



His Excellency, Governor John H. Lynch  
and the Honorable Council  
State House  
Concord, New Hampshire 03301

**Requested Action – Award a Grant**

Authorize the Community Development Finance Authority (CDFA), under the Community Development Block Grant (CDBG) program, to award a grant to the Town of Wolfeboro, 84 South Main Street, Wolfeboro, New Hampshire 03894, in the amount of \$500,000.00 to assist in site improvements for the creation of 24 units of affordable workforce rental housing, beginning from the date of the Governor and Council approval until June 30, 2014. **100% federal funds.**

**Explanation**

The Town of Wolfeboro is requesting CDBG funds, on behalf of Eastern Lakes Region Housing Coalition, to assist with site improvements for the development of 24 units of affordable workforce rental housing, to be located in Wolfeboro. One hundred percent of households will be of low to moderate income. Total project cost is \$5,149,582, with \$4,094,582 matching funds from NH Housing Low Income Housing Tax Credits, \$155,000 from a Federal Home Loan Bank of Boston advance and \$400,000 from the Federal Home Loan Bank of Boston direct subsidy.

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,

Katharine Bogle Shields  
Executive Director

KBS/CB:acc

G&C: 12/19/12

Attachments

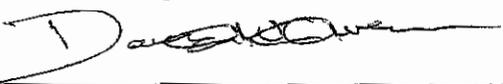
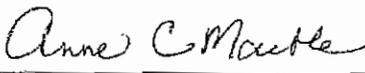
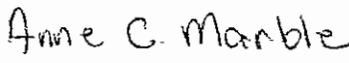
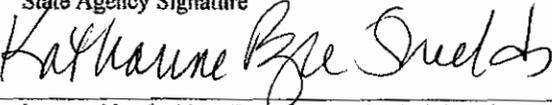
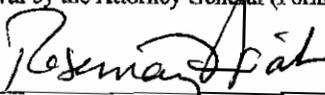
Subject: Town of Wolfeboro – ELRHC/Harriman Hill II Workforce Housing – Grant #12-029-CDHS

**AGREEMENT**

The State of New Hampshire and the Contractor hereby mutually agree as follows:

**GENERAL PROVISIONS**

**1. IDENTIFICATION.**

1.1 State Agency Name New Hampshire Community Development Finance Authority		1.2 State Agency Address 14 Dixon Ave., Suite 102 Concord, NH 03301	
1.3 Contractor Name Town of Wolfeboro		1.4 Contractor Address 84 South Main Street Wolfeboro, New Hampshire, 03894	
1.5 Contractor Phone Number 603-569-8161	1.6 Account Number N/A	1.7 Completion Date June 30, 2014	1.8 Price Limitation \$500,000.00
1.9 Contracting Officer for State Agency Janet Ackerman, Chairman, Board of Directors		1.10 State Agency Telephone Number 603-226-2170	
1.11 Contractor Signature 		1.12 Name and Title of Contractor Signatory David Owen, Town Manager	
1.13 Acknowledgement: State of <u>New Hampshire</u> , County of <u>Carroll</u> On <u>Nov. 28, 2012</u> , before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12.			
1.13.1 Signature of Notary Public or Justice of the Peace [Seal] 			
1.13.2 Name and Title of Notary Public or Justice of the Peace <del>ANNE C. MARBLE</del> Notary Public - New Hampshire My Commission Expires December 8, 2015 			
1.14 State Agency Signature 		1.15 Name and Title of State Agency Signatory Katharine Bogle Shields, Executive Director	
1.16 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: _____ Director, On: _____			
1.17 Approval by the Attorney General (Form, Substance and Execution) By:  On: <u>12/4/12</u>			
1.18 Approval by the Governor and Executive Council By: _____ On: _____			

**2. EMPLOYMENT OF CONTRACTOR/SERVICES TO BE PERFORMED.** The State of New Hampshire, acting through the agency identified in block 1.1 ("State") or ("CDFA"), engages contractor identified in block 1.3 ("Contractor") to perform, and the Contractor shall perform, the work or sale of goods, or both, identified and more particularly described in the attached EXHIBIT A which is incorporated herein by reference ("Services").

**3. EFFECTIVE DATE/COMPLETION OF SERVICES.**

3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, this Agreement, and all obligations of the parties hereunder, shall not become effective until the date the Governor and Executive Council approve this Agreement ("Effective Date").

3.2 If the Contractor commences the Services prior to the Effective Date, all Services performed by the Contractor prior to the Effective Date shall be performed at the sole risk of the Contractor, and in the event that this Agreement does not become effective, the CDFa or State shall have no liability to the Contractor, including without limitation, any obligation to pay the Contractor for any costs incurred or Services performed. Contractor must complete all Services by the Completion Date specified in block 1.7.

**4. CONDITIONAL NATURE OF AGREEMENT.**

Notwithstanding any provision of this Agreement to the contrary, all obligations of the CDFa or State hereunder, including, without limitation, the continuance of payments hereunder, are contingent upon the availability and continued appropriation of funds, and in no event shall the CDFa or State be liable for any payments hereunder in excess of such available appropriated funds. In the event of a reduction or termination of appropriated funds, the CDFa or 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 Contractor notice of such termination. The CDFa or State shall not be required to transfer funds from any other account to the Account identified in block 1.6 in the event funds in that Account are reduced or unavailable.

**5. CONTRACT PRICE/PRICE LIMITATION/PAYMENT.**

5.1 The contract price, method of payment, and terms of payment are identified and more particularly described in EXHIBIT B which is incorporated herein by reference.

5.2 The payment by the CDFa or State of the contract price shall be the only and the complete reimbursement to the Contractor for all expenses, of whatever nature incurred by the Contractor in the performance hereof, and shall be the only and the complete compensation to the Contractor for the Services. The CDFa or State shall have no liability to the Contractor other than the contract price.

5.3 The CDFa or State reserves the right to offset from any amounts otherwise payable to the Contractor under this Agreement those liquidated amounts required or permitted by

N.H. RSA 80:7 through RSA 80:7-c or any other provision of law.

5.4 Notwithstanding any provision 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 Price Limitation set forth in block 1.8.

**6. COMPLIANCE BY CONTRACTOR WITH LAWS AND REGULATIONS/ EQUAL EMPLOYMENT OPPORTUNITY.**

6.1 In connection with the performance of the Services, the Contractor shall comply with all statutes, laws, regulations, and orders of federal, state, county or municipal authorities which impose any obligation or duty upon the Contractor, including, but not limited to, civil rights and equal opportunity laws. In addition, the Contractor shall comply with all applicable copyright laws.

6.2 During the term of this Agreement, the Contractor shall not discriminate against employees or applicants for employment because of race, color, religion, creed, age, sex, handicap, sexual orientation, or national origin and will take affirmative action to prevent such discrimination.

6.3 If this Agreement is funded in any part by monies of the United States, the Contractor shall comply with all the provisions of Executive Order No. 11246 ("Equal Employment Opportunity"), as supplemented by the regulations of the United States Department of Labor (41 C.F.R. Part 60), and with any rules, regulations and guidelines as the State of New Hampshire or the United States issue to implement these regulations. The Contractor further agrees to permit the CDFa, the State or United States access to any of the Contractor's books, records and accounts for the purpose of ascertaining compliance with all rules, regulations and orders, and the covenants, terms and conditions of this Agreement.

**7. PERSONNEL.**

7.1 The Contractor shall at its own expense provide all personnel necessary to perform the Services. The Contractor warrants that all personnel engaged in the Services shall be qualified to perform the Services, and shall be properly licensed and otherwise authorized to do so under all applicable laws.

7.2 Unless otherwise authorized in writing, during the term of this Agreement, and for a period of six (6) months after the Completion Date in block 1.7, the Contractor shall not hire, and shall not permit any subcontractor or other person, firm or corporation with whom it is engaged in a combined effort to perform the Services to hire, any person who is a State employee or official, who is materially involved in the procurement, administration or performance of this Agreement. This provision shall survive termination of this Agreement.

7.3 The Contracting Officer specified in block 1.9, or his or her successor, shall be the State's representative. In the event of any dispute concerning the interpretation of this Agreement, the Contracting Officer's decision shall be final for the State.

insurance for all renewal(s) of insurance required under this Agreement no later than fifteen (15) days prior to the expiration date of each of the insurance policies. The certificate(s) of insurance and any renewals thereof shall be attached and are incorporated herein by reference. Each certificate(s) of insurance shall contain a clause requiring the insurer to endeavor to provide the Contracting Officer identified in block 1.9, or his or her successor, no less than ten (10) days prior written notice of cancellation or modification of the policy.

**15. WORKERS' COMPENSATION.**

15.1 By signing this agreement, the Contractor agrees, certifies and warrants that the Contractor is in compliance with or exempt from, the requirements of N.H. RSA chapter 281-A ("*Workers' Compensation*").

15.2 To the extent the Contractor is subject to the requirements of N.H. RSA chapter 281-A, Contractor shall maintain, and require any subcontractor or assignee to secure and maintain, payment of Workers' Compensation in connection with activities which the person proposes to undertake pursuant to this Agreement. Contractor shall furnish the Contracting Officer identified in block 1.9, or his or her successor, proof of Workers' Compensation in the manner described in N.H. RSA chapter 281-A and any applicable renewal(s) thereof, which shall be attached and are incorporated herein by reference. The CDFA or State shall not be responsible for payment of any Workers' Compensation premiums or for any other claim or benefit for Contractor, or any subcontractor or employee of Contractor, which might arise under applicable State of New Hampshire Workers' Compensation laws in connection with the performance of the Services under this Agreement.

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

**17. 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 given in blocks 1.2 and 1.4, herein.

**18. 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 Executive Council of the State of New Hampshire.

**19. CONSTRUCTION OF AGREEMENT AND TERMS.** This Agreement shall be construed in accordance with the laws of the State of New Hampshire, and is binding upon and

inures to the benefit of the parties and their respective successors and assigns. The wording used in this Agreement is the wording chosen by the parties to express their mutual intent, and no rule of construction shall be applied against or in favor of any party.

**20. 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.

**21. HEADINGS.** The headings throughout the Agreement are for reference purposes only, and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Agreement.

**22. SPECIAL PROVISIONS.** Additional provisions set forth in the attached EXHIBIT C are incorporated herein by reference.

**23. SEVERABILITY.** In the event any of the provisions of this Agreement are held by a court of competent jurisdiction to be contrary to any state or federal law, the remaining provisions of this Agreement will remain in full force and effect.

**24. 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.

## EXHIBIT A GRANT ACTIVITIES

### 1. PROJECT DESCRIPTION AND PURPOSE

1.1. The project shall consist of the awarding of \$500,000 in CDBG funds to the Town of Wolfeboro (the "Grantee"), of which \$475,000 is to be subgranted to Eastern Lakes Region Housing Coalition (ELRHC) (the "Subrecipient") for the purpose of assisting in site development to support 24 units of affordable workforce rental housing in Wolfeboro, NH (the "Project"). The Scope of Work shall be more completely defined in the engineering design and plans (the "Plans") to be developed in accordance with this Agreement. The property where the housing units will be rehabilitated with Grant funds (the "Project Property") is more particularly described in the deed for such property to be attached to this Grant Agreement as Attachment I.

Consistent with the National Objectives of the Community Development Block Grant Program under Title I of the Housing and Community Development Act of 1992, as amended, the Parties agree that the purpose of this project is site preparation for the creation of 24 units of affordable workforce rental housing. One-hundred percent (100%) of the units will benefit Low and Moderate Income households as that term is defined in State Administrative Rule Cdfa 302.32.

1.2. 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.

### 2. GRANT ADMINISTRATION

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

2.2. Grantee shall enforce the terms and conditions of its subrecipient agreement to be entered into with Eastern Lakes Region Housing Coalition (ELRHC), as provided in this Agreement.

2.3. Grantee shall be required to send, at a minimum, its grant administrator, or a designated representative who is a full-time permanent employee involved in the administration of this Grant, to the next CDBG Grant Administration Workshop to be offered by CDFA.

2.4. 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 thereto.

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

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

2.7. Grantee shall enter into a Closeout Agreement with CDFA and Subrecipient as provided as an attachment to this agreement.

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

### 3. FEDERAL COMPLIANCE

3.1. Grantee shall comply, and shall require any Subrecipient, contractor and subcontractor to comply, with the following federal and state laws and all applicable standards, rules, orders, 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).

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 CDFR, 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 places for the provision of services on the basis of race, color, religion, sex, or national origin of the participants to be served.

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

3.1.18 Drug-Free Workplace Act of 1988 (42 USC. 701). In carrying out this agreement, the contractor agrees to comply with the requirements of the Drug-Free Workplace Act of 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 Dun and Bradstreet Data Universal Numbering System (DUNS), 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.fsr.gov](http://www.fsr.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. Grantee shall cause all applicable provisions of this Exhibit A to be inserted in all Subrecipient agreements, contracts and subcontracts for any work or Project Activities covered by this Agreement so that the provisions will be binding on each Subrecipient, contractor and subcontractor; provided, however, that the foregoing provisions shall not apply to contracts for standard commercial supplies or raw materials. Grantee shall take such action with respect to any Subrecipient agreement, contract or subcontract as the State, or, where applicable, the United States, may direct as a means of enforcing such provisions, including sanctions for noncompliance.

#### 5. PROJECT MATCHING FUNDS; ADDITIONAL FINANCING

5.1 The Parties agree that the CDBG funds to be awarded pursuant to this Agreement shall be matched with non-CDBG funds in an amount not less than \$4,649,582, to provide additional financing for the Grant Project as follows:

5.1.1 An equity investment (loan) to be obtained by Eastern Lakes Region Housing Coalition in the amount of \$4,094,582 and secured by Low Income Housing Tax Credits allocated to this project by the New Hampshire Housing Finance Authority. The investment or loan shall be obtained and closed prior to the release of grant funds; and

5.1.2 A Federal Home Loan Bank of Boston advance in the amount of \$155,000; and

5.1.3 A Federal Home Loan Bank of Boston Direct Subsidy in the amount of \$400,000.

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

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

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

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: Units of local government shall follow their own normal requirements relating to bid

guarantees or bonds or performance bonds.

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

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 (the "Mortgage") on the Property (land and improvements) acceptable to CDFA. Grantee shall submit to CDFA satisfactory evidence of such recording.

8.2 The mortgage lien 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 Liens shall be returned to CDFA.

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

9.1 Grantee and CDFA agree that a minimum of 100% of the persons benefiting from this Project are Low and Moderate Income Persons as that term is defined in State Administrative Rule Cdfa 302.33.

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.

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.

11.1 Grantee and any Subrecipient procurement procedures shall be in accordance with state and local procurement practices and regulations, provided that procurements made with Grant Funds adhere, as a minimum, to the standards set forth in 24 CFR 85.36. Grantee shall not use debarred, suspended or ineligible contractors or subrecipients as provided in 24 CFR 570.489 (l).

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 via CDFA's Grants Management System (GMS) following the end of every other quarter.

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

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

12.4 The Audited Financial Reports shall be prepared in accordance with the regulations (24 CFR Part 44) which implement OMB Circular A-133. 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 Circular A-133, one of the following options will be chosen by CDFA:

12.5.1 Within ninety (90) days after the Completion or Termination Date two (2) copies of an audited financial report shall be submitted to CDFA. Said audit shall be conducted utilizing the

guidelines set forth in "Standards for Audit of Governmental Organizations, Programs, Activities, and Functions" by the Comptroller General of the United States.

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

12.5.3 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 or the date of the final audit approval by CDFA, 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.

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).

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

15.5. 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, or 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 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):

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 agreeable to CDFA.

**EXHIBIT B**

**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 Circular A-87 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. With respect to a nonprofit subrecipient, such subrecipient shall meet the requirements of OMB Circular A-122.
- 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 State Administrative Rule Cdfa 311.01(c)(4).
- 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 A 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;
  - 2.1.2. Documentation of all required matching funds;
  - 2.1.3. A copy of any required deed, survey, map, or other document pertaining to the Project Property or Premises;
  - 2.1.4. Copies of required certificates of insurance;

- 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.

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 A herein or from an approved activity within the approved project area to an approved activity located outside the project area and the Director of CDFA may approve the requested transfer.
- 4.5. Transfers over ten percent of the full value of the grant from one approved activity to other approved activities or outside the target area, or the addition of one or more new activities requires an amendment to this grant agreement. Grantee shall hold a public hearing in accordance with RSA 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 site work improvements of the property.

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.

Attachment I

RECEIVED  
CARROLL COUNTY REGISTRY

0004277

2007 MAR 29 PM 02:13

*176-20-1*  
*205,100*  
*Corn P. Anton*  
REGISTER OF DEEDS

STATE OF NEW HAMPSHIRE	
DEPARTMENT OF REVENUE ADMINISTRATION	REAL ESTATE TRANSFER TAX
THOUSAND	HUNDRED AND 77 DOLLARS
0372972007	004118 \$ 4443077.00
ADDITIONAL FEES	

SPACE ABOVE THIS LINE FOR RECORDING INFORMATION

**WARRANTY DEED**  
(Statutory Form)

BE IT KNOWN that JEANNE S. HARRIMAN, a widow, of P.O. Box 670, Wolfeboro, NH 03894 for consideration paid, grants to EASTERN LAKES REGION HOUSING COALITION, a New Hampshire non-profit corporation, of P.O. Box 641, Wolfeboro, NH 03894, with warranty covenants the following described property:

A parcel of vacant land identified as "Proposed Lot 176-20-1" as shown on a plan entitled "Subdivision of Land, 55 Pine Hill Road - Route 109A, Wolfeboro, NH for Jeanne S. Harriman" prepared by Norway Plains Associates, Inc. of Rochester, NH, dated January 19, 2007, with revisions through January 22, 2007 and recorded in the Carroll County Registry of Deeds at Book 217, Page 22, which land is further bounded and described as follows:

Beginning at a 2" iron pin found on the easterly sideline of Pine Hill Road (also known as State Route 109A) marking the most southerly point of the property herein conveyed;

Thence running North 23° 53' 40" West along the easterly sideline of said road a distance of 121.50 feet to rebar set along the sideline of said road;

Thence turning and running North 30° 38' 52" East a distance of 352.07 feet to an iron pin found;

Thence turning and running North 42° 36' 32" West a distance of 62.94 feet to a point along a stone wall;

Thence turning and running North 33° 51' 56" East a distance of 161.23 feet to a drill hole set in a stone wall;

Thence running North 38° 06' 17" East along said stone wall a distance of 35.23 feet to a drill hole set in said stone wall;

Thence running North 33° 53' 26" East along said stone wall a distance of 117.03 feet to a drill hole set in said stone wall;

Thence running North 41° 31' 58" East along said stone wall a distance of 96.39 feet to drill holes set in said stone wall;

Thence turning and running North 50° 43' 09" West a distance of 15.12 feet to a point along a second stone wall;

Thence turning and running North 38° 49' 35" East along said stone wall a distance of

BK 2615 PG 0744

153.09 feet to a drill hole set in said stone wall;

Thence running North 33° 59' 40" East along said stone wall a distance of 175.34 feet to a drill hole set in said stone wall;

Thence running North 32° 16' 37" East partially along a stone wall a distance of 185.20 feet to an iron pin found;

Thence turning and running North 10° 20' 13" East a distance of 300.58 feet to a point;

Thence turning and running North 40° 16' 15" West a distance of 384.64 feet to rebar set in the ground;

Thence turning and running South 44° 53' 58" West a distance of 344.23 feet to a point;

Thence running South 59° 47' 48" West a distance of 400.22 feet to a drill hole set in a stone wall along the easterly sideline of Pine Hill Road;

Thence turning and running North 16° 34' 17" West along said stone wall along the easterly sideline of said road a distance of 17.62 feet;

Thence running North 18° 56' 29" West along said road a distance of 41.91 feet to a point;

Thence running North 14° 56' 29" West a distance of 16.00 feet to a drill hole set along the easterly sideline of said road;

Thence turning and running North 33° 02' 57" East a distance of 60.00 feet to a drill hole found;

Thence turning and running South 25° 08' 32" East a distance of 50.59 feet to a drill hole found;

Thence turning and running North 59° 47' 48" East a distance of 326.82 feet to a rebar found;

Thence turning and running North 09° 27' 07" West a distance of 266.78 feet to rebar found along a stone wall;

Thence turning and running North 35° 21' 25" East along said stone wall a distance of 254.63 feet to drill hole set in said stone wall;

Thence running North 35° 36' 32" East along said stone wall a distance of 396.84 feet to rebar set in said stone wall;

Thence running North 35° 58' 59" East along said stone wall a distance of 498.03 feet to a drill hole set in said stone wall at the junction of said stone wall with another stone wall;

Thence turning and running South 52° 18' 32" East along said second stone wall a distance of 184.47 feet to a drill hole set in said stone wall;

Thence running South 75° 47' 35" West along said stone wall a distance of 10.41 feet to a drill hole set in said stone wall;

Thence running South 53° 25' 19" East along said stone wall a distance of 51.52 feet to a drill hole set in said stone wall;

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Thence running South 48° 09' 03" East a distance of 120.91 feet to an iron pin found;

Thence running South 52° 09' 42" East a distance of 356.61 feet to a drill hole set in the corner of a stone wall at the junction of two stone walls;

Thence running South 53° 26' 45" East along a stone wall a distance of 42.08 feet to a drill hole set in said stone wall;

Thence running South 52° 22' 23" East a distance of 324.49 feet to an iron pin found;

Thence turning and running South 37° 16' 47" West a distance of 556.64 feet to a point;

Thence running South 37° 15' 54" West a distance of 581.63 feet to a drill hole found in a stone wall;

Thence running South 38° 58' 47" West along said stone wall a distance of 46.70 feet to a drill hole found in said stone wall;

Thence running South 34° 18' 48" West along said stone wall a distance of 57.64 feet to a drill hole found in said stone wall;

Thence running South 38° 47' 29" West a distance of 71.84 feet to a drill hole found in a stone wall;

Thence running South 39° 43' 19" West along said stone wall a distance of 61.75 feet to an iron pin found along said stone wall;

Thence running South 36° 56' 42" West along said stone wall a distance of 257.36 feet to a steel stake found along said stone wall;

Thence running South 37° 47' 31" West along said stone wall a distance of 277.78 feet to a point along said stone wall;

Thence running South 37° 18' 04" West along said stone wall a distance of 250.38 feet to an iron pin found along said stone wall;

Thence running South 32° 50' 37" West along said stone wall a distance of 94.40 feet to a rebar set at the junction of said stone wall with another stone wall;

Thence running South 37° 32' 47" West a distance of 432.53 feet to the iron pin found along the easterly sideline of Pine Hill Road at the point of beginning.

Subject to the right of the Hospital Aid Association to use in common that roadway now in use extending northeasterly from Route 109-A to the property of the Hospital Aid Association conveyed by the grantor's deed dated March 29, 1982 and recorded at Book 850, Page 153, Carroll County Registry of Deeds

Reserving to the grantor, her successors and assigns, the common use of a 50-foot wide right of way following the general course of the road now in use extending northeasterly of Route 109-A to other land retained by the grantor.

BK 261 5PG 746

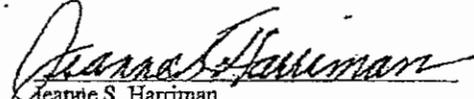
Meaning and intending to convey a portion of that property conveyed by deed of Charles D. Parris and Annabel H. Parris to Norris B. Harriman and Jeanne S. Harriman, as joint tenants with rights of survivorship dated May 23, 1963 and recorded at Book 369, Page 87, Carroll County Registry of Deeds.

Norris B. Harriman deceased November 18, 1984; see Carroll County Probate Docket No. 21,964.

The above property is land only and not the homestead of anyone.

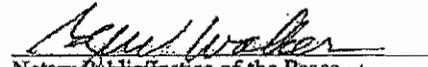
This deed was prepared by Walker & Varney, P.C. from information supplied by the grantor, and at the request of the grantor no independent title examination was undertaken nor did the preparer otherwise verify the accuracy of the representations contained herein.

Executed this 29<sup>th</sup> day of March, 2007.

  
Jeanne S. Harriman

State of New Hampshire  
County of Carroll

On this the 29<sup>th</sup> day of March, 2007, before me, personally appeared the above-subscribed, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument and acknowledged that the above-subscribed executed the same for the purposes therein contained.

  
Notary Public/Justice of the Peace  
My commission expires: 4/7/09

BRADIS 06740A

**ATTACHMENT II  
SUBRECIPIENT AGREEMENT  
MINIMUM TERMS AND CONDITIONS**

Grantee hereby warrants and agrees that the Subrecipient Agreement to be executed in conformance with the requirements of of Exhibit A of the Grant Agreement shall be subject to approval by CDFA and shall contain at a minimum the following terms and conditions:

1. REPRESENTATIONS AND WARRANTIES. Subrecipient, Eastern Lakes Region Housing Coalition (ELRHC), shall represent and warrant:

1.1. It has obtained or will obtain all necessary approvals of the Plans and all necessary permits for the construction of the Project from all governmental authorities having jurisdiction over the Project;

1.2. 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;

1.3. No litigation, claims, suits, orders, investigations or proceedings are pending or threatened against Subrecipient or affecting the Property or the Project at law or in equity or before or by any federal, state, municipal or other governmental instrumentality; there are no arbitration proceedings pending under collective bargaining agreements or otherwise; and to the knowledge of Subrecipient there is no basis for any of the foregoing;

1.4. 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 and local taxes, charges and assessments;

1.5. Subrecipient is a duly organized and validly existing New-Hampshire nonprofit organization in good standing under the laws of this state. Subrecipient has the power and authority to own its properties and to carry on the business as now being conducted and has the power to execute and deliver, and perform its obligations under this Agreement or the Mortgage;

1.6. The execution and delivery and performance by Subrecipient of its obligations under this Agreement and the Mortgage 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 or the Mortgage.

1.7. 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 property, and Subrecipient has no knowledge of any person contemplating the filing of any such petition against it.

1.8. No statement of fact made by or on behalf of Subrecipient in this Agreement or in any certificate, exhibit or schedule furnished to 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 Grantee that materially affects adversely, nor as far as Subrecipient can foresee, will materially affect adversely the Property, business, operations or considerations (financial or otherwise) of Subrecipient;

1.9. 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, regulations and rules.

1.10. No Event of Default has occurred and is continuing under this Agreement 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, loan agreement or other agreement relating thereto.

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 Grantee 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 Grantee or CDFA

## 2. LOAN OF CDBG FUNDS.

2.1. Subrecipient shall enter into a loan, promissory note and mortgage with Grantee and such other documents as necessary (collectively, the "Loan Documents") consistent with the applicable requirements of the Grant Agreement and Subrecipient Agreement. The Loan Documents shall specify the obligations of Subrecipient in the performance of Grant-related activities.

2.2. Grantee shall record the mortgage and note immediately upon execution of the Loan Documents and shall submit satisfactory proof thereof to CDFA.

2.3. Grantee shall notify Subrecipient in writing in the event of a default as defined in the Loan Documents and shall take all reasonable action necessary to enforce the terms and conditions of the Loan Documents in the event of such default. If a material default is not cured within 30 days of notification, Grantee shall notify CDFA of such default and shall seek immediate acceleration and repayment in full of the Loan balance. Grantee shall in good faith and with due diligence pursue its remedies under the Loan Documents and any other documents, for the benefit of CDFA.

2.4. LOAN TERMS. Grantee shall loan and Subrecipient shall borrow, up to \$475,000 for the purposes specified in the Grant Agreement. The Loan shall be for a term of forty (40) years. Annual interest rate shall be zero percent (0%). No payments shall be made during the term of the loan, unless the Subrecipient is in default of this Agreement. A balloon payment of all principal will be due at the end of the 40th year unless the Subrecipient elects a shorter term prior to the closing of the loan.

2.5. Subrecipient shall enter into a Promissory Note wherein it agrees to pay Grantee the principal and interest as provided in subparagraph 2.4. The Promissory Note shall also require Subrecipient to pay on demand all reasonable out-of-pocket costs of collection, including court costs, service fees and reasonable attorney's fees, whether or not any foreclosure or other action is instituted and late charges in the event any installment of interest or principal is not received within five (5) days after being due.

2.6. EVENTS OF LOAN DEFAULT. The occurrence of any one or more of the following events which remains uncured by Subrecipient thirty (30) days following written notice from Grantee shall constitute an event of default under the Loan Documents:

- 2.6.1. A default by Subrecipient under its non-CDBG loan agreements constituting the matching funds for this project;
- 2.6.2. A default by Subrecipient under the New Hampshire Housing Finance Authority Low-Income Housing Tax Credit program;
- 2.6.3. Failure to abide by the covenants and requirements to maintain the property for Low and Moderate Income benefit as provided in the Grant Agreement;
- 2.6.4. Failure to document the required expenditure of matching funds;
- 2.6.5. Failure to comply with the Project reporting requirements;

- 2.6.6. Subrecipient attempts to assign its rights under the Loan Documents or any advance made or to be made hereunder or any interest therein;
- 2.6.7. The Project Property is materially damaged or destroyed by fire or other casualty or cause and the insurance proceeds are inadequate to rebuild or restore the premises to their condition immediately prior to such casualty and the Subrecipient has been unable to secure other sufficient funds to complete such rebuilding or restoration
- 2.6.8. Any representation or warranty made herein or in any report, certification, or other instrument furnished in connection with the Loan Documents or Subrecipient Agreement or any advances of Funds made hereunder, by or in behalf of Subrecipient shall prove to be false or misleading in any material respect;
- 2.6.9. Any mechanics', laborers', materialmen's or similar statutory liens, or any notice thereof, shall be filed against Subrecipient and shall not be discharged within thirty (30) days of such filing;
- 2.6.10. 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;
- 2.6.11. 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;
- 2.6.12. The dissolution, termination of existence, merger or consolidation of the business or a sale of substantially all of the assets constituting the affordable housing units of Subrecipient out of the ordinary course of business without the prior written consent of Grantee; and
- 2.6.13. Failure to remedy an ineligible expenditure of loaned funds or to reimburse Grantee or CDFA for any ineligible costs which are paid from loaned funds.

### 3. COVENANT OF LONG TERM AVAILABILITY FOR LOW AND MODERATE INCOME HOUSEHOLDS.

3.1. Subrecipient shall certify that one hundred percent (100%) of the persons or households residing or to reside in the 24 affordable workforce rental units at the Project Property upon the Project Completion Date shall be Low and Moderate Income Households and Persons as those terms are defined in State Administrative Rule Cdfa 302.32 and Cdfa 302.33.

3.2. At time of Grantee's submission of the Closeout Report to CDFA as provided in Exhibit A of the Grant Agreement, Subrecipient shall gather information on those groups deemed as "Protected" by HUD and required by the "Beneficiary Characteristics Report" as provided in the most current edition of the "CDBG Implementation Guide."

3.3. Subrecipient shall covenant and warrant that the Property acquired and developed in whole or in part with the loan funds shall remain in use as residential property and shall be made available to Low and Moderate Income Households and 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 or contractual provisions or land use restrictive covenants 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.

3.4. Subrecipient shall not sell, lease (other than the leasing or renting of residential units), encumber or

otherwise transfer or dispose of any part of its title or other interests in the affordable housing units constituting the Property, for the duration of the terms, conditions and assurances in this Agreement, without the approval of Grantee.

#### 4. CONTRACTING REQUIREMENTS.

4.1. Within thirty (30) days of execution of the CDBG Grant Agreement, Subrecipient shall submit to Grantee for approval an Implementation Schedule specifying the design, engineering and construction goals to be met. The approved Implementation Schedule shall be incorporated into the Subrecipient Agreement and shall serve as a basis for enforcement of the Agreement.

4.2. No later than sixty (60) days after execution of the CDBG Grant Agreement, Subrecipient shall procure and enter into a contract with a duly licensed architect to prepare the design and construction plans for the Project as described herein (the Plans).

4.3. Upon approval of the Plans by Grantee, Subrecipient shall procure and enter into a contract for construction of the Project Improvements. Prior to execution of the contracts, Subrecipient shall submit such contracts to Grantee for its review and approval and the review and approval of CDFA.

4.4. All work shall be completed prior to the Grant Agreement Completion Date.

4.5. In its contracts for this Project, Subrecipient shall require all contractors to comply with all applicable requirements of federal, state and local laws and regulations.

4.6. The following standards shall apply to the housing units rehabilitated by Subrecipient with funds:

4.6.1. HUD Section 8 Existing Housing Quality Standards as listed in 24 CFR 882.109, paragraphs (a) through (l) (see Appendix 3 of the CDBG Administrative Rules) or municipal housing and/or building, electrical and plumbing codes where such codes exceed the HUD standards;

4.6.2. the state's life safety and energy codes; and

4.6.3. where applicable, the state's architectural barrier free design code.

#### 5. MAINTENANCE OF PROPERTY.

5.1. 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 affordable/transitional housing situated at the Property.

5.2. 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.

#### 6. MAINTENANCE OF LEGAL EXISTENCE; BY-LAWS.

6.1. Subrecipient shall preserve and maintain its legal existence and good standing and its registration in New Hampshire as required to do business.

6.2. Subrecipient and Grantee agree that Subrecipient's Articles of Incorporation and Corporate Bylaws, ("Bylaws") attached to this Agreement and incorporated herein by reference provide an adequate administrative mechanism for assuring maintenance of long term affordability for Low and Moderate Income Households as required pursuant to this Agreement. Any proposed amendment to the Articles of Incorporation or Bylaws of Subrecipient shall be submitted by Subrecipient to Grantee for its review and approval prior to adoption. This paragraph shall survive the termination of this agreement for a period not to exceed twenty (20) years.

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

- 6.3.1. Failure of Subrecipient to complete the Project satisfactorily in accordance with the approved Plans or on schedule or failure to submit any report, documentation or other instrument required under this Agreement;
- 6.3.2. The Property shall cease to be operated as residential units or Subrecipient shall fail to comply with the requirement of long term affordability for Low and Moderate Income Households as provided herein;
- 6.3.3. 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 is conveyed or encumbered in any way without the prior written consent of Grantee;
- 6.3.4. 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;
- 6.3.5. 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, subject to the written notice and cure provisions provided in Section 2.6.
- 6.3.6. Any cessation occurs at any time in construction of the Project for more than one (1) month 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 Grantee.

## 7. GRANTEE'S RIGHTS AND REMEDIES UPON DEFAULT.

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

- 7.1.1. 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, and if the Event of Default is not timely remedied, terminate this Agreement, effective immediately upon giving notice of termination;
- 7.1.2. Give Subrecipient a written notice of default specifying the Event of Default and suspending all payment of loan funds to be made pursuant to this Agreement until such time as Grantee determines the Event of Default has been cured;
- 7.1.3. Set off against any other obligations Grantee may owe to Subrecipient for any damages Grantee may suffer by reason of any Event of Default; or
- 7.1.4. Treat the Agreement as breached and pursue any of its remedies at law or in equity or both, to include return of loaned funds and lien foreclosure.

7.2. Subrecipient agrees that 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 termination or completion date of this Agreement.

## 8. REPORTING REQUIREMENTS; CLOSEOUT AGREEMENT.

8.1. The Subrecipient shall certify the number and percentage of Low and Moderate Income Households and Persons benefiting from this project. For reporting purposes, The Subrecipient shall submit to Grantee the information on "Protected" groups as required by the "Beneficiary Characteristics Report" as provided in the most current edition of the CDBG Implementation Guide for CDBG projects.

**9. ACCOUNTING, AUDIT AND RECORDKEEPING REQUIREMENTS.**

9.1. Subrecipient shall keep all project-related accounts and records which fully disclose the amount and disposition by Subrecipient of the loaned funds, the total cost of the Project, and the amount and nature of any portion of the Project costs 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 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 and all lien documents.

9.2. All of the records, documents and data described above and all income verification documents shall be kept during the performance of the Project and for three (3) years after its completion or until the satisfactory completion of an audit, whichever is later.

9.3. Subrecipient shall make available to 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 Project.

10. **INDEMNIFICATION.** Subrecipient shall defend, indemnify and hold harmless Grantee, CDFA and the State of New Hampshire, their officers and employees, from and against any and all losses suffered by Grantee, CDFA or the State, their officers or employees, and any and all claims, liabilities or penalties asserted against Grantee, CDFA or 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 the Subrecipient. Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which is hereby reserved to the State. This covenant shall survive the termination or expiration of the Subrecipient Agreement.

**11. INSURANCE.**

11.1. The 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 landlord insurance and property insurance on the Project Property in commercially reasonable amounts and sufficient to cover replacement costs of the Improvements.

11.2. Policies shall name Grantee as an additional insured and loss payee and shall be in the standard form employed in the State of New Hampshire, issued by underwriters acceptable to CDFA, and authorized to do business in this State. Each policy shall contain a clause prohibiting cancellation or modification of the policy earlier than ten (10) days after written notice thereof has been received by Grantee and CDFA.

11.3. The Subrecipient shall provide Grantee with certificates of insurance satisfactory to Grantee which evidences compliance with this Section.

**12. MISCELLANEOUS PROVISIONS.**

12.1. The Subrecipient shall comply with all applicable federal, state and local laws, statutes, regulations, executive orders and rules as they relate to the application, acceptance and use of funds for this Project.

12.2. The Subrecipient shall not assign or transfer any of its rights or obligations under this Agreement without the prior written consent of CDFA, and any attempted assignment or transfer without such consent shall be ineffective, null, void, and of no effect. The Agreement and the terms, covenants, warranties, assurances, and conditions contained therein shall extend to, include and inure to the benefit of and be binding upon the respective successors and assigns of Grantee or Subrecipient.

12.3. No amendment or modification of the Subrecipient Agreement shall be effective unless it is in writing and executed by both parties and approved by CDFA.

12.4. The Subrecipient shall maintain, keep and preserve in good working order and condition the Properties improved and managed under this Agreement.

12.5. 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 (under the Grant Agreement) are required to be returned by Grantee or by Subrecipient, the disposition of Grant Funds (under the Grant Agreement) to be returned shall be determined solely by CDFA.



## CERTIFICATE OF COVERAGE

The New Hampshire Public Risk Management Exchange (Primex<sup>3</sup>) 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, Primex<sup>3</sup> is authorized to provide pooled risk management programs established for the benefit of political subdivisions in the State of New Hampshire.

Each member of Primex<sup>3</sup> is entitled to the categories of coverage set forth below. In addition, Primex<sup>3</sup> 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 Primex<sup>3</sup>, including but not limited to the final and binding resolution of all claims and coverage disputes before the Primex<sup>3</sup> 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 Primex<sup>3</sup>. 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.

<i>Participating Member:</i>	<i>Member Number:</i>	<i>Company Affording Coverage:</i>
Town Of Wolfeboro 84 South Main Street PO Box 629 Wolfeboro, NH 03894	331	NH Public Risk Management Exchange - Primex <sup>3</sup> 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
<input checked="" type="checkbox"/> <b>General Liability (Occurrence Form)</b> <b>Professional Liability (describe)</b> <input type="checkbox"/> Claims Made <input type="checkbox"/> Occurrence	7/1/2012	7/1/2013	Each Occurrence    \$ 2,000,000
			General Aggregate    \$ 2,000,000
			Fire Damage (Any one fire)    \$
			Med Exp (Any one person)    \$
<input type="checkbox"/> <b>Automobile Liability</b> Deductible    Comp and Coll: \$1,000 <input type="checkbox"/> Any auto			Combined Single Limit (Each Accident)    \$ Aggregate    \$
<input type="checkbox"/> <b>Workers' Compensation &amp; Employers' Liability</b>			Statutory
			Each Accident    \$
			Disease - Each Employee    \$
			Disease - Policy Limit    \$
<input type="checkbox"/> <b>Property (Special Risk includes Fire and Theft)</b>			Blanket Limit, Replacement Cost (unless otherwise stated)

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

CERTIFICATE HOLDER:	<input checked="" type="checkbox"/>	Additional Covered Party	<input type="checkbox"/>	Loss Payee	Primex <sup>3</sup> - NH Public Risk Management Exchange
					By: <i>Tammy Denver</i>
CDFA 14 Dixon Ave, Ste 102 Concord, NH 03301					Date: 11/28/2012    tdenver@nhprimex.org
					Please direct inquires to: <b>Primex<sup>3</sup> Claims/Coverage Services</b> 603-225-2841 phone 603-228-3833 fax



## CERTIFICATE OF COVERAGE

The New Hampshire Public Risk Management Exchange (Primex<sup>3</sup>) 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, Primex<sup>3</sup> is authorized to provide pooled risk management programs established for the benefit of political subdivisions in the State of New Hampshire.

Each member of Primex<sup>3</sup> is entitled to the categories of coverage set forth below. In addition, Primex<sup>3</sup> 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 Primex<sup>3</sup>, including but not limited to the final and binding resolution of all claims and coverage disputes before the Primex<sup>3</sup> 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 Primex<sup>3</sup>. 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.

<b>Participating Member:</b> Town Of Wolfeboro 84 South Main Street PO Box 629 Wolfeboro, NH 03894	<b>Member Number:</b> 331	<b>Company Affording Coverage:</b> NH Public Risk Management Exchange - Primex <sup>3</sup> Bow Brook Place 46 Donovan Street Concord, NH 03301-2624
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Type of Coverage	Effective Date (mm/dd/yyyy)	Expiration Date (mm/dd/yyyy)	Limits - NH Statutory Limits May Apply, if Not	
<input type="checkbox"/> <b>General Liability (Occurrence Form)</b> <input type="checkbox"/> <b>Professional Liability (describe)</b> <input type="checkbox"/> Claims Made <input type="checkbox"/> Occurrence			Each Occurrence	\$
			General Aggregate	\$
			Fire Damage (Any one fire)	\$
			Med Exp (Any one person)	\$
<input type="checkbox"/> <b>Automobile Liability</b> Deductible    Comp and Coll: <input type="checkbox"/> Any auto			Combined Single Limit (Each Accident)	
			Aggregate	
<input checked="" type="checkbox"/> <b>Workers' Compensation &amp; Employers' Liability</b>	1/1/2012	1/1/2013	<input checked="" type="checkbox"/> Statutory	
			Each Accident	\$2,000,000
			Disease - Each Employee	\$2,000,000
			Disease - Policy Limit	\$
<input type="checkbox"/> <b>Property (Special Risk includes Fire and Theft)</b>			Blanket Limit, Replacement Cost (unless otherwise stated)	

**Description:** Proof of Primex Member coverage only.

<b>CERTIFICATE HOLDER:</b>	<b>Additional Covered Party</b>	<b>Loss Payee</b>	<b>Primex<sup>3</sup> - NH Public Risk Management Exchange</b>
CDFA 14 Dixon Ave, Ste 102 Concord, NH 03301			<b>By:</b> <i>Tammy Douce</i>
			<b>Date:</b> 11/28/2012    tdenver@nhprimex.org Please direct inquires to: <b>Primex<sup>3</sup> Claims/Coverage Services</b> 603-225-2841 phone 603-228-3833 fax



## Primex<sup>3</sup> Contractual Indemnification Form

Member Name: Town of Wolfeboro

Title of Contract: CDFA Grant

Member Contact: Pete Chamberlain

Date: November 28, 2012

Dear Pete,

We have reviewed the agreement/contract you have forwarded to us. Please keep in mind that our review is limited in scope to the insurance, subrogation and indemnification sections because those sections potentially impact the rights of the risk pool. Before executing the contract, Primex<sup>3</sup> strongly recommends that you have the Town's legal counsel review and evaluate the entire contract, as well as our comments.

In regards to the insurance and subrogation provisions in the attached contract, it is important to understand that the Primex<sup>3</sup> coverage documents do not allow risk pool members to compromise the risk pool's right to recover its claims payments from responsible third parties through subrogation. Primex<sup>3</sup> will typically object to proposed waivers or impairments of subrogation rights. In addition, it is important for you to make sure parties doing business with public entities are adequately insured. Primex<sup>3</sup> will typically offer suggestions regarding insurance requirements.

*The insurance requirements in Paragraph 14 & 15 are fine, except that we are an RSA 5-B Pool (not an insurance company). We have no mechanism to give a 15 day notice of cancellation, although we have added to your Certificate of Coverage that you as the Participating Member will do so.*

With respect to proposed contract clauses requiring your indemnification of other entities and individuals, Primex<sup>3</sup> will not provide you any coverage for that contractual obligation unless Primex<sup>3</sup> has approved the indemnification clause, either in its original form or as modified by Primex<sup>3</sup>, in a signed Contractual Indemnification Form. Aspects of a contractual indemnification clause which are not explicitly approved in this manner are excluded from coverage by Primex<sup>3</sup>.

*Primex can only provide limited coverage to the Town for the indemnification requirement. Specifically, indemnification coverage would be limited to claims arising solely from the Town's negligence, the dollar amount is capped, and the scope of the coverage is limited to the types of claims covered by Primex liability coverage and is subject to the disclaimer below.*

We hope this helps, but please don't hesitate to call us if you have any questions.

Thank you,

Amy Poole

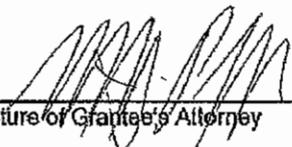
Primex<sup>3</sup> has reviewed the insurance, indemnification and subrogation provisions, if any, in this agreement in order to protect the interests of the risk pool. Your legal counsel should carefully review and approve all provisions of this agreement prior to your execution of it. To the extent Primex<sup>3</sup> approves or conditionally approves any indemnification obligations, such indemnification will be provided solely for claims arising out of the acts of the public entity risk pool member covered under the applicable Primex<sup>3</sup> Coverage Document, and indemnification is subject to the terms, limits, conditions and exclusions contained in the applicable Primex<sup>3</sup> Coverage Document, Sections A Personal Injury Liability and B Property Damage Liability only. Sections C Public Officials Errors and Omissions, D Unfair Employment Practices, E Employee Benefit Liability, F Educator's Legal Liability Claims-Made Coverage are not included in the scope of coverage. Any indemnification obligation that exceeds the foregoing parameters shall be your responsibility and Primex<sup>3</sup> shall have no liability.

**CERTIFICATION OF GRANTEE'S ATTORNEY**

I, Mark H. Puffer acting as Attorney for Town of Wolfeboro, 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 Concord, NH this 28th day of November 2012.

  
\_\_\_\_\_  
Signature of Grantee's Attorney

## CERTIFICATE

I, Patricia Waterman, Town Clerk of Wolfeboro, New Hampshire do hereby certify that: (1) at the public hearing held on July 25, 2012, 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:

David Owen, Town Manager

Name and Title of Officer Authorized to Sign

IN WITNESS WHEREOF, I have hereunto set my hand as the Town Clerk of Wolfeboro, New Hampshire this  
28th day of November, 20 12.



Patricia Waterman, Town Clerk

**Wolfeboro – Harriman Hill - \$500,000 - (Affordable Housing)**

The Town of Wolfeboro is requesting \$500,000 in CDBG funds on behalf of the Eastern Lakes Region Housing Coalition (ELRHC), to aid in the development of 24 units of affordable, workforce, rental housing. Harriman Hill II is part of a multi-phased development. The first phase consisted of the construction of 24 units of affordable housing. This project has been completed and all units obligated to tenants. Phase II is the construction of an additional 24 units of affordable housing. The centrally located site is approximately one mile from downtown Wolfeboro.

Wolfeboro's predominant types of employment are service related and only provide lower average wages for local workers. However, there is little housing in Wolfeboro that is affordable for these workers. Harriman Hill addresses this need.

The 24 units will be a mix of eight-one-bedroom, twelve -two-bedroom and four-three-bedroom units. All of the units will be affordable to households making 60% of less of the area median income. Like Phase I the project is being constructed in one of Wolfeboro's newly created Workforce Housing overlay zones and the buildings will be constructed to green standards in a conservation cluster design to allow half of the land to be placed in a conservation easement with the town. The site will have a wildlife corridor, provide for trails for the residents for this and nearby developments,

The housing will be affordable for the long term. The NHHFA Low Income Housing Tax Credit requirements obligate affordability for a minimum of 99 years. As ELHRC is not a housing developer, like phase one, management of the units will be the responsibility of the Laconia Area Trust for Community Housing (LACLT).

In addition to CDBG, the project includes matching funds from New Hampshire Housing of Low Income Housing Tax Credits in the amount of \$4,094,582, a Federal Home Loan Bank of Boston (FHLBB) advance of \$155,000 and a FHLBB direct subsidy of \$400,000

**Sources and Uses:** \*\* Reflects funding commitments at the time of Community Development Advisory Committee review.

Sources	CDBG	LIHTC	FHLBB Advance	FHLBB Direct Subsidy	Uses
Site Improvements	\$475,000				\$475,000
Construction		\$2,814,889		\$400,000	\$3,214,889
Architectural/Engineering		\$281,054			\$281,054
Permanent Financing			\$155,000		\$155,000
Soft Costs		\$824,080			\$824,080
Reserves		\$174,559			\$174,559
Administration	\$25,000				\$25,000
<b>Committed Total</b>			<b>\$155,000</b>		<b>\$155,000</b>
<b>Pending Total **</b>	<b>\$500,000</b>	<b>\$4,094,582</b>		<b>\$400,000</b>	<b>\$4,994,582</b>
<b>Grand Total</b>					<b>\$5,149,582</b>

**Administration breakdown:**

Grant Administration	\$ 17,000
Advertising	\$ 500
Legal	\$ 1,000
Audit	\$ 2,500
Application Writing	\$ 4,000
<b>Total:</b>	<b>\$ 25,000</b>

**Recommendation – The staff recommends funding as requested because**

- The application scored **298** points;
- The project claims matching funds of over \$4.5 million dollars,
- Wolfeboro is a resort community where much of the employment is in the service industry which provides lower than average wages for local workers;
- The rental and purchase cost of housing in Wolfeboro is not affordable to local low- and moderate-income wage earners;
- The project is subject to affordable rent restrictions for 99 years under the NHHFA Land Use Restriction Agreement;
- All of the units will be rented to households at or below 60% of the Area Median Income;
- This is the second phase of a two phase project which will ultimately provide 48 affordable rental and 34 affordable for-sale units;

**Recommendation – The project is recommended for CDBG funding pending the receipt on NH Low Income Housing Tax Credits (LIHTC) at the NHHFA Board of Directors meeting. (the project was awarded LIHTC funding 11/15/2012)**