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May 31, 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 Town of Newport, 15 Sunapee Street, Newport, New Hampshire 03773 in the amount of \$500,000 to support the Newport Mill Affordable Housing project situated at 169 Sunapee Street, Newport, New Hampshire, upon Governor and Council approval for the period effective May 31, 2023, through June 30, 2025. **100% federal funds.**

Explanation

The Town of Newport is requesting \$500,000, on behalf of Occom Properties, Inc. to support the affordable housing acquisition portion of a project that involves the acquisition and rehabilitation of a historic mill situated at 169 Sunapee Street in Newport, New Hampshire. 70 affordable rental housing units will be created and occupied by households of low and moderate income. Matched funding in the amount of \$23,302,340 will be provided by the NH Housing Finance Authority, Historic Tax Credits, Invest NH, and developer loans and equity.

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 Town of Newport		1.4. Grantee Address 15 Sunapee Street Newport, New Hampshire 03773	
1.5 Grantee Phone # 603-863-1360	1.6. Account Number 22-229-CDHS	1.7. Completion Date June 30, 2025	1.8. Grant Limitation \$ 500,000
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: 4-25-23		1.12. Name & Title of Grantee Signor 1 Hunter Rleseberg, Town 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: May 12, 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>Christopher Bond</i> Assistant Attorney General, On: / / 5/15/23			
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
- 8.1. **PERSONNEL.**
- 8.2. 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.
- 8.3. 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. 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,
- 9.2. computer programs, computer printouts, notes, letters, memoranda, paper, and documents, all whether finished or unfinished.
- 9.3. 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.
- 9.4. No data shall be subject to copyright in the United States or any other country by anyone other than the State.
- 9.5. 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.
- 9.6. 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

Grantee Initials WFR
Date 5/8/23

- 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 WSPR
Date 5/8/23

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 \$500,000 in Community Development Block Grant ("CDBG") funds to the Town of Newport (UEI #EVGLGG61N5) (the "Grantee"), \$475,000 of which is to be subgranted to Occom Properties, Inc. (UEIKLU1KMNH13E8), (the "Subrecipient"). Subgranted funds will be used by the Subrecipient to support property acquisition in support of the Newport Mill Affordable Housing Project construction project located at 169 Sunapee Street, Newport, New Hampshire. (the "Project"). The Scope of Work shall be more completely defined in the specifications, engineering design and plans (the "Plans") to be developed in accordance with this Agreement. The property for which the CDBG funds will be used (the "Project Property") is more particularly described in the deed for such 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 70 of the 70 (100%) households benefiting from this project shall be of low- and moderate-income, as that term is defined in 24 CFR 570.483.

1.3 Improvements 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.

GRANT ADMINISTRATION

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

2.2 Grantee shall be permitted to use up to \$25,000 of CDBG funds as reimbursement for Administrative Project Costs, as that term is defined by applicable state and federal guidelines and as provided 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 its Subrecipient Agreement, as referenced in Section 4 of this Exhibit B and in Attachment II.

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

2.5 Grantee shall submit to CDFA all required reports as specified in the Grant Agreement and shall monitor and enforce the reporting requirements of the Subrecipient as provided in the 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 duties and responsibilities under the Subrecipient Agreement.

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 CDFA and Subrecipient as provided in Section 12 of this Agreement.

2.9 Within thirty (30) days of executing this Agreement, the Grantee shall submit to CDFA for


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approval an Implementation Schedule for completion of the Project. The Grantee shall obtain prior approval of CDFA for any changes in the 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, 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.) also applies.

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 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 implementing 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).

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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:

- (1) 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;
- (2) 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;
- (3) 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;
- (4) 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 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 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.


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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 1988 (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 Identifier (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). As 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 contract. As used in this contract, 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-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

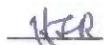
4.1 Grantee shall enter into a Subrecipient Agreement with the Subrecipient in a form satisfactory to CDFA and meeting the requirements of Attachment II, "Subrecipient Agreement Minimum Terms and Conditions" attached hereto and incorporated herein by reference.

4.2 The Subrecipient Agreement shall provide for the subgranting of \$475,000 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 less 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(s), or other alternative security acceptable to CDFA, with Grantee meeting 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.


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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 \$23,302,340 to provide additional financing for the Grant Project, including but not limited to the following sources:

5.1.1 An equity investment secured by Low Income Housing Tax Credits allocated to this project by the New Hampshire Housing Finance Authority. The investment equity shall be obtained and closed prior to the release of grant funds;

5.1.2 Historic Tax Credits;

5.1.3 Invest NH Funds

5.1.4 Developer Fee Loan

5.1.5 Construction Loan/Equity

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. CONSTRUCTION CONTRACTING, BIDS, BONDS, INSPECTION, AND CERTIFICATION (FOR CONSTRUCTION PROJECTS ONLY)

6.1 Prior to award by Subrecipient, Grantee shall approve the architectural and construction contracts for the Project Improvements. Prior to such approval, Grantee shall provide CDFA with a copy of each proposed contract for its review to determine compliance with all applicable federal and state requirements and approval. CDFA approval shall not abrogate its rights to enforce any part of this Agreement or constitute a waiver of any provision of this Agreement or the Subrecipient Agreement.

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

6.3 Grantee and Subrecipient shall provide and maintain competent technical supervision of the Project site throughout Project construction, to assure that the work conforms with plans, specifications and schedules approved by CDFA for the Project.

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

6.5 Bid Guarantees: A bid guarantee from each bidder equivalent to five percent (5%) of the bid price shall apply to this contract and shall consist of a firm commitment such as a bid bond, certified check, or other negotiable instrument accompanying a bid as assurance that the bidder will, upon acceptance of his bid, executed such contractual documents as may be required within the time specified.

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

6.7 Subcontracts, Bonds Required: When Grantee and/or Subrecipient awards a contract 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 and/or Subrecipient shall, as a minimum, require contractor to carry payment and performance bonds for 100% of the value of the contract.


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6.8 Upon completion in full of the Improvements, Grantee shall promptly deliver to CDFA: (a) a written certificate of Grantee'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.

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

7. HOUSING REHABILITATION STANDARDS

7.1 The following standards shall apply to all housing units rehabilitated with Grant funds:

7.1.1 HUD Section 8 Existing Housing Quality Standards as listed in 24 CFR 982.401, paragraphs (a) through (n) (see Appendix 3 of the New Hampshire CDBG Administrative Rules) or municipal housing and/or building, electrical and plumbing codes where such codes exceed the HUD standards;

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

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

8. MORTGAGE LIEN

8.1 Prior to approval by CDFA of any construction contract for the Property, Grantee shall execute and record with the applicable County Registry of Deeds a mortgage lien on the Properties (the "Mortgage"), or alternative form of security acceptable to CDFA. Grantee shall submit to CDFA satisfactory evidence of such security.

8.2 The mortgage lien(s) or alternative security shall provide for the recovery by Grantee, on behalf of CDFA, of sums of CDBG funds expended on this Project in the event that benefit for Low- and Moderate-Income persons 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 be no less than \$475,000.

8.3 Any CDBG funds returned to Grantee pursuant to enforcement of the Mortgage Lien(s) and/or security documents shall be returned to CDFA.

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

9.1 Grantee and CDFA agree that with respect to the Project Property one hundred percent (100%) of the households which will reside at the Project Property upon completion of the Project and for the duration of the Benefit Period as defined herein, shall be low- and moderate-income Households as those terms are defined in 24 CFR 570.483.

9.2 Grantee shall require the Subrecipient to certify and warrant that, from the Project Completion Date to the end of the 20-year benefit period, the persons to be afforded access to units under this Project shall primarily benefit low- and moderate-income persons.

9.3 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.


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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 to funds disbursed in direct operations of Grantee. Grantee shall be required to maintain a financial management system which complies with 24 CFR 85.20 or such equivalent system as CDFA may require. Requests for payment shall be made according to CDFA's CDBG Implementation Guide.

11. PROCUREMENT. Grantee 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. Grantee shall not use debarred, suspended or ineligible contractors or subrecipients as provided in 24 CFR 570.489 (I).

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 30) and July (for period end June 30) via CDFA's Grants Management System (GMS).

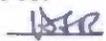
12.2 Financial reports, including a statement detailing all Grant or Project Costs (as hereinafter defined) which have been incurred since the prior request for reimbursement, shall be submitted with each request for reimbursement and with the Closeout Report. Financial Reports shall be submitted on forms provided by CDFA.

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. A copy of 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 a copy of an audited financial report shall be submitted to CDFA. Said audit shall be conducted utilizing the guidelines set


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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.

12.5.3 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

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 (3) 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, or until an audit is completed and all questions arising therefrom are resolved, 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.


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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 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 requirements of 24 CFR 570.489(h) and approved by CDFA.

15.2 Grantee shall prepare and adopt a financial management plan, approved by CDFA, which describes Grantee's system for receiving and expending Grant Funds including internal controls which shall ensure compliance with applicable provisions. The plan shall be formally adopted prior to requesting Grant Funds.

15.3 Grantee shall submit to CDFA all required documentation of Low- and Moderate-Income individuals in accordance with the reporting requirements of the Subrecipient Agreement. The information shall be provided on the Beneficiary Characteristics Report, a copy of which can be found in the Community


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Development Block Grant Program (CDBG) Implementation Guide.

15.4 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 or security 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 or security documents. 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 or security obligations or in curing any Event of Default thereunder.

15.5 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.

15.6 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.

15.7 Lobbying. Grantee certifies that:

15.7.1 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.

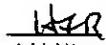
15.7.2 If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this 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.

15.7.3 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 subrecipients shall certify and disclose accordingly.

15.8 Notice to Prospective Subcontractors of Requirement For Certifications Of Nonsegregated Facilities. Certification of Nonsegregated Facilities as required by the May 9, 1967, Order of the Secretary of Labor (32 FR 7439, May 19, 1967) on Elimination of Segregated Facilities, by the Secretary of Labor. The Certification may be submitted either for each subcontract or for all subcontracts during a period (i.e., quarterly, semiannually, annually).

Prior to the award of any construction contract or subcontract exceeding \$10,000, which is not exempt from the provisions of the Equal Opportunity clause, Grantee shall require the prospective prime contractor and each prime contractor shall require each subcontractor to submit the following certification:

15.8.1 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


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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.

15.8.2 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 contract. 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 NONSEGREGED FACILITIES

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

15.9 Publicity and Signage.

15.9.1 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.

15.9.2 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.

15.9.3 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 Project Costs: As used in this Agreement, the term "Project Costs" shall mean all reimbursable costs incurred in performance of the Grant activities. "Administrative Project 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 OMB 2 CFR Part 200 as revised from time to time, and with the rules, regulations, and guidelines established by CDFA. Administrative project costs include but are not limited to: preparation of environmental review, record keeping, reporting, audits, and oversight of Project construction and compliance with all federal, state, and local laws, rules, and regulations and this contract. In no event shall Administrative Project Costs exceed fifteen (15) percent of the total Grant funds allowed. Subrecipient shall meet the requirements of OMB 2 CFR Part 200.

1.2 Delivery Costs: As used in this Agreement, the term "Delivery Costs" shall mean all reimbursable costs incurred by a Subrecipient 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 Project Costs: Subject to the terms and conditions of this agreement, CDFA agrees to pay Grantee all Project 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 Project Costs incurred within 90 days after the Completion Date and in connection with closeout requirements as provided 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 Project Activities, and upon receipt of the Progress Reports, Closeout Report, or Audited Financial Report, CDFA may review all Project 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 PROJECT 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:

2.1.1 A Subrecipient Agreement, as applicable;

2.1.2 Documentation of all required matching funds or additional financing necessary as defined in Exhibit B, Section 5, no earlier than date of Governor and Council approval;

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


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

2.1.5 Engineering, construction, consultant, or other contracts;

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

2.1.7 Any loan documents, lease documents, mortgages, liens, security instruments, 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 Project Costs incurred, CDFA agrees to reimburse Grantee for Project Costs, except that 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 Project Cost until all Project Costs have been audited and determined to be allowable costs.

3. REQUIRED DOCUMENTATION FOR DISBURSEMENT OF GRANT FUNDS

3.1 Reimbursement requests for all Project Costs, including Administrative Project 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.

3.2 Where Project Costs include the purchase of equipment, Grantee or Subrecipient as appropriate shall also submit written verification that it has inspected the Project Property and the equipment to be purchased with Grant funds has been installed and is ready for operation.

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 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 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 Part 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 Exhibit C herein or from an approved activity within the approved project area to an approved activity located

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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 4: C: 14 II(b) submitting a request for an amendment involving twenty-five (25) percent or more of the full value of the grant.

4.6 Up to \$475,000 of Grant Funds may be applied by Grantee for costs related to the Project Activity.

4.7 Up to \$25,000 of Grant Funds may be applied by Grantee for costs related to the 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.

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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112-23	20,500
112-31	9,600
112-32	1,254,900
112-32-UT 001	700,000
112-45	21,200
114-32	206,600
	<hr/>
	2,212,800

Return to:
169 Sunapee Street, LLC
15159 Brolio Lane
Naples FL 34101



\$ 1,050,000

WARRANTY DEED

William B. Ruger, Jr., single, of 2 Croydon Brook Road, Newport, NH 03773, for consideration paid grants to 169 Sunapee Street, LLC, a New Hampshire Limited Liability Company, of 15159 Brolio Lane, Naples, FL 34110, with warranty covenants;

The following described parcels:

Parcel 1: 112-31

A certain tract or parcel of land with the buildings thereon situated in Newport, County of Sullivan and State of New Hampshire, bounded and described as follows:

Beginning on the southerly side of Sunapee Street at the corner between land of the Public Service Company and the land herein conveyed; thence:

1. About South 71° 30' along the land of the Public Service Company to the northerly bank of Sugar River at an iron pin;
2. Southwesterly along the northerly bank of Sugar River about one hundred sixty-one (161) feet, more or less, to an iron pin at Tract No. 4;
3. About North 62° 45' West along the northeasterly line of said Tract No. 4 to Sunapee Street at an iron pin;
4. Northeasterly along Sunapee Street about one hundred forty-five (145) feet, more or less, to the point of beginning.

For aid in determining the general location of said land, reference is hereby made to a "Map of Property of the Gordon Woolen Mills, Inc. Sold at Auction" recorded in the Sullivan County Registry of Deeds in Volume 1, Page 236 on which plan said lot is designated as No. 3.

Parcel 2: P10 114-32

A certain tract or parcel of land with the buildings thereon situated in Newport, County of Sullivan and State of New Hampshire, which parcel is referred to as "Annex 5.30 Acres to Tax Map 114 Lot 32" on a plan of land entitled "Proposed Annexation for Branch to Ruger, Arlington Sample Lot, Newport, N.H.," prepared by Thomas C. Dombroski, Licensed Land Surveyor, dated March 19, 2009, revised April 13, 2009, recorded in the

Buyer Initials:

Sullivan County Registry of Deeds in Plan Drawer 2, Plan No. 93, to which plan reference may be made for a more particular description.

P/0 114-32
Parcel 3:

A certain tract or parcel of land with the buildings thereon situated in Newport, County of Sullivan and State of New Hampshire, which parcel is referred to as "Tax Map 114 Lot 32" on a plan of land entitled "Proposed Annexation for Branch to Ruger, Arlington Sample Lot, Newport, N.H.," prepared by Thomas C. Dombroski, Licensed Land Surveyor, dated March 19, 2009, revised April 13, 2009, recorded in the Sullivan County Registry of Deeds in Plan Drawer 2, Plan No. 93, to which plan reference may be made for a more particular description.

Parcel 4:

A certain tract or parcel of land situated on the north side of Park View Extension in the Village of Newport, County of Sullivan and State of New Hampshire and bounded and described as follows, to wit:

1. Beginning at an iron pin set in the ground at the northeast corner of land of Peter Gagne, near the Boston and Maine Railroad tracks;
2. Southerly along the easterly line of said Gagne's land 90 feet to an iron pin at the northwest corner of land of Gail Anderson;
3. Easterly along the northerly line of Gail Anderson's land to an iron pin set in the ground at the northeast corner of land of Gail Anderson;
4. Southerly along the easterly side of land of Gail Anderson to an iron pin on the north side of Park View Extension;
5. Easterly 30 feet, more or less, to land of Earl LaFountain;
6. Northerly along west line of LaFountain land to an iron pin marking the northwest boundary of LaFountain's land;
7. Easterly along the northerly line of LaFountain's land to an iron pin set in a stone wall at land formerly of Richards and Boyle;
8. Northerly in a straight line along stone wall and wire fence to the Boston and Maine Railroad;
9. Westerly along land of Boston and Maine Railroad to the point of beginning.

Parcel 5:

A certain tract or parcel of land situated in the Village of Newport on Park View Extension and bounded and described as follows, to wit:

1. Beginning at an iron pin set in the ground on the North side of Park View Extension;
2. Westerly on said Park View Extension two hundred twenty-five feet to an iron pin set in the ground;

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3. Northerly one hundred fifty feet to an iron pin set in the ground; thence running easterly two hundred twenty-five feet to an iron pin set in the ground;
 4. Southerly one hundred fifty feet to the first mentioned bound.
- All measurements are in feet and may be subject to slight variation.

Parcel 6:

Beginning at an iron pin set in the ground on the Northerly side of Sunapee Street at a point twenty-five (25) feet Easterly from the original corner of land of Robert Jennison, this iron pin being the Southeast corner of a triangular piece of land conveyed by one Sargent to said Jennison in Volume 394, Page 307, as an addition to the Jennison original home place:

1. Northerly along said Jennison land, so-called, one hundred thirty-four (134) feet to an iron stake at a corner of said Jennison land and at a corner of land conveyed by said Sargent to Rudolph and Lucille Rissala by deed dated November 23, 1966, and recorded in the Sullivan County Registry of Deeds in Volume 413, Page 176;
2. Northerly along said Rissala land three hundred ten (310) feet, more or less, to an iron stake at a stone wall at land of George A. Dorr, Jr.;
3. North $0^{\circ} 53'$ West two hundred thirty and four-tenths (230.4) feet along said Dorr land to an iron stake at land formerly of Dr. L.A. Weigle, now or formerly of Arthur Leavitt;
4. Along said Weigle or Leavitt land, so-called, North $87^{\circ} 38'$ East two hundred sixty-seven (267) feet to an iron stake set in the ground;
5. Still along said Weigle or Leavitt land North $62^{\circ} 47'$ East one hundred sixty-five and six-tenths (165.6) feet to an iron stake at Summit Road;
6. About South $11^{\circ} 20'$ East one hundred twenty-two (122) feet, more or less, along the Westerly boundary of Summit Road to Sunapee Street;
7. Southwesterly along the Northerly boundary of Sunapee Street seven hundred seventy (770) feet, more or less, to the point of beginning.

Parcel 7:

A certain tract or parcel of land with any buildings and improvements thereon situated in Newport, County of Sullivan and State of New Hampshire shown on a plan entitled "Plan of Voluntary Merger, Property of William B. Ruger, Jr." dated January, 1996, drawn by Pierre J. Bedard, LLS, recorded Sullivan County Registry of Deeds at Pocket 5, Folder 2, No. 10, Plan Folder 4, more particularly bounded and described as follows:

Beginning at a 3/4 inch iron rod set at fence line on the Southeasterly sideline of Sunapee Street said iron rod being the Northeasterly corner of the premises herein conveyed;

1. South $65^{\circ} 09' 52''$ East eighty-four (84) feet along land now or formerly of Burnham to a 1-inch iron pipe on the Northwest bank of Mill Pond on the Sugar River;
2. Following the Northwesterly bank of the Mill Pond three hundred sixty-five (365) feet, more or less, in a general Southerly direction to a point; thence following the Northerly

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- bank of the Sugar River one thousand one hundred eighty (1,180) feet, more or less, to a point;
3. South 72° 50' 00" West eight (8) feet to a 5/8-inch iron rod;
 4. Continuing South 72° 50' 00" West seventy (70) feet to a 5/8-inch iron rod;
 5. South 09° 28' 24" East twenty-four and seventy-five hundredths (24.75) feet to a 3/4-inch iron rod;
 6. South 80° 31' 36" West one hundred seventy-five and sixty-nine hundredths (175.69) feet to a 5/8-inch iron rod set on the Easterly side of Cross Street, the previous three (3) courses being along the Old Claremont-Concord Railroad Bed, being land now or formerly of the Town of Newport;
 7. North 09° 04' 47" East one hundred twenty-three and forty-five hundredths (123.45) feet along the Easterly side of Cross Street to a railroad spike set;
 8. North 70° 01' 51" East one hundred forty-nine and thirty-three hundredths (149.33) feet to an iron rod;
 9. North 52° 25' 26" East one hundred thirteen and fifty-seven hundredths (113.57) feet to an iron rod, the previous two courses being along the Southeasterly sideline of Canal Street;
 10. North 43° 46' 35" East one hundred forty-four and seventy-eight hundredths (144.78) feet to a 3/4-inch iron rod;
 11. North 01° 05' 01" East one hundred eighty-nine and eighty-one hundredths (189.81) feet partially along a stone wall to a granite bound found on the Southerly sideline of Sunapee Street;
 12. In a general easterly and northeasterly direction along the Southerly sideline of Sunapee Street one thousand ninety-six (1,096) feet to the point of beginning.

Parcel 8:

Being composed of three tracts, described as follows:

TRACT I: Beginning at the southwest corner of land owned by Selma Saarela, formerly, but now or formerly by Aate Kangas, the same being an iron pin set into the ground on the easterly side of Canal Street; thence southerly on the easterly side of Canal Street about sixty eight (68) feet to an iron pin set in the ground; thence easterly by land now or formerly of Matti Koski (formerly Olli Jaatinen) to an iron pin set in the ground on the bank of the canal, so-called; thence by the north bank of the canal to land now or formerly of the Dexter Richards & Sons Company; thence northerly along the stone wall on land of said Richards & Sons Company, now or formerly, to an iron pin set in the ground, it being the southeast corner of land of said Kangas; thence westerly by said Kangas land to the place of beginning.

TRACT II: Commencing on the easterly side of Canal Street Extension, at the southwest corner of land, now or formerly, of Oscar Anderson, (known as Lot No. 3 on plan of lots

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on file in the office of the Register of Deeds at Newport); thence southerly on said Canal Street to the canal; thence northeasterly on said canal to the southeast corner of land, now or formerly of said Anderson; thence westerly on land now or formerly of said Anderson (Lot No. 3) to the bound begun at.

TRACT III: A certain tract or parcel of land with the buildings thereon, being Lot #2 on a Plan of Lots made by Myron Tenney, situated in Newport, Sullivan County, State of New Hampshire, bounded and described as follows:

Beginning at an iron pin in the ground on the westerly line of land now or formerly of Dexter Richards & Sons Company and located 87 feet 10 inches south of the southerly line of the highway called Sunapee Street in the Village of Newport;

1. Westerly by Lot #1 on said Plan of Lots, being land formerly owned by Myron W. Tenney, 74 feet to an iron pin on the easterly side of Canal Street, so-called; thence southerly by said Canal Street, 65 feet to an iron pin set in the ground at the northeast corner of Lot #3 on said Plan;

2. Easterly by said Lot #3, 78 feet, 6 inches to an iron pin at said land now or formerly of Dexter Richards & Sons Co.;

3. Northerly by land now or formerly of said Dexter Richards & Sons Company 65 feet to the first mentioned bound.

Parcels 7 and 8 were merged by a Voluntary Lot Merger Form dated May 2, 2011 and recorded in the Strafford County Registry of Deeds at Book 1804, Page 474. Parcel 7 was previously known as Map 112 Lot 032, as referred to on said Form, and Parcel 8 was previously known as Map 112 Lots 034, 035, and 036, as referred to on said Form. It is the intent of the parties to transfer all property subject to this Voluntary Lot Merger Form by this grant.

Subject to those matters appearing in the Warranty Deed from United Construction Corporation and General Auto Sales, Inc. to William B. Ruger, Jr. dated September 15, 1980, recorded in Volume 667, Page 413.

Subject to those matters appearing in the Warranty Deed from Joseph L. Branch, LLC to William B. Ruger, Jr. dated May 15, 2009, recorded in Volume 1729, Page 405.

Subject to and with the benefit of the rights and easements as more particularly described in the "Cross Easement Agreement" between William B. Ruger, Jr. and the Town of Newport dated March 23, 2011, recorded in Volume 1807, Page 483.

Subject to a utility easement as found in the instrument of Richard A. Wentzell, Sandra A. Wentzell, Raymond A. Wentzell, and Grace D. Wentzell to Public Service Company of

Buyer Initials:



New Hampshire and New England Telephone & Telegraph Co., dated December 18, 1967, recorded in Volume 465, Page 79.

Subject to all matters appearing on Plan Drawer 3, Plan No. 93.

Subject to all matters appearing on an Agreement to Establish Boundary Line between William B. Ruger, Jr. and Sturm, Ruger & Co., Inc., dated March 11, 1996 and recorded in Volume 1083, page 400.

Subject to the terms of a Notice of Merger of Lots by William B. Ruger, Jr. dated March 11, 1996, recorded at Volume 1083, Page 402.

Subject to a Voluntary Lot Merger Form by William B. Ruger, Jr. dated May 2, 2011, recorded at Book 1804, Page 474.

Subject to the rights granted by William Ruger, Jr. to State of New Hampshire as described in a Flowage Release dated October 16, 1981 and recorded in Volume 697 Page 231.

Subject to the terms and conditions of an Amendment to Permit #178,44H Sugar River II Water Power Project Construction of a Dam for the Purpose of a Working Mill and the Construction of a Dam issued to William B. Ruger, Jr. July 26, 1995, recorded at Book 1067 Page 16.

Subject to all matters shown on a plan entitled "Plan of Voluntary Merger, Property of William B. Ruger, Jr., located in Newport, N.H." by Bedard, Platt and Associates, dated March 21 1996 and recorded in Plan File 4, Pocket 5, Folder 2, No. 10.

Subject to the right of the public to pass and repass over and across Sunapee Street, Canal Street and Cross Street.

Excepting and reserving to the Town of Newport, its successors and assigns, a certain easement for the purpose of constructing, laying, maintaining and repairing a pipe for the transmission of sewerage waste under and through certain premises shown on a plan entitled, "Map Showing Location of New Sewer Line Being Installed by Town of Newport across Land of Consolidated National Shoe Corporation" recorded in Pocket 8, Folder 2, No. 2, Plan File 1 (multiple sheets) and as more particularly described in the following easement deeds: Consolidated National Shoe Corporation to the Town of Newport dated August 28, 1969, recorded in Volume 484, Page 322; Abe Caplan Dusting Mill, Inc. to the Town of Newport dated May 23, 1969, recorded in Volume 484 Page 328; and Impi A. Nelson to the Town of Newport dated May 27, 1969, recorded in Volume 484 Page 325.

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Subject to and with the benefit of the rights and easements as more particularly described in the Cross Easement Agreement between William B. Ruger, Jr. and the Town of Newport dated March 23, 2011, recorded in Volume 1806, Page 483.

Subject to the rights granted by William Ruger, Jr. to the State of New Hampshire as described in a Flowage Release dated October 16, 1981, recorded in Volume 697, Page 231.

Excepting and reserving to Josephyne Ketchum, her heirs and assigns, all flowage rights that may be appurtenant to the premises and subject to any and all flowage rights which may exist in the Gordon Woolen Mills, Inc. or its successors or assigns, or which may exist in any person whatsoever.

Excepting and reserving to Gordon Woolen Mills, Inc., its successors and assigns, all flowage rights in any way appurtenant to or connected with said land.

Subject to the terms of the Confirmatory Deed from William B. Ruger, Jr. to himself dated June 19, 1997, recorded in Volume 1129, Page 285, which conveyed any and all rights of flowage or other rights with respect to the Sugar River and reserved any rights in favor of others with respect to the Sugar River.

Subject to a right-of-way belonging to the W.H. McElwain Company, its successors and assigns, along the canal for the purpose of maintaining and repairing said canal and the dam located southerly thereof.

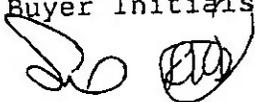
Subject to any decree of the Sullivan County Superior Court in the matter of A. Caplan Dusting Mills, Inc. vs. Earle C. Cooley, No. 9010.

The right, easement or right-of-way to pass and repass over a portion of the premises as excepted and reserved to Arthur Witkus, his heirs and assigns, as conveyed to him by Warranty Deed from A. Caplan Dusting Mill, Inc. dated October 14, 1975, recorded in Volume 563, Page 39.

Subject to those matters appearing in the Warranty Deed from A. Caplan Dusting Mill, Inc. to William B. Ruger, Jr. dated September 15, 1980, recorded in Volume 668, Page 304.

Subject to and with the benefit of all easements and rights excepted or conveyed in the Warranty Deed from Raymond L. Cornwell to Sherman B. Manning dated September 24, 1954, recorded in Volume 362, Page 172.

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Subject to those matters appearing in the Warranty Deed from George L. Franco to William B. Ruger, Jr. dated April 21, 1986, recorded in Volume 799, Page 320.

Subject to those matters appearing in the Quitclaim Deed from Robert A. Wentzell to William B. Ruger, Jr. dated October 9, 1986, recorded in Volume 814, Page 783.

Subject to those matters appearing in the Warranty Deed from Robert A. Wentzell to William B. Ruger, Jr. dated October 9, 1986, recorded in Volume 814, Page 785.

Subject to those matters appearing in the Warranty Deed from Kathleen Terrill to William B. Ruger, Jr. dated June 15, 1987, recorded in Volume 738, Page 526.

Subject to those matters appearing in the Warranty Deed from Arthur H. Witkus to William B. Ruger, Jr. dated December 18, 1980, recorded in Volume 673, Page 454.

Subject to those matters appearing in the Warranty Deed from Sturm, Ruger & Company, Inc. to William B. Ruger, Jr. dated March 5, 2007, recorded in Volume 1629, Page 522, and identified therein as Parcel 33, made up of three tracts.

Subject to those matters appearing in the Confirmatory Deed from William B. Ruger, Jr. to himself dated June 19, 1997, recorded in Volume 1129, Page 285.

Subject to any and all matters on plan recorded in Pocket 8, Folder 2, No. 2, Plan File 1.

Subject to any and all matters appearing on an unrecorded plan entitled "Ruger Mills and Hydro Dams 1 and 2, Property Survey Overview, Property of William B. Ruger, Jr. Located in Newport, N.H.", dated November 4, 2013, revised November 11, 2014, by Clayton E. Platt, L.L.S., of Pennyroyal Hill Land Surveying & Forestry, LLC., and on Sheet One through Sheet Three of said plan, each such sheet being titled "Ruger Mills and Hydro Dams 1 and 2, Plan of Standard Property Survey, Property of William B. Ruger, Jr. Located in Newport, N.H." and dated November 11, 2014.

Meaning and intending to describe and convey the same premises conveyed to William B. Ruger, Jr. by: Fiduciary Deed of Cynthia J. Achilles, Executrix of the Estate of Harry E. Burhman, Sr., dated April 23, 2001 and recorded at the Sullivan County Registry of Deeds at Book 1252, Page 901; see also Warranty Deed from United Construction Corporation and General Auto Sales, Inc., dated September 15, 1980 and recorded at said Registry at Book 667 Page 413; Warranty Deed from Joseph L. Branch, LLC, dated May 15, 2009 and recorded at said Registry at Book 1729 Page 405; Warranty Deed from Kaarle H. Lehtinen a/k/a Hjalmer Lehtinen dated April 26, 1988 and recorded at said Registry at Book 847

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Page 126; Warranty Deed from Robert A. Wentzell, dated August 12, 1985 and recorded at said Registry at Book 789 Page 508; Warranty Deed from A. Caplan Dusting Mill, Inc., dated September 15, 1980 and recorded at Book 668 Page 304; Warranty Deed from George L. Franco, dated April 21, 1986, and recorded at Book 799 Page 320; Quitclaim Deed from Robert A. Wentzell dated October 9, 1986, and recorded at Book 814 Page 783; Warranty Deed from Robert A. Wentzell dated October 9, 1986 and recorded at Book 814 Page 785; Warranty Deed from Kathleen Terrill dated June 15, 1987 and recorded at Book 738, Page 526; Warranty Deed from Arthur H. Witkus dated December 18, 1980 and recorded at Book 673 Page 454; Quitclaim Deed from Town of Newport dated October 29, 1980 and recorded at Book 671 Page 230; and Warranty Deed from Sturm, Ruger & Company, Inc. dated March 5, 2008 and recorded at Book 1629 Page 522.

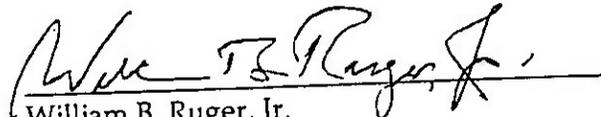
This is not homestead property.

Tax Map Lots 112-045, 112-023, 112-031, 112-032, 112-032A, 114-032A & 114-032, Newport, NH 03773

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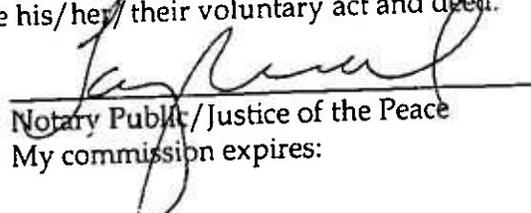
Executed this 17th day of August, 2016.


William B. Ruger, Jr.

STATE OF NEW HAMPSHIRE

Hillsborough, SS

Then personally appeared before me on this 17th day of August, 2016, the said William B. Ruger, Jr. and acknowledged the foregoing to be his/her/ their voluntary act and deed.


Notary Public / Justice of the Peace
My commission expires:



Buyer Initials:



ATTACHMENT II

SUBRECIPIENT AGREEMENT MINIMUM TERMS AND CONDITIONS

Town of Newport ("Grantee") hereby warrants and agrees that the Subrecipient Agreement with Occom Properties, Inc. ("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 for-profit corporation in good standing under the laws of the State of New Hampshire (the "State"). 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 Subrecipient 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.

1.5 In accordance with the Low Income Housing Tax Credit (LIHTC) requirements, the Subrecipient has created *insert (LIMITED PARTNERSHIP'S NAME)* to serve as the owner of the Project.

Subrecipient, or an affiliate whole owned by Subrecipient, is *(insert LIMITED PARTNERSHIP'S NAME)* sole general partner and shall remain so, subject to removal or withdrawal related to a default as more fully described in the partnership agreement of *(insert LIMITED PARTNERSHIP'S NAME)* for the duration of the 20 year Community Development Block Grant compliance period, as discussed within this agreement, and has the ability to enter into all necessary agreements with the Town of Newport and to bind *(insert LIMITED PARTNERSHIP'S NAME)* terms and conditions set forth within this Subrecipient Agreement. *(insert LIMITED PARTNERSHIP'S NAME)* shall execute this Agreement to evidence that it will comply with and be bound to the terms and conditions hereof.

1.6 The Subrecipient certifies that it maintains a controlling interest in the project and will materially participate in the development and management of the project throughout the compliance period.

2. PROJECT DESCRIPTION AND SUBGRANT ACTIVITIES.

2.1 Project Description.

The Scope of The project shall consist of the awarding of \$500,000 in Community Development Block Grant ("CDBG") funds to the Town of Newport (the "Grantee"), \$475,000 of which is to be subgranted to

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Occom Properties, Inc. (the "Subrecipient"). Subgranted funds will be used by the Subrecipient to support property acquisition in support of the Newport Mill Affordable Housing Project construction project located at 169 Sunapee Street, Newport, New Hampshire. (the "Project"). Work shall be more completely defined in the specifications, engineering design and plans (the "Plans") to be developed in accordance with this Agreement. The property for which the CDBG funds will be used (the "Project Property") is more particularly described in the deed for such property to be attached to this Grant Agreement as Attachment I

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: as referenced in NH Chapter 300 Cdfa CDBG Rules, and as determined by the U. S. Department of Housing and Urban Development (HUD) for the State of New Hampshire. Appendix 2 contains HUD's "low- and moderate-income levels" for its various programs and is updated on an annual basis. The most current HUD Income Limits may be found at CDFA's website at www.nhcdfa.org

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 \$475,000 of the CDBG funds, which the Subrecipient shall utilize for the Project in order to carry out the Project Activity.

2.3.2 The Grantee shall retain \$25,000 of the grant for administrative costs associated with management of the Grant.

2.3.3 The required match for the CDBG funds will be not less than \$23,302,340 (itemized in Exhibit B of this Agreement) for the costs associated with the Project Activities identified in Exhibit C.

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 construction contract for the Project,

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Subrecipient shall provide Grantee a mortgage lien in the amount of \$475,000 (the "Mortgage") on the property and improvements located at 169 Sunapee Street, Newport, New Hampshire (the "Property"), or other form of security acceptable to CDFA, as set forth in Exhibit B. Grantee shall submit to CDFA satisfactory evidence of such recording.

The mortgage lien or alternative security 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.

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

4.1 Subrecipient shall covenant and warrant that one hundred percent (100%) of the 70 households in the Project Property at the completion of the Project shall be occupied by Low- and Moderate-Income Persons as that term is defined in Administrative Rules Cdfa 302.32 and 302.33.

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.

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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.

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 Single Audit Act of 1984. 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.

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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.

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 limited liability company and, if applicable, its affiliated for profit limited partnership 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 limited liability company agreement and, if applicable, its affiliated for profit Limited Partnership Agreement, provide an adequate administrative mechanism for assuring the Subrecipient's mission of for 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

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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;

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 or a sale of assets of Subrecipient or, if applicable, its affiliated for profit Limited Partner, 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.

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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.

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 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

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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.

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, statues, 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.

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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.

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 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.

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: Town of Newport 15 Sunapee Street Newport, NH 03773		Member Number: 256	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 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	\$ 5,000,000	
	7/1/2023	7/1/2024	General Aggregate	\$ 5,000,000	
			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)		
			Aggregate		
<input checked="" type="checkbox"/> Workers' Compensation & Employers' Liability	1/1/2023	1/1/2024	<input checked="" type="checkbox"/> Statutory		
			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	Primex ³ - NH Public Risk Management Exchange
			By: <i>Mary Beth Purcell</i>
NH Dept. Business & Econ. Affairs/Planning & Dev. 100 N. Main St., Ste 100 Concord, NH 03301			Date: 5/3/2023 mpurcell@nhprimex.org
			Please direct inquires to: Primex ³ Claims/Coverage Services 603-225-2841 phone 603-228-3833 fax

CERTIFICATE
Grant No. 22-229-CDHS

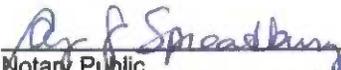
I, Liselle Dufort, Town Clerk of Newport, New Hampshire do hereby certify that: (1) at the public hearing held on July 18, 2022 the Board of Selectmen voted to submit an application for Community Development Block Grant funds and if awarded; (2) enter into a contract with the Community Development Finance Authority and further authorize the Town 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:

Hunter Rieseberg, Town Manager

By: 
Town Clerk

STATE OF NEW HAMPSHIRE
COUNTY OF Sullivan, SS.

The foregoing instrument was acknowledged before me this 8th day of May, 2023, by the above-named Liselle Dufort, Town Clerk of the Town of Newport, New Hampshire.

 (Seal)
Notary Public
My commission expires: 2/3/26

AMY G. SPREADBURY
Notary Public - New Hampshire
My Commission Expires February 3, 2026

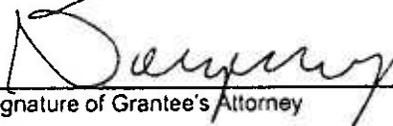
CERTIFICATION OF GRANTEE'S ATTORNEY

22-229-CDHS

I, Shawn Tanguay acting as Attorney for the Town of Newport, 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 Manchester, NH this 8th day of May 2023


Signature of Grantee's Attorney

**FINANCIAL MANAGEMENT PLAN
CDBG PROJECT**

State, Local Procedures Apply: Except where inconsistent with federal requirements, state procedures and practices will apply to CDBG funds disbursed by the Community Development Finance Authority (CDFA). Local procedures and practices will apply to funds disbursed by units of local government.

Cash Advances: Cash advances to the municipality shall be approved only to the extent necessary to satisfy the actual, immediate cash requirements of Municipality in carrying out the purpose of the approved CDBG program or project. The timing and the amount of cash advances shall be as close as is administratively feasible to actual disbursements by the Municipality for direct program costs and proportionate share of any allowable indirect cost. Cash advances made by the Grantee (Municipality) to subgrantees 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.

Fiscal Control: Municipality will 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 subgrantees and contractors as well as to funds disbursed in direct operations of the Municipality. The Municipality shall be required to maintain a financial management system which complies with Attachment G of A-102, "Standards for Grantee Financial Management Systems" or such equivalent system as CDFa may require. Requests for payment shall be made according to CDFa's CDBG Implementation Guide.

Requests for payment (Claims) will be prepared by Grant Administrator based on actual invoices and/or estimated administrative expenses, invoices will be attached. Requests for payment (Claims) will be signed by the Designated Person(s) to be listed on Claim Authorization Form (to be submitted with first Request for Payment (Claim)).

Grant funds received will be deposited by electronic deposit into a separate, non-interest bearing CDBG account, or into the General Fund.

Checks will be prepared by the finance department and signed by the Treasurer.

Records of all project financial transactions will be maintained by the Grant Administrator in the Grants Management System. The Treasurer or Financial Manager will maintain account checkbook and reconcile with account bank statements, if applicable. The Grant Administrator will prepare matching funds financial record, if applicable.

Signed: Justin Z. Reinberg
Date: 3/27/23

CDBG PROJECT FINANCIAL MANAGEMENT RESPONSIBILITIES

Municipality: _____

Task	Department	Position
Signs Payment Requests	*	
Manages Overall System	CDBG Consultant	CDBG Consultant
Authorizes Purchases	*	
Authorizes Payments	Finance Director	
Approves / Signs Invoices	Finance Director	
Writes Checks	Finance Assistant	
Signs Checks	Town Treasurer	
Is this person covered under the blanket bond? Yes <u>X</u> No ___	Please send a copy of the bond	
Reconciles Bank Account	Town Treasurer / Finance Dir	
Posts Transactions to Journals	Finance Asst / Fin Dir	
Approves Contracts	Town Manager	
Prepares CDFA Reports	CDBG Consultant	CDBG Consultant

Do CDBG expenditures require approval thru manifest? Yes X No ___

If no, is there a separate manifest/warrant? Yes ___ No ___

How many signatures are required on manifest/warrant? 3 Board, Town Manager, Finance Director

Town of Newport – \$500,000 – Newport Mill Affordable Housing Project (Housing)

Applicant	Town of Newport
Subrecipient	Occom Properties, Inc.
Project Name	Newport Mill Affordable Housing Project
Project Location	169 Sunapee Street, Newport, NH
Request	\$500,000
LMI Beneficiaries	70 Total / 70 LMI Units (100% LMI)
HUD CDBG National Objective	LMH- 14G: Rehabilitation: Acquisition
NH State Category	Housing

Project Summary

The Town of Newport is requesting \$500,000 to be subgranted to Occom Properties, Inc. to rehabilitate a largely vacant mill building into new rental housing units. A total of 70 rental units will be created; all 70 units (100%) will be affordable and will benefit low-and moderate-income households.

The project provides much needed affordable housing in Newport. Newport is experiencing the same challenges as the rest of New Hampshire, having a very low to zero inventory of rental housing. The historic 100,000 square foot mill was originally built in 1905 and was listed on the National Register in 1985. It is located approximately half a mile from downtown along the Sugar River. The multi-family project will include a mix of units, including: 33 efficiency units; 6 1 BR; 29 2 BR and 2 3 BR units.

This project will create and maintain 70 units of affordable housing for more than twenty (20) years, and the Town of Newport will register a CDBG performance lien/mortgage on the building for this period to ensure long-term LMI benefit. The project anticipates using a significant amount of funding from New Hampshire Housing Finance Authority (NHHFA) which will require a Land Use Restriction Agreement that will ensure 30+ years of affordability.

Total project costs are over \$23.8M, with \$500,000 from CDBG toward the total acquisition cost of \$3.1M. The remainder of funding will be from NHHFA through Low Income Housing Tax Credits (LIHTC), Developer Loans, and Historic Tax Credits. This project has also applied for Invest NH Program funding, which has not yet announced awards despite an expected decision by September. If this project is not awarded Invest NH funds, they will request NHHFA 4% funds instead of the 9% funds they have applied for. CDBG funding is required as part of this complex funding portfolio to make the project financially feasible.

Sources and Uses

Sources	CDBG	NHHFA	Historic Tax Credits	Invest NH	Developer Fee Loan	Const Loan/Equity	
Uses							Total Uses \$
Acquisition	\$475,000	\$2,500,000		\$125,000			\$3,100,000
Site Improvements							\$0
Construction		\$4,128,668	\$3,451,186	\$2,875,000	\$580,057	\$5,130,706	\$16,165,617
Architectural/Engineering						\$867,000	\$867,000
Construction Financing						\$1,040,974	\$1,040,974
Permanent Financing						\$245,636	\$245,636
Soft Costs						\$131,950	\$131,950
Reserves						\$1,790,057	\$1,790,057
Leasehold Improvements						\$436,106	\$436,106
CDBG Admin Costs	\$25,000						\$25,000
Committed Total							\$0
Pending Total	\$500,000	\$6,628,668	\$3,451,186	\$3,000,000	\$580,057	\$9,642,429	\$23,802,340
Grand Total							\$23,802,340

Administrative Costs

Grant Administrator	\$25,000
Advertising	\$1,500
Legal	\$500
Audit	\$1,000
Application Writing	\$4,000
Total	\$25,000

Summary

- The project scored **145 points**;
- The project will ensure that 70 units of safe and healthy affordable housing units are created;

- The project preserves a historic building and promotes an existing neighborhood in downtown Newport; and
- The project meets a CDBG National Objective by providing a direct benefit to Low- and Moderate-Income persons.