



MWC

#1

STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION FOR BEHAVIORAL HEALTH
BUREAU OF DRUG AND ALCOHOL SERVICES

Jeffrey A. Meyers
Commissioner

Katja S. Fox
Director

105 PLEASANT STREET, CONCORD, NH 03301
603-271-6110 1-800-852-3345 Ext. 6738
Fax: 603-271-6105 TDD Access: 1-800-735-2964
www.dhhs.nh.gov

December 28, 2017

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

REQUESTED ACTION

Authorize the Department of Health and Human Services, Division for Behavioral Health, Bureau of Drug and Alcohol Services to enter into a **sole source** Loan Agreement to provide the National Council on Alcoholism and Drug Dependence/Greater Manchester (NCADD) with a revolving line of credit not to exceed \$250,000, effective upon Governor and Executive Council approval through June 30, 2019. 100% Other Funds.

This Line of Credit is to be re-paid to the State pursuant to the terms of a Revolving Line of Credit Note and is secured by a mortgage on NCADD property at 101 Manchester Street in Manchester, New Hampshire as well as an assignment of claims against third parties.

Funds are available in the following account for SFY 2018 with authority to adjust amounts within the price limitation and adjust encumbrances between State Fiscal Years through the Budget Office if needed and justified, without approval from Governor and Executive Council.

010-092-920510-33820000 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVS, HHS: DIVISION FOR BEHAVIORAL HEALTH, BUREAU OF DRUG AND ALCOHOL.

SFY	Class/Account	Class Title	Job Number	Total Amount
2018	102-500731	Contracts for Program Services	92058503	\$250,000

EXPLANATION

The purpose of this request is to provide bridge funding to the NCADD to cover operating expenses associated with the provision of substance use services, including, but not limited to: outpatient; wrap around; crisis respite; and transitional housing services.

This request is **sole source** because the NCADD has been providing critical services to address the opioid epidemic. In 2016, the State of New Hampshire experienced four hundred eighty five (485) deaths from drug overdoses. Between May 2016 and April 2017, there were over 1,500 requests for assistance from the Manchester Safe Station program, averaging close to 140 people served each month. The State continues to experience an increase in the need for Substance Use Disorder Treatment and Recovery Support Services. This request will provide resources necessary to sustain such services in the Greater Manchester area.

On December 20, 2017, the State sought and the Court approved a petition to enter the NCADD into receivership due to its financial condition. Families in Transition (FIT), a Manchester-based nonprofit agency is acting as the receiver. This action will provide funding to cover operating expenses as FIT evaluates the financial and programmatic condition of the agency.

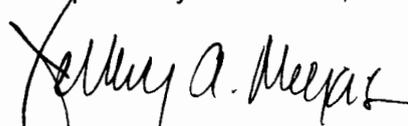
Should the Governor and Executive Council not authorize this request, the services for the hundreds of individuals with substance misuse diagnoses may not receive the supports necessary to maintain sobriety and may risk relapse.

Area served: the Greater Manchester region

Source of Funds: 100% Other Funds from the Governor's Commission on Alcohol and Drug Abuse Prevention, Treatment, and Recovery

In the event that the Other Funds become no longer available, General Funds will not be requested to support this program.

Respectfully submitted,



Jeffrey A. Meyers

Commissioner

LOAN AGREEMENT

This Loan Agreement is hereby entered into by and between the State of New Hampshire acting through its Department of Health and Human Services, with a principle address of 129 Pleasant Street, Concord, New Hampshire ("Lender") and the National Council on Alcoholism and Drug Dependence/Greater Manchester d/b/a Serenity Place with a principal legal address of 101 Manchester Street, Manchester, New Hampshire ("Borrower"). This Agreement will mature on June 30, 2019.

WHEREAS, Borrower is a non-profit corporation providing outpatient and residential mental health and substance abuse treatment in the Greater Manchester, New Hampshire area;

WHEREAS, Borrower has requested a loan from Lender for the purpose of financing Lender's ongoing operation of residential and outpatient mental health and substance abuse treatment;

WHEREAS, Lender desires the continued operation of Borrower's facilities to combat ongoing mental health and substance misuse issues in the community and has agreed to lend money to Borrower for the purpose of continuing the operation of these programs;

WHEREAS, the Loan will be in the form of a line of credit, up to a maximum sum, with Lender's obligation to make any initial and subsequent advances to be determined by the terms set forth in this Agreement;

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and agreements herein contained, the parties covenant, stipulate and agree as follows:

Article 1

General Revolving Loan Terms

1.1 The Loan. Lender will make available to Borrower up to a total of Two Hundred Fifty Thousand and 00/100 Dollars (\$250,000.00) and Borrower agrees to repay the Lender the full amount advanced as set forth in a promissory note (the "Note") attached hereto as Exhibit A. The funds advanced by the Lender are for Borrower's funding of its mental health and substance abuse treatment operations.

1.2 Revolving Loan Provisions. Lender establishes the Loan as a revolving line of credit (the "Revolving Credit") in the maximum aggregate amount of Two Hundred Fifty Thousand Dollars (\$250,000.00) ("Borrower's Availability"). Borrower may request advances (an "Advance") from Lender from time to time hereafter. Borrower may request that Lender make an Advance payment directly to Borrower's Creditor for payment of essential operational expenses. Such third party Advance shall be an indebtedness of Borrower to Lender in the same manner as Advances paid directly to Borrower. At the time of each Advance, Borrower shall immediately become indebted to Lender for the amount thereof. Each such advance may be credited by Lender to any deposit account of Borrower, Borrower's creditor for operational expenses, or paid to Borrower. Requests for advances under the Revolving Credit may be made on any day on which Lender is open to conduct business and shall be approved or denied within five (5) business days following such a request. Each request for an advance under the Revolving

Credit shall constitute a confirmation by Borrower that Borrower is in full compliance with this Agreement.

1.3 Purpose of Loan: The proceeds of the Loan shall be used for funding Borrower's operation of mental health and substance abuse treatment in the Greater Manchester, New Hampshire area.

1.4 Note: The Loan shall be repaid by the Borrower in accordance with the terms, covenants, conditions, and other provisions of the Note.

1.5 Security: The Loan shall be secured by a mortgage on the Borrower's premises at 99 Manchester St., Manchester, New Hampshire as well as an assignment of claims against third parties.

Article 2 Conditions Precedent

2.1 General Conditions Precedent: The obligation of the Lender to make an Advance is subject to Borrower's prior satisfaction of each of the following conditions precedent (hereinbefore and hereinafter referred to as the "General Conditions Precedent"), failing which all rights, powers, remedies, privileges, liabilities, obligations, and undertakings of the Borrower and Lender hereunder and under any of the other Loan Documents shall, at the sole option of the Lender, forthwith terminate and be of no further force or effect.

2.2 Documents and Instruments to Be Received by Lender: Lender shall have received the following documents, instruments, agreements and writings (each of which shall be in form and substance satisfactory to Lender and Lender's counsel):

2.2.1 This Agreement, the Note, a Mortgage Deed, Assignment Agreement and the Other Loan Documents requiring Borrower's execution duly executed by the Borrower;

2.2.2 Each of the Loan Documents requiring execution duly executed;

2.2.3 Such other documents or instruments as the Lender or its counsel shall reasonably request consistent with the agreement between the parties.

2.2.4 No Default: No Event of Default shall have occurred or be continuing.

2.3 Warranties and Representations: The representations and warranties of the Borrower contained in this Agreement shall be true on and as of the date of this Agreement and the date of any disbursement of the proceeds of the Loan with the same force and effect as if made on and as of the date of such disbursement.

2.4 Legal Matters: All legal matters incident to the Loan, this Agreement, each of the other Loan Documents and disbursement of the proceeds of the Loan shall be satisfactory to the Lender's counsel.

2.5 Waiver: Without at any time waiving any of Lender's rights under this Agreement, Lender, at Lender's option, may disburse all or any part of the proceeds of the Loan without requiring satisfaction of each and every General Condition Precedent.

2.6 Lender's Performance Condition: Lender's obligations under this Agreement are conditioned upon the approval of the Governor & Executive Council of the State of New Hampshire of this Agreement.

Article 3 **Representations and Warranties**

3.1 Warranties and Representations of Borrower: To induce the Lender to make the Loan, Borrower warrants and represents to the Lender in good faith that to the best of its knowledge and belief as Receiver (each of the following representations and warranties which shall be true and complete on the Agreement Date and at the date of each Advance and at all times thereafter until all of the Borrower's indebtedness and other liabilities and obligations to the Lender under this Agreement, the Note and the other Loan Documents shall have been fully and completely paid, performed and satisfied):

3.2 Due Organization and Existence. Borrower is a non-profit corporation duly organized and validly existing under the laws of the State of New Hampshire and has the power and authority and legal right to execute, deliver, and perform its obligations under the Agreement and each Loan Document.

3.3 Accuracy of Information Submitted: No statement of fact made by or on behalf of the Borrower in this Agreement or in any certificate, statement, or schedule furnished to the Lender pursuant hereto, contains any untrue statement of a material fact or omits to state any material fact necessary to make the statements contained therein or herein misleading.

3.4 Tax Returns: Intentionally Omitted.

3.5 Validity, Enforceability and Binding Effect: This Agreement, the Note and each of the other Loan Documents executed by Borrower or to which Borrower is a party, upon delivery, will be the valid and binding obligations of the Borrower and enforceable in the manner set forth herein or therein.

3.6 Continuing Nature and Indemnity: Each of the representations and warranties contained in this Section shall survive the making of the advance of the loan proceeds hereunder and shall be true, accurate, and complete at all times during the term of this Agreement. The Borrower shall indemnify and hold harmless the Lender from and against any loss, damage or liability attributable to the breach thereof, including all fees and expenses incurred in the defense or settlement of any claim arising therefrom against the Lender.

Article 4
Affirmative Covenants

4.1 **Payment and Performance of Note:** Borrower will pay all sums becoming due to, or recoverable by, Lender under the terms, covenants, and conditions of the Note as, when, and in the manner provided for thereby and the entire unpaid balance thereof at maturity, whether by acceleration, demand or otherwise, and will also completely and punctually perform and satisfy all of Borrower's other obligations to Lender under the terms, covenants and conditions thereof.

4.2 **Other Loan Documents:** Borrower will punctually and completely pay, perform, and satisfy all of Borrower's financial liabilities and other obligations and undertakings to and with the Lender under the terms, covenants and conditions of each of the Loan Documents other than the Note and this Agreement as, when and in the manner required by such relevant Loan Document.

4.3 **Notification of Adverse Events:** Borrower shall immediately notify the Lender of any event causing, or which may be reasonably expected to cause, a material adverse change in the financial condition of Borrower or impede repayment of the sums owed to Lender.

4.4 **Payment and Performance of Other Obligations:** Except as otherwise expressly provided herein, Borrower will punctually and completely pay, perform, and satisfy, as, when and in the manner required, all indebtedness, liabilities and obligations to any person, firm, or other entity all liabilities and obligations of Borrower to Lender under this Agreement, the Note and the other Loan Documents.

4.5 **Information Authorization:** Borrower authorizes the Lender to discuss Borrower's financial condition at any time with any accountants, employees, and agents (other than attorneys) retained by Borrower and, further, authorizes and requests any such accountant, employees or agents to fully participate in such discussions and to provide the Lender with such information and documents as the Lender may reasonably request. Borrower further agrees to execute and deliver to the Lender such documents and instruments as the Lender may request from time to time to effectuate this authorization.

4.6 **Insurance:** Borrower shall maintain in full force and effect all policies of insurance required to be obtained or maintained by the Borrower pursuant to the terms of any Loan Document. Each such policy of insurance shall comply in all respects to the requirements with respect thereto set forth in the relevant Loan Document(s). If Borrower shall at any time or times hereafter fail to obtain and/or maintain any of such policies of insurance, or fail to pay any premium in whole or in part relating to such policies, Lender may, but shall not be obligated to, obtain and/or cause to be maintained such required insurance coverage and pay all or any part of the premium therefor, without waiving any default by Borrower or additional loans to Borrower by Lender payable on demand. Upon the occurrence and continuance of an Event of Default, Lender shall have the right to settle and compromise any and all claims under any of the policies required to be maintained by Borrower or any Obligor under any of the Loan Documents and Borrower hereby appoints Lender as its attorney-in-fact, with power to demand, receive and receipt for all monies payable thereunder, to execute in the name of Borrower or Lender or both

any proof of loss, notice, draft, or other instruments in connections with such policies or any loss thereunder and generally to do and perform any and all acts as Borrower, but for this appointment might or could perform.

Article 5 Negative Covenants

5.1 Use of Loan Proceeds: The proceeds of the Loan will not be used by Borrower for any purpose except funding critical operations of the mental health and substance abuse treatment facilities

5.2 Merger, Consolidation or Acquisitions: Borrower shall not be a party to any merger, consolidation or any other reorganization, or acquire by purchase, lease or otherwise all or substantially all of the assets or capital stock of any person, partnership, corporation or entity.

Article 6 Events of Default and Remedies

6.1 Events of Default: The occurrence of any of the following events shall constitute an Event of Default under this Agreement, the Note, and each of the other Loan Documents.

6.2 Breach or Default Under the Note: Any default by the Borrower in making any payment of any other sum due to or recoverable by the Lender under the terms, covenants and conditions of the Note as, when, and in the manner required thereby, or the existence of any other breach in default thereunder which is not cured within such grace period (if any) as may be afforded to the Borrower with respect to such breach or default in the Note.

6.3 Rights and Remedies: Upon the occurrence of any Event of Default hereunder or any other event which constitutes an event of default under any of the other Loan Documents, and at all times thereafter, until the Lender shall have executed a written waiver of such default, the Borrower and such Obligor shall be in default hereunder and under the other Loan Documents and the Lender, at the Lender's option, may:

6.3.1 Acceleration of Indebtedness Under Note and Termination of Revolving Credit: (a) Declare the entire unpaid balance of the Note, including, without limitation, principal or other sums due or recoverable thereunder, immediately due and payable in full without notice or demand of any kind or nature whatsoever, to the Borrower or any Obligor, and/or (b) terminate the Revolving Credit.

6.3.2 Other Rights and Remedies: Exercise any other right, privilege, power, or remedy available to the Lender under this Agreement or any of the other Loan Documents or any statute or rule of law or equity, including (but not limited to) foreclosure of any security interest or other lien securing the Note or any other Loan Documents.

6.4 Rights and Remedies Cumulative: All of the rights and remedies, in the event of default, set forth in this Agreement or in any of the other Loan Documents, or provided by law or

rule of equity, are cumulative and may be exercised by the Lender singly, concurrently or successively at the Lender's option, and as often as the occasion therefor shall occur in the Lender's sole opinion.

6.5 Power of Attorney and Indemnification: Effective upon an Event of Default, the Borrower hereby appoints the Lender as Borrower's true and lawful Attorney-in-Fact to take all actions referred to in Section 6.3 of this Article VI and execute such documents as Lender may deem appropriate in the exercise of any of its rights and remedies herein granted. This power of attorney is coupled with an interest and shall be irrevocable and shall terminate only upon the full and complete payment, performance, and satisfaction of all the Obligations.

Article 7 General Provisions

7.1 Strict Performance: The failure of Lender at any time or times hereafter to require strict performance by Borrower of any of the provisions, warranties, terms, and conditions contained in this Agreement, any other Loan Documents or in any other agreement, guaranty, note, instrument or document now or at any time or times hereafter executed by Borrower or any Obligor and delivered to Lender, shall not waive, affect or diminish any right of Lender at any time or times thereafter to demand strict performance thereof; and no rights of Lender hereunder shall be deemed to have been waived by any act or knowledge of Lender, or its representatives, unless such waiver is contained in any instrument in writing signed by an authorized representative of Lender and directed to Borrower specifying such waiver. No waiver by Lender of any of its rights shall operate as a waiver of any other of its rights or any of its rights on a future occasion.

7.2 Further Assurances: Borrower will execute and deliver or cause to be executed and delivered to Lender all such further agreements, documents, and instruments, and do, or cause to be done, all such further acts and things as Lender may reasonably require to effectuate further the purposes of this Agreement or any other Loan Document.

7.3 Notices: Any demand or notice required or permitted to be given hereunder shall be deemed effective when deposited in the United States mail, and sent by certified mail, return receipt requested, postage prepaid, addressed to Lender at the address given for the Lender in the Preamble to this Agreement or to Borrower at the address given for the Borrower in the Preamble hereto or to such other address as may be provided by the party to be notified.

7.4 Lender's Discretionary Acts: Whenever the Lender has the right hereunder to (i) do or execute, or refrain from doing or executing, any act or document, (ii) approve or disapprove any Request, any act or any document, or (iii) impose any condition upon the doing of anything hereunder, the Lender shall exercise such discretion in good faith and in a commercially reasonable manner.

7.5 Choice of Law: This Agreement and the respective rights, privileges, remedies, duties and liabilities of the parties hereto, shall be governed by, and construed, interpreted, and enforced in accordance with, the laws of the State of New Hampshire.

7.6 Entire Agreement: This Agreement and the other Loan Documents contain the entire understanding between the parties hereto with respect to the transactions contemplated herein and such understanding shall not be modified except in writing signed by or on behalf of the parties hereto.

7.7 Severability: Wherever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law. Should any portion of the Agreement be declared invalid for any reason in any jurisdiction, such declaration shall have no effect upon the remaining portions of this Agreement. Furthermore, the entirety of this Agreement shall continue in full force and effect in all other jurisdictions and said remaining portions of this Agreement shall continue in full force and effect in the subject jurisdiction as if this Agreement has been executed with the invalid portions thereof deleted.

7.8 Binding Effect: The provisions of this Agreement shall be binding upon and shall inure to the benefit of the heirs, administrators, successors, and assigns of Lender and Borrower, provided, however, Borrower may not assign any of its rights or delegate any of its obligations hereunder without prior written consent of the Lender. This Agreement is not assumable.

7.9 Choice of Forum: As permitted by RSA 508-A, the parties shall commence any suit, equitable proceeding or other action arising from, out of or incidental to this Agreement or the Note or any other Loan Document in any court of competent jurisdiction in the State of New Hampshire provided however, nothing herein shall affect the right of the Lender to bring proceedings against the Borrower or any Obligor in the courts of any other jurisdiction.

7.10 Counterparts: This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which together shall constitute but one and the same instrument.

7.11 Headings: The Article, Section, and paragraph headings herein are included for convenience only and shall not be deemed to be part of this Agreement.

7.12 Conflicts in Loan Documents: In the event of any conflict between the terms, covenants, conditions and restrictions contained in any one of the Loan Documents with any of the terms, covenants, conditions and restrictions contained in any of the other Loan Documents, the term, covenant, condition or restriction which imposes the greater burden or obligation upon the Borrower shall control. The determination as to which term, covenant, condition, or restriction is more burdensome on the Borrower or imposes the greater obligation on them or any one of them shall be made by the Lender in its sole discretion.

IN WITNESS WHEREOF, Borrower and Lender have caused this Agreement to be duly executed on the date(s) set forth below:

**National Council on Alcoholism and Drug
Dependence/Greater Manchester d/b/a
Serenity Place
By its Receiver – Families in Transition**

Rose Allen
Witness

By: Maureen Beauregard
Name: Maureen Beauregard
Title: President
Duly Authorized

**The State of New Hampshire
Department of Health and Human Services**

Stephanie Duguet
Witness

By: Thomas Preston
Name: THOMAS PRESTON
Title: Dep. Commissioner
Duly Authorized:

Approved as to Form and Execution:

M. N. [Signature]
Assistant Attorney General
New Hampshire Department of Justice

Approved by Governor & Executive Council

Secretary of State

EXHIBIT A

REVOLVING LINE OF CREDIT NOTE

\$250,000.00

December 28, 2017

FOR VALUE RECEIVED, the National Council on Alcoholism and Drug Dependence/Greater Manchester d/b/a Serenity Place, a New Hampshire non-profit corporation with an office located at 101 Manchester Street, Manchester, New Hampshire 03101 (the "Borrower") promises to pay to the order of the State of New Hampshire, Department of Health and Human Services, 129 Pleasant Street Concord, New Hampshire 03101 (the "Lender") at the above address or at such other place as may be designated hereafter by the Lender, the principal sum of up to Two Hundred and Fifty Thousand Dollars and 00/100 (\$250,000.00), or so much thereof as shall from time to time have been advanced hereunder in lawful money of the United States of America.

This Revolving Line of Credit Note ("the Note") is intended to provide the Borrower with funds for the purpose of maintaining operations of its mental health and substance abuse treatment facilities.

The Borrower may request advances (an "Advance" or "Advances") under the revolving line of credit offered by the Lender hereby (the "Revolving Line of Credit"). The requests shall be for advances to be used solely for maintaining operations of the Borrower and other matters set forth in a certain Loan Agreement between Lender and Borrower as amended by an Amendment to Loan Agreement of near or even date herewith ("the Loan Agreement"). Borrower may request that such advance be paid directly to Borrower's creditor for essential operational expenses. The aggregate of all outstanding advances shall not exceed the maximum principal amount stated above. Each advance shall be evidenced as set forth in the form attached to Schedule 1 ("Form of Advance Request").

There shall be no interest paid by Borrower for use of this Revolving Line of Credit. Notwithstanding anything herein to the contrary, all principal amounts outstanding with respect to each of the draws made under this note, shall be due and payable in full on June 30, 2019.

Borrower may prepay this Note, in whole or in part, at any time, without premium or penalty.

Upon the occurrence of a default under this Note or the Loan Agreement, the outstanding principal balance shall, at the option of the Lender, become immediately due and payable in full, without further demand or notice. Borrower agrees to pay on demand all costs of collection hereof, including reasonable attorneys' fees, whether or not any foreclosure or other action is instituted by the Lender in its discretion.

No delay or omission on the part of the Lender in exercising any right, privilege, or remedy shall impair such right, privilege, or remedy or be construed as a waiver thereof or of any other right, privilege, or remedy. No waiver of any right, privilege, or remedy or any amendment to this Note shall be effective unless made in writing and signed by the Lender. Under no circumstances shall an effective waiver of any right, privilege, or remedy on any one occasion

constitute or be construed as a bar to the exercise of or a waiver of such right, privilege, or remedy on any future occasion. The acceptance by the Lender of any payment after any default hereunder shall not operate to extend the time of payment of any amount then remaining unpaid hereunder or constitute a waiver of any rights of the Lender under this Note.

All rights and remedies of the Lender, whether granted herein or otherwise, shall be cumulative and may be exercised singularly or concurrently.

This Note evidences obligations of the Borrower to repay the amounts which have been or are hereafter loaned to it by the Lender relative to the Revolving Line of Credit loan described herein.

The Borrower shall be in default of this Note upon the occurrence of the failure of the Borrower to (a) make any payment required under the terms of this Note within thirty (30) days of the due date thereof, or (b) violate any covenant or condition of the Loan Agreement (an "Event of Default").

This Note and the provisions hereof shall be binding upon the Borrower and the Borrower's successors, legal representatives, and assigns and shall inure to the benefit of the Lender, the Lender's successors, legal representatives and assigns.

This Note may not be amended, changed, or modified in any respect except by a written document that has been executed by each party. This Note and all rights and obligations hereunder, including matters of construction, validity, and performance, shall be governed by the laws of the State of New Hampshire.

This Note is secured by a mortgage on Borrower's premises at 99-101 Manchester Street, Manchester, New Hampshire and by an assignment of claims.

IN WITNESS WHEREOF, Borrower has executed this Note on the day and year stated above.

signature page follows

IN WITNESS WHEREOF, Borrower and Lender have caused this Agreement to be duly executed on the date(s) set forth below:

**National Council on Alcoholism and Drug
Dependence/Greater Manchester
d/b/a Serenity Place
By Its Receiver- Families In Transition**

Lisa Allen
Witness

By: Maureen Beauregard
Name: Maureen Beauregard
Title: President
Duly Authorized

Acknowledged on behalf of Lender:

**The State of New Hampshire
Department of Health and Human Services**

Stephanie Duguet
Witness

By: Thomson Pearson
Name: Thomson Pearson
Title: Deputy Commissioner

SCHEDULE 1

Form of Advance Request

To: State of New Hampshire, Department of Health and Human Services

Attn: Commissioner Jeffrey A. Meyers

Re: Request for Advance Under Revolving Line of Credit

This is to request the following Advance under the Revolving Line of Credit:

1. Amount Requested: \$
2. Date of Advance:
3. Payee for Advance:
4. Aggregate Outstanding Advances: \$
(Including This Advance)
5. Remaining Credit Available: \$

The undersigned confirms that this advance is made in accordance with the terms of a certain Revolving Line of Credit between it and the State of New Hampshire dated _____, 201____, and that the amount advanced is subject to all of the repayment terms of such Note and the Loan Agreement between the parties.

**National Council on Alcoholism and Drug
Dependence/Greater Manchester
d/b/a Serenity Place
By Its Receiver- Families In Transition**

Witness

By: _____
Name:
Title:
Duly Authorized

Advance Request Approved By: _____

MORTGAGE DEED

This Mortgage is given by National Council on Alcoholism and Drug Dependence/Greater Manchester, hereinafter called Borrower 101 Manchester Street, Manchester, New Hampshire 03101, to the State of New Hampshire, acting through the Department of Health and Human Services, 129 Pleasant Street, Concord, New Hampshire 03301, hereinafter called Lender, to secure payment of the sum of \$250,000 as provided in a Revolving Line of Credit Note dated December 28, 2017, and also to secure the performance of all the terms, covenants, agreements, conditions and extensions of the Note and this Mortgage.

In consideration of the line of credit provided by Lender to Borrower and for the purposes expressed above, the Borrower does hereby grant and convey to the Lender, a Mortgage upon the land and all buildings, improvements, and fixtures now on; and hereafter a part of, the real property having a commonly known street address of 99 Manchester Street, Manchester, New Hampshire being more particularly described in Exhibit A to this document and being the same property described in a deed recorded at the Hillsborough County Registry of Deeds at Book 5364, Page 0096. This mortgage is granted with mortgage covenants and is on the statutory conditions. Upon any default the Lender shall have the statutory power of sale.

Borrower further covenants and agrees that no superior mortgage or the note secured by it will be modified without the consent of the Lender. In the event that borrower fails to carry out the covenants and agreements set forth in the Revolving Line of Credit Note and associated documents, the Lender may do and pay for whatever is necessary to protect the value of and the Lender's rights in the mortgaged property and any amounts so paid shall be added to the principal sum due from the borrower to the Lender.

This Mortgage and the covenants contained herein are made by the National Council on Alcoholism and Drug Dependence/Greater Manchester on the 28 day of December, 2017 by its Receiver, Families in Transition. See Attorney General, Director of Charitable Trusts v. National Council on Alcoholism and Drug Dependence/Greater Manchester, Hillsborough County Superior Court, Northern District, No. 216-2017-CV-940.

National Council on Alcoholism and Drug
Dependence/Greater Manchester
By its Receiver – Families in Transition



Witness

BY: 
Maureen Beauregard, President
Duly Authorized

State of New Hampshire
County of Hillsborough, SS.

Personally appeared before me on December 28, 2017, Maureen Beauregard, who acknowledges herself to be the President of Families In Transition, court-appointed Receiver for National Council on Alcoholism and Drug Dependence / Greater Manchester, and as such is duly authorized to executed the foregoing instrument.


Notary Public/Justice of the Peace

My Commission Expires: _____

LAURIE SAUNDERS
Notary Public - New Hampshire
My Commission Expires September 18, 2018

EXHIBIT A

Property Description

Two certain tracts of land, with the buildings and other improvements now or hereafter thereon, and appurtenances thereto situated in Manchester, Hillsborough County, State of New Hampshire:

Tract One:

Beginning at a point in the southerly line of Manchester Street, 78.165 feet west of the westerly line of Chestnut Street, said point being the northwest corner of a brick building standing on other land now or formerly of Amoskeag Savings Bank and immediately east of the granted premises; thence

1. Southerly by other land now or formerly of Amoskeag Savings Bank and by the westerly line of said brick building and the west line of said brick building continued, 98 feet to the northerly line of Monadnock Lane; thence
2. Westerly by said northerly line of Monadnock Lane about 21.885 feet to the easterly line of Lot #265 as shown on the Amoskeag Manufacturing Company's Plan of Lands in said Manchester; thence
3. Northerly by the easterly line of said Lot #265, 98 feet to the southerly line of Manchester Street; thence
4. Easterly by said southerly line of Manchester Street about 21.885 feet to the place of beginning.

Being the westerly part of Lot #266 as shown on said Plan; and being a part of the premises conveyed to said Amoskeag Savings Bank by deed recorded in the Hillsborough County Registry of Deeds, Vol. 970, Page 64.

Tract Two:

Beginning at a point in the southerly line of Manchester Street, 50.025 feet, more or less, west of the westerly line of Chestnut Street, said point being the northwest corner of Lot #368 as shown on the Amoskeag Manufacturing Company's Plan of Lands in said Manchester; thence

1. Southerly by said Lot #268, 98 feet to the northerly line of Monadnock Lane; thence
2. Westerly by said Northerly line of Monadnock Lane, 28.14 feet, more or less, to other land now or formerly of Alexander Bergeron; thence
3. Northerly by land now or formerly of said Bergeron, 98 feet to the southerly line of said Manchester Street; thence
4. Easterly by said Manchester Street, 28.14 feet, more or less, to the point of beginning.

Being Lot #267 and a part of Lot #266 as shown on said plan, and being part of the premises conveyed to said Amoskeag Savings Bank by deed recorded in Hillsborough County Registry of Deeds Vol. 970, Page 64.

ASSIGNMENT OF PROCEEDS OF CLAIMS

This Assignment of Proceeds of Claims (the "Assignment") is dated as of December 29, 2017 between the State of New Hampshire, care of the Office of the Attorney General, 33 Capitol Street, Concord, NH ("Assignee") and National Council on Alcoholism and Drug Dependence/Greater Manchester d/b/a Serenity Place, a New Hampshire voluntary corporation, having its principal place of business at 101 Manchester St., Manchester, NH 03101 ("Assignor").

BACKGROUND

Assignor has been placed into receivership as a result of its financial and operational distress by order of the Hillsborough County Superior Court, Northern District (No. 216-2017-CV-00940) on December 20, 2017. Assignee has agreed to extend a loan to Assignor in the amount of \$250,000 to provide Assignor with operating support while the receiver evaluates the financial and programmatic condition of Assignor.

As a condition of that loan, Assignee requires security from Assignor, including the assignment of claims that Assignor may have against its former officers, directors and service providers ("CLAIMS").

NOW, THEREFORE, in consideration of the mutual covenants and undertakings and the terms and conditions contained herein, the parties hereto agree as follows:

Assignor assigns to Assignee all of the proceeds of its Claims, which are in the nature of commercial tort claims.

1. Assignor grants to Assignee a security interest and a lien against the proceeds of those Claims. Assignor hereby authorizes Assignee to file against Assignor one or more financing statements pursuant to the Uniform Commercial Code in form and substance satisfactory to Assignee (which statements may have a description of collateral which is broader than that set forth herein). Assignor shall perform all other steps requested by Assignee to create and maintain in Assignee's favor a valid perfected first priority security interest in the proceeds of its claims.
2. Assignee shall receive reasonable cooperation from the agents of Assignor to pursue its Claims.
3. Assignor represents that the execution of this Assignment has been duly authorized by Order dated December 28, 2017.
4. This Agreement contains the entire understanding between Assignor and Assignee regarding the assignment of the proceeds of the claims and any promises, representations, warranties or guarantees not herein contained shall have no force and effect unless in writing, signed by the Assignor and Assignee. Neither this Agreement, nor any portion or provisions thereof may be changed, modified, amended, waived, supplemented, discharged, cancelled or terminated orally or by any course of dealing,

or in any manner other than by an agreement in writing, signed by the party to be charged.

IN WITNESS WHEREOF, this Assignment has been duly executed as of the day and year first above written.

NATIONAL COUNCIL ON ALCOHOLISM AND DRUG DEPENDENCE/GREATER MANCHESTER, d/b/a SERENITY HOUSE, Assignor

By its Receiver:

FAMILIES IN TRANSITION

By: Maureen Beauregard
Name: Maureen Beauregard
Title: President

STATE OF NEW HAMPSHIRE, Assignee

By: [Signature]
Name: THOMAS PASTOR
Title: Deputy Commissioner