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February 22, 2023

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

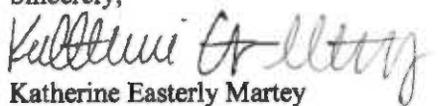
Requested Action

Authorize the Community Development Finance Authority (CDFA), under the Community Development Block Grant (CDBG) program, to award a grant to the City of Laconia, 45 Beacon Street East, Laconia, New Hampshire 03246, in the amount of \$170,000 on behalf of the Laconia Area Community Land Trust, Inc (LACLIT) d/b/a Lakes Region Community Developers (LRCD) to support their acquisition and rehabilitation project located at 11 Jameson Street, Laconia, New Hampshire, upon Governor and Council approval for the period effective February 22, 2023 through June 30, 2025. **100% federal funds.**

Explanation

The City of Laconia is requesting \$170,000, on behalf of Laconia Area Community Land Trust, Inc (LACLIT) d/b/a Lakes Region Community Developers (LRCD) to acquire and rehabilitate a four-bedroom home located at 11 Jameson Street, Laconia, New Hampshire with the purpose of maintaining it as an affordable housing unit. 100% of the one (1) unit will be occupied by a low to moderate income family for a minimum of 20 years. LRCD owns most of the buildings in this area and would like to continue trying to improve this particular neighborhood. Matched funding in the amount of \$227,000 will be provided by LRCD and Utility Incentives.

This Agreement allocates a portion of the Community Development Block Grant (CDBG) funds provided to New Hampshire by the U. S. Department of Housing and Urban Development (HUD). CDFA is administering this program as provided by RSA 162-L. The funds for this contract are from the Community Development Block Grant Fund, which is intended to help municipalities solve development problems.

Sincerely,

Katherine Easterly Martey
Executive Director

KEM/ms

Attachments

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 Community Development Finance Authority		1.2. State Agency Address 14 Dixon Avenue Concord, NH 03301	
1.3. Grantee Name City of Laconia		1.4. Grantee Address 45 Beacon St. East Laconia, NH 03246	
1.5 Grantee Phone # 603-527-1270	1.6. Account Number 22-007-CDHS	1.7. Completion Date June 30, 2025	1.8. Grant Limitation \$170,000
1.9. Grant Officer for State Agency Cynthia Harrington, Chair, Board of Directors		1.10. State Agency Telephone Number 603-226-2170	
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  Date: 12/5/22		1.12. Name & Title of Grantee Signor 1 Kirk Beattie, City Manager	
Grantee Signature 2		Name & Title of Grantee Signor 2	
Grantee Signature 3		Name & Title of Grantee Signor 3	
1.13 State Agency Signature(s)  Date: 1/17/2023		1.14. Name & Title of State Agency Signor(s) Katherine Easterly Martey, Executive Director	
1.15. Approval by Attorney General (Form, Substance and Execution) (if G & C approval required) By: <i>Takmina Rakhmatova</i> Assistant Attorney General, On: 1/24/2023			
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 with, the entity identified as the Grantee in block 1.3 of these provisions
8. **PERSONNEL.**
- 8.1. 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 to perform such Project under all applicable laws.
- 8.2. 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 the State, or who is a State officer or employee, elected or appointed.
- 8.3. 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 Officer, and his/her decision on any dispute, shall be final.
9. **DATA; RETENTION OF DATA; ACCESS.**
- 9.1. 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. 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.
- 12.2. 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 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.
- 12.3. 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.
- 12.4. **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

- 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 intent 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: 
 Date: 12/3/21

EXHIBIT A

Special Provisions

Modifications, additional and/or deletions to Form G-1, General Provisions, described in detail.

NONE


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EXHIBIT B
GRANT ACTIVITIES

1. PROJECT DESCRIPTION AND PURPOSE

1.1. The project shall consist of the awarding of \$170,000 in Community Development Block Grant ("CDBG") funds to the City of Laconia (the "Grantee") (UEI # YH1XUKJDNKA6), \$150,000 of which is to be subgranted to Laconia Area Community Land Trust, Inc. DBA Lakes Region Community Developers (LRCD). (the "Subrecipient") (UEI # NSFMA8JFB299) to support their acquisition and rehabilitation project of the property situated at 11 Jameson Street, Laconia, New Hampshire (the "Project"). The Scope of the Project shall be more completely defined in the Specifications and Plans ("Plans") to be developed in connection with this Agreement. The property for which CDBG Grant funds will be used (the "Project Property") is more particularly described in the deed for said property, to be attached to this Grant Agreement as Attachment I.

1.2. Consistent with the National Objectives of the Community Development Block Grant Program under Title I of the Housing and Community Development Act of 1974, as amended, the Parties agree that this project will benefit the residents in one rental housing unit of which one hundred percent (100%) will be of low- and moderate-income as that term is defined in 24 CFR 570.483.

1.3. Project activities to be undertaken in connection with the Project shall comply with all applicable federal, state, and local design standard regulations and safety and construction codes.

2. GRANT ADMINISTRATION

2.1. Grantee shall use its own staff (or a hired grant administrator) and resources to perform all activities necessary to administer the CDBG funds in accordance with the provisions of this Agreement.

2.2. Grantee shall be permitted to use up to \$20,000 of CDBG funds as reimbursement for Administrative Project Costs, as that term is defined by applicable state and federal guidelines and as is provided for in Exhibit C. In no event shall administrative costs reimbursable with grant funds exceed fifteen (15) percent of the total Grant Funds.

2.3. Grantee shall enforce the terms and conditions of the Subrecipient Agreement to be entered into as is provided in this contract.

2.4. Grantee shall send, at a minimum, its grant administrator, or a designated representative involved in the administration of this Grant, to the next CDBG Grant Implementation Workshop to be offered by the Community Development Finance Authority.

2.5. Grantee shall submit to the CDFA all required reports as specified in this Agreement and shall monitor and enforce the reporting requirements of the Subrecipient as provided in this Agreement or any Exhibits or attachments hereto.

2.6. Grantee shall provide such training, as is necessary to the Subrecipient, to secure satisfactory performance of its duties and responsibilities under the Subrecipient Agreement.


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2.7. Grantee shall monitor the Subrecipient for compliance with the Subrecipient Agreement and all pertinent requirements referenced herein.

2.8. Grantee shall enter into a Closeout Agreement with the Subrecipient and CDFA, as required by CDFA.

2.9. Within thirty (30) days of executing this Agreement, Grantee shall submit to CDFA for approval an Implementation Schedule for completion of the Project. Grantee shall obtain the prior approval of CDFA for any changes in the Implementation Schedule.

3. **STATE AND FEDERAL COMPLIANCE**

3.1. Grantee shall comply, and shall require any Subrecipient, contractor and subcontractor to comply, with all federal and state laws, including but not limited to the following, and all applicable standards, rules, orders, ordinances, or regulations issued pursuant thereto:

3.1.1. The Copeland "Anti-Kickback" Act, as amended (118 USC 874) as supplemented in Department of Labor regulations (41 CFR Chapter 60).

3.1.2. Nondiscrimination. Title VI of the Civil Rights Act of 1974 (PL 88- 352), as amended, (42 USC 2000d) the Fair Housing Act of 1968 (PL 90-284), Executive Orders 11063 and 12259, and the requirements imposed by the Regulations of the Department of Housing and Urban Development (24 CFR 107 and 24 CFR 570.496) issued pursuant to that Title.

3.1.3. Labor Standards. Davis-Bacon Act, as amended (40 USC 276a-276a-7), the Contract Work Hours and Safety Standards Act (40 USC 327-333).

3.1.4. The Flood Disaster Protection Act of 1973 (PL 93-234), as amended, and the regulations issued pursuant to that act, and Executive Order 11985.

3.1.5. Architectural Barriers Act (PL 90-480), 42 USC 4151, as amended, and the regulations issued or to be issued thereunder, including uniform accessibility standards (24 CFR 40) for public buildings with 15 or more residential units. RSA 275-C:10 and the New Hampshire Architectural Barrier Free Design Code (Han 100, et. seq.) is also applicable.

3.1.6. Rehabilitation Act of 1973. 29 USC 794, Sections 503 and 504, Executive Order 11914 and U.S. Department of Labor regulations issued pursuant thereto.

3.1.7. The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (PL 91-646), as amended, 15 CFR Part 916 including amendments thereto and regulations thereunder.

3.1.8. The National Environmental Policy Act of 1969 (PL 90-190); the National Historic Preservation Act of 1966 (80 Stat 915, 116 USC 470); and Executive Order No. 11593 of May 31, 1971, as specified in 24 CFR 58.

3.1.9. The Clean Air Act, as Amended, 42 USC 1857 et seq., the Federal Water Pollution Control Act, as amended, 33 USC 1251 et seq. and the regulations of the Environmental


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Protection Agency with respect thereto, at 40 CFR Part 15, as amended from time to time.

3.1.10. RSA 354 and rules of the New Hampshire Human Rights Commission (HUM 100, et. seq.) on discrimination in employment, membership, accommodations, and housing.

3.1.11. The Age Discrimination Act of 1975, as amended (42 USC 6101, et. seq.) and implementation of regulations.

3.1.12. The lead paint requirements (24 CFR 35) of The Lead-Based Paint Poisoning Prevention Act (42 USC 4821, et. seq.).

3.1.13. The NH State Energy Code (RSA 155-D).

3.1.14. The NH State Life Safety Code (RSA 155:1) and rules of the NH State Fire Marshall.

3.1.15. Citizen Participation Requirements. The 1987 amendments to the Housing and Community Development Act of 1974, stated in Section 508.

3.1.16. Affirmative Action Requirements. In furtherance of its covenant Grantee shall:

- (a) take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, creed, age, sex, or national origin; such action shall be taken in conjunction with any of the Grantee's acts in the capacity of an employer including, but not limited to: employment of individuals, upgrading, demotions or transfers, recruitment or recruitment advertising; layoffs or terminations; changes in rates of pay or other forms of compensation; selection for training, including apprenticeship, and participation in recreational and educational activities;
- (b) post in conspicuous places available to employees and applicants, employment notices, to be provided by CDFA, setting forth the provisions of this non-discrimination clause; the Grantee will, in all solicitations or advertisements for employees, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, creed, age, sex or national origin;
- (c) keep all such information, records and reports as may be required by the rules, regulations or orders of the Secretary of Labor and furnish or submit the same at such times as may be required; the Grantee shall also permit CDFA, or the Secretary of Labor or any of their designated representatives to have access to any of the Grantee's books, records and accounts for the purpose of investigation to ascertain compliance with the aforesaid rules, regulations and orders and covenants and conditions herein contained;
- (d) during the term of this Agreement, shall not discriminate among participants under this Agreement on the basis of race, color, religion, sex, handicap or national origin. For the purpose of this Agreement, distinctions on the grounds of the following: denying a participant any service or benefit or


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availability of a facility; providing any service or benefit to a participant which is different, or is provided in a different manner or at a different time from that provided to other participants under this Agreement; subjecting a participant to segregation or separate treatment in any matter related to his receipt of any service; restricting a participant in any way in the enjoyment of any advantage or privilege enjoyed by others receiving any service or benefit; treating a participant differently from others in determining whether he satisfies any admission, enrollment quota, eligibility, membership, or other requirement or condition which individuals must meet in order to be provided any service or benefit; the assignment of times or places for the provision of services on the basis of race, color, religion, sex, or national origin of the participants to be served.

3.1.17. Section 3 of the Housing and Urban Development Act of 1968 (12 USC 1701u) as amended by the Housing and Community Development Act of 1974 (42 USC 5301). The contractor will ensure that to the greatest extent feasible, opportunities for training and employment arising in connection with this CDBG-assisted project will be extended to lower income project area residents. Further, the contractor will, to the greatest extent feasible, utilize business concerns located in or substantially owned by residents of the project area, in the award of contracts and purchase of service and supplies.

3.1.18. Drug-Free Workplace Act of 1988 (42 USC. 701). In carrying out this Agreement, the contractor agrees to comply with the requirements of the Drug-Free Workplace Act of 1998 (42 U.S.C. 701) and to certify that contractor will comply with drug-free workplace requirements in accordance with the Act and with HUD rules found at 24 CFR part 24, subpart F.

3.1.19. Federal Funding Accountability and Transparency Act (FFATA).

As applicable to this grant, and for all subcontracts exceeding \$25,000, Grantee shall require that the Subgrantee or Subrecipient shall comply with requirements established by the Office of Management and Budget (OMB) concerning the Unique Entity ID (UEI), the Central Contractor Registration (CCR) database, and the Federal Funding Accountability and Transparency Act, including Appendix A to Part 25 of the Financial Assistance Use of Universal Identifier and Central Contractor Registration, 75 Fed. Reg. 55671 (Sept. 14, 2010) (to be codified at 2 CFR part 25) and Appendix A to Part 170 of the Requirements for Federal Funding Accountability and Transparency Act Implementation, 75 Fed. Reg. 55663 (Sept. 14, 2010) (to be codified at 2 CFR part 170). For additional information on FFATA reporting and the FSRS system, please visit the www.fsrs.gov website, which includes FFATA legislation, FAQs and OMB guidance on subaward and executive compensation reporting.

3.1.20. Women- and Minority-Owned Businesses (W/MBE). If applicable to this grant, Grantee and Subrecipient will use its best efforts to afford small businesses, minority business enterprises, and women's business enterprises the maximum practicable opportunity to participate in the performance of this Agreement. As used in this Agreement, the terms "small business" means a business that meets the criteria set forth in section 3(a) of the Small Business Act, as amended (15 U.S.C. 632), and "minority and women's business enterprise" means a business at least fifty-one (51) percent owned and controlled by minority group members or women. For the purpose of this definition, "minority group members" are Afro-Americans, Spanish-speaking, Spanish surnamed or Spanish-heritage Americans, Asian-


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Americans, and American Indians. The Subrecipient may rely on written representations by businesses regarding their status as minority and female business enterprises in lieu of an independent investigation.

4. SUBRECIPIENT AGREEMENT

4.1. Grantee shall enter into a Subrecipient Agreement with the Subrecipient in a form satisfactory to CDFA and meeting the requirements of Attachment II, "Subrecipient Agreement Minimum Terms and Conditions" attached hereto and incorporated herein by reference.

4.2. The Subrecipient Agreement shall provide for the subgranting of \$150,000 in CDBG funds to the Subrecipient consistent with the terms and conditions of this Agreement.

4.3. Grantee shall provide to CDFA, for its review and approval, the proposed Subrecipient Agreement prior to its execution. Prior to the disbursement of grant funds but not more than thirty (30) days following the Effective Date of this Agreement, Grantee shall provide to CDFA an executed copy of said Subrecipient Agreement.

4.4. The Subrecipient Agreement shall require the Subrecipient to enter into a Mortgage Lien with Grantee that meets the requirements as provided herein.

4.5. Grantee shall cause all applicable provisions of this Exhibit B to be inserted in all Subrecipient agreements, contracts and subcontracts for any work or Project Activities covered by this Agreement so that the provisions will be binding on each Subrecipient, contractor and subcontractor; provided, however, that the foregoing provisions shall not apply to contracts for standard commercial supplies or raw materials. Grantee shall take such action with respect to any Subrecipient agreement, contract or subcontract as the State, or, where applicable, the United States, may direct as a means of enforcing such provisions, including sanctions for noncompliance.

5. PROJECT MATCHING FUNDS; ADDITIONAL FINANCING

5.1. The Parties agree that the CDBG funds to be awarded pursuant to this Agreement shall be matched with non-CDBG funds in an amount not less than \$227,000 to provide additional financing for the Project. Said matched funds shall consist of a Letter of Credit from LRCD and Utility Incentives.

5.2. Grant funds shall not be released or disbursed to Grantee unless and until the additional financing and matching requirements described above have been obtained and documented to CDFA's satisfaction.

6. MORTGAGE LIEN

6.1. Prior to approval by CDFA of any purchase or construction contract for the Property, Grantee shall execute and record with the applicable County Registry of Deeds a mortgage lien (the "Mortgage")


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on the Property acceptable to CDFA in the amount of \$150,000. Grantee shall submit to CDFA satisfactory evidence of such recording.

6.2. The mortgage lien shall provide for the recovery by Grantee, on behalf of CDFA, of the total CDBG funds expended on this Project in the event that the low- and moderate-income benefit as defined herein is not maintained for the required twenty (20) year period commencing upon the completion of the Project. The amount of CDBG funds subject to recovery in accordance with this paragraph shall decrease over the twenty (20) year period at a rate negotiated between Grantee and Subrecipient and approved by CDFA.

6.3. Any CDBG funds returned to Grantee pursuant to enforcement of any Mortgage Liens shall be returned to CDFA.

7. COVENANT OF LONG TERM BENEFIT FOR LOW- AND MODERATE-INCOME HOUSEHOLDS

7.1. Grantee and CDFA agree that a minimum of one hundred percent (100%) of the 1 household benefiting from this Project are of low- and moderate-income, as defined in 24 CFR 570.483.

7.2. Grantee shall require the Subrecipient to certify and warrant that, from the Project Completion Date to the end of the twenty (20) year benefit period, the beneficiaries of the project shall primarily be of low- and moderate-income households, as defined in 24 CFR 570.483.

7.3. Grantee shall require Subrecipient to maintain adequate administrative mechanisms in place to assure compliance with the requirements of this Section. Grantee shall enforce the provision of this Section, which shall survive the termination or expiration of this Agreement.

8. CONSTRUCTION CONTRACTING, INSPECTION, AND CERTIFICATION

8.1. Prior to execution of the construction contract or project contracts, Grantee shall submit the proposed contract(s) for the Improvements to CDFA for its review and approval to determine compliance with all applicable federal and state requirements. CDFA approval shall not abrogate its rights to enforce any part of this Agreement or constitute a waiver of any provision of this Agreement.

8.2. Grantee or Subrecipient shall require that all contractors and subcontractors comply with all applicable requirements of federal, state, and local laws and regulations.

8.3. Grantee or Subrecipient shall furnish and maintain competent technical supervision of the Project site throughout the construction of the Improvements to assure that the work conforms to the Plans, specifications, and schedules approved by CDFA for the Project.

8.4. Grantee shall provide CDFA reasonable notice of all preconstruction conferences, if applicable, to be scheduled in connection with the Grant Activities and afford CDFA the option of participating in such conferences.

8.5. Bid Guarantees: Units of local government shall follow their own normal requirements relating to bid guarantees or bonds or performance bonds.

8.6. Bonds Required: Grantee covenants that each of its officials or employees having custody of the Grant funds during acquisition, construction, development, and operation of Grant Activities shall be


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bonded at all times in accordance with RSA 41:6 and rules adopted thereunder by the Department of Revenue Administration.

8.7. Subcontracts, Bonds Required: When Grantee or any Subrecipient awards a contract or subcontract exceeding \$250,000 in amount for the construction, alteration or repair of any public building or other public improvement or public work, including highways, the Grantee shall, or where applicable Subrecipient shall, as a minimum, require each contractor and subcontractor to carry payment and performance bonds for 100% of the value of the contract.

8.8. Upon completion in full of the Improvements, Grantee shall promptly deliver to CDFA: (a) a written certificate of Grantee or Subrecipient's inspector, who shall be a licensed professional engineer, that the construction of the Project has been fully completed in a good and workmanlike manner and in accordance with the Plans, and (b) a copy of the permanent certificate of occupancy or other such applicable certificates, licenses, consents and approvals issued by governmental authorities with respect to the Project.

8.9. All work under this Project shall be completed prior to Completion Date, as specified in Section 1.7 of the General Provisions.

9. PUBLIC FACILITY AND HOUSING REHABILITATION STANDARDS (IF APPLICABLE)

9.1. The following standards shall apply to all public facilities and housing rehabilitated with Grant funds, as applicable to project type:

9.1.1. HUD Section 8 Existing Housing Quality Standards as listed in 24 CFR 982.401, paragraphs (a) through (n), or municipal housing and/or building, electrical and plumbing codes where such codes exceed the HUD standards;

9.1.2. Where applicable, the state building code as defined in RSA 155-A; and

9.1.3. Where applicable, the state's architectural barrier-free design code.

10. GRANTEE FINANCIAL MANAGEMENT SYSTEM

10.1. Except where inconsistent with federal requirements, state procedures and practices will apply to funds disbursed by CDFA, and local procedures and practices will apply to funds disbursed by units of local government.

10.2. Cash Advances: Cash advances to Grantee shall be approved only to the extent necessary to satisfy the actual, immediate cash requirements of Grantee in carrying out the purpose of the approved program or project. The timing and amount of cash advances shall be as close as is administratively feasible to the actual disbursements by Grantee for direct program costs and the proportionate share of any allowable indirect costs. Cash advances made by Grantee to Subrecipients shall conform to the same standards of timing and amount as apply to advances to Grantee including the furnishing of reports of cash disbursements and balances.

10.3. Fiscal Control: Grantee must establish fiscal control and fund accounting procedures which assure proper disbursement of, and accounting for, grant funds and any required non-federal expenditures. This responsibility applies to funds disbursed by Subrecipients and contractors as well as


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to funds disbursed in direct operations of Grantee. Grantee shall be required to maintain a financial management system which complies with 2 CFR 200 and 24 CFR 570 or such equivalent system as CDFA may require. Requests for payment shall be made according to CDFA's CDBG Implementation Guide.

11. PROCUREMENT

11.1. Grantee and any Subrecipient procurement procedures shall be in accordance with state and local procurement practices and regulations, provided that procurements made with Grant Funds adhere, at a minimum, to the standards set forth in 2 CFR Part 200.318-326.

12. REPORTS AND CLOSE OUT

12.1. Semi-Annual progress reports which identify the status of Grant Activities performed, the outlook for completion of the remaining Grant Activities prior to the Completion Date and the changes, if any which need to be made in the Project or Grant Activities, shall be submitted by the 15th of the month in January (for period end December 30th) and July (for period end June 30th) via CDFA's Grants Management System (GMS).

12.2. Financial reports, including a statement detailing all Grant or Project Costs (as hereinafter defined) which have been incurred since the prior request for reimbursement, shall be submitted with each request for reimbursement and with the Closeout Report. Financial Reports shall be submitted via CDFA's Grants Management System (GMS).

12.3. Within thirty (30) days after the Completion Date, a Closeout Report shall be submitted which summarizes the results of the Grant Activities, showing in particular how the Grant Activities have been performed. The Closeout Report shall be in the form required or specified by CDFA.

12.4. The Audited Financial Reports shall be prepared in accordance with the regulations which implement OMB 2 CFR Part 200. The audited financial report shall be submitted within thirty (30) days of the completion of said report to CDFA.

12.5. Where the Grantee is not subject to the requirements of OMB 2 CFR Part 200, one of the following options will be chosen by CDFA:

12.5.1 Within ninety (90) days after the Completion or Termination Date, an audited financial report shall be submitted to CDFA. Said audit shall be conducted utilizing the guidelines set forth in "Standards for Audit of Governmental Organizations, Programs, Activities, and Functions" by the Comptroller General of the United States.

12.5.2 CDFA will conduct a financial Review-in-Lieu of Audit within ninety (90) days after the Completion Date of the Project.

12.6. Where the length of the grant period exceeds twenty-four (24) months, there shall be an interim audit performed and submitted.

13. RECORDS AND ACCOUNTS: ACCESS


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13.1. During the performance of the Project Activities and for a period of three (3) years after the Completion Date, the date of the final audit approval by CDFA, or three years following HUD's closeout of CDFA's grant year, whichever is later, the Grantee shall keep, and shall require any Subrecipient to keep, the following records and accounts:

13.1.1. Records of Direct Work: Detailed records of all direct work performed by its personnel under this Agreement.

13.1.2. Fiscal Records: Books, records, documents and other statistical data evidencing, and permitting a determination to be made by CDFA of all Project Costs and other expenses incurred by the Grantee and all income received or collected by the Grantee, during the performance of the Project Activities. The said records shall be maintained in accordance with accounting procedures and practices acceptable to CDFA, and which sufficiently and properly reflect all such costs and expenses, and shall include, without limitation, all ledgers, books, audits, records and original evidence of costs such as purchase requisitions and orders, invoices, vouchers, bills, requisitions for materials, inventories, valuations of in-kind contributions, labor time cards, payrolls and other records requested or required by CDFA.

13.1.3. Contractor and Subcontractor Records: The Grantee shall, and where applicable, Subrecipient shall, establish, maintain and preserve, and require each of its contractors and subcontractors to establish, maintain and preserve property management, project performance, financial management and reporting documents and systems, and such other books, records, and other data pertinent to the project as the CDFA may require. Such records shall be retained for a period of three (3) years following completion of the project and receipt of final payment by the Grantee, until an audit is completed and all questions arising therefrom are resolved, or three years following HUD's closeout of CDFA's grant year, whichever is later.

14. TERMINATION; REMEDIES

14.1. Inability to Perform; Termination by Grantee. As a result of causes beyond its control, and notwithstanding the exercise of good faith and diligence in the performance of its obligations hereunder, if it shall become necessary for Grantee to terminate this Agreement, Grantee shall give CDFA fifteen (15) days advance written notice of such termination, in which event the Agreement shall terminate at the expiration of said fifteen (15) days.

14.2. Termination without Default. In the event of termination without default and upon receipt, acceptance and approval by CDFA of the Termination Report, as referenced in the General Provisions, Grantee shall receive payment for all Project Costs incurred in the performance of Grant Activities completed up to and including the date of termination and for which payment had not previously been made including, but not limited to, all reasonable expenses incurred in the preparation of the Termination Report; provided, however, that in the event that any payments have been made hereunder in excess of Project Costs incurred up to and including the date of termination of the Agreement, CDFA shall offset any payments to be made hereunder against such payments, and if applicable, Grantee shall refund to CDFA the amount of any excess funds it retains after such offset.

14.3. Termination for Default. In the event of termination for default or other violation of Program requirements, CDFA shall, upon receipt, acceptance and approval of the Termination Report submitted by Grantee, pay Grantee for Project Costs incurred up to and including the date of termination (subject


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to off-set against funds paid to Grantee hereunder and to the refund of any excess funds); provided, however, that in such event the amount of such payment shall be determined solely by CDFA; and provided, further, that in no event shall the making of any such payments relieve Grantee of any liability for damages sustained or incurred by CDFA as a result of Grantee's breach of its obligations hereunder, or relieve Grantee of responsibility to seek return of Grant Funds from any Subrecipient or Beneficiary where applicable.

14.4. **Limitation on Grantee Liability for Subgranted Funds.** Notwithstanding anything in this Agreement to the contrary and absent the presence of fraud or negligence on the part of Grantee in enforcing its rights and obligations under the terms of any subrecipient agreement, the sole obligation of Grantee with respect to the return of Grant Funds, in the event of default on a grant condition or other termination of the Project or event requiring return of Grant Funds, shall be to make a good faith effort to return to the State of New Hampshire all grant funds paid to Subrecipient through Grantee. Grantee shall make good faith efforts to enforce the legal obligations entered into with the Subrecipient as provided herein, to call upon the collateral held by itself or others, and exercise due diligence in its efforts in bringing about the satisfaction of the grant obligations and, having done so, it shall not be required to look to any other funds or its tax base to recoup grant funds not recovered from the Subrecipient.

14.5. **Assignment to CDFA and Payment of Expenses and Costs.** Grantee hereby agrees that, in the event it fails to enforce the provisions of any subrecipient agreement or fails to cure an Event of Default resulting in termination of this Agreement or the Project, Grantee shall, upon demand by CDFA, assign and convey to CDFA all or any of its rights, title and interest, or delegate to CDFA all or any of its obligations under the Subrecipient Agreement and any Mortgage, Promissory Note, Security Agreement or other agreement as applicable. Such delegation or assignment shall be effective only in the event of a default by Subrecipient or Beneficiary in its or their obligations under the Subrecipient Agreement or other agreement. In the event that CDFA assumes any of the obligations of Grantee as provided herein, Grantee shall pay all costs and expenses incurred by CDFA in the enforcement of the Subrecipient Agreement, collection upon any loan, mortgage or other security, or in curing any Event of Default.

14.6. Where the Grant Agreement or Subrecipient Agreement is terminated or the Project is otherwise terminated due to a default, inability to perform, or reason other than project completion and Grant Funds are required to be returned by Grantee, the disposition of Grant Funds to be returned shall be determined solely by CDFA.

15. **ADDITIONAL GRANT REQUIREMENTS**

15.1. Grantee shall prepare and adopt a written Code of Ethics governing the performance of its employees engaged in the procurement of supplies, equipment, construction and services consistent with the requirements of 24 CFR 85.36(b)(3). The Code of Ethics shall be prepared in the form shown in the CDBG Implementation Guide, and shall be formally adopted prior to requesting Grant funds. The Grantee shall also comply with the conflict of interest policy consistent with the requirements of 24 CFR 570.489(h) and 2 CFR 200 and shall be approved by CDFA.

15.2. Grantee shall prepare and adopt a financial management plan, that complies with 2 CFR 200 and 24 CFR 570 and is approved by CDFA, which describes Grantee's system for receiving and expending the grant funds including the internal controls, which shall ensure compliance as outlined within this Grant Agreement. The plan shall be formally adopted prior to requesting Grant funds.


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15.3. Grantee shall submit to CDFA all required documentation of low- and moderate-income benefit in accordance with the reporting requirements of the Subrecipient Agreement. The information shall be provided on the Periodic Progress Report, as found in the Community Development Block Grant Program (CDBG) Implementation Guide.

15.4. Special Assessment. Grantee certifies that it shall not levy special assessments or charge access fees against properties owned and occupied by low- and moderate-income persons to recover capital costs of public improvements which were assisted in whole or in part with CDBG funds. Grantee may request in writing and the Director of CDFA may give written permission in certain situations under 24 CFR 570.482 (b) to recover that portion of capital costs financed with non-CDBG funds from non-low- and moderate-income households.

15.5. Affirmatively Furthering Affordable Housing. Grantee certifies that it has no ordinances, codes or written policies which effectively exclude mobile homes or manufactured housing and rental housing which may be occupied by low- and moderate-income households.

15.6. Affirmatively Furthering Fair Housing. Grantee certifies that it will conduct and administer the grant in conformity with the Fair Housing Act (42 USC 3601-20) and will affirmatively further fair housing.

15.7. In the event Grantee fails to enforce the provisions of the Subrecipient Agreement or fails to cure an Event of a Default under the Subrecipient Agreement, Grantee shall, upon demand by CDFA, assign and convey all or any part of its rights, title and interest or delegate all or any of its obligations under the Subrecipient Agreement or the Mortgage to CDFA, such assignment or delegation to be effective only in the event of a default in Subrecipient's obligation to Grantee under the terms of the Subrecipient Agreement or Mortgage. In such event, Grantee agrees to pay and shall pay all reasonable costs and expenses incurred by CDFA in the enforcement of the Subrecipient or Mortgage obligations or in curing any Event of Default thereunder.

15.8. CDFA shall have the right to terminate all or any part of its obligations under this Agreement in the event that any official, employee, architect, engineer, attorney, or inspector of, or for the Grantee, or any governmental official or representative becomes directly or indirectly interested financially in the acquisition of any materials or equipment, or in any construction of the Project, or in the furnishing of any service to or in connection with the Project, or any benefit arising therefrom.

15.9. Excessive Force by Law Enforcement Agencies. Grantee certifies that it has adopted and enforces a policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in nonviolent civil rights demonstrations in accordance with Section 519 of Public Law 101-144.

15.10. Lobbying. Grantee certifies that:

15.10.1. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.


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15.10.2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard form - LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

15.10.3. The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all Subrecipient's shall certify and disclose accordingly.

15.11. Certification of Nonsegregated Facilities as required by the May 9, 1967, Order (32 FR 7439, May 19, 1967) on Elimination of Segregated Facilities, by the Secretary of Labor. Prior to the award of any construction contract or subcontract exceeding \$10,000, Grantee shall require the prospective prime contractor and each prime contractor shall require each subcontractor to submit the following certification:

15.11.1. By the submission of this bid, the bidder, offer or, applicant or subcontractor certifies that he/she does not maintain or provide for his/her employees any segregated facilities at any of his/her establishments, and that he/she does not permit his/her employees to perform their services at any location, under his/her control where segregated facilities are maintained.

15.11.2. He/she certifies further that he/she will not maintain or provide for his/her employees any segregated facilities at any of his/her establishments, and that he/she will not permit his/her employees to perform their services at any location, under his/her control, where segregated facilities are maintained. The bidder, offer or, applicant, or subcontractor agrees that a breach of this certification is a violation of the Equal Opportunity clause in this Agreement. As used in this certification, the term "segregated facilities" means any waiting rooms, work areas, rest rooms and wash rooms, restaurants and other eating areas, time clocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing facilities provided for employees which are segregated by explicit directive or are in fact segregated on the basis of race, creed, color or national origin, because of habit, local custom, or otherwise. He/she further agrees that (except where he/she has obtained identical certifications from proposed subcontractors for specific time periods) he/she will obtain identical certifications from proposed subcontractors prior to the award of subcontracts exceeding \$10,000 which are not exempt from the provisions of the Equal Opportunity clause: that he/she will retain such certifications in his/her files: and that he/she will forward the following notice to such proposed subcontractors (except where the proposed subcontractors have submitted identical certifications for specific time periods):

**NOTICE TO PROSPECTIVE SUBCONTRACTORS OF REQUIREMENT FOR
CERTIFICATIONS OF NONSEGREGATED FACILITIES**

**NOTE: The penalty for making false statements in offers is
prescribed in 18 USC 1001.**


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16. **PUBLICITY AND SIGNAGE**

16.1. **Public Relations.** The Grantee shall grant CDFA the right to use the Grantee's name, likeness, and logo in any public relations or publicity efforts. This shall include, but not be limited to, press releases, media interviews, website, publications, brochures, etc. CDFA's publicity efforts may also include details about Grantee's project, contract, or other publically available information.

16.2. **Reciprocal Publicity.** The Grantee also shall acknowledge CDFA appropriately in all organizational and public forums as to the support, financial and otherwise, that has been provided to the project. This recognition shall include, but not be limited to, print/electronic media, publications, interviews, brochures, website, etc.

16.3. **Project Signage.** For construction/renovation projects – CDFA logo must be included in signage at the job worksite. CDFA logo may not be any smaller than 50% of the size of the largest logo displayed. This requirement can be waived if no other partner/entity requires worksite signage and creating signage solely for CDFA poses a hardship. Alternative – If none of these are applicable/feasible, an alternative display of the CDFA logo or public recognition may be used with permission from CDFA.


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EXHIBIT C

PROJECT COSTS; METHOD AND TERMS OF PAYMENT

1. PROJECT COSTS; PAYMENT SCHEDULE; REVIEW BY CDFA

1.1 Program Activity Costs: As used in this Agreement, the term "Program Activity Costs" shall mean all reimbursable costs incurred in performance of the Grant activities. "General Administration Costs" shall mean all expenses directly or indirectly incurred by Grantee in the performance of the Project Activities, as determined by CDFA to be eligible and allowable for payment in accordance with allowable administrative project cost standards set forth in 2 CFR Part 200 as revised from time to time, and with the rules, regulations, and guidelines established by CDFA. General Administrative costs include but are not limited to: preparation of environmental review, record keeping, reporting, audits, and oversight of any Project closing and/or construction and compliance with all federal, state, and local laws, rules, and regulations and this contract. In no event shall General Administration Costs exceed fifteen (15) percent of the total Grant funds allowed. With respect to a nonprofit subrecipient, such subrecipient shall meet the requirements of 2 CFR Part 200.

1.2 Delivery Costs: If applicable to this Agreement, the term "Delivery Costs" shall mean all reimbursable costs incurred by a Subrecipient as set forth in Attachment I, "Sources and Uses" in connection with a regional revolving loan fund that are directly related to the preparation and execution of loan documents and to the monitoring and administration of the loan provisions, and which are allowable by the New Hampshire Community Development Block Grant program rules.

1.3 Payment of Program Activity Costs: Subject to the terms and conditions of this agreement, CDFA agrees to pay Grantee all Program Activity Costs, provided, however, that in no event shall the total of all payments made by CDFA pursuant to this Agreement exceed the Grant Amount as set out in Paragraph 1.8 of the General Provisions, and provided further that all Project Costs shall have been incurred prior to the Completion Date, except for reasonable approved Program Activity Costs incurred within 90 days after the Completion Date and in connection with closeout requirements as required in CDFA's Community Development Block Grant Implementation Guide.

1.4 Review by CDFA; Disallowance of Costs: At any time during the performance of the Program Activities, and upon receipt of the Progress Reports, Closeout Report, or Audited Financial Report, CDFA may review all Program Activity Costs incurred by Grantee or any Subrecipient and all payments made to date. Upon such review, CDFA shall disallow any items of expense which are not determined to be allowable or are determined to be in excess of actual expenditures, and shall, by written notice specifying the disallowed expenditures, inform Grantee of any such disallowance. If CDFA disallows costs for which payment has not yet been made, it shall refuse to pay such costs. If payment has been made with respect to costs which are subsequently disallowed, CDFA may deduct the amount of disallowed costs from any future payments under this Agreement or require that Grantee refund to CDFA the amount of the disallowed costs.

2. METHOD AND TERMS OF REIMBURSEMENT FOR PROGRAM ACTIVITY COSTS

2.1 When Project Funds May Be Released. CDFA shall not disburse any funds for the purposes of this Project until such time as all agreements specified in Exhibit B and any other agreements or documents specified pursuant to this Agreement are fully executed and received, and where applicable are reviewed and approved in writing by CDFA. Agreements and documents may include:


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Exhibit C – Project Costs; Method & Terms of Payment

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2.1.1 A Subrecipient Agreement, as applicable;

2.1.2 Documentation of other committed match funds or additional financing necessary, as identified in Exhibit B;

2.1.3 A copy of any required deed, survey, map, or other document pertaining to the Project Property or Premises;

2.1.4 Copies of required certificates of insurance from all parties to this agreement;

2.1.5 Purchase and Sale Agreement, engineering, construction, consultant, or other contracts;

2.1.6 Certification/verification of employment documentation or household income documentation;

2.1.7 Any lease and loan documents, mortgages, liens, security instruments, municipal bonds, and similar agreements used in connection with the enforcement of beneficiary requirements, as well as any other related documents as requested by CDFA.

2.2 Timing of Payments. Upon thirty (30) days of the receipt, review, and approval by CDFA of financial reports and requests for reimbursement from Grantee specifying all Program Activity Costs incurred, CDFA agrees to reimburse Grantee for Program Activity Costs. Reimbursement may be withheld until CDFA determines that a particular project activity or portion of the project activity hereunder has been satisfactorily completed.

2.3 Disbursement of funds by CDFA does not constitute acceptance of any item as an eligible Program Activity Cost until all Program Activity Costs have been audited and determined to be allowable costs.

3. REQUIRED DOCUMENTATION FOR DISBURSEMENT OF GRANT FUNDS

3.1 Reimbursement requests for all Program Activity Costs, including General Administrative Costs, Delivery Costs, and Subrecipient costs, shall be accompanied by proper supporting documentation in the amount of each requested disbursement along with a payment request form as supplied by CDFA, which shall be completed and signed by Grantee. Documentation may include invoices for supplies, equipment, services, contractual services, and, where applicable, a report of salaries paid or to be paid.

4. LIMITATIONS ON USE OF FUNDS

4.1 Grant funds are to be used in a manner consistent with the State of New Hampshire Community Development Block Grant Program as approved by the U.S. Department of Housing and Urban Development.

4.2 Grant funds are to be used only in accordance with procedures, requirements and principles specified in 2 CFR 200 and 24 CFR 85.

4.3 Grant funds may not, without advance written approval by CDFA, be obligated prior to the Effective Date or subsequent to the Completion Date of the grant period. Obligations outstanding as of


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the Completion Date shall be liquidated within ninety (90) days. Such obligations must be related to goods or services provided during the grant period, except that reasonable costs associated solely with grant closeout, (e.g., audits, final reports) may be incurred within ninety (90) days after the Completion Date. The funding assistance authorized hereunder shall not be obligated or utilized for any activities requiring a release of funds under the Environmental Review Procedure for the Community Development Block Grant Program at 24 CFR 58, until such release is issued in writing by CDFA.

4.4 Changes in Funding Project Activities: Grantee may submit a written request for the authority to transfer up to ten (10) percent of the full value of the grant from one approved activity to another listed in herein or from an approved activity within the approved project area to an approved activity located outside the project area and the Director of CDFA may approve the requested transfer.

4.5 Transfers over ten percent of the full value of the grant from one approved activity to other approved activities or outside the target area, or the addition of one or more new activities requires an amendment to this grant agreement. Grantee shall hold a public hearing in accordance with RSA 162-L:14 II(b) when submitting a request for an amendment involving twenty-five (25) percent or more of the full value of the grant.

4.6 Up to \$150,000 of Grant Funds may be applied by Grantee for costs related to the Project Activity.

4.7 Up to \$20,000 of Grant Funds may be applied by Grantee for costs related to the General Administration of the grant.

5. PERFORMANCE OF SERVICES BY GRANTEE PRIOR TO EFFECTIVE DATE; PAYMENT BY CDFA. Any Grant Activities performed by Grantee with non-CDBG funds prior to the Effective Date shall be performed at the sole risk of Grantee, and in the event that this Agreement shall not become effective, CDFA shall be under no obligation to pay Grantee for any costs incurred in connection with any Grant Activities, or to otherwise pay for any Activities performed during such period.

6. PROGRAM INCOME (IF APPLICABLE)

6.1 Program Income: All program income earned during the term of this Agreement shall be retained by Grantee or, in projects involving the administration of a revolving loan fund by the Subrecipient.

6.2 When Used for Project Activities: When program income becomes available, Grantee and, where applicable, Subrecipient shall use it for Grant Activities contained in the Project Description before drawing down additional funds unless the program income is deposited in a revolving loan account with prior approval by CDFA.

6.3 When Used for Eligible Activities: After completion of the Grant Activities specified in this Agreement, Grantee and, where applicable, Subrecipient shall use program income only for eligible activities which benefit primarily people from low- and moderate-income families, with prior approval by CDFA as specified in the Closeout Agreement between CDFA and Grantee and, where applicable, Subrecipient.


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GROUND LEASE

THIS LEASE ("this Lease" or "the Lease") made and entered into this 21st day of March, 2003, by and between LACONIA AREA COMMUNITY LAND TRUST, a New Hampshire voluntary corporation with an address of 658 Union Avenue, Laconia, NH 03246 ("the LACLT" or "Lessor" or "the Lessor") and Luke R. Rockwell, "Lessee" or "the Lessee").

WHEREAS, the LACLT is organized exclusively for charitable purposes, including: the development and preservation of decent, affordable housing and the creation of homeownership opportunities for low- and moderate-income people who otherwise would be denied such opportunities because of limited financial resources; and

WHEREAS, a goal of the LACLT is to stimulate the conveyance of decent, affordable housing among low- and moderate-income people by providing access to housing for such persons at affordable prices through the long-term leasing of land under said housing; and

WHEREAS, the Leased Premises described in this Lease have been acquired and are being leased by the LACLT in furtherance of these charitable purposes; and

WHEREAS, the Lessee shares the purposes and goals of the LACLT and has agreed to enter into this Lease not only to obtain those benefits to which the Lessee is entitled under this Lease, but also to further the charitable purposes of the Lessor; and

WHEREAS, Lessor and Lessee recognize the special nature of the terms and conditions of this Lease, and each of them, with the independent and informed advice of legal counsel, freely accepts these terms and conditions, including those terms and conditions that may affect the marketing and resale price of any Improvements on the Leased Premises; and

WHEREAS, it is mutually understood and accepted by Lessor and Lessee that the terms and conditions of this Lease further their shared goals over an extended period of time and through a succession of owners;

NOW THEREFORE, in consideration of the foregoing recitals, of mutual promises of Lessor and Lessee, and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Lessor and Lessee agree as follows:

RRH
RRH

ARTICLE 1: Letters of Stipulation and Acknowledgment

Attached as the exhibit **LETTERS OF STIPULATION AND ACKNOWLEDGMENT** and made part of this Lease by reference are (a) a Letter of Stipulation of Lessee, and (b) a Letter of Acknowledgment of legal counsel of Lessee, setting forth their respective review and understanding of this Lease (in particular, Article 10, regarding the transfer, sale, or disposition of the Improvements) and related documents for this transaction.

ARTICLE 2: Demise of Leased Premises

2.1 PREMISES: The Lessor, in consideration of the rents reserved and the terms and conditions of this Lease, does hereby demise and lease unto Lessee, and Lessee does hereby take and hire from Lessor, the property (referred to in this Lease as the "Leased Premises") described in the attached exhibit **PREMISES**. Lessor has furnished to Lessee a copy of the most current, if any, title report previously obtained by Lessor for the Premises, and Lessee accepts title to the Leased Premises in their condition "as is" as of the execution of this Lease.

2.2 RESERVATION OF MINERAL RIGHTS: Lessor reserves to itself all the minerals and other extractive resources of the Leased Premises. This reservation shall not diminish the right of the Lessee under this Lease to occupy and freely use the Leased Premises. Any eventual extraction by the Lessor of minerals or other extractive resources shall be carried out with as little disruption to the Lessee as is reasonably possible. In instances requiring a material disruption of the Lessee's right of use and occupancy of the Leased Premises, the Lessor shall not make such extraction without the consent of the Lessee.

ARTICLE 3: Duration of Lease

3.1 PRINCIPAL TERM: The term of this Lease shall be 99 years, commencing on the 21st day of March, 2003, and terminating on the 20th day of March, 2102, unless terminated sooner or extended as provided below.

3.2 LESSEE'S OPTION TO EXTEND: Lessee may extend the principal term of this Lease for one (1) additional period of 99 years, subject to all the provisions of this Lease; provided that Lessor may make changes to the terms of the Lease for the renewal period prior to the beginning of such renewal period but only if these changes do not materially and adversely impair Lessee's rights under the Lease. Not more than 365 nor less than 180 days before the last day of the current term, Lessor shall give Lessee written notice, stating the date of expiration of the Lease, describing any changes that Lessor intends to make to the terms of the Lease as permitted above, and reiterating the conditions for renewal as set forth immediately below ("the Expiration Notice").

Lessee's right to exercise the option to extend is subject to the following conditions: (a) within sixty (60) days of receipt of the Expiration Notice, Lessee shall give Lessor written notice, irrevocably exercising the option to extend ("the Extension Notice"); (b)

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this Lease shall be in effect at the time the Extension Notice is given and on the last day of the term, and (c) there shall not be an Event of Default by Lessee under this Lease or under any loan documents between Lessee and any Permitted Mortgagee at the time the Extension Notice is given and on the last day of the term.

When Lessee has rightfully exercised the option to extend, each party shall execute a memorandum, in mutually agreeable recordable form, acknowledging the fact that the option has been exercised and otherwise complying with the requirements of law for an effective memorandum or notice of lease, and such memorandum or notice of lease shall be recorded in accordance with the requirements of law on or promptly after the commencement of such renewal period of the Lease.

3.3 CHANGE OF LESSOR; LESSEE'S RIGHT TO PURCHASE: In the event that ownership of the land comprising the Leased Premises ("the Land") is conveyed or transferred (whether voluntarily or involuntarily) by Lessor to any other person or entity, this Lease shall not cease, but shall remain binding and unaffected. However, in the event Lessor desires or attempts to convey the Land to any person or entity other than a nonprofit corporation, charitable trust, governmental agency or other similar entity sharing the goals described in the Recitals above (or as security for a mortgage loan), the Lessee shall have a right of first refusal to purchase the Land. This right shall be as specified in the attached exhibit FIRST REFUSAL. Any sale or other transfer contrary to this section 3.3 shall be null and void.

ARTICLE 4: Use of Leased Premises

4.1 RESIDENTIAL USE ONLY: Lessee shall use, and shall cause all occupants to use, the Leased Premises and Improvements only for residential purposes and any incidental activities related to residential use that are currently permitted by applicable zoning law as indicated in the attached exhibit ZONING. [In addition, use of the Leased Premises shall be further limited by the restrictions set forth in the attached exhibit RESTRICTIONS.]

4.2 RESPONSIBLE USE AND COMPLIANCE WITH LAW: Lessee shall use the Leased Premises in a manner so as not to cause actual harm to others or create any nuisances, public or private; and shall dispose of any and all waste in a safe and sanitary manner. Lessee shall maintain the Leased Premises and Improvements in good, safe, and habitable condition in all respects, except for normal wear and tear, in full compliance with all applicable laws and regulations, and in such condition as is required to maintain the insurance coverage required by section 9.4 of this Lease.

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4.3 RESPONSIBLE FOR OTHERS: Lessee shall be responsible for the use of the Leased Premises by all residents and their families, friends and visitors and anyone else using the Leased Premises with their consent and shall make all such people aware of the spirit, intent and appropriate terms of this Lease.

4.4 OCCUPANCY: Lessee shall occupy the Leased Premises for at least EIGHT (8) months of each year of this Lease, unless otherwise agreed by Lessor. Occupancy by children or other immediate family members or dependents of Lessee shall be considered occupancy by Lessee.

4.5 INSPECTION: Lessor may inspect any portion of the Leased Premises except the interior(s) of Lessee's Improvements, at any reasonable time, but not more than TWO (2) times in a single calendar year, and in any reasonable manner, upon at least forty-eight (48) hours' oral notice to Lessee. In the event of emergency, Lessor may inspect any portion of the Leased Premises except the interior(s) of Lessee's Improvements without notice provided the Lessor shall have made reasonable efforts to give advance notice to Lessee.

4.6 LESSEE'S RIGHT TO PEACEFUL ENJOYMENT: Lessee has the right to undisturbed enjoyment of the Leased Premises, and Lessor has no desire or intention to interfere with the personal lives, associations, expressions, or actions of Lessee, subject to the provisions of this Lease.

ARTICLE 5: Ground Lease Fee

5.1 GROUND LEASE FEE: In consideration of the possession, continued use, and occupancy of the Leased Premises, Lessee shall pay to Lessor a monthly ground lease fee ("the Ground Lease Fee") of twenty-five dollars (\$ 25.00).

5.2 PAYMENT OF GROUND LEASE FEE: The Ground Lease Fee shall be payable to Lessor, at the address specified in this Lease as Lessor's address, on the first day of each month for as long as this Lease remains in effect, unless, with Lessor's consent, the Ground Lease Fee is to be escrowed by a Permitted Mortgagee, in which case payment shall be made as specified by that Mortgagee, or unless Lessor and Lessee otherwise agree. If the Lease commences on a day other than the first of the month, a pro-rata portion of the Ground Lease Fee shall be paid for the balance of the month at the time the Lease is executed.

In the event that any amount of payable Ground Lease Fee remains unpaid when the Improvements are sold and the Lease is terminated or assigned to another party, the amount of payable Ground Lease Fee shall be paid to Lessor out of any proceeds from the sale of the Improvements otherwise due to Lessee at the time of such sale.

5.3 CALCULATION OF GROUND LEASE FEE: The Ground Lease Fee specified in section 5.1 above has been calculated as follows. First, an amount approximating the monthly fair rental value of the Leased Premises has been established, current as of the commencement of the lease term, recognizing that use of the Leased Premises

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is restricted by some of the provisions of the Lease. Then the affordability of this monthly amount for the Lessee has been analyzed and, if necessary, the amount has been reduced to yield the amount stated in section 5.1 above, which has been determined to be affordable for Lessee.

5.4 REDUCTION, DELAY OR WAIVER OF GROUND LEASE FEE: Lessor may reduce, delay or waive entirely the Ground Lease Fee at any time and from time to time for the purpose of ensuring affordable monthly housing costs for the Lessee. Any such reduction, delay, or waiver must be in writing and signed by Lessor before being effective.

5.5 ADJUSTMENT OF GROUND LEASE FEE: The Ground Lease Fee stated in section 5.1 above, as adjusted in the way provided below, shall be applicable during the term of this Lease. However, in the event that, for any reason, the provisions of Article 10 or Article 11 regarding transfers of the Improvements or section 4.4 regarding occupancy are suspended or invalidated for any period of time, then during that time, the Ground Lease Fee shall be increased to an amount calculated by Lessor to equal the fair rental value of the Leased Premises for use not restricted by the provisions of the suspended portions of the Lease, but initially an amount not to exceed \$ 100.00 per month. In such event, Lessor shall notify Lessee of the amount calculated in this way, and the Ground Lease Fee shall then be this amount.

In order to keep the Ground Lease Fee reasonably current, the amount specified in section 5.1 (and the maximum amount specified in the preceding paragraph) shall be recalculated every FIVE (5) years during the term of the Lease. At such intervals, the amount shall be recalculated through such reasonable process as the Lessor shall choose, based upon the standards set forth in section 5.3 above. Lessor shall notify Lessee promptly upon recalculation of the new Ground Lease Fee amount, and if Lessee does not state objections to the recalculated amount within thirty (30) days after receipt of this notice, the Ground Lease Fee shall then be as stated by Lessor in the notice. If Lessee does state objections to the recalculated Ground Lease Fee, and Lessor and Lessee are then unable to agree on a recalculated Ground Lease Fee within fifteen (15) days of Lessor's receipt of Lessee's objection, the dispute shall be resolved according to the arbitration process set forth in Article 13 below, except that the arbitrators chosen by each party shall be ones with experience in the valuation of real estate. Upon the final determination of the recalculated Ground Lease Fee in accordance with the terms of this section, Lessor shall maintain in its file a notarized certification of the amount of such recalculated Ground Lease Fee and the process by which it was determined.

ARTICLE 6: Taxes and Assessments

6.1 TAXES AND ASSESSMENTS: Lessee shall be responsible for payment of all taxes and governmental assessments that relate to the Improvements and the Leased

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Premises. Lessee shall also pay directly, when due, all other service bills, utility charges, or other governmental assessments charged against the Leased Premises.

6.2 TAXES ON LEASED PREMISES: In the event that the local taxing authority bills Lessor for the taxes on the Leased Premises, Lessor shall pass the responsibility for this expense to Lessee and Lessee shall promptly pay this bill.

6.3 LESSEE'S RIGHT TO CONTEST: Lessee shall have the right to contest the amount or validity of any taxes relating to the Improvements and Leased Premises. Lessor shall, upon written request by Lessee, join in any such proceedings if Lessee reasonably determines that it is necessary or convenient for Lessor to do so. All other costs and expenses of such proceedings shall be paid by Lessee.

6.4 PAYMENTS IN EVENT OF DELINQUENCY: In the event that Lessee fails to pay the taxes or other charges specified in section 6.1 above, Lessor may increase, but shall not be obligated to increase, Lessee's Ground Lease Fee in an amount that will offset the cost of any delinquent and current taxes or other charges relating to the Improvements and Leased Premises. Upon collecting any such amount, Lessor shall pay the amount collected to the taxing authority in a timely manner. Lessor shall have the right, but not the obligation to pay any taxes or other charges specified in section 6.1 above, and, if Lessor does pay such taxes or other charges, all such amounts shall be added to the Ground Lease Fee, and payable upon demand.

6.5 PROOF OF COMPLIANCE: Concurrently with the payment of any taxes, assessments, and charges required or permitted by the provisions of this Lease, each party shall furnish evidence satisfactory to the other documenting the payment. A photocopy of a receipt for such charges showing payment prior to the due date shall be the usual method of furnishing such evidence.

ARTICLE 7: Improvements

7.1 OWNERSHIP: It is agreed that all buildings, structures, fixtures, and other Improvements purchased by the Lessee or constructed or placed by the Lessee on any part of the Leased Premises at any time during the term of this Lease ("the Improvements") shall be property of the Lessee. Title to such Improvements shall be and remain vested in the Lessee. However, Lessee's exercise of the rights of ownership is subject to the provisions of this Lease, including but not limited to provisions regarding the disposition of Improvements by the Lessee and the Lessor's option to purchase the Improvements. In addition, Lessee shall not sever or move the Improvements from the Land.

7.2 PURCHASE OF IMPROVEMENTS BY LESSEE: Lessee is simultaneously purchasing the Improvements now located on the Leased Premises and described in the Deed

7.3 CONSTRUCTION AND ALTERATION: Any construction in connection with an existing or new Improvement is subject to the following conditions: (a) all costs shall be borne

and paid for by the Lessee; (b) all construction shall be performed in a workmanlike manner and shall comply with all applicable laws and regulations; (c) all construction shall be consistent with the permitted uses set forth in Article 4; (d) the exterior (including height) of such Improvements shall not be increased or expanded and new Improvements shall not be constructed without the prior written consent of Lessor, who, however, shall not unreasonably withhold such consent; and (e) Lessee shall furnish to Lessor a copy of any plans and all building permits for such construction prior to commencing construction.

7.4 PROHIBITION OF LIENS: No lien of any type shall attach to the Lessor's title to the Land or to Lessor's interest in the Leased Premises or to any other property owned by the Lessor. Lessee shall not permit any statutory or similar lien to be filed against the Premises, the Improvements, or any interest of Lessor or Lessee that remains more than sixty (60) days after it has been filed. Lessee shall cause any such lien to be discharged of record by payment, deposit, bond, order of a court of competent jurisdiction, or as otherwise permitted by law. If Lessee fails to cause such lien to be discharged within the 60-day period, then, in addition to any other right or remedy, Lessor may, but shall not be obligated to, discharge the lien by paying the amount in question. Lessee may, at Lessee's expense, contest the validity of any such asserted lien, provided Lessee has furnished a bond in an amount sufficient to release the Leased Premises from such lien. Any amounts paid by Lessor to discharge such liens shall be deemed to be an additional Ground Lease Fee payable by Lessee upon demand.

7.5 MAINTENANCE AND SERVICES: Lessee shall, at Lessee's sole expense, maintain the Leased Premises and all Improvements as required by section 4.2 above. Lessor shall not be required to furnish any services or facilities, including but not limited to heat, electricity, air conditioning, or water, or to make any repairs to the Leased Premises or Improvements, and Lessee hereby assumes the sole responsibility for furnishing all services or facilities.

7.6 DISPOSITION OF IMPROVEMENTS UPON EXPIRATION OF LEASE TERM: Upon the expiration of the term of this Lease as such term may be extended or sooner terminated in accordance with this Lease, Lessee shall surrender the Improvements together with the Leased Premises to the Lessor. Ownership of the Improvements shall thereupon revert to Lessor, provided, however, that Lessor shall promptly pay to Lessee as consideration for the Improvements that have been approved by Lessor in accordance with Article 7.3 above, an amount equal to Lessor's Purchase Option Price calculated in accordance with Article 10 below, as of the time of reversion of ownership, less the total amount of any unpaid Ground Lease Fee including any charges that may have been added to the Ground Lease Fee in accordance with this Lease.

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ARTICLE 8: Financing

8.1 PERMITTED MORTGAGE: Lessee may mortgage the Leased Premises only with the written consent of Lessor. Not less than thirty (30) days prior to the date on which Lessee (or a prospective Lessee who has contracted to purchase the Improvements) requests Lessor's consent to a mortgage to be effective, Lessee (or prospective Lessee) shall furnish to Lessor copies of every document to be executed in connection with the transaction represented by such mortgage. Lessor may choose to consent to any mortgage, and in so doing shall designate such mortgage as a "Permitted Mortgage." However, Lessor shall be required to consent to a mortgage only if (a) at the time such copies of documents are submitted and at the time proposed by Lessee (or prospective Lessee) for the execution of such documents, no default is then outstanding; and (b) the mortgage so submitted is a Standard Permitted Mortgage as defined in the attached exhibit PERMITTED MORTGAGES. Lessee shall pay to Lessor at Lessor's option, as additional Ground Lease Fee, all fees, costs, and expenses, including, without limitation, reasonable attorneys' fees, incurred by Lessor in connection with any Permitted Mortgage.

8.2 RIGHTS OF PERMITTED MORTGAGEE: Any holder of a Permitted Mortgage ("Permitted Mortgagee") shall without requirement of consent by the Lessor have the rights identified and defined in the attached exhibit PERMITTED MORTGAGES.

8.3 REMOVAL OF CERTAIN PROVISIONS PURSUANT TO FORECLOSURE: In the event of foreclosure sale by a Permitted Mortgagee or the delivery of a deed to a Permitted Mortgagee in lieu of foreclosure in accordance with the provisions of the Lease, at the election of the Permitted Mortgagee the provisions of Article 10, sections 10.1 through 10.11 shall be deleted and thereupon shall be of no further force or effect as to only so much of the Security so foreclosed upon or transferred.

8.4 LESSOR'S RIGHT TO PROCEEDS IN EXCESS OF PURCHASE OPTION PRICE: The parties recognize that it would be contrary to the fundamental concept of this agreement and an incentive to abuse Lessee's authorization to encumber its leasehold interest with a Permitted Mortgage if Lessee could realize more than the Purchase Option Price as the result of any foreclosure of any mortgage. Accordingly, Lessee hereby irrevocably assigns to Lessor any and all net proceeds of sale of the Improvements remaining after payment of costs of foreclosure and satisfaction of the lien of any Permitted Mortgagee which would otherwise have been payable to Lessee, to the extent such net proceeds exceed the net proceeds that Lessee would have received had the property been sold for the Purchase Option Price established in Article 10 of this Lease, and authorizes and instructs the Permitted Mortgagee or any party conducting any sale to pay the amount of said excess proceeds directly to Lessor. In the event that, for any reason, such excess proceeds are paid to Lessee, Lessee hereby agrees to promptly pay the amount of such excess proceeds to Lessor.

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8.5 AMENDMENTS SUBJECT TO APPROVAL BY PERMITTED MORTGAGEE: Any amendments to this Lease shall be subject to the written approval of Permitted Mortgagee, which approval shall not be unreasonably withheld or delayed. The passage of thirty (30) days after submittal to Permitted Mortgagee of a proposed amendment without approval or disapproval by Permitted Mortgagee shall be deemed approval thereof.

ARTICLE 9: Liability, Insurance, Damage and Destruction, Eminent Domain

9.1 LESSEE'S LIABILITY: Lessee assumes sole responsibility and liability to all persons and authorities related to its possession, occupancy, and use of the Leased Premises.

9.2 INDEMNIFICATION OF LESSOR: Lessee shall defend, indemnify, and hold Lessor harmless against all liability and claims of liability for injury or damage to person or property from any cause on or about the Leased Premises. Lessee waives all claims against Lessor for such injury or damage. However, Lessor shall remain liable (and Lessee shall not indemnify and defend Lessor against such liability or waive such claims of liability) for injury or damage due to the grossly negligent or intentional acts or omissions of Lessor or Lessor's agents or employees.

9.3 PAYMENT BY LESSOR: In the event the Lessor shall be required to pay any sum that is the Lessee's responsibility or liability, the Lessee shall reimburse the Lessor for such payment and for reasonable expenses caused thereby.

9.4 INSURANCE: Lessee shall, at Lessee's sole expense, keep all Improvements continuously insured against loss or damage by fire and the extended coverage hazards for the full replacement value of such Improvements. Lessee shall, at Lessee's sole expense, maintain continuously in effect liability insurance covering the Leased Premises and Improvements in the amounts of not less than one hundred thousand dollars (\$100,000.00) for injury to or death of any one person; and one hundred thousand dollars (\$100,000.00) for injury to or death of any number of persons in one occurrence; and one hundred thousand dollars (\$100,000.00) for property damage. The dollar amounts of this coverage shall be adjusted at two-year intervals, beginning on the date this Lease is signed, or upon Lessor's demand given not more often than annually, upon 30 days' notice to Lessee. This adjustment shall be equal to the percentage of change (positive or negative), over the period in question, of the Consumer Price Index for urban wage earners and clerical workers for the urban area in which the Leased Premises are located, or, if none, for urban areas the size of Laconia, NH, or such other index as reasonably measures adjustments in coverage amounts for the applicable type of insurance. Such index is maintained by the Office of Prices and Living Conditions of the Bureau of Labor Statistics, of the U.S. Department of Labor. Such insurance shall specifically insure Lessee against all liability assumed under this Lease, as well as all liability imposed by law, and shall also insure Lessor as an additional insured so as to create the same liability on the part of insurer as though separate policies had been written for Lessor and Lessee.

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Lessee shall provide Lessor with copies of all policies and renewals of policies. All policies shall also contain endorsements providing that they shall not be cancelled, reduced in amount or coverage or otherwise modified by the insurance carrier involved without at least thirty (30) days' prior written notice to Lessor. Lessor shall be entitled to participate in the settlement or adjustment of any losses covered by such policies of insurance.

9.5 DAMAGE OR DESTRUCTION: Except as provided below, in the event of fire or other damage to the Improvements, Lessee shall take all steps necessary to ensure the repair of such damage and the restoration of the Improvements to their condition immediately prior to the damage. All such repairs and restoration shall be completed as promptly as possible. Lessee shall also promptly take all steps necessary to ensure that the Leased Premises are safe and that the damaged Improvements do not constitute a danger to persons or property.

If Lessee, using reasonable judgment and relying on professional estimates, determines either (a) that full repair and restoration is physically impossible, or (b) that the available insurance proceeds will pay for less than eighty percent (80%) of the cost of repair and restoration (provided Lessee has fulfilled all the hazard insurance requirements set forth in section 9.4 above), then Lessee may terminate this Lease by written notice to Lessor given not later than sixty (60) days after the event that caused the damage. However, such termination shall not be effective until forty-five (45) days after the date upon which the notice is received by Lessor. During this 45-day period Lessor may seek an adjustment from the insurer so as to increase the available insurance proceeds to an amount covering at least 80 percent of the cost of repair and restoration. If successful in securing such adjustment, Lessor may render Lessee's termination notice null and void by written notice to Lessee within such 45-day period. If Lessor fails to nullify the termination notice in this way, then this Lease shall terminate at the expiration of the 45-day period, and any insurance proceeds payable to Lessee on account of such damage shall be paid as provided below.

The insurance proceeds shall be paid first to cover any expenses of collecting the proceeds. Remaining proceeds shall be paid to the Lessee (or its Permitted Mortgagee to the extent required by the Permitted Mortgage) up to the then applicable Lessor's Purchase Option Price (as of immediately prior to the damage) calculated according to the provisions of Article 10 below. The balance of such proceeds, if any, shall be paid to Lessor.

9.6 EMINENT DOMAIN AND PUBLIC DEDICATION: In the event of a taking of the Leased Premises, either in its entirety or to such extent that the Improvements are lost or damaged beyond repair, by reason of eminent domain or other action of public authority prior to the expiration of this Lease, the Lease shall terminate as of the date Lessee is required to give up possession of the Leased Premises or Improvements, and

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the entire amount of any award(s) paid shall be allocated in the way described in section 9.5 above for insurance proceeds.

In the event of a taking of a portion of the Leased Premises that does not result in damage to the Improvements or substantial reduction in the usefulness or desirability of the Improvements for residential purposes, then any monetary compensation for such taking shall be allocated entirely to Lessor.

In the event of a taking of a portion of the Leased Premises that results in damage to the Improvements only to such an extent that the Improvements can reasonably be restored to a residential use consistent with this Lease, the Lessor may in its discretion allocate some or all the monetary compensation to enable Lessee to accomplish such a restoration. Any balance remaining after or in the absence of such allocation shall be allocated as provided above for a taking of the entire Leased Premises.

Any and all proceedings brought by a party in connection with any damages as a result of any taking referred to in this section shall be conducted at the sole expense of such party. If any provision of law requires that such proceedings be brought by or in the name of any owner or lessee of the premises, such party shall join in such proceedings or permit the same to be brought in its name. Each party agrees to do all acts and to execute all documents that may be required to enable the other to maintain such proceedings. If the party required to join in the proceedings incurs any cost or expense in doing so, such party shall be entitled to reasonable reimbursement and this entitlement shall constitute a first charge against any award.

9.7 REASSESSMENT OF RENTAL VALUE: In the event of any taking that reduces the size of the Leased Premises but does not result in the termination of the Lease, Lessor shall reassess the fair rental value of the remaining Premises and shall adjust the Ground Lease Fee if necessary to ensure that the monthly fee does not exceed the monthly fair rental value of the premises for use as restricted by the Lease.

9.8 RELOCATION OF LESSEE: In the event of a termination of this Lease as a result of damage, destruction or taking, Lessor shall take reasonable steps to grant Lessee a leasehold interest, similar to the interest created by this Lease, in another tract that it owns, if such other tract can reasonably be made available. In accepting such a leasehold interest, Lessee agrees to contribute any proceeds or award received by Lessee to purchase or develop Improvements on such tract. Lessor's failure to supply such a leasehold interest shall not give rise to any cause of action by Lessee against Lessor.

ARTICLE 10: Transfer, Sale, or Disposition of Improvements

10.1 INTENT: It is the understanding of the parties that the terms of this Lease, and in particular of this Article 10, are intended to preserve the affordability of the Improvements for lower and moderate-income households and expand access to homeownership opportunities for such households.

10.2 TRANSFERS TO INCOME-QUALIFIED PERSONS: Lessee may transfer its interest in the Leased Premises or the Improvements only to Lessor or an Income-qualified Person as defined below or otherwise only as explicitly permitted by the provisions of this Article 10. All such transfers shall be subject to Lessor's review and purchase option rights set forth in this Article 10. Any purported transfer done without following the procedures set forth below, except in the case of a transfer to a Permitted Mortgagee in lieu of foreclosure, shall be null and void.

"Income-qualified Person" shall mean a person or group of persons whose household income does not exceed eighty percent (80%) of the median household income for the applicable Standard Metropolitan Statistical Area or County as calculated and adjusted for household size from time to time by the U.S. Department of Housing and Urban Development (HUD) or any successor.

10.3 TRANSFER TO LESSEE'S HEIRS: Upon receipt of notice from the executor of the decedent's estate given within ninety (90) days of the death of Lessee (or the last surviving co-owner of the Improvements) Lessor shall, unless for good cause shown, consent to a transfer of the Improvements and an assumption of this Lease to and by one or more of the possible heirs of Lessee listed below as "a," "b," or "c," provided that a Letter of Stipulation and a Letter of Acknowledgment of legal counsel (similar to those described in Article 1 of this Lease), setting forth the heirs' review, understanding and acceptance of the terms of the Lease, are submitted to Lessor to be attached to the Lease when it is transferred to the heirs.

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the spouse of the Lessee; or

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the child or children of the Lessee; or

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member(s) of the Lessee's household who have resided upon the Premises for at least one year immediately prior to Lessee's death.

Any other heirs, legatees or devisees of Lessee must, in addition to submitting Letters of Stipulation and Acknowledgment as provided above, demonstrate to Lessor's reasonable satisfaction that they are Income-qualified Persons as defined above, or, if unable to do so, shall not be entitled to possession of the Leased Premises but must transfer the Leased Premises in accordance with the provisions of this Article 10.

10.4 LESSEE'S NOTICE OF INTENT TO SELL: In the event that Lessee wishes to assign its interest in the Leased Premises and sell the Improvements, Lessee shall notify Lessor, in writing, of such wish ("the Intent-To-Sell Notice"). Such Notice shall include a statement as to whether Lessee wishes to recommend a prospective buyer as of the date of the Notice.

10.5 APPRAISAL: No later than ten (10) days after Lessor's receipt of Lessee's Intent-To-Sell Notice, a market valuation of the Leased Premises and the Improvements ("the



Appraisal") shall be commissioned to be performed by a mutually acceptable and duly licensed appraiser. Lessor shall commission and pay the cost of such Appraisal. The Appraisal shall be conducted by analysis and comparison of comparable properties as though title to Land and Improvements were held in fee simple absolute, disregarding the restrictions of this Lease on the use of the Land and the transfer of the Improvements. The Appraisal shall state the values contributed by the Land and by the Improvements as separate amounts. Copies of the Appraisal are to be provided to both Lessor and Lessee.

10.6 LESSOR'S PURCHASE OPTION. Upon receipt of an Intent to Sell Notice from Lessee, Lessor shall have the option to purchase the Improvements ("the Purchase Option") at the Purchase Option Price calculated as set forth below. The Purchase Option is designed to further the purpose of preserving the affordability of the Improvements for succeeding Income-qualified Persons while taking fair account of the investment by the Lessee.

If Lessor elects to purchase the Improvements, Lessor shall exercise the Purchase Option by notifying Lessee, in writing, of such election ("the Notice of Exercise of Option") within forty-five (45) days of the receipt of the Appraisal, or the Option shall expire. Having given such notice, Lessor may either proceed to exercise the Purchase Option directly by purchasing the Improvements, or may assign the Purchase Option to an Income-qualified Person.

The purchase (by Lessor or Lessor's assignee) must be completed within sixty (60) days of Lessor's Notice of Exercise of Option, or Lessee may sell the Improvements as provided in section 10.7 below. The time permitted for the completion of the purchase may be extended by mutual agreement of Lessor and Lessee.

Lessee may recommend to Lessor a prospective buyer who is an Income-qualified Person and is prepared to submit Letters of Stipulation and Acknowledgment indicating informed acceptance of the terms of this Lease. Lessor shall make reasonable efforts to arrange for the assignment of the Purchase Option to such person, unless Lessor determines that its charitable mission is better served by retention of the Improvements for another purpose or transfer of the Improvements to another party.

10.7 IF PURCHASE OPTION EXPIRES: If the Purchase Option has expired or if Lessor has failed to complete the purchase within the 60-day period allowed by section 10.6 above, Lessee may sell the Improvements and assign the Lease to any Income-qualified Person, for not more than the then applicable Purchase Option Price. If, six months after the expiration of the Purchase Option or the expiration of said 60-day period, the Improvements still have not been sold, Lessee may sell the Improvements and assign the Lease, for not more than the then applicable Purchase Option Price, to any party regardless of whether that party is an Income-qualified Person.

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10.8 LESSOR'S POWER OF ATTORNEY TO CONDUCT SALE: In the event Lessor does not exercise its option and complete the purchase of the Improvements as set forth above, and Lessee (a) is not then residing in the Improvements and (b) continues to hold the Improvements out for sale but is unable to locate a buyer and execute a binding purchase and sale agreement within one (1) year of the giving of the Intent to Sell Notice, Lessee does hereby appoint Lessor its attorney in fact to seek a buyer, negotiate a reasonable price that furthers the goals set forth in this Lease, sell the property, and distribute proceeds of sale, minus Lessor's costs of sale and reletting and any other sums owed Lessor by Lessee.

10.9 PURCHASE OPTION PRICE: In no event may the Improvements be sold for a price that exceeds the Purchase Option Price. The Purchase Option Price shall be the lesser of (a) the value of the Improvements as determined by the Appraisal commissioned and conducted as provided in 10.5 above or (b) the price calculated in accordance with the formula described below ("the Formula Price").

10.10 CALCULATION OF THE FORMULA PRICE: The basis upon which the resale price will be calculated will be the difference between the appraised value of the Improvements at the time of purchase (Initial Appraisal Value) and the appraised value of the Improvements at the time of sale, as determined by the appraisals done at such times. The owner/seller will be given credit for certain pre-approved improvements made to the Property after purchase, consistent with the Capital Improvements to LACLT Homes Policy. The resale price is designed to return to the Lessee one hundred percent (100%) of the value created by the improvements (approved by the Lessor), and twenty-five percent (25%) of the Improvements appreciation caused by market factors other than the later improvements themselves. This resale price is the maximum price that may be asked for the Improvements by the Lessee when selling the Improvements. The following EXAMPLE shows how this formula would be applied in calculating the resale price:

Initial Appraisal Value (excluding land):	\$75,000.00
Plus value of Capital Improvements:	<u>\$15,000.00</u>
Cost basis of Property:	\$90,000.00

Plus (Initial Appraisal Value minus cost basis, times twenty-five percent (25%), assuming a \$110,000.00 appraisal at time of sale (excluding value of land); results in the following calculation:

\$110,000.00 minus \$90,000.00 equals \$20,000.00 times 25% equals \$5,000

Lessee can sell the Improvements for original cost basis plus the \$5,000.00:

\$95,000.00

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10.11 QUALIFIED PURCHASER'S CHOICE OF NEW LEASE OR ASSIGNMENT OF EXISTING LEASE: An Income-qualified Person who purchases the Improvements in accordance with the provisions of this Article 10 shall have the option of receiving either an assignment of this Lease from the seller, with the approval of Lessor, or a new Lease from Lessor, which new Lease shall be substantially the same as this Lease in the rights, benefits and obligations assigned to Lessee and Lessor.

ARTICLE 11: Assignment and Sublease

Except as otherwise provided in Article 8 (including the exhibit PERMITTED MORTGAGES) and Article 10, Lessee shall not assign, sublease, sell, or otherwise convey any of Lessee's rights under this Lease without the prior written consent of the Lessor. Lessee agrees that Lessor shall have broad and full discretion to withhold such consent in order to further the mutual purposes and goals set forth in this Lease. If permission is granted, any assignment or sublease shall be subject to the following conditions. Any such assignment or sublease shall be subject to all the terms of this Lease. In the case of a sublease, the rental or occupancy fee charged the sublessee shall not be more than that amount charged the Lessee by the Lessor, plus an amount approved by Lessor to cover costs to Lessee for the Improvements.

In the case of an assignment, the total consideration for such assignment and the related sale or transfer of the Improvements shall not exceed the Purchase Option Price as calculated in accordance with Article 10 above.

ARTICLE 12: Default

12.1 MONETARY DEFAULT BY LESSEE: It shall be an event of default if Lessee fails to pay the Ground Lease Fee or other charges required by the terms of this Lease and such failure is not cured by Lessee or a Permitted Mortgagee within thirty (30) days after notice of such failure is given by Lessor to Lessee and, if applicable, Permitted Mortgagee. However, if Lessee shall make a good faith partial payment of at least two thirds (2/3) of the amount owed during such initial 30-day period, then such period shall be extended one additional 30-day period.

12.2 NONMONETARY DEFAULT BY LESSEE: It shall be an event of default if Lessee fails to abide by any other material term or condition in this Lease, and such failure is not cured by Lessee or a Permitted Mortgagee within sixty (60) days after notice of such failure is given by Lessor to Lessee and Permitted Mortgagee. However, in the case where the Lessee or Permitted Mortgagee has commenced to cure such default within such 60-day period and is continuing such cure with all due diligence but cannot by the exercise of due diligence cure such default within such period, such period shall be extended for such additional period as Lessor determines, may be reasonably required under the circumstances to complete such cure.

12.3 DEFAULT BY LESSEE RESULTING FROM JUDICIAL PROCESS: It shall be an event of default if the estate hereby created is taken on execution or by other process of law, or

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If Lessee is judicially declared bankrupt or insolvent according to law, or if any assignment is made of the property of Lessee for the benefit of creditors, or if a receiver, trustee in involuntary bankruptcy or other similar officer is appointed to take charge of any substantial part of Lessee's property by a court of competent jurisdiction, or if a petition is filed for the reorganization of Lessee under any provisions of the Bankruptcy Act now or hereafter enacted, or if Lessee files a petition for such reorganization, or for arrangements under any provision of the Bankruptcy Act now or hereafter enacted and providing a plan for a debtor to settle, satisfy or extend the time for payment of debts.

12.4 TERMINATION: In the case of any of the events of default described above, Lessor may terminate this Lease and initiate summary proceedings against Lessee. Pursuant to such proceedings, without demand or notice, Lessor may enter any part of the Leased Premises and repossess the entire Leased Premises, and expel Lessee and those claiming rights through Lessee and remove their effects without being guilty of any manner of trespass, and without prejudice to any remedies which might otherwise be used for arrears of rent or preceding breach of covenant. If this Lease is terminated by Lessor, or if Lessor reenters the Leased Premises pursuant to an Event of Default, the Lessee agrees to pay and be liable for any unpaid Ground Lease Fee, damages which may be due or sustained prior to or in connection with such termination or reentry, and all reasonable costs, fees and expenses (including, without limitation, reasonable attorneys' fees) incurred by Lessor in pursuit of its remedies under this Lease.

If Lessor elects to terminate the Lease, then the Permitted Mortgagee shall have the right (subject to Article 8 above) to postpone and extend the specified date for the termination of the Lease for a period sufficient to enable the Permitted Mortgagee or its designee to acquire Lessee's interest in the Leased Premises by foreclosure of its mortgage or otherwise.

12.5 DEFAULT BY LESSOR: Lessor shall in no event be in default in the performance of any of its obligations under the Lease unless and until Lessor has failed to perform such obligations within sixty (60) days, or such additional time as is reasonably required to correct any default, after notice by Lessee to Lessor properly specifying Lessor's failure to perform any such obligation.

ARTICLE 13: Arbitration

13.1 ARBITRATION PROCESS: Should any grievance or dispute arise between Lessor and Lessee concerning the terms of this Lease that cannot be resolved by normal interaction, the following arbitration procedure shall be used.

Lessor or Lessee shall give written notice to the other of its selection of a disinterested arbitrator. Within fifteen (15) days of the receipt of this written notice, the other party may give written notice to the first party appointing a disinterested arbitrator of its own choice. These two arbitrators shall select a third arbitrator. If the other party

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falls to name an arbitrator within 15 days of receiving the notice from the first party, the arbitrator selected by the first party shall be the sole arbitrator.

The arbitrator or arbitrators shall hold a hearing within thirty (30) days after the initial written notice by the initiator of the arbitration process. At the hearing Lessor and Lessee shall have an opportunity to present evidence and question witnesses in the presence of each other. As soon as reasonably possible, and in no event later than fifteen (15) days after the hearing, the arbitration panel shall make a written report to the Lessor and Lessee of its findings and decisions, including a personal statement by each arbitrator of his/her decision and the reasons for it. The arbitrators shall decide the dispute or claim in accordance with the substantive law of the jurisdiction and what is just and equitable under the circumstances. The decisions and awards of the majority of the arbitration panel shall be binding and final. All costs and expenses of such arbitration shall be shared equally by the parties

ARTICLE 14: General Provisions

14.1 LESSEE'S MEMBERSHIP IN CLT: The Lessee under this Lease shall automatically be a regular voting member of the CLT.

14.2 NOTICES: Whenever this Lease requires either party to give notice to the other, the notice shall be given in writing and delivered in person or mailed, by certified or registered mail, return receipt requested, to the party at the address set forth below, or such other address designated by like written notice:

If to Lessor: Laconia Area Community Land Trust,
658 Union Avenue, PO Box 6104, Laconia, NH 03247

with a copy to: John D. Eisner, Esq. (CLT's attorney)

If to Lessee: Luke R. Rockwell (name of Lessee)

All notices, demands and requests shall be effective upon being deposited in the United States Mail or, in the case of personal delivery, upon actual receipt.

14.3 NO BROKERAGE: Lessee warrants that it has not dealt with any broker other than n/a in connection with the consummation of this Lease, and in the event any claim is made against Lessor relative to dealings with brokers other than n/a, Lessee shall defend the claim against Lessor with counsel of Lessor's selection and save harmless and indemnify Lessor on account of loss, cost or damage which may arise by reason of any such claim.

14.4 SEVERABILITY AND DURATION OF: If any part of this Lease is unenforceable or invalid, such material shall be read out of this Lease and shall not affect the validity of any other part of this Lease or give rise to any cause of action of Lessee or Lessor against the other, and the remainder of this Lease shall be valid and enforced to the fullest extent permitted by law. It is the intention of the parties that their respective options to purchase and all other rights under this Lease shall continue in effect for the full term of this Lease and any renewal thereof, and such options and other rights shall

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be considered to be coupled with an interest. In the event any such option or right shall be construed to be subject to any rule of law limiting the duration of such option or right, the time period for the exercising of such option or right shall be construed to expire twenty (20) years after the death of the last survivor of the following persons:

14.5 RIGHT OF FIRST REFUSAL IN LIEU OF OPTION: If the provisions of the purchase option set forth in Article 10 of this Lease shall, for any reason, become unenforceable, Lessor shall nevertheless have a right of first refusal to purchase the Improvements at the highest documented bona fide purchase price offer made to Lessee. Such right shall be as specified in the exhibit FIRST REFUSAL. Any sale or transfer contrary to this section, when applicable, shall be null and void.

14.6 WAIVER: The waiver by Lessor at any given time of any term or condition of this Lease, or the failure of Lessor to take action with respect to any breach of any such term or condition, shall not be deemed to be a waiver of such term or condition with regard to any subsequent breach of such term or condition, or of any other term or condition of the Lease. Lessor may grant waivers in the terms of this Lease, but such waivers must be in writing and signed by Lessor before being effective.

The subsequent acceptance of Ground Lease Fee payments by Lessor shall not be deemed to be a waiver of any preceding breach by Lessee of any term or condition of this Lease, other than the failure of the Lessee to pay the particular Ground Lease Fee so accepted, regardless of Lessor's knowledge of such preceding breach at the time of acceptance of such Ground Lease Fee payment.

14.7 LESSOR'S RIGHT TO PROSECUTE OR DEFEND: Lessor shall have the right, but shall be under no obligation, to prosecute or defend, in its own or the Lessee's name, any actions or proceedings appropriate to the protection of its title to, and Lessee's interest in, the Leased Premises. Whenever requested by Lessor, Lessee shall give Lessor all reasonable aid in any such action or proceeding.

14.8 CONSTRUCTION: Whenever in this Lease a pronoun is used it shall be construed to represent either the singular or the plural, masculine or feminine, as the case shall demand.

14.9 CAPTIONS AND TABLE OF CONTENTS: The captions and table of contents appearing in this Lease are for convenience only, and are not a part of this Lease and do not in any way limit or amplify the terms or conditions of this Lease.

14.10 PARTIES BOUND: This Lease sets forth the entire agreement between Lessor and Lessee with respect to the leasing of the Land; it is binding upon and inures to the benefit of these parties and, in accordance with the provisions of this Lease, their respective successors in interest. This Lease may be altered or amended only by written notice executed by Lessor and Lessee or their legal representatives or, in accordance with the provisions of this Lease, their successors in interest.

14.11 GOVERNING LAW: This Lease shall be interpreted in accordance with and governed by the laws of the State of New Hampshire. The language in all parts of this

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Lease shall be, in all cases, construed according to its fair meaning and not strictly for or against Lessor or Lessee.

14.12 RECORDING: The parties agree, as an alternative to the recordation of this Lease, to execute a so-called Notice of Lease or Short Form Lease in form recordable and complying with applicable law and reasonably satisfactory to Lessor's attorneys. In no event shall such document set forth the rent or other charges payable by Lessee under this Lease; and any such document shall expressly state that it is executed pursuant to the provisions contained in this Lease, and is not intended to vary the terms and conditions of this Lease.

IN WITNESS WHEREOF, the parties have executed this lease at 2:30 PM on the day and year first above written.

LACONIA AREA COMMUNITY LAND TRUST, INC.


Witness

By: Hinda A Harvey Ex. Dir.
Its duly authorized agent


Witness

Lessee: _____

Lessee: Luhe R Rockwell

[Notarize signatures.]

MELISSA L. CORREIA
NOTARY PUBLIC
STATE OF NEW HAMPSHIRE
My commission expires Feb. 5, 2008

Melissa L Correia
acknowledged these signatures on 3/21/03



Exhibit: PERMITTED MORTGAGES

The provisions set forth in this Exhibit shall be understood to be provisions of Article 8 of the Lease to which the Exhibit is attached and in which the Exhibit is referenced. All terminology used in this Exhibit shall have the meaning assigned to it in the Lease.

A. STANDARD PERMITTED MORTGAGE: A "Standard Permitted Mortgage," as identified in section 8.1 of the Lease to which this Exhibit is attached, shall be a mortgage that meets the following requirements.

a.

Such Mortgage shall run in favor of either (a) a so-called institutional lender such as, but not limited to, a federal, state, or local housing finance agency, a bank (including savings and loan association or insured credit union), an insurance company, a pension and/or profit-sharing fund or trust, or any combination of the foregoing, the policies and procedures of which institutional lender are subject to direct governmental supervision, or (b) a "community development financial institution" as certified by the U.S. Department of the Treasury, or similar nonprofit lender to housing projects for low- and moderate-income persons.

2.

Such Mortgage shall be a first lien on all or any of the improvements and the Lessee's interest in the Leased Premises (the "Security").

3.

Such Mortgage and related documentation shall provide, among other things, that in the event of a default in any of the mortgagor's obligations thereunder, the holder of such Mortgage shall notify Lessor of such fact and Lessor shall have the right (but shall not have the obligation) within 120 days after its receipt of such notice, to cure such default in the mortgagor's name and on mortgagor's behalf, provided that current payments due the holder during such 120-day period (or such lesser time period as may have been required to cure such default) are made to the holder, and shall further provide that said holder shall not have the right, unless such default shall not have been cured within such time, to accelerate the note secured by such Mortgage or to commence to foreclose under the Mortgage on account of such default.

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Such Mortgage and related documentation shall provide, among other things, that if after such cure period the holder intends to accelerate the note secured by such Mortgage or initiate foreclosure proceedings under the Mortgage, in accordance with the provisions of this Lease, the holder shall first notify Lessor of its intention to do so and Lessor shall have the right, but not the obligation, upon notifying the holder within thirty (30) days of receipt of said notice from said holder, to pay off the indebtedness secured by such Mortgage and to acquire such Mortgage.

5.

Such Mortgage and related documentation shall provide, among other things, that, in the event of foreclosure sale by a Permitted Mortgagee or the delivery of a deed to a Permitted Mortgagee in lieu of foreclosure, upon acquisition of title to the Improvements and the Lessee's interest in the Leased Premises by the Permitted Mortgagee, the Permitted Mortgagee shall give the Lessor written notice of such acquisition and the Lessor shall have an option to purchase the Improvements and acquire the Lessee's interest in the Leased Premises from the Permitted Mortgagee for the full amount owing to the Permitted Mortgagee under the Permitted Mortgage; provided, however, that the Lessor gives written notice to the Permitted Mortgagee of the Lessor's intent to purchase the Improvements and acquire the Lessee's interest in the Leased Premises within thirty (30) days following the Lessor's receipt of the Permitted Mortgagee's notice of such acquisition of the Improvements and Lessee's interest; further provided that Lessor shall complete the purchase of the Improvements and acquisition of Lessee's interest in the Leased Premises within sixty (60) days of having given written notice of its intent to purchase; and provided that, if the Lessor does not complete the purchase within such period, the Permitted Mortgagee shall be free to sell the Improvements and transfer the Lessee's interest in the Leased Premises to another person;

6.

Such Mortgage and related documentation shall not contain any provisions other than provisions generally contained in mortgages used for similar transactions in the State of New Hampshire by institutional mortgagees.

7.

Such Mortgage and related documentation shall not contain any provisions which could be construed as rendering Lessor or any subsequent holder of the Lessor's interest in and to this Lease, or their respective heirs, executors, successors or assigns, personally

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liable for the payment of the debt evidenced by such note and such Mortgage or any part thereof.

8.

Such Mortgage and related documentation shall contain provisions to the effect that the holder of such Mortgage shall not look to Lessor or Lessor's interest in the Leased Premises, but will look solely to Lessee, Lessee's interest in the Leased Premises, the improvements, or such other buildings and improvements which may from time to time exist on the Leased Premises, for the payment of the debt secured thereby or any part thereof (It is the intention of the parties hereto that Lessor's consent to such Mortgage shall be without any liability on the part of Lessor for any deficiency judgment).

9.

Such Mortgage and related documentation shall provide that in the event any part of the Security is taken in condemnation or by right of eminent domain, the proceeds of the award shall be paid over to the holder of the Mortgage in accordance with the provisions of Article 9 hereof.

10.

Such Mortgage and related documentation shall contain nothing that obligates Lessor to execute an assignment of the Ground Lease Fee or other rent payable by Lessee under the terms of this Lease.

B. RIGHTS OF PERMITTED MORTGAGEE: The rights of a holder of a Permitted Mortgage ("Permitted Mortgagee") as referenced under section 8.2 of the Lease to which this Exhibit is attached shall be as set forth below.

1. Permitted Mortgagee shall without requirement of consent by the Lessor have the right, but not the obligation, to:
 - a. cure any default under this Lease, and perform any obligation required under this Lease, such cure or performance by a Permitted Mortgagee being effective as if it had been undertaken and performed by Lessee;
 - b. acquire and convey, assign, transfer, and exercise any right, remedy or privilege granted to Lessee by this Lease or otherwise by law, subject to the provisions, if any, in said Permitted Mortgage, which may limit any exercise of any such right, remedy or privilege; and
 - c. rely upon and enforce any provisions of the Lease to the extent that such provisions are for the benefit of Permitted Mortgagee.
2. Permitted Mortgagee shall not, as a condition to the exercise of its rights under the Lease, be required to assume personal liability for the payment and performance of the obligations of the Lessee under the Lease. Any such payment or performance or other act by Permitted

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Mortgagee under the Lease shall not be construed as an agreement by Permitted Mortgagee to assume such personal liability except to the extent Permitted Mortgagee actually takes possession of the Security and the premises. In the event Permitted Mortgagee does take possession of the Security and thereupon transfers the Security, any such transferee shall be required to enter into a written agreement assuming such personal liability and upon any such assumption the Permitted Mortgagee shall automatically be released from personal liability under the Lease.

- 3. In the event that title to the estates of both Lessor and Lessee shall be acquired at any time by the same person or persons, no merger of these estates shall occur without the prior written declaration of merger by Permitted Mortgagee, so long as Permitted Mortgagee owns any interest in the Security or in a Permitted Mortgage. In the event that the estate of Lessor is owned at any time by Lessee (regardless of a merger), or by any person in which Lessee has a direct or indirect interest, Permitted Mortgagee shall not be obligated to cure any default of Lessee under the Lease as condition to the forbearance by Lessor in the exercise of Lessor's remedies as provided in the Lease.**

- 4. If the Lease is terminated for any reason, or in the event of the rejection or disaffirmance of the Lease pursuant to bankruptcy law or other law affecting creditors' rights, Lessor shall enter into a new lease of the Leased Premises with the Permitted Mortgagee (or with any party designated by the Permitted Mortgagee, subject to Lessor's approval, which approval shall not be unreasonably withheld), not more than thirty (30) days after the request of the Permitted Mortgagee. Such lease shall be for the remainder of the term of the Lease, effective as of the date of such termination, rejection, or disaffirmance, and upon all the terms and provisions contained in the Lease. However, the Permitted Mortgagee shall make a written request to Lessor for such new lease within sixty (60) days after the effective date of such termination, rejection, or disaffirmance, as the case may be. Such written request shall be accompanied by a copy of such new lease, duly executed and acknowledged by the Permitted Mortgagee or the party designated by the Permitted Mortgagee to be the Lessee thereunder, and the Permitted Mortgagee shall have cured all defaults under the Lease which can be cured by the payment of money. Any new lease made pursuant to this section shall have the same priority with respect to other interests in the Premises as the Lease. The provisions of this section shall survive the termination, rejection, or disaffirmance of the Lease and shall continue in full effect thereafter to the same extent as if this section were independent and an**

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independent contract made by Lessor, Lessee, and the Permitted Mortgagee.

5. The Lessor shall have no right to terminate the Lease during such time as the Permitted Mortgagee has commenced foreclosure in accordance with the provisions of the Lease and is diligently pursuing the same.
6. In the event that Lessor sends a notice of default under the Lease to Lessee, Lessor shall also send a notice of Lessee's default to Permitted Mortgagee. Such notice shall be given in the manner set forth in section 14.2 of the Lease to the Permitted Mortgagee at the address that has been given by the Permitted Mortgagee to Lessor by a written notice to Lessor sent in the manner set forth in said section 14.2 of the Lease.

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□ Exhibit: FIRST REFUSAL □ □

Whenever any party under the Ground Lease shall have a right of first refusal as to certain property, the following procedures shall apply. If the owner of the property offering it for sale ("Offering Party") shall within the term of the Ground Lease receive a bona fide, third-party offer to purchase the property that such Offering Party is willing to accept, the holder of the right of first refusal (the "Holder") shall have the following rights:

- a. Offering Party shall give written notice of such offer ("the Notice of Offer") to Holder setting forth (a) the name and address of the prospective purchaser of the property, (b) the purchase price offered by the prospective purchaser and (c) all other terms and conditions of the sale. Holder shall have a period of forty-five (45) days after the receipt of the Notice of Offer ("the Election Period") within which to exercise the right of first refusal by giving notice of intent to purchase the property ("the Notice of Intent to Purchase") for the same price and on the same terms and conditions set forth in the Notice of Offer. Such Notice of Intent to Purchase shall be given in writing to the Offering Party within the Election Period.
- b. If Holder exercises the right to purchase the property, such purchase shall be completed within sixty (60) days after the Notice of Intent to Purchase is given by Holder (or if the Notice of Offer shall specify a later date for closing, such date) by performance of the terms and conditions of the Notice of Offer, including payment of the purchase price provided therein.
- c. Should Holder fail to exercise the right of first refusal within the Election Period, then the Offering Party shall have the right (subject to any other applicable restrictions in the Ground Lease) to go forward with the sale which the Offering Party desires to accept, and to sell the property within one (1) year following the expiration of the Election Period on terms and conditions which are not materially more favorable to the purchaser than those set forth in the Notice. If the sale is not consummated within such one-year period, the Offering Party's right so to sell shall end, and all the foregoing provisions of this section shall be applied again to any future offer, all as aforesaid. If a sale is consummated within such one-year period, the purchaser shall purchase subject to a renewed right of first refusal in said property.

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LETTERS OF STIPULATION AND ACKNOWLEDGMENT

To: Laconia Area Community Land Trust ("LACLT")

Date: March 21, 2003

This letter is given to LACLT to become an exhibit to a Lease between LACLT and me. I will be leasing a parcel of land from LACLT and will be buying the home that sits on that parcel of land. I will therefore become what is described here as a "LACLT homeowner."

My legal counsel, Richard P. Brouillard, has explained to me the terms and conditions of the Lease and other legal documents that are part of this transaction. I understand the way these terms and conditions will affect my rights as a LACLT homeowner, now and in the future.

In particular I understand and agree with the following points.

- One of the goals of LACLT is to keep LACLT homes affordable for lower-income households from one LACLT homeowner to the next. I support this goal as a LACLT homeowner and as a member of LACLT.
- The terms and conditions of my Lease will keep my home affordable for future "income-qualified persons" (as defined in the lease). If and when I want to sell my home, the lease requires that I sell it either to LACLT or to another income-qualified person. The terms and conditions of the lease also limit the price for which I can sell the home, in order to keep it affordable for such income-qualified persons.
- It is also a goal of LACLT to promote resident ownership of LACLT homes. For this reason, my Lease requires that if my family and I move out of our home permanently, we must sell it. We cannot continue to own it as absentee owners.
- I understand that I can leave my home to my child or children or other members of my household and that, after my death, they can own the home for as long as they want to live in it and abide by the terms of the Lease, or they can sell it on the terms permitted by the Lease.
- As a LACLT homeowner and a member of LACLT, it is my desire to see the terms of the Lease and related documents honored. I consider these terms fair to me and others.

Sincerely,

Leah R. Rockwell

APR
2003

LETTER OF ACKNOWLEDGMENT

I, Richard P. Brouillard, have been independently employed by Luke R. Rockwell

(hereinafter "the Client") who intends to purchase a house and other improvements on land to be leased from Laconia Area Community Land Trust ("LACLT"). The house and land are located at 11 Jameson Street, Laconia, New Hampshire 03246

In connection with the contemplated purchase of the house and other improvements and leasing of the land, I reviewed with the Client the following documents relating to the transaction:

- a. this Letter of Acknowledgment and a Letter of Stipulation from the Client
- b. a proposed Deed conveying the house and other improvements to the Client
- c. a proposed Ground Lease conveying the "Leased Premises" to the Client
- d. other written materials provided by the LACLT.

The Client has received full and complete information and advice regarding this conveyance and the foregoing documents. My advice and review have been given to reasonably inform the Client of the present and foreseeable risks and legal consequences of the contemplated transaction.

The Client is entering the aforesaid transaction in reliance on her own judgment and upon her investigation of the facts. The full and complete advice and information provided by me was an integral element of such investigation.

Name Richard P. Brouillard Date 3/19/03

Title Attorney at Law

Firm/Address Brouillard & Brouillard P.L.L.C.
16 Academy St., Laconia, NH 03246

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SCHEDULE "A"

A Fee Simple Interest, as to the Buildings and Improvements ONLY, as presently erected on the within described premises situated at 11 Jameson Street, Laconia, Belknap County, and State of New Hampshire, which premises are described below:

A certain piece or parcel of land located on Jameson Street, in Laconia, Belknap County, and State of New Hampshire, bounded and described as follows:

Beginning at the southwesterly corner of land now or formerly owned or occupied by one Thompson, formerly by one Goodhue; thence Westerly by land now or formerly of the heirs of John C. Moulton about five (5) rods to an iron pin; thence northerly two rods and twelve and one-half feet on land formerly of Joseph Jameson to an iron pin; thence easterly on said Jameson land four (4) rods to land now or formerly of the heirs of Merrill A. Berry to an iron pin; thence southerly and easterly on said Berry land and southerly on said Thompson land to bound begun at, together with a right of way across said Jameson land adjoining on the north side where the path now is from above described premises to Locust Street.

Meaning and intending to describe and convey a portion of the same premises conveyed to Laconia Area Community Land Trust, Inc. by Fiduciary Deed of Craig Seymour, Executor of the Estate of Carl W. Seymour dated May 9, 2002 and recorded in the Belknap County Registry of Deeds, Book 1751, Page 950.

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2004

Letter of Acknowledgment

I, Richard P. Brouillard, an attorney admitted to the practice of law in the State of New Hampshire have been independently employed by Luke R. Rockwell and Lynne M. Berry (hereinafter "the Client") who intends to purchase a house and other improvements on land to be leased from Community Land Trust ("the CLT"). The house and land are located at 11 Jameson Street, Laconia, NH 03246.

In connection with the contemplated purchase of the house and other improvements and leasing of the land, I reviewed with the Client the following documents relating to the transaction:

1

a. this Letter of Acknowledgment and a Letter of Stipulation from the Client

b.

a proposed Deed conveying the house and other improvements to the Client

c.

a proposed Ground Lease conveying the "Leased Premises" to the Client

d.

other written materials provided by the LACLT.

The Client has received full and complete information and advice regarding this conveyance and the foregoing documents. My advice and review has been given to reasonably inform the Client of the present and foreseeable risks and legal consequences of the contemplated transaction.

The Client is entering the aforesaid transaction in reliance on his/her own judgment and upon a thorough investigation of the facts. The full and complete advice and information provided by me was an integral element of such investigation.

Name


Richard P. Brouillard

Date December 30, 2002

Title Attorney at Law

Firm/Address Brouillard & Brouillard P.L.L.C.
16 Academy St
Laconia, NH 03246

WARRANTY DEED

LACONIA AREA COMMUNITY LAND TRUST, INC. ("LACLT"), a New Hampshire not-for-profit corporation, having a mailing address of P.O. Box 6104, Laconia, Belknap County, New Hampshire 03246, in consideration of one dollar and other good and valuable consideration paid, grants to **LUKE R. ROCKWELL** of 11 Jameson Street, Laconia, Belknap County, New Hampshire 03246, with **WARRANTY COVENANTS**:

THE BUILDINGS AND IMPROVEMENTS ONLY, as presently erected on the premises situated at 11 Jameson Street, Laconia, Belknap County, New Hampshire, further described in Schedule "A" attached hereto and made a part hereof.

It is the intention of the parties that the real property underlying the buildings and improvements conveyed herein remain vested in LACLT and that this Warranty Deed convey only such buildings and improvements as are presently erected upon the subject premises.

IN WITNESS WHEREOF, as authorized agent of LACLT, I hereunto set my hand this 21st day of March, 2003.

LACONIA AREA COMMUNITY LAND TRUST, INC.

By: Linda L. Harvey
Linda L. Harvey
Its: Executive Director
Duly Authorized

STATE OF NEW HAMPSHIRE
COUNTY OF BELKNAP

Linda L. Harvey, personally appeared before me on this 21st day of March, 2003 and on oath testified that (s)he is the duly authorized Executive Director of Laconia Area Community Land Trust, Inc., and acknowledged the foregoing instrument for the purposes stated therein

NOTARY SEAL

Melissa L. Correia
Notary Public
My Commission Expires _____

MELISSA L. CORREIA
NOTARY PUBLIC
STATE OF NEW HAMPSHIRE
My commission expires Feb. 5, 2008

ATTACHMENT II

**SUBRECIPIENT AGREEMENT
MINIMUM TERMS AND CONDITIONS**

City of Laconia ("Grantee") hereby warrants and agrees that the Subrecipient Agreement with Laconia Area Community Land Trust, Inc. DBA Lakes Region Community Developers ("Subrecipient") to be executed in conformance with the requirements of Exhibit B of the Grant Agreement shall be subject to approval by CDFA. The Subrecipient Agreement shall incorporate the entire Grant Agreement and shall include it as an attachment, and shall contain at a minimum the following terms and conditions:

1. REPRESENTATIONS AND WARRANTIES. Subrecipient shall represent and warrant:

1.1 Subrecipient is a duly organized and validly existing New Hampshire nonprofit corporation in good standing under the laws of the State of New Hampshire. Subrecipient has the power and authority to undertake the grant activities as provided in the Grant Agreement. Subrecipient has the power and authority to own its properties, to conduct business as it is now being conducted, has the power to execute and deliver and perform its obligation under the Subrecipient Agreement and all other documents as applicable to this grant agreement.

1.2 The Subrecipient Agreement is the legal, valid and binding obligation of the Subrecipient and is enforceable against Subrecipient, in accordance with each document's respective terms.

1.3 Subrecipient has complied in all material respects with all applicable federal, state and local laws, statutes, rules and regulations pertaining to the grant activities.

1.4 No application, exhibit, schedule, report or other written information provided by Subrecipient or its agents in connection with the grant application knowingly contained, when made, any material misstatement of fact or knowingly omitted to state any material fact necessary to make the statements contained therein not misleading, in light of the circumstances under which they were made.

2. PROJECT DESCRIPTION AND SUBGRANT ACTIVITIES.

2.1 Project Description.

The project shall consist of the awarding of \$170,000 in Community Development Block Grant ("CDBG") funds to the City of Laconia (the "Grantee") (UEI #YH1XUKJDNKA6), \$150,000 of which is to be subgranted to Laconia Area Community Land Trust, Inc. DBA Lakes Region Community Developers. (the "Subrecipient") (UEI #NSFMA8JFB299) to acquire and rehabilitate a four-bedroom home with the purpose of maintaining it as an affordable housing unit. The property is situated at 11 Jameson Street, Laconia, New Hampshire (the "Project").

2.2 Benefit to Low- and Moderate- Income Households.

The general purpose of the project is to principally benefit Low- and Moderate-Income Households as that term is defined in the Grant Agreement and as referenced in 24 CFR 570.483 as determined by the U. S. Department of Housing and Urban Development (HUD) for the State of New Hampshire. The most current HUD Income Limits may be found at CDFA's website at www.nhcdfa.org


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2.3 Grant of Funds/Matching Funds.

2.3.1 Subrecipient shall use the Grant funds subgranted to it solely for the purposes described herein and consistent with the required terms and conditions of the Grant Agreement and Subrecipient Agreement.

2.3.2 Subrecipient shall be subgranted a total of \$150,000 of the CDBG funds, in order to carry out the Project Activity.

2.3.3 The Grantee shall retain \$20,000 of the grant for administrative costs associated with management of the Grant.

2.3.4 The required match for the CDBG funds will be not less than \$227,000 for the costs associated with the Project Activities.

3. SUBRECIPIENT REQUIREMENTS.

3.1 Compliance with Laws. Subrecipient shall comply with all applicable federal, state and local laws, statutes, executive orders and rules as they relate to the application, acceptance and use of funds for this Project, including, but not limited to, the requirements as specified in the Grant Agreement.

3.2 Disbursement of Grant Funds. Upon compliance with, and subject to the provisions of this Agreement and provided there shall exist no Event of Default under this Agreement, the Grant Agreement or any other agreements, in connection with the Project, and no condition or event which, with the giving of notice or lapse of time would constitute such an Event of Default, the Grantee shall, upon submittal of written requests for payment accompanied by invoices and other documentation or supporting documents as required by the Grantee, make disbursements of grant funds. Disbursement of grant funds shall be in accordance with the terms of the Grant Agreement, including Exhibit C.

Disbursement of funds by the Grantee does not constitute acceptance by the Grantee or CDFA of any item as an eligible Project cost until all Project costs have been audited and determined to be allowable costs. Upon the expiration of the Grant Agreement, or other termination of the project, Subrecipient shall transfer to the Grantee any Grant funds on hand at the time of expiration and any accounts receivable attributable to the use of CDBG funds.

3.3 Security. Prior to approval by CDFA of any contract for the Property, Subrecipient shall provide Grantee a mortgage lien in the amount of \$150,000 (the "Mortgage") on the Property, or other acceptable security to CDFA, as set forth in Exhibit B. Grantee shall submit to CDFA satisfactory evidence of such recording.

The mortgage lien shall provide for the recovery by Grantee, on behalf of CDFA, of the total CDBG funds expended on this Project in the event that the low- and moderate-income benefit as defined herein is not maintained for the required twenty-year period commencing upon the completion of the Project. The amount of CDBG funds subject to recovery in accordance with this paragraph shall decrease over the twenty-year period at a rate negotiated between Grantee and Subrecipient and approved by CDFA.

4. COVENANT OF LONG TERM BENEFIT FOR LOW- AND MODERATE-INCOME PERSONS.

4.1 Subrecipient shall covenant and warrant that upon Project completion, a minimum of 100% of


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the 1 housing unit benefitting from the Project shall be occupied by Low- and Moderate-Income Persons as that term is defined in 24 CFR 570.483.

4.2 At time of Grantee's submission of the Closeout Report to CDFA as provided in Exhibit B of the Grant Agreement, Subrecipient shall certify the number of households at the Project Property are occupied by Low- and Moderate-Income Persons and are benefiting as a result of this Project. Subrecipient shall, for closeout purposes only, gather information on those groups deemed as "Protected" by HUD and required for reporting on the "Periodic Progress Report" as provided in the most current edition of the "CDBG Implementation Guide."

4.3 Subrecipient shall further covenant and warrant that the Property shall remain in use as residential property and shall be made available to Low- and Moderate-Income Persons for a period of twenty (20) years following completion of the Project (the "Benefit Period") and that Subrecipient has and will continue in its Bylaws or other administrative provisions an adequate administrative capacity to ensure that this benefit is maintained for said period. This covenant shall survive the expiration or termination of this Agreement.

4.4 In the event that Subrecipient grants, conveys, leases or otherwise transfers its interests in the Property, Subrecipient shall include a clause in such deed, lease or similar transfer instrument whereby the other party, for himself, his heirs, personal representatives, successors in interest, and assigns, as a part of the consideration therefore, covenants and agrees, as a covenant running with the land, that the property shall continue to be used as residential property and shall continue to be made available to Low- and Moderate-Income households for the remainder of the Benefit Period.

4.5 Subrecipient shall not sell, lease, encumber, otherwise transfer, or dispose of any part of its title or other interests in the Property, for the duration of the terms, conditions, and assurances in this Agreement, without the approval of Grantee.

5. SCHEDULE.

5.1 Implementation Schedule. The Grantee and Subrecipient have agreed to an Implementation Schedule, which will provide for the completion of all grant activities, prior to the Grant Completion Date. A schedule of major milestones shall be provided within the Subrecipient Agreement, and shall serve as a basis for enforcement of the Agreement.

5.2 Grant Completion Date. All work shall be completed prior to the Grant Completion Date as specified in Section 1.7 of the General Provisions. This date may be extended only with the permission of the Grantee, CDFA, and the Governor and Council.

6. INSURANCE & TAXES.

6.1 Subrecipient's Liability Insurance. Subrecipient shall, at its sole expense, obtain and maintain in force insurance in such amounts and covering such risks as are customary for entities engaged in the same or similar business to include, where applicable, comprehensive general liability covering any property development/construction activities and landlord insurance. At a minimum, this shall include insurance against all claims of bodily injury or property damage, in amounts of not less than \$1,000,000 per occurrence and \$2,000,000 aggregate.

6.2 If applicable, Subrecipient shall also, at its sole expense, obtain and maintain in force fire and extended coverage insurance covering all real property or assets purchased with Grant funds in an amount not less than 100% of the whole replacement value of the property.


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6.3 Insurance Standards. The policies described in this section 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. All policies shall be on an "occurrence" basis. Each policy shall contain a clause prohibiting cancellation or modification of the policy earlier than thirty (30) days after written notice thereof has been received by the Grantee and CDFA.

6.4 All policies shall name the Grantee and CDFA as additional Insureds. Subrecipient shall provide the Grantee with certificates of insurance satisfactory to the Grantee, which evidence compliance with this Section.

6.5 Taxes. If applicable, Subrecipient shall pay all taxes, assessments, charges, fines and impositions attributable to the Property, which is the responsibility of the Subrecipient. Any alternative arrangements will require the approval of CDFA, whose consideration shall not be unreasonably withheld.

7. REPORTING REQUIREMENTS: PERIODIC AND CLOSEOUT AGREEMENTS.

7.1 Semi-Annual Reports. Semi-Annual reports shall be submitted by the Subrecipient to the Grantee, not less than five (5) business days prior to the semi-annual submission date, that is, no later than July 10, for the period of January 1 through June 30 and no later than January 10, for the period of July 1 through December 31 of each year. The reporting period shall begin on the date of Governor and Council approval and end on the Completion Date specified in Section 1.7 of the General Provisions of the contract between the Grantee and CDFA.

7.2 Closeout Agreement. Subrecipient shall enter into a Closeout Agreement with the Grantee and CDFA, which shall specify the reporting and other requirements applicable to the closing out of this Project.

7.3 Subrecipient Financial Reporting. Subrecipient shall submit to the Grantee and to CDFA its annual audited financial statements, within 90 days of its fiscal year end.

8. ACCOUNTING, AUDIT, AND RECORD KEEPING REQUIREMENTS

8.1 Accounting Records. Subrecipient shall keep all Project-related accounts and records, which fully disclose the amount and disposition by Subrecipient of the grant funds, the total cost of the Project, and the amount and nature of any portion of the Project cost supplied by other sources, and such other financial records pertinent to the Project. Accounts and records shall be kept in accordance with an accounting system that will facilitate an effective audit in accordance with the OMB Circular A-133 (for fiscal year 2016 and prior) and 2 CFR 200 (for fiscal year 2017 and ongoing). Records to be maintained shall include Project fiscal records consisting of all books, documents, ledgers, systems and expenses incurred, including, but not limited to, purchase, requisitions, orders, invoices, vouchers, bills and receipts, inventories, all lien documents, surveys, certified payrolls, and other documents verifying low- and moderate-income household or employment information.

8.2 Time Period. All of the records, documents, and data described above and all income verification information shall be kept during the performance of the project, and for three (3) years after its completion, until the satisfactory completion of an audit, or three years following HUD's closeout of CDFA's grant year, whichever is later.

8.3 Availability of Records. Subrecipient shall make available to the Grantee, CDFA, and HUD or any of their duly authorized representatives, for the purpose of audit and examination, any books, documents, papers, and records of Subrecipient pertinent to this Agreement.


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9. INDEMNIFICATION.

Subrecipient shall defend, indemnify and hold harmless Grantee and the State, their officers and employees, from and against any and all losses suffered by Grantee or the State, their officers and employees, and any and all claims, liabilities or penalties asserted against Grantee and the State, their officers and employees, by or on behalf of any person, on account of, based on, resulting from, arising out of or claimed to arise out of the acts or omissions of Subrecipient.

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 or expiration of this Agreement.

10. MAINTENANCE OF CORPORATE EXISTENCE; BY-LAWS.

10.1 Corporate Existence. Subrecipient shall both preserve and maintain the legal existence and good standing of its nonprofit corporation status and its registration in New Hampshire as required to do business.

10.2 Scope of Mission. Subrecipient and Grantee agree that the Subrecipient's Articles of Incorporation and Corporate Bylaws ("Bylaws") as submitted with the Project application and incorporated herein by reference, provide an adequate administrative mechanism for assuring the Subrecipient's mission of providing affordable housing for Low- and Moderate-Income Persons, during the Grant Period, as required pursuant to this agreement. This paragraph shall survive the termination of this agreement for a period not to exceed twenty (20) years.

11. MAINTENANCE OF PROPERTY.

11.1 Subrecipient shall maintain, keep and preserve in good working order and condition all of its property and assets necessary or useful in the proper conduct of its business and operation of the Project Property improved with Grant funds.

11.2 Subrecipient shall continue to operate and maintain, keep and preserve in good working order and repair the Project Improvements at the Property, and shall operate the Project Improvements in compliance with all applicable federal, state and local statutes, regulations, rules and orders.

12. EVENTS OF DEFAULT. The occurrence of any of the following events shall constitute an Event of Default under the Subrecipient Agreement:

12.1 The Property shall cease to be operated in accordance with the Project Purpose or Subrecipient shall fail to comply with the requirement of long-term affordability for Low- and Moderate-Income Benefit as provided herein;

12.2 Failure of Subrecipient to complete the Project satisfactorily in accordance with the approved Plans or on schedule or failure to submit any report, documentation or other instrument under this Agreement;

12.3 Subrecipient attempts to assign its rights under this Agreement or any advance made or to be made hereunder or any interest therein, or if the Property or any portion thereof is conveyed or encumbered in any way without the prior written consent of the Grantee;


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12.4 Any survey, report or examination discloses that the Project or Property or any portion thereof encroaches upon or projects over a street or upon or over adjoining property or violates 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 Property;

12.5 The Property or Project are materially damaged or destroyed by fire or other casualty or cause and the insurance proceeds therefrom are inadequate to rebuild or restore the Project or Property to their condition immediately prior to such casualty;

12.6 Any representation or warranty made herein or in any report, certification, or other instrument furnished in connection with this Agreement or any advances of Grant funds made hereunder, by or on behalf of Subrecipient, shall prove to be false or misleading in any material respect;

12.7 Any mechanics', laborers', materialmen's or similar statutory liens, or any notice thereof, shall be filed against the Property and/or the Project and shall not be discharged within thirty (30) days of such filing;

12.8 Subrecipient shall default in the due observance or performance of any covenant, condition, assurance or agreement to be observed or performed by Subrecipient under this Agreement;

12.9 Any cessation occurs at any time in construction of the Project for more than one (1) week except for causes beyond the control of Subrecipient, or if any substantial change is made in the schedule for the construction or in the approved Plans without the prior approval of the Grantee and CDFA;

12.10 Subrecipient 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 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;

12.11 A petition, order, judgment, or decree shall be entered, without the application, approval or consent of Subrecipient by any court of competent jurisdiction, approving a petition seeking reorganization or approving the appointment of a receiver, trustee or liquidator of Subrecipient 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 thirty (30) days;

12.12 The dissolution, termination of existence, merger or consolidation of Subrecipient or a sale of assets of Subrecipient out of the ordinary course of business without the prior written consent of the Grantee and CDFA; and

12.13 Failure to remedy an ineligible expenditure of grant funds or to reimburse the Grantee for any ineligible costs, which are paid from grant funds.

13. GRANTEE'S RIGHTS AND REMEDIES UPON DEFAULT.

13.1 Remedies upon Default. Upon the occurrence of any Event of Default, the Grantee may take any one, or more, or all, of the actions described below. Prior to taking any of the following actions, the Grantee will give Subrecipient a written notice of default specifying the Event of Default and requiring it to be remedied within thirty (30) days from the date of notice. The following actions may be taken only if Subrecipient has not remedied the Event of Default in a timely manner.


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13.1.1 Subrecipient acknowledges that, in the event Grantee fails to enforce the provisions of either the Subrecipient Agreement or fails to cure any event of default under the Subrecipient Agreement, Grantee shall, upon demand by CDFA, assign and convey all or any of its rights, title and interest, or delegate all or any of its obligations under the Subrecipient Agreement to CDFA;

13.1.2 Terminate this Agreement, effective immediately upon giving notice of termination;

13.1.3 Suspend all payment of grant funds to be made pursuant to this Agreement until such time as the Grantee determines the Event of Default has been cured;

13.1.4 Set off against any other obligations the Grantee may owe to Subrecipient for any damages the Grantee may suffer by reason of any Event of Default;

13.1.5 Treat the Agreement as breached and pursue any of its remedies at law or in equity or both;

13.1.6 Foreclose under any available security instrument created under this agreement; and

13.1.7 Assume the right to seek full reimbursement of CDBG funds from the Subrecipient and the right to call on any collateral pledged, as applicable.

13.2 Judicial Enforcement. Subrecipient agrees that the Grantee and CDFA have a right to seek judicial enforcement with regard to any matter arising with respect to this Agreement, to include the assurances, covenants and other conditions, which extend beyond the completion date under this Agreement.

13.3 Disposition of Funds. Where the Grant Agreement or Subrecipient Agreement is terminated or the Project is otherwise terminated due to a default, inability to perform or reasons other than project completion, Grant funds are required to be returned. The disposition of Grant Funds to be returned shall be determined solely by CDFA.

14. ADDITIONAL REPRESENTATIONS AND WARRANTIES. Subrecipient represents and warrants:

14.1 Subrecipient will obtain all necessary approvals of the Plans and all necessary permits for the operation of its business from all governmental authorities having jurisdiction over the Project.

14.2 If applicable, construction of the project will not violate any zoning, environmental, subdivision, or land use ordinance, regulation or law; the Property conforms and complies in all material respects with all covenants, conditions, restrictions, reservations and zoning, environmental land use, and other applicable ordinances, laws, rules and regulations, federal, state, or local, affecting the Property.

14.3 No litigation, claims, suits, orders, investigations or proceedings are pending or threatened against Subrecipient or affecting the Property or the Project at law or in equity or before or by any federal, state, municipal or other governmental instrumentality; there are no arbitration proceedings pending under collective bargaining agreements or otherwise; and to the knowledge of Subrecipient, there is no basis for any of the foregoing. Any exceptions to this section shall be explained in an Exhibit, attached to this agreement.

14.4 Subrecipient 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 or local taxes, charges and assessments.


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14.5 The execution and delivery and performance by Subrecipient of its obligations under this Agreement 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 Subrecipient is a party, or by which it is bound, or be in conflict with, result in a breach of, or constitute a default under, or except as may be provided in 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 Subrecipient pursuant to any such indenture, agreement or instrument. Subrecipient 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 and all other related documents.

14.6 Subrecipient is not contemplating either the filing of a petition under any state or federal bankruptcy or insolvency laws or the liquidating of all or a major portion of its properties, and has no knowledge of any person contemplating the filing of any such petition against it.

14.7 No statement of fact made by or on behalf of Subrecipient in any of the Agreements or related documents or in any certificate, exhibit or schedule furnished to the Grantee 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 or circumstance presently known to Subrecipient that has not been disclosed to the Grantee that materially affects adversely, nor as far as Subrecipient can foresee, will materially affect adversely Subrecipient, operations or considerations (financial or otherwise) of Subrecipient.

14.8 Subrecipient has complied in all material respects with all applicable statutes, regulations, and rules of federal, state, and local governments in respect to the conduct of its business and operations, including without limitation all applicable environmental statutes.

14.9 No Event of Default has occurred and is continuing under this Agreement or the loan documents (if applicable) and no event or condition which would, upon notice of expiration of any applicable cure, constitute an Event of Default has occurred and is continuing; Subrecipient is not in default under any note or other evidence of indebtedness or other obligation for borrowed money or any mortgage, deed to trust, indenture, lease agreement or other agreement relating thereto. Any exceptions to this section shall be explained in an Exhibit, attached to this agreement.

Subrecipient warrants that each of the foregoing representations and warranties is true and correct as of the date of this Agreement and Subrecipient shall indemnify and hold harmless the Grantee, State and CDFA from and against any loss, damage, or liability attributable to the breach thereof, including any and all fees and expenses incurred in the defense or settlement of any claim arising therefrom against the Grantee, State or CDFA.

15. MISCELLANEOUS PROVISIONS.

15.1 Compliance with Laws. Subrecipient shall comply with all applicable federal, state and local laws, statutes, regulation, executive orders and rules as they relate to the application, acceptance and use of funds for this project, including, but not limited to, the requirements as specified in the Grant Agreement.

15.2 Compliance with OMB 2 CFR Part 200. Subrecipient acknowledges that it shall meet the requirements of OMB 2 CFR Part 200, to ensure compliance with Administrative Cost Standards.

15.3 No Assignment. Subrecipient shall not assign or transfer any of its rights or obligations under this Agreement without the prior written consent of the Grantee and CDFA, and any attempted assignment or transfer shall be ineffective, null, void, and of no effect.


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15.4 **Amendment.** No amendment or modification of any provision of this Agreement shall be effective unless it is in writing and executed by both parties and approved by CDFA.

15.5 **Governing Law.** The Subrecipient Agreement shall be governed by and construed in accordance with laws of the State of New Hampshire.

15.6 **No failure on the part of Grantee or CDFA to exercise, and no delay in exercising, any right, power, or remedy under this Agreement or any other agreement contemplated herein shall operate as a waiver thereof; nor shall any single or partial exercise of any right under any such agreements preclude any other or further exercise thereof or the exercise of any other right. The remedies provided herein are cumulative and not exclusive of any remedies provided by law.**

15.7 **This Agreement, together with all attachments, schedules and exhibits thereto, contains the full, final and exclusive statement of the agreement of the parties and supersedes all prior understandings, representations or agreements, whether written or oral, with respect to such subject matter.**

16. PUBLICITY AND SIGNAGE.

16.1 **Public Relations.** The Subrecipient shall grant CDFA the right to use the Grantee's name, likeness, and logo in any public relations or publicity efforts. This shall include, but not be limited to, press releases, media interviews, website, publications, brochures, etc. CDFA's publicity efforts may also include details about Grantee's project, contract, or other publically available information.

16.2 **Reciprocal Publicity.** The Subrecipient also shall acknowledge CDFA appropriately in all organizational and public forums as to the support, financial and otherwise, that has been provided to the project. This recognition shall include, but not be limited to, print/electronic media, publications, interviews, brochures, website, etc.

16.3 **Project Signage.** For construction/renovation projects – CDFA logo must be included in signage at the job worksite. CDFA logo may not be any smaller than 50% of the size of the largest logo displayed. This requirement can be waived if no other partner/entity requires worksite signage and creating signage solely for CDFA poses a hardship. Alternative – If none of these are applicable/feasible, an alternative display of the CDFA logo or public recognition may be used with permission from CDFA.


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CERTIFICATE OF COVERAGE

The New Hampshire Public Risk Management Exchange (Primex³) is organized under the New Hampshire Revised Statutes As Amended, Chapter 5-B, Pooled Risk Management Programs. In accordance with those statutes, its Trust Agreement and bylaws, Primex³ is authorized to provide pooled risk management programs established for the benefit of political subdivisions in the State of New Hampshire.

Each member of Primex³ is entitled to the categories of coverage set forth below. In addition, Primex³ may extend the same coverage to non-members. However, any coverage extended to a non-member is subject to all of the terms, conditions, exclusions, amendments, rules, policies and procedures that are applicable to the members of Primex³, including but not limited to the final and binding resolution of all claims and coverage disputes before the Primex³ Board of Trustees. The Additional Covered Party's per occurrence limit shall be deemed included in the Member's per occurrence limit, and therefore shall reduce the Member's limit of liability as set forth by the Coverage Documents and Declarations. The limit shown may have been reduced by claims paid on behalf of the member. General Liability coverage is limited to Coverage A (Personal Injury Liability) and Coverage B (Property Damage Liability) only, Coverage's C (Public Officials Errors and Omissions), D (Unfair Employment Practices), E (Employee Benefit Liability) and F (Educator's Legal Liability Claims-Made Coverage) are excluded from this provision of coverage.

The below named entity is a member in good standing of the New Hampshire Public Risk Management Exchange. The coverage provided may, however, be revised at any time by the actions of Primex³. As of the date this certificate is issued, the information set out below accurately reflects the categories of coverage established for the current coverage year.

This Certificate is issued as a matter of information only and confers no rights upon the certificate holder. This certificate does not amend, extend, or alter the coverage afforded by the coverage categories listed below.

Participating Member: City of Laconia 45 Beacon Street East Laconia, NH 03248		Member Number: 213	Company Affording Coverage: NH Public Risk Management Exchange - Primex ³ Bow Brook Place 46 Donovan Street Concord, NH 03301-2624	
Type of Coverage	Effective Date (mm/dd/yyyy)	Expiration Date (mm/dd/yyyy)	Limits - NH Statutory Limits May Apply, if Not	
<input type="checkbox"/> General Liability (Occurrence Form) <input type="checkbox"/> Professional Liability (describe) <input type="checkbox"/> Claims Made <input type="checkbox"/> Occurrence			Each Occurrence	
			General Aggregate	
			Fire Damage (Any one fire)	
			Med Exp (Any one person)	
<input type="checkbox"/> Automobile Liability Deductible Comp and Coll: <input type="checkbox"/> Any auto			Combined Single Limit (Each Accident)	
			Aggregate	
<input checked="" type="checkbox"/> Workers' Compensation & Employers' Liability	1/1/2022	1/1/2023	<input checked="" type="checkbox"/> Statutory	
	1/1/2023	1/1/2024	Each Accident	\$2,000,000
			Disease - Each Employee	\$2,000,000
			Disease - Policy Limit	
<input type="checkbox"/> Property (Special Risk includes Fire and Theft)			Blanket Limit, Replacement Cost (unless otherwise stated)	
Description: Proof of Primex Member coverage only.				

CERTIFICATE HOLDER:	Additional Covered Party	Loss Payee	Primex³ - NH Public Risk Management Exchange
Community Development Finance Authority 14 Dixon Ave Concord, New Hampshire 03301			By: <i>Mary Beth Purcell</i> Date: 12/19/2022 mpurcell@nhprimex.org Please direct inquiries to: Primex³ Claims/Coverage Services 603-225-2841 phone 603-228-3833 fax



CERTIFICATE OF COVERAGE

The New Hampshire Public Risk Management Exchange (Primex³) is organized under the New Hampshire Revised Statutes Annotated, Chapter 5-B, Pooled Risk Management Programs. In accordance with those statutes, its Trust Agreement and bylaws, Primex³ is authorized to provide pooled risk management programs established for the benefit of political subdivisions in the State of New Hampshire.

Each member of Primex³ is entitled to the categories of coverage set forth below. In addition, Primex³ may extend the same coverage to non-members. However, any coverage extended to a non-member is subject to all of the terms, conditions, exclusions, amendments, rules, policies and procedures that are applicable to the members of Primex³, including but not limited to the final and binding resolution of all claims and coverage disputes before the Primex³ Board of Trustees. The Additional Covered Party's per occurrence limit shall be deemed included in the Member's per occurrence limit, and therefore shall reduce the Member's limit of liability as set forth by the Coverage Documents and Declarations. The limit shown may have been reduced by claims paid on behalf of the member. General Liability coverage is limited to Coverage A (Personal Injury Liability) and Coverage B (Property Damage Liability) only. Coverage's C (Public Officials Errors and Omissions), D (Unfair Employment Practices), E (Employee Benefit Liability) and F (Educator's Legal Liability Claims-Made Coverage) are excluded from this provision of coverage.

The below named entity is a member in good standing of the New Hampshire Public Risk Management Exchange. The coverage provided may, however, be revised at any time by the actions of Primex³. As of the date this certificate is issued, the information set out below accurately reflects the categories of coverage established for the current coverage year.

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Type of Coverage	Effective Date (mm/dd/yyyy)	Expiration Date (mm/dd/yyyy)	Limits - NH Statutory Limits May Apply	
<input checked="" type="checkbox"/> General Liability (Occurrence Form) <input type="checkbox"/> Professional Liability (describe) <input type="checkbox"/> Claims Made <input type="checkbox"/> Occurrence	7/1/2022	7/1/2023	Each Occurrence	\$ 1,000,000
			General Aggregate	\$ 2,000,000
			Fire Damage (Any one fire)	
			Med Exp (Any one person)	
<input type="checkbox"/> Automobile Liability Deductible Comp and Coll: \$1,000 <input type="checkbox"/> Any auto			Combined Single Limit (Each Accident)	
<input type="checkbox"/> Workers' Compensation & Employers' Liability			<input type="checkbox"/> Statutory	
			Each Accident	
			Disease - Each Employee	
			Disease - Policy Limit	
<input type="checkbox"/> Property (Special Risk Includes Fire and Theft)			Blanket Limit, Replacement Cost (unless otherwise stated)	

Description: In regard to the grant agreement, the certificate holder is named as Additional Covered Party, but only to the extent liability is based on the negligence or wrongful acts of the member, its employees, agents, officials or volunteers. This coverage does not extend to others. Any liability resulting from the negligence or wrongful acts of the Additional Covered Party, or their employees, agents, contractors, members, officers, directors or affiliates is not covered. The Participating Member will advise of cancellation no less than 15 days prior to cancellation.

CERTIFICATE HOLDER:	<input checked="" type="checkbox"/>	Additional Covered Party		Loss Payee	Primex ³ - NH Public Risk Management Exchange
Community Development Finance Authority 14 Dixon Ave Concord, New Hampshire 03301					By: <i>Mary Beth Purcell</i>
					Date: 12/19/2022 mpurcell@nhprimex.org
					Please direct inquiries to: Primex³ Risk Management Services 603-225-2841 phone 603-228-3833 fax

CERTIFICATE

I, Katie Gargano, City Clerk of Laconia, New Hampshire do hereby certify that: (1) at the public hearing held on July 11, 2022, the City Council voted to submit an application for Community Development Block Grant funds and if awarded: (2) enter into a contract with the Community Development Finance Authority and further authorize the City Manager to execute any documents which may be necessary to effectuate this contract or any amendments thereto; (3) I further certify that this authorization has not been revoked, annulled or amended in any manner whatsoever, and remains in full force and effect as of the date hereof; and (4) the following person has been appointed to and now occupies the office indicated under item (2) above:

Kirk Beattie Myers, City Manager
Name and Title of Officer Authorized to Sign

By: Katie A. Gargano, Laconia City Clerk

STATE OF NEW HAMPSHIRE
COUNTY OF Belknap, SS.

The foregoing instrument was acknowledged before me this 5th day of December, 2022 by the above Katie Gargano, City Clerk of the City of Laconia, New Hampshire.

Nancy Brown (Seal)
Notary Public
My commission expires: 5/16/2023

NANCY E. BROWN
Notary Public - New Hampshire
My Commission Expires May 16, 2023

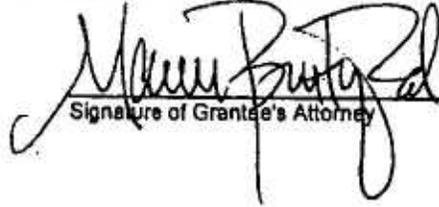
CERTIFICATION OF GRANTEE'S ATTORNEY

22-007-CDHS

I, Naomi Butterfield acting as Attorney for the City of Laconia, New Hampshire do hereby certify:

That in my opinion the Grantee is empowered to enter into the foregoing Grant Agreement under the laws of the State of New Hampshire. Further, I have examined the foregoing Grant Agreement and the actions taken by said Grantee and have determined that Grantee's official representative has been duly authorized to execute this Grant Agreement and that the execution thereof is in all respects due and proper and in accordance with the laws of the said State and applicable federal laws. In addition, for grants involving projects to be carried out on property not owned by Grantee, there are no legal impediments that will prevent full performance by the Grantee. Further, it is my opinion that the said Grant Agreement constitutes a legal and binding obligation of Grantee in accordance with the terms thereof.

Dated at Laconia, NH this 13th day of December 2022.



Signature of Grantee's Attorney

City of Laconia – \$170,000 – LRCD - Acquisition 11 Jameson Street (Housing)

Applicant	City of Laconia
Subrecipient	Laconia Area Community Land Trust, Inc d/b/a Lakes Region Community Developers
Project Name	LRCD – Acquisition 11 Jameson Street
Project Location	11 Jameson Street, Laconia NH
Request	\$170,000
LMI Beneficiaries	1 Total / 1 LMI Unit (100%)
HUD CDBG National Objective	LMH- 14G Rehabilitation: Acquisition
NH State Category	Housing

Project Summary

The City of Laconia is requesting \$170,000 to be sub granted to Lakes Region Community Developers (LRCD) to acquire and rehabilitate a four-bedroom home with the purpose of maintaining it as an affordable housing unit. CDBG funds are being requested for acquisition only.

The project at 11 Jameson Street, Laconia, entails LRCD purchasing and renovating an existing house and adding it to its rental portfolio in Laconia. The project will add one four-bedroom affordable rental unit to the market.

LRCD currently owns the land upon which the house sits and has been in a ground lease agreement with the owner, who purchased the house from LRCD in 2003. This is LRCD's only example of a land trust style arrangement. The owner/occupant would like to sell and move to a new location. LRCD has a right of first refusal in the ground lease agreement and would like to exercise this right in accordance with the agreement.

This small house, which is located next to LRCD's Millview Family Housing apartment complex, needs significant work. It will add only one rental apartment to LRCD's portfolio, but it will be affordable to Low- and Moderate-Income households for a minimum of 20 years and likely much longer. LRCD owns most of the buildings in this area and would like to continue trying to improve this particular neighborhood.

LRCD intends to rehabilitate the house including installation of new sheetrock throughout, painting, additional insulation, updating electrical, new flooring throughout, new bathrooms and kitchen and a new furnace. The rehabilitation costs are expected to be \$250,000 which will be funded by LRCD cash reserves and a bank line of credit. CDBG funds are needed because the cost to purchase and renovate this property are higher than the amount of financing that can be secured based on the rental income the property will generate.

Sources and Uses

Sources	CDBG	LRCD Letter of Credit	Utility Incentives	
Uses				Total Uses \$
Acquisition	\$145,000			\$145,000
Architectural/ Engineering	\$5,000	\$2,000		\$7,000
Residential Rehab		\$206,900	\$18,100	\$225,000
CDBG Admin Costs	\$20,000			\$20,000
Committed Total		\$208,900	\$18,100	\$227,000
Pending Total	\$170,000			\$170,000
Grand Total	\$170,000	\$208,900	\$18,100	\$397,000

Administrative Costs

Grant Administrator	\$ 14,500
Advertising	\$500
Legal	\$500
Audit	\$500
Application Writing	\$4,000
Total	\$20,000

Summary

- The project scored **99 points**;
- The project will add a rare long term affordable 4-unit rental unit ideal for a low- and moderate-income family;
- The project will improve existing neighborhood in downtown Laconia where LRCD already owns most of the properties; and
- The project meets a CDBG National Objective by providing a direct benefit to Low- and Moderate-Income persons.