The State of New Hampshire

Department of Environmental Services

Robert R. Scott, Commissioner

102

April 17, 2024

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

REQUESTED ACTIONS

1. Authorize the New Hampshire Department of Environmental Services (NHDES) to award a grant to the Morningside Drive Association (VC #488934-B001), Derry, NH, in the amount not to exceed $1,500,000 to finance an interconnection to a municipal water system to remediate per- and polyfluoroalkyl substances (PFAS), effective upon Governor & Council approval through December 1, 2025. 100% Federal Funds.

Funding is available in the following accounts:

	FY 2024
03-44-44-440010-2476-072-500575 Dept Environmental Services, ARPA DES Loans, Grants Federal Activity Code: 00FRF602WB4401M	$1,500,000

2. Authorize NHDES to approve a loan agreement to the Morningside Drive Association (VC #488934-B001), Derry, NH, in the amount not to exceed $272,000 to finance an interconnection project, subject to conditions as outlined in documents substantially in the form presented, under the provisions of RSA 486:14 and N.H. Code of Administrative Rules Env-Dw 1100 et seq. effective upon Governor & Council approval. 100% Drinking Water State Revolving Loan Fund (DWSRF) BIL Funds.

Funding is available in the following account:

	FY 2024
03-44-44-441018-5563-301-500833 Dept. Environmental Services, DWSRF BIL Loans, Loans	$272,000

EXPLANATION

NHDES, through the American Rescue Plan Act of 2021 (ARPA) funds and the Drinking Water State Revolving Loan Fund (DWSRF) has offered the Morningside Drive Association (Association) $1,772,000 in a combination of grant and loan funds for the proposed project. The Association will use the grant and loan funding to interconnect with the Town of Derry water system, abandon the community's existing wells and infrastructure, and replace the water distribution system. This project will improve water quality and resiliency.

ARPA is a $1.9 trillion economic stimulus bill passed by the 117th United States Congress and signed into law by President Biden on March 11, 2021, to speed up the United States' recovery from the economic and health effects

of the COVID-19 pandemic and the resultant recession. The Act defines eligible uses of the state and local funding, including responding to public health emergencies, responding to workers performing essential work during the COVID-19 emergency, providing revenue relief to states and making investments in water, sewer, and broadband infrastructure. ARPA provides funding for costs incurred after March 3, 2021. Grant and loan applications to the PFAS Remediation Grant and Loan Fund are accepted year-round and reviewed for eligibility in the order in which the applications are received. This project is an eligible DWSRF infrastructure project and is an allowable use of ARP FRF funds under Section 602 (c)(1)(D) of the US Treasure Department final rule to make necessary investments in water, sewer, or broadband infrastructure. In accordance with the final rule from the US Treasury Department for water and wastewater infrastructure investments, project eligibility is aligned with the Environmental Protection Agency's Clean Water State Revolving Fund (CWSRF) and Drinking Water State Revolving Fund (DWSRF).

The final DWSRF loan amount will be based on the total DWSRF funds disbursed and may be less than $272,000. The loan interest rate may be adjusted downward if the DWSRF loan rate in effect upon project completion is less than the current rate of 2.8% for 20 years. The Association is eligible for principal forgiveness under the 2023 DWSRF Intended Use Plan. The final amount of principal forgiveness will be determined when the aggregate principal amount is established, and the project is complete. There is currently a balance of $31,437,607 in the DWSRF available for new loans.

If these funds become no longer available, General funds will not be requested to support this program. This agreement has been approved by the Attorney General's Office as to form, substance, and execution.

We respectfully request your approval of this item.

For Robert R. Scott
Commissioner

GRANT AGREEMENT

The State of New Hampshire and the Grantee hereby
Mutually agree as follows:
GENERAL PROVISIONS

1. Identification and Definitions.

1.1. State Agency Name Department of Environmental Services		**1.2. State Agency Address** 29 Hazen Drive, P.O. Box 95 Concord, NH 03302-0095	
1.3. Grantee Name Morningside Drive Association		**1.4. Grantee Address** 13 Morningside Drive, Derry, NH 03038	
1.5 Grantee Phone # 603-382-7114	**1.6. Account Number** 03-44-44-440010-2476-072	**1.7. Completion Date** December 1, 2025	**1.8. Grant Limitation** $ 1,500,000
1.9. Grant Officer for State Agency Kim Kelliher		**1.10. State Agency Telephone Number** 603-271-4170	
If Grantee is a municipality or village district: **"By signing this form we certify that we have complied with any public meeting requirement for acceptance of this grant, including if applicable RSA 31:95-b."**			
1.11. Grantee Signature 1 David Stratton		**1.12. Name & Title of Grantee Signor 1** David Stratton Tr	
Grantee Signature 2		**Name & Title of Grantee Signor 2**	
Grantee Signature 3		**Name & Title of Grantee Signor 3**	
1.13 State Agency Signature(s) [signature]		**1.14. Name & Title of State Agency Signor(s)** FOR Robert R. Scott, Commissioner Department of Environmental Services	
1.15. Approval by Attorney General (Form, Substance and Execution) (if G & C approval required) **By:** Melnyk, Melissa Fales **Assistant Attorney General, On:** 4 /24/24			
1.16. Approval by Governor and Council (if applicable) **By:** **On:** / /			

2. SCOPE OF WORK: In exchange for grant funds provided by the State of New Hampshire, acting through the Agency identified in block 1.1 (hereinafter referred to as "the State"), the Grantee identified in block 1.3 (hereinafter referred to as "the Grantee"), shall perform that work identified and more particularly described in the scope of work attached hereto as EXHIBIT B (the scope of work being hereinafter referred to as "the Project").

3. AREA COVERED. Except as otherwise specifically provided for herein, the Grantee shall perform the Project in, and with respect to, the State of New Hampshire.

4. EFFECTIVE DATE: COMPLETION OF PROJECT.

4.1. This Agreement, and all obligations of the parties hereunder, shall become effective on the date on the date of approval of this Agreement by the Governor and Council of the State of New Hampshire if required (block 1.16), or upon signature by the State Agency as shown in block 1.14 ("the Effective Date").

4.2. Except as otherwise specifically provided herein, the Project, including all reports required by this Agreement, shall be completed in ITS entirety prior to the date in block 1.7 (hereinafter referred to as "the Completion Date").

5. GRANT AMOUNT: LIMITATION ON AMOUNT: VOUCHERS: PAYMENT.

5.1. The Grant Amount is identified and more particularly described in EXHIBIT C, attached hereto.

5.2. The manner of, and schedule of payment shall be as set forth in EXHIBIT C.

5.3. In accordance with the provisions set forth in EXHIBIT C, and in consideration of the satisfactory performance of the Project, as determined by the State, and as limited by subparagraph 5.5 of these general provisions, the State shall pay the Grantee the Grant Amount. The State shall withhold from the amount otherwise payable to the Grantee under this subparagraph 5.3 those sums required, or permitted, to be withheld pursuant to N.H. RSA 80:7 through 7-c.

5.4. The payment by the State of the Grant amount shall be the only, and the complete payment to the Grantee for all expenses, of whatever nature, incurred by the Grantee in the performance hereof, and shall be the only, and the complete, compensation to the Grantee for the Project. The State shall have no liabilities to the Grantee other than the Grant Amount.

5.5. Notwithstanding anything in this Agreement to the contrary, and notwithstanding unexpected circumstances, in no event shall the total of all payments authorized, or actually made, hereunder exceed the Grant limitation set forth in block 1.8 of these general provisions.

6. COMPLIANCE BY GRANTEE WITH LAWS AND REGULATIONS. In connection with the performance of the Project, the Grantee shall comply with all statutes, laws regulations, and orders of federal, state, county, or municipal authorities which shall impose any obligations or duty upon the Grantee, including the acquisition of any and all necessary permits and RSA 31-95-b.

7. RECORDS and ACCOUNTS.

7.1. Between the Effective Date and the date seven (7) years after the Completion Date, unless otherwise required by the grant terms or the Agency, the Grantee shall keep detailed accounts of all expenses incurred in connection with the Project, including, but not limited to, costs of administration, transportation, insurance, telephone calls, and clerical materials and services. Such accounts shall be supported by receipts, invoices, bills and other similar documents.

7.2. Between the Effective Date and the date seven (7) years after the Completion Date, unless otherwise required by the grant terms or the Agency pursuant to subparagraph 7.1, at any time during the Grantee's normal business hours, and as often as the State shall demand, the Grantee shall make available to the State all records pertaining to matters covered by this Agreement. The Grantee shall permit the State to audit, examine, and reproduce such records, and to make audits of all contracts, invoices, materials, payrolls, records of personnel, data (as that term is hereinafter defined), and other information relating to all matters covered by this Agreement. As used in this paragraph, "Grantee" includes all persons, natural or fictional, affiliated with, controlled by, or under common ownership

8. with, the entity identified as the Grantee in block 1.3 of these provisions

8.1. PERSONNEL.

The Grantee shall, at its own expense, provide all personnel necessary to perform the Project. The Grantee warrants that all personnel engaged in the Project shall be qualified to perform such Project, and shall be properly licensed and authorized

8.2. to perform such Project under all applicable laws.

The Grantee shall not hire, and it shall not permit any subcontractor, subgrantee, or other person, firm or corporation with whom it is engaged in a combined effort to perform the Project, to hire any person who has a contractual relationship with

8.3. the State, or who is a State officer or employee, elected or appointed.

The Grant Officer shall be the representative of the State hereunder. In the event of any dispute hereunder, the interpretation of this Agreement by the Grant

9. Officer, and his/her decision on any dispute, shall be final.

9.1. DATA: RETENTION OF DATA: ACCESS.

As used in this Agreement, the word "data" shall mean all information and things developed or obtained during the performance of, or acquired or developed by reason of, this Agreement, including, but not limited to, all studies, reports, files, formulae, surveys, maps, charts, sound recordings, video recordings, pictorial reproductions, drawings, analyses, graphic representations, computer programs, computer printouts, notes, letters, memoranda, paper, and documents, all whether finished or unfinished.

9.2. Between the Effective Date and the Completion Date the Grantee shall grant to the State, or any person designated by it, unrestricted access to all data for examination, duplication, publication, translation, sale, disposal, or for any other purpose whatsoever.

9.3. No data shall be subject to copyright in the United States or any other country by anyone other than the State.

9.4. On and after the Effective Date all data, and any property which has been received from the State or purchased with funds provided for that purpose under this Agreement, shall be the property of the State, and shall be returned to the State upon demand or upon termination of this Agreement for any reason, whichever shall first occur.

9.5. The State, and anyone it shall designate, shall have unrestricted authority to publish, disclose, distribute and otherwise use, in whole or in part, all data.

10. CONDITIONAL NATURE OR AGREEMENT. Notwithstanding anything in this Agreement to the contrary, all obligations of the State hereunder, including, without limitation, the continuance of payments hereunder, are contingent upon the availability or continued appropriation of funds, and in no event shall the State be liable for any payments hereunder in excess of such available or appropriated funds. In the event of a reduction or termination of those funds, the State shall have the right to withhold payment until such funds become available, if ever, and shall have the right to terminate this Agreement immediately upon giving the Grantee notice of such termination.

11. EVENT OF DEFAULT: REMEDIES.

11.1. Any one or more of the following acts or omissions of the Grantee shall constitute an event of default hereunder (hereinafter referred to as "Events of Default"):

11.1.1 Failure to perform the Project satisfactorily or on schedule; or

11.1.2 Failure to submit any report required hereunder; or

11.1.3 Failure to maintain, or permit access to, the records required hereunder; or

11.1.4 Failure to perform any of the other covenants and conditions of this Agreement.

11.2. Upon the occurrence of any Event of Default, the State may take any one, or more, or all, of the following actions:

11.2.1 Give the Grantee a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely remedied, terminate this Agreement, effective two (2) days after giving the Grantee notice of termination; and

11.2.2 Give the Grantee a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the Grant Amount which would otherwise accrue to the Grantee during the period from the date of such notice until such time as the State determines that the Grantee has cured the Event of Default shall never be paid to the Grantee; and

11.2.3 Set off against any other obligation the State may owe to the Grantee any damages the State suffers by reason of any Event of Default; and

11.2.4 Treat the agreement as breached and pursue any of its remedies at law or in equity, or both.

12. TERMINATION.

12.1. In the event of any early termination of this Agreement for any reason other than the completion of the Project, the Grantee shall deliver to the Grant Officer, not later than fifteen (15) days after the date of termination, a report (hereinafter referred to as the "Termination Report") describing in detail all Project Work performed, and the Grant Amount earned, to and including the date of termination.

12.2. In the event of Termination under paragraphs 10 or 12.4 of these general provisions, the approval of such a Termination Report by the State shall entitle the Grantee to receive that portion of the Grant amount earned to and including the date of termination.

12.3. In the event of Termination under paragraphs 10 or 12.4 of these general provisions, the approval of such a Termination Report by the State shall in no event relieve the Grantee from any and all liability for damages sustained or incurred by the State as a result of the Grantee's breach of its obligations hereunder.

12.4. Notwithstanding anything in this Agreement to the contrary, either the State or, except where notice default has been given to the Grantee hereunder, the Grantee, may terminate this Agreement without cause upon thirty (30) days written notice.

13. CONFLICT OF INTEREST. No officer, member of employee of the Grantee, and no representative, officer or employee of the State of New Hampshire or of the governing body of the locality or localities in which the Project is to be performed, who exercises any functions or responsibilities in the review or

Grantee Initials

Date 3-10-SV

approval of the undertaking or carrying out of such Project, shall participate in any decision relating to this Agreement which affects his or her personal interest or the interest of any corporation, partnership, or association in which he or she is directly or indirectly interested, nor shall he or she have any personal or pecuniary interest, direct or indirect, in this Agreement or the proceeds thereof.

14. GRANTEE'S RELATION TO THE STATE. In the performance of this Agreement the Grantee, its employees, and any subcontractor or subgrantee of the Grantee are in all respects independent contractors, and are neither agents nor employees of the State. Neither the Grantee nor any of its officers, employees, agents, members, subcontractors or subgrantees, shall have authority to bind the State nor are they entitled to any of the benefits, workmen's compensation or emoluments provided by the State to its employees.

15. ASSIGNMENT AND SUBCONTRACTS. The Grantee shall not assign, or otherwise transfer any interest in this Agreement without the prior written consent of the State. None of the Project Work shall be subcontracted or subgranted by the Grantee other than as set forth in Exhibit B without the prior written consent of the State.

16. INDEMNIFICATION. The Grantee shall defend, indemnify and hold harmless the State, its officers and employees, from and against any and all losses suffered by the State, its officers and employees, and any and all claims, liabilities or penalties asserted against the State, its officers and employees, by or on behalf of any person, on account of, based on, resulting from, arising out of (or which may be claimed to arise out of) the acts or omissions of the Grantee or subcontractor, or subgrantee or other agent of the Grantee. Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State. This covenant shall survive the termination of this agreement.

17. INSURANCE.

17.1 The Grantee shall, at its own expense, obtain and maintain in force, or shall require any subcontractor, subgrantee or assignee performing Project work to obtain and maintain in force, both for the benefit of the State, the following insurance:

17.1.1 Statutory workers' compensation and employees liability insurance for all employees engaged in the performance of the Project, and

17.1.2 General liability insurance against all claims of bodily injuries, death or property damage, in amounts not less than $1,000,000 per occurrence and $2,000,000 aggregate for bodily injury or death any one incident, and $500,000 for property damage in any one incident; and

17.2. The policies described in subparagraph 17.1 of this paragraph shall be the standard form employed in the State of New Hampshire, issued by underwriters acceptable to the State, and authorized to do business in the State of New Hampshire. Grantee shall furnish to the State, certificates of insurance for all renewal(s) of insurance required under this Agreement no later than ten (10) days prior to the expiration date of each insurance policy.

18. WAIVER OF BREACH. No failure by the State to enforce any provisions hereof after any Event of Default shall be deemed a waiver of its rights with regard to that Event, or any subsequent Event. No express waiver of any Event of Default shall be deemed a waiver of any provisions hereof. No such failure of waiver shall be deemed a waiver of the right of the State to enforce each and all of the provisions hereof upon any further or other default on the part of the Grantee.

19. NOTICE. Any notice by a party hereto to the other party shall be deemed to have been duly delivered or given at the time of mailing by certified mail, postage prepaid, in a United States Post Office addressed to the parties at the addresses first above given.

20. AMENDMENT. This Agreement may be amended, waived or discharged only by an instrument in writing signed by the parties hereto and only after approval of such amendment, waiver or discharge by the Governor and Council of the State of New Hampshire, if required or by the signing State Agency.

21. CONSTRUCTION OF AGREEMENT AND TERMS. This Agreement shall be construed in accordance with the law of the State of New Hampshire, and is binding upon and inures to the benefit of the parties and their respective successors and assignees. The captions and contents of the "subject" blank are used only as a matter of convenience, and are not to be considered a part of this Agreement or to be used in determining the intend of the parties hereto.

22. THIRD PARTIES. The parties hereto do not intend to benefit any third parties and this Agreement shall not be construed to confer any such benefit.

23. ENTIRE AGREEMENT. This Agreement, which may be executed in a number of counterparts, each of which shall be deemed an original, constitutes the entire agreement and understanding between the parties, and supersedes all prior agreements and understandings relating hereto.

24. SPECIAL PROVISIONS. The additional or modifying provisions set forth in Exhibit A hereto are incorporated as part of this agreement.

Grantee Initials dls

Date 3.10.24

EXHIBIT A
SPECIAL PROVISIONS

I. NEW HAMPSHIRE STATE AND LOCAL FISCAL RECOVERY FUNDS FEDERAL REQUIREMENTS

This Agreement is funded under a grant to the State of New Hampshire (State) and subsequently through the Governor's Office for Emergency Relief and Recovery (GOFERR) and New Hampshire Department of Environmental Services (NHDES) as approved by the Governor and Executive Council from the federal government through the Department of Treasury (Treasury) through the American Rescue Plan Act of 2021 (ARPA), with the source of funds being the State and Local Fiscal Recovery Funds (SLFRF) identified under the Catalog of Federal Domestic Assistance (CFDA) number #21.027. The Federal Award Identification Number (FAIN) for this award is SLFRP0145. This grant award is a subaward of SLFRF funds and any and all compliance requirements, as updated by Treasury, for use of SLFRF funds are applicable to the Subrecipient, without further notice. Treasury requirements are published and updated at https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/state-and-local-fiscal-recovery-funds.

FEDERAL FUNDING ACCOUNTABILITY and TRANSPARENCY ACT (FFATA*).* The Subrecipient shall comply with the terms of the FFATA by providing NHDES with their Unique Entity Identifier (Unique Entity ID), and all applicable Executive Compensation Data information as required under the FFATA. A Unique Entity ID may be obtained by visiting https://www.sam.gov.

SAM REGISTRATION: The Subrecipient must have an active registration with the System for Award Management (SAM) (https://www.sam.gov).

GENERALLY ACCEPTED ACCOUNTING PROCEDURES: The Subrecipient, if a governmental entity, shall maintain project accounts in accordance with the Generally Accepted Accounting Principles (GAAP), including standards relating to the reporting of infrastructure assets as issued by the Governmental Accounting Standards Board (GASB). The full text of Governmental Accounting Reporting Standards is available through the GASB website at: http://www.gasb.org

RECORDKEEPING REQUIREMENTS: The Subrecipient must maintain records and financial documents for five years after all funds have been expended or returned to the State and/or Treasury. Treasury may request transfer of records of long-term value at the end of such period. Wherever practicable, such records should be collected, transmitted, and stored in open and machine-readable formats.

Subrecipient must agree to provide or make available such records to the State and Treasury upon request, and to the Government Accountability Office ("GAO"), Treasury's Office of Inspector General ("OIG"), and their authorized representative in order to conduct audits or other investigations.

SINGLE AUDIT REQUIREMENTS: Recipients and subrecipients that expend more than $750,000 in Federal awards during their fiscal year will be subject to an audit under the Single Audit Act and its implementing regulation at 2 CFR Part 200, Subpart F regarding audit requirements. Recipients and subrecipients may also refer to the Office of Management and Budget (OMB) Compliance Supplements for audits of federal funds and related guidance and the Federal Audit Clearinghouse to see examples and single audit submissions.

CIVIL RIGHTS COMPLIANCE: The sub-grantee, contractor, subcontractor, successor, transferee, and assignee shall comply, and shall include in every contract or agreement funded with these funds this same requirement to comply, with Title VI of the Civil Rights Act of 1964, which prohibits recipients of federal financial assistance from excluding from a program or activity, denying benefits of, or otherwise discriminating against a person on the basis of race, color, or national origin (42 U.S.C. § 2000d et seq.), as implemented by the Department of the Treasury's Title VI regulations, 31 CFR Part 22, which are herein incorporated by reference and made a part of this contract (or agreement). Title VI also includes protection to persons with "Limited English Proficiency" in any program or activity receiving federal financial assistance, 42 U.S.C. § 2000d et seq., as implemented by the Department of the Treasury's Title VI regulations, 31 CFR Part 22, and herein incorporated by reference and made a part of this contract or agreement.

In order to carry out its enforcement responsibilities under Title VI of the Civil Rights Act, NHDES may collect and review information from subrecipients to ascertain their compliance with the applicable requirements before and after providing financial assistance. Treasury's implementing regulations, 31 CFR part 22, and the Department of Justice (DOJ) regulations, Coordination of Non-discrimination in Federally Assisted Programs, 28 CFR part 42, provide for the collection of data and information from recipients and subrecipients (see 28 CFR 42.406).

PERIOD OF PERFORMANCE: All funds are subject to statutory requirements that they must be used for costs incurred by the recipient during the period that begins on March 3, 2021, and ends on December 31, 2024, and that award funds for the financial obligations incurred by December 31, 2024 must be expended by December 31, 2026.

PROCUREMENT, SUSPENSION AND DEBARMENT: Recipients are responsible for ensuring that any procurement using SLFRF funds, or payments under procurement contracts using such funds are consistent with the procurement standards set forth in the Uniform Guidance at 2 CFR 200.317 through 2 CFR 200.327, as applicable. The Uniform Guidance establishes in 2 CFR 200.319 that all procurement transactions for property or services must be conducted in a manner providing full and open competition, consistent with standards outlined in 2 CFR 200.320, which allows for non-competitive procurements only in circumstances where at least one of the conditions below is true: the item is below the micro-purchase threshold; the item is only available from a single source; the public exigency or emergency will not permit a delay from publicizing a competitive solicitation; or after solicitation of a number of sources, competition is determined inadequate. Subrecipients must have and use

documented procurement procedures that are consistent with the standards outlined in 2 CFR 200.317 through 2 CFR 200.320.

Subrecipient shall fully comply with Subpart C of 2 C.F.R. Part 180 entitled, "Responsibilities of Participants Regarding Transactions Doing Business With Other Persons," as implemented and supplemented by 2 C.F.R. Part 1532. subrecipient is responsible for ensuring that any lower tier covered transaction, as described in Subpart B of 2 C.F.R. Part 180, entitled "Covered Transactions," and 2 C.F.R. § 1532.220, includes a term or condition requiring compliance with 2 C.F.R. Part 180, Subpart C. subrecipient is responsible for further requiring the inclusion of a similar term and condition in any subsequent lower tier covered transactions. subrecipient acknowledges that failing to disclose the information required under 2 C.F.R. § 180.335 to NHDES may result in the delay or negation of this assistance agreement, or pursuance of administrative remedies, including suspension and debarment. Subrecipients may access the System for Award Management (SAM) exclusion list at https://sam.gov/SAM/ to determine whether an entity or individual is presently excluded or disqualified.

By entering into this agreement, the subrecipient certifies that the subrecipient is not debarred or suspended. Furthermore, the subrecipient certifies that no part of this contract will be subcontracted to a debarred or suspended person or firm.

DOMESTIC PREFERENCES FOR PROCUREMENTS (2 C.F.R. § 200.322) As appropriate and to the extent consistent with law, to the greatest extent practicable, there is a preference for the purchase, acquisition, or use of goods, products, or materials produced in the United States (including but not limited to iron, aluminum, steel, cement, and other manufactured products). The requirements of this section must be included in all subawards including all contracts and purchase orders for work or products under this award.

For purposes of this section:

(1) "Produced in the United States" means, for iron and steel products, that all manufacturing processes, from the initial melting stage through the application of coatings, occurred in the United States.

(2) "Manufactured products" means items and construction materials composed in whole or in part of non-ferrous metals such as aluminum; plastics and polymer-based products such as polyvinyl chloride pipe; aggregates such as concrete; glass, including optical fiber; and lumber.

PROHIBITION ON CERTAIN TELECOMMUNICATIONS AND VIDEO SURVEILLANCE SERVICES OR EQUIPMENT:

As required by 2 CFR 200.216, subrecipients, are prohibited from obligating or expending loan or grant funds to procure or obtain; extend or renew a contract to procure or obtain; or enter into a contract (or

extend or renew a contract) to procure or obtain equipment, services, or systems that use covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system. As described in Public Law 115-232, section 889, covered telecommunications equipment is telecommunications equipment produced by Huawei Technologies Company or ZTE Corporation (or any subsidiary or affiliate of such entities). Recipients, Subrecipients, and borrowers also may not use federal funds to purchase:

a. For the purpose of public safety, security of government facilities, physical security surveillance of critical infrastructure, and other national security purposes, video surveillance and telecommunications equipment produced by Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, or Dahua Technology Company (or any subsidiary or affiliate of such entities).

b. Telecommunications or video surveillance services provided by such entities or using such equipment.

c. Telecommunications or video surveillance equipment or services produced or provided by an entity that the Secretary of Defense, in consultation with the Director of the National Intelligence or the Director of the Federal Bureau of Investigation, reasonably believes to be an entity owned or controlled by, or otherwise connected to, the government of a covered foreign country.

Consistent with 2 CFR 200.471, costs incurred for telecommunications and video surveillance services or equipment such as phones, internet, video surveillance, and cloud servers are allowable except for the following circumstances:

a. Obligating or expending funds for covered telecommunications and video surveillance services or equipment or services as described in 2 CFR 200.216 to:

(1) Procure or obtain, extend or renew a contract to procure or obtain;
(2) Enter into a contract (or extend or renew a contract) to procure; or
(3) Obtain the equipment, services, or systems. Certain prohibited equipment, systems, or services, including equipment, systems, or services produced or provided by entities identified in section 889, are recorded in the System for Award Management exclusion list which can be found at https://www.sam.gov/SAM/pages/public/index.jsf

REPORTING REQUIREMENTS: For all projects listed under the Water and Sewer Expenditure Categories (see Table below), detailed project-level information is required.

5: Infrastructure	
5.1	Clean Water: Centralized Wastewater Treatment

Grantee Initials dcs
Date 3-10-2024

5.2	Clean Water: Centralized Wastewater Collection and Conveyance
5.3	Clean Water: Decentralized Wastewater
5.4	Clean Water: Combined Sewer Overflows
5.5	Clean Water: Other Sewer Infrastructure
5.6	Clean Water: Stormwater
5.7	Clean Water: Energy Conservation
5.8	Clean Water: Water Conservation
5.9	Clean Water: Nonpoint Source
5.10	Drinking water: Treatment
5.11	Drinking water: Transmission & Distribution
5.12	Drinking water: Transmission & Distribution: Lead Remediation
5.13	Drinking water: Source
5.14	Drinking water: Storage
5.15	Drinking water: Other water infrastructure

Definitions for water and sewer Expenditure Categories can be found in the EPA's handbooks. For "clean water" expenditure category definitions, please see: https://www.epa.gov/sites/production/files/2018-03/documents/cwdefinitions.pdf. For "drinking water" expenditure category definitions, please see: https://www.epa.gov/dwsrf/drinking-water-state- revolving-fund-national-information-management-system-reports.

All Clean Water and Drinking Water infrastructure projects:

- Projected/actual construction start date (month/year)
- Projected/actual initiation of operations date (month/year)
- Location (for broadband, geospatial location data)

For water and sewer projects:

- National Pollutant Discharge Elimination System (NPDES) Permit Number (if applicable; for projects aligned with the Clean Water State Revolving Fund)
- Public Water System (PWS) ID number (if applicable; for projects aligned with the Drinking Water State Revolving Fund)

II. FEDERAL REQUIREMENTS APPLICABLE TO ARPA INFRASTRUCTURE PROJECTS OVER $10M

For projects over $10 million (based on expected total cost) a recipient shall provide a certification that, for the relevant project, all laborers and mechanics employed by contractors and subcontractors in the performance of such project are paid wages at rates not less than those prevailing, as determined by the U.S. Secretary of Labor in accordance with subchapter IV of chapter 31 of title 40, United States Code (commonly known as the "Davis-Bacon Act"), for the corresponding classes of laborers and mechanics employed on projects of a character similar to the contract work in the civil subdivision of the State (or the District of Columbia) in which the work is to be performed. All contracts and subcontracts for the construction of treatment works shall insert in full in any contract the standard Davis-Bacon contract clause as specified by 29 CFR §5.5(a).

Grantee Initials dcs
Date 3-10-24

III. OTHER SPECIAL PROVISIONS

A. In addition to the above special provisions, the following provisions as required by federal regulations apply to this Agreement:

1. ***Financial management.*** The Contractor shall comply with 2 CFR part 200 Subpart D and the specific standards regarding financial reporting, accounting records, internal control, budget control, allowable cost, source documentation, and cash management outlined therein.

2. ***Allowable costs.*** All costs charged to this Agreement shall be eligible, necessary, and reasonable for performing the tasks outlined in the approved project scope of services. The costs, including match, shall be incurred during the period of performance of the project, and shall be allowable, meaning that the costs must conform to specific federal requirements detailed in *2 CFR part 200 Subpart E.*

3. ***Property Management.*** The Contractor shall comply with the property management and procedures detailed in 2 CFR Part 200 Subpart D.

4. ***Restrictions on Lobbying.*** The Contractor shall comply with the terms of 15 CFR part 28 and 2 CFR Part 200 Subpart E which prohibit the use of federal Contract funds to influence (or attempt to influence) a federal employee, and requires the submission of Standard Form LLL ("Disclosure of Lobbying Activities") if *non*federal funds have been used to influence (or attempt to influence) a federal employee.

5. ***Drug-Free Workplace.*** The Contractor shall comply with the terms of 2 CFR part 1329 which require that as a condition of the Agreement, certification that they maintain a drug-free workplace. By signing and submitting the Agreement, the Contractor certifies that he or she will not engage in the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance in conducting any activity associated with the Agreement.

6. ***Protection for Whistleblowers.*** The Contractor shall comply with the terms of 41 U.S.C. §471 regarding Whistleblower protections. As described in 41 USC §471 "an employee of a contractor, subcontractor, grantee, or subgrantee or personal services contractor may not be discharged, demoted, or otherwise discriminated against as a reprisal for disclosing to a person or body described in paragraph (2) information that the employee reasonably believes is evidence of gross mismanagement of a Federal contract or grant, a gross waste of Federal funds, an abuse of authority relating to a Federal contract or grant, a substantial and specific danger to public health or safety, or a violation of law, rule, or regulation related to a Federal contract (including the competition for or negotiation of a contract) or grant."

Grantee Initials dcs
Date 2-10-2020

EXHIBIT B
SCOPE OF SERVICES

Morningside Drive Association (Association) will use American Rescue Plan Act of 2021 (ARPA) grant funding to interconnect with the Town of Derry water system to address per- and poly-fluoroalkyl substances (PFAS) present within the community's drinking water sources. Grant funds will also be used for the decommissioning of the existing wells and associated infrastructure, and upgrades to the water distribution mains and services. Grant funds will be used in conjunction with Drinking Water State Revolving Funds (DWSRF) to complete design, bidding, construction, and engineering oversight of the construction contract(s) for the project.

As a requirement of this grant funding, the Association is required to develop a business plan for the funded improvements and provide documentation supporting compliance with this requirement.

EXHIBIT C
METHOD OF PAYMENT

The NHDES shall pay to the Grantee the total reimbursable program costs for eligible drinking water improvements costs not to exceed the Grant Limitation of $1,500,000 in accordance with the following requirements:

Disbursement requests for program costs shall be made no more than once per calendar month by the Grantee using the appropriate Disbursement form as supplied by the NHDES, which shall be completed and signed by the Grantee. The disbursement form shall be accompanied by proper supporting documentation based upon direct costs. The Grantee will maintain adequate documentation to substantiate all Program related costs. All work shall be performed to the satisfaction of the NHDES before payment is made.

The funding for eligible drinking water improvement costs is an ARPA grant of $1,500,000 and $272,000 DWSRF Emerging Contaminant (EC) loan. Each disbursement request will be paid 100% of eligible expenses as ARPA grant funds not to exceed $1,500,000 followed by DWSRF EC loan funds. To the greatest extent practicable, ARPA funds shall be fully disbursed prior to disbursing DWSRF funds.

Changes to the Scope of Services require NHDES approval in advance and a grant agreement subject to approval by the Governor and Council. All work must be completed prior to the completion date (section 1.7) in this Grant Agreement to be eligible for reimbursement.

Grantee Initials _____
Date _____

NHDES-W-03-277

Environmental Services

DRINKING WATER INFRASTRUCTURE PROJECT
CERTIFICATE OF VOTE – GRANTS ONLY

Drinking Water and Groundwater Bureau Grants,
Drinking Water and Groundwater Trust Fund (DWGTF),
PFAS Remediation Loan Fund (PFAS-RLF) and American Recovery Plan Act (ARPA)

Env-Dw 1300; Env-Dw 1400

A Certificate of Vote of Authorization (COV) is a certificate that states that a grantee is willing to enter into a grant agreement with the State of New Hampshire Department of Environmental Services (NHDES) and that whoever signs the Grant Agreement (provided under separate cover) has the authority to do so. **Do not complete this form until you have received a Grant Agreement from NHDES. Follow the steps below**:

1. *Following a funding offer from NHDES, obtain the authority to accept grant funds and assign an Authorized Representative (AR) from the grantees governing body. This will likely require a vote at a meeting of the governing body. A vote may take place any time prior to execution of the Grant Agreement.*
2. *Once the Grant Agreement has been received from NHDES, someone other than the AR (who can certify actions taken at the referenced meeting) completes and signs the COV. The AR cannot sign the COV. The COV must be signed and notarized on the same date as, or within 30 days of, when the AR signs the Grant Agreement. The 30-day window applies to either side of the execution date.*
3. *The AR signs the Grant Agreement and initials and dates the bottom of each page including the Exhibits.*
4. *Mail original COV and Grant Agreement documents to program contact at NHDES.*

Certificate of Vote of Authorization
MORNINGSIDE DRIVE ASSOCIATION
13 Morningside Drive, Derry, NH 03865

I, John Slater of the Morningside Drive Association do hereby certify that at a meeting held on 1/10/24, the Morningside Drive Association voted to enter into an American Rescue Plan Act Fund (ARPA) grant agreement with the New Hampshire Department Environmental Services to fund a Drinking Water improvement project.

The Morningside Drive Association further authorized David Stratton to execute any documents which may be necessary to effectuate this grant agreement.

IN WITNESS WHEREOF, I have hereunto set my hand as John Slater of the Morningside Drive Association, the 15 day of March (month), 2024.

John Slater Signature: Jon Slater

On this 15 day of March (month), 2024, Christina Constantineau (Public Notary Name), before me (Notary Public) the undersigned Officer, personally appeared. John Slater, who acknowledged himself to be the Jon Slater (John Slater title) of the Morningside Drive Association, being authorized so to do, execute the foregoing instrument for the purpose therein contained.

In witness thereof, I have set my hand and official seal.
Notary Public Christina Constantineau (Public Notary Name), My commission expires: 10/27/2026 (Commission Expiration Date)

Christina L. Constantineau

Drinking Water State Revolving Fund
Drinking Water & Ground Water Trust Fund
PFAS- Remediation Loan Fund

CHRISTINA L CONSTATINEAU
NOTARY PUBLIC
State of New Hampshire
My Commission Expires
October 27, 2026

State of New Hampshire

Department of State

CERTIFICATE

I, David M. Scanlan, Secretary of State of the State of New Hampshire, do hereby certify that MORNINGSIDE DRIVE ASSOCIATION is a New Hampshire Nonprofit Corporation registered to transact business in New Hampshire on June 25, 1985. I further certify that all fees and documents required by the Secretary of State's office have been received and is in good standing as far as this office is concerned.

Business ID: 85417

Certificate Number: 0006583103

IN TESTIMONY WHEREOF,

I hereto set my hand and cause to be affixed the Seal of the State of New Hampshire, this 22nd day of February A.D. 2024.

David M. Scanlan

Secretary of State

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 02/26/2024

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER
Cross Insurance-Manchester
1100 Elm Street
Manchester NH 03101

CONTACT NAME: Laurie Infantino
PHONE (A/C, No, Ext): (603) 669-3218 FAX (A/C, No): (603) 645-4331
E-MAIL ADDRESS: laurie.infantino@crossagency.com

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A: Ohio Casualty Ins. Co.	24074
INSURER B:	
INSURER C:	
INSURER D:	
INSURER E:	
INSURER F:	

INSURED
Morningside Drive Association
13 Morningside Drive
Derry NH 03038

COVERAGES CERTIFICATE NUMBER: 23-24 GL REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	[X] COMMERCIAL GENERAL LIABILITY [ ] CLAIMS-MADE [X] OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: [X] POLICY [ ] PRO-JECT [ ] LOC [ ] OTHER:			BKS58651366	06/26/2023	06/26/2024	EACH OCCURRENCE	$ 1,000,000
							DAMAGE TO RENTED PREMISES (Ea occurrence)	$ 500,000
							MED EXP (Any one person)	$ 15,000
							PERSONAL & ADV INJURY	$ 1,000,000
							GENERAL AGGREGATE	$ 2,000,000
							PRODUCTS - COMP/OP AGG	$ 2,000,000
								$
	AUTOMOBILE LIABILITY [ ] ANY AUTO [ ] OWNED AUTOS ONLY [ ] SCHEDULED AUTOS [ ] HIRED AUTOS ONLY [ ] NON-OWNED AUTOS ONLY						COMBINED SINGLE LIMIT (Ea accident)	$
							BODILY INJURY (Per person)	$
							BODILY INJURY (Per accident)	$
							PROPERTY DAMAGE (Per accident)	$
								$
	[ ] UMBRELLA LIAB [ ] OCCUR [ ] EXCESS LIAB [ ] CLAIMS-MADE [ ] DED [ ] RETENTION $						EACH OCCURRENCE	$
							AGGREGATE	$
								$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? Y / N [ ] (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	N / A						[ ] PER STATUTE [ ] OTH-ER	
							E.L. EACH ACCIDENT	$
							E.L. DISEASE - EA EMPLOYEE	$
							E.L. DISEASE - POLICY LIMIT	$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Refer to policy for exclusionary endorsements and special provisions.

CERTIFICATE HOLDER

NH Department of Environmental Services
29 Haven Drive
Concord NH 03302

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Laurie Infantino

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MORNINGSIDE DRIVE ASSOCIATION

13 MORNINGSIDE DRIVE

DERRY, NH 03038

603-382-7110

March 13, 2024

To Whom It May Concern,

Please be advised that Morningside Drive Association does not currently have any employees. Our Association is governed by a 3-person volunteer Board of Directors. All water system operations are currently contracted. For these reasons, we do not carry a Workers' Compensation policy.

Please feel free to reach out with any additional questions or concerns.

Sincerely,

David Stratton
Treasurer, Board of Directors
Morningside Drive Association

CLOSING AGENDA

STATE OF NEW HAMPSHIRE
STATE DRINKING WATER REVOLVING LOAN FUND

RE: LOAN TO MORNINGSIDE DRIVE ASSOCIATION
COMMUNITY WATER SYSTEM
DERRY, NEW HAMPSHIRE
Project #0612050
DATE: _____

1. State of New Hampshire "SNH"
2. Morningside Drive Association "B"
3. State's Counsel, David Howe "DMH"

No.	Item:	Responsible Party:
1	Declaration of Covenants of Borrower	B
2	Articles of Agreement of Borrower	B
3	Certified Bylaws of Borrower	B
4	Certificate of Members' Resolution of Borrower	B
5	Certificate of Existence of Borrower	B
6	Description of Premises (Exhibit A)	B
7	Schedule of Costs (Budget) (Exhibit B)	B
8	Loan Agreement	SNH
9	Promissory Note (Exhibit C)	SNH
10	Collateral Assignment of Assessments	SNH
11	Collateral Assignment of Contracts, Plans and Permits	SNH
12	Security Agreement	SNH
13	Financing Statement	DMH
14	Certificate of Insurance: *Certificate of liability and casualty insurance addressed to the State with the State as an additional insured as to liability*	B
15	UCC Search	SNH
16	Governor and Council approval	SNH
17	399-B Disclosure	SNH

STATE OF NEW HAMPSHIRE

DEPARTMENT OF ENVIRONMENTAL SERVICES

STATE DRINKING WATER REVOLVING LOAN FUND

Loan Agreement

THIS LOAN AGREEMENT (the "Agreement"), dated _____, 2024, has two parties:

(1) the State of New Hampshire (the "State"), whose address is c/o Department of Environmental Services, 29 Hazen Drive, P.O. Box 95, Concord, New Hampshire 03302-0095, and

(2) the following entity which is borrowing funds from the State:

Morningside Drive Association
13 Morningside Drive
Derry, NH, 03038
(the "Borrower")

FUNDAMENTAL PREMISES FOR THIS AGREEMENT

A. Pursuant to New Hampshire Revised Statute Annotated ("RSA") 486:14 the State has established a revolving loan fund for financing water pollution control and drinking water improvement projects within the state. Federal financial assistance provided through Capitalization Grants for Drinking Water State Revolving Funds (CFDA #66.468) may comprise all or a portion of the Principal Sum.

B. The Borrower owns and operates a community water system for a development that includes 32 lots located in Derry, New Hampshire. Currently, the Borrower serves approximately 80 people. The Borrower intends to borrow up to $272,000 to make improvements to the community water system. These improvements include an interconnection with the Town of Derry water system to address per- and poly-fluoroalkyl substances (PFAS) present within the community's drinking water sources, including the decommissioning of the existing wells and association infrastructure, upgrades to the water distribution mains and services, construction oversight, and other associated eligible project costs.

C. The State has determined that the Borrower's request for a loan financing the

cost of the Project and made in accordance with this Agreement is eligible for funding from the Drinking Water Fund in accordance with guidelines adopted pursuant to RSA 486:14.

TERMS AND CONDITIONS OF THIS AGREEMENT

The State and the Borrower agree as follows:

1. Definitions. The following terms shall have the meanings indicated:

"Construction Contract" means the agreement between the Borrower and a contractor for construction of the Improvements.

"Contractor" means the contractor who enters into the Construction Contract.

"State" means the State of New Hampshire, Department of Environmental Services.

"DWSRF" means the State Drinking Water State Revolving Fund under RSA 486:14.

"Engineer" means the engineer or construction supervisor who enters into the Engineering Contract or is an employee of the Borrower and in either case is approved by the State.

"Engineering Contract" means the agreement between the Borrower and an engineer for engineering the design of the Improvements or construction supervision services.

"Event of Default" has the meaning provided in Section 8.

"Hazardous Materials" have the meaning provided in Section 10.1(a).

"Improvements" mean the improvements to be constructed in accordance with the Plans.

"Legal Requirements" have the meaning provided in Section 10.1(b).

"Loan Proceeds" have the meaning provided in Section 2.

"Note" means the Borrower's Promissory Note of even date herewith in the principal amount of $272,000 payable to the order of the State in the form attached hereto as Exhibit C.

"Plans" mean the plans, specifications, drawings for the improvements furnished and acceptable to the State.

"Premises" mean the real property and real property interests described in Exhibit A. attached hereto.

"Security Instruments" mean the Security Agreement of near or even date herewith between the Borrower and the State, the Collateral Assignment of Contracts, Plans and Permits of near or even date herewith of the Borrower to the State, the Collateral Assignment of Assessments of even date herewith of the Borrower to the State and any other instruments now or hereafter securing the Note.

"Total Budget" means the budget for all costs of constructing and equipping the Improvements set forth in Exhibit B.

2. State's Agreement to Disburse Proceeds. Provided the terms, covenants and agreements hereof shall be observed and performed, the State agrees to make disbursements to the Borrower of, and the Borrower agrees to borrow from the State, an amount not to exceed the total principal amount of the Note (such disbursements made, from time to time hereafter, being hereinafter referred to as the "Loan Proceeds").

3. Representations

3.1 Representations of Borrower. The Borrower represents and warrants as follows:

(a) Recitals. The Recitals set forth at the beginning of this Agreement are true and correct;

(b) Plans. The Borrower will file the Plans with all governmental authorities having jurisdiction with respect to the Improvements;

(c) Approvals. The Borrower will obtain all necessary approvals of the Plans and all necessary permits for the construction of the Improvements from all governmental authorities having jurisdiction over the Improvements;

(d) No Violation. Construction of the Improvements will not violate any zoning, environmental, subdivision or land use ordinance, regulation or law;

(e) Water Distribution Rights. The Borrower holds all property rights and other interests or licenses necessary for the ownership and operation of its water distribution system;

(f) No Litigation. To the best of Borrower's knowledge, no litigation or proceedings are pending or threatened against the Borrower or the Premises;

(g) Financial Statements. The balance sheets and financial statements of Borrower, which were submitted in connection with Borrower's request for the loan contemplated herein,

were prepared on a basis consistent with that of preceding periods and are complete and correct and fairly present the financial condition of the Borrower as of the applicable dates. The Borrower has no contingent obligations, liabilities for taxes or unusual forward or long-term commitments except as in the foregoing financial statements specifically mentioned. Since the date of such financial statements, there has been no material adverse change in the financial condition of the Borrower;

(h) Due Organization and Authority. The Borrower is a corporation duly organized under the laws of the State of New Hampshire. The Borrower has the power and authority to own its properties and to carry on business as now being conducted and is qualified to do business in every jurisdiction where such qualification is necessary and has the power to execute and deliver, and perform its obligations under this Agreement, the Note and the Security Instruments;

(i) No Conflict; No Required Approvals. The execution and delivery and performance by the Borrower of its obligations under this Agreement, the Note and each of the Security Instruments have been duly authorized by all requisite corporate action and will not violate any provision of law, any order of any court or other agency of government, or any indenture, agreement or other instrument to which the Borrower is a party, or by which it is bound, or be in conflict with, result in a breach of, or constitute (with due notice or lapse of time or both) a default under, or except as may be provided by this Agreement, result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the Borrower pursuant to, any such indenture, agreement or instrument. The Borrower is not required to obtain any consent, approval or authorization from, or to file any declaration or statement with, any governmental instrumentality or other agency in connection with or as a condition to the execution, delivery or performance of this Agreement, the Note or the Security Instruments except certain approvals of the Drinking Water and Groundwater Bureau of the New Hampshire Department of Environmental Services and certain local permits with respect to the construction of the Improvements;

(j) Bankruptcy. Any borrowings made by the Borrower under this Agreement do not and will not render the Borrower insolvent; the Borrower is contemplating the filing of a petition by it under any state or federal bankruptcy or insolvency laws or the liquidating of all or a major portion of its property, and the Borrower has no knowledge of any person contemplating the filing of any such petition against it, including the properties and assets reflected in its financial statements referred to herein;

(k) No Material Misstatement. No statement of fact made by or on behalf of the Borrower in this Agreement or in any certificate or schedule furnished to the State pursuant thereto, contains any untrue statement of a material fact or omits to state any material fact necessary to make statements contained therein or herein not misleading. There is no fact presently known to the Borrower that has not been disclosed to the State that materially affects adversely, nor as far as the Borrower can foresee, will materially affect adversely the

property, business, operations or conditions (financial or otherwise) of the Borrower;

(l) Taxes. The Borrower has filed all federal, state and local tax returns required to be filed and has paid or made adequate provision for the payment of all federal, state and local taxes, charges and assessments;

(m) Enforceability. This Agreement, the Note and each of the Security Instruments, upon execution and delivery, will be the valid and binding obligations of the Borrower, enforceable in accordance with their respective terms, and will not violate any other agreements or instruments to which the Borrower is a party or by which the Borrower is bound;

(n) No Broker. The making of the loan contemplated hereunder or the State's acquisition of the Note or any of the Security Instruments will not subject the State to any claim for a brokerage commission; and

(o) Total Budget. Exhibit C attached hereto contains and will contain a complete and full enumeration of all costs (hard, soft and acquisition) that Borrower anticipates will be incurred in connection with the construction, the development and equipping of the Improvements and in connection with the starting up of the operation of the Improvements.

3.2 Survival of Representations. Each of the foregoing representations and warranties shall survive the making of the loan hereunder, and the Borrower shall indemnify and hold harmless the State from and against any loss, damage or liability attributable to the breach thereof, including all fees and expenses incurred in the defense or settlement of any claim arising therefrom against the State.

4. Conditions Precedent. The State's obligation to advance any of the Loan Proceeds shall be subject to the satisfaction of the following conditions precedent:

(a) Insurance. The Borrower shall deliver an updated insurance certificate evidencing liability, casualty and/ or builders risk insurance for the Premises with the State listed as loss payee;

(b) Loan Documents. The Borrower shall have executed and delivered to the State the Note and each of the Security Instruments other than the Mortgage, each of which shall be in form and substance satisfactory to State;

(c) Construction Contract. The Borrower shall prepare a public bid offer for the Construction Contract, which shall be reviewed and approved by the State. The Borrower shall receive authorization to award contract from the State and enter into the Construction Contract with the Contractor in accordance with the requirements of such contract, and the Borrower shall have assigned its rights thereunder to State by an assignment in form and substance satisfactory to State.

(d) Engineering Contract. Unless the Engineer is an employee of the Borrower, the Borrower shall prepare a request for qualifications for the Engineering Contract; the Borrower shall have entered into the Engineering Contract in accordance with the requirements of such request, and the Borrower shall have assigned its rights thereunder to the State by an assignment in form and substance satisfactory to State;

(e) Assurances. The State shall receive written assurances from the Engineer and the Contractor that the State shall have the same rights as the Borrower to the continued use of the Plans, and all services related thereto for the construction of the Improvements;

(f) Plans. The Borrower shall have delivered a complete copy of the Plans to the State which Plans shall be satisfactory to the State in all respects;

(g) Environmental Review. The State has received an environmental report and has been completed with respect to the Premises satisfactory to the State;

(h) Additional Instruments. The State shall have received such additional instruments, certificates, opinions, surveys and other documents as the State may reasonably request;

(i) No Event of Default. No Event of Default (as defined herein) nor any event which with the giving of notice or passage of time, or both, would constitute an Event of Default shall have occurred;

(j) Mechanic's Lien Waivers. The Borrower shall provide the State with mechanic's lien waivers executed by the Contractor and all subcontractors relative to all work performed on Improvements before or as of the date hereof, together with the Borrower's written certification that it has complied with this Section 4(j); and

(k) UCC Search. The State shall have received a satisfactory report concerning liens and security interests affecting property of the Borrower

5. Covenants of the Borrower. Until payment in full of all sums required to be paid by the Borrower under the Note and pursuant to the provisions of this Agreement or any Security Instrument, the Borrower shall:

(a) Construction. Enter into the Construction Contract, which shall be binding upon the Borrower and the Contractor and cause the Improvements and any utility facilities necessary for the operation of the Borrower's business or the occupancy of the Premises and the Improvements and not currently available to the Premises to be constructed, equipped and completed, with all reasonable dispatch, but in any event within twenty two (22) months from the date hereof, in accordance with the Plans and all laws, rules, regulations and requirements

of governmental authorities having jurisdiction with respect to the Improvements;

(b) Changes. Make no significant changes in or amendments to the Plans without first obtaining the written approval of the State and any governmental agency whose approval is required. Minor changes on project work that are consistent with the objectives of the project and within the scope of this agreement do not require the prior approval of the State;

(c) Inspection. Permit the State and its representatives to enter upon the Premises and inspect the Improvements and the Premises at all reasonable times and examine all detailed plans, drawings and specifications and any books and records relating to the Premises and the Improvements;

(d) Inadequate Loan Proceeds. If for any reason the amount of undistributed Loan Proceeds shall at any time be or become insufficient to pay for the completion of the Improvements, including: (i) all items set forth in the Total Budget, (ii) all incurred cost overruns and incurred costs for items not included in the Total Budget and (iii) all cost overruns and costs not included in the Total Budget that the State deems likely to be incurred, (regardless of how such condition may be caused) then prior to any further disbursement of Loan Proceeds, either (A) expend from funds other than Loan Proceeds an amount equal to such deficiency for amounts shown on the Total Budget, or (B) provide State with an unconditional and irrevocable letter of credit in an amount equal to such deficiency from a bank and in form and substance satisfactory to State;

(e) Sign. Borrower shall erect a sign in accordance with the state specifications on the Premises at such location as the State in its reasonable discretion may determine, indicating that the Improvements are being financed by the State;

(f) Insurance. Maintain or cause to be maintained liability, casualty and/or builder's risk insurance (the latter to the extent commercially available and applicable) on the Improvements, any material or equipment stored on the Premises, and worker's compensation insurance with such companies, in such amounts and covering such risks as shall be satisfactory to the State and furnish such insurance policies to the State (premiums prepaid or, after failure of the Borrower to prepay the premiums or to procure such insurance policies, the State may procure any such insurance policies it deems satisfactory at the expense of the Borrower), insuring the interests of the Borrower and the State, as their respective interests may appear and, upon request, certificates evidencing such insurance coverage shall be promptly delivered to the State;

(g) Casualty. If the Improvements shall be damaged or destroyed by fire or any other casualty, proceed with the restoration thereof and diligently prosecute the work of restoration to completion, provided that the Loan Proceeds shall not be advanced to pay any part of the cost of such restoration;

(h) No Purchase Money Security Agreements, Etc. Neither purchase nor install materials, equipment, fixtures, furnishings, or any other part of the Improvements under purchase money security agreements, conditional sales contracts or lease agreements, or other arrangements wherein title to or a security interest in such property is retained or the right is reserved or accrues to anyone to remove or repossess any such property that is a part of the Improvements;

(i) Expenses. Pay the State's reasonable expenses (including attorneys' fees) that State incurs in the approval, making and administration of this loan if requested and itemized by the State, and in the enforcement of this Agreement, the Note and related documents;

(j) Cooperation. Cooperate fully with the State with respect to any proceedings before any court, board or governmental agency that may in any way affect the rights of the State hereunder or any rights obtained by the State under any of the Security Instruments and, in connection therewith, permit the State, at its election, to participate in any such proceedings;

(k) Preserve Licenses. Do or cause to be done all things necessary to preserve, renew and keep in full force and effect its existence, rights, licenses, permits and franchises and comply with all laws and regulations applicable to it;

(l) Taxes. Pay and discharge or cause to be paid and discharged all taxes, assessments and governmental charges or levies imposed upon it or upon its respective income and profits or upon any of its property, real, personal or mixed, or upon any part thereof, before the same shall become in default; provided that the Borrower shall not be required to pay and discharge or cause to be paid and discharged any such tax, assessment, charge, levy or claim so long as the validity thereof shall be contested in good faith by appropriate proceedings and it shall have set aside on its books adequate reserves with respect to any such tax, assessment, charge, levy or claim, so contested; and provided, further, that payment with respect to any such tax, assessment, charge, levy or claim shall be made before any of its property shall be seized or sold in satisfaction thereof;

(m) Notice of Proceedings. Give prompt written notice to the State of any proceedings instituted against it by or in any federal or state court or before any commission or other regulatory body, whether federal, state or local, which, if adversely determined, would have an adverse effect upon its business, operations, properties, assets, or condition, financial or otherwise;

(n) Financial Statements. If requested by the State, furnish to the State such information regarding its operation, assets, business affairs and financial condition, as the State may reasonably request and in particular shall furnish to the State (i) within ninety (90) days of the close of each fiscal year during the term of the loan annual financial statements of the Borrower , prepared on a basis consistent with previous periods and certified by the Borrower

as fairly presenting the financial condition of the Borrower and otherwise in form and content reasonably acceptable to the State and (ii) as soon as practical after filing with the Internal Revenue Service a copy of the executed federal income tax returns of the Borrower with all schedules thereto. The Borrower shall use accounting, audit, and fiscal procedures as required by Env-Dw 1106.12;

(o) No Other Indebtedness. Not incur, create, assume, become or be liable in any manner with respect to, or permit to exist, any indebtedness or liability, except:

(i) indebtedness to the State;

(ii) indebtedness with respect to trade obligations and other normal accruals in the ordinary course of business;

(iii) other debt to which the State consents (such consent not to be unreasonably withheld.

(p) Assessments. The Borrower shall increase its assessments to its members in an amount sufficient to pay the debt service on the loan evidenced by the Note together with the Borrower's other expenses, and at the request of the State shall furnish evidence to the State of the amount of those assessments.

(q) Construction Loan Notice. Within five (5) business days after the later of (i) execution of this Agreement or (ii) the recording of the Mortgage, post a notice provided by the State in a conspicuous place on the Premises and provide the State with written certification that the Borrower has complied with this paragraph; and

(r) Two Party Check Requirements. If any contract between the Borrower or its agent and any person furnishing services, material, supplies or other things shall provide that the disbursement of construction funds to pay such persons shall be by two-party check, the Borrower shall provide, or cause its agent to provide, the State with a copy of such contract.

(s). Unique Entity Identifier (UEI). The Borrower must obtain a Unique Entity Identifier (Unique Entity ID). The federal government has adopted the use of a Unique Entity ID to track how federal grant money is allocated. The Unique Entity ID identifies your organization. A Unique Entity ID may be obtained by visiting http://sam.gov.

(t) Access to Records. Permit the Comptroller General of the United States, an appropriate Inspector General appointed under section 3 or 8G of the Inspector General Act of 1978 (5 U.S.C. App.), or an authorized representative of either of the foregoing officials, or of the State of New Hampshire to have access to and the right to:

(i) Examine any of the Borrower's, the Contractor's or any subcontractor's records

that pertain to and involve transactions relating to this Agreement, the Construction Contract, the Engineering Contract or a subcontract thereunder; and

(ii) Interview any officer or employee of the Borrower, the Contractor and any subcontractor regarding such transactions.

The Borrower shall insert subparagraphs (i). and (ii). in the Construction Contract and require the Contractor to insert subparagraphs (i). and (ii). in all subcontracts thereunder.

(u) Prevailing Wage Rate Requirement (Davis-Bacon). Davis-Bacon (DB) prevailing wage requirements apply to the Project in accordance with the federal fiscal year (FY) 2014 Consolidated Appropriations Act (P.L. 113-76). The Borrower shall insert in full in any contract in excess of $2,000 which is entered into for Project construction the standard Davis-Bacon contract clause as specified by 29 CFR §5.5(a). The Borrower shall obtain the wage determination for the locality in which a covered activity subject to DB will take place prior to issuing requests for bids, proposals, quotes or other methods for soliciting contracts (solicitation) for activities subject to DB. These wage determinations shall be incorporated into solicitations and any subsequent contracts. Prime contracts must contain a provision requiring that subcontractors follow the wage determination incorporated into the prime contract.

(v) American Iron and Steel. The Borrower agrees to comply with Section 436 of the Consolidated Appropriations Act, 2014 (P.L. 113-76), which requires that all of the iron and steel products used in the Project are to be produced in the United States ("American Iron and Steel Requirement") unless (i) the Borrower has requested and obtained a waiver from the Environmental Protection Agency pertaining to the Project or (ii) the State has otherwise advised the Participant in writing that the American Iron and Steel Requirement is not applicable to the Project. The Borrower further agrees to maintain records documenting compliance with the American Iron and Steel Requirement, and to provide records and certifications to the State upon request.

(w) Build America, Buy America (BABA) Act. The Borrower agrees to comply with all federal requirements applicable to the assistance received (including those imposed by the Infrastructure Investment and Jobs Act ("IIJA"), Public Law No. 117-58) which the Participant understands includes, but is not limited to, the following requirements: that all of the iron and steel, manufactured products, and construction materials used in the Project are to be produced in the United States ("Build America, Buy America Requirements") unless (i) the Participant has requested and obtained a waiver from the cognizant Agency pertaining to the Project or the Project is otherwise covered by a general applicability waiver; or (ii) all of the contributing Agencies have otherwise advised the Participant in writing that the Build America, Buy America Requirements are not applicable to the Project. Comply with all record keeping and reporting requirements under all applicable legal authorities, including any reports required by the funding authority (such as EPA and/or a state), such as performance indicators

of program deliverables, information on costs and project progress. The Borrower understands that (i) each contract and subcontract related to the Project is subject to audit by appropriate federal and state entities and (ii) failure to comply with the applicable legal requirements and this Agreement may result in a default hereunder that results in a repayment of the assistance agreement in advance of the maturity of the bonds, termination and/or repayment of grants, cooperative agreements, direct assistance or other types of financial assistance, and/or other remedial actions.

(x) Suspension and Debarment. The Borrower shall fully comply with Subpart C of 2 C.F.R. Part 180 entitled, "Responsibilities of Participants Regarding Transactions Doing Business With Other Persons," as implemented and supplemented by 2 C.F.R. Part 1532. Recipient is responsible for ensuring that any lower tier covered transaction, as described in Subpart B of 2 C.F.R. Part 180, entitled "Covered Transactions," and 2 C.F.R. § 1532.220, includes a term or condition requiring compliance with 2 C.F.R. Part 180, Subpart C. The Borrower is responsible for further requiring the inclusion of a similar term and condition in any subsequent lower tier covered transactions. The Borrower acknowledges that failing to disclose the information required under 2 C.F.R. § 180.335 to the EPA office that is entering into the transaction with the Borrower may result in the delay or negation of this assistance agreement, or pursuance of administrative remedies, including suspension and debarment. The Borrower may access the System for Award Management (SAM) exclusion list at https://sam.gov/SAM/ to determine whether an entity or individual is presently excluded or disqualified. By entering into this agreement, the Borrower certifies that the Borrower is not debarred or suspended. Furthermore, the Borrower certifies that no part of this contract will be subcontracted to a debarred or suspended person or firm.

(y) Prohibition on Certain Telecommunications and Video Surveillance Services or Equipment. This term and condition implements 2 CFR 200.216 and is effective for obligations and expenditures of EPA financial assistance funding on or after 8/13/2020. As required by 2 CFR 200.216, EPA recipients and subrecipients, including borrowers under EPA funded revolving loan fund programs, are prohibited from obligating or expending loan or grant funds to procure or obtain; extend or renew a contract to procure or obtain; or enter into a contract (or extend or renew a contract) to procure or obtain equipment, services, or systems that use covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system. As described in Public Law 115-232, section 889, covered telecommunications equipment is telecommunications equipment produced by Huawei Technologies Company or ZTE Corporation (or any subsidiary or affiliate of such entities). Recipients, subrecipients, and borrowers also may not use EPA funds to purchase: a. For the purpose of public safety, security of government facilities, physical security surveillance of critical Page 4 of 29 infrastructure, and other national security purposes, video surveillance and telecommunications equipment produced by Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, or Dahua Technology Company (or any subsidiary or affiliate of such entities). b. Telecommunications or video surveillance

services provided by such entities or using such equipment. c. Telecommunications or video surveillance equipment or services produced or provided by an entity that the Secretary of Defense, in consultation with the Director of the National Intelligence or the Director of the Federal Bureau of Investigation, reasonably believes to be an entity owned or controlled by, or otherwise connected to, the government of a covered foreign country. Consistent with 2 CFR 200.471, costs incurred for telecommunications and video surveillance services or equipment such as phones, internet, video surveillance, and cloud servers are allowable except for the following circumstances: a. Obligating or expending EPA funds for covered telecommunications and video surveillance services or equipment or services as described in 2 CFR 200.216 to: (1) Procure or obtain, extend or renew a contract to procure or obtain; (2) Enter into a contract (or extend or renew a contract) to procure; or (3) Obtain the equipment, services, or systems. Certain prohibited equipment, systems, or services, including equipment, systems, or services produced or provided by entities identified in section 889, are recorded in the System for Award Management exclusion list.

(z) Utilization of Disadvantaged Business Enterprises. Pursuant to 40 CFR, Section 33.301, make good faith efforts to utilize small, minority and women's business enterprises whenever procuring construction, equipment, services and supplies under an EPA financial assistance agreement, and to require that sub-recipients and prime contractors also comply. Records documenting compliance with the six good faith efforts shall be retained.

(aa) Single Audit Act. The Borrower acknowledges that by accepting the Loan it will be a sub-recipient of federal financial assistance and, as such, subject to requirements of the federal Single Audit Act and subsequent amendments (SAA). The Borrower further acknowledges that, if the Borrower expends more than the required threshold in federal financial assistance from all sources in any fiscal year, it must perform an SAA audit in accordance with the requirements of Office of Management and Budget Circular A-133. In that event, the Borrower shall provide the State with a copy of the SAA audit report within nine months of the end of the audit period.

(bb) Asset Management. The Borrower is required to develop an asset maintenance and renewal plan for the asset(s) being funded under the loan or incorporate the funded asset(s) into an existing asset management plan. At a minimum the plan must include a commitment to asset management, a financing and implementation strategy and an inventory of the funded asset(s).

(cc) Super Cross Cutters. The Borrower agrees to comply with the following:

- (i) Title VI of the Civil Rights Act
- (ii) Section 13 of the Federal Water Pollution Control Act Amendments of 1972
- (iii) Section 504 of the Rehabilitation Act of 1973
- (iv) The Age Discrimination Act of 1975

(v) Equal Employment Opportunity requirements (Executive Order 11246)

6. Loan Disbursements.

6.1 Written Applications. Upon compliance with, and subject to, the provisions of this Agreement, and provided there shall exist no Event of Default and no condition or event which with the giving of notice or lapse of time would constitute such an Event of Default, the State shall, upon written application by the Borrower (made not less than fourteen (14) business days prior to the date of the requested disbursement under this Section 6 and made not more often than once a month), make disbursements to the Borrower from the Loan Proceeds in the amounts hereinafter specified, but not in any event to exceed in the aggregate the amount of the Loan Proceeds.

6.2 Amount of Disbursement. Each such disbursement for costs incurred by the Borrower shall be disbursed by the State from the Loan Proceeds in such a manner as to protect the priority of State's lien as required by New Hampshire Revised Statutes Annotated 447:12-a. The amount of each disbursement shall represent the total costs incurred by Borrower and approved by State in conformance with the Total Budget as of any such date of the disbursement application, in excess of funds required to be provided and expended by Borrower under the terms hereof as of the date of said advance application, less any amounts previously advanced by State from the Loan Proceeds.

6.3 Application Documents. Each application for disbursement of the Loan Proceeds, must be accompanied by the following unless waived by the State in writing:

(a) Invoices from engineer or consultant for services in accordance with the Engineering Contract, if any; or

(b) A completed disbursement request form signed by an authorized representative of Borrower with the contractor's payment estimate and invoices, in form approved by State and with such backup information as State may reasonably request;

(c) A certificate of the Engineer selected by or satisfactory to State, that all work performed at the site of construction as of the date the disbursement is requested has been performed in good and workmanlike manner, that all materials and fixtures usually furnished and installed at that time have been furnished and installed, all in accordance with the Plans, and that sufficient Loan Proceeds remain undisbursed to complete the Improvements in accordance with the Plans and the Total Budget;

(d) [Intentionally left blank;]

(e) A written certificate of the Borrower and the Contractor that each of them has received no affidavits or other notices in connection with the obtaining of a mechanic's lien by any contractor, subcontractor, materialman or laborer;

(f) The Borrower's written certification that at least forty-eight (48) hours before the requested release of the advance the Borrower has posted a notice in a conspicuous place on the Premises of the anticipated funding date for the advance, together with a copy of such notice; and

(g) Any other documents that the State shall reasonably request the Borrower to provide to protect the priority of the lien the Security Instruments, including without limitation, lien waivers of the Contractor or subcontractors.

6.4 Lien Releases or Waivers. In connection with any disbursement of Loan Proceeds, the State may require lien releases or affidavits from, or the submission of other appropriate forms by, the Borrower, the Contractor, subcontractors or materialmen as may be required by the State or the Title Insurance Company.

6.5 Quality of Work. No disbursement shall be made unless all work usually done at the stage of construction when the disbursement is requested is done in a good and workmanlike manner and without defects, and all materials and fixtures usually furnished and installed at that time are furnished and installed, but the State may disburse all or part of any installments before the same shall become due if the State believes it advisable so to do, and all such disbursements or payments shall be deemed to have been made pursuant to this Agreement.

6.6 No Acceptance. The making of any disbursement or any part of a disbursement shall not be deemed an approval or acceptance by the State of the work theretofore done or of materials theretofore furnished.

6.7 Two Party Checks. Disbursements may be made, at the election of the State, by checks payable to the Borrower and the Contractor jointly, and delivered, at the State's election, either to the Borrower or the Contractor or any subcontractor or vendor; provided, however, that disbursement shall be by check payable to the Borrower and any Contractor or subcontractor for which the Borrower or its agent has supplied the State with a copy of a contract as provided in Section 5(r).

6.8 Limited Duty. The Borrower agrees that the State shall assume no duty with respect to disbursement of the Loan Proceeds except to disburse upon the conditions as set forth in this Agreement and that any sums disbursed by the State in good faith and in reliance upon this Agreement, or the Security Instruments, shall be secured by the lien of the Security Instruments.

6.9 Deemed Disbursements. Any sum which, in accordance with any provision of this Agreement shall be payable by the Borrower to the State shall, at the election of the State, be deemed a disbursement by the State to the Borrower pursuant to the provisions of this Agreement, and shall be charged against the Loan Proceeds and secured by the Security Instruments.

7. Completion of Improvements. Upon completion in full of the Improvements, the Borrower shall promptly deliver to the State:

(a) Engineer's Certificate. A written certificate of the inspecting engineer or construction supervisor that the construction of the Improvements has been fully completed in a good and workmanlike manner in accordance with the Plans;

(b) Project Costs. A certificate by the Borrower, in form and substance satisfactory to State, listing all categories of project costs and expenses in connection with the construction and completion of the Improvements and the amount paid by the Borrower with respect to each; and

(c) Permits. A copy of the applicable certificates, licenses, consents and approvals issued by governmental authorities with respect to the Improvements.

8. Events of Default. The occurrence of any of the following events shall constitute an Event of Default under this Agreement:

(a) [intentionally omitted]

(b) Assignment. The Borrower attempts to assign its rights under this Agreement or any advance made or to be made hereunder or any interest therein, or if the Improvements or the Premises are conveyed or encumbered in any way without the written consent of the State;

(c) Encroachment or Violation. Any survey, report or examination discloses that the Improvements or any portion thereof encroach upon or project over or in a street (except as contemplated by the Plans) or upon or over adjoining property or violate any setback or other restriction, however created, or any zoning regulations or any building restriction of any governmental authority having jurisdiction with respect to the Improvements;

(d) Casualty. The Improvements or the improvements on the Premises are materially damaged or destroyed by fire or other casualty or cause and the insurance proceeds therefrom (subject to the terms of the Mortgage) are inadequate to rebuild or restore the Improvements or the improvements on the Premises to their condition immediately prior to such casualty;

(e) Failure to Construct. The Borrower or the Contractor does not construct the

Improvements in accordance with the Plans;

(f) Misrepresentation. Any representation or warranty made herein or in any report, certificate, financial statement or other instrument furnished in connection with this Agreement or any advances made hereunder, by or in behalf of the Borrower, shall prove to be false or misleading in any material respect;.

(g) Mechanics' Liens. Any mechanics', laborers', materialmen's or similar statutory liens, or any notice thereof, shall be filed against the Premises and/or the Improvements and shall not be discharged within thirty (30) days of such filing or a greater time if such liens are being contested in good faith by appropriate proceedings with a stay of execution having been served or such greater period of time as shall be permitted by the terms of the Mortgage or other Security Instrument;

(h) Other Defaults. The Borrower shall default in the due observance or performance of any covenant, condition or agreement to be observed or performed by the Borrower under this Agreement not otherwise specifically referred to in this Section 8, provided in the case of a default the Borrower's obligations under Section 5(h) or 5(i) that such default shall continue for more than thirty (30) days after written notice of such default;

(i) Other Loan Documents. Any event of default as defined in the Note or any Security Instrument, or any event which, with the giving of notice or passage of time, or both, would become an event of default under such instruments shall occur;

(j) Cessation of Work. Any substantial cessation occurs at any time in construction of the Improvements except for strikes, riots, or other causes beyond the Borrower's control, or if any substantial change is made in the schedule for the construction of the Improvements from that provided in the Plans or this Agreement without the approval of the State;

(k) Voluntary Bankruptcy. The Borrower shall (i) apply for or consent to the appointment of a receiver, trustee or liquidator of it or any of its property, (ii) admit in writing its inability to pay its debts as they mature, (iii) make a general assignment for the benefit of creditors, (iv) be adjudicated as bankrupt or insolvent, or (v) file a voluntary petition in bankruptcy, or a petition or an answer seeking reorganization or an arrangement with creditors or to take advantage of any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law or statute, or an answer admitting the material allegations of a petition filed against it in any proceeding under any such law;

(l) Involuntary Bankruptcy. A petition, order, judgment or decree shall be entered, without the application, approval or consent of the Borrower, as the case may be, by any court of competent jurisdiction, approving a petition seeking reorganization or approving the appointment of a receiver, trustee or liquidator of the Borrower of all or a substantial part of its assets, and such order, judgment or decree shall continue unstayed and in effect for any period

of sixty (60) days;

(m) Dissolution, Etc. The death, dissolution, termination of existence, merger or consolidation (as applicable) of the Borrower, or a sale of assets of the Borrower out of the ordinary course of business without the prior written consent of the State;

(n) Other Obligations to State. Default by the Borrower in the payment or performance of any other obligations of the Borrower owed to the State, whether created prior to, concurrent with, or subsequent to the obligations arising out of this Agreement, provided such default continues after any applicable notice and expiration of any applicable grace period;

(o) Other Obligations. Default by the Borrower in any other obligation for borrowed money in excess of Twenty-Five Thousand Dollars ($25,000.00);

(p) Judgment. Final judgment for the payment of money of more that Twenty-Five Thousand Dollars ($25,000.00) in excess of any insurance proceeds shall be rendered against the Borrower and shall remain undischarged for a period of thirty (30) days during which execution shall not be effectively stayed ; and

(q) Insecure. The State shall deem itself insecure within the meaning of New Hampshire RSA 382-A: 1-208.

9. State's Rights and Remedies Upon Default.

9.1 General State Rights. Upon the occurrence of any Event of Default, all obligations on the part of the State to make disbursements under this Agreement shall, if the State so elects, cease, and, at the option of the State (but subject to the terms and conditions set forth in the Note and any applicable Security Instrument), the Note shall become immediately due and payable, and the State shall thereupon be authorized and empowered to exercise any rights of foreclosure or as otherwise provided for the realization of any security for the Note covered by any of the Security Instruments; but the State may make any disbursements or portions of disbursements, after the occurrence of any such Event of Default, without thereby waiving its right to demand payment of the Borrower's indebtedness evidenced by the Note and secured by the Security Instruments and without becoming liable to make any other or further advances as hereinabove contemplated by this Agreement.

9.2 Possession. In addition to the remedies hereinabove provided by Section 9.1, upon the occurrence of any Event of Default, the State shall be authorized and empowered, at its election, (i) to enter upon the Premises and construct, equip and/or complete the Improvements in accordance with the Plans, with such changes therein as the State may from time to time, in its sole discretion, deem appropriate, and to appoint watchmen to protect the Improvements, all at the risk, cost and expense of the Borrower, (ii) to discontinue, at any time,

any work with respect to the Improvements commenced by it or change any course of action undertaken by it in connection therewith, and shall not be bound by any limitations or requirements of time, whether set forth herein or otherwise, and/or (iii) to assume the Construction Contract or related agreement made by the Borrower in any way pertaining to the Improvements and to take over and use all or any part or parts of the labor, materials, supplies and equipment contracted for by the Borrower, whether or not previously incorporated into the Improvements, all in the sole discretion of the State.

9.3 Completion of Improvements. In connection with any construction, equipping and/or completion of the Improvements undertaken by the State pursuant to the provisions of Section 9.2 (but without intending hereby to limit the powers and discretions conferred therein), the State may engage builders, contractors, architects and engineers and others for the purposes of furnishing labor, materials and equipment for the Improvements; pay, settle or compromise all bills or claims which may become liens against the Improvements and the Premises or which have been or shall be incurred in any manner in connection with such construction, equipping and/or completion; and take such action or refrain from acting hereunder as the State may, in its sole discretion, from time to time determine.

9.4 Costs. The Borrower shall be liable to the State for all costs paid or incurred for the construction, completion and/or equipping of the Improvements, whether the same shall be paid or incurred pursuant to the provisions of Sections 9.2 or 9.3 or otherwise, and all payments made or liabilities incurred by the State hereunder of any kind whatsoever shall be paid by the Borrower to the State on demand, with interest at the rate specified in the Note to the date of payment.

9.5 Cumulative Rights. Upon the occurrence of any Event of Default, the rights, powers, privileges and other remedies available to the State under this Agreement or at law or in equity may be exercised by the State at any time and from time to time, whether or not the indebtedness evidenced and secured by the Note and the Security Instruments shall be due and payable, and whether or not the State shall have instituted any foreclosure proceedings or other action for the enforcement of its rights under the Note or any of the Security Instruments.

9.6 Right of Set-Off. Any deposits or other sums at any time credited by or due from the State to the Borrower and any securities or other property of the Borrower at any time in possession of the State may at all times be held or treated as collateral security for the payment of the loan any and all liabilities of the Borrower to the State. Upon an Event of Default the State may apply or set-off such deposits or other sums or property against such liabilities.

9.7 Power of Attorney. For the purpose of carrying out the provisions and exercising the rights, powers and privileges granted by this Agreement, effective upon an Event of Default, the Borrower hereby irrevocably constitutes and appoints the State its true and lawful attorney-in-fact, with full power of substitution, to execute, acknowledge and deliver any

instruments and do and perform any acts that are referred to herein in the name and behalf of the Borrower other than amend this Agreement, the Note or the Security Instruments. The power vested in said attorney-in-fact is, and shall be deemed to be, coupled with an interest and cannot be revoked.

10. Hazardous Materials Indemnification.

10.1 Definitions.

(a) The term "Hazardous Materials" shall mean and include asbestos, polychlorinated biphenyls ("PCB's"), other carcinogens, oil and other petroleum products, and any other hazardous or toxic materials, wastes and substances which are defined, determined or identified as such under RSA Chapters 146-A, 146-C, 147-A and 147-B, CERCLA, or any other applicable federal, state or local laws, rules, codes or regulations or any judicial or administrative interpretation thereof; and

(b) The term "Legal Requirements" shall mean all federal, state or local laws, rules, codes or regulations, or any judicial or administrative interpretation thereof, including, without limitation, all orders, decrees, judgments and rulings imposed through any public or private enforcement proceedings, relating to Hazardous Materials or the existence, use, discharge, release, containment, transportation or disposal thereof.

10.2 Indemnification. At all times, both before and after any conveyance or foreclosure of the Premises, the Borrower shall at its sole cost and expense indemnify, exonerate, protect and save the State harmless against and from any and all damages, losses, liabilities, obligations, penalties, claims, litigation, demands, defenses, judgment, suits, proceedings, costs, disbursements or expenses of any kind or nature whatsoever, including without implied limitation, attorneys' and experts' fees and disbursements, which may at any time be imposed upon, incurred by or asserted or awarded against the State and arising from or out of:

(a) Any Hazardous Materials on, in, under or affecting all or any portion of the Premises or any areas surrounding the same before the Borrower is divested of title to the Property by conveyance or foreclosure or divested of possession of the Premises following an Event of Default;

(b) The violation by the Borrower of any Legal Requirements with respect to the Premises or other real property; or

(c) The enforcement of this Section 10 of the Agreement or the assertion by the Borrower of any defense to its obligations hereunder, whether any of such matters arise before or after foreclosure of the Mortgage or other taking of title to or possession of all or any portion of the Premises by the State, and specifically including therein, without limitation, the

following to the extent they are a result of the matters described in clauses (a) or (b) above:

(i) costs of removal of any and all Hazardous Materials from all or any portion of the Premises or any areas surrounding the same;

(ii) additional costs required to take necessary precautions to protect against the release of Hazardous Materials on, in, under, or affecting, the Premises, or into the air, any body of water or wetland, any other public domain, or any areas surrounding the Premises;

(iii) costs incurred to avoid the imposition of, or to discharge, any lien on the Premises arising from any failure to comply with Legal Requirements;

(iv) costs incurred to comply with all Legal Requirements relating to the Premises or any other collateral for the Loan, including without limitation, fines, penalties or other charges imposed by any lawful authority; and

(v) costs and expenses incurred in ascertaining the existence or extent of any asserted violation of any Legal Requirements relating to the Premises and any remedial action taken on account thereof including, without limitation, the costs, fees and expenses of engineers, geologists, chemists, other scientists, attorneys, surveyors and other professionals, and testing and analyses performed in connection therewith. The foregoing shall not apply to precautionary testing which is not in response to a specific identified potential release at the Premises.

11. Assignments. The State may assign, negotiate or pledge all or any portion of its rights under this Agreement or any of its rights or security with respect to the Note and the Security Instruments, and, in case of such assignment, the Borrower shall accord full recognition thereto. The Borrower hereby consents to the State's delivery of any and all financial or other information concerning the Borrower to any assignee or participating lender. The Borrower shall not assign or attempt to assign directly or indirectly, any of its rights under this Agreement or under any instrument referred to herein without the prior written consent of the State.

12. Forgiveness of Principal. The Borrower is eligible for forgiveness of the principal of the Note advanced under this Agreement pursuant to the State's 2023 Intended Use Plan under the Drinking Water State Revolving Loan Program. The principal amount of the Note and accrued interest shall be forgiven upon completion of construction of the Improvements as determined by the State.

13. General Provisions.

13.1 Captions. The captions in this instrument are for convenience and reference only and do not define, limit or describe the scope of the provisions hereof.

13.2 Number and Gender. Whenever the context so requires, reference herein to the neuter gender shall include the masculine and/or feminine gender, and the singular number shall include the plural.

13.3 Binding Effect. The terms, covenants, agreements and conditions contained herein shall extend to, include, and inure to the benefit of and be binding upon the respective heirs, executors, administrators, successors and assigns of the Borrower and the Guarantor, as the case may be, and the successors and assigns of the State.

13.4 Notices. Any notice, demand, request or other communication given hereunder or in connection herewith shall be in writing and sent by certified mail, postage prepaid, return receipt requested, addressed to the party to receive the same at its address set forth herein or at such other address as such party may hereafter designate by notice given in like fashion. Any such notice, demand, request or other communication shall be deemed given when mailed as aforesaid.

13.5 Governing Law. This Agreement has been made in the State of New Hampshire, and the provisions thereof shall be governed by and construed in accordance with the law of the State of New Hampshire (excluding the laws applicable to conflicts or choice of laws).

13.6 Entire Agreement. This Agreement, together with any and all schedules and exhibits hereto and the Note and the Security Instruments, contains the full, final and exclusive statement of the agreement of the parties with respect to the subject matter hereof and supersedes all prior understandings, representations or agreements, whether written or oral, with respect to such subject matter.

13.7 Amendment and Waiver. No amendment, modification, termination or waiver of any provision of this Agreement or the Note shall be effective unless it is in a writing executed by the State and in the case of an amendment, modification or termination by the Borrower.

13.8 Consent to Jurisdiction. The Borrower hereby consents to the jurisdiction of all state and local courts of the State of New Hampshire and the United States District Court of the District of New Hampshire in connection with any suit to enforce any right of the State under the Note, this Agreement or any Security Instrument.

13.9 Joint and Several. If the Borrower consists of more than one person or entity, such persons and entities shall have joint and several liability hereunder.

13.10 Severability. If any provision or condition of this Agreement is prohibited or rendered invalid or unenforceable, such prohibition, invalidity or unenforceability shall not affect the validity or enforceability of any other provisions and conditions of this Agreement.

13.11 References. All references herein to the Note, the Mortgage and the other Security Instruments shall be construed to refer to such instruments as they may be amended from time to time.

13.12 Sovereign Immunity. Nothing contained in this Agreement, the Note or the Security Instruments shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State.

IN WITNESS WHEREOF, the State and the Borrower have each duly caused this Agreement to be executed, by their respective officers, thereunto duly authorized, as of the day and year indicated above.

THE STATE OF NEW HAMPSHIRE

_____ By: _____

Witness

Robert R. Scott, Commissioner
Department of Environmental Services

MORNINGSIDE DRIVE ASSOICATION

_____ By: _____

Witness

David Stratton
Treasurer

LIST OF EXHIBITS

EXHIBIT A	THE PREMISES
EXHIBIT B	THE TOTAL BUDGET
EXHIBIT C	PROMISSORY NOTE

EXHIBIT C

PROMISSORY NOTE

$272,000 Concord, New Hampshire

FOR VALUE RECEIVED Morningside Drive Association, a New Hampshire corporation with an address of at 13 Morningside Drive, Derry, NH, 03038 ("Borrower"), promises to pay to State of New Hampshire with an address of c/o Department of Environmental Services, 29 Hazen Drive, P.O. Box 95, Concord, New Hampshire 03302-0095, or its order ("State"), the sum of Two Hundred Seventy Two Thousand Dollars ($272,000) or such lesser amount as shall be disbursed to Borrower by State pursuant to a Loan Agreement of near or even date by and between Borrower and State (the "Loan Agreement"), in lawful money of the United States, together with interest thereon at the annual rate of one percent (1%) until the earlier of (i) the date of substantial completion of the Improvements (as defined in the Loan Agreement) as determined by State or (ii) December 1, 2025 (such earlier date being the "Interest Rate Change Date") and commencing on the Interest Rate Change Date at the lower of (A) the annual rate of 2.8% or (B) eighty percent (80%) of the established market rate as determined in Env-Dw 1106.03 and 1106.04 (the interest rate at any given time, the "Applicable Interest Rate"). Capitalized terms used but not defined herein have the meaning given to them in the Loan Agreement.

1. Payments. The interest and principal of this Note shall be paid as follows:

(a) Commencing on the first day of the sixth month after the Interest Rate Change Date, interest only shall be paid in six (6) consecutive monthly installments on the first day of each month.

(b) Commencing with the first day of the twelfth month after the Interest Rate Change Date (the "Conversion Date"), the principal and interest of the Note shall be paid in Two Hundred Forty (240) consecutive equal monthly installments of principal and interest on the first day of each month with the installment amount calculated to amortize the principal balance of the Note over the 240 month period at the Applicable Interest Rate; provided, however, that Borrower shall have the option to elect prior to the first installment payment under paragraph 1(a) to have the interest accruing prior to the Interest Rate Change Date be capitalized and added to the principal amount of the Note rather than paid in the first installment of interest to be paid pursuant to paragraph 1(a) so long as the sum of the principal balance of the Note plus interest accruing prior to the Interest Rate Change Date (such sum being the "Capitalized Amortization Amount") shall not exceed $272,000, and if the sum of unpaid principal plus interest accruing prior to the Interest Rate Change Date exceeds $272,000, such excess amount of interest shall be due and payable with the first payment of

interest pursuant to paragraph 1(a) above. If Borrower elects to have such interest capitalized, then the Capitalized Amortization Amount shall be paid in Two Hundred Forty (240) consecutive equal monthly installments of principal on the first day of each month, commencing with the first day of the twelfth month after the Interest Rate Change Date, with interest with the installments calculated to amortize the Capitalized Amortization Amount over such 240 month Period at the Applicable Interest Rate. Notwithstanding the foregoing, the repayment of principal and interest pursuant to this Note is subject to Section 12 of the Loan Agreement.

2. Prepayment. Borrower shall have the right to prepay any or all sums due under this Note without penalty. Prepayments shall be applied first to accrued interest and then to principal. Partial prepayments of principal shall be applied against the outstanding principal balance; provided, however, that Borrower shall continue to make principal payments in the amounts specified above and on the dates specified above, with interest on the outstanding principal balance recomputed accordingly, until Borrower's obligations under this Note are satisfied in full.

3. Security. This Note and the Loan Agreement are secured by a Security Agreement of near or even date herewith between Borrower and State and other security instruments (collectively with such Security Agreement the "Security Instruments") described in the Loan Agreement.

4. Due Date; Late Payment. All payments of principal and interest shall be due on or before the due date specified above; provided, however, that Borrower shall not be deemed in default hereunder if payment is received by State on or before 4:00 p.m. of the seventh day following the due date. Borrower agrees to pay a late charge of five percent (5%) of the amount of any payment due under this Note that is not paid within seven (7) days of its due date.

5. Applicable Interest. Borrower expressly agrees that the Applicable Interest Rate specified in this Note shall be the applicable interest rate due (i) on amounts outstanding during the term hereof and (ii) with respect to any amount outstanding on and after the maturity date hereof. The interest payable on this Note shall be calculated on the basis of an annual rate of interest applied to twelve thirty-day months over a three hundred sixty (360) day year.

6. Default; Acceleration. Borrower shall be in default of this Note, and all principal and accrued interest thereon shall immediately become due and payable, without notice or demand, upon the occurrence of any of the following events: (a) failure to make prompt payment of any principal or interest installment due hereunder (or within such grace period as may be provided herein), (b) the failure of Borrower to observe or perform any of the other obligations to State under this Note, and the same remains unremedied for a period of thirty

(30) days after the date of notice thereof to Borrower by State, (c) the occurrence of an Event of Default under the Loan Agreement, (d) a default or event of default under any Security Instrument or (e) a default in any other obligation of Borrower to State, whether now existing or hereinafter incurred.

If Borrower shall file a petition under any section of the Bankruptcy Code, shall make an assignment for the benefit of creditors, shall have a receiver appointed over its affairs who shall not be discharged within sixty (60) days from the date of appointment, or shall have filed against it a petition under a section of the Bankruptcy Code, or any debtor-creditor act, which petition shall not be dismissed within sixty (60) days of the date of filing of the same, then the balance of principal and interest remaining unpaid on this Note shall become due and payable forthwith without demand or notice.

7. Costs of Collection. If this Note is not paid in full when it becomes due, or if any payment required hereunder shall not be paid when due, or within such grace period as may be expressly provided herein, Borrower agrees to pay all costs and expenses of collection, including attorneys' fees, regardless of whether legal proceedings have been formally commenced.

8. Waiver of Presentment. Borrower hereby waives presentment, demand for payment, notice of dishonor, and all other notices or demands in connection with the delivery, acceptance, performance, default, or endorsement of this Note.

9. Non-Forfeiture of Rights. It is agreed and understood that the waiver by State of any particular default in the terms of this Note shall not constitute waiver of any further default and that acceptance of any payment after it is due shall not be deemed a waiver of the right to require prompt payment when due on all other sums and that acceptance of any payment after default shall not cure said default or operate as a waiver of any rights of State hereunder unless otherwise agreed in writing.

10. Payments, Notices. All payments due under this Note, and any notice required to be made hereunder shall be directed to State or to Borrower, as the case may be, at the addresses above specified, or such other address as State and Borrower may hereafter direct, in writing.

11. Binding on Successors, Etc. The obligation of this Note shall be binding upon the heirs, successors and assigns of Borrower herein and shall inure to the benefit of the successors or assigns of State herein or any holder hereof. Notwithstanding the preceding sentence, Borrower shall not assign this Note without the prior written consent of State.

12. Gender. Whenever the content so requires, reference herein to the neuter gender shall include the masculine and/or feminine gender, and the singular number shall include the plural.

13. References. All references herein to the Loan Agreement and the Security Instruments shall be construed to refer to such instruments as they may be amended from time to time.

14. Governing Law. The Note has been made in the State of New Hampshire, and the provisions hereof shall be governed by and construed in accordance with the laws of the State of New Hampshire (excluding the laws applicable to conflicts or choice of laws).

15. Jurisdiction. Borrower hereby consents to the jurisdiction of all state and local courts of the State of New Hampshire and the United States District Court of the District of New Hampshire in connection with any suit to enforce any rights of State under this Note.

16. Sovereign Immunity. Nothing contained in this Note, the Loan Agreement, any guaranty guarantying this Note or any Security Instrument shall be deemed to constitute a waiver of the sovereign immunity of State, which immunity is hereby reserved to State.

EXECUTED as of _____, 2024.

MORNINGSIDE DRIVE ASSOCIATION

_____
Witness

By: _____
David Stratton
Treasurer

Return to: David M. Howe, Esquire
4 Wildemere Terrace
Concord, NH 03301

COLLATERAL ASSIGNMENT OF ASSESSMENTS

THIS ASSIGNMENT OF ASSESSMENTS made as of the _____ day of _____, 2024, by Morningside Drive Association, a New Hampshire corporation (the "Assignor"), having a mailing address of 13 Morningside Drive, Derry, NH, 03038, to the State of New Hampshire, c/o New Hampshire Department of Environmental Services, 29 Hazen Drive, P.O. Box 95, Concord, New Hampshire 03302-0095 (the "Assignee").

RECITALS

A. Concurrently herewith, the Assignor has executed and delivered to the Assignee a certain Promissory Note in the principal amount of $272,000 (the "Note"), to evidence a loan to finance the construction of certain water system improvements situated on and in the real property and improvements of the development known as Morningside Drive created pursuant to a Declaration of Morningside Drive Association recorded at Rockingham County Registry of Deeds at Book 2548, Page 1475 (the "Development") located in Derry, New Hampshire, more particularly described in Exhibit A annexed hereto (the "Premises"). The Association includes 32 residential lots (the "Lots") and the common area appurtenant to the Lots. The Assignor is the association of the Development.

B. As additional security for the Note and the obligations of the Assignor thereunder and related documents, the Assignor has executed and delivered to the Assignee this Collateral Assignment of Assessments.

NOW, THEREFORE, in consideration of Assignee making the loan evidenced by the Note, the Assignor agrees as follows:

1. The Assignor does hereby transfer, assign, deliver and grant a security interest to the Assignee in all of the right, title and interest of the Assignor in and to, all sums now or hereafter assessed by the Assignor against the Lots of the Development for common area expenses (the "Assessments") and the statutory liens against the Lots provided by RSA 356-B:46 securing such assessments, all payments of such assessments due or payable and to become due and payable by virtue of such assessments and proceeds of any of the foregoing (collectively, the "Collateral").

TO HAVE AND TO HOLD the same unto the Assignee, its successors and assigns, for the purpose of securing (1) payment of the Note together with the interest thereon; (2) payment of all other sums, with interest thereon, to become due and payable to the Assignee hereunder, or under instrument securing the Note; and (3) performance and discharge of each and every obligation, covenant and agreement of the Assignor contained herein, or in the Note, the Loan Agreement of near or even date between the Assignor and the Assignee (the "Loan Agreement"), or any Security Instrument (as defined in the Loan Agreement) (said obligations are hereinafter collectively referred to as the "Obligations").

2. Assignor's License to Operate if No Default. So long as no Event of Default (as defined under the Obligations) or other default in the performance of the Obligations shall exist (hereinafter referred to as an "Event of Default"), the Assignor shall have a license to manage and operate the Premises and to collect, receive and apply for its own account all Assessments, and to execute and deliver proper receipts and acquittances therefor, provided, however, that without the written consent of the Assignee the Assignor shall not collect any installment of Assessments in advance of the respective dates assessed.

3. Assignee's Rights in Event of Default.

3.1 Immediately upon the occurrence of any Event of Default, in addition to any other remedies of the Assignee, upon notice from Assignee to each owner of a Lot, all Assessments thereafter payable to Assignor shall be paid to Assignee.

3.2 The Assignor does hereby constitute and appoint the Assignee, irrevocably, with full power of substitution and revocation, effective upon an Event of Default, its true and lawful attorney, for it and in its name, place and stead, to do and perform any or all of the actions that Assignor is entitled to perform in connection with making, collection and enforcement of the Assessments, as fully, to all intents and purposes, as it could do if personally present, hereby ratifying and confirming all that its said attorney or its substitute shall lawfully do or cause to be

done by virtue hereof. Any action, or failure or refusal to act, by the Assignee under this Section 3.2 shall be at its election and without any liability on its part.

3.3 The Assignee shall, to the full extent permitted by law, apply the net amount realized from the Collateral received by it from the owners of the Lots, in the following order of priority: (i) to payment of all proper costs and charges (including any liability, loss, expense or damage hereinafter referred to in Section 5.1 hereof), (ii) to the payment of all accrued but unpaid interest due under the Note, (iii) to the payment of principal under the Note to be applied to principal installments in the inverse order of maturity, (iv) to the payment of any other amounts owed to Assignee and secured by the Security Instruments, and (v) to the payment of Development expenses, (vi) to the Assignor or such persons legally entitled thereto. In its discretion, the Assignee may apply a portion of any Assessment to the Obligations and release the remainder to the Assignor for payment of designated of all Development expenses without waiving the Event of Default, its security interest in Assessments or its remedies.

3.4 The rights and powers of the Assignee hereunder shall continue and remain in full force and effect until all amounts secured hereby are paid in full.

4. Covenants of Assignor. The Assignor, for itself and for its successors and assigns, agrees and warrants as follows:

(a) that the Assignor has not sold, assigned, transferred, mortgaged or pledged any of the Collateral or any part thereof, whether now or hereafter to become due, to any person, firm or corporation other than the Assignee;

(b) that no Assessments, or any part thereof, becoming due subsequent to the date hereof have been collected nor has payment of any of the same been anticipated, waived, released, discounted or otherwise discharged or compromised;

(c) that it will not assign, pledge or otherwise encumber the Collateral unless the prior written consent of the Assignee shall have been obtained thereto;

(d) that it will not, without in each case having obtained the prior written consent of the Assignee, amend or modify, directly or indirectly in any respect whatsoever, cancel, compromise, terminate, or any Assessments or the liens therefor;

(e) that it will not waive or give any consent with respect to any default or variation in the payment of an Assessment by a Lot owner, but will at all times take proper steps to enforce all of the provisions and conditions thereof;

(f) that it will, upon written request by the Assignee, serve such written notices upon any Lot owner concerning this assignment, and make, execute and deliver all such powers of attorney, instruments of pledge or assignment, and such other instruments or documents as the Assignee may reasonably request at any time for the purpose of securing its rights hereunder;

(g) that it will furnish to the Assignee, on demand, true copies of all Assessments hereafter executed;

(h) that, it will provide Assignee with a statement of aging Assessments, dated as of the end of each fiscal quarter and certified as correct by the chief financial officer of Assignor, stating with respect to each Lot the name of the owner thereof, the Assessment paid by such owner, the date to which such Assessment is paid, and listing all overdue Assessments by date and amount of such owner; and

(i) that it will not enter into any agreement with any management agent or firm with respect to the Premises unless such agent or firm first agrees with Assignee to recognize Assignee's rights under this Collateral Assignment of Assessments and further agrees to transfer all Assessment payments or proceeds received by such agent or firm directly to Assignee upon Assignee's demand therefor.

5. Indemnification.

5.1 The Assignor hereby agrees to indemnify and hold the Assignee harmless against and from (a) any and all liability, loss, damage and expense, including reasonable attorneys fees, which it may or shall incur or which may be asserted under or in connection with any of the Assessments, or by reason of any of the Obligations, or by reason of any action taken or expenses incurred or paid by the Assignee under this Collateral Assignment of Assessments or under any of the Obligations (including without limitation any action which the Assignee in its discretion may take to protect its interest in the Premises), and (b) any and all claims and demands whatsoever which may be incurred by or asserted against the Assignor by reason of any alleged obligations or undertakings on its part to perform or discharge any of its claims relating to any of the Assigned Leases.

5.2 Should the Assignee incur any such liability as described in Section 5.1, the amount thereof, together with interest thereon at the rate as set forth in the Note shall be payable by the Assignor to the Assignee immediately upon demand, or at the option of the Assignee, the Assignee may reimburse itself therefor out of any rents, issues or profits of the Mortgaged Premises collected by the Assignee.

5.3 Nothing contained herein shall operate or be construed to obligate the Assignee to perform any of the obligations of the Assignor as the Development association, or to take

any measures, legal or otherwise, to enforce collection of any of the Assessments or other payments, or otherwise to impose any obligation upon the Assignee with respect to any of the Assessments.

5.4 Without actual entry into and taking possession of the Premises by the Assignee, this assignment shall not operate to place upon the Assignee any responsibility for the operation, control, care, management or repair of the Premises, and the execution of this assignment by the Assignor shall constitute conclusive evidence that all responsibility for the operation, control, care, management and repair of the Premises is and shall be that of the Assignor prior to such actual entry and taking of possession.

6. Exercise of Remedies. Failure of the Assignee to avail itself of any of the terms, covenants and conditions of this assignment for any period of time, or at any time or times, shall not be construed or deemed to be a waiver of any of its rights hereunder. The rights and remedies of the Assignee under this assignment are cumulative and are not in lieu of but are in addition to any other rights and remedies which the Assignee shall have under or by virtue of any other of the Obligations. The rights and remedies of the Assignee hereunder may be exercised from time to time and as often as such exercise is deemed expedient.

7. Termination of this Agreement. Upon payment in full of the Obligations, the Assignee shall execute and deliver a termination or discharge of this Assignment.

8. Notice. Any notice, demand, request or other communication given hereunder or in connection herewith (hereinafter "Notices") shall be deemed sufficient if in writing and sent by certified mail, postage prepaid, return receipt requested, addressed to the party to receive such Notice at its address first set forth above or at such other address as such party may hereafter designate by Notice given in like fashion. Notices shall be deemed given when mailed. Notwithstanding the foregoing, routine communications such as ordinary distribution checks, copies of documents, etc. may be sent by ordinary first class mail.

9. Miscellaneous Provisions.

9.1 Whenever the context so requires, reference herein to the neuter gender shall include the masculine and/or feminine gender, and the singular number shall include the plural. References herein to the Note, the Loan Agreement and the Security Instruments shall be construed to include such instruments as they may be amended from time to time.

9.2 This assignment shall be construed and enforced in accordance with and governed by the laws of the State of New Hampshire.

9.3 No change, amendment, modification, cancellation or discharge hereof, or of any part hereof, shall be valid unless the Assignee shall have consented thereto in writing.

9.4 The terms, covenants, and conditions contained herein shall inure to the benefit of, and bind the Assignee and the Assignor and their respective successors and assigns.

9.5 The captions of this assignment are for convenience and reference only and neither in any way define, limit, or describe the scope or interest of this assignment nor in any way affect this assignment.

9.6. Nothing contained in this assignment, the Loan Agreement, the Note, any guaranty guarantying the Note or the other Security Instruments shall be deemed to constitute a waiver of the sovereign immunity of the Assignee, which immunity is hereby reserved to the Assignee.

(*Signature page follows*)

IN WITNESS WHEREOF, the Assignor has caused these presents to be executed by its duly authorized officer on the day and year first above written.

MORNINGSIDE DRIVE ASSOCIATION

By: _____
David Stratton
Treasurer

STATE OF NEW HAMPSHIRE
COUNTY OF _____

The foregoing instrument was acknowledged before me this _____ day of _____, 2024, by David Stratton, Treasurer of Morningside Drive Association, a New Hampshire corporation, on behalf of the corporation.

_____
Justice of the Peace/Notary Public
My Commission expires:

EXHIBIT A

COLLATERAL ASSIGNMENT OF
CONTRACTS, PLANS AND PERMITS

FOR VALUE RECEIVED, Morningside Drive Association, a New Hampshire corporation, with an address of 13 Morningside Drive, Derry, NH, 03038 ("Assignor"), hereby assigns to State of New Hampshire with a place of business at Department of Environmental Services, 29 Hazen Drive, P.O. Box 95, Concord, New Hampshire 03302-0095 ("Assignee"), all its right, title and interest in and to any contracts, written or oral (the "Contracts") relating to the design or construction of improvements on property of Assignor located in Derry, New Hampshire as more particularly described in a certain Loan Agreement between Assignor and Assignee (the "Loan Agreement") (the "Project"), including any plans and specifications prepared in connection therewith (the "Plans") and all governmental approvals and permits (the "Permits")(the Contracts, Plans and Permits, whether now owned or hereafter acquired and proceeds thereof, being the "Collateral").

In addition, the parties hereto agree as follows:

1. Security. This Assignment is made as additional security for the performance by the Assignor of all of its obligations under the Loan Agreement, Assignor's Promissory Note in the original principal amount of $272,000 (the "Note") and certain security instruments as described in the Loan Agreement (the "Security Instruments"), each dated as of even date and delivered to or to be delivered to the Assignee.

2. Representations. Assignor represents, warrants and covenants to Assignee that:

(a) Assignor is and shall be the owner of the Collateral free and clear of any liens, security interests or encumbrances; and

(b) The execution, delivery and performance of the Assignment by Assignor does not and will not conflict with any material contract, statute, rule, judgment, decree or order to which Assignor is subject.

3. Default. Unless Assignor shall be in default under the Note or the Loan Agreement or a Security Instrument (an "Event of Default"), Assignor shall be entitled to enjoy and enforce all of its rights under the Contracts, the Plans and the Permits. If such an Event of Default shall occur and Assignee shall have given written notice to the other party to the Contracts of its intention to exercise its rights hereunder, then Assignee shall be entitled thereafter to enjoy and enforce all of the rights of the Assignor under the Contracts, the Plans and the Permits, and shall become bound to perform all future obligations of the Assignor thereunder. Unless and until such notice is given, Assignee shall not be obligated to perform any of the obligations of the Assignor under the Contracts, the Plans or the Permits.

4. UCC Rights and Remedies. Without limiting the other remedies provided herein or provided by law, upon an Event of Default Assignee shall have the rights and remedies of a secured party under the Uniform Commercial Code, as enacted in New Hampshire, with respect to the Collateral to the full extent provided by law. Assignor agrees that Assignee may file one or more UCC-1 financing statement in the appropriate filing offices at Assignor's expense to perfect Assignee's security interest in the Collateral and that Assignor shall take any and all actions reasonably requested by Assignee to perfect Assignee's security interest in the Collateral.

5. Amendment. Assignor shall not amend, modify or execute amendments to the Contracts, the Plans or Permits or change orders which would involve substantial changes in the cost or nature of the Project, without first obtaining the prior written consent of Assignee, which consent shall not be unreasonably withheld or delayed.

6. Governing Law. This Agreement shall be governed by and be construed in accordance with New Hampshire law.

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

8. Notice. Any demand, notice or request by either party to the other shall be sufficiently given if delivered to the party intended to receive the same, or if mailed by registered or certified mail addressed to such party at the address of such party stated above, or at such other address as may be stated in a notice delivered or mailed as herein provided.

9. Binding Effect. The covenants and agreements herein contained shall bind, and the benefits and advantages thereof shall inure to, the respective heirs, executors, administrators, successors and permitted assigns of Assignor and Assignee.

10. Conflicting Provisions; References. In the event of any conflict between the terms, covenants, conditions and restrictions contained in this Agreement, the Note, the Loan Agreement and the Security Instruments, the term, covenant and condition or restriction that imposes the greater burden or obligation upon Assignor shall control. The determination as to which term, covenant, condition or restriction is the more burdensome or imposes the greater obligation shall be made by Assignee in its sole discretion. All references herein to the Note, the Loan Agreement and the Security Instruments shall be construed to include such instruments as they may be amended from time to time. Wherever used the singular number shall include the plural, the plural the singular, the use of any gender shall be applicable to all genders as the context requires.

11. Invalidity. In any case where any one or more of the provisions of this Agreement are held to be invalid, illegal or enforceable in any respect, such invalidity, illegality

or unenforceability shall not affect any other provisions hereof.

12. Sovereign Immunity. Nothing contained in this Agreement, the Loan Agreement, the Note, any guaranty guarantying the Note or the other Security Instruments shall be deemed to constitute a waiver of the sovereign immunity of the Assignee, which immunity is hereby reserved to the Assignee.

IN WITNESS WHEREOF, Assignee and Assignor, have executed this Assignment dated as of the _____day of _____, 2024.

In the presence of:

STATE OF NEW HAMPSHIRE

_____

By: _____
Robert R. Scott, Commissioner
Department of Environmental Services

MORNINGSIDE DRIVE ASSOCIATION

_____

By: _____
David Stratton
Treasurer

SECURITY AGREEMENT

THIS AGREEMENT is made this _____ day of _____, 2024 between Morningside Drive Association, a New Hampshire corporation with an address of 13 Morningside Drive, Derry, NH, 03038 (sometimes hereinafter called the "Debtor"), and the State of New Hampshire with an address of c/o Department of Environmental Services, 29 Hazen Drive, P.O. Box 95, Concord, New Hampshire 03302-0095 (hereinafter the "Secured Party") for themselves and their successors and assigns.

RECITALS

A. The Debtor and the Secured Party have entered into a Loan Agreement of near or even date (the "Loan Agreement"), which Agreement sets forth certain undertakings and obligations of the Debtor to the Secured Party.

B. Pursuant to the Loan Agreement, the Secured Party has agreed to extend credit to the Debtor in an amount not to exceed Two Hundred Seventy Two Thousand Dollars ($272,000), in exchange for the Debtor's promissory note (the "Note") to the Secured Party.

C. To secure the obligations it has undertaken under the Loan Agreement and the Note and certain security instruments described in the Loan Agreement and to secure the payment of said sum to the Secured Party and to secure any other obligations of the Debtor to the Secured Party of every kind and description, whether direct or indirect, absolute or contingent, primary or secondary, joint or several, due or to become due, or now existing or hereafter arising or acquired and whether by way of loan, discount, letter of credit, lease or otherwise (collectively the "Obligations"), the Debtor desires to create in the Secured Party a security interest in accordance with the terms of the Uniform Commercial Code, N.H.R.S.A. 382-A.

NOW, THEREFORE the Debtor agrees as follows:

1. Collateral. The Debtor, for valuable consideration received from the Secured Party, hereby grants to the Secured Party to secure all the foregoing Obligations a security interest in the following property (the "Collateral"):

(a) All the Debtor's goods, machinery, equipment, including without limitation, all water storage, collection, distribution and treatment equipment, furnishings and fixtures, motor vehicles, and personal property, including but not limited to such property located on the Debtor's premises at Morningside Drive, Derry, New Hampshire (the Debtor's "Business Premises") or used in connection with the Debtor's business conducted at said Business Premises, and in all inventory including, without limitation, all items held for sale or lease or furnished or to be furnished under contracts of service, or used or consumed in the Debtor's

business (all hereinafter called the "Inventory"), and in contract rights with respect thereto and proceeds thereof, all whether now owned or hereafter acquired.

(b) The Debtor, for valuable consideration received from the Secured Party, hereby also conveys to the Secured Party a security interest in all the Debtor's accounts, accounts receivable, contract rights, notes, personal property leases, mailing lists and customer lists, rents receivable, choses in action, drafts, acceptances, instruments, investment property, letter of credit rights, chattel paper, general intangibles, cash and all other forms of obligations due or to become due to the Debtor, whether now existing or hereafter arising and whether joint, several, or joint and several, and proceeds of any of the foregoing, arising from or relating to the Debtor's business.

The Secured Party, by virtue of this Agreement, in addition to any other security or collateral that it may hold, shall have a continuing security interest in said Collateral and in contract rights with respect thereto and proceeds of both, to secure payment and performance of the liabilities and obligations of the Debtor to the Secured Party hereunder.

2. Records and Audits. The Debtor will keep an accurate record of the Collateral, and all additions thereto, and removals therefrom, and of any of its accounts, accounts receivable, contract rights, leases, general intangibles, rents receivable, notes and choses in action, as they from time to time exist, and the proceeds received or receivable therefrom, and will deliver a copy of such records to the Secured Party at such regular intervals as the Secured Party reasonably may require. When requested by the Secured Party the Debtor shall, at the Debtor's own expense, cause a verification of the Collateral to be made by some independent appraiser approved by the Secured Party and an audit of the accounts receivable, contract rights and proceeds of both, to be made by some independent auditor.

3. Maintenance and Insurance. The Debtor agrees to keep the Collateral in good condition, deterioration resulting from normal use excepted, and also to keep it insured against loss from such hazards and in such amounts as the Secured Party may require and in such companies as the Secured Party may approve, payable in case of loss to the Secured Party as its interest may appear, and the policies evidencing such insurance, or certificates thereof, shall, upon request, be deposited with the Secured Party.

4. No Liens. The Debtor represents and warrants that its title to the Collateral is free and clear of any liens or encumbrances except those listed in Schedule 4 and agrees to keep the Collateral free and clear of any future lien or encumbrance unless it obtains the advance consent of the Secured Party for any such lien or encumbrance.

5. Sale and Use in the Ordinary Course. Until Default the Debtor may sell or lease the Collateral in the ordinary course of business and may also use or consume any raw materials and supplies, the use and consumption of which is necessary in order to carry on the Debtor's business.

6. Lists of Accounts and Proceeds. Upon request of the Secured Party at any time after Default, the Debtor will deliver to the Secured Party lists or copies of all accounts promptly after they arise and will deliver to the Secured Party, promptly upon receipt, all rents and other proceeds received by the Debtor including proceeds of the accounts referred to above and proceeds of any insurance policies in the exact form in which they are received. The Secured Party in its discretion may apply cash proceeds to the payment of any obligations secured hereby or may release such cash proceeds to the Debtor for use in the operation of the Debtor's business.

7. Default. The Debtor shall be deemed in "Default" of this Agreement:

(a) if the Debtor fails to observe or perform any of the Debtor's agreements expressed herein;

(b) upon default of the Debtor under the terms of any Obligation of the Debtor to the Secured Party secured hereby, or if notice or lapse of time, or both, are therein provided, then upon such notice or lapse of time, or both;

(c) upon the loss, unauthorized sale, unauthorized removal of the Collateral from the locations specified in Section 1, theft, damage or destruction of the Collateral;

(d) if the Secured Party shall deem the Collateral in danger of misuse or loss or removal from this State; or

(e) if the Debtor changes its name or state of organization without at least thirty (30) days prior written notice to the Secured Party.

8. Remedies. Upon a Default the Secured Party shall have all the rights and remedies of a secured party under the Uniform Commercial Code to the same extent as if they were expressly set forth herein in addition to the remedies provided herein or in any other instrument or paper executed by the Debtor, as well as the right to sell all or part of the Collateral, pursuant to New Hampshire law. In such event the Debtor shall pay all the Secured Party's costs of repossession, collection, custody, storage, sale or other dispossession and delivery, (including reasonable attorneys' fees), all of which the Secured Party may deduct from the proceeds. If the Secured Party seeks to take possession of any or all of the Collateral by judicial process, the Debtor hereby irrevocably waives any requirement of bonds, surety or security, whether required by statute, court rule or otherwise, as an incident to such possession and waives any requirement for demand for possession before the commencement of any suit or action to recover with respect thereto.

9. Certain Remedies. The Secured Party may at any time after Default notify the Debtor's account debtors, or persons otherwise indebted to the Debtor whose obligations are

covered by this Agreement, that the Collateral has been assigned to the Secured Party and that payment shall be made directly to the Secured Party. Upon request of the Secured Party at any time after Default, the Debtor will so notify such debtors and will indicate on all billings to such debtors that their accounts must be paid to the Secured Party. The Secured Party shall have full power to collect, compromise, endorse, sell or otherwise deal with the Collateral or proceeds thereof in its own name or in the name of the Debtor. The Debtor shall pay to the Secured Party on demand a collection charge on all accounts collected, that shall include all reasonable attorneys' fees and expenses, and all other reasonable expenses of like or unlike nature that may be expended by the Secured Party to obtain or enforce payment of any account either as against the account debtor, the Debtor or any guarantor or surety of the Debtor or in the prosecution or defense of any action or concerning any matter arising out of or connected with the subject matter of this Agreement, the obligations secured hereby, or the Collateral, or any of Secured Party's rights or interests therein or thereto, including, without limiting the generality of the foregoing any reasonable counsel fees or expenses incurred in any bankruptcy or insolvency proceedings.

10. Power of Attorney. The Debtor does hereby make, constitute and appoint any officer of the Secured Party as the Debtor's true and lawful attorney-in-fact, with power, in the event of a default, to endorse the name of the Debtor or any of the Debtor's officers or agents upon any notes, checks, drafts, money orders, or other instruments of payment (including payments payable under any policy of insurance on the Collateral) or Collateral that may come into possession of the Secured Party in full or part payment of any amounts owing to the Secured Party, to sign and endorse the name of the Debtor or any of the Debtor's officers or agents upon any invoice, freight or express bill, bill of lading, storage or warehouse receipts, drafts against debtors, assignments, verifications and notices, in connection with accounts, and any instrument or document relating thereto or to the Debtor's rights therein; to give written notice to such office and officials of the United States Post Office to effect such change or changes of address so that all mail addressed to the Debtor may be delivered directly to the Secured Party; granting upon the Debtor's said attorney full power to do any and all things necessary to be done in and about the premises fully and effectually as might or could be done, and hereby ratifying all that said attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney shall be irrevocable for the term of this Agreement and all transactions hereunder as long as the Debtor may be indebted to the Secured Party.

11. Cooperation; Secured Party Sales; No Waiver. The Debtor covenants that it will execute any documents requested by the Secured Party to perfect its security interest in the Collateral. When requested by the Secured Party following a Default by the Debtor, the Debtor shall cooperate in the Secured Party's repossession of the Collateral and will assemble the Collateral and make it available to the Secured Party at such place as the Secured Party shall designate which shall be reasonably convenient to both parties. The Secured Party may dispose of the Collateral by public or private sale, upon the place where it is then located, and the Secured Party itself may acquire the Collateral at any such sale. The Debtor agrees that notice of ten (10) days prior to such sale shall constitute reasonable notice thereof, but that if the

Collateral is perishable or threatens to decline quickly in value or is a kind customarily sold on a recognized market, the Secured Party may provide shorter notice or no notice of the sale. The Secured Party shall also have the right to remove the Collateral. No waiver of the Secured Party of any defaults hereunder shall constitute a waiver of any other default or of the same default upon a future occasion.

12. Reinstatement. If after receipt of any payment of, or the proceeds of any Collateral for, all or any part of the Obligations, the Secured Party is compelled to surrender or voluntarily surrenders such payment or proceeds to any person because such payment or application of proceeds is or may be avoided, invalidated, recaptured, or set aside as a preference, fraudulent conveyance, impermissible setoff or for any other reason, whether or not such surrender is the result of (i) any judgment, decree or order of any court or administrative body having jurisdiction over the Secured Party, or (ii) any settlement or compromise by the Secured Party of any claim as to any of the foregoing with any person (including the primary obligor with respect to any of the Obligations), then the Obligations or part thereof affected shall be reinstated and continue and this Agreement shall be reinstated and continue in full force as to such Obligations or part thereof as if such payment or proceeds had not been received, notwithstanding any previous cancellation of any instrument evidencing any such Obligation or any previous instrument delivered to evidence the satisfaction thereof or the termination of this Agreement.

13. Governing Law. This Agreement shall be governed by and be construed in accordance with New Hampshire law.

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

15. Notice. Any demand, notice or request by either party to the other shall be sufficiently given if delivered to the party intended to receive the same, or if mailed by registered or certified mail addressed to such party at the address of such party stated above, or at such other address as may be stated in a notice delivered or mailed as herein provided.

16. Binding Effect. The covenants and agreements herein contained shall bind, and the benefits and advantages thereof shall inure to, the respective heirs, executors, administrators, successors and permitted assigns of the Debtor and the Secured Party.

17. Conflicting Provisions; References. In the event of any conflict between the terms, covenants, conditions and restrictions contained in this Agreement, the Note, the Loan Agreement and the Security Instruments, the term, covenant and condition or restriction that imposes the greater burden or obligation upon the Debtor shall control. The determination as to which term, covenant, condition or restriction is the more burdensome or imposes the greater obligation shall be made by the Secured Party in its sole discretion. All references herein to the Note, the Loan Agreement and the Security Instruments shall be construed to

include such instruments as they may be amended from time to time. Wherever used the singular number shall include the plural, the plural the singular, the use of any gender shall be applicable to all genders as the context requires.

18. Invalidity. In any case where any one or more of the provisions of this Agreement are held to be invalid, illegal or enforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions hereof.

19. Sovereign Immunity. Nothing contained in this Agreement, the Loan Agreement, the Note or the other Security Instruments shall be deemed to constitute a waiver of the sovereign immunity of the Secured Party, which immunity is hereby reserved to the Secured Party.

Executed on the day and year first of written.

Debtor:

MORNINGSIDE DRIVE ASSOCIATION

_____
Witness

By:_____
David Stratton
Treasurer

SCHEDULE 4

LIENS AND ENCUMBRANCES

The Collateral is subject to no liens or encumbrances.

DISCLOSURE OF FINANCE CHARGES
STATE DRINKING WATER REVOLVING LOAN FUND

Pursuant to New Hampshire RSA Chapter 399-B:2

TO: MORNINGSIDE DRIVE ASSOCIATION

DATE: _____

Amount of Loan: $272,000

Payable: 6 monthly installments of interest only followed by 240 monthly installments of interest and principal as further provided in the Promissory Note of even date of the Borrower (the "Note")

Finance Charges: 1% until the Interest Rate Change Date (as defined in the Note) then lower of (A) 2.8% or (B) eighty percent (80%) of the established market rate as determined in Env-Dw 1106.03 and 1106.04.

Late fee: 5% of each payment will be assessed if not paid within 7 days of its due date.

Above interest is based on the number of days elapsed over a 360 day year.

Recording and filing fees:	$ 0
Title search fee:	$ 0
Environmental Site Assessment:	$ 0
Appraisal:	$ 0

Acknowledged.

MORNINGSIDE DRIVE ASSOCIATION

Borrower

By:_____
David Stratton
Treasurer