	(\$5,000,000)	\$0
Hampshire Court Condo Assoc	\$61,000	(\$61,000)	\$0
Lawrence Olson & Jean Hill	\$80,000	(\$80,000)	\$0
Francestown Village Water Co	\$207,000	(\$62,964)	\$144,036
Peter Knox - Castle Trust (Blueberry Hill)	\$250,000	(\$250,000)	\$0
City of Dover	\$4,000,000	(\$4,000,000)	\$0
Net Change to Loan(s)		<u>(\$400,469)</u>	<u>\$0</u>
Balance Available After G & C Approval		<u><u>\$11,185,817</u></u>	<u><u>\$23,578,939</u></u>
			<u><u>\$0</u></u>

**ALLONGE TO
PROMISSORY NOTE AND AMENDMENT OF LOAN AGREEMENT**

Allonge and Amendment made this 20th day of March, 2013, between Lawrence E. Olson and Jean C. Hill both with a business address of 1 Darlene Lane, Litchfield, New Hampshire 03053 (the "Maker"), and the State of New Hampshire with an address of c/o Department of Environmental Services, P.O. Box 95, 29 Hazen Drive, Concord, New Hampshire 03302-0095 (the "Payee").

RECITALS

A. Pursuant to a Loan Agreement dated October 16, 2009 between the Payee and the Maker (as amended, the "Loan Agreement"), the Payee agreed to lend to the Maker up to \$80,000 to finance the water main interconnection with Pennichuck Water Works, which loan is evidenced by the promissory note from the Maker to the Payee dated October 16, 2009 in the principal amount of \$80,000 (as amended, the "Note");

B. The Payee has advanced \$80,000.00 to the Maker pursuant to the Loan Agreement required for the construction of the Improvements (as defined in the Note), and the Improvements have been substantially completed; no further advances of loan funds are necessary;

C. The parties desire to clarify the respective rights and obligations of the Payee and the Maker regarding repayment by amending the Note and the Loan Documents pursuant to the terms of this allonge;

NOW THEREFORE, the parties agree as follows:

1. The Note is hereby amended as follows:
 - (a) to provide that the Interest Rate Change Date, as defined in the ninth, tenth and eleventh lines of the initial paragraph of the Note, is March 1, 2011, and
 - (b) by replacing "the lower of (A) the annual rate of Three and Fifty-One Hundreds percent (3.51%) or (B) Seventy-Five percent (75 %) of the established 11 General Obligations Bond Index published during the first week of the month of October before the Interest Rate Change Date" in the initial paragraph of the Note with "Two and Six Hundred Eighty-Five Thousandths percent (2.685%)".
 - (c) Section 1 of the Note is hereby amended by striking the section in its entirety and replacing it with the following:

"1. Payments.

- (a) Commencing June 1, 2011, interest only shall be paid in six (6) consecutive monthly installments on the first day of each month and (the first such payment shall include all previously accrued interest), and
- (b) Commencing March 1, 2012, the interest and principal of this Note shall be paid in one-hundred and eighty (180) consecutive monthly payments in the amounts provided in the column entitled "Payment" in the amortization schedule attached hereto as Schedule A upon the dates set forth therein opposite each payment (the amounts shown under the columns captioned "Interest" reflect payments of interest capitalized at the Charge Rate in the effect before the commencement of such installment payments plus interest accruing at the Charge Rate in effect thereafter. The loan evidenced by the Note qualifies for partial debt forgiveness under regulations of the State of New Hampshire, Department of Environmental Services. Schedule A provides for a portion of the principal amount of the Note to be forgiven at the time each monthly payment is paid. Each amount scheduled to be forgiven shall nevertheless remain part of the principal amount of the Note that shall be repaid unless and until the monthly payment of principal and interest is timely paid in accordance with Schedule A. If the remaining balance of the Note is prepaid or required to be prepaid for any reason, including without limitation upon acceleration after a default as provided in Section 6 of the Note, the full remaining amount of principal, without regard to amounts scheduled to be forgiven in connection with monthly payments not yet paid, whether otherwise due or not, together with accrued interest and other charges, shall be due and payable, and
- (c) On February 1, 2026, all remaining unpaid principal together with accrued interest and any other unpaid charges shall be due and payable, and
- (d) All payments shall be applied first to accrued interest and then principal."

2. Each of the Loan Documents other than the Note is hereby amended to change all references to the Note therein to include the Note as hereby amended and by any future amendments of the Note.
3. All terms of the Note and the Loan Documents that are not amended hereby shall remain in full force and effect.

(Signature page follows)

Executed as of the day and year first above written.

Michael Marks
Witness

By: Jean C. Hill
Jean C. Hill

Michael Marks
Witness

By: Lawrence E. Olson
Lawrence E. Olson

THE STATE OF NEW HAMPSHIRE

Daunt Howel
Witness

By: Thomas S. Burack
for Thomas S. Burack, Commissioner
Department of Environmental Services

New Hampshire Department of Environmental Services
Drinking Water SRF Loan Schedule

Date Created: October 2012
Borrower: Lawrence Olson
Project #:1373030 ARRA

Total Disbursed: \$80,000
Term: 15 years
Interest Rate: 2.685%

Ref #	Payment_Date	Date_Received	Begin_Balance	Principal_Payment	Principal_Forgiven	Interest_Paymer	Total_Payment	Ending_Balance
901	9/1/2010	6/27/2011	\$80,000	\$0	\$0	\$300	\$300	\$80,000
1001	10/1/2010	8/9/2011	\$80,000	\$94	\$0	\$179	\$273	\$79,906
1890	10/1/2011	9/23/2011	\$79,906	\$100	\$223	\$174	\$274	\$79,582
1924	11/1/2011	1/4/2012	\$79,582	\$101	\$223	\$173	\$274	\$79,258
2045	2/1/2012	2/16/2012	\$79,258	\$105	\$223	\$171	\$276	\$78,929
2082	3/1/2012	3/14/2012	\$78,929	\$107	\$223	\$170	\$277	\$78,599
2118	4/1/2012	3/14/2012	\$78,599	\$108	\$223	\$169	\$277	\$78,267
2162	5/1/2012	5/11/2012	\$78,267	\$109	\$223	\$169	\$278	\$77,935
2205	6/1/2012	6/7/2012	\$77,935	\$111	\$223	\$168	\$279	\$77,600
2262	7/1/2012	7/10/2012	\$77,600	\$112	\$223	\$167	\$279	\$77,265
2309	8/1/2012	8/9/2012	\$77,265	\$113	\$223	\$166	\$279	\$76,928
2352	9/1/2012	9/11/2012	\$76,928	\$115	\$223	\$172	\$287	\$76,590
2402	10/1/2012		\$76,590	\$116	\$223	\$171	\$287	\$76,250
27	11/1/2012		\$76,250	\$117	\$223	\$171	\$288	\$75,910
28	12/1/2012		\$75,910	\$119	\$223	\$170	\$289	\$75,568
29	1/1/2013		\$75,568	\$120	\$223	\$169	\$289	\$75,224
30	2/1/2013		\$75,224	\$122	\$223	\$168	\$290	\$74,879
31	3/1/2013		\$74,879	\$123	\$223	\$168	\$291	\$74,532
32	4/1/2013		\$74,532	\$124	\$223	\$167	\$291	\$74,185
33	5/1/2013		\$74,185	\$126	\$223	\$166	\$292	\$73,835
34	6/1/2013		\$73,835	\$127	\$223	\$165	\$292	\$73,485
35	7/1/2013		\$73,485	\$129	\$223	\$164	\$293	\$73,132
36	8/1/2013		\$73,132	\$130	\$223	\$164	\$294	\$72,779
37	9/1/2013		\$72,779	\$132	\$223	\$163	\$295	\$72,423
38	10/1/2013		\$72,423	\$133	\$223	\$162	\$295	\$72,067
39	11/1/2013		\$72,067	\$134	\$223	\$161	\$295	\$71,710
40	12/1/2013		\$71,710	\$136	\$223	\$160	\$296	\$71,350
41	1/1/2014		\$71,350	\$137	\$223	\$160	\$297	\$70,990
42	2/1/2014		\$70,990	\$139	\$223	\$159	\$298	\$70,627
43	3/1/2014		\$70,627	\$140	\$223	\$158	\$298	\$70,264
44	4/1/2014		\$70,264	\$141	\$223	\$157	\$298	\$69,899
45	5/1/2014		\$69,899	\$143	\$223	\$156	\$299	\$69,533
46	6/1/2014		\$69,533	\$144	\$223	\$156	\$300	\$69,165
47	7/1/2014		\$69,165	\$146	\$223	\$155	\$301	\$68,796
48	8/1/2014		\$68,796	\$147	\$223	\$154	\$301	\$68,425
49	9/1/2014		\$68,425	\$149	\$223	\$153	\$302	\$68,053
50	10/1/2014		\$68,053	\$150	\$223	\$152	\$302	\$67,679
51	11/1/2014		\$67,679	\$152	\$223	\$151	\$303	\$67,304
52	12/1/2014		\$67,304	\$153	\$223	\$151	\$304	\$66,928
53	1/1/2015		\$66,928	\$155	\$223	\$150	\$305	\$66,549
54	2/1/2015		\$66,549	\$156	\$223	\$149	\$305	\$66,170
55	3/1/2015		\$66,170	\$157	\$223	\$148	\$305	\$65,789
56	4/1/2015		\$65,789	\$159	\$223	\$147	\$306	\$65,407
57	5/1/2015		\$65,407	\$160	\$223	\$146	\$306	\$65,023
58	6/1/2015		\$65,023	\$162	\$223	\$145	\$307	\$64,638
59	7/1/2015		\$64,638	\$163	\$223	\$145	\$308	\$64,251
60	8/1/2015		\$64,251	\$165	\$223	\$144	\$309	\$63,863
61	9/1/2015		\$63,863	\$166	\$223	\$143	\$309	\$63,473
62	10/1/2015		\$63,473	\$168	\$223	\$142	\$310	\$63,082
63	11/1/2015		\$63,082	\$169	\$223	\$141	\$310	\$62,689
64	12/1/2015		\$62,689	\$171	\$223	\$140	\$311	\$62,295
65	1/1/2016		\$62,295	\$172	\$223	\$139	\$311	\$61,900
66	2/1/2016		\$61,900	\$174	\$223	\$139	\$313	\$61,502
67	3/1/2016		\$61,502	\$175	\$223	\$138	\$313	\$61,104
68	4/1/2016		\$61,104	\$177	\$223	\$137	\$314	\$60,703
69	5/1/2016		\$60,703	\$178	\$223	\$136	\$314	\$60,302
70	6/1/2016		\$60,302	\$180	\$223	\$135	\$315	\$59,898
71	7/1/2016		\$59,898	\$181	\$223	\$134	\$315	\$59,494
72	8/1/2016		\$59,494	\$183	\$223	\$133	\$316	\$59,087
73	9/1/2016		\$59,087	\$184	\$223	\$132	\$316	\$58,680

Ref #	Payment_Date	Date_Received	Begin_Balance	Principal_Payment	Principal_Forgiven	Interest_Paymer	Total_Payment	Ending_Balance
74	10/1/2016		\$58,680	\$186	\$223	\$131	\$317	\$58,270
75	11/1/2016		\$58,270	\$187	\$223	\$130	\$317	\$57,860
76	12/1/2016		\$57,860	\$189	\$223	\$129	\$318	\$57,447
77	1/1/2017		\$57,447	\$191	\$223	\$129	\$320	\$57,033
78	2/1/2017		\$57,033	\$192	\$223	\$128	\$320	\$56,618
79	3/1/2017		\$56,618	\$194	\$223	\$127	\$321	\$56,200
80	4/1/2017		\$56,200	\$195	\$223	\$126	\$321	\$55,782
81	5/1/2017		\$55,782	\$197	\$223	\$125	\$322	\$55,361
82	6/1/2017		\$55,361	\$198	\$223	\$124	\$322	\$54,940
83	7/1/2017		\$54,940	\$200	\$223	\$123	\$323	\$54,516
84	8/1/2017		\$54,516	\$201	\$223	\$122	\$323	\$54,092
85	9/1/2017		\$54,092	\$203	\$223	\$121	\$324	\$53,665
86	10/1/2017		\$53,665	\$204	\$223	\$120	\$324	\$53,238
87	11/1/2017		\$53,238	\$206	\$223	\$119	\$325	\$52,808
88	12/1/2017		\$52,808	\$208	\$223	\$118	\$326	\$52,377
89	1/1/2018		\$52,377	\$209	\$223	\$117	\$326	\$51,945
90	2/1/2018		\$51,945	\$211	\$223	\$116	\$327	\$51,510
91	3/1/2018		\$51,510	\$212	\$223	\$115	\$327	\$51,075
92	4/1/2018		\$51,075	\$214	\$223	\$114	\$328	\$50,637
93	5/1/2018		\$50,637	\$215	\$223	\$113	\$328	\$50,199
94	6/1/2018		\$50,199	\$217	\$223	\$112	\$329	\$49,758
95	7/1/2018		\$49,758	\$219	\$223	\$111	\$330	\$49,316
96	8/1/2018		\$49,316	\$220	\$223	\$110	\$330	\$48,872
97	9/1/2018		\$48,872	\$222	\$223	\$109	\$331	\$48,427
98	10/1/2018		\$48,427	\$223	\$223	\$108	\$331	\$47,980
99	11/1/2018		\$47,980	\$225	\$223	\$107	\$332	\$47,532
100	12/1/2018		\$47,532	\$227	\$223	\$106	\$333	\$47,081
101	1/1/2019		\$47,081	\$228	\$223	\$105	\$333	\$46,630
102	2/1/2019		\$46,630	\$230	\$223	\$104	\$334	\$46,177
103	3/1/2019		\$46,177	\$232	\$223	\$103	\$335	\$45,721
104	4/1/2019		\$45,721	\$233	\$223	\$102	\$335	\$45,265
105	5/1/2019		\$45,265	\$235	\$223	\$101	\$336	\$44,806
106	6/1/2019		\$44,806	\$236	\$223	\$100	\$336	\$44,347
107	7/1/2019		\$44,347	\$238	\$223	\$99	\$337	\$43,885
108	8/1/2019		\$43,885	\$240	\$223	\$98	\$338	\$43,422
109	9/1/2019		\$43,422	\$241	\$223	\$97	\$338	\$42,957
110	10/1/2019		\$42,957	\$243	\$223	\$96	\$339	\$42,491
111	11/1/2019		\$42,491	\$245	\$223	\$95	\$340	\$42,022
112	12/1/2019		\$42,022	\$246	\$223	\$94	\$340	\$41,553
113	1/1/2020		\$41,553	\$248	\$223	\$93	\$341	\$41,081
114	2/1/2020		\$41,081	\$250	\$223	\$92	\$342	\$40,608
115	3/1/2020		\$40,608	\$251	\$223	\$91	\$342	\$40,134
116	4/1/2020		\$40,134	\$253	\$223	\$90	\$343	\$39,657
117	5/1/2020		\$39,657	\$255	\$223	\$89	\$344	\$39,179
118	6/1/2020		\$39,179	\$256	\$223	\$88	\$344	\$38,699
119	7/1/2020		\$38,699	\$258	\$223	\$87	\$345	\$38,218
120	8/1/2020		\$38,218	\$260	\$223	\$86	\$346	\$37,734
121	9/1/2020		\$37,734	\$261	\$223	\$84	\$345	\$37,250
122	10/1/2020		\$37,250	\$263	\$223	\$83	\$346	\$36,763
123	11/1/2020		\$36,763	\$265	\$223	\$82	\$347	\$36,275
124	12/1/2020		\$36,275	\$267	\$223	\$81	\$348	\$35,784
125	1/1/2021		\$35,784	\$268	\$223	\$80	\$348	\$35,293
126	2/1/2021		\$35,293	\$270	\$223	\$79	\$349	\$34,799
127	3/1/2021		\$34,799	\$272	\$223	\$78	\$350	\$34,304
128	4/1/2021		\$34,304	\$273	\$223	\$77	\$350	\$33,808
129	5/1/2021		\$33,808	\$275	\$223	\$76	\$351	\$33,309
130	6/1/2021		\$33,309	\$277	\$223	\$75	\$352	\$32,809
131	7/1/2021		\$32,809	\$279	\$223	\$73	\$352	\$32,306
132	8/1/2021		\$32,306	\$280	\$223	\$72	\$352	\$31,803
133	9/1/2021		\$31,803	\$282	\$223	\$71	\$353	\$31,297
134	10/1/2021		\$31,297	\$284	\$223	\$70	\$354	\$30,790
135	11/1/2021		\$30,790	\$286	\$223	\$69	\$355	\$30,280
136	12/1/2021		\$30,280	\$287	\$223	\$68	\$355	\$29,770
137	1/1/2022		\$29,770	\$289	\$223	\$67	\$356	\$29,257
138	2/1/2022		\$29,257	\$291	\$223	\$65	\$356	\$28,743
139	3/1/2022		\$28,743	\$293	\$223	\$64	\$357	\$28,227
140	4/1/2022		\$28,227	\$294	\$223	\$63	\$357	\$27,709
141	5/1/2022		\$27,709	\$296	\$223	\$62	\$358	\$27,190
142	6/1/2022		\$27,190	\$298	\$223	\$61	\$359	\$26,668

Ref #	Payment Date	Date Received	Begin Balance	Principal Payment	Principal Forgiven	Interest Paymer	Total Payment	Ending Balance
143	7/1/2022		\$26,668	\$300	\$223	\$60	\$360	\$26,145
144	8/1/2022		\$26,145	\$302	\$223	\$58	\$360	\$25,619
145	9/1/2022		\$25,619	\$303	\$223	\$57	\$360	\$25,093
146	10/1/2022		\$25,093	\$305	\$223	\$56	\$361	\$24,564
147	11/1/2022		\$24,564	\$307	\$223	\$55	\$362	\$24,034
148	12/1/2022		\$24,034	\$309	\$223	\$54	\$363	\$23,501
149	1/1/2023		\$23,501	\$311	\$223	\$53	\$364	\$22,967
150	2/1/2023		\$22,967	\$313	\$223	\$51	\$364	\$22,430
151	3/1/2023		\$22,430	\$314	\$223	\$50	\$364	\$21,893
152	4/1/2023		\$21,893	\$316	\$223	\$49	\$365	\$21,354
153	5/1/2023		\$21,354	\$318	\$223	\$48	\$366	\$20,812
154	6/1/2023		\$20,812	\$320	\$223	\$47	\$367	\$20,269
155	7/1/2023		\$20,269	\$322	\$223	\$45	\$367	\$19,723
156	8/1/2023		\$19,723	\$324	\$223	\$44	\$368	\$19,176
157	9/1/2023		\$19,176	\$326	\$223	\$43	\$369	\$18,626
158	10/1/2023		\$18,626	\$328	\$223	\$42	\$370	\$18,075
159	11/1/2023		\$18,075	\$330	\$223	\$40	\$370	\$17,521
160	12/1/2023		\$17,521	\$331	\$223	\$39	\$370	\$16,967
161	1/1/2024		\$16,967	\$333	\$223	\$38	\$371	\$16,410
162	2/1/2024		\$16,410	\$335	\$223	\$37	\$372	\$15,852
163	3/1/2024		\$15,852	\$337	\$223	\$35	\$372	\$15,291
164	4/1/2024		\$15,291	\$339	\$223	\$34	\$373	\$14,729
165	5/1/2024		\$14,729	\$341	\$223	\$33	\$374	\$14,165
166	6/1/2024		\$14,165	\$343	\$223	\$32	\$375	\$13,598
167	7/1/2024		\$13,598	\$345	\$223	\$30	\$375	\$13,030
168	8/1/2024		\$13,030	\$347	\$223	\$29	\$376	\$12,459
169	9/1/2024		\$12,459	\$349	\$223	\$28	\$377	\$11,887
170	10/1/2024		\$11,887	\$351	\$223	\$27	\$378	\$11,312
171	11/1/2024		\$11,312	\$354	\$223	\$25	\$379	\$10,735
172	12/1/2024		\$10,735	\$356	\$223	\$24	\$380	\$10,155
173	1/1/2025		\$10,155	\$358	\$223	\$23	\$381	\$9,574
174	2/1/2025		\$9,574	\$360	\$223	\$21	\$381	\$8,990
175	3/1/2025		\$8,990	\$362	\$223	\$20	\$382	\$8,405
176	4/1/2025		\$8,405	\$364	\$223	\$19	\$383	\$7,817
177	5/1/2025		\$7,817	\$367	\$223	\$17	\$384	\$7,227
178	6/1/2025		\$7,227	\$369	\$223	\$16	\$385	\$6,635
179	7/1/2025		\$6,635	\$371	\$223	\$15	\$386	\$6,040
180	8/1/2025		\$6,040	\$374	\$223	\$14	\$388	\$5,443
181	9/1/2025		\$5,443	\$376	\$223	\$12	\$388	\$4,843
182	10/1/2025		\$4,843	\$379	\$223	\$11	\$390	\$4,241
183	11/1/2025		\$4,241	\$382	\$223	\$9	\$391	\$3,635
184	12/1/2025		\$3,635	\$386	\$223	\$8	\$394	\$3,026
185	1/1/2026		\$3,026	\$390	\$224	\$7	\$397	\$2,412
186	2/1/2026		\$2,412	\$401	\$2,011	\$5	\$406	\$0
Totals:				\$40,000	\$40,000	\$17,680	\$57,680	