

L  
KIM

April 7, 2021

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

**Business Finance Authority Loan to Wentworth Economic Development Corporation Pursuant to RSA 162-A:7**

Dear Governor and Council:

**REQUESTED ACTION**

Holding of a public hearing and passage of a resolution entitled: A RESOLUTION UNDER RSA 162-A:18 AWARDED AND APPROVING A LOAN UNDER RSA 162-A:7 TO WENTWORTH ECONOMIC DEVELOPMENT CORPORATION. (For the text of the requested Resolution see Exhibit Two attached to this letter of transmittal.)

The Business Finance Authority of the State of New Hampshire (the "Authority") respectfully requests that you hold a public hearing and make the statutory findings under RSA 162-A:18, with respect to the proposed loan by the Authority to Wentworth Economic Development Corporation (the "Borrower"), a local development organization, in the form of a revolving line of credit increase in the principal amount of One Hundred Thousand Dollars (\$100,000) which represents an increase to a total of Three Hundred and Fifty Thousand Dollars (\$350,000) on an existing 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:7
4. a letter from the undersigned explaining the transaction
5. a commitment letter extended by the Authority to the Borrower
6. an agreement between the Authority and the Wentworth Economic Development Corporation, which when executed will evidence the local development organization's recommendation of the proposed loan transaction
7. a resolution adopted by the Authority on March 15, 2021, 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.

***Financing for New Hampshire's Future***

2 Pillsbury Street, Suite 201, Concord, NH 03301  
Tel: (603) 415-0190 Fax: (603) 415-0194 www.nhbfa.com



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

## Loan Summary

**Borrower:** Wentworth Economic Development Corporation (WEDCO)

**Location:** 15 Varney Road  
Wolfeboro, New Hampshire 03894

**Type of Borrower:** Economic Development

**Lender:** Business Finance Authority of New Hampshire  
2 Pillsbury Street, Suite 201  
Concord, New Hampshire 03301

**Amount of Loan:** \$100,000 increase to their existing \$250,000 line of credit for a new total of \$350,000

**Type of Loan:** Line of Credit

**Purpose:** Wentworth Economic Development Corporation to utilize the line to provide loan capital for the expansion and retention of businesses in their region .

**Collateral:** The loan will be secured by the assignment of existing WEDCO loans. Initial collateral coverage of 120% of the outstanding loan balance will be required. Collateral coverage will be reviewed and adjusted quarterly.

**A RESOLUTION UNDER RSA 162-A:18 AWARDING A LOAN UNDER RSA 162-A:7 FROM THE BUSINESS FINANCE AUTHORITY OF THE STATE OF NEW HAMPSHIRE TO WENTWORTH ECONOMIC DEVELOPMENT CORPORATION**

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 a loan by the Authority to Wentworth Economic Development Corporation (the "Borrower") in the original principal amount of \$250,000 which will be increased by \$100,000 to a total of \$350,000 to provide loan capital to the expansion and retention of businesses. (the "Loan");

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 Loan by the Authority upon the making of specific findings after public hearing;

WHEREAS, the Governor and Council will receive all the documentation and information with respect to the proposed 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 Determination: On the basis of the documentation and information received by the Governor and Council, after a public hearing, the Governor and Council find:
  - a. Special Findings:
    - I. The Loan is consistent with local or regional development plans or policies
  - b. General Findings:
    - I. The Loan that the Authority has proposed will serve a public use and provide a public benefit
    - II. The Loan that the Authority has proposed is within the policy of, and the authority conferred, by RSA Chapter 162-A
    - III. The Loan that the Authority has 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 Loan that the Authority has proposed will promote the orderly development of business activities, create or preserve employment opportunities, or protect the physical environment

2. Approval: Governor and Council approve the Loan by the Authority as recommended by the Authority and authorize the Authority to cause the execution and delivery of the loan documents substantially in the form submitted to Governor and Council and to take such further action as 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 April 7, 2021.

\_\_\_\_\_  
Governor Christopher T. Sununu

\_\_\_\_\_  
Councilor Joseph D. Kenney

\_\_\_\_\_  
Councilor Cinde Warmington

\_\_\_\_\_  
Councilor Janet Stevens

\_\_\_\_\_  
Councilor Theodore L. Gatsas

\_\_\_\_\_  
Councilor Dave Wheeler

**Section 162-A:7**

**162-A:7 Aid to Local or Regional Development Organizations.**

I. The authority may expend or loan money upon such terms and conditions as prescribed by the authority to acquire, develop, redevelop, construct, renovate, or expand real or personal property for business use. No expenditure or loan shall be made by the authority under this section unless it is with the approval of, or in cooperation with, a local development organization.

II. Prior to the expenditure or loan of any money under this section, the authority shall enter into one or more agreements with such organization to provide for the conditions on which the expenditures or loans will be made, the terms of repayment of such expenditure or loan, the time and manner of such repayment, conditions under which the property is to be used by or leased to one or more businesses, the form and amount of security if any, to be pledged to the authority for such repayment, and such other provisions as the authority may determine are necessary or desirable. Repayment of any expenditure or loan made by the authority may be with or without interest and may take the form of cash, real or personal property, or services.

III. Any property acquired, developed, redeveloped, constructed, renovated, or expanded under this section may be leased by the authority or the local development organization, as appropriate, for business use, and under such terms and conditions as they shall deem appropriate. Any such lease may include options of the lessee to purchase the property, provided that the purchase price upon the exercise of any such option shall not be less than the amount necessary to reimburse the authority, with interest if applicable, for any unpaid balance of expenditures made by the authority for such property. Any lease shall obligate the lessee to pay all costs and expenses of upkeep, maintenance and operation of the property during the lease term.

IV. The authority shall not expend or loan any money or make a binding commitment to spend any money for a particular project under this section unless after a hearing the governor and council have made the findings specified in RSA 162-A:18.

**Source.** 1992, 262:3. 1993, 335:5, eff. June 29, 1993.



New Hampshire Business Finance Authority

April 7, 2021

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

**Loan from the Business Finance Authority to Wentworth Economic Development Corporation pursuant to RSA 162A:7**

Dear Governor and Council:

The purpose of this letter is to describe and explain the proposed loan from the Business Finance Authority of the State of New Hampshire (the "Authority") to Wentworth Economic Development Corporation (the "Borrower") as recommended by the Authority, based upon information supplied by the Authority and the Borrower.

1. **Statutory Authority:** RSA 162-A:7 authorizes the Authority to expend or loan money to acquire, develop, redevelop, construct, renovate or expand real or personal property for business use with the approval of or in cooperation with a local development organization. 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 such a loan or expenditure of money by the Authority.
2. **Concept of the Aid to Local Development Organization Program:** The Authority has developed the Aid to Local Development Organization Program as a significant part of its programs intended to facilitate the growth and development of businesses within the state. In general, the program focuses on expending funds or making loans for projects identified by local development organizations as providing important opportunities for economic development within particular regions or communities of the State.
3. **Agreement with Local Development Organization:** RSA 162-A:7, II requires the Authority to enter into an agreement with a local development organization providing for the conditions upon which the expenditure or loan will be made.
4. **Description of the Transaction:** The Borrower is the Wentworth Economic Development Corporation. The Authority recommends an approval of a \$100,000 increase to an existing \$250,000 loan, providing the Borrower a total principal amount of up to Three Hundred and Fifty Thousand Dollars (\$350,000) (the "Loan") which they will use to provide loan capital for the expansion and retention of businesses in their region.
5. **Terms of the Loan Documents:** The terms and conditions of the Loan are to be expressed in an agreement between the Authority and the Borrower and certain other loan documents. The agreement, which will be in substantially the form submitted to Governor and Council with this letter, will include the following terms and conditions:

***Financing for New Hampshire's Future***

2 Pillsbury Street, Suite 201, Concord, NH 03301  
Tel: (603) 415-0190 Fax: (603) 415-0194 www.nhbfa.com



- a. Promissory Note: The Loan will be evidenced by a Promissory Note of the Borrower in the original principal amount of up to Three Hundred and Fifty Thousand Dollars (\$350,000). The Loan will bear interest at the fixed rate of 3%. Interest will be billed monthly.
  - b. Representations and Covenants of the Borrower: The agreement contains such provisions as the Authority has determined necessary and desirable in order to administer the loan, including without limitation, representations and warranties and covenants of the Borrower, indemnification of the Authority for the risks concerning any potential hazardous waste, the provision of payment of the Authority's costs and expenses, and the Authority's remedies upon default of the Borrower.
  - c. Security: The Borrower's obligations under the loan documents will be secured by a Security Agreement of the Borrower granting what would be a first security interest on the Borrower's existing loans and all new loans funded via an advance on the Authority's proposed loan.
  - d. Use of Proceeds: Proceeds of the Loan will be used only to finance the expansion and retention of businesses.
6. In Summary: Based upon the foregoing, all statutory requirements are embodied and implemented in the proposed transaction and loan documents.

Very truly yours,

**BUSINESS FINANCE AUTHORITY**

By: 

James Key-Wallace  
Executive Director



March 16, 2021

Ms. Denise Roy-Palmer  
Wentworth Economic Development Corporation  
15 Varney Road  
Wolfeboro, NH 03894

RE: Line of Credit Increase

Dear Ms. Roy-Palmer:

The Business Finance Authority of the State of New Hampshire ("the Authority") has approved in principle the application submitted by the Wentworth Economic Development Corporation (the "WEDCO"), a local development organization (the "LDO"). Accordingly, the Authority is prepared to proceed with the discussions to make the loan described below (the "Loan") to the WEDCO under the Authority's Local Development Organization loan program, 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 as described in this letter and upon such approval to make the Loan based only upon the information that the LDO has submitted. Any obligation to recommend Governor and Council's approval of the Loan, or to consummate the Loan, 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 WEDCO's financial situation. Of course, as we proceed, we will require further information.

**Policy Background:**

The Authority has determined that the proposed transaction will serve to promote business development within the State by expanding the availability of credit within the NH eastern Lakes Region. The Authority's commitment concerning the Loan reflects this fundamental determination that the proposed transaction will serve a public use and provide a public benefit.

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. 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 in compliance with 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.

***Financing for New Hampshire's Future***

2 Pillsbury Street, Suite 201, Concord, NH 03301  
Tel: (603) 415-0190 Fax: (603) 415-0194 [www.nhbfa.com](http://www.nhbfa.com)

**Terms of Loan Proposal:**

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

- Identification of Loan:** The Loan will increase WEDCO's existing \$250,000 line of credit by \$100,000 to \$350,000 and shall be used by WEDCO to provide additional small business loans in its region of the state.
- Terms of Repayment:** The Loan will be a revolving line of credit, payable on demand, and subject to an annual review. The Note will bear interest at the fixed rate of 3.00%. Interest will be billed monthly, and the Authority can require at any time that the outstanding Loan balance be amortized over the shorter of the 10 years from origination of WEDCO's existing line of credit or the average remaining term of the loans collateralizing the Loan. Subject to any applicable law, the Authority reserves the right to apply payments received to WEDCO's obligations in the manner chosen by the Authority in its sole discretion.
- Security:** The Loan will be secured by the assignment of existing WEDCO loans. Initial collateral coverage of 120% of the outstanding Loan balance will be required. This collateral coverage must be maintained over the life of the loan and will be reviewed quarterly upon WEDCO's submission of an updated loan portfolio status report. Additionally, A lien on all business assets of WEDCO will be required.
- Disbursement:** Disbursement of Loan proceeds shall be subject to request by WEDCO, approval by the Authority, and receipt of notice of assignment of the required notes.
- Documents:** The Loan Agreement, Promissory Note, and Security Instruments to be drafted by counsel to the Authority shall contain such representations, warranties and covenants as are acceptable to the Authority. WEDCO shall provide the Authority with such other documents, agreements, reports and certificates the Authority may reasonably require, including, without limitation, insurance in form and substance satisfactory to the Authority.

**LDO Agreement:**

At or before the closing, the WEDCO shall execute an agreement evidencing its approval of the Loan in accordance with RSA 162-A:7 II.

**Further Investigations and Modification of Documents:**

The Authority's obligation to make the Loan shall be subject to the Authority's review and approval to its satisfaction of all loan documents relating to the Loan and the proposed Loan collateral, evidenced by the Loan and all other loan documentation, including, without limitation, UCC search information, collateral value analysis, appraisals, environmental reports, governmental approvals, construction contracts, and financial statements of WEDCO and also subject to the truth and accuracy of WEDCO's representations in its loan application.

**Authority Legal Expenses:**

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

**Legal Opinion:**

Counsel to the LDO shall provide opinions as to the due organization of the LDO and the power and due authority of the LDO to enter into the loan documents, the enforceability of the Loan documents and such other matters as the Authority may reasonably request, including compliance with applicable laws.

**Approval:**

As required by RSA 162-A:10, the Loan transaction may become effective only upon approval of the Governor and Council.

If WEDCO 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 March 19, 2021. As noted, any obligation to take action by the Authority will arise only upon satisfactory preparation, execution and delivery of documentation.

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

Sincerely,

Jeremy Stanizzi  
Senior Credit Officer



Agreed and Accepted.

WENTWORTH ECONOMIC DEVELOPMENT CORPORATION

By:   
Name: Denise Roy-Palmer  
Title: Executive Director

Date: 3/18/2021

April 7, 2021

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

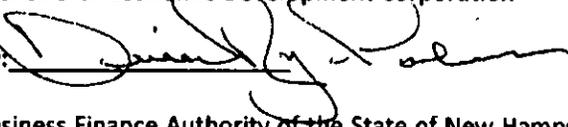
**Loan to Strafford Economic Development Corporation**

Ladies and Gentlemen:

This letter shall evidence our agreement concerning a proposed loan of the Business Finance Authority of the State of New Hampshire (the "Authority") to Wentworth Economic Development Corporation (the "Borrower"), a local development organization, in the principal amount of up to Three Hundred and Fifty Thousand Dollars (\$350,000) representing a \$100,000 increase to an existing loan (the "Loan"). The Authority has issued to the Borrower its commitment to recommend that Governor and Council of the State of New Hampshire approve the Loan.

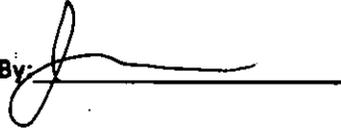
Wentworth Economic Development Corporation has determined that the Loan would promote orderly development of business in the Eastern Lakes region and is consistent with local and regional development plans and policies. In accordance with RSA 162-A:7, II we agree upon the terms and conditions of the Loan as described in the commitment letter attached hereto as Exhibit A. We understand that no loan will be consummated without approval of Governor and Council of the State of New Hampshire.

**Wentworth Economic Development Corporation**

By: 

Business Finance Authority of the State of New Hampshire hereby agrees to recommend that Governor and Council approve the Loan as described above.

**Business Finance Authority of the State of New Hampshire**

By: 

**A RESOLUTION REQUESTING AUTHORIZATION FOR A LOAN BY THE BUSINESS FINANCE AUTHORITY OF THE STATE OF NEW HAMPSHIRE TO WENTWORTH ECONOMIC DEVELOPMENT CORPORATION, A LOCAL DEVELOPMENT ORGANIZATION, PURSUANT TO THE AUTHORITY'S AID TO LOCAL DEVELOPMENT ORGANIZATIONS PROGRAM**

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

WHEREAS, **THE BUSINESS FINANCE AUTHORITY OF NEW HAMPSHIRE** (the "AUTHORITY") has been requested by Wentworth Economic Development Corporation, a local development organization organized and existing under the laws of the State of New Hampshire (the "LDO"), to make a loan to a local development organization, organized and existing under the laws of the State of New Hampshire, in the principal amount of up to Three Hundred and Fifty Thousand and no/100 dollars (\$350,000.00) representing a \$100,000 increase to an existing loan (the "Loan") to provide loan capital to the expansion and retention of businesses.

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

WHEREAS, the Authority took official action with respect to the Loans by passing a resolution on March 15, 2021;

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 Loan, (c) certain financial information concerning the LDO; and (d) 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 would be evidenced by an increase to an existing line of credit to Wentworth Economic Development Corporation (WEDCO) existing loan. The note is to be secured by an assignment of existing WEDCO loans.
  - b. The Lender would be the Business Finance Authority of the State of New Hampshire.
  - c. The Authority is authorized and empowered under RSA 162-A:7 to make loans recommended by local development organizations to finance the acquisitions of real or personal property.
  - d. The Loan will enable the LDO to further assist in the business development of the Eastern Lakes region.
  
2. Special Findings:
  - a. The Loan to be made by the Authority is consistent with local or regional development plans or policies.

3. General Findings:

- a. Making the Loan as proposed will serve a public use and provide a public benefit.
- b. Making the Loan as proposed is within the policy of, and the authority conferred by, RSA Chapter 162-A.
- c. Making 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. Making 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 making the Loan as proposed will serve a public use and provide a public benefit and determines that making the Loan as proposed will be within the policy of, and the authority conferred by the Act. The Authority recommends to His Excellency, the Governor, and The Honorable Council that they make findings and a determination similar to those set forth above, and for that purpose the Executive Director, Chairman, or Vice Chairman is authorized, empowered and directed to transmit to the Governor and Council copies of this resolution, the materials received by the Authority with respect to the Loan and any other documentation and information the Governor and Council may request.

5. Authorization of Agreement: The Authority hereby authorizes the execution and delivery of a letter of intent of the Authority by the Executive Director or the Senior Credit Officer of the Authority to the Lender, which letter of intent may propose the Loan by the Authority subject to the parameters, terms and conditions as presented to the Board by the Credit Committee. Subject to paragraph 6 below the Executive Director, Chairman or Vice Chairman is authorized, empowered and directed to execute and deliver a loan agreement on behalf of the Authority pursuant to the requirements of the Act which shall contain parameters, terms and conditions substantially consistent with those presented to the Board by the Credit Committee and the terms and conditions established by the Board, but subject to such changes and completion consistent with this resolution as the Executive Director, Chairman or Vice Chairman may approve, his signature being conclusive identification of the loan purchase agreement, and completed and authorized by this resolution.

6. Actions Not to be Taken Until After Approval by Governor and Council: Except for the execution and delivery of the Authority's letter of intent by the Executive Director or the Senior Credit Officer of the Authority to the Lender, the actions authorized by paragraph 5 above shall not be taken until such time as Governor and Council have made the findings and determination required by the Act, it being the intent of the Authority that the various actions on its behalf which are authorized above are subject to the action of Governor and Council as required by the Act.

7. Other Actions by Officers: The Chairman, Vice Chairman, Executive Director, and Senior Credit Officer of the Authority are each authorized, empowered and directed to take all other actions and execute, deliver or receive such instruments and certificates as each of them may determine are necessary on behalf of the Authority in connection with the transactions

authorized by the preceding paragraphs of this resolution, but subject in all events to paragraph 6 hereof.

8. Effective Date: This resolution shall take effect upon its passage.

IN WITNESS WHEREOF, I have set hereunto my hand and affixed the seal of the Business Finance Authority of the State of New Hampshire on this 7th day of April 2021.

BUSINESS FINANCE AUTHORITY  
THE STATE OF NEW HAMPSHIRE

By:   
James Key-Wallace  
Executive Director

**SUMMARY OF REQUIRED STATUTORY FINDINGS OF THE GOVERNOR AND EXECUTIVE 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 agreement by and between the Authority and the Borrower (the "Agreement") and the "Note" and the "Security Instruments", as defined in the 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 the Borrower. The Authority has determined that the proposed loan would enable Wentworth Economic Development Corporation to further assist business development opportunity for the Eastern Lakes region. 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 Agreement with Wentworth Economic Development Corporation implements and incorporates all statutory requirements. The Authority, which is the agency responsible for administration of RSA 162-A, has determined that the proposed loan by the Authority is within the policy of, and the authority conferred by RSA Chapter 162-A. 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 of 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 proceeds of the loan would be used by the Borrower to provide loan capital for the expansion and retention of businesses in the region.

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

The Borrower would utilize the loan capital to support expansion and retention of businesses in the area. The Authority has determined that the proposed loan would promote the orderly development of business activities, create or preserve employment opportunities, or protect the physical environment.

**Special Findings**

**5. "The loan is consistent with local or regional development plans or policies."**

The Borrower, a local development organization, has determined that the loan would provide business development in the Eastern Lakes region. The Authority has determined that the loan is consistent with local or regional development plans or policies.