nhBFA
New Hampshire Business Finance Authority



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August 18, 2021

His Excellency Governor Christopher T. Sununu
and
The Honorable Council

Dear Governor and Councilors:

REQUESTED ACTION

Holding of a public hearing and passage of a Resolution entitled: A RESOLUTION UNDER RSA 162-I:9 WITH RESPECT TO THE FINANCING AND REFINANCING OF EDUCATIONAL FACILITIES BY THE BUSINESS FINANCE AUTHORITY FOR PORTSMOUTH CHRISTIAN ACADEMY IN DOVER. (For the text of the requested Resolution see Tab #1 below this letter of transmittal.)

The Authority respectfully requests that you hold a hearing, and, if you consider such action appropriate, make the statutory findings under RSA 162-I:9 with respect to the proposed issuance of up to $11,500,000 aggregate principal amount of Revenue Bonds by the Authority (the "Bonds"), in one or more series or subseries, at the same time or at separate times, and the loan of the proceeds of the Bonds to Portsmouth Christian Academy (the "Borrower") to finance (i) upgrades to the HVAC system, roof replacements and the acquisition of property adjacent to the Borrower's campus located at 20 Seaborne Drive, Dover, New Hampshire (the "Campus") for the expansion of the Borrower's current athletic field and (ii) the refinancing of certain bonds previously issued by the Authority for the benefit of the Borrower (the "2013 Bonds"), which 2013 Bonds were used to refinance the acquisition of the Campus and the construction of the school facilities thereon. The Authority recommends your favorable action and submits in support thereof the following materials with item numbers the same as the tab numbers for the attached documents.

1. A suggested form of resolution for adoption by the Governor and Council.

2. A letter from Locke Lord LLP, bond counsel, explaining this transaction.

3. Materials with respect to the Borrower and the Project, consisting of a New Bond Financing Application dated June 24, 2021, electronically submitted by the Borrower, relating to the financing.

4. The commitment letter from Bank of New Hampshire, as to its purchase of the Bonds.

5. The proposed form of Loan and Security Agreement.

6. The resolution adopted by the Authority.

7. Information from the New Hampshire Department of Employment Security as to unemployment in the Dover area.

8. A summary of required statutory findings of the Governor and Council with reference to materials supporting each finding.

The Authority will be glad 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

# A RESOLUTION UNDER RSA 162-I:9 WITH RESPECT TO THE FINANCING AND REFINANCING OF EDUCATIONAL FACILITIES BY THE BUSINESS FINANCE AUTHORITY FOR PORTSMOUTH CHRISTIAN ACADEMY IN DOVER

WHEREAS, the Governor and Council have received from the Business Finance Authority (the "Authority") its written recommendation that the Governor and Council make certain findings and a determination pursuant to RSA 162-I:9 with respect to the financing and refinancing of educational facilities for Portsmouth Christian Academy (the "Borrower") in Dover, by the Authority's issue of Revenue Bonds (the "Bonds"), in one or more series or subseries, at the same time or at separate times, in an amount not to exceed an aggregate of $11,500,000 under RSA 162-I (the "Act");

WHEREAS, the Governor and Council have received all the documentation and information with respect to the transaction that they have requested; and

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

IT IS HEREBY RESOLVED THAT:

Section 1. Findings. On the basis of the Authority's recommendation and the documentation and information received by the Governor and Council, and after a public hearing, the Governor and Council find:

(a) Special findings:

(1) The Project (as completed, the "Facility") consists of (a) upgrades to the HVAC system, roof replacements and the acquisition of property adjacent to the Borrower's campus located at 20 Seaborne Drive, Dover, New Hampshire (the "Campus") for the expansion of the Borrower's current athletic field and (b) the refinancing of certain bonds previously issued by the Authority for the benefit of the Borrower (the "2013 Bonds"), which 2013 Bonds were used to refinance the acquisition of the Campus and the construction of the school facilities thereon. The Project is within the definition of "Commercial facility" in the Act and may be financed and refinanced under the Act.

(2) The establishment and operation of the Facility will create and preserve employment opportunities directly or indirectly within the State and is of a general benefit to the community as a whole.

(b) General findings:

(1) The Project and the proposed financing and refinancing of the Project are feasible;

(2) The Borrower has demonstrated the skills and financial resources necessary to operate the Facility successfully;

(3) The proposed form of LOAN AND SECURITY AGREEMENT (which is a combined financing document and security document, hereinafter called the "Agreement") contains provisions so that under no circumstances will the Authority be obligated directly or indirectly to pay project costs, debt service or expenses of operation, maintenance and upkeep of the Facility except from Bond proceeds or from funds received under the Agreement, exclusive of funds received thereunder by the Authority for its own use;

(4) The Agreement does not purport to create any debt of the State with respect to the Facility, other than a special obligation of the Authority acting on behalf of the State under the Act; and

(5) The proposed financing and refinancing of the Project by the Authority and the operation and use of the Facility will serve one or more needs and implement one or more purposes set forth in RSA 162-I:1, will preserve or increase the social 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.

Section 2. Ultimate Finding and Determination. The Governor and Council find that the proposed financing and refinancing, operation and use of the Facility serves a public use and provides a public benefit; and the Governor and Council determine that the Authority's financing and refinancing of the Project will be within the policy of, and the authority conferred by, the Act.

Section 3. Approval. The Governor and Council approve the Authority's taking such further action under the Act with respect to the transaction as may be required.

Section 4. Effective Date. This resolution shall take effect upon its passage.

Passed and Agreed to August 18, 2021

Governor Christopher T. Sununu

Councilor Joseph D. Kenney

Councilor Cinde Warmington

Councilor Janet Stevens

Councilor Theodore L. Gatsas

Councilor David K. Wheeler

Locke Lord LLP

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August 18, 2021

His Excellency Governor Christopher T. Sununu
and
The Honorable Council

Dear Governor and Councilors:

(BFA – Portsmouth Christian Academy)

In this transaction the Business Finance Authority of the State of New Hampshire (the "Authority") will lend $11,500,000 of revenue bond proceeds (the "Bonds") to Portsmouth Christian Academy (the "Borrower"), for the purpose of (a) upgrades to the HVAC system, roof replacements and the acquisition of property adjacent to the Borrower's campus located at 20 Seaborne Drive, Dover, New Hampshire (the "Campus") for the expansion of the Borrower's current athletic field and (b) the refinancing of certain bonds previously issued by the Authority for the benefit of the Borrower (the "2013 Bonds"), which 2013 Bonds were used to refinance the acquisition of the Campus and the construction of the school facilities thereon.

The Bonds may be issued in one or more series, at the same time or at separate times, provided that the aggregate principal amount of the Bonds shall not exceed $11,500,000. The Bonds will be issued and the loan will be made pursuant to one or more LOAN AND SECURITY AGREEMENTS (each, an "Agreement"), a form of which has been provided to you. The Bonds will be privately purchased by Bank of New Hampshire (the "Bank"). The Bonds will bear interest initially at a fixed rate of 2.95% for 10 years. The rate on the Bonds will be reset on the 10th anniversary of the closing date for the remaining term of the Bonds, at a rate equal to the then-current 10-year Federal Home Loan Bank Boston Long-Term Classic Advance CDA (Community Development Advance) rate plus 170 basis points, provided that such rate shall be no lower than 2.95%.

The Authority's obligation to pay the Bonds is actually to be performed by the Borrower, which is unconditionally responsible for that performance. As in all transactions under RSA 162-I, neither the Authority's money nor other public funds will or can be used to pay the Bonds. Provisions appropriate for achieving this result, as required by RSA 162-I, are contained in the Agreement.

In summary, the details of this transaction are essentially the same as in many prior bond issues, and there is nothing new or unusual involved.

Locke Lord LLP

LOCKE LORD LLP

Mobile: 603-321-3278
www.nhbfa.com

nhBFA
New Hampshire Business Finance Authority

**From:** jeremys@nhbfa.com <jeremys@nhbfa.com>
**Sent:** Thursday, June 24, 2021 1:43 PM
**To:** jeremys@nhbfa.com
**Subject:** New Bond Financing Application from Portsmouth Christian Academy Inc. for Land/Building Acquisition, Renovation, Other

**Project Type**

**What type of project are you inquiring about?**

- Land/Building Acquisition
- Renovation
- Other

**Applicant/Contact Information**

**Name of Business**

Portsmouth Christian Academy Inc.

**Address**

20 Seaborne Drive
Dover, New Hampshire 03820
United States
Map It

**Contact Name**

Sarah Leavitt

**Contact Title**

CFO

**Contact Phone**

(603) 742-3617

**Contact Email**

sleavitt@pcaschool.org

**Address of Owner of Project (if different)**

New Hampshire
United States
Map It

**Address of Lessees of Project (if different)**

New Hampshire
United States
Map It

**Project Information**

**Describe the Applicant (and if applicable the owner and the lessees). Include a brief history of the Applicant, its principal products and its consumers**

Ranked "#1 Private K-12 School in New Hampshire" by Niche.com in 2019, 2020, and 2021, Portsmouth Christian Academy (PCA) has been inspiring students on the Seacoast to maximize their potential for over forty years. PCA provides a nurturing educational environment that emphasizes Christ-centered community, outstanding academics, differentiated learning, and exceptional character. Located just minutes northwest of Portsmouth, NH on a beautiful nearly fifty-acre riverfront campus, PCA is a dually accredited, independent, college-preparatory, day school where young people from Massachusetts, Maine, and New Hampshire in Preschool through Grade 12 are challenged to thrive academically and grow as servant-leaders prepared to impact the world for good.
See our Upper School student profile (as an attachment).

**Briefly describe the Applicant's key management personnel (and if applicable the owner and the lessees)**

Mike Runey
Mike has served as PCA's seventh Head of School since the summer of 2019. He came to PCA after twenty-eight years of military service, retiring from the Army as a colonel. Key military assignments prepared him for this role, including: multiple command assignments, leading an Army community of 12,000 in Germany, serving on the faculty at West Point and Penn State, senior planning roles in Iraq and Afghanistan, and spearheading the development and adoption of the Army's future warfighting concept (Multi-Domain Operations). He received his education at West Point (1991, BS), Penn State (1991, MA in History), and the U.S. Army War College (2015, MA in Strategic Studies). Mike and his wife, Christy, have four children. The youngest will soon be a senior at PCA.

Dr. Connie Lawrence
Dr. Connie Lawrence graduated with a B.A. in elementary education and English from Houghton College in Houghton, New York. Her graduate studies were completed at Cambridge College in Cambridge, MA where she earned an M.Ed in the area of Integrated Studies and Nova Southeastern University where she earned a doctorate in educational administration.
Connie holds New Hampshire teacher certification (K-6 and principal endorsements), ACSI educator and administrator certifications, and Wilson Reading System Certification. Her teaching experiences have ranged from co-director of a preschool to junior high and college.
She came to Portsmouth Christian Academy in 1993 and has served as teacher, principal, interim Head of School, and Academic Dean. During this time, she has led the school through multiple accreditation cycles with the New England Association of Schools and Colleges (NEASC) and the Association of Christian School, International (ACSI).
Connie was named National Distinguished Principal by the National Association of Elementary School Principals (NAESP) in 2004 was awarded and the Alan Graustein Award for establishing a legacy of significant contribution the Christian Schooling in 2016.
Connie, with her husband Rev. Dr. Kenneth Lawrence have three grown sons and have resided in Hampton Falls, NH for the past 45 years. He is the pastor of the First Baptist Church there.

Dr. Carrie Abood
Dr. Carrie Abood is the Lower School Principal at Portsmouth Christian Academy. A native of Tennessee, Dr. Abood earned both her Doctorate in Learning Organizations and Strategic Change and her Master's in Education Administration and Supervision from Lipscomb University in Nashville, Tennessee. Prior to her role as Principal, Dr. Abood was an Assistant Professor of Education, as well as an English and English Language Learner Teacher. During the 2009-2010 school year, she was awarded the Teacher of the Year Award from David Lipscomb High School. Carrie and her husband, Adam, have two children and one gray cat, and they reside in southern New Hampshire.

Jordan Heckelmann
Mr. Jordan Heckelmann is the Upper School Principal at Portsmouth Christian Academy. Mr. Heckelmann earned both his Master's in Curriculum and Instruction and Bachelor's in History from Gordon College where he was a four-year division three, athlete. Prior to his role as Principal, Mr. Heckelmann was an 8th grade History and Bible teacher at Portsmouth Christian Academy and an Academic Fellow at Valor Christian High School. Jordan and his wife, Emily, have two children, love spending time outdoors and reside in southern New Hampshire.

**Amount of Bond Issue**

$11,500,000.00

**Address of Project Site**

20 Seaborne Drive
Dover, New Hampshire 03820
United States
Map It

**Briefly Describe the Project**

PCA seeks to refinance our current debt (which was used to purchase and improve the property, improve the existing building and build two subsequent buildings) as well as funding for capital improvements to the existing buildings and a potential land purchase.

**Land Acquisition Estimated Cost**

$1,200,000.00

**Acquisition Size (acres)**

23

**Building Renovation Estimated Cost**

$1,000,000.00

**Renovation Size (square feet)**

105,526

**Other Description**

The existing property is a 46.9 acre land parcel currently improved with three buildings. There is a total of 105,526 square feet of usable area within the three buildings. The main feature is a 60,414 square foot building which was originally built in 1984 as a drug and alcohol rehabilitation center. This building was converted in 1999 for classroom use and is currently used for the preschool, primary, elementary, and junior high students. There are two main floors within the building, one of which is finished classroom space in the basement. There are also 2 gymnasiums which were completed in 2003 and a small administrative office space on the third floor above the main entrance.

The 22,680 square foot Science & Arts Building and the 22,432 square foot Runey Hall/Humanities Building were built in 2003, to the west of the main school building. These classroom buildings house the high school students, science labs, and music rooms. The property also has 2 baseball diamonds, a soccer field, 4 tennis courts and parking for approximately 250 vehicles.

**Describe the effect the project has on the environment**

The refinancing of our current debt will have no impact on the environment at all. Some of the capital improvements which may be made with additional funding (such as replacement of HVAC equipment) may positively impact the environment as a result of greater efficiency of operation due to improved technology and reduced energy needs.

**Estimated Project Start Date**

06/30/2021

**Estimated Project Completion Date**

05/31/2024

**Please provide all known names of contractors and subcontractors of the project**

These are largely yet to be determined based on the scope of the projects to be undertaken, but could include: Strogens Service Experts, Kingdom Contract Flooring, and Wiswell Construction.

## New Hampshire Employment Impact

**Current Number of New Hampshire Employees**

115

**Estimated Number of New Hampshire Jobs Maintained**

115

**Estimated Number of New Hampshire Jobs Created**

0

**Applicant is equal opportunity employer**

Yes

**Owner is equal opportunity employer**

N/A

**Lessee is equal opportunity employer**

N/A

**Describe the types of jobs created or preserved, their wage and salary levels, and, if applicable, when the jobs will be created**

PCA currently employs approximately 115 faculty, staff, and administrators. Many of these positions provide salaries which are lower than what these individuals could earn elsewhere but these people choose to work at PCA because they believe in the mission of the school. One intended outcome of refinancing effort is to increase compensation first and foremost for our faculty.

**Please provide any other information of which you believe the BFA should be aware in considering this application**

The Borrower has procured a commitment by Bank of New Hampshire.

**File**

- Upper-School-Profile-College-Planning-2020-2021.pdf

Bank of
New Hampshire

June 1, 2021

Michael Runey, Headmaster
Sarah Leavitt, CFO
Portsmouth Christian Academy
20 Seaborne Drive
Dover, NH 03820-9314

Dear Mr. Runey and Ms. Leavitt:

Thank you for allowing Bank of New Hampshire the opportunity to review your banking needs. On behalf of the Bank, I am pleased to offer the following loan approvals based on the terms and commitment set forth below:

**Facility #1**

1. **BORROWER:** Portsmouth Christian Academy

2. **AMOUNT OF LOAN:** Up to $7,876,297
(to include the current Bank of New Hampshire loan payoff plus cost of issuance)

3. **TYPE OF LOAN:** Direct Purchase Tax Exempt Bond – to be purchased by the Bank

4. **PURPOSE:** Refinance the current tax-exempt revenue bonds, Series 2013

5. **TERM:** Twenty (20) Years

6. **AMORTIZATION:** Thirty (30) Years

7. **INTEREST RATE:** The loan will be priced at a tax-exempt fixed rate of 2.95% fixed for ten (10) years then adjusting to the then current Federal Home Loan Bank of Boston ten (10) year CDA rate plus 170 basis points for the remaining term of the loan. **The interest rate floor will be 2.95%.**

8. **COMMITMENT FEE:** A commitment fee of twenty-five (25) basis points of the determined original loan amount, will be payable on or before the loan closing.

9. **REPAYMENT TERMS:** The loan will call for quarterly principal and interest payments based on a thirty (30) year amortization with the entire principal balance plus interest payable in full twenty (20) years from the date of the note.

10. **COLLATERAL:** First commercial real estate mortgage and assignment of leases and rents on 20 Seaborne Drive, Dover, NH and second lien on all business assets behind Bank of New Hampshire's first lien on all business assets on the proposed revolving line of credit (Facility #3).

*We will define exact improvements prior to the appraisal. MDR

The loan to value (Facilities 1 & 2) shall not exceed 80% of the "as completed/as repaired" appraised value with improvements to the HVAC system in the upper school building and replacement of the roof in the lower school building as proposed of which values will include with and without the purchase of the adjacent land. In addition, the Borrower will execute a negative pledge on the endowment.

11. **PREPAYMENT PENALTY:** 3% year 1, 2% year 2, 1% year 3, 1% year 4 and 1% year 5. With no prepayment penalty after the end of year 5. The prepayment penalty is only applicable if the loan is refinanced outside of Bank of NH.

12. **ISSUE DATE:** To be determined

**Facility #2**

1. **BORROWER:** Portsmouth Christian Academy

2. **AMOUNT OF LOAN:** Up to $1,000,000

3. **TYPE OF LOAN**: Direct Purchase Tax Exempt Bond – to be purchased by the Bank

4. **USE OF PROCEEDS:** To provide a tax exempt drawn-down bond. The funds will be used to replace the HVAC system in the upper school building and the roof in the lower school building. The funds may also be used to include other needed improvements to the subject property. Funds on this facility will be disbursed on a construction basis with limited construction monitoring. The funds may also be used to potentially purchase land adjacent to the school's campus for the expansion of the Borrower's current athletic facility. If such real estate is acquired, it will be pledged to the bank as collateral for Facilities 1, 2 and 3.

5. **TERM:** Twenty (20) Years

6. **AMORTIZATION:** Thirty (30) Years

7. **INTEREST RATE:** The loan will be priced at a tax-exempt fixed rate of 2.95% fixed for ten (10) years then adjusting to the then current Federal Home Loan Bank of Boston ten (10) year CDA rate plus 170 basis points for the remaining term of the loan. **The interest rate floor will be 2.95%.**

8. **COMMITMENT FEE:** A commitment fee of twenty-five (25) basis points of the loan amount, will be payable on or before the loan closing.

9. **REPAYMENT TERMS:** The loan will call for payments of interest only quarterly during the drawn-down period of two years which shall then convert to quarterly payments of interest and principal to be amortized over the same remaining period of Facility #1.

10. **COLLATERAL:** First commercial real estate mortgage and assignment of leases and rents on 20 Seaborne Drive, Dover, NH and second lien on all business assets behind Bank of New Hampshire's first lien on all business assets on the proposed revolving line of credit (Facility #3).

The loan to value shall not exceed 80% of the "as completed/as repaired" appraised value with improvements to include the HVAC system in the upper school building and replacement of the roof in the lower school building as proposed of which values will include with and without the purchase of the adjacent land. In addition, the Borrower will execute a negative pledge on the endowment.

Survey: If the Borrower decides to purchase the adjacent subject property, the Bank will require a survey acceptable to the Bank. In addition, the adjacent subject property shall be mortgaged to the Bank as collateral for facilities 1, 2 and 3.

The Bank will also request a separate value of the adjacent land to be purchased.

11. **PREPAYMENT PENALTY:** 3% year 1, 2% year 2, 1% year 3, 1% year 4 and 1% year 5. With no prepayment penalty after the end of year 5. The prepayment penalty is only applicable if the loan is refinanced outside of Bank of NH.

12. **ISSUE DATE:** To be determined

## Facility #3
## REVOLVING LINE OF CREDIT

1. **BORROWER:** Portsmouth Christian Academy

2. **AMOUNT OF LINE:** Line of Credit up to $500,000.

3. **USE OF PROCEEDS:** Loan proceeds may be used for business working capital.

**It is understood that the line will have an annual consecutive 30-day out-of-debt period.**

4. **TERM:** On Demand

5. **ANNUAL FEE:** The line of credit will have an annual fee of $500.00. The initial fee will be payable at closing. In subsequent years, the fee will be automatically debited from your BNH checking account.

6. **INTEREST RATE:** The line will be priced at a variable rate equal to the Wall Street Journal Prime Rate plus 1% floating daily. Since the Wall Street Journal Prime Rate is presently 3.25% , the rate of your line, if closed today, would be 4.25%.

7. **REPAYMENT TERMS**: The line will be payable on demand. However, until demand or full payment is made, the note will call for monthly payments of interest on the amount of the loan outstanding. Since the loan will be a demand obligation, you have the option to prepay any or all of the principal balance at any time without a prepayment penalty.

8. **COLLATERAL:** The loan will be secured by the following:

   A first lien on all business assets and second commercial real estate mortgage on the real estate and assignment of leases and rents securing Facilities #1 and Facility #2. In addition, the Borrower will execute a negative pledge on the endowment.

## TERMS AND CONDITIONS APPLYING TO ALL THREE LOANS

1. **FEES AND OTHER CHARGES:** The Borrower will reimburse the Bank for all fees including legal, recording, flood assessment, real estate tax service, appraisals, site assessment, and any other out-of-pocket expenses the Bank may incur related to the loan even if the transaction is not consummated. Unless otherwise billed by the Bank, these fees will be payable at closing. The fees once accrued are to be paid by the Borrower even if the transaction is not closed. The Borrower will pre-pay for any and all third party appraisal fees before the appraisal is ordered.

2. **INSURANCE:** The Borrower agree to maintain fire and extended coverage insurance on the collateral securing the loans in an amount acceptable to the Bank. The Borrower will provide the Bank with evidence of said insurance listing Bank of New Hampshire as "mortgagee" on real estate and "loss payee" as well as include a Lender's Loss Payee Endorsement. **Evidence of said insurance in the form of a binder is to be presented prior to closing.**

3. **TITLE INSURANCE:** A generally accepted title insurance commitment or binder covering the real estate, which will secure the loans insuring free and clear title to the Bank as their interest may appear must be presented to the Bank at or prior to closing. Such title insurance must meet the approval of the Bank's attorney. The Borrower may purchase owner's title insurance from the same title insurance provider at an additional cost.

4. **FLOOD INSURANCE**: If the subject property is located in a federally designated flood hazard area, you are required by federal regulations to maintain flood insurance in an amount at least equal to the outstanding principal balance of the loan or the maximum limit of coverage available and a properly completed and signed Certificate of Flood Insurance must be presented to the Bank at or prior to closing. If at any time throughout the life of the loan the subject property is determined to be located in a federally designated flood hazard area, you will be required to purchase flood insurance.

5. **MINIMUM STANDALONE DEBT SERVICE COVERAGE RATIO:** Borrower agrees that throughout the term of the subject bonds and revolving line of credit, the Borrower shall maintain a minimum Debt Service Coverage ratio of 1.00X, as measured by (Net Income + depreciation + amortization + interest expense), divided by debt service and tested annually based on accountant-prepared fiscal year-end financial statements; ~~commencing~~ fiscal year 2021. commencing MDV

6. **FINANCIAL REPORTING / LOAN COVENANTS:** The Borrower will provide the Bank annually with:

   - Accountant-prepared, annual audited financial statements with full disclosure to be received in less than 120 days of fiscal year-end;
   - Interim financials to be received upon request;
   - Annual business income tax returns for all entities to be received in less than 120 days of fiscal year-end;
   - Thirty (30) day consecutive annual out of debt period for the revolving line of credit

   The Bank reserves the right to request other financial information at its discretion. If the required financials are not received as requested, the bank reserves the right to increase the interest rate on the loan to one percent (1.00%) over the then-current rate until the financials have been provided to the bank's satisfaction.

7. **DOCUMENTATION REQUIREMENTS**:

Prior to closing, the Bank is to be in receipt of the following if applicable:

- Certificate of Good Standing;
- Corporate Resolution to Borrow;
- If available at the time of closing, a copy of the executed Purchase & Sale Agreement and Deed for commercial real estate to be purchased (adjacent land);
- Copy of real estate tax bill on all property/properties that will secure the loans;
- An appraisal on the real estate which will secure the loans completed by a Bank approved appraiser and accepted by the bank, prior to closing;
- Receipt of a bank approved asset appraisal report, ordered by the bank and acceptable by the Bank at the borrower's expense;
- Itemized list of improvements/repairs along with cost estimates;
- Completed Environmental Questionnaire on each piece of collateralized real estate

8. **CROSS-COLLATERALIZED, AND CROSS-DEFAULTED:** All facilities and loans with the bank will be cross-collateralized, and cross-defaulted.

9. **LATE CHARGE FEES:** Borrower shall pay the Bank a late charge of five (5%) percent of the monthly installment amount if any monthly installment is not received by Bank within ten (10) calendar days after the due date.

10. **DEPOSIT RELATIONSHIP:** The primary operating account of the Borrower will be maintained at the Bank.

    Borrower to maintain deposit accounts with Bank throughout the duration of the loan. If Borrower fails to maintain those accounts with the Bank, the Bank at its sole discretion will have the right to re-price the loan by increasing the interest rate by One Percent (1.00%) for the remainder of the loan.

11. **OPINION OF COUNSEL:** Counsel for the Borrower shall deliver to the Bank's counsel an opinion setting forth that the entity is duly organized, validly existing under the laws of the State of New Hampshire, and authorized to conduct business within the State, that the loan documents are binding and enforceable on the Borrower, that all mortgages and security interests have been properly perfected, that there is no pending litigation which may affect title to the premises or the ability of the Borrower to perform, that the transaction herein contemplated is not a prohibited one and is not likely to result in a violation of the law, statute, rule or regulation of the State of New Hampshire or any document or agreement of the borrowing entity, and that the officers of the Borrower who will be executing the documents are fully authorized to execute the documents for and on behalf of the borrowing entity. The tax-exempt interest rates set forth above are subject to a tax-exempt opinion of counsel to the Borrower and the Authority in form and substance acceptable to the Bank.

12. **HAZARDOUS MATERIAL:** Borrower agrees to provide the Bank with a fully-completed Environmental Questionnaire and copies of any reports, such as the Phase I report, and other information, in a form and substance satisfactory to the Bank, to evidence that no hazardous material is present on the subject real estate. If for any reason the Bank deems it necessary to obtain one or more professional Environmental Site Assessments, the Borrower agrees to pay the cost of such Assessments. Should the result of an Environmental Site Assessment indicate the need for further investigation, the Bank will review options and costs with the Borrower prior to engaging in additional investigation. Notwithstanding the results of the Environmental Site Assessment or further investigations being acceptable to the Bank, the Borrower shall indemnify the Bank from any hazardous waste condition at the subject property whether existing or occurring in the future. A third party online EDR (environmental determination report) will be ordered by the Bank. The cost per property, will be $150.00. The cost of the EDR will be the financial responsibility of the borrower and said cost will be due at closing.

13. **OTHER CONSIDERATION/DOCUMENTATION:** All documentation related to this loan is subject to the review and approval of the Bank's attorney. Bank of New Hampshire reserves the right to require other loan documents which it may deem appropriate. In the event there is any difference between this commitment letter and the final loan documents signed by the parties then the provisions of the final loan documents shall prevail.

Bank's commitment to lend is conditioned on the signing of all loan documents required by, and in the form and containing such provisions as are required by, Bank's counsel. Borrower understand that the loan documents will contain terms, conditions, warranties, covenants, events of default, definitions and other provisions of a substantive nature that are in addition to the terms set forth in this commitment letter. Borrower understand that if it chooses not to sign any document required by, and in the form required by Bank's counsel at closing, then Bank shall have no obligation pursuant to this commitment or otherwise to lend any money to Borrower.

14. **EXPIRATION:** This Commitment Letter will not become effective until such time as it is accepted in writing by the Borrower. Please indicate your acceptance by signing below and returning it to the Bank on or before June 10 2021. This commitment and all obligations of the Bank hereunder will terminate if the Credit Facilities are not closed by August 1, 2021, except that all indemnities, and fee and reimbursement obligations of the Borrower shall survive any such termination.

Your acceptance of this loan commitment shall in no way constitute a contract or agreement on the part of Bank of New Hampshire but only an indication of the Bank's intent to loan the requested funds subject to the terms acceptable to you and the Bank. It is understood and agreed that the money applied for shall not be subject to your order until the collateral described herein is recorded and becomes a lien upon the property and until all other requirements of the Bank and customary charges have been complied with, until which time it is understood that you hereby expressly waive any claims or rights to such sum.

It is further understood that neither the Bank nor its attorney shall be liable for any defect in the title to the premises to be mortgaged to the Bank and the Bank's attorney represents the Bank and not you as the Borrower. As Borrower you should consult an attorney of your own choosing if so desired.

The Bank reserves the right to decline or withdraw the approved loan request if any of the credit considerations change from time of application to date of closing.

If you should have any problems or questions regarding any of the loan provisions contained in this letter, please contact me at 603-528-8156 so that we can discuss them and decide on specifics acceptable to both you and the Bank.

If the foregoing terms are satisfactory to you, please indicate your acceptance thereof by signing below where indicated and then return the original signed letter to me as soon as possible and we will request a quote for both the real estate appraisal and all business asset appraisal.

Very truly yours,

Debra Davis Thum, V.P.

Debra Davis Thum
Vice President

The foregoing commitments are acceptable to (me/us) in all respects and (I/we) accept these commitments.

I hereby attest that I am authorized to execute this agreement on behalf of Portsmouth Christian Academy and that the foregoing terms and conditions are acceptable in all respects.

**Borrower: Portsmouth Christian Academy**

By: MICHAEL D RUNEY

Its: HEAD OF SCHOOL, PORTSMOUTH CHRISTIAN ACADEMY

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# LOAN AND SECURITY AGREEMENT

Among

BANK OF NEW HAMPSHIRE,
as Purchaser

and

BUSINESS FINANCE AUTHORITY
OF THE STATE OF NEW HAMPSHIRE,
as Issuer,

and

PORTSMOUTH CHRISTIAN ACADEMY,
as Borrower

Dated as of August 1, 2021

$[_____]
Business Finance Authority of the
State of New Hampshire Revenue Bonds
(Portsmouth Christian Academy Issue)
Series 2021A

and

Up to $[_____]
Business Finance Authority of the
State of New Hampshire Revenue Bonds
(Portsmouth Christian Academy Issue)
Series 2021B

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**$[_____]**
**Business Finance Authority of the State of New Hampshire**
**Revenue Bonds**
**(Portsmouth Christian Academy Issue), Series 2021A**

**and**

**Up to $[_____]**
**Business Finance Authority of the State of New Hampshire**
**Revenue Bonds**
**(Portsmouth Christian Academy Issue), Series 2021B**

# LOAN AND SECURITY AGREEMENT

THIS LOAN AND SECURITY AGREEMENT dated as of August 1, 2021 (with any supplements, modifications or amendments hereto, including all exhibits and schedules hereto, the "Agreement") among Bank of New Hampshire, as bond purchaser and disbursing agent (with its successors and assigns, sometimes hereinafter referred to as the "Purchaser" or the "Disbursing Agent."), Business Finance Authority of the State of New Hampshire, a body politic and corporate and a public instrumentality duly organized and validly existing under the laws of the State of New Hampshire (the "State"), as the issuer (together with its successors and assigns, the "Issuer"), and Portsmouth Christian Academy, a non-profit voluntary corporation organized under the laws of the State of New Hampshire (the "Borrower").

## RECITALS

WHEREAS, the Issuer is authorized by law, including New Hampshire RSA Chapter 162-I (referred to herein as the "Act") to enter into financing documents and security documents with respect to indebtedness of the Issuer to be used to finance eligible projects as described in the Act; and

WHEREAS, the Borrower is a non-profit voluntary corporation, is an organization described in Section 501(c)(3) of the Code (defined below) and is authorized to lease, sublease, purchase and hold real and personal property and to borrow money to finance or refinance the same; and

WHEREAS, in furtherance of the purpose of the Act, the Issuer proposes to finance and refinance the renovation and construction of the Property (as hereinafter defined) by the Borrower pursuant to this Agreement by selling the Bonds (as hereinafter defined) to the Purchaser and lending the proceeds thereof to the Borrower; and

WHEREAS, the Borrower proposes to borrow the proceeds of the sale of the Bonds from the Issuer upon the terms and conditions set forth herein to: (i) refinance the renovation and construction of the Property by refunding the Refunded Bonds; (ii) fund certain miscellaneous capital expenditures; and (iii) pay costs of issuance relating to the Bonds; and

WHEREAS, the Borrower shall make Debt Service Payments (as hereinafter defined) to the Purchaser as assignee of the Issuer.

NOW, THEREFORE, for good and valuable consideration, the sufficiency and receipt of which is hereby acknowledged, and in consideration of the premises contained in this Agreement, the Purchaser, the Issuer and the Borrower agree as follows:

## ARTICLE I.
## DEFINITIONS

Section 1.01. Definitions. The following terms used herein will have the meanings indicated below unless the context clearly requires otherwise:

"Accounts Receivable" means any and all rights of the Borrower to payment for services rendered or for goods sold or leased which is not evidenced by an instrument or chattel paper, whether or not it has been earned by performance.

"Act" means New Hampshire RSA Chapter 162-I, as in effect from time to time, and any successor statute.

"Additional Payments" shall have the meaning ascribed to such term in Section 4.03 hereof.

"Agreement" means this Agreement, including all exhibits and schedules hereto, as any of the same may be supplemented or amended from time to time in accordance with the terms hereof.

"Bonds" means, collectively, the Series 2021A Bonds and the Series 2021B Bonds.

"Bond Counsel" means Locke Lord LLP or other nationally recognized bond counsel selected by the Issuer and satisfactory to the Purchaser.

"Bondowners" means the registered owners of the Bonds from time to time. The initial Bondowner is Bank of New Hampshire, as the Purchaser.

"Bond Payments" shall have the meaning set forth in Section 2.03 of this Agreement.

"Bond Proceeds" means the total amount of money to be paid pursuant to Section 2.01 hereof by the Purchaser to the Issuer on behalf of the Borrower, in accordance with this Agreement.

"Borrower" means Portsmouth Christian Academy.

"Borrower Counsel" means Butler Snow LLP.

"Borrower's Representatives" means the Chairman of the Board of Directors, the Head of School or the Chief Financial Officer, each of whom may act singly, or an alternate or successor appointed by the Borrower with notice to the Disbursing Agent.

"Business Day" means a day other than a Saturday or Sunday on which banks are generally open for business in New York, New York and New Hampshire and on which the Purchaser also is open for business.

"Closing" means the issuance of the Bonds and the purchase of the Bonds by the Purchaser.

"Closing Date" means the date on which the Closing occurs.

"Code" means the Internal Revenue Code of 1986, as amended.

"Collateral Assignment of Leases and Rents" means the Collateral Assignment of Leases and Rents dated as of near or even date herewith from the Borrower to the Purchaser.

"Covenants Agreement" means the Continuing Covenants Agreement dated as of the Closing Date between the Borrower and the Purchaser.

"Date of Taxability" means the date upon which Interest became includable in the Purchaser's gross income for federal tax purposes as a result of an Event of Taxability.

"Debt Service Payments" means the payments payable by the Borrower pursuant to the provisions of this Agreement in accordance with the schedule of principal payments as specifically set forth in Exhibit A hereto. As provided in Article II hereof, Debt Service Payments shall be payable by the Borrower to the Purchaser, as assignee of the Issuer, in the amounts and at the times as set forth in Article II, in the form of the Bonds and in accordance with Exhibit A hereto.

"Default" means an event that, with giving of notice or passage of time or both, would constitute an Event of Default (defined below) as provided in Article XIII hereof.

"Default Rate" means the interest rate then in effect under the Bonds plus four percent (4%).

"Determination of Taxability" means any determination, decision or decree by the Commissioner of Internal Revenue, or any District Director of Internal Revenue or any court of competent jurisdiction, or an opinion of counsel qualified in such matters obtained by the Purchaser, that an Event of Taxability shall have occurred. A Determination of Taxability also shall be deemed to have occurred on the first to occur of the following:

(a) the date when the Borrower files any statement, supplemental statement, or other tax schedule, return or document, which discloses that an Event of Taxability shall have occurred; or

(b) the effective date of any federal legislation enacted after the date of this Agreement or promulgation of any income tax regulation or ruling by the Treasury Department or the Internal Revenue Service that causes an Event of Taxability after the date of this Agreement.

"Drawdown End Date" means August __, 2023.

"Environmental Agreement" means the Environmental Indemnification Agreement dated as of near or even date herewith from the Borrower to the Purchaser.

"Event of Default" shall have the meaning ascribed to such term in Section 12.01 hereof.

"Event of Taxability" means an event upon the occurrence of which Interest is or becomes includable in the Purchaser's gross income for federal income tax purposes (except where the Purchaser is a "substantial user" of the facilities refinanced with the Bond Proceeds pursuant to the terms of the Agreement or a "related person" within the meaning of Section 147 of the Code), as the result of any act, failure to act or use of the Bond Proceeds, a change in use of the Property or any misrepresentation or inaccuracy in any of the representations, warranties or covenants contained in this Agreement by the Issuer or the Borrower or the enactment of any federal legislation after the date of this Agreement or the promulgation of any income tax regulation or ruling by the Internal Revenue Service after the date of this Agreement.

"Expense Fund" shall have the meaning ascribed to such term in Section 2.08 hereof.

"Fiscal Year" of the Borrower means the twelve months ending on July 31 in any calendar year, or such other twelve-month period as the Borrower adopts as its fiscal year in the future.

"GAAP" shall mean generally accepted accounting principles and practices in the United States.

"Gross Receipts" means all current and future receipts, revenues, income and other moneys received by or on behalf of the Borrower, including, but without limiting the generality of the foregoing, revenues derived from the ownership or operation of the Property, including insurance and condemnation proceeds with respect to the Property or any portion thereof, and all rights to receive the same, whether in the form of accounts, Accounts Receivable, contract rights or other rights, and the proceeds of such rights, and whether now owned or held or hereafter coming into existence; provided, however, that gifts, grants, bequests, donations and contributions heretofore or hereafter made and designated or specified by the granting authority, donor or maker thereof as being for specified purposes (other than payment of debt service on Indebtedness of the Borrower) and the income derived therefrom to the extent required by such designation or specification shall be excluded from Gross Receipts.

"Gross-Up Rate" means, with respect to any Interest payment (including payments made prior to an Event of Taxability), an additional payment in an amount sufficient such that the sum of the Interest payment plus the additional payments would, after reduction by the federal tax (including interest and penalties) actually imposed thereon, equal the amount of the Interest payment.

"Hedge Agreement" means an interest rate swap, cap, collar, floor, forward or other hedging agreement, arrangement or security however denominated, expressly identified pursuant to its terms as being entered into in connection with and in order to hedge interest rate fluctuations on all or a portion of any Indebtedness.

"Indebtedness" means, as to any Person, all obligations, contingent and otherwise, which in accordance with generally accepted accounting principles consistently applied should be classified upon such Person's balance sheet as liabilities, but in any event including, without limitation, liabilities secured by any mortgage, pledge, security interest, lien, charge or other encumbrance existing on property owned or acquired by such Person whether or not the liability secured thereby shall have been assumed, letters of credit open for account, obligations under acceptance facilities, capitalized lease obligations and all obligations on account of guaranties, endorsements and any other contingent obligations in respect of the Indebtedness of others whether or not reflected on such balance sheet or in a footnote thereto.

"Initial Interest Rate" means 2.95%.

"Initial Interest Rate Period" means the period from the Closing Date through (and including) August 1, 2031.

"Interest" means the portion of any payment from the Issuer to the Purchaser on the Bonds in an amount equal to the portion of the payment from the Borrower to the Issuer designated as the interest component as shown in Exhibit A hereto.

"Interest Rate" shall mean an interest rate established in accordance with Section 2.02 of this Agreement. The Interest Rate on each series of Bonds during the Initial Interest Rate Period shall be the Initial Interest Rate.

"Interest Rate Period" shall mean each period during which an Interest Rate is in effect. After the Initial Interest Rate Period, the Interest Rate Period shall be any period from and including the day next succeeding the end of the prior Interest Rate Period to and including any day not later than the maturity date of the Bonds, all in accordance with Section 2.02 of this Agreement.

"IRC" means the Internal Revenue Code of 1986, as amended from time to time, and United States Treasury Regulations promulgated thereunder.

"Issuer" means the Business Finance Authority of the State of New Hampshire, acting as the issuer under this Agreement, and its successors.

"Liens" shall have the meaning ascribed to such term in Section 6.05 hereof.

"Loan" means the loan of the Bond Proceeds from the Issuer to the Borrower pursuant to this Agreement.

"Mortgage" means the mortgage agreement dated as of even or near date herewith from the Borrower to the Purchaser with respect to the Real Property.

"Opinion of Bond Counsel" means an opinion of Bond Counsel to the effect that the matter or action in question will not have an adverse impact on the tax-exempt status of the interest on the Bonds for federal income tax purposes.

"Permitted Liens" shall have the meaning ascribed to such term in Article III paragraph (k).

"Person" means an individual, corporation, partnership, joint venture, association, estate, joint stock company, trust, organization, business or a government or agency or political subdivision thereof.

"Personal Property" means all properties, assets and rights of the Borrower, wherever located, whether now owned or hereafter acquired or arising, and all proceeds and products thereof, including, but not limited to, the following: all goods (including inventory, equipment, accessions to inventory and equipment, timber to be cut, and as-extracted collateral), fixtures, instruments (including promissory notes), documents, Gross Receipts, accounts, accounts receivable, chattel paper (whether tangible or electronic), letter of credit rights (whether or not the letter of credit is evidenced by a writing), commercial tort claims, insurance claims and proceeds, and all general intangibles, including, without limitation, all payment intangibles, payment applications, trademarks, trademark applications, trade names, copyrights, copyright applications, software, engineering drawings, service marks, customer lists, goodwill, and all licenses, permits, agreements of any kinds and nature pursuant to which the Borrower possesses, uses, or has authority to possess or use property (whether tangible or intangible) of others, or others possess, use or have authority to possess or use property (whether tangible or intangible) of the Borrower, and all recorded data of any kind or nature, regardless of the medium of recording, including, without limitation, all software, writings, plans, specifications and schematics; *provided, however,* that gifts, grants, bequests, donations and contributions heretofore or hereafter made and designated or specified by the granting authority, donor or maker thereof as being for specified purposes (other than payment of debt service on Indebtedness) and the income derived therefrom to the extent required by such designation or specification shall be excluded from Personal Property; and *provided further,* that Personal Property shall not include cash, cash equivalents, investment securities or endowment funds on hand from time to time with the Borrower.

"Principal" means the portion of any Debt Service Payment designated as and comprising principal as set forth in Exhibit A hereto.

"Projects" means, collectively, the Series 2021A Project and the Series 2021B Project.

"Project Costs" means capital expenditures of the Borrower to be paid with Bond Proceeds and the costs of issuing the Bonds which may be paid from Bond Proceeds under the Act. Project Costs also shall be limited to costs which are permitted to be paid or reimbursed from Bond Proceeds under the Tax Certificate.

"Project Fund" shall have the meaning ascribed to such term in Section 2.07 hereof.

"Property" means, collectively, the Real Property, the Personal Property and the Projects as defined herein.

"Purchaser" means (i) Bank of New Hampshire, as purchaser and initial registered owner of the Bonds, and (ii) any successor registered owner of the Bonds.

"Real Property" means (i) the real estate located in Dover, Strafford County, New Hampshire, as more particularly described in the Mortgage dated as even or near date herewith, all rights and easements appurtenant thereto, and all buildings, structures, fixtures and improvements now or hereafter located thereon, and (ii) all proceeds of the foregoing, including proceeds of insurance, eminent domain or sale.

"Refunded Bonds" shall mean the Business Finance Authority of the State of New Hampshire Revenue Bonds (Portsmouth Christian Academy Issue), Series 2013.

"Series 2021A Bonds" means the $_____ Business Finance Authority of the State of New Hampshire Revenue Bonds (Portsmouth Christian Academy Issue), Series 2021A, issued by the Issuer and purchased by the Purchaser pursuant to this Agreement, which shall constitute "Bonds" within the meaning of Section 162-1:2 of the Act, in the form of Exhibit C hereto, and any bond or bonds duly issued in exchange or replacement therefor.

"Series 2021A Project" means the projects financed and refinanced with the Refunded Bonds, namely: (1) refinancing certain of the Borrower's then-existing debt, then outstanding in the approximate principal amount of $4,165,000, the proceeds of which were used to finance: (a) the purchase of the real property located at 1 Seaborne Drive (now known as 20 Seaborne Drive), Dover, New Hampshire consisting of 45 acres of land and, at the time of purchase, an approximately 64,000 square foot building located thereon, (b) the furnishing, fixturing and renovation of the aforementioned 64,000 square foot building, and (c) the construction of a gymnasium addition to the aforementioned building containing approximately 8,000 square feet; (2) financing the construction of a new high school building containing approximately 22,000 square feet containing primarily academic classrooms (approximately $2,000,000); (3) financing the construction of a new high school academic support building containing approximately 20,000 square feet containing science laboratories, art and music facilities, classrooms, a multi-purpose room and library (approximately $1,750,000); (4) constructing a gymnasium annex containing approximately 6,000 square feet to provide additional space for indoor athletics, physical education and assembly (approximately $500,000); (5) financing miscellaneous renovations and capital equipment acquisitions during the three years following issuance of the Refunded Bonds; (6) financing the costs of miscellaneous capital expenditures of the Borrower during the three years following issuance of the Refunded Bonds; and (7) financing costs of issuance with respect to the Refunded Bonds.

"Series 2021B Bonds" means the $_____ Business Finance Authority of the State of New Hampshire Revenue Bonds (Portsmouth Christian Academy Issue), Series 2021B, issued by the Issuer and purchased by the Purchaser pursuant to this Agreement, which shall constitute "Bonds" within the meaning of Section 162-1:2 of the Act, in the form of Exhibit C hereto, and any bond or bonds duly issued in exchange or replacement therefor.

"Series 2021B Project" means certain "new money" capital projects of the Borrower, namely: (1) replacement of the HVAC system in the upper school building and the roof in the lower school building; (2) assist in the acquisition of land adjacent to the Borrower's campus for the expansion of the Borrower's current athletic fields; and (3) miscellaneous renovations and capital equipment acquisitions during the three years following issuance of the Bonds.

"State" means the State of New Hampshire.

"Tax Certificate" means the Tax Certificate and Agreement executed by the Issuer and the Borrower in connection with the issuance of the Bonds, as the same may be amended or supplemented.

"Transaction Documents" means and refers to this Agreement, the Covenants Agreement, the Mortgage, the Collateral Assignment of Leases and Rents, the Environmental Agreement and the Tax Certificate.

"UCC" means the Uniform Commercial Code as adopted and in effect in the State.

"Unassigned Rights" means the rights of the Issuer and its directors, officers, employees and agents to payments and rights of indemnification under Sections 4.06, 7.02, 7.04(b) and 12.02; the right to give and receive notices, consents and approvals; and the right to enforce the same.

"Unmatured Event of Default" means any occurrence, act or event that, with the giving of notice, the passage of time, or both, would constitute and Event of Default.

Section 1.02. Rules of Construction. (a) The singular form of any word used herein, including the terms defined in Section 1.01 hereof, shall include the plural, and vice versa. The use herein of a word of any gender shall include correlative words of all genders.

(a) Unless otherwise specified, references to Articles, Sections and other subdivisions of this Agreement are to the designated Articles, Sections and other subdivision of this Agreement as originally executed. The words "hereof," "wherein," "hereunder" and words of similar import refer to this Agreement as a whole.

(b) The headings or titles of the several articles and sections shall be solely for convenience of reference and shall not affect the meaning, construction or effect of the provisions hereof.

(c) Combined Documents. This Agreement and the exhibits hereto together constitute the financing document and the security document under the Act, and as evidence of indebtedness, this Agreement and the exhibits hereto constitute a Bond under the Act.

## ARTICLE II.
## ISSUANCE OF THE BONDS AND TERMS OF LOAN

Section 2.01. Bond Purchase and Issuance; Loan to the Borrower; Application of Loan Proceeds. The Issuer hereby agrees, subject to the terms and conditions of this Agreement, to issue the Series 2021A Bonds in the amount of $[_____] and to issue the Series 2021B Bonds in the amount of up to $[_____] on the Closing Date. The Purchaser hereby agrees, subject to the terms and conditions of this Agreement, to tender $[_____] to the Issuer to purchase the Series 2021A Bonds on the Closing Date and to tender or commit to tender up to $[_____] to the Issuer to purchase the Series 2021B Bonds on the Closing Date. The Issuer hereby agrees, subject to the terms and conditions of this Agreement, to lend the Bond

Proceeds to the Borrower on the Closing Date. The Issuer assigns and pledges to the Purchaser its rights, as set forth in Section 2.03 herein, on the Closing Date. The Borrower hereby agrees to borrow such amount from the Issuer on the Closing Date and to make payments to the Purchaser in accordance with the terms and conditions of this Agreement.

The provisions of Section 2.02 of this Agreement shall govern the interest rates per annum and payment terms of the Bonds. The Bonds of each series shall bear interest at the Interest Rate during each Interest Period. The Bonds of each series shall mature, subject to prepayment as set forth in Section 2.06 of this Agreement, on August 1, 2041. The parties hereto acknowledge and agree that the Purchaser is only committed to hold the Bonds of each series until August 1, 2031, and that the Borrower is required to pay the Purchaser on such date the entire aggregate outstanding principal amount of the Bonds plus all accrued and unpaid interest thereon.

Upon fulfillment of the conditions set forth in Article III hereof, the Purchaser shall deposit the Bond Proceeds on behalf of the Issuer as follows:

(i) the amount of $_____, representing proceeds of the Series 2021A Bonds, shall be applied to repay and redeem the Refunded Bonds on the Closing Date;

(ii) the amount of $_____, representing the balance of the proceeds of the Series 2021A Bonds and [$51,000] of proceeds of the Series 2021B Bonds, shall be deposited in the Expense Fund to be held and disbursed as provided in this Agreement; and

(iii) the amount of $_____, representing the balance of the undrawn proceeds of the Series 2021B Bonds, shall be held by the Disbursing Agent, to be drawn down from time to time as provided in this Agreement to be used to pay Project Costs of the Series 2021B Project. The outstanding principal amount of the Series 2021B Bonds will equal the total amount of disbursed Series 2021B Bond proceeds less any principal that has been repaid by the Borrower. On the Drawdown End Date, the remaining undrawn portion of the Series 2021B Bonds shall be deposited in the Project Fund to be used as set forth in Section 2.07.

The Borrower's obligation to make Debt Service Payments, which the Issuer hereby is assigning to the Purchaser, and which shall be the sole source of interest and principal payments on the Bonds, shall commence, and Interest shall begin to accrue, on the date on which the Bonds are issued, as set forth on the Bonds as issued.

Neither the Purchaser nor the Issuer shall have any ownership interest in the Property after the Closing Date and by this Agreement each is merely financing and refinancing the acquisition, construction and site development thereof by the Borrower. The Issuer has not been in the chain of title of the Property, the Purchaser and the Issuer shall not operate, control or have possession of the Property and the Purchaser and the Issuer have no control over the Borrower or the Borrower's operation, use or maintenance of the Property. The Borrower is solely responsible for the selection of the Property, and is solely responsible for the use, maintenance

and operation of the Property. The Borrower will indemnify, defend and hold the Purchaser and the Issuer and their respective directors, officers, employees and agents (each, an "Indemnified Person") harmless from and against any claims, loss or damage, including reasonable attorneys' fees, to which an Indemnified Person may be subjected as a result of the designation of any Indemnified Person as the owner of the Property solely by virtue of the Loan, the Bonds or any transaction contemplated pursuant to this Agreement. This indemnification shall survive the payment in full of the Bonds and the Loan.

By executing this Agreement, the Borrower irrevocably covenants to pay and shall pay to the Purchaser, as assignee of the Issuer, all Debt Service Payments, including each and every payment due with respect to the Bonds and any other payment due from the Borrower hereunder, other than payments due directly to the Issuer with respect to any Unassigned Rights, which the Borrower hereby irrevocably covenants to pay and shall pay to the Issuer.

Section 2.02. Interest. (a) The principal portion of each series of Bonds outstanding from time to time shall bear interest (computed on the basis of actual days elapsed in a 360 day year) at the Interest Rate during the Interest Rate Period established by the Borrower with notice to the Issuer, subject to adjustment as provided in this Section 2.02. The Interest Rate for the Initial Interest Rate Period shall be the Initial Interest Rate, subject to adjustment as provided in this Section 2.02. If the Borrower elects to have the Bonds of a series continue to be held by the Purchaser for the ten (10) year period following the end of the Initial Interest Rate Period, the Interest Rate for the Bonds of such series during such subsequent ten (10) year Interest Rate Period shall be a fixed rate based on the then current 10-year Federal Home Loan Bank Boston Long-Term Classic Advance CDA (Community Development Advance) rate plus 170 basis points, provided that such rate shall be no lower than 2.95%. If the Borrower does not elect to have the Purchaser continue to hold the Bonds of a series for a ten (10) year period following the Initial Interest Rate Period, the Bonds of such series shall be remarketed at par by a remarketing agent selected by the Borrower and reasonably acceptable to the Issuer. Such remarketing may be for any period from the end of the Initial Interest Rate Period through the final maturity of such Bonds and may carry Interest based on a fixed rate, a variable rate or a combination of a fixed rate and a variable rate. In addition, if the Borrower does not elect to have the Purchaser continue to hold the Bonds of a series for a ten (10) year period following the Initial Interest Rate Period, then for the immediately succeeding and each further Interest Rate Period, the Bonds of such series may only be remarketed if the Borrower provides the Issuer with an opinion of nationally recognized bond counsel that Interest on the Bonds of such series during each such subsequent Interest Rate Period shall be excluded from gross income for federal income tax purposes. Interest accruing on the principal balance outstanding from time to time on the Bonds shall be payable as provided in the form of Bonds, as set forth on Exhibit C, and upon earlier demand in accordance with the terms hereof and the Bonds.

(b) Upon the occurrence of a Determination of Taxability, the Borrower shall, with respect to future interest payments, begin making Debt Service Payments (and the Bond Payments will be made) with the interest component calculated to equal the sum of the then applicable Interest Rate and the Gross-Up Rate. In addition, whether or not the Determination of Taxability occurs before or after the Bonds and the Loan are paid in full, the Borrower shall, upon demand of the Purchaser, make a payment to the Purchaser sufficient to pay the difference between all prior Debt Service Payments and related Bond Payments at the then applicable

Interest Rate and the Gross-Up Rate from the Date of Taxability to the date of the Determination of Taxability. Notwithstanding the foregoing, in no event shall the Borrower be required to pay a Gross-Up Rate for any period of time for which the statute of limitations with respect to recovery of taxable interest has run.

(c) After the occurrence and during the continuance of an Event of Default hereunder, the Bonds shall bear interest at the Default Rate.

Section 2.03. Payments. The Borrower shall pay to the Purchaser principal, premium, if any, and Interest ("Bond Payments"), on the Bonds in such amounts and on such dates as the Borrower shall be required to pay the Debt Service Payments, as and when due under this Agreement. The Borrower hereby agrees to pay the Debt Service Payments and shall pay to the Purchaser, as assignee of the Issuer, the Debt Service Payments in the amounts and on the dates set forth on Exhibit A hereto and in the form of Bonds or in accordance with Sections 2.02, 2.06 or 12.02 of this Agreement. If the Borrower elects to have the Bonds of a series continue to be held by the Purchaser for the ten year period following the Initial Interest Rate Period, the Purchaser shall deliver to the Borrower a revised Exhibit A that reflects the changes in payments due to the adjustment of the Interest Rate as set forth in Section 2.02 hereof. The Purchaser is authorized to attach such revised Exhibit A hereto and to the Bonds. If the Borrower elects to not have the Bonds of a series continue to be held by the original Purchaser for the ten-year term following the Initial Interest Rate Period, the Borrower shall cause repayment of all amounts owing under the Bonds in full on August 1, 2031. As security for its obligation to pay principal, premium, if any, and any and all interest in accordance with the terms of this Agreement, the Issuer assigns to and pledges to the Purchaser all of the Issuer's right to receive Debt Service Payments from the Borrower hereunder, all of the Issuer's rights hereunder to amounts in the Expense Fund and the Project Fund, and with the exception of the Unassigned Rights and all of the Issuer's right, title and interest in and to the Property, the Issuer irrevocably constitutes and appoints the Purchaser and any present or future officer or agent of the Purchaser as its lawful attorney, with full power of substitution and resubstitution, and in the name of the Issuer or otherwise, to collect the Debt Service Payments and any other payments due hereunder except payments relating to the Unassigned Rights and to sue in any court for such Debt Service Payments or other payments due hereunder, except with respect to payments due with respect to the Unassigned Rights, to exercise all rights hereunder except Unassigned Rights with respect to the Property, and to withdraw or settle any claims, suits or proceedings pertaining to or arising out of this Agreement except those relating to the Unassigned Rights upon any terms. The Purchaser and the Borrower agree to such assignment. The Issuer hereby directs the Borrower, and the Borrower hereby agrees, to pay to the Purchaser, as assignee of the Issuer, Debt Service Payments, which payments, upon receipt by the Purchaser shall constitute Bond Payments, in the amounts and on the dates set forth in Exhibit A hereto and on the Bonds or in accordance with Sections 2.02, 2.06 or 12.02 and other payments due hereunder or pursuant to the Bonds, except with respect to payments relating to the Unassigned Rights. Such payments shall be made by the Borrower directly to the Purchaser, as the Issuer's assignee, and all Debt Service Payments shall be credited against the Issuer's Bond Payments and any other payment obligations hereunder.

No provision, covenant or agreement contained in this Agreement or any obligation herein imposed on the Issuer, or the breach thereof, shall constitute or give rise to or impose upon the Issuer any pecuniary liability or a charge upon the general credit or taxing powers of

the State or any political subdivision thereof. The Issuer has no taxing powers. In making the agreements, provisions and covenants set forth in this Agreement, the Issuer has not obligated itself except with respect to the Property as and to the extent provided in this Agreement, and the application of the Debt Service Payments to be paid by the Borrower hereunder, as and to the extent provided in this Agreement.

All amounts required to be paid hereunder shall be paid in lawful money of the United States of America in immediately available funds. No recourse shall be had by the Purchaser or the Borrower for any claim based on this Agreement against the Issuer, the State or any director, officer, employee or agent of the Issuer or of the State alleging personal liability on the part of such person, unless such claim is based on the willful dishonesty of or intentional violation of law by such person.

Section 2.04. Payment on Non-Business Days. Whenever any payment to be made hereunder shall be stated to be due on a day which is not a Business Day, such payment may be made on the next succeeding Business Day, but such extension of time shall not be included in the computation of interest or the fees hereunder, as the case may be.

Section 2.05. Debt Service Payments To Be Unconditional. The obligations of the Borrower to make the Debt Service Payments required under this Article II and to make other payments hereunder and to perform and observe the covenants and agreements contained herein shall be absolute and unconditional in all events, without abatement, diminution, deduction, setoff or defense for any reason, including (without limitation) any accident, condemnation, destruction or unforeseen circumstances. Notwithstanding any dispute between the Borrower and any of the Issuer, the Purchaser or any other person, the Borrower shall make all Debt Service Payments when due and shall not withhold any Debt Service Payments pending final resolution of such dispute, nor shall the Borrower assert any right of set-off or counterclaim against its obligation to make such payments required under this Agreement, each of which rights is hereby affirmatively waived by the Borrower.

Section 2.06. Prepayments.

(a) Unless the original Purchaser or a subsequent purchaser of the Bonds continues to hold the Bonds, the Borrower shall cause repayment of the amounts owing to the original Purchaser or such subsequent purchaser in full immediately and without demand or notice on the last day of each Interest Rate Period.

(b) The Borrower shall prepay the Bonds of each series in full immediately upon demand of the Purchaser after the occurrence of an Event of Default, which is not cured within any applicable grace or cure period, by paying all amounts due hereunder and under any other Transaction Document and under any Hedge Agreement, if applicable.

(c) The Borrower shall prepay the Bonds of each series in full immediately upon demand of the Purchaser after the occurrence of a Determination of Taxability by paying the applicable amounts due hereunder and under any Transaction Documents, plus an amount necessary to supplement the prior Debt Service Payments to the Gross-Up Rate from the Date of Taxability until payment in full; provided, however, that to the extent, if at all, the Purchaser is

not liable for taxes on any of the Debt Service Payments following an Event of Taxability because of the applicable statute of limitations, the Borrower shall not be required to pay any such amounts.

(d) Upon any prepayment in part of the Bonds of a series, the prepayment shall be applied to the Debt Service Payments and any other amounts due hereunder, with installments of principal being prepaid in such chronological order as the Borrower shall direct, unless an Event of Default shall have occurred and be continuing, in which case the prepayment shall be applied in such order as the Purchaser determines.

(e) Notwithstanding anything herein to the contrary, if the Borrower refinances the Bonds of a series with a lender other than the Purchaser during the Initial Interest Rate Period, the Bonds of such series shall be prepayable at the following prepayment prices expressed as percentages of the principal amount prepaid:

| | |
|---|---|
| August __, 2021 through August __, 2022, inclusive | 103% |
| August __, 2022 through August __, 2023, inclusive | 102 |
| August __, 2023 through August __, 2024, inclusive | 101 |
| August __, 2024 through August __, 2025, inclusive | 101 |
| August __, 2025 through August __, 2026, inclusive | 101 |
| August __, 2026 and thereafter | 100 |

(f) Notice of Payment. Except for the mandatory prepayment set forth in Section 2.06(a), the Borrower shall give the Purchaser written notice of any prepayment in whole or in part at least thirty (30) days before the prepayment date specifying the date and amount of prepayment and the amount of accrued interest and premium, if any. If less than all the principal of the Bonds of a series are to be prepaid on any date, the installments of principal shall be prepaid in chronological order. Upon any subsequent transfer or exchange of a Bond upon which a prepayment is made, the Issuer will make an appropriate notation on the Bond showing the prepaid installment or installments.

Section 2.07. Project Fund.

(a) Establishment and Purpose. A Project Fund is hereby established with the Disbursing Agent for the account of the Borrower (the "Project Fund"). On the Drawdown End Date, any remaining principal amount of the Series 2021B Bonds that has not been disbursed to pay Project Costs of the Series 2021B Project will be promptly deposited in the Project Fund and will be available to be requisitioned by the Borrower to pay Project Costs of the Series 2021B Project through August __, 2024. Any amounts remaining on deposit in the Project Fund on August __, 2024 shall be immediately applied to prepay a like amount of Bonds pursuant to Section 2.06. The moneys in the Project Fund shall be held in trust and, except as otherwise provided in this Agreement, shall be applied by the Disbursing Agent solely to the payment or reimbursement of Project Costs of the Series 2021B Project in accordance with Article IX.

(b) Disbursement Requirements. Disbursements of the Series 2021B Bond Proceeds or the Project Fund to pay Project Costs of the Series 2021B Project shall be made only

upon receipt by the Issuer and the Purchaser of a requisition in the form attached hereto as Exhibit D, in each instance signed by the Borrower's Representative, together with a completed written disbursement request in such form and detail as required by Issuer and the Purchaser. Each such requisition must be submitted to the Issuer and the Purchaser at least fifteen (15) days prior to the proposed disbursement date and shall certify in detail, acceptable to the Issuer and the Purchaser, the cost of any labor that has been performed and any materials that relate to such capital expenditures, and shall be accompanied by such supporting data as the Issuer and the Purchaser may require, including, without limitation, receipts, vouchers, invoices, and such other information and documents as may be requested by the Issuer or the Bond Purchaser. Prior to the Drawdown End Date, disbursements shall be made by the Disbursing Agent as set forth above directly from proceeds of the Series 2021B Bonds. Subsequent to the Drawdown End Date, all disbursements shall be made from the Project Fund established pursuant to this Section 2.07.

(c) Disbursement Conditions for Property Acquisition. If any Series 2021B Bond Proceeds are to be used to assist in the acquisition of the land adjacent to the existing Property, then as a condition to disbursing the Series 2021B Bond proceeds for such purpose, the following conditions must be met, in addition to the requirements set forth in Section 2.07(b) above:

(i) The Borrower shall provide to the Purchaser a copy of the signed purchase and sale agreement in form and substance satisfactory to the Purchaser;

(ii) The Borrower shall provide to the Purchaser evidence of subdivision approval and all governmental approvals relating to such acquisition;

(iii) The Purchaser shall have received an appraisal and environmental review of such new adjacent property in form and substance acceptable to the Purchaser, and

(iv) The new adjacent property, once acquired, must be promptly mortgaged to Purchaser as Collateral for the Bonds (and the line of credit that is being provided to the Borrower simultaneously with the issuance of the Bonds); and

(v) The Purchaser shall have received a lender's title insurance with regard to the acquired property in form and substance satisfactory to the Purchaser.

(d) Excess in Project Fund. All moneys in the Project Fund (including moneys earned thereon by investment) remaining after completion of the Projects shall promptly at the written direction of a Borrower's Representative be applied to the next Debt Service Payment.

Section 2.08. Expense Fund.

(a) Establishment and Purpose. An Expense Fund is hereby established with the Disbursing Agent for the account of the Borrower (the "Expense Fund"). Immediately after the sale of the Bonds and the deposit to pay off the Refunded Bonds pursuant to Section 2.01(i) hereof, $_____, consisting of the remaining proceeds of the Series 2021A Bonds and

$_____ of proceeds of the Series 2021B Bonds, shall be deposited in the Expense Fund. The moneys in the Expense Fund shall be held in trust and, except as otherwise provided in this Agreement, shall be applied by the Disbursing Agent solely to the payment or reimbursement of costs of issuance of the Bonds in accordance with Article IX; provided that if any funds remain in the Expense Fund twelve months after the Closing Date, such funds shall be transferred to the Project Fund.

(b) Excess in Expense Fund. All moneys in the Expense Fund (including moneys earned thereon by investment) remaining after payment or provision for payment in full of the costs referred to in this Section 2.07 which are then due and payable shall promptly at the written direction of a Borrower's Representative be transferred to the Project Fund.

Section 2.09. Investment of Moneys in Fund. Pending their use under this Agreement, moneys in the Expense Fund and the Project Fund shall be held uninvested by the Disbursing Agent.

Section 2.10. Tax-Exempt Status of Bonds. The Borrower will perform its obligations and agreements contained in the Tax Certificate as if they were set forth herein. The Issuer will cooperate with the Bondowner to the extent deemed necessary or permitted by law in the opinion of bond counsel to the Issuer in order to preserve the exclusion of interest on the Bond from gross income for federal income tax purposes.

## ARTICLE III.
## CONDITIONS PRECEDENT

The Purchaser's agreement to purchase the Bonds from the Issuer hereunder and to disburse the Bond Proceeds as provided herein shall be subject to the condition precedent that the Purchaser shall have received all of the following, each in form and substance satisfactory to the Purchaser. The Issuer's agreement to accept the Bond Proceeds and to make the Loan to the Borrower hereunder and the Purchaser's agreement to deliver the Bond Proceeds to the Borrower, shall be subject to the condition precedent that the Purchaser and the Issuer shall have received all of the following, each in form and substance satisfactory to the Purchaser and the Issuer:

(a) This Agreement, properly executed on behalf of the Issuer, the Borrower and the Purchaser, and each of the Exhibits hereto properly completed.

(b) The other Transaction Documents, properly executed on behalf of the respective parties thereto.

(c) (i) A Series 2021A Bond properly issued to the Purchaser as registered owner thereof, in the principal face amount of $[_____] and duly executed by the Issuer, dated the Closing Date; and (ii) a Series 2021B Bond properly issued to the Purchaser as registered owner thereof, in the principal face amount of up to $[_____] and duly executed by the Issuer, dated the Closing Date.

(d) A certificate of the Secretary or an Assistant Secretary of the Borrower, certifying as to (i) the resolutions of the board of directors and, if required, the members of the

Borrower, authorizing the execution, delivery and performance of this Agreement and the Tax Certificate and any related documents, (ii) the bylaws of the Borrower, and (iii) the signatures of the officers or agents of the Borrower authorized to execute and deliver this Agreement and the Tax Certificate and other instruments, agreements and certificates on behalf of the Borrower.

(e) Currently certified copies of the Articles of Agreement of the Borrower.

(f) A Certificate of Good Standing issued as to the Borrower by the Secretary of the State of the state of the Borrower's incorporation, not more than thirty (30) days prior to the date hereof.

(g) Certificates of the insurance required hereunder, approved by the Purchaser.

(h) A completed and executed Form 8038 or evidence of filing thereof with the Secretary of Treasury.

(i) A resolution or evidence of other official action taken by or on behalf of the Issuer to authorize the transactions contemplated hereby.

(j) Financing statements naming the Borrower, as debtor, and the Purchaser, as secured party, with respect to the Personal Property.

(k) Current searches of appropriate filing offices showing that (i) no state or federal tax liens have been filed and remain in effect against the Borrower, (ii) no mortgage or financing statements have been filed and remain in effect against the Borrower relating to the Property except those mortgage or financing statements filed by the Borrower and the security interests set forth on Exhibit B attached hereto (the "Permitted Liens"), (iii) the Borrower has duly filed all mortgage deeds, collateral assignments of lease and rents and financing statements necessary to perfect the security interests and mortgage liens on the Property created pursuant to this Agreement and the Mortgage and (iv) the Borrower has duly filed all financing statements necessary to perfect the transfer of the Issuer's interest in this Agreement and the Debt Service Payments.

(l) An opinion of Borrower Counsel, addressed to the Purchaser, and the Issuer, in a form acceptable to the Purchaser.

(m) An opinion of Bond Counsel, addressed to the Issuer, together with a reliance letter addressed to the Purchaser.

(n) The Tax Certificate.

(o) Copies of the Borrower's accreditations by the New England Association of Schools and Colleges and by the Association of Christian Schools International.

(p) Payment of the Purchaser's fees, commissions and expenses required by Section 13.01 hereof.

(q) Payment of the Issuer's fees, commissions and expenses required by Section 4.03 hereof.

(r) Certifications from an appropriate officer of the Borrower that the representations and warranties of the Borrower contained in Article V hereof are correct on and as of the Closing Date.

(s) Certifications from an appropriate officer of the Borrower that no event has occurred and is continuing, or would result from the issuance of the Bonds or making the Loan, which constitutes a Default or an Event of Default.

(t) A resolution of the Governor and Council of New Hampshire making the findings required by the Act.

(u) An appraisal with respect to the Borrower's property, with a loan to value ratio acceptable to the Purchaser.

(v) The Borrower shall have established and shall maintain its primary operating account with the Purchaser.

(w) An environmental screen and due diligence with regard to the Real Property which is acceptable to the Purchaser.

(x) Such policies and amounts of hazard insurance (specifying all-risks or extended coverage and containing a builders' risk completed value endorsement), rental value insurance, flood insurance (if the Property or any part thereof is in an area that has been identified as an area having special flood hazards), liability insurance, workmen's' compensation insurance, and such other insurance as the Purchaser may request.

(y) A full title search on the Real Property and lender's title insurance policy from a title company acceptable to the Purchaser, insuring that the Borrower has good, clear and marketable title to the Real Property and insuring the validity and first priority of the Mortgage. The lender's title insurance policy shall remove the mechanics' lien and survey exceptions and will be accompanied by such endorsements and affirmation coverage as the Purchaser may require.

(z) Any other documents or items required by the Purchaser, the Issuer or Bond Counsel.

## ARTICLE IV.
## LIMITED OBLIGATION OF THE ISSUER; RIGHTS OF THE ISSUER; COVENANTS OF THE ISSUER

Section 4.01. Limited Obligation. Under no circumstances shall the Issuer be obligated directly or indirectly to pay Project Costs, principal of or premium, if any, and interest on the Bonds or the Loan, or expenses of operation, maintenance and upkeep of the Property except from Bond Proceeds, exclusive of funds received hereunder by the Issuer for its own use. This Agreement does not create any debt of the State with respect to the Property other than a

special obligation of the Issuer acting on behalf of the State pursuant to the Act. Nothing contained herein shall in any way obligate the State to raise any money by taxation or use other public funds for any purpose in relation to the Property. Neither the State nor the Issuer shall pay or promise to pay any debt or meet any financial obligation to any Person at any time in relation to the Property except (i) from moneys received or to be received under the provisions hereof or derived from the exercise of the Issuer's rights hereunder, other than moneys received for its own purposes, or (ii) as may be required by law other than the provisions of the Act. Nothing contained in this Agreement shall be construed to require or authorize the Issuer to use or operate the Property or to conduct any business enterprise in connection therewith. The Issuer makes no representation or warranty that interest on the Bonds is or will continue to be excludable from gross income for federal income tax purposes or exempt for state income tax purposes.

Section 4.02. Rights and Duties of the Issuer.

(a) Remedies of the Issuer. Notwithstanding any contrary provision in this Agreement, the Issuer shall have the right to take any action or make any decision with respect to proceedings for indemnity against the liability of the Issuer and for collection or reimbursement from sources other than moneys or property held under this Agreement or subject to the lien hereof. The Issuer may enforce its rights under this Agreement which have not been assigned to the Purchaser by legal proceedings for the specific performance of any obligation contained herein or for the enforcement of any other appropriate legal or equitable remedy, and may recover damages caused by any breach by the Borrower of its obligations to the Issuer under this Agreement, including court costs, reasonable attorney's fees and other costs and expenses incurred in enforcing such obligations.

(b) Limitations on Actions. The Issuer shall not be required to monitor the financial condition of the Borrower or the physical condition of the Property and, unless otherwise expressly provided, shall not have any responsibility with respect to notices, certificates or other documents filed with it hereunder. The Issuer shall not be required to take notice of any breach or default except when given notice thereof by the Borrower. The Issuer shall not be responsible for the payment of any rebate to the United States under Code § 148(f). The Issuer shall not be required to take any action (other than the giving of notice) unless indemnity reasonably satisfactory to it is furnished for expenses or liability to be incurred therein. The Issuer, upon written request of the Purchaser, and upon receipt of reasonable indemnity for expenses or liability, shall cooperate to the extent reasonably necessary to enable the Purchaser to exercise any power granted to the Purchaser by this Agreement. The Issuer shall be entitled to reimbursement pursuant to Section 4.03 to the extent that it acts without previously obtaining full indemnity.

(c) Responsibility. The Issuer shall be entitled to the advice of counsel (who may be counsel for any party to this Agreement) and shall be wholly protected as to any action taken or omitted to be taken in reliance thereon or on any other document furnished to it under this Agreement and reasonably believed by it to be genuine. The Issuer shall not be liable for any action taken by it in good faith and reasonably believed by it to be within the discretion or power conferred upon it, or in good faith omitted to be taken by it and reasonably believed to be beyond such discretion or power, or taken by it pursuant to any direction or instruction by which

it is governed under this Agreement or omitted to be taken by it by reason of the lack of direction or instruction required for such action under this Agreement, or be responsible for the consequences of any error of judgment reasonably made by it. When any payment, consent or other action by the Issuer is called for by this Agreement, the Issuer may defer such action pending such investigation or inquiry or receipt of such evidence, if any, as it may require in support thereof. A permissive right or power to act shall not be construed as a requirement to act, and no delay in the exercise of a right or power shall affect the subsequent exercise thereof. The Issuer shall in no event be liable for the application or misapplication of funds, or for other acts or defaults by any person or entity except by its own directors, officers and employees. No recourse shall be had by the Borrower or the Purchaser for any claim based on this Agreement against any director, officer, employee or agent of the Issuer unless such claim is based upon the bad faith, fraud or deceit of such person. No covenant, obligation or agreement of the Issuer contained in this Agreement shall be deemed to be a covenant, obligation or agreement of any present or future director, officer, employee or agent of the Issuer in his or her individual capacity, and no person executing this Agreement shall be liable personally thereon or be subject to any personal liability or accountability by reason of the issuance thereof.

Section 4.03. Costs and Expenses of the Issuer. The Borrower shall prepay or reimburse the Issuer within thirty (30) days after notice for all expenses (including reasonable attorney's fees) incurred by the Issuer in connection with the execution, delivery, performance and enforcement under this Agreement and all expenses reasonably incurred or advances reasonably made in the exercise of the Issuer's rights or its performance of its obligations hereunder (collectively, the "Additional Payments"). Any fees, expenses, reimbursements or other charges which the Issuer may be entitled to receive from the Borrower hereunder, if not paid within thirty (30) days of when they are due, shall bear a late charge equal to 5% of the amount overdue, and if not paid within sixty (60) days, shall bear interest at 12% per annum; such late charges shall be in addition to any late charges due to the Purchaser hereunder.

Section 4.04. Matters to be Considered by the Issuer. In approving, concurring in or consenting to action or in exercising any discretion or in making any determination under this Agreement, the Issuer may consider the interests of the public, which shall include the anticipated effect of any transaction on tax revenues and employment, as well as the interests of the other parties hereto; provided, however, nothing herein shall be construed as conferring on any person other than the other parties hereto any right to notice, hearing or participation in the Issuer's consideration, and nothing in this section shall be construed as conferring on any of them any rights additional to those conferred elsewhere herein. Subject to the foregoing, the Issuer will not unreasonably withhold any approval or consent to be given by it hereunder.

Section 4.05. Actions by the Issuer. Any action which may be taken by the Issuer hereunder shall be deemed sufficiently taken if taken on its behalf by its Chairman, its Vice Chairman or its Executive Director or by any other director, officer or agent whom it may designate from time to time.

Section 4.06. Indemnification by the Borrower. The Borrower, regardless of any agreement to maintain insurance, shall indemnify and save harmless, to the fullest extent permitted by law, the Issuer and its directors, officers, employees and agents from and against (a) any and all claims by or on behalf of any person arising out of (1) any condition of the Property,

or (2) the acquisition, or operation of the Property or any work or anything whatsoever done or omitted to be done on or about the Property, or (3) any accident, injury or damage whatsoever to any person occurring on or about the Property, or (4) any breach or default by the Borrower of or in any of its obligations hereunder, or (5) any act or omission of the Borrower or any of its agents, contractors, servants, employees or licensees, or (6) the offering, issuance, sale or any resale of this Agreement or the Loan, but only to the extent permitted by law, and (b) any and all costs, counsel fees, expenses or liabilities reasonably incurred in connection with any such claim or any action or proceeding brought thereon. In case any action or proceeding is brought against the Issuer or any such director, officer, employee or agent by reason of any such claim, the Borrower upon notice from the affected party shall resist or defend such action or proceeding. Subject to the foregoing, the Issuer shall cooperate and join with the Borrower, at the expense of the Borrower, as may be required in connection with any action or defense by the Borrower.

Section 4.07. Covenants of the Issuer.

The Issuer covenants for the benefit of the Purchaser, as follows:

(a) The Issuer will not pledge, mortgage or assign this Agreement (except for the pledge, mortgage or assignment of rights or privileges not assigned to the Purchaser) or its duties and obligations hereunder to any person, firm or corporation, except as provided under the terms hereof.

(b) The Issuer will submit or cause to be submitted to the IRS an IRS Form 8038 Information Return for Tax-Exempt Private Activity Bond Issues (or other information reporting statement) at the time and in the form required by the Code.

## ARTICLE V.
## REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE BORROWER

The Borrower represents, warrants and covenants for the benefit of the Purchaser and the Issuer, as follows:

(a) The Borrower is a nonprofit voluntary corporation duly organized, validly existing and in good standing under the laws of the State, has power to enter into this Agreement and by proper corporate action has duly authorized the execution and delivery of the Transaction Documents. The Borrower is in good standing and is duly licensed or qualified to transact business in the State and in all jurisdictions where the character of the property owned or leased or the nature of the business transacted by it makes such licensing or qualification necessary.

(b) The Borrower has been fully authorized to execute and deliver the Transaction Documents and the Tax Certificate under the terms and provisions of the resolution of its board of directors, or by other appropriate official approval, and further represents, covenants and warrants that all requirements have been met, and procedures have occurred in order to ensure the enforceability of the Transaction Documents, and the Transaction Documents have been duly authorized, executed and delivered.

(c) The officer of the Borrower executing the Transaction Documents and any related documents has been duly authorized to execute and deliver the Transaction Documents and such related documents under the terms and provisions of a resolution of the Borrower's board of directors.

(d) The Transaction Documents constitute valid and legally binding obligations of the Borrower, enforceable against the Borrower in accordance with their respective terms, except to the extent limited by bankruptcy, reorganization or other laws of general application relating to, or affecting the enforcement of creditors' rights.

(e) The execution and delivery of the Transaction Documents, the consummation of the transactions contemplated hereby and the fulfillment of the terms and conditions hereof do not and will not violate any law, rule, regulation or order, conflict with or result in a breach of any of the terms or conditions of the articles of agreement or bylaws of the Borrower or of any corporate restriction or of any agreement or instrument to which the Borrower is now a party and do not and will not constitute a default under any of the foregoing or result in the creation or imposition of any liens, charges or encumbrances of any nature upon any of the property or assets of the Borrower contrary to the terms of any instrument or agreement.

(f) The authorization, execution, delivery and performance of the Transaction Documents by the Borrower does not require submission to, approval of, or other action by any governmental authority or agency, which action with respect to the Transaction Documents has not been taken and which is final and non-appealable.

(g) There is no action, suit, proceeding, claim, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body pending or, to the best of the Borrower's knowledge, threatened against or affecting the Borrower, challenging the Borrower's authority to enter into, execute and deliver the Transaction Documents or any other action wherein an unfavorable ruling or finding would adversely affect the enforceability of any of the Transaction Documents or the exclusion of the Interest from gross income for federal tax purposes under the Code, or would materially and adversely affect any of the transactions contemplated by this Agreement.

(h) The Property is properly zoned for its current and anticipated use and the use of the Property will not violate any applicable zoning, land use, environmental or similar law or restriction. The Borrower has all material licenses and permits to use the Property. The Borrower has obtained all permits, licenses and other authorizations which are required under federal, state and local laws relating to emissions, discharges, releases of pollutants, contaminants, hazardous or toxic materials, or wastes into ambient air, surface water, ground water or land, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of pollutants, contaminants or hazardous or toxic materials or wastes ("Environmental Laws") at the Borrower's facilities or in connection with the operation of its facilities. Except as previously disclosed to the Purchaser in writing, the Borrower and all activities of the Borrower at its facilities comply in all material respects with all Environmental Laws and with all terms and conditions of any required material permits, licenses and authorizations applicable to the Borrower with respect thereto. Except as previously

disclosed to the Purchaser in writing, the Borrower is also in compliance with all limitations, restrictions, conditions, standards, prohibitions, requirements, obligations, schedules and timetables contained in Environmental Laws or contained in any plan, order, decree, judgment or notice of which the Borrower is aware. Except as previously disclosed to the Purchaser in writing, the Borrower is not aware of, nor has the Borrower received notice of, any events, conditions, circumstances, activities, practices, incidents, actions or plans which may interfere with or prevent continued compliance with, or which may give rise to any liability under, any Environmental Laws.

(i) To the Borrower's knowledge, the Property is of the type authorized and permitted to be financed under the Act.

(j) The Borrower intends to use the Property, or cause the Property to be used, as a "project," within the meaning of the Act, until the date on which the Bonds have been paid in full and are no longer outstanding and all of the Debt Service Payments have been fully paid.

(k) The Borrower has paid or caused to be paid to the proper authorities when due all federal, state and local taxes required to be withheld by it. The Borrower has filed all federal, state and local taxes returns which are required to be filed, and the Borrower has paid or caused to be paid to the respective taxing authorities all taxes as shown on said returns or on any assessment received by it to the extent such taxes have become due.

(l) The Borrower has or will have good and absolute title to the Property and all proceeds thereof, free and clear of all mortgages, security interest, liens and encumbrances except for the mortgage lien and security interest created pursuant to this Agreement, the Mortgage and the Permitted Liens.

(m) All financial and other information provided to the Purchaser by or on behalf of the Borrower in connection with the Borrower's request for the Loan contemplated hereby is true and correct in all material respects and, as to projections, valuations or pro forma financial statements, present a good faith opinion as to such projections, valuations and pro forma condition and results.

(n) The Borrower has provided to the Purchaser financing statements in the appropriate form for due filing as a financing statement with the office of the New Hampshire Secretary of State, (the "Filing Office") pursuant to the New Hampshire Uniform Commercial Code. The filing of the Financing Statement in the office of the Filing Office will perfect a security interest in the Personal Property with respect to those items of personal property in which a security interest may be perfected by filing in the Filing Office. When such financing statements are filed in the offices noted therein and to the extent the Borrower has rights in the Personal Property, the Purchaser, as assignee of the Issuer, will have a valid and perfected security interest in the Personal Property and, pursuant to the Mortgage, a mortgage lien in the Real Property, subject to no other mortgage, security interest, assignment, lien or encumbrance (other than Permitted Liens).

(o) The representations contained in the Tax Certificate are true and correct as of the date hereof. The Borrower will comply fully at all times with the Tax Certificate, and the Borrower will not take any action, or omit to take any action, which, if taken or omitted, respectively, would violate the Borrower's obligations under the Tax Certificate.

(p) No part of the Bond Proceeds will be used to refinance inventory or rolling stock or will be used for working capital.

(q) To the best knowledge of the Borrower, the Projects are of the character subject to the allowance for depreciation under Section 167 of the Code; the Borrower has verified the representation contained in this subsection (q) with a duly qualified, independent, certified public accountant and, based on that consultation and on other facts known to the Borrower, the Borrower has no reason to believe that the Property is *not* property of the character subject to the allowance for depreciation under Section 167 of the Code.

(r) No person other than the Borrower is in occupancy or possession of any portion of the Real Property except as set forth in the Permitted Liens.

(s) All approvals of and authorization or other action by any federal or state governmental authority that, to the best knowledge of the Borrower, are required to be obtained by the Borrower in connection with the execution, delivery or performance of this Agreement and the transactions contemplated hereby, have been obtained.

## ARTICLE VI.
## TITLE TO PROPERTY; MORTGAGE AND SECURITY INTEREST

Section 6.01. Title to the Property. The Borrower has legal title to the Property. The Borrower will at all times protect and defend, at its own cost and expense, its title from and against all claims, liens and legal processes of creditors of the Borrower, and will keep the Property free and clear of all such claims, liens and processes except for Permitted Liens.

Section 6.02. Security Interest in Personal Property. This Agreement is intended to constitute a security agreement within the meaning of the UCC. As security for the Borrower's payment to the Purchaser, as assignee of the Issuer, of Debt Service Payments and all other amounts payable to the Purchaser hereunder or under any other document or agreement related to the Loan or the Bonds or any Hedge Agreement, the Borrower hereby grants to the Purchaser, a security interest and lien on all its Gross Receipts and Personal Property. The security interest in the Gross Receipts and Personal Property, including all repairs, replacements, substitutions and modifications thereto or thereof and all proceeds of the foregoing, constitutes the only lien on the Gross Receipts and Personal Property, with the exception of Permitted Liens. The Issuer and the Borrower agree to execute such additional documents, including financing statements, assignments, affidavits, notices and similar instruments, in form satisfactory to the Purchaser, and take such other actions that the Purchaser deems necessary or appropriate to establish, maintain and terminate, as the case may be, the security interests created by this Section.

Section 6.03. Further Assurance. The Issuer and the Borrower agree to execute such additional documents, including financing statements, assignments, affidavits, notices and similar instruments, in form satisfactory to the Purchaser, and take such other actions that the

Purchaser deems necessary or appropriate to establish, maintain and terminate, as the case may be, the security interests created by Section 6.02.

Section 6.04. Change in Name, Corporate Structure or State of Organization of the Borrower; Change in Location of the Borrower's Principal Place of Business. The Borrower's chief executive office is located at the address set forth herein, and all of the Borrower's current records relating to its business are kept at such location. The Borrower hereby agrees to provide written notice to the Purchaser and the Issuer of any change or proposed change in its name, corporate structure, state of organization, place of business or chief executive office or change or proposed change in the location of the Personal Property. Such notice shall be provided in writing thirty (30) days in advance of the date that such change or proposed change is planned to take effect. The Borrower currently does business, and has done business, under the name(s) of Portsmouth Christian Academy.

Section 6.05. Liens and Encumbrances to Title. The Borrower shall not directly or indirectly, create, incur, assume or suffer to exist any mortgage, pledge, lien, charge, encumbrance or claim on or with respect to the Property (together, "Liens") other than the respective rights of the Purchaser and the Issuer as herein provided and Permitted Liens. The Borrower shall promptly, at its own expense, take such action as may be necessary duly to discharge or remove any such Lien except for Permitted Liens.

Section 6.06. Personal Property. The parties hereby agree that the Personal Property is, and during the period this Agreement is in force will remain, personal property and, when subjected to use by the Borrower hereunder, will not be or become fixtures; provided, however, that if contrary to the parties' intent any part of the Personal Property is or may be deemed to be a fixture, the Borrower shall cause filings to be made with the applicable government officials or filing offices to create and preserve for the Purchaser as assignee of the Issuer a perfected security interest in such Personal Property, subject to Permitted Liens.

Section 6.07. Agreement as Financing Statement. To the extent permitted by applicable law, a carbon, photographic or other reproduction of this Agreement or of any financing statements authorized by the Borrower is sufficient as a financing statement in any state to perfect the security interests granted in this Agreement to the extent that the Borrower has rights in the Property.

## ARTICLE VII.
## ADDITIONAL COVENANTS OF THE BORROWER

Section 7.01. Books and Accounts. The Borrower will keep accurate books of record and account for itself pertaining to the Property and pertaining to the Borrower's business and financial condition and such other matters as the Purchaser may from time to time request in which true and complete entries will be made in accordance with GAAP. The Borrower will permit the Issuer and the Purchaser, and their employees, accountants, attorneys or agents, to examine and copy any or all of its records and to examine and inspect the Property at any time during the Borrower's business hours, following reasonable notice to the Borrower. Nothing in this section shall violate student or educational confidentiality laws and regulations.

Section 7.02. Compliance with Laws; Environmental Indemnity. The Borrower will (a) comply with the requirements of applicable laws and regulations, the non-compliance with which would materially and adversely affect its business or its financial condition, (b) comply with all applicable environmental, hazardous waste or substance, toxic substance and underground storage laws and regulations and obtain any permits, licenses or similar approvals required by any such laws or regulations, and (c) use the Property, and will require that others use the Property, only for lawful purposes, without violation of any federal, state or local law, statute or ordinance. The Borrower shall secure all permits and licenses, if any, necessary for the use and operation of the Property. The Borrower shall comply in all material respects (including, without limitation, with respect to the use, maintenance and operation of the Property) with all laws of the jurisdictions in which its operations involving any component of the Property may extend and of any legislative, executive, administrative or judicial body exercising any power or jurisdiction over the items of the Property or its interest or rights under this Agreement. The Borrower will indemnify, defend and hold the Purchaser and the Issuer harmless from and against any claims, loss or damage to which the Purchaser or the Issuer may be subjected as a result of any past, present or future existence, use, handling, storage, transportation or disposal of any hazardous waste or substance or toxic substance by the Borrower on property owned, leased or controlled by the Borrower. This indemnification shall survive the termination of this Agreement and payment of the Indebtedness hereunder.

Section 7.03. Maintenance of Property. (a) The Borrower shall, at its own expense, maintain, preserve and keep the Property in good repair, working order and condition, and shall from time to time make all repairs and replacements necessary to keep the Property in such condition, and in compliance with state and federal laws, ordinary wear and tear excepted. In the event that any parts or accessories forming part of any item or items of Personal Property become worn out, lost, destroyed, damaged beyond repair or otherwise rendered unfit for use, the Borrower, at its own expense and expeditiously, will replace or cause the replacement of such parts or accessories by replacement parts or accessories free and clear of all liens and encumbrances and with a value and utility at least equal to that of the parts or accessories being replaced (assuming that such replaced parts and accessories were otherwise in good working order and repair). All such replacement parts and accessories shall be deemed to be incorporated immediately into and to constitute an integral portion of the Personal Property and, as such, shall be subject to the terms of this Agreement. Neither the Purchaser nor the Issuer shall have any responsibility in any of these matters, or for the making of improvements or additions to the Property.

Section 7.04. Insurance. (a) The Borrower shall maintain insurance in accordance with the requirements of Section 5.17 of the Covenants Agreement. Substitutions for or omissions from the required coverage may be made with the consent of the Purchaser.

(b) As among the Purchaser, the Borrower and the Issuer, the Borrower assumes all risks and liabilities from any cause whatsoever, whether or not covered by insurance, for loss or damage to any of the Property and for injury to or death of any person or damage to any property, whether such injury or death be with respect to agents or employees of the Borrower or of third parties, and whether such property damage be to the Borrower's property or the property of others. Whether or not covered by insurance, the Borrower hereby assumes responsibility for and agrees to reimburse the Purchaser and the Issuer for and will indemnify,

defend and hold the Purchaser and the Issuer harmless from and against all liabilities, obligations, losses, damages, penalties, claims, actions, costs and expenses (including reasonable attorneys' fees) of whatsoever kind and nature, imposed on, incurred by or asserted against the Purchaser or the Issuer that in any way relate to or arise out of this Agreement, the transactions contemplated hereby and the Property, including but not limited to, (i) the selection, manufacture, purchase, acceptance or rejection of the Property or the ownership of the Property, (ii) the delivery, lease, possession, maintenance, use, condition, return or operation of the Property, (iii) the condition of the Property sold or otherwise disposed of after possession by the Borrower, (iv) any patent or copyright infringement, (v) the conduct of the Borrower, its officers, employees and agents, (vi) a breach of the Borrower of any of its covenants or obligations hereunder, and (vii) any claim, loss, cost or expense involving alleged damage to the environment relating to the Property, including, but not limited to, investigation, removal, cleanup and remediation costs. All amounts payable by the Borrower pursuant to the immediately preceding sentence shall be paid immediately upon demand of the Issuer or the Purchaser, as the case may be. This provision shall survive the termination of this Agreement.

Section 7.05. Preservation of Corporate Existence. The Borrower will preserve and maintain its corporate existence and all of its rights, privileges and franchises necessary or desirable in the normal conduct of its business, and shall not dissolve, dispose of or spin off all or substantially all of its assets, or consolidate with or merge into another entity or entities, or permit one or more other entities to consolidate with or merge into it, except as provided in the Covenants Agreement.

Section 7.06. Tax Status. (a) The Borrower represents and warrants that (i) it is an organization described in Section 501(c)(3) of the IRC and it is not a "private foundation" as defined in Section 509 of the IRC; (ii) it has received letters from the Internal Revenue Service to that effect; (iii) such letters have not been modified, limited or revoked; (iv) it is in compliance with all terms, conditions and limitations, if any, contained in such letters; (v) the facts and circumstances which form the basis of such letters continue substantially to exist as represented to the Internal Revenue Service; and (vi) it is exempt from federal income taxes under Section 501(a) of the IRC. To the extent consistent with its status as a nonprofit organization, the Borrower agrees that it will not take any action or omit to take any action if such action or omission would cause any revocation or adverse modification of such federal income tax status of the Borrower.

(b) The Borrower shall not take or omit to take any action if such action or omission would (i) cause the Bond to be an "arbitrage bond" under Section 148 of the IRC, including, without limitation, as a result of computing the yield on any investment acquired with Bond proceeds other than on the basis of the "fair market value" (within the meaning of Treas. Reg. §1.148-5(d)(6)) of such investment at the time of acquisition, (ii) cause the Bonds to not meet any of the requirements of Section 149 of the IRC, or (iii) cause the Bonds to cease to be "qualified 501(c)(3) bonds" under Section 145 of the IRC. Without limiting the foregoing, the Borrower shall not permit the $150,000,000 nonhospital bond limitation of IRC §145(b) to be exceeded.

(c) Partly in furtherance of the foregoing, the Issuer and the Borrower are entering into the Tax Certificate with respect to matters of federal tax law pertaining to the

Bonds. Such Tax Certificate, including any provisions therein permitting amendment thereof or otherwise permitting the altering of actions allowed or required thereby upon receipt of an Opinion of Bond Counsel, will be treated as incorporated by reference herein and the Borrower shall comply with the covenants therein.

Section 7.07. Securities Law Status. The Borrower represents and warrants that it is an organization organized and operated exclusively for charitable purposes and not for pecuniary profit; and that no part of its net earnings inures to the benefit of any person, private stockholder or individual, all within the meaning of the Securities Act of 1933, as amended. The Borrower shall not take any action or omit to take any action if such action or omission would change its status as set forth in this section.

## ARTICLE VIII.
## RESERVED

## ARTICLE IX.
## PAYMENT OF PROJECT EXPENSES AND COSTS OF ISSUANCE

Project Expenses shall be paid from Series 2021B Bond Proceeds or the Project Fund established under Section 2.07 pursuant to one or more requisitions from the Borrower for qualifying Series 2021B Project expenses.

The Borrower will pay (subject, however, to the limitations set forth in the Tax Certificate) from the Expense Fund established under Section 2.08 pursuant to one or more requisitions from the Borrower for the costs of issuing the Bonds including the fees and expenses of bond counsel, the Issuer, the Purchaser, Purchaser's counsel, Borrower's counsel and advisors and any recording or similar fees, in accordance with this Agreement.

## ARTICLE X.
## DAMAGE TO OR DESTRUCTION OR TAKING OF THE PROPERTY

Section 10.01. Recovery of Insurance Proceeds. In the event of material damage to or destruction of all or any part of the Property, the parties will cooperate in order to recover any applicable proceeds of insurance under Section 5.19 of the Covenants Agreement.

Section 10.02. Eminent Domain. Should the Projects or any material part thereof be taken or damaged by reason of any public improvement or condemnation proceeding or in any other manner (a "Taking"), or should the Borrower receive any notice or other information regarding such proceeding, the Borrower and the Purchaser shall cooperate in order to recover any applicable proceeds as set forth in Section 5.20 of the Covenants Agreement.

Section 10.03. During Default. If an Event of Default exists the Purchaser may take all action necessary to recover the proceeds of insurance and of a Taking, including settling any claims with the insurers or taking authority, and any such proceeds shall be paid directly to the Purchaser.

## ARTICLE XI.
## ASSIGNMENT AND SELLING

Section 11.01. Transfer and Assignment by the Purchaser. This Agreement, and the right to receive payments hereunder: (i) may be subject to the grant of a participation interest by the Purchaser at any time subsequent to its execution; and/or (ii) may be assigned and reassigned in whole to any assignee or subassignee by the Purchaser at any time subsequent to its execution, upon transfer of the Bonds by the Purchaser to a subsequent registered owner of the Bonds. No such transfer and assignment or reassignment shall be effective unless and until the Issuer and the Borrower shall have received notice of the transfer and assignment or reassignment disclosing the name and address of the assignee or subassignee and unless and until the Issuer shall have issued a new Bond, naming the transferee and assignee as registered owner (which the Issuer shall have no obligation to do unless and until the Issuer has first received a canceled Bond naming the Purchaser as registered owner). Upon receipt of notice of assignment, the Borrower shall, with the assistance of the Issuer, furnish a new Bond to the transferee and assignee upon receipt of a cancelled Bond from the Purchaser and a duly executed assumption of the Purchaser's obligations under this Agreement by the transferee and assignee, and the Borrower shall thenceforth make all payments to the transferee and assignee designated in the notice of assignment, notwithstanding any claim, defense, setoff or counterclaim whatsoever (whether arising from a breach of this Agreement or otherwise) that the Issuer and the Borrower may from time to time have against the Purchaser or the assignee. Upon any such transfer and assignment, the Purchaser shall indemnify the Issuer and hold the Issuer harmless from and against all liabilities of the Issuer arising in connection with the cancellation of the Bond naming the Purchaser as registered owner and the issuance of a new Bond naming the transferee as registered owner. Subject to the foregoing, the Issuer and the Borrower agree to execute all documents, including notices of assignment and financing statements, which may be reasonably requested by the Purchaser or its assignee to protect their interest in the Property and in this Agreement; provided, however, that the Issuer and the Borrower shall be reimbursed by the Purchaser for all costs incurred by the Issuer in connection therewith.

Section 11.02. No Sale or Assignment by the Borrower. This Agreement and the interest of the Borrower in the Property may not be sold, assumed, assigned or encumbered by the Borrower without the prior written consent of the Purchaser, except in the cases of (i) Permitted Liens, (ii) obsolete equipment and facilities, (iii) items abandoned or replaced in the ordinary course of business; or (iv) Property not having a value in excess of two percent (2%) of the Borrower's gross revenues (as shown on its most recent audited financial statements) in any Fiscal Year.

## ARTICLE XII.
## EVENTS OF DEFAULT AND REMEDIES

Section 12.01. Events of Default. The following constitute "Events of Default" or singularly an "Event of Default" under this Agreement:

(a) failure by the Borrower to pay to the Purchaser, as assignee of the Issuer, any Debt Service Payment or to pay any other payment required to be paid hereunder, in any case, within five (5) days of when due;

(b) failure by the Borrower to maintain insurance on the Property in accordance with Section 7.04 hereof;

(c) failure by the Borrower or the Issuer to observe and perform any other covenant, condition or agreement of the Borrower or the Issuer, respectively, contained herein, in the other Transaction Documents or in any other document or agreement executed in connection herewith on its part to be observed or performed for a period of thirty (30) days after written notice is given to the Borrower or the Issuer, as the case may be, specifying such failure and requesting that it be remedied; provided, however, that, if the failure stated in such notice cannot be corrected within such 30-day period and so long as the Borrower commences and diligently proceeds to cure such default within said 30-day period, the time to cure such default shall be extended for an additional sixty (60) days;

(d) initiation by the Issuer of a proceeding under any federal or state bankruptcy or insolvency law seeking relief under such laws concerning the indebtedness of the Issuer;

(e) the Borrower shall be or become insolvent, or admit in writing its inability to pay its debts as they mature, or make an assignment for the benefit of creditors; or the Borrower shall apply for or consent to the appointment of any receiver, trustee or similar officer for them or for all or any substantial part of its property; or such receiver, trustee or similar officer shall be appointed without the application or consent of the Borrower (and shall not have been dismissed within sixty (60) days); or the Borrower shall institute (by petition, application, answer, consent or otherwise) any bankruptcy, insolvency, reorganization, arrangement, readjustment of debt, dissolution, liquidation or similar proceeding relating to them under the laws of any jurisdiction; or any such proceeding shall be instituted (by petition, application or otherwise) against the Borrower (and shall not have been dismissed within sixty (60) days); or any judgment, writ, warrant of attachment or execution or similar process shall be issued or levied against a substantial part of the property of the Borrower (and shall not have been dismissed within sixty (60) days);

(f) any material representation or warranty made by the Borrower or the Issuer herein, in the Tax Certificate, or in any other document executed in connection herewith was untrue in any material respect when made;

(g) the occurrence of a default or an event of default under any instrument, agreement or other document evidencing or relating to any indebtedness or monetary obligation of the Borrower (whether individually or in the aggregate) in an amount greater than $50,000 so that the holder of such indebtedness is entitled to, and does, accelerate such indebtedness;

(h) [Reserved];

(i) any representation or warranty made by the Borrower herein or in any certificate, agreement, statement or document simultaneously herewith or hereafter furnished to the Purchaser in connection herewith, including without limitation, any financial information disclosed to the Purchaser, shall prove to be materially false or incorrect in any material respect;

(j) the Borrower shall terminate its existence by merger, consolidation, sale of substantially all of its assets or otherwise;

(k) any event of default or breach of any of the Borrower's covenants or obligations to the Purchaser or any of the Purchaser's affiliates under any documents evidencing or securing any other loans from the Purchaser to the Borrower;

(l) [Reserved]; or

(m) the occurrence of a default or an event of default by the Borrower under the Covenants Agreement, which default or event of default is not cured within the applicable cure period (if any).

The Borrower shall promptly notify the Purchaser and the Issuer of the occurrence of any Event of Default or the occurrence or existence of any event or condition which, upon the giving of notice of lapse of time, or both, may become an Event of Default.

Section 12.02. Remedies on Default. Whenever any Event of Default shall have occurred and be continuing, the Purchaser may take any one or any combination of the following remedial steps insofar as the same are available to mortgagees under Chapter 479 of the New Hampshire Revised Statutes Annotated (or successor statute) and/or secured parties under Article 9 of the UCC in effect in the State from time to time and which are otherwise accorded to the Purchaser by applicable law:

(a) by notice to the Borrower and the Issuer, declare the entire unpaid principal amount of the Bonds and the Loan then outstanding, all interest accrued and unpaid thereon and all amounts payable under this Agreement to be forthwith due and payable, whereupon the Bonds and the Loan, all such accrued interest and all such amounts shall become and be forthwith due and payable, without presentment, notice of dishonor, protest or further notice of any kind, all of which are hereby expressly waived by the Borrower;

(b) proceed by appropriate court action to enforce specific performance by the Issuer or the Borrower of the applicable covenants of this Agreement or to recover for the breach thereof, including the payment of all amounts due from the Borrower. The Borrower shall pay or repay to the Purchaser and the Issuer all costs of such action or court action, including, without limitation, reasonable attorneys' fees; and

(c) take whatever action at law or in equity may appear necessary or desirable to enforce its rights with respect to the Property. The Borrower shall pay or repay to the Purchaser or the Issuer all costs of such action or court action, including, without limitation, reasonable attorneys' fees.

In addition, notwithstanding any contrary provision in this Agreement, the Issuer and its directors, officers, employees and agents shall have the right to take any action not prohibited by law or make any decision not prohibited by law with respect to proceedings for indemnity against the liability of such party and for collection or reimbursement of moneys due to such party under this Agreement. The Issuer and its directors, officers, employees and agents may enforce the Unassigned Rights by legal proceedings for the specific performance of any

obligation contained herein or for the enforcement of any other legal or equitable remedy, and may recover damages caused by any breach by the Borrower of its obligations to the Issuer under this Agreement, including, without limitation, any amounts required to be paid by the Borrower pursuant to Sections 4.03 and 13.01 hereof and court costs, reasonable attorney's fees and other costs and expenses incurred in enforcing such obligations. The Borrower hereby waives to the extent permitted by applicable law the application of the doctrine of marshaling with regard to Property securing the Loan and any Hedge Agreement.

Section 12.03. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Issuer is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Issuer to exercise any remedy reserved to it in this Agreement, it shall not be necessary to give any notice other than such notice as may be required by this Agreement. All remedies herein conferred upon or reserved to the Issuer shall survive the termination of this Agreement.

Section 12.04. Late Charge. Any Debt Service Payment not paid by the Borrower within ten (10) days of the due date thereof shall, to the extent permissible by law, bear a late charge equal to five percent (5.00%) of the amount of the payment, and the Borrower shall be obligated to pay the same immediately upon receipt of the Purchaser's written invoice therefor.

## ARTICLE XIII.
## MISCELLANEOUS

Section 13.01. Costs and Expenses of the Purchaser. The Borrower shall pay to the Purchaser an upfront fee of twenty five basis points (0.25%) of the amount of the Loan, due and payable at origination and shall pay such amounts in each year as shall be required by the Purchaser in payment of any reasonable costs and expenses incurred by the Purchaser in connection with the execution, performance or enforcement of this Agreement and the other Transaction Documents, including but not limited to payment of all reasonable fees, costs and expenses and all administrative costs of the Purchaser in connection with the Property, the Bonds and the Loan (including, without limitation, reasonable attorneys' fees and disbursements, fees of auditors or attorneys, insurance premiums not otherwise paid hereunder and all other direct and necessary administrative costs of the Purchaser or charges required to be paid by it in order to comply with the terms of, or to enforce its rights under, this Agreement, but not including general administrative or overhead expenses of the Purchaser). Such costs and expenses shall be billed to the Borrower by the Purchaser from time to time, together with a statement certifying that the amount so billed has been paid by the Purchaser for one or more of the items above described, or that such amount is then payable by the Purchaser for such items. Amounts so billed shall be due and payable by the Borrower within thirty (30) days after receipt of the bill by the Borrower.

Section 13.02. Disclaimer of Warranties. THE PURCHASER AND THE ISSUER MAKE NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS

TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR FITNESS FOR USE OF THE PROPERTY, OR ANY OTHER WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, WITH RESPECT HERETO. In no event shall the Purchaser or the Issuer be liable for any loss or damage in connection with or arising out of the Bonds, this Agreement, the Property or the existence, furnishing, functioning or the Borrower's use of any item or products or services provided for in this Agreement.

Section 13.03. Notices. All notices, certificates, certifications, requests, demands and other communications provided for hereunder or under the other Transaction Documents shall be in writing and shall be (a) personally delivered, (b) sent by first class United States mail, certified mail/return receipt requested (c) sent by overnight courier of national reputation, or (d) transmitted by telecopy, in each case addressed to the party to whom notice is being given at its address as set forth below and, if telecopied, transmitted to that party at its telecopier number set forth above or, as to each party, at such other address or telecopier number as may hereafter be designated by such party in a written notice to the other party complying as to delivery with the terms of this Section.

If to the Borrower:

Portsmouth Christian Academy
20 Seaborne Drive
Dover, New Hampshire 03820
Attention: Michael D. Runey, Head of School
Telephone: (603) 742-3617
Fax: [_____]

If to the Purchaser:

Bank of New Hampshire
62 Pleasant Street
Laconia, New Hampshire 03246
Attention: Debra Davis Thum, Vice President
Telephone: (603) 528-8156
Fax: [_____]

If to the Issuer:

Business Finance Authority of the State of New Hampshire
2 Pillsbury Street, Suite 201
Concord, New Hampshire 03301
Attention: James Key Wallace, Executive Director
Telephone: (603) 415-0191
Fax: [_____]

All such notices, requests, demands and other communications shall be effective upon receipt, except that notices sent by certified mail/return receipt requested, shall be considered received

upon the earlier of: (i) actual delivery; or (ii) five (5) Business Days following mailing. If notice to the Borrower of any intended disposition of the Property or any other intended action is required by law in a particular instance, such notice shall be deemed commercially reasonable if given (in the manner specified in this Section) at least ten (10) calendar days prior to the date of intended disposition or other action.

Section 13.04. Further Assurance and Corrective Instruments. The Issuer and the Borrower hereby agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such further acts, instruments, conveyances, transfers and assurances, as the Purchaser reasonably deems necessary or advisable for the implementation, correction, confirmation or perfection of this Agreement or the other Transaction Documents and any rights of the Purchaser hereunder or thereunder.

Section 13.05. Binding Effect: Time of the Essence. This Agreement shall inure to the benefit of and shall be binding upon the Purchaser, the Issuer, the Borrower and their respective successors and assigns.

Section 13.06. Severability. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 13.07. Amendments. To the extent permitted by law, the terms of this Agreement shall not be waived, altered, modified, supplemented or amended in any manner whatsoever except by written instrument signed by the parties hereto, and then such waiver, consent, modification or change shall be effective only in the specific instance and for the specific purpose given.

Section 13.08. Execution in Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute one and the same instrument, and any of the parties hereto may execute this Agreement by signing any such counterpart.

Section 13.09. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State.

Section 13.10. Captions. The captions or headings in this Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Agreement.

Section 13.11. Entire Agreement. The Transactions Documents, and the exhibits hereto and thereto constitute the entire agreement among the Purchaser, the Issuer, as applicable, and the Borrower. There are no understandings, agreements, representations or warranties, express or implied, not specified herein or in such documents regarding this Agreement or the Property financed or refinanced hereby.

Section 13.12. Usury. It is the intention of the parties hereto to comply with any applicable usury laws; accordingly, it is agreed that, notwithstanding any provisions to the contrary in this Agreement, in no event shall this Agreement require the payment or permit the

collection of interest or any amount in the nature of interest or fees in excess of the maximum permitted by applicable law.

Section 13.13. Waiver of Jury Trial. EACH OF THE PURCHASER, THE ISSUER AND THE BORROWER HEREBY WAIVES ITS RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF, DIRECTLY OR INDIRECTLY, THIS AGREEMENT, ANY OF THE TRANSACTION DOCUMENTS, ANY DEALINGS AMONG THE PURCHASER, THE ISSUER OR THE BORROWER RELATING TO THE SUBJECT MATTER OF THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT OR ANY RELATED TRANSACTIONS, AND/OR THE RELATIONSHIP THAT IS BEING ESTABLISHED AMONG THE PURCHASER, THE ISSUER AND THE BORROWER. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT (INCLUDING, WITHOUT LIMITATION, CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS). THIS WAIVER MAY NOT BE MODIFIED ORALLY AND THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT, ANY RELATED DOCUMENTS, OR TO ANY OTHER DOCUMENTS OR AGREEMENTS RELATING TO THE TRANSACTIONS CONTEMPLATED BY THE TRANSACTION DOCUMENTS OR ANY RELATED TRANSACTIONS. IN THE EVENT OF LITIGATION, THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

Section 13.14. No Personal Liability or Accountability. No covenant, stipulation, obligation or agreement contained herein shall be deemed to be the covenant, stipulation, obligation or agreement of any present, past or future director, member, officer, agent or employee of the Issuer in his or her individual capacity, and the directors, officers, employees or agents of the Issuer and any official of the Issuer executing any of the documents referred to in this sentence shall not be liable personally with respect to such documents or be subject to any personal liability or accountability by reason of the execution and delivery thereof.

Section 13.15. Termination. When all Debt Service Payments have been made in accordance with the terms of this Agreement and all other amounts owed to the Purchaser or the Issuer or their respective directors, officers, employees and agents have been paid or provided for to the satisfaction of the Purchaser and the Issuer, this Agreement (but not the provisions of Sections 2.01 and 4.06 and 13.17 and any other provisions which are to survive termination hereof) shall terminate and the Purchaser or the Issuer, at the request and expense of the Borrower, shall execute such documents or instruments as may be reasonably requested by the Borrower to defease any Lien created by the Purchaser or the Issuer under this Agreement upon the Property.

Section 13.16. Survival of Covenants, Etc. All covenants, agreements, representations and warranties made herein and in certificates delivered in connection herewith shall be deemed to have been relied on by the Purchaser and the Issuer, notwithstanding any investigation made by the Purchaser or the Issuer, or in their behalf, and shall survive the execution and delivery of this Agreement until payment in full of the Loan. All such covenants, agreements,

representations and warranties shall inure to the benefit of the Borrower's and the Purchaser's and the Issuer's successors and assigns, whether so expressed or not.

Section 13.17. Indemnification of the Purchaser by the Borrower. The Borrower, regardless of any agreement to maintain insurance, shall indemnify and save harmless, to the fullest extent permitted by law, the Purchaser and its directors, officers, employees and agents from and against (a) any and all claims by or on behalf of any person arising out of (1) any condition of the Property, or (2) the acquisition, or operation of the Property or any work or anything whatsoever done or omitted to be done on or about the Property, or (3) any accident, injury or damage whatsoever to any person occurring on or about the Property, or (4) any breach or default by the Borrower of or in any of its obligations hereunder, or (5) any act or omission of the Borrower or any of its agents, contractors, servants, employees or licensees, or (6) the offering, issuance, sale or any resale of this Agreement or the Loan, but only to the extent permitted by law, and (b) any and all costs, reasonable counsel fees, expenses or liabilities reasonably incurred in connection with any such claim or any action or proceeding brought thereon. In case any action or proceeding is brought against the Purchaser or any of its directors, officers, employees or agents by reason of any such claim, the Borrower, upon notice from the affected party, shall resist or defend such action or proceeding. Subject to the foregoing, the Purchaser shall cooperate and join with the Borrower, at the expense of the Borrower, as may be required in connection with any action or defense by the Borrower. This indemnification shall survive the termination or defeasance of this Agreement.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement in their respective corporate names by their duly authorized officers, all as of the date first written above.

BANK OF NEW HAMPSHIRE ("Purchaser")

By:_____
Name: Debra Davis Thum
Title: Vice President

BUSINESS FINANCE AUTHORITY OF THE STATE OF NEW HAMPSHIRE
("Issuer")

By:_____
Name: James Key-Wallace
Title: Executive Director

PORTSMOUTH CHRISTIAN ACADEMY
("Borrower")

By:_____
Name:
Title:

EXHIBIT A

DEBT SERVICE PAYMENTS

See the attached amortization schedule for the Debt Service Payments related to the Series 2021A Bonds. Per Section 2.03, if the Borrower elects to have the Purchaser continue to hold the Series 2021A Bonds after the Initial Interest Rate Period, the Purchaser shall deliver a revised amortization schedule to reflect the changes in payment due to the adjustment of the Interest Rate.

The Series 2021B Bonds are drawdown bonds. Within 10 days after the Drawdown End Date, the Purchaser shall deliver an amortization schedule reflecting the quarterly payments of principal and interest due (amortized over 336 months from the Drawdown End Date). Per Section 2.03, if the Borrower elects to have the Purchaser continue to hold the Series 2021B bonds after the Initial Interest Rate Period, the Purchaser shall deliver a revised amortization schedule to reflect the changes in payment due to the adjustment of the Interest Rate.

EXHIBIT B

PERMITTED LIENS

1. The liens established pursuant to the Mortgage, Security Agreement and Financing Statement

2. [The lien in favor of U.S. Bank Equipment Finance reflected in UCC Financing Statement # 120405373525 filed with the New Hampshire Secretary of State]

3. All liens and other encumbrances of records shown in the title policy issued by First American Title Insurance Company in favor of Bank of New Hampshire on or about August __, 2021 with respect to the Borrower's real estate at 20 Seaborne Drive, Dover, New Hampshire

4. First priority lien and security interest in the Personal Property in favor of the Purchaser related the line of credit provided by the Purchaser to the Borrower.

EXHIBIT C

BOND FORM

[$_____][Up to $_____] No. R[A][B]-1

BUSINESS FINANCE AUTHORITY OF THE STATE OF NEW HAMPSHIRE
REVENUE BONDS
(PORTSMOUTH CHRISTIAN ACADEMY ISSUE)
SERIES 2021[A][B]

REGISTERED OWNER: BANK OF NEW HAMPSHIRE

MATURITY DATE: AUGUST 1, 2041

DATE OF ISSUE: AUGUST __, 2021

THIS BOND DOES NOT CONSTITUTE AN INDEBTEDNESS OF THE STATE OF NEW HAMPSHIRE OR OF THE BUSINESS FINANCE AUTHORITY OF THE STATE OF NEW HAMPSHIRE EXCEPT TO THE EXTENT PERMITTED BY NEW HAMPSHIRE RSA 162-I. ALL AMOUNTS OWED HEREUNDER ARE PAYABLE ONLY FROM THE SOURCES PROVIDED IN THE AGREEMENT DESCRIBED BELOW, AND NO PUBLIC FUNDS MAY BE USED FOR THAT PURPOSE.

This Bond is the one instrument representing an aggregate borrowing of $[_____], consisting of $_____ Revenue Bonds (Portsmouth Christian Academy Issue), Series 2021A (the "Series 2021A Bond")[, of which this bond is one] and the up to $_____ Revenue Bonds (Portsmouth Christian Academy Issue), Series 2021B (the "Series 2021B Bond")[, of which this bond is one], under New Hampshire RSA 162-I and pursuant to a Loan and Security Agreement dated as of August 1, 2021 (the "Agreement"), among Portsmouth Christian Academy (the "Borrower"), the Business Finance Authority of the State of New Hampshire (the "Authority") and Bank of New Hampshire, as the Purchaser (the "Purchaser"). Terms used herein that are not otherwise defined shall have the meaning given to such terms in the Agreement.

The Authority, for value received, promises to pay to the Registered Owner (as specified above) or registered assigns, but only from the special funds hereinafter described, the principal sum of [*2021A:* _____ Dollars ($_____)][*2021B:* up to _____ Dollars ($_____), but in no event more than the amount equal to the aggregate amount drawn down from time to time in accordance with the provisions of the Agreement], in installments as described below, commencing on [*2021A:* November 1, 2021][*2021B:* November 1, 2023] and quarterly thereafter on February 1, May 1, August 1 and November 1 of each year, with the remaining principal balance due on the MATURITY DATE, unless paid earlier as provided below, and to pay interest (computed on the basis of a 360-day year based on the actual number of days elapsed) on the unpaid balance of principal outstanding from time to time commencing November 1, 2021 and quarterly thereafter on February 1, May 1, August 1 and November 1 of each year, until paid in full, at the Interest Rate during each Interest Period.

"Interest Rate" shall mean an interest rate established in accordance with the Agreement. The Interest Rate on this Bond during the Initial Interest Rate Period shall be the Initial Interest Rate. "Initial Interest Rate" means a fixed rate of interest equal to two and ninety-five one hundredths percent (2.95%), subject to adjustment as provided in Section 2.02 of the Agreement.

"Interest Rate Period" shall mean each period during which an Interest Rate is in effect. After the Initial Interest Rate Period, the Interest Rate Period shall be any period from and including the day next succeeding the end of the prior Interest Rate Period to and including any day not later than the maturity date of this Bond, all in accordance with Section 2.02 of the Agreement.

[*2021B:* This Bond is intended to be issued as a "drawdown" bond, as set forth in the Agreement, with the Purchaser delivering the purchase price in installments as set forth in the Agreement. Except as otherwise set forth in the Agreement, the entire principal amount of this Bond shall be drawn down on or before August __, 2023 (the "Drawdown End Date").]

The Initial Interest Rate Period for this Bond shall commence on the Closing Date and end on August 1, 2031. No interest shall accrue prior to the original date of delivery of this Bond, which date is endorsed hereon. [*2021B:* Interest only payments based on the principal amount of this Bond outstanding from time to time shall be made through the Drawdown End Date; thereafter, payments][*2021A:* Payments] shall be made in combined installments of principal plus interest, based upon the Interest Rate and an amortization schedule calculated over [*2021A:* three hundred and sixty (360) months in accordance with the attached Exhibit A][*2021B*: three hundred and thirty-six (336) months) in accordance with a schedule to be provided by the Purchaser within 10 days after the Drawdown End Date] ("Debt Service Payments"). Notwithstanding anything herein to the contrary, the entire principal balance, together with all interest accrued hereon and related costs and expenses, shall be due and payable in full immediately and without demand or notice from the Purchaser on the last day of each Interest Rate Period; provided, however, that if the Borrower elects to have this Bond continue to be held by the Purchaser for the ten (10) year period following the end of the Initial Interest Rate Period, the Interest Rate for this Bond during such subsequent ten (10) year Interest Rate Period shall be a fixed rate based on the then-current 10-year Federal Home Loan Bank Boston Long-Term Classic Advance CDA (Community Development Advance) rate plus 170 basis points, provided that such rate shall be no lower than 2.95%. If the Borrower does not elect to have the Purchaser continue to hold this Bond for a ten (10) year period following the Initial Interest Rate Period, this Bond shall be remarketed at par by a remarketing agent selected by the Borrower and reasonably acceptable to the Issuer. Such remarketing may be for any period from the end of the Initial Interest Rate Period through the final maturity of this Bond and may carry Interest based on a fixed rate, a variable rate or a combination of a fixed rate and a variable rate. In addition, if the Borrower does not elect to have the Purchaser continue to hold this Bond for a ten (10) year period following the Initial Interest Rate Period, then for the immediately succeeding and each further Interest Rate Period, this Bond may only be remarketed if the Borrower provides the Issuer with an opinion of nationally recognized bond counsel that Interest on this Bond during each such subsequent Interest Rate Period shall be excluded from gross income for federal income tax purposes.

Pursuant to the Agreement, the Borrower has agreed to repay such aggregate borrowing in the amounts and at the times necessary to enable the Authority to pay the principal, premium, if any, and interest on this Bond and the Authority has pledged such funds to the Purchaser. Reference is hereby made to the Agreement for a description of the property in which a security interest has been granted and for the provisions thereof with respect to the rights, limitations of rights, duties, obligations and immunities of the Borrower, the Authority, the Purchaser and the Registered Owner hereof, including the order of payments in the event of insufficient funds, the

disposition of unclaimed moneys and restrictions on the rights of the Registered Owner to bring suit. The Agreement may be amended to the extent and in the manner provided therein.

Payments prior to the final payment of this Bond, including partial prepayments of principal, shall be made for the account of the Authority by check or draft delivered or mailed to the Registered Owner, at its address as appearing in the bond register kept by the Purchaser or in such other manner as the Borrower and the Registered Owner hereof may determine from time to time. Final payment of this Bond shall be made upon presentation and surrender hereof for cancellation at the office of the Borrower.

Upon the occurrence of an Event of Default, including an Event of Taxability (in which case the provisions of the Agreement relating to increased Debt Service Payments on the Bonds shall apply), the then outstanding principal amount of this Bond, together with accrued interest on this Bond may be declared due and payable in the manner and with the effect provided in the Agreement.

This Bond is prepayable, in whole or in part, at any time as provided in the Agreement by paying the amounts due in accordance with the Agreement. The Borrower shall give the Registered Owner hereof notice of any prepayment of this Bond at least thirty (30) days before the prepayment date in accordance with the Agreement. Notice of prepayment having been given as required by the Agreement, interest on the principal to be prepaid shall cease to accrue on the date fixed for prepayment. By accepting this Bond, the Registered Owner agrees, upon any partial prepayment, to complete the Notation of Prepayment of Principal hereon. In the event of the prepayment of less than all of the outstanding principal of this Bond, the installments of principal shall be prepaid in such chronological order as the Borrower shall direct.

If the interest on this Bond during any period is includable for federal income tax purposes in the gross income of the owner hereof (other than for a period for which the collection of the applicable federal income tax from the owner is barred by statute of limitations or otherwise and except where the Registered Owner is a "substantial user" of the facilities financed with the proceeds of this Bond pursuant to the terms of the Agreement or a "related person" within the meaning of Section 147 of the Internal Revenue Code of 1986, as amended, and related regulations) (an "Event of Taxability"), this Bond shall bear interest for such period and thereafter at an amount equal to the sum of the Interest Rate and the Gross-Up Rate set forth in the Agreement. In addition, whether or not a Determination of Taxability occurs before or after this Bond and the Loan are paid in full, the Borrower shall make immediately upon demand of the Purchaser a payment to the Purchaser sufficient to pay the difference between all prior Debt Service Payments and related Bond Payments at the then applicable Interest Rate and the Gross-Up Rate from the date of the Event of Taxability to the date of the Determination of Taxability. Reference is hereby made to the Agreement for further provisions relating to the payment of interest at the Gross-Up Rate.

The rights of the Registered Owner hereunder are subject to and coextensive with the rights of the Purchaser under the Agreement, it being understood that the Purchaser and the Registered Owner are and shall be the same person.

This Bond may not be transferred or assigned unless and until the Authority and the Borrower shall have received notice of the transfer and assignment or reassignment disclosing the name and address of the assignee or subassignee and unless and until the Authority shall have issued a new Bond, naming the transferee and assignee as registered owner (which the Authority shall have an obligation to do when the Authority first receives a canceled Bond naming the Purchaser as registered owner). The Authority may treat the person in whose name this Bond is registered as the absolute owner hereof for all purposes and shall not be affected by any notice to the contrary.

[Signature Page Follows]

NO DIRECTOR, OFFICER, EMPLOYEE OR AGENT OF THE AUTHORITY NOR ANY PERSON EXECUTING THIS BOND SHALL BE PERSONALLY LIABLE, EITHER JOINTLY OR SEVERALLY, HEREON OR BE SUBJECT TO ANY PERSONAL LIABILITY OR ACCOUNTABILITY BY REASON OF THE ISSUANCE HEREOF.

Dated: August __, 2021

BUSINESS FINANCE AUTHORITY OF THE STATE OF NEW HAMPSHIRE

(Seal)

By: _____
Chairman

By: _____
Executive Director

[*2021A:* EXHIBIT A

DEBT SERVICE PAYMENTS

See the attached amortization schedule for the Debt Service Payments related to the Series 2021A Bond. Per Section 2.03 of the Agreement, if the Borrower elects to have the Purchaser continue to hold the Series 2021A Bond after the Initial Interest Rate Period, the Purchaser shall deliver a revised amortization schedule to reflect the changes in payment due to the adjustment of the Interest Rate.

[Insert 2021A Amortization Schedule]]

EXHIBIT D

FORM OF REQUISITION

**Expense Fund Requisition Form**

**Expense Fund Payment Request No. _____**

**Loan and Security Agreement Dated as of August 1, 2021 ("Agreement")**

**Purchaser: Bank of New Hampshire**

**Borrower: Portsmouth Christian Academy**

The Borrower hereby requests the Purchaser to make payments constituting costs of issuance relating to the $_____ Business Finance Authority of the State of New Hampshire Revenue Bonds (Portsmouth Christian Academy Issue), Series 2021A and $_____ Business Finance Authority of the State of New Hampshire Revenue Bonds (Portsmouth Christian Academy Issue), Series 2021B (together, the "Bonds") from the Expense Account established under the Agreement to the parties shown on the Closing Memorandum attached hereto by wire transfers or at the addresses set forth thereon.

In connection therewith, the undersigned officer of the Borrower hereby certifies as follows:

1. All of the provisions of the Agreement are incorporated herein by reference and capitalized terms used herein shall have the meanings assigned to them in the Agreement.

2. The payments to be made to the payees are for the costs of executing and delivering the Agreement and the other documents relating to the Bonds, and the payments have not been the basis for a prior request which has been paid.

3. The undersigned has reviewed the Tax Certificate, and the payment of this requisition will not result in any proceeds of the Bonds being expended in violation of the Tax Certificate.

4. All of the Borrower's representations, covenants and warranties contained in the Agreement and the other document relating to the Bonds were true and accurate in all material respects as of the date made, and remain true and accurate in all material respects as of the date of this requisition, and the Borrower has fully and satisfactorily performed all of its covenants and obligations to date required under the Agreement and the other documents relating to the Bonds.

5. No event or condition that constitutes, or with notice or lapse of time or both would constitute, an Event of Default under the Agreement or the other documents relating to the Bonds.

Dated: _____, 20__

PORTSMOUTH CHRISTIAN ACADEMY

By: _____
Name:
Title:

## 2021B Bond Proceeds/ Project Fund Requisition Form

**2021B Bond Proceeds/ Project Fund Payment Request No. _____**

**Loan and Security Agreement Dated as of August 1, 2021 ("Agreement")**

**Purchaser: Bank of New Hampshire**

**Borrower: Portsmouth Christian Academy**

The Borrower hereby requests the Purchaser to make payments constituting "Project Costs" relating to the $_____ Business Finance Authority of the State of New Hampshire Revenue Bonds (Portsmouth Christian Academy Issue), Series 2021B (the "Bonds") from [2021B Bond Proceeds][the Project Account established under the Agreement] to the parties set forth below:

[INSERT NAMES OF PAYEES AND PAYMENT DIRECTIONS]

In connection therewith, the undersigned officer of the Borrower hereby certifies as follows:

1. All of the provisions of the Agreement are incorporated herein by reference and capitalized terms used herein shall have the meanings assigned to them in the Agreement.

2. The payments to be made to the payees are for "Project Costs" as such term is defined in the Agreement and the other documents relating to the Bonds, and the payments have not been the basis for a prior request which has been paid. Copies of all invoices with respect to such Project Costs are attached hereto.

3. The undersigned has reviewed the Tax Certificate, and the payment of this requisition will not result in any proceeds of the Bonds being expended in violation of the Tax Certificate.

4. All of the Borrower's representations, covenants and warranties contained in the Agreement and the other document relating to the Bonds were true and accurate in all material respects as of the date made, and remain true and accurate in all material respects as of the date of this requisition, and the Borrower has fully and satisfactorily performed all of its covenants and obligations to date required under the Agreement and the other documents relating to the Bonds.

5. No event or condition that constitutes, or with notice or lapse of time or both would constitute, an Event of Default under the Agreement or the other documents relating to the Bonds.

Dated: _____, 20__

PORTSMOUTH CHRISTIAN ACADEMY

By: _____
Name:
Title:

A RESOLUTION AUTHORIZING $11,500,000 BONDS
FOR A PROJECT FOR
PORTSMOUTH CHRISTIAN ACADEMY

WHEREAS, the State of New Hampshire Business Finance Authority (the "Authority") has been requested by Portsmouth Christian Academy (or any subsidiary or affiliate thereof, the "Borrower") to finance and refinance the acquisition, construction, renovation, furnishing and equipping of its school facilities in Dover, New Hampshire (the "Project") by issuing up to $11,500,000 of tax-exempt revenue bonds (the "Bonds") under RSA 162-I (the "Act");

WHEREAS, the Authority took official action with respect to the Project by passing a resolution on July 19, 2021 approving the issue of up to $11,500,000 of Bonds; and

WHEREAS, the Authority has been furnished with (a) information and materials about the Borrower, the Project and unemployment in the Dover area, (b) evidence that Bank of New Hampshire (the "Bank") is willing to purchase the Bonds, (c) the proposed form of LOAN AND SECURITY AGREEMENT (the "Agreement") among the Authority, the Borrower and a trustee to be named therein, which is a combined financing and security document and which will secure the Bonds, and (d) other information, materials and assurances deemed relevant by the Authority;

IT IS HEREBY RESOLVED THAT:

Section 1. Findings. On the basis of the information, materials and assurances received by the Authority and considered by it at an open meeting, the Authority finds:

(a) Special Findings:

(1) The Project (as completed, the "Facility") consists of (a) upgrades to the HVAC system, roof replacements and the acquisition of property adjacent to the Borrower's campus located at 20 Seaborne Drive, Dover, New Hampshire (the "Campus") for the expansion of the Borrower's current athletic field and (b) the refinancing of certain bonds previously issued by the Authority for the benefit of the Borrower (the "2013 Bonds"), which 2013 Bonds were used to refinance the acquisition of the Campus and the construction of the school facilities thereon. The Project is within the definition of "Commercial facility" in the Act and may be financed and refinanced under the Act; and

(2) The establishment and operation of the Facility will create and preserve employment opportunities directly and indirectly within the State and is of a general benefit to the community as a whole.

(b) General Findings:

(1) The Project and the proposed financing and refinancing of the Project are feasible;

(2) The Borrower has demonstrated the skills and financial resources necessary to operate the Facility successfully;

(3) The Agreement contains provisions so that under no circumstances will the Authority be obligated directly or indirectly to pay Project costs, debt service or expenses of operation, maintenance and upkeep of the Facility except from Bond proceeds or from funds received under the Agreement, exclusive of funds received thereunder by the Authority for its own use;

(4) The Agreement does not purport to create any debt of the State with respect to the Facility, other than a special obligation of the Authority acting on behalf of the State under the Act; and

(5) The proposed financing and refinancing of the Project by the Authority and the continued operation and use of the Facility will serve one or more needs and implement one or more purposes set forth in RSA 162-I:1, will preserve or increase the social 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.

Section 2. Determination and Recommendation. The Authority finds that the proposed financing, refinancing, operation and use of the Facility serves a public use and provides a public benefit and determines that the Authority's financing and refinancing of the Project 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 is directed to transmit to the Governor and Council copies of this resolution, the materials received by the Authority with respect to the Project and any other documentation and information the Governor and Council may request.

Section 3. Authorization of the Agreements. The Authority shall be a party to one or more Agreements, and the Chairman, Vice Chairman, Treasurer and Executive Director are each authorized to execute and deliver one or more Agreements on behalf of the Authority substantially in the form of the Agreement presented to this meeting but subject to such changes as the person so signing may approve, his or her signature being conclusive identification of the document as the Agreement (with approved changes, if any) authorized by this resolution.

Section 4. Authorization and Sale of the Bonds. The Authority shall issue the Bonds, in one or more series or subseries, at the same time or at separate times, provided that the aggregate amount of the Bonds shall not exceed $11,500,000, pursuant to one or more Agreements; the Chairman, or the Vice Chairman, or the Treasurer, and any other member of the Board or the

Executive Director, are authorized to execute the Bonds; and the placement of the Bonds at the price of par and with a floating interest rate to the Bank is hereby authorized and approved.

Section 5. Actions Not to Be Taken Until After Approval by Governor and Council. The actions authorized by Sections 3 and 4 above (meaning specifically the execution of the Agreement and the issue of the Bonds) shall not be taken until such time as the Governor and Council have made the findings and determination required by Section 9 of 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 the Governor and Council as required by the Act.

Section 6. Bond Proceeds. The proceeds of the Bonds may be deposited with a trustee or disbursing agent to be named in the Agreement; and checks, if any, for such Bond proceeds may be appropriately endorsed by the Chairman, Vice Chairman, Treasurer or the Executive Director.

Section 7. Approval of Project. The establishment of the Project, all in accordance with the provisions of the Agreements, is hereby approved for the purposes of, and to the extent required by, the Act.

Section 8. Other Actions by Officers. The Chairman, Vice Chairman, Treasurer and the Executive Director are each authorized to take all other actions and execute, deliver or receive such instruments or certificates as they determine are necessary on behalf of the Authority in connection with the whole transaction authorized by the preceding sections of this resolution, but subject in all events to Section 5 hereof. Without limiting the generality of the foregoing, such officers may execute and deliver: receipts; financing statement forms under the Uniform Commercial Code; certificates as to facts, estimates and circumstances; information returns for governmental bond issues for the purposes of federal income taxes; and certificates as to proceedings taken, incumbency of officers or any other facts for any other purposes.

Section 9. Discharge of Lien. The Chairman, Vice Chairman, Treasurer or Executive Director, whenever requested by the owners of the Bonds, may join in the partial release or final discharge of the lien of the Agreements.

Section 10. Authorization of Change of Dates. Without limiting any other discretion conferred in this resolution, the date(s) of the Agreements and the date(s) of the Bonds as executed may be any date or dates acceptable to the Borrower, the Bank and the officers of the Authority executing the Agreements and the Bonds.

Section 11. Effective Date. This resolution shall take effect upon its passage.

Passed: July 19, 2021

Attest: _____
Clerk

# NOT SEASONALLY ADJUSTED ESTIMATES BY PLACE OF RESIDENCE

## Labor Force Estimates

| New Hampshire | Apr-21 | Mar-21 | Apr-20 |
|---|---|---|---|
| Total Civilian Labor Force | 743,540 | 749,470 | 728,130 |
| Employed | 723,510 | 725,780 | 610,560 |
| Unemployed | 20,030 | 23,690 | 117,570 |
| Unemployment Rate | 2.7% | 3.2% | 16.1% |

| United States (# in thousands) | Apr-21 | Mar-21 | Apr-20 |
|---|---|---|---|
| Total Civilian Labor Force | 160,379 | 160,397 | 155,830 |
| Employed | 151,160 | 150,493 | 133,326 |
| Unemployed | 9,220 | 9,905 | 22,504 |
| Unemployment Rate | 5.7% | 6.2% | 14.4% |

## Unemployment Rates by Area

| Counties | Apr-21 | Mar-21 | Apr-20 |
|---|---|---|---|
| Belknap | 2.9% | 3.5% | 18.5% |
| Carroll | 3.3% | 3.9% | 21.7% |
| Cheshire | 3.0% | 3.2% | 13.9% |
| Coös | 3.8% | 4.2% | 20.2% |
| Grafton | 2.7% | 2.9% | 15.0% |
| Hillsborough | 2.8% | 3.2% | 16.3% |
| Merrimack | 2.4% | 2.9% | 14.1% |
| Rockingham | 2.6% | 3.1% | 17.1% |
| Strafford | 2.5% | 2.9% | 15.2% |
| Sullivan | 2.6% | 2.8% | 12.1% |

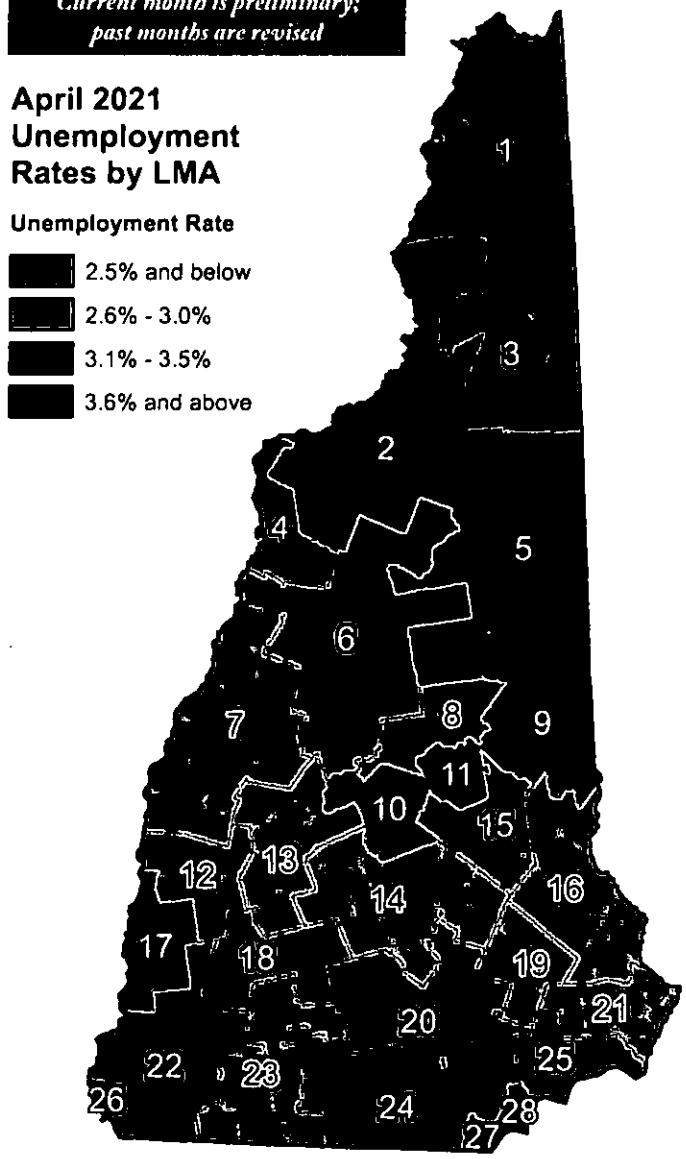
| Map Key | Labor Market Areas | Apr-21 | Mar-21 | Apr-20 |
|---|---|---|---|---|
| 1 | Colebrook, NH-VT LMA, NH Portion | 4.5% | 4.2% | 22.7% |
| 2 | Littleton, NH-VT LMA, NH Portion | 3.3% | 3.7% | 19.6% |
| 3 | Berlin NH Micropolitan NECTA | 3.8% | 4.4% | 20.2% |
| 4 | Haverhill, NH LMA | 3.9% | 4.0% | 14.4% |
| 5 | Conway, NH-ME LMA, NH Portion | 3.4% | 3.9% | 25.7% |
| 6 | Plymouth, NH LMA | 2.6% | 2.9% | 19.1% |
| 7 | Lebanon, NH-VT Micropolitan NECTA, NH Portion | 2.3% | 2.4% | 10.0% |
| 8 | Meredith, NH LMA | 2.5% | 3.0% | 17.6% |
| 9 | Wolfeboro, NH LMA | 3.2% | 4.0% | 17.9% |
| 10 | Franklin, NH LMA | 3.2% | 4.0% | 19.6% |
| 11 | Laconia, NH Micropolitan NECTA | 3.2% | 3.8% | 19.8% |
| 12 | Expanded Claremont, NH estimating area | 2.5% | 2.9% | 12.9% |
| 13 | New London, NH LMA | 2.2% | 2.6% | 12.3% |
| 14 | Concord, NH Micropolitan NECTA | 2.3% | 2.8% | 13.6% |
| 15 | Belmont, NH LMA | 2.7% | 3.5% | 17.1% |
| 16 | Dover-Durham, NH-ME Metropolitan NECTA, NH Portion | 2.5% | 2.9% | 15.2% |
| 17 | Charlestown, NH LMA | 3.3% | 3.1% | 11.3% |
| 18 | Hillsborough, NH LMA | 2.6% | 3.0% | 12.9% |
| 19 | Raymond, NH LMA | 2.3% | 2.9% | 15.5% |
| 20 | Manchester, NH Metropolitan NECTA | 2.7% | 3.1% | 16.2% |
| 21 | Portsmouth, NH-ME Metropolitan NECTA, NH Portion | 2.4% | 2.9% | 15.8% |
| 22 | Keene, NH Micropolitan NECTA | 2.9% | 3.2% | 14.3% |
| 23 | Peterborough, NH LMA | 2.4% | 2.9% | 12.3% |
| 24 | Nashua, NH-MA NECTA Division, NH Portion | 2.7% | 3.2% | 16.6% |
| 25 | Seabrook-Hampstead Area, NH Portion, Haverhill-Newburyport-Amesbury MA-NH NECTA Division | 2.9% | 3.6% | 18.8% |
| 26 | Hinsdale Town, NH Portion, Brattleboro, VT-NH LMA | 5.7% | 4.5% | 20.0% |
| 27 | Pelham Town, NH Portion, Lowell-Billerica-Chelmsford, MA-NH NECTA Division | 3.1% | 3.8% | 18.5% |
| 28 | Salem Town, NH Portion, Lawrence-Methuen-Salem, MA-NH NECTA Division | 3.2% | 3.7% | 19.6% |

## Unemployment Rates by Region

| Not Seasonally Adjusted | Apr-21 | Mar-21 | Apr-20 |
|---|---|---|---|
| United States | 5.7% | 6.2% | 14.4% |
| Northeast | 6.8% | 7.5% | 15.5% |
| New England | 5.7% | 6.4% | 13.8% |
| Connecticut | 7.6% | 8.2% | 8.4% |
| Maine | 5.3% | 5.4% | 9.8% |
| Massachusetts | 5.9% | 6.6% | 16.3% |
| New Hampshire | 2.7% | 3.2% | 16.1% |
| Rhode Island | 5.1% | 7.2% | 17.5% |
| Vermont | 3.0% | 3.2% | 15.0% |
| Mid Atlantic | 7.2% | 7.9% | 16.2% |
| New Jersey | 7.2% | 7.8% | 16.4% |
| New York | 7.8% | 8.4% | 16.2% |
| Pennsylvania | 6.1% | 7.3% | 15.9% |

*Current month is preliminary; past months are revised*

**April 2021 Unemployment Rates by LMA**



# SUMMARY OF REQUIRED STATUTORY FINDINGS OF THE GOVERNOR AND COUNCIL UNDER RSA 162-I.

The materials appearing in quotations below are extracts from RSA 162-I:9. Dots indicate deleted provisions relating to pollution control projects or other matters which are not relevant to this transaction.

* * *

Special Findings

"(1) For any project, the governor and council shall specify the type of facility and shall find that the project to be financed is within the definition of the (type of facility) and may be financed under this chapter;"

The Project consists of (a) upgrades to the HVAC system, roof replacements and the acquisition of property adjacent to the Borrower's campus located at 20 Seaborne Drive, Dover, New Hampshire (the "Campus") for the expansion of the Borrower's current athletic field and (b) the refinancing of certain bonds previously issued by the Authority for the benefit of the Borrower (the "2013 Bonds"), which 2013 Bonds were used to refinance the acquisition of the Campus and the construction of the school facilities thereon.

The Project is within the definition of "Commercial facility" in the Act and may be financed under the Act; and

* * *

"(2) If the facility is a commercial facility, the governor and council shall find that the establishment and operation of the facility will either create or preserve employment opportunities directly or indirectly within the state and will likely be of general benefit to the community as a whole;"

The Borrower expects the Project to enable it to preserve existing jobs and to create a general benefit to the community as a whole by providing essential community services. (Please see Tab #3.) The information from the New Hampshire Employment Security, Economic and Labor Market Information Bureau (Tab #7) shows that there is unemployment in the Dover area.

* * *

General Findings

"For any project, the governor and council shall find that:

(1) The project and the proposed financing of the project are feasible;"

Bank of New Hampshire has agreed to purchase the bonds (Tab #4). The application of the Borrower, including financial statements, if any, also supports the finding (Tab #3).

* * *

"(2) The proposed user has the skills and financial resources necessary to operate the facility successfully;"

The materials relating to the Borrower under Tab #3 support this finding.

* * *

"(3) The financing and security documents contain provisions so that under no circumstances will the authority be obligated directly or indirectly to pay project costs, debt service or expenses of operation, maintenance and upkeep of the facility except from bond proceeds or from funds received under the financing or security documents, exclusive of funds received under the documents by the authority for its own use;"

The LOAN AND SECURITY AGREEMENT (the "Agreement") (Tab #5) is a combined financing and security document. Section 4.01 of the Agreement contains an express statement to the effect required; Section 2.03 of the Agreement obligates the Borrower to pay all debt service on the Bonds when due; and Section 7.03 requires the Borrower to pay costs of operation, maintenance and upkeep.

* * *

"(4) Neither the financing document nor the security document purports to create any debt of the state with respect to the facility, other than a special obligation of the authority acting on behalf of the state under this chapter; and"

Express language to this effect is found in the Agreement under Tab #4 in Section 4.01. Also, see the language in boldface in the Bond form in Exhibit C to the Agreement.

* * *

"(5) The proposed financing of the project by the authority and the proposed operation and use of the facility will serve one or more needs and implement one or more purposes set forth in RSA 162-I:1, will preserve or increase the social 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."

This finding can be based on all the materials as well as facts which are matters of general knowledge.

* * *

Ultimate Finding and Determination Required by the First Paragraph of RSA 162-I:9

". . . the proposed financing, operation and use of the facility will serve a public use and provide a public benefit and . . . the authority's financing of the project will be within the policy of, and the authority conferred by, this chapter."

The materials and information furnished and the preliminary findings described above support, and enable the making of, the ultimate finding and determination.