



February 7, 2022

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

Requested Action

Authorize the Community Development Finance Authority (CDFA), under the Community Development Block Grant (CDBG) program, to award a grant to the County of Grafton, 3855 Dartmouth College Highway, Box #1, Haverhill, New Hampshire in the amount of \$490,000 for the purpose of subgranting funds to Mid-State Health Center to support the renovation of its existing building into a children's learning center situated at 742 Tenney Mountain Highway, Plymouth, New Hampshire, upon Governor and Council approval, for the period effective March 9, 2022 through June 30, 2024. 100% federal funds.

Explanation

The County of Grafton is requesting \$490,000 in CDBG funds on behalf of the subrecipient, Mid-State Health Center to support the renovation of an existing building into a state-of-the-art, energy-efficient childcare facility that will allow the center to retain the children they currently serve and increase enrollment substantially from 18 to 60 children. The project will enable MSHC to retain six current jobs and create eight new jobs for a total of fourteen permanent, full-time jobs in the new facility. Nine of the jobs (64%) will be filled by individuals who qualify as low- and moderate-income. Matched will include funding from various sources including a CDBG public facilities award, Northern Borders Regional Commission grant, and CDFA tax credits, and a USDA Rural Development loan.

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.

Sincerely,

Katherine Easterly Martey
Executive Director

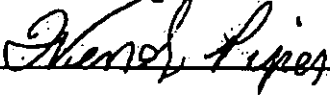


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Attachments

GRANT AGREEMENT

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

1. Identification and Definitions.

1.1. State Agency Name Community Development Finance Authority		1.2. State Agency Address 14 Dixon Avenue Concord, NH 03301	
1.3. Grantee Name County of Grafton		1.4. Grantee Address 3855 Dartmouth College Highway, Box #1 North Haverhill, NH 03774	
1.5. Grantee Phone # 603-787-6941	1.6. Account Number 21-405-CDED	1.7. Completion Date June 30, 2024	1.8. Grant Limitation \$ 490,000
1.9. Grant Officer for State Agency Michael Claffin, Chair, Board of Directors		1.10. State Agency Telephone Number 603-226-2170	
If Grantee is a municipality or village district: "By signing this form we certify that we have complied with any public meeting requirement for acceptance of this grant, including if applicable RSA 31:95-b."			
1.11. Grantee Signature 1  Date: 2/1/22		1.12. Name & Title of Grantee Signor 1 Wendy A. Piper, Chair, Board of Commissioners	
Grantee Signature 2		Name & Title of Grantee Signor 2	
Grantee Signature 3		Name & Title of Grantee Signor 3	
1.13. State Agency Signature(s)  2/9/2022		1.14. Name & Title of State Agency Signor(s) Katherine Easterly Martey, Executive Director	
1.15. Approval by Attorney General (Form, Substance and Execution) (if G & C approval required) By:  Assistant Attorney General, On: 2/14/22			
1.16. Approval by Governor and Council (if applicable) By: _____ On: / /			

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

3. **ARBA COVERED.** Except as otherwise specifically provided for herein, the Grantee shall perform the Project in, and with respect to, the State of New Hampshire.
4. **EFFECTIVE DATE: COMPLETION OF PROJECT.**
- 4.1. This Agreement, and all obligations of the parties hereunder, shall become effective on the date on the date of approval of this Agreement by the Governor and Council of the State of New Hampshire if required (block 1.16), or upon signature by the State Agency as shown in block 1.14 ("the Effective Date").
- 4.2. Except as otherwise specifically provided herein, the Project, including all reports required by this Agreement, shall be completed in ITS entirety prior to the date in block 1.7 (hereinafter referred to as "the Completion Date").
5. **GRANT AMOUNT: LIMITATION ON AMOUNT: VOUCHERS: PAYMENT.**
- 5.1. The Grant Amount is identified and more particularly described in EXHIBIT C, attached hereto.
- 5.2. The manner of, and schedule of payment shall be as set forth in EXHIBIT C.
- 5.3. In accordance with the provisions set forth in EXHIBIT C, and in consideration of the satisfactory performance of the Project, as determined by the State, and as limited by subparagraph 5.5 of these general provisions, the State shall pay the Grantee the Grant Amount. The State shall withhold from the amount otherwise payable to the Grantee under this subparagraph 5.3 those sums required, or permitted, to be withheld pursuant to N.H. RSA 80:7 through 7-c.
- 5.4. The payment by the State of the Grant amount shall be the only, and the complete payment to the Grantee for all expenses, of whatever nature, incurred by the Grantee in the performance hereof, and shall be the only, and the complete, compensation to the Grantee for the Project. The State shall have no liabilities to the Grantee other than the Grant Amount.
- 5.5. Notwithstanding anything in this Agreement to the contrary, and notwithstanding unexpected circumstances, in no event shall the total of all payments authorized, or actually made, hereunder exceed the Grant limitation set forth in block 1.8 of these general provisions.
6. **COMPLIANCE BY GRANTEE WITH LAWS AND REGULATIONS.** In connection with the performance of the Project, the Grantee shall comply with all statutes, laws regulations, and orders of federal, state, county, or municipal authorities which shall impose any obligations or duty upon the Grantee, including the acquisition of any and all necessary permits and RSA 31-95-b.
7. **RECORDS and ACCOUNTS.**
- 7.1. Between the Effective Date and the date seven (7) years after the Completion Date, unless otherwise required by the grant terms or the Agency, the Grantee shall keep detailed accounts of all expenses incurred in connection with the Project, including, but not limited to, costs of administration, transportation, insurance, telephone calls, and clerical materials and services. Such accounts shall be supported by receipts, invoices, bills and other similar documents.
- 7.2. Between the Effective Date and the date seven (7) years after the Completion Date, unless otherwise required by the grant terms or the Agency pursuant to subparagraph 7.1, at any time during the Grantee's normal business hours, and as often as the State shall demand, the Grantee shall make available to the State all records pertaining to matters covered by this Agreement. The Grantee shall permit the State to audit, examine, and reproduce such records, and to make audits of all contracts, invoices, materials, payrolls, records of personnel, data (as that term is hereinafter defined), and other information relating to all matters covered by this Agreement. As used in this paragraph, "Grantee" includes all persons, natural or fictional, affiliated with, controlled by, or under common ownership with, the entity identified as the Grantee in block 1.3 of these provisions
8. **PERSONNEL.**
- 8.1. The Grantee shall, at its own expense, provide all personnel necessary to perform the Project. The Grantee warrants that all personnel engaged in the Project shall be qualified to perform such Project, and shall be properly licensed and authorized to perform such Project under all applicable laws.
- 8.2. The Grantee shall not hire, and it shall not permit any subcontractor, subgrantee, or other person, firm or corporation with whom it is engaged in a combined effort to perform the Project, to hire any person who has a contractual relationship with the State, or who is a State officer or employee, elected or appointed.
- 8.3. The Grant Officer shall be the representative of the State hereunder. In the event of any dispute hereunder, the interpretation of this Agreement by the Grant Officer, and his/her decision on any dispute, shall be final.
9. **DATA: RETENTION OF DATA: ACCESS.**
- 9.1. As used in this Agreement, the word "data" shall mean all information and things developed or obtained during the performance of, or acquired or developed by reason of, this Agreement, including, but not limited to, all studies, reports, files, formulas, surveys, maps, charts, sound recordings, video recordings, pictorial reproductions, drawings, analyses, graphic representations,
- computer programs, computer printouts, notes, letters, memoranda, paper, and documents, all whether finished or unfinished.
- 9.2. Between the Effective Date and the Completion Date the Grantee shall grant to the State, or any person designated by it, unrestricted access to all data for examination, duplication, publication, translation, sale, disposal, or for any other purpose whatsoever.
- 9.3. No data shall be subject to copyright in the United States or any other country by anyone other than the State.
- 9.4. On and after the Effective Date all data, and any property which has been received from the State or purchased with funds provided for that purpose under this Agreement, shall be the property of the State, and shall be returned to the State upon demand or upon termination of this Agreement for any reason, whichever shall first occur.
- 9.5. The State, and anyone it shall designate, shall have unrestricted authority to publish, disclose, distribute and otherwise use, in whole or in part, all data.
10. **CONDITIONAL NATURE OF AGREEMENT.** Notwithstanding anything in this Agreement to the contrary, all obligations of the State hereunder, including, without limitation, the continuance of payments hereunder, are contingent upon the availability or continued appropriation of funds, and in no event shall the State be liable for any payments hereunder in excess of such available or appropriated funds. In the event of a reduction or termination of those funds, the State shall have the right to withhold payment until such funds become available, if ever, and shall have the right to terminate this Agreement immediately upon giving the Grantee notice of such termination.
11. **EVENT OF DEFAULT: REMEDIES.**
- 11.1. Any one or more of the following acts or omissions of the Grantee shall constitute an event of default hereunder (hereinafter referred to as "Events of Default"):
- 11.1.1 Failure to perform the Project satisfactorily or on schedule; or
- 11.1.2 Failure to submit any report required hereunder; or
- 11.1.3 Failure to maintain, or permit access to, the records required hereunder; or
- 11.1.4 Failure to perform any of the other covenants and conditions of this Agreement.
- 11.2. Upon the occurrence of any Event of Default, the State may take any one, or more, or all, of the following actions:
- 11.2.1 Give the Grantee a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely remedied, terminate this Agreement, effective two (2) days after giving the Grantee notice of termination; and
- 11.2.2 Give the Grantee a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the Grant Amount which would otherwise accrue to the Grantee during the period from the date of such notice until such time as the State determines that the Grantee has cured the Event of Default shall never be paid to the Grantee; and
- 11.2.3 Set off against any other obligation the State may owe to the Grantee any damages the State suffers by reason of any Event of Default; and
- 11.2.4 Treat the agreement as breached and pursue any of its remedies at law or in equity, or both.
12. **TERMINATION.**
- 12.1. In the event of any early termination of this Agreement for any reason other than the completion of the Project, the Grantee shall deliver to the Grant Officer, not later than fifteen (15) days after the date of termination, a report (hereinafter referred to as the "Termination Report") describing in detail all Project Work performed, and the Grant Amount earned, to and including the date of termination. In the event of Termination under paragraphs 10 or 12.4 of these general provisions, the approval of such a Termination Report by the State shall entitle the Grantee to receive that portion of the Grant amount earned to and including the date of termination.
- 12.2. In the event of Termination under paragraphs 10 or 12.4 of these general provisions, the approval of such a Termination Report by the State shall in no event relieve the Grantee from any and all liability for damages sustained or incurred by the State as a result of the Grantee's breach of its obligations hereunder.
- 12.3. Notwithstanding anything in this Agreement to the contrary, either the State or, except where notice default has been given to the Grantee hereunder, the Grantee, may terminate this Agreement without cause upon thirty (30) days written notice.
- 12.4. **CONFLICT OF INTEREST.** No officer, member of employee of the Grantee, and no representative, officer or employee of the State of New Hampshire or of the governing body of the locality or localities in which the Project is to be performed, who exercises any functions or responsibilities in the review or

Grantee Initials *JH*
Date *2/1/22*

- approval of the undertaking or carrying out of such Project, shall participate in any decision relating to this Agreement which affects his or her personal interest or the interest of any corporation, partnership, or association in which he or she is directly or indirectly interested, nor shall he or she have any personal or pecuniary interest, direct or indirect, in this Agreement or the proceeds thereof.
14. **GRANTEE'S RELATION TO THE STATE.** In the performance of this Agreement the Grantee, its employees, and any subcontractor or subgrantee of the Grantee are in all respects independent contractors, and are neither agents nor employees of the State. Neither the Grantee nor any of its officers, employees, agents, members, subcontractors or subgrantees, shall have authority to bind the State nor are they entitled to any of the benefits, workmen's compensation or emoluments provided by the State to its employees.
15. **ASSIGNMENT AND SUBCONTRACTS.** The Grantee shall not assign, or otherwise transfer any interest in this Agreement without the prior written consent of the State. None of the Project Work shall be subcontracted or subgranted by the Grantee other than as set forth in Exhibit B without the prior written consent of the State.
16. **INDEMNIFICATION.** The Grantee shall defend, indemnify and hold harmless the State, its officers and employees, from and against any and all losses suffered by the State, its officers and employees, and any and all claims, liabilities or penalties asserted against the State, its officers and employees, by or on behalf of any person, on account of, based on, resulting from, arising out of (or which may be claimed to arise out of) the acts or omissions of the Grantee or subcontractor, or subgrantee or other agent of the Grantee. Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State. This covenant shall survive the termination of this agreement.
17. **INSURANCE.**
- 17.1 The Grantee shall, at its own expense, obtain and maintain in force, or shall require any subcontractor, subgrantee or assignee performing Project work to obtain and maintain in force, both for the benefit of the State, the following insurance:
- 17.1.1 Statutory workers' compensation and employees liability insurance for all employees engaged in the performance of the Project, and
- 17.1.2 General liability insurance against all claims of bodily injuries, death or property damage, in amounts not less than \$1,000,000 per occurrence and \$2,000,000 aggregate for bodily injury or death any one incident, and \$500,000 for property damage in any one incident; and
- 17.2. The policies described in subparagraph 17.1 of this paragraph shall be the standard form employed in the State of New Hampshire, issued by underwriters acceptable to the State, and authorized to do business in the State of New Hampshire. Grantee shall furnish to the State, certificates of insurance for all renewal(s) of insurance required under this Agreement no later than ten (10) days prior to the expiration date of each insurance policy.
18. **WAIVER OF BREACH.** No failure by the State to enforce any provisions hereof after any Event of Default shall be deemed a waiver of its rights with regard to that Event, or any subsequent Event. No express waiver of any Event of Default shall be deemed a waiver of any provisions hereof. No such failure of waiver shall be deemed a waiver of the right of the State to enforce each and all of the provisions hereof upon any further or other default on the part of the Grantee.
19. **NOTICE.** Any notice by a party hereto to the other party shall be deemed to have been duly delivered or given at the time of mailing by certified mail, postage prepaid, in a United States Post Office addressed to the parties at the addresses first above given.
20. **AMENDMENT.** This Agreement may be amended, waived or discharged only by an instrument in writing signed by the parties hereto and only after approval of such amendment, waiver or discharge by the Governor and Council of the State of New Hampshire, if required or by the signing State Agency.
21. **CONSTRUCTION OF AGREEMENT AND TERMS.** This Agreement shall be construed in accordance with the law of the State of New Hampshire, and is binding upon and inures to the benefit of the parties and their respective successors and assignees. The captions and contents of the "subject" blank are used only as a matter of convenience, and are not to be considered a part of this Agreement or to be used in determining the intent of the parties hereto.
22. **THIRD PARTIES.** The parties hereto do not intend to benefit any third parties and this Agreement shall not be construed to confer any such benefit.
23. **ENTIRE AGREEMENT.** This Agreement, which may be executed in a number of counterparts, each of which shall be deemed an original, constitutes the entire agreement and understanding between the parties, and supersedes all prior agreements and understandings relating hereto.
24. **SPECIAL PROVISIONS.** The additional or modifying provisions set forth in Exhibit A hereto are incorporated as part of this agreement.

Grantee Initials

Date

JAP
2/1/22

EXHIBIT A

Special Provisions

Form G-1, formerly P-37

Modifications, additional and/or deletions to Form P-37, General Provisions, described in detail.

NONE


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EXHIBIT B
GRANT ACTIVITIES

1. SCOPE OF SERVICES, PROJECT DESCRIPTION AND PURPOSE.

1.1 This project shall consist of the awarding of \$490,000 in Community Development Block Grant (CDBG) funds to the County of Grafton ("Grantee") (DUNS#08-125-9830), of which \$470,000 is to be subgranted to Mid-State Health Center ("Subrecipient", "Business" and/or "Subrecipient Business") (DUNS#10-938-5625). Subgranted funds will be used by the Subrecipient to support its children's learning center renovation project at 742 Tenney Mountain Highway, Plymouth, New Hampshire. The Scope of Work shall be more completely defined in the specifications, engineering design and plans (the "Plans") to be developed in accordance with this Agreement. The property for which the CDBG-funds will be used (the "Project Property") is more particularly described in the deed for such property to be attached to this Grant Agreement as Attachment IV.

1.2 Consistent with the National Objectives of the Community Development Block Grant Program under Title I of the Housing and Community Development Act of 1974, as amended, the Parties agree that the Subrecipient will create at least eight (8) and retain at least six (6) permanent, full-time equivalent jobs. At least nine (9) of said total jobs will be held by qualified Low- and Moderate-Income (LMI) persons, whose incomes are equal to or less than 80% of the area median income limits for the household defined and published by HUD at the time they are hired for job creation or retention. Attachment IX (Job Retention & Creation) attached hereto and made apart hereof, provides additional compliance guidance for job creation, job retention and full-time-equivalency (FTE).

1.3 In compliance with the State CDBG administrative standards for evaluating the Public Benefit of the Project activity, the Grantee and Subrecipient Business understands that the standard for measuring the maximum allowable Grant funds for this project is \$35,000 for each permanent full-time equivalent job created or retained and held by an LMI person.

1.4 Attachment VII (Job Categories) attached hereto and made a part hereof, lists the jobs that will be created or retained as a result of the CDBG assistance. Each line represents one job. Job categories shall include: Officials & Managers, Professional, Technicians, Sales, Office & Clerical, Craft Workers (Skilled), Operative (Semi-skilled), Laborers (Unskilled) and Service Workers.

1.5 The benefits plan being offered by the Subrecipient Business, as set forth in the application for funding, is itemized in Attachment VIII (Benefits), attached hereto and made a part hereof.

2. GRANT ADMINISTRATION.

2.1 Grantee shall perform all activities as necessary to administer the CDBG funds in accordance with the provisions of this Agreement, and particularly the federal requirements referenced in this Grant Agreement.

2.2 Grantee has agreed to an Implementation Schedule, which will provide for the completion of all grant activities, prior to the Grant Completion Date. All work shall be completed prior to the Grant Completion Date as outlined in Section 1.7 of the General Provisions. All employment commitments shall be accomplished by that date.

2.3 Grantee shall be permitted to request up to \$20,000 of CDBG funds for reimbursement of administrative Project Costs. In no event shall administrative costs reimbursable with Grant funds exceed



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fifteen percent (15%) of the total Grant Funds. Administrative costs shall be limited to allowable costs as specified in OMB 2 CFR Part 200, as the same may be amended from time to time. Such costs include but are not limited to: preparation of environmental review, recordkeeping, reporting, audits and oversight of Project construction and compliance with all federal, state and local laws, rules and regulations.

2.4 Grantee shall enforce the terms and conditions of its Subrecipient Agreement and Business and Employment Commitment Agreement (BECA) as provided herein. Grantee shall promptly notify Subrecipient in writing in the event of a default under the Subrecipient Agreement and shall aggressively pursue its remedies under said agreement for the benefit of the State.

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

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

2.7 Grantee shall provide such training as is necessary to the Subrecipient Business to secure satisfactory performance of its duties and responsibilities under the Subrecipient Agreement or BECA.

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

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

2.10 Any construction undertaken in connection with the Project shall comply with all applicable state and local design, construction, building and safety codes.

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


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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.

3.1.8 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 608.

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

(1) take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, creed, age, sex, or national origin; such action shall be taken in conjunction with any of the Grantee's acts in the capacity of an employer including, but not limited to: employment of individuals, upgrading, demotions or transfers, recruitment or recruitment advertising; layoffs or terminations; changes in rates of pay or other forms of compensation; selection for training, including apprenticeship, and participation in recreational and educational activities;

(2) post in conspicuous places available to employees and applicants, employment notices, to be provided by CDFA, setting forth the provisions of this non-discrimination clause; the Grantee will, in all solicitations or advertisements for employees, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, creed, age, sex or national origin;

(3) keep all such information, records and reports as may be required by the rules, regulations or orders of the Secretary of Labor and furnish or submit the same at such times as may be required; the Grantee shall also permit CDFA, or the Secretary of Labor or any of their designated representatives to have access to any of the Grantee's books,


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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).

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.fsrs.gov website, which includes FFATA legislation, FAQs and OMB guidance on subaward and executive compensation reporting.

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


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4. SUBRECIPIENT AND BUSINESS & EMPLOYMENT COMMITMENT AGREEMENTS (BECA).

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

4.2 The Subrecipient Agreement and the Business & Employment Commitment Agreement shall provide for the subgranting of \$470,000 in CDBG funds for the purposes described herein and 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 and the BECA prior to its execution. Prior to the disbursement of grant funds but not more than thirty (30) days following the Effective Date of this Agreement, Grantee shall provide to CDFA an executed copy of said Subrecipient Agreement and the BECA.

4.4 Grantee shall cause all applicable provisions of this Exhibit 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.

4.5 If the employment commitment of the grant has not been fully satisfied by the Subrecipient Business, the Grantee shall contact CDFA in writing to determine the best course of action in satisfying the job creation/retention commitments.

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 of not less than \$1,936,052 from the following sources: a CDBG Public Facilities grant, Northern Border Regional Commission grant, CDFA Tax Credits, and USDA Rural Development loan.

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

6. GRANT PERFORMANCE; SECURITY.

6.1 Within sixty (60) days of execution of this agreement and prior to release of grant funds, the Subrecipient shall provide a mortgage lien (security document) to the Grantee and on behalf of CDFA in the amount of \$470,000 on the project property situated at 742 Tenney Mountain Highway, Plymouth, New Hampshire, (as referenced on Attachment IV attached hereto), which shall provide for a recovery of the CDBG funds invested in the Project in the event that the employment commitments, as provided herein, are not achieved.

6.2 Subrecipient shall ensure that the security document provides for recovery of the CDBG funds from the Subrecipient Business in the event said employment commitments are not achieved. In accordance with the terms of the BECA, the Business shall provide said security document to Grantee and on behalf of CDFA.


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6.3 As stated, the security document referenced above shall provide a secured guarantee of the performance of the job creation/retention commitment by the Subrecipient Business. If the Grantee and the Subrecipient Business wish to propose an alternative form of collateral of similar value, the CDFA will consider its proposal, if it provides a similar level of security.

6.4 All security documents shall be submitted to CDFA for its approval. Grantee shall submit to CDFA documentation of the lien recording.

6.5 Any CDBG funds returned to Grantee pursuant to enforcement of the security document shall be returned to CDFA.

7. LOAN AGREEMENTS.

Not applicable to this Award.

8. ADDITIONAL GRANT REQUIREMENTS.

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

8.2 Grantee shall prepare and adopt a financial management plan, approved by CDFA, which describes Grantee's system for receiving and expending the grant funds including the internal controls, which shall ensure compliance with this Exhibit. The plan shall be formally adopted prior to requesting Grant funds.

8.3 Grantee shall submit to CDFA, documentation of employment and expenditures received from the Subrecipient Business at the time of Grant Agreement Effective Date, with each Semi-annual Report and on the Grant Completion Date. Employment information shall be provided on the "Periodic Progress Report", as found in the most current copy of the CDFA Implementation Guide.

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

8.5 CDFA shall have the right to terminate all or part of its obligations under this Agreement in the event that any official, employee, architect, engineer, attorney or inspector of, or for Grantee, or any government 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.

8.6 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


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Law 101-144.

8.7 Lobbying. Grantee certifies that:

8.7.1 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 any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

8.7.2 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.

8.7.3 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.

8.8 Notice to Prospective Subcontractors of Requirement for Certifications of Non-segregated 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:

8.8.1 By the submission of this bid, the bidder, offeror 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.

8.8.2 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


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subcontractors (except where the proposed subcontractors have submitted identical certifications for specific time periods):

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

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

8.9 Publicity and Signage.

8.9.1 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.

8.9.2 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.

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

9. CONSTRUCTION CONTRACTING, BIDS, BONDS, INSPECTION and CERTIFICATION (for Construction Projects Only)

9.1 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.

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

9.3 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.

9.4 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.

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

9.6 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.


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

9.8 Upon completion in full of the Improvements, Grantee and/or Subrecipient shall promptly deliver to CDFA: (a) a written certificate of Grantee's or Subrecipient's inspector, who shall be a licensed professional engineer, that the construction of the Project has been fully completed in a good and workmanlike manner and in accordance with the Plans, (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.

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

10. GRANTEE FINANCIAL MANAGEMENT SYSTEM.

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

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

10.3 Fiscal Control: Grantee must establish fiscal control and fund accounting procedures which assure proper disbursement of, and accounting for, grant funds and any required non-federal expenditures. This responsibility applies to funds disbursed by subrecipients and contractors as well as to funds disbursed in direct operations of Grantee. Grantee shall be required to maintain a financial management system which complies with 24 CFR 85.20 or such equivalent system as CDFA may require. Requests for payment shall be made according to CDFA's CDBG Implementation Guide.

11. PROCUREMENT. Grantee and any Subrecipient procurement procedures shall be in accordance with state and local procurement practices and regulations, provided that procurements made with Grant Funds adhere, at a minimum, to the standards set forth in 2 CFR Part 200.317-326. Grantee shall not use debarred, suspended or ineligible contractors or Subrecipient's as provided in 24 CFR 570.489 (I).

12. REPORTS AND CLOSE OUT

12.1 Semi-Annual progress reports which identify the status of Grant Activities performed, the outlook for completion of the remaining Grant Activities prior to the Completion Date and the changes, if any, which need to be made in the Project or Grant Activities, shall be submitted VIA CDFA's Grants Management System (GMS) by the 15th of the month in January (for period end December 31) and July (for period end June 30).

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 GMS.


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

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

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

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

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

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

13. RECORDS AND ACCOUNTS; ACCESS

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

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

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

13.1.3 Contractor and Subcontractor Records: The Grantee shall, and where applicable, Subrecipient shall, establish, maintain and preserve, and require each of its contractors and subcontractors to establish, maintain and preserve property management, project performance, financial management and reporting documents and systems, and such other books, records, and other data pertinent to the project as the CDFA may require. Such records shall be created for a period of three (3) years following the Completion Date, the date of the final audit approval by CDFA, or three (3) years following HUD's closeout of CDFA's grant year, whichever is later.

14. TERMINATION; REMEDIES

14.1 Inability to Perform: Termination by Grantee. As a result of causes beyond its control, and


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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.

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.


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EXHIBIT C

PROJECT COSTS; METHOD AND TERMS OF PAYMENT

1. PROJECT COSTS; PAYMENT SCHEDULE; REVIEW BY CDFA.

1.1 **Project Costs:** As used in this Agreement, the term "Project Costs" shall mean all reimbursable costs incurred in performance of the Grant activities. "Administrative 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 Administrative Cost standards set forth in OMB 2 CFR Part 200 as revised from time to time. Administrative 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 Costs exceed fifteen (15) percent of the total Grant award. With respect to a non-profit subrecipient, such Subrecipient shall meet the requirements of OMB 2 CFR Part 200.

1.2 **Delivery Costs:** If applicable to this Agreement, the term "Delivery Costs" shall mean all reimbursable costs incurred by a Subrecipient 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. In no event shall Delivery Costs exceed the amount specified in Attachment I, Sources and Uses.

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 Award as set out in Paragraph 1.8 of the General Provisions, and provided further that all Project Costs shall have been incurred prior to the Completion Date, except for reasonable approved Project Costs incurred within 90 days after the Completion Date and in connection with closeout requirements as provided in CDFA's Implementation Guide.

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

2. METHOD AND TERMS OF REIMBURSEMENT FOR PROJECT COSTS.

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

2.1.1 A Subrecipient and/ or Business & Employment Commitment Agreement, as applicable;

2.1.2 Documentation of other committed match funds or additional financing necessary as defined in Attachment I, "Sources and Uses as approved by CDFA;


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

2.1.4 Certified payrolls documenting employment and positions; and

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

2.2 Timing of Payments. Upon thirty (30) days of the receipt, review, and approval by CDFA of financial reports and requests for reimbursement from Grantee specifying all 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 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 and receipts for supplies, equipment, services, contractual services and, where applicable, a report of salaries paid or to be paid.

4. LIMITATIONS ON USE OF FUNDS.

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

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

4.3 Grant funds may not, without advance written approval by CDFA, be obligated prior to the Effective Date or subsequent to the Completion Date of the grant period. Obligations outstanding as of the Completion Date shall be liquidated within ninety (90) days. Such obligations must be related to goods or services provided during the grant period, except that reasonable costs associated solely with grant closeout, (e.g., audits, final reports) may be incurred within ninety (90) days after the Completion Date. The funding assistance authorized hereunder shall not be obligated or utilized for any activities requiring a release of funds under the Environmental Review Procedure for the Community Development Block Grant Program at 24 CFR Part 58, until such release is issued in writing by CDFA.

4.4 Changes in Funding Project Activities: Grantee may submit a written request for the authority to transfer up to ten (10) percent of the full value of the grant from one approved activity to another listed in Exhibit C herein or from an approved activity within the approved project area to an approved activity located 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 \$20,000 of Grant Funds may be applied by the Grantee for administrative costs in carrying out the requirements of this Agreement.


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4.7 Up to \$470,000 of grant funds may be subgranted to Subrecipient to support its children's learning center renovation center at 742 Tenney Mountain Highway, Plymouth, New Hampshire as described herein pursuant to the requirements of this Agreement.

5. PERFORMANCE OF SERVICES BY GRANTEE PRIOR TO EFFECTIVE DATE; PAYMENT BY CDFA.

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

6. PROGRAM INCOME.

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

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

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



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ATTACHMENT I

SOURCES AND USES BUDGET

Community Development Block Grant Program

Sources and Uses

Uses	Sources				Total Uses
	CDBG-ED Proposed	CDBG- Public Facilities	Northern Border R.C., CDFA Tax Credits	USDA-Rural Development Loan	
Site Improvements		150,000		93,500	243,500
Construction	470,000	325,000	590,000	382,643	1,767,643
Professional Fees				153,021	153,021
Equipment/Furnishings				120,000	120,000
Other				96,888	96,888
CDBG Admin.	20,000	25,000			45,000
Totals:	\$490,000	\$500,000	\$590,000	\$846,052	\$2,426,052


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ATTACHMENT II

SUBRECIPIENT AGREEMENT MINIMUM TERMS AND CONDITIONS

County of Grafton ("Grantee") hereby warrants and agrees that the Subrecipient Agreement with Mid-State Health Center ("Subrecipient") to be executed in conformance with the requirements of Exhibit B of the Grant Agreement shall be subject to approval by CDFA. The Subrecipient Agreement shall incorporate the entire Grant Agreement and shall include it as an attachment, and shall contain at a minimum the following terms and conditions:

1. **REPRESENTATIONS AND WARRANTIES:** Mid-State Health Center ("Subrecipient", "Business" or "Subrecipient Business") shall represent and warrant:

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

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

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

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

2. **PROJECT DESCRIPTION AND SUBGRANT ACTIVITIES**

2.1 This project shall consist of the awarding of \$490,000 in Community Development Block Grant (CDBG) funds to the County of Grafton ("Grantee") of which \$470,000 is to be subgranted to Mid-State Health Center ("Subrecipient", "Business" or "Subrecipient Business"). Subgranted funds will be used by the Subrecipient to support its children's learning center renovation project at 742 Tenney Mountain Highway, Plymouth, New Hampshire.

2.2 The general purpose of the project is to principally benefit Low- and Moderate-Income Persons as that term is defined in the Grant Agreement: "those persons whose income falls at or below the "low income" level as determined by the U. S. Department of Housing and Urban Development (HUD) for the State of New Hampshire. HUD's "low- and moderate-income levels" for its various programs and is updated on an annual basis. The most current HUD Income Limits may be found at CDFA's website at www.nhcdfa.org

2.2.1 The Parties agree that the Subrecipient Business will create at least eight (8) and retain at least six (6) permanent, full-time equivalent jobs. At least nine (9) of said jobs will be held by qualified Low- and Moderate-Income (LMI) persons, whose incomes are equal to or less than 80% of the area median income limits for the household defined and published by HUD at the


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time they are hired for job creation.

2.2.2 In compliance with the State CDBG administrative standards for evaluating the Public Benefit of the Project activity, the Grantee and Subrecipient Business understands that the standard for measuring the maximum allowable Grant funds for this project is \$35,000 for each permanent full-time equivalent job created or retained and held by LMI persons.

2.2.3 In carrying out the purpose of the project, the Subrecipient Business agrees to create a minimum of eight (8) and retain at least six (6) permanent full-time-equivalent jobs, of which at least nine (9) will be held by LMI persons. Attachment IX (Job Retention & Creation) attached hereto and made a part hereof, provides additional compliance guidance for job creation, job retention and full-time-equivalency (FTE).

2.2.4 Attachment VII (Job Categories) attached hereto and made a part hereof, lists the jobs that will be created or retained as a result of the CDBG assistance. Each line represents one job. Job categories shall include: Officials & Managers, Professional, Technicians, Sales, Office & Clerical, Craft Workers (Skilled), Operative (Semi-skilled), Laborers (Unskilled) and Service Workers.

2.2.5 The benefits plan being offered by the Subrecipient Business, as set forth in the application for funding, is itemized in Attachment VIII (Benefits), attached hereto and made a part hereof.

3. GRANT OF FUNDS/MATCHING FUNDS. Subrecipient shall use the Grant funds subgranted to it solely for the purposes described herein and consistent with the required terms and conditions of the Grant Agreement and Subrecipient Agreement.

3.1 Subrecipient shall be subgranted a total of \$470,000 of the CDBG funds, in order to support the Children's Learning Center Project situated at 742 Tenney Mountain Highway, Plymouth, New Hampshire.

3.2 The Grantee shall retain \$20,000 of the total grant of \$490,000 for administrative costs associated with management of the Grant.

3.3 The Parties agree that the CDBG funds to be awarded pursuant to this Agreement shall be matched with non-CDBG funds in an amount of not less than \$1,936,052 from the following sources: CDBG Public Facilities grant, Northern Border Regional Commission grant, CDFA Tax Credits, and USDA Rural Development loan.

4. SUBRECIPIENT REQUIREMENTS

4.1 Performance Requirements. The Grantee shall enter into an agreement with Subrecipient Business in order to satisfy employment commitments identified in Section 2 of this Attachment, as stated in Attachment III, "Business & Employment Commitment Agreement."

4.2 Security. Subrecipient shall provide a mortgage lien (security document) to the Grantee and on behalf of CDFA in the amount of \$470,000 on the project property situated at 742 Tenney Mountain Highway, Plymouth, New Hampshire, (as referenced on Attachment IV attached hereto), which shall provide for a recovery of the CDBG funds invested in the Project in the event that the employment commitments, as provided herein, are not achieved.

4.3 Compliance with Laws. Subrecipient shall comply with all applicable federal, state, and local


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laws, statutes, executive orders and rules as they relate to the application, acceptance and use of funds for this Project, including, but not limited to, the requirements as specified in the Grant Agreement.

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

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

5. SCHEDULE

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

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

6. INSURANCE AND TAXES

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

All policies shall name the Grantee and CDFA as additional insureds. Subrecipient shall provide the Grantee with certificates of insurance satisfactory to the Grantee which evidences compliance with this Section.

6.2 Business' Insurance Requirements. Subrecipient Business shall obtain and maintain in force comprehensive general liability insurance against all claims of bodily injury or property damage, in amounts of not less than \$1,000,000 per occurrence and \$2,000,000 aggregate. This insurance shall be at Subrecipient Businesses' sole expense.

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


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

6.3 Insurance Standards. The policies described in this section shall be the standard form employed in the State of New Hampshire issued by underwriters authorized to do business in the State of New Hampshire. All policies shall be on an "occurrence" basis. Each policy shall contain a clause prohibiting cancellation or modification of the policy earlier than thirty (30) days after written notice thereof has been received by the Grantee and CDFA.

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

7. REPORTING REQUIREMENTS: PERIODIC AND CLOSEOUT AGREEMENTS.

7.1 Business & Employment Commitment Agreement Reporting to Grantee. Subrecipient Business is required to submit job creation and retention information to the Grantee.

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

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

8. ACCOUNTING, AUDIT, AND RECORD KEEPING REQUIREMENTS

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

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

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

9. INDEMNIFICATION. Subrecipient shall defend, indemnify and hold harmless the Grantee, the State of New Hampshire, and the CDFA, their officers and employees, from any and all losses suffered by the


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Grantee, the State, or CDFA, their officers or employees, and any and all claims, liabilities or penalties asserted against the Grantee, the State or CDFA, their officers and employees, by or on behalf of any person, on account of, based on, resulting from, arising out of or claimed to Subrecipient out of the acts or omissions of Subrecipient.

Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State or the Grantee, which immunity is hereby reserved to the State and the Grantee. This covenant shall survive the termination or expiration of this Agreement.

10. MAINTENANCE OF CORPORATE EXISTENCE

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

10.2 Scope of Mission. Subrecipient and Grantee agree that the Subrecipient's Articles of Incorporation and Corporate Bylaws ("Bylaws") as submitted with the Project application and incorporated herein by reference, provide an adequate administrative mechanism for assuring the Subrecipient's mission of assisting in the creation of employment opportunities for Low- and Moderate-Income Persons, during the Grant Period, as required pursuant to this agreement.

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

11.1.1 Any Event of Default under the Grant Agreement, and related documents including, but not limited to, the failure of the Subrecipient to accomplish the required job creation and benefit to low- and moderate-income persons;

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

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

11.1.4 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;

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

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

11.1.7 Any mechanics', laborers', materialmen's or similar statutory liens, or any notice thereof,


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shall be filed against the Property and/or the Project and shall not be discharged within thirty (30) days of such filing;

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

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

11.1.10 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;

11.1.11 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;

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

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

12. GRANTEE'S RIGHTS AND REMEDIES UPON DEFAULT.

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

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

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

12.1.3 Suspend all payment of grant funds to be made pursuant to this Agreement until such


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time as the Grantee determines the Event of Default has been cured;

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

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

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

12.1.7 Assume the right to seek full reimbursement of CDBG funds from the Subrecipient and the right to call on any collateral pledged under this Agreement.

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

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

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

13.1. Subrecipient has obtained all necessary approvals of the Plans and all necessary permits for the operation of its business from all governmental authorities having jurisdiction over the Project.

13.2 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.

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

13.4 Subrecipient has filed all federal, state and local tax returns required to be filed and has paid or made adequate provision for the payment of all federal, state or local taxes, charges and assessments.

13.5 The execution and delivery and performance by Subrecipient of its obligations under this Agreement and related documents 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



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with, any governmental instrumentality or other agency in connection with or as a condition to the execution, delivery or performance of this Agreement and all other related documents.

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

13.7 No statement of fact made by or on behalf of Subrecipient in any of the agreement or related documents or in any certificate, exhibit or schedule furnished to the Grantee pursuant thereto, contains any untrue statement of a material fact or omits to state any material fact necessary to make statements contained therein or herein not misleading. There is no fact or circumstance presently known to Subrecipient that has not been disclosed to the Grantee that materially affects adversely, nor as far as Subrecipient can foresee, will materially affect adversely Subrecipient, operations or considerations (financial or otherwise) of Subrecipient.

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

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

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

14. MISCELLANEOUS PROVISIONS.

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

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

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

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

14.5 Maintenance of Project. Subrecipient shall maintain, keep, and preserve in good working order and condition all of its property and assets necessary or useful in the proper conduct of its business and operation of the Project. This shall include all property improvements made as a result of this Project.


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

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

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

15. PUBLICITY AND SIGNAGE.

15.1 **Public Relations.** The Subrecipient shall grant CDFA the right to use the Subrecipient'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.

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

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


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ATTACHMENT III
BUSINESS & EMPLOYMENT COMMITMENT AGREEMENT
MINIMUM TERMS AND CONDITIONS

County of Grafton (Grantee) hereby warrants and agrees that the Business & Employment Commitment Agreement (BECA) shall be prepared in conformance with the requirements of Exhibit B of the Grant Agreement; shall be subject to approval by the Community Development Finance Authority (CDFA); shall be executed by the Grantee and Mid-State Health Center and shall contain, at a minimum, the terms and conditions identified in this Attachment III.

1. REPRESENTATION AND WARRANTIES:

1.1 Mid-State Health Center (Subrecipient Business) represents and warrants that it is a duly organized and validly existing New Hampshire non-profit corporation in good standing under the laws of the State of New Hampshire.

1.2 The BECA is a legal, valid and binding obligations of the Subrecipient Business and shall be enforceable against the Subrecipient Business in accordance with its terms.

1.6 Subrecipient Business shall comply 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 and all statutes, pertaining to the manufacturing of its products.

1.7 The parties hereto agree that this Project will not result in the relocation of Subrecipient Business from one Labor Market Area (LMA) to another, and as such, relocates significant number of jobs from another LMA, as defined by 570.482 (f).

1.8 No application, exhibit, schedule, report or other written information provided by Subrecipient Business or their agents to Grantee or CDFA in connection with the negotiation, execution and closing of the Grant Agreement or the BECA knowingly contained, when made, any material misstatement of fact, or knowingly omitted to state any material fact necessary to make the statements contained therein not misleading in light of the circumstances under which they were made.

2. PURPOSE OF BECA: PROJECT ACTIVITIES

2.1 This project shall consist of the awarding of \$490,000 in Community Development Block Grant (CDBG) funds to the County of Grafton ("Grantee"), of which \$470,000 is to be subgranted to Mid-State Health Center ("Subrecipient", "Business" and/or "Subrecipient Business"). Subgranted funds will be used by the Subrecipient to support its children's learning center renovation project at 742 Tenney Mountain Highway, Plymouth, New Hampshire.

2.2 As a result of the direct benefit to the Subrecipient Business, the Subrecipient Business has agreed that it will create at least eight (8) and retain at least six (6) permanent, full-time equivalent jobs. At least nine (9) of said total jobs will be held by qualified Low- and Moderate-Income (LMI) persons, whose incomes are equal to or less than 80% of the area median income limits for the household defined and published by HUD at the time they are hired for job creation.

2.3 In compliance with the State CDBG administrative standards for evaluating the Public Benefit of


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the Project activity, the Grantee and Business understand that the standard for measuring the maximum allowable Grant funds for this project is \$35,000 for each permanent, full-time equivalent job created or retained and held by an LMI person.

2.4 Attachment VII (Job Categories) attached hereto and made a part hereof, lists the jobs that will be created or retained as a result of the CDBG assistance. Each line represents one job. Job categories shall include: Officials & Managers, Professional, Technicians, Sales, Office & Clerical, Craft Workers (Skilled), Operative (Semi-skilled), Laborers (Unskilled) and Service Workers.

2.5 The BECA shall stipulate that the Subrecipient Business shall provide the benefits, as set forth in the application and itemized in Attachment VIII (Benefits), attached hereto and made a part hereof.

3. SECURITY: LIEN DOCUMENTS

3.1 The Business shall provide a mortgage lien (security document) to the Grantee and on behalf of CDFA in the amount of \$470,000 on the project property situated at 742 Tenney Mountain Highway, Plymouth, New Hampshire, (as referenced on Attachment IV attached hereto), which shall provide for a recovery of the CDBG funds invested in the Project in the event that the employment commitments, as provided herein, are not achieved.

As stated the lien documents referenced above provide a secured guarantee of the performance of the job creation commitment by the Subrecipient Business. If the Grantee and the Subrecipient Business wish to propose an alternative form of collateral of similar value, the CDFA will consider its proposal, provided it offers a similar level of security.

The lien documents shall be submitted to CDFA for its approval. Grantee shall submit to CDFA documentation of the mortgage or other lien recording.

3.2 Any CDBG funds returned to Grantee pursuant to enforcement of the security lien shall be returned to CDFA.

4. MATCH REQUIREMENTS

4.1 The Parties agree that the CDBG funds to be awarded pursuant to this Agreement shall be matched with non-CDBG funds in an amount of not less than \$1,936,052 from the following sources: a CDBG Public Facilities grant, Northern Border Regional Commission grant, CDFA Tax Credits, and USDA Rural Development loan.

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

5. INITIAL DOCUMENTATION

5.1 To document the existing employees of the Subrecipient Business at the start of this Project, the Subrecipient Business shall provide to the Grantee, directly or via Subrecipient as applicable, certified payrolls evidencing the number of full-time and full-time equivalent employees.

5.2 To document the permanent, full-time positions to be created or retained, the Subrecipient Business shall provide the Grantee, directly or via Subrecipient, as applicable, the information identified in the table in Attachment VII.


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6. **IMPLEMENTATION SCHEDULE:** All parties to this grant have agreed on an implementation schedule, which will provide for the completion of all grant activities, prior to the grant completion date. A schedule of major milestones shall be provided, and shall serve as a basis for enforcement of the Agreement.

7. **GRANT COMPLETION DATE:** All work shall be completed prior to the Grant Completion Date as outlined in Section 1.7 of the General Provisions. All employment commitments shall be accomplished by that date.

Should the Project encounter delays related to financing, construction or other events that may affect the Business' ability to create or retain the jobs within the specified Grant Completion Date, the Business and Grantee shall submit a written request for a time extension to CDFA, describing the reason for delay. Grant completion time extension requests, if approved by CDFA, shall be subject to Governor and Council approval.

8. **BUSINESS INSURANCE REQUIREMENTS:** Grantee shall ensure that the Business obtains and maintains in force comprehensive general liability insurance against all claims of bodily injury or property damage, in amounts of not less than \$1,000,000 per occurrence and \$2,000,000 aggregate. This insurance shall be at Business' sole expense. All policies shall name Grantee, Subrecipient (if applicable) and CDFA as additional insureds. The Business shall provide the Grantee with certificates of insurance, which evidences compliance with this section.

Furthermore, the Grantee shall require that the Subrecipient Business obtain and maintain in force, at their sole expense, insurance coverage for all real property or assets purchased with grant funds, as applicable to the project activities.

All policies described in this section shall be the standard form employed in the State of New Hampshire, issued by underwriters acceptable to the State, and authorized to do business in the State of New Hampshire. All policies shall be on an "occurrence" basis. Each policy shall contain a clause prohibiting cancellation or modification of the policy earlier than thirty (30) days after written notice thereof has been received by the Grantee and CDFA.

9. **ASSESSMENTS AND FEES:** The Subrecipient Business shall certify that it has paid all taxes, assessments, charges, fines and impositions attributed to all real property or assets of the Subrecipient Business, as applicable.

10. **REPORTING REQUIREMENTS**

10.1 Semi Annual reports shall be submitted by the Grantee, no later than July 15, for the period of January 1 through June 30 and no later than January 15, for the period of July 1 through December 31 of each year. The reporting period shall begin on the date of Governor and Council approval and end upon Closeout of the Award.

10.2 For both Semi-annual reporting and Closeout reporting, the Grantee shall be responsible for obtaining, preparing and submitting the following documentation:

10.2.1 The "Periodic Progress Report", which includes the Beneficiary Characteristics and data. For each reporting period, the report shall indicate the number of new persons hired for the specified positions from LMI persons benefiting from this project, as well as the minority status or protected class status information. The data is derived from the Family Income Verification Form, provided in Attachment V.

10.2.2. Semiannual and closeout documentation to be submitted to CDFA shall also include:


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10.2.3 Copies of the Family Income Verification forms signed by all new hires, from the Business. Family Income Verification form documenting family income status and the designation of beneficiary minority or protected class status.

10.2.4 Copies of current company payrolls, certified by an authorized officer of the Business, listing names of all employees and job titles; and

10.2.5 A list of all employees hired since the last reporting period, from the Subrecipient Business, documenting actual job creation/retention which includes: employee name, job title, date of hire, number of hours worked per week for each job, rate of pay, income classification and beneficiary characteristics, that is minority or protected class status.

10.3 Responsibilities of the Subrecipient Business. In order to comply with the required reports, the Subrecipient Business are responsible for providing to the Grantee a variety of information, which allows for the verification and documentation of family income status and of minority or protected class status for new employees and applicants, in accordance with the federal and state regulations set forth in Exhibit B of the Grant Agreement. The specific data to be provided by the Business shall include:

10.3.1 Copies of the Family Income Verification forms signed by all new and retained employees, are to be provided on a semi-annual basis to the Grantee. The Family Income Verification form documents family income status and the designation of beneficiary minority or protected class status. The Family Income Verification form for job applicants and beneficiaries is provided in Attachment V;

10.3.2 Copies of current company payrolls, certified by an authorized officer of the Subrecipient Business, listing names of all employees and job titles as identified on the table provided herein;

10.3.3 A list of all employees hired since the last reporting period, from the Subrecipient Business, documenting actual job creation, which includes: employee name, job title, date of hire, number of hours worked per week for each job, rate of pay, income classification and beneficiary characteristics, that is minority or protected class status.

10.3.4 Attachment IX (Job Retention & Creation) attached hereto and made apart hereof, provides additional compliance guidance for job creation, job retention and full-time-equivalency (FTE).

11. OTHER EMPLOYMENT CONDITIONS

11.1 The parties acknowledge that the obligation of the Subrecipient Business to create and retain the specified minimum number of jobs for LMI persons is an essential component of the Grantee's willingness to enter into the grant and into this BECA with the Subrecipient Business, upon the terms and conditions set forth in such agreements, or other documents. The Subrecipient Business agree that they shall exercise good faith at all times in their hiring practices in order to achieve their job commitments.

11.2 In the event that the Subrecipient Business fail to create the minimum number of jobs required to be filled with persons from LMI families or other employment commitments as provided in this Agreement, then the Subrecipient Business shall confer forthwith with the Grantee, as applicable, and CDFA to develop a mutually acceptable plan pursuant to which it will rectify any employment shortfalls and maintain the required minimums. In such event, the Subrecipient Business shall also provide Grantee with monthly updates containing information in a form reasonably satisfactory to the Grantee in order for


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the Grantee to determine whether it is in compliance with such plan and its employment obligations as provided herein. Said monthly reports to continue until the employment commitments are achieved.

11.3 The continued failure of the Subrecipient Business to achieve its employment commitments as required herein for ninety (90) days following the date specified for such requirement shall constitute an event of default under this Business and Employment Commitment Agreement, which may give rise to any of the remedies available to the Grantee as set forth therein.

11.4 In any other agreement entered into between the Grantee and the Subrecipient Business, the Grantee shall include, as an event of default, the failure to meet the employment commitments and reporting requirements as provided herein. Upon breach of the employment commitments or reporting requirements giving rise to an event of default, the Grantee shall undertake efforts to result in a cure of the default or shall, where applicable, terminate the loan or other agreement and seek damages or other relief as appropriate.

12. **ACCOUNTING, AUDIT AND RECORD KEEPING REQUIREMENTS:** The BECA shall be subject to all recordkeeping requirements identified Section 570.490 of Title 24, Part 570 of the HUD Code of Federal Regulations, including, but not limited to the following:

12.1 All of the records, documents and data described required to provide all employment verification information shall be retained during the performance of the Project and for three (3) years from the date of closeout of the grant, or for such longer periods as may be required under any federal, state or local law.

12.2 The Subrecipient Business shall make available to Grantee, CDFA and HUD or any of their duly authorized representatives, for the purpose of audit and examination, its audit and any books, documents, papers, and records pertinent to this Project for the purpose of making an audit, examination, excerpt, and transcriptions.

13. **INDEMNIFICATION.**

13.1 The Subrecipient Business shall indemnify, defend and hold harmless Grantee and CDFA against and from any and all claims, judgments, damages, penalties, fines, assessments, costs and expenses, liabilities and losses (including without limitation damages for the loss or restriction on the use of the Property, sums paid in settlement of claims, attorneys' fees, consultants' fees and experts' fees) resulting or arising during the term of this Business and Employment Commitment Agreement:

13.1.1 from any condition of the Property, including any building structure or improvement thereon;

13.1.2 from any breach or default on the part of the Subrecipient Business in the performance of any mortgage lien, or from any act or omission of the Subrecipient Business or any of their agents, contractors, servants, employees, subloans, licensees or invitees; or

13.1.3 from any accident, injury or damage whatsoever caused to any person occurring during the term of the BECA, on the Property or areas adjacent thereto.

14. **EVENTS OF DEFAULT:** The occurrence of any one or more of the following events shall constitute an Event of Default under the Agreement:

14.1 The Subrecipient Business' failure to meet the employment commitments as specified herein;


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14.2 The Subrecipient Business' failure to comply with the employment reporting requirements as specified herein;

14.3 The premises of the Subrecipient Business is materially damaged or destroyed by fire or other casualty or cause and the insurance proceeds therefrom are inadequate to rebuild or restore the Premises to their condition immediately prior to such casualty;

14.4 If the Subrecipient Business 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 a proceeding under any such law;

14.5 A petition, order, judgment or decree shall be entered, without the application, approval or consent of the Subrecipient Business by any court of competent jurisdiction, approving a petition seeking reorganization or approving the appointment of a receiver, trustee or liquidator of the Subrecipient Business 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;

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

14.7 Any mechanics', laborers', materialmen's or similar statutory lien, or any notice thereof, shall be filed against the Subrecipient Business and shall not be discharged within thirty (30) day of such filing;

14.8 Failure to remedy an ineligible expenditure of grant funds or to reimburse Grantee or CDFA for any ineligible costs which are paid from Grant funds.

15. REMEDIES UPON DEFAULT

15.1 In the event that the Subrecipient Business shall default in its commitment to create the required number of employment positions as provided in the Agreement or shall otherwise default under the terms of the Agreement and such default results in the required return of Grant Funds to CDFA, Grantee shall obtain, through its own remedy, a reimbursement of grant fund expenditures from the Business.

15.2 In such an event of default, the amount of CDBG funds subject to recovery in accordance with this paragraph shall be no more than the CDBG award amount, and shall be based upon the following calculation: The difference between the original number of proposed LMI jobs contained in Section 2 of this BECA less the actual jobs created or retained, multiplied by the amount committed to in the application less the applicable project administrative costs.

16. ADDITIONAL REPRESENTATIONS, WARRANTIES AND PROVISIONS

16.1 The Subrecipient Business have obtained or will obtain all necessary approvals of the plans and all necessary permits for the operation of its business from all governmental authorities having jurisdiction over the Project.

16.2 Construction of any improvements for the Project will not violate any zoning, environmental,


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subdivision, or land use ordinance, regulation or law; the Property conforms and complies in all material respects with covenants, conditions, restrictions, reservations and zoning, environmental land use, and other applicable ordinances, laws, rules and regulations, federal, state or local, affecting the Property.

16.3 No litigation, claims, suits, orders, investigations or proceedings are pending or threatened against the Subrecipient Business 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 the Subrecipient Business there is no basis for any of the foregoing.

16.4 The Subrecipient Business 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.

16.5 The Subrecipient Business 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 has no knowledge of any person contemplating the filing of any such petition against it.

16.6 The Subrecipient Business shall comply with all federal, state and local laws, regulations, and standards relating to protection or preservation of the environment that are or may become applicable to its activities at the Project Property.

16.7 The Subrecipient Business, and any sub-lessee or assignee of the Business shall be solely responsible for obtaining, at their cost and expense, any environmental permits required for their operations.

16.8 The Subrecipient Business shall preserve and maintain the legal existence and good standing of its statuses and its registrations in New Hampshire.

16.9 The Business 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.

16.10 No amendment or modification of this BECA shall be effective unless it is in writing and executed by all parties and approved by CDFA.

17. PUBLICITY AND SIGNAGE

17.1 Public Relations. The Subrecipient Business shall grant CDFA the right to use the Business' 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.

17.2 Reciprocal Publicity. The Subrecipient Business 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.

17.3 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


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solely for CDFA poses a hardship. Alternative – If none of these are applicable/feasible, an alternative display of the CDFA logo or public recognition may be used with permission from CDFA.


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E # 21008365 05/19/2021 02:35 PM
Book 4632 Page 467 Page 1 of 4
Register of Deeds, Grafton County

After recording return to:



Attachment IV

LCHIP FEE	GRA162433	25.00
TRANS TAX	GR072209	9,938.00

WARRANTY DEED

WAREHOUSE FURNITURE DIRECT, LLC, a New Hampshire Limited Liability Company, with a mailing address of 151 Sky Pond Road, New Hampton, N.H. 03256, grants to **MID-STATE COMMUNITY DEVELOPMENT CORPORATION**, a New Hampshire Corporation, with an address of 101 Boulder Point Drive, Ste. 1, Plymouth, N.H. 03264, with **WARRANTY** covenants, the following:

A certain tract or parcel of land with the buildings and improvements thereon and appurtenances thereto, referred to as 742 Tenney Mountain Highway, in the Town of Plymouth, County of Grafton and State of New Hampshire, as shown on a plan entitled "Site Plan For & Boundary Line Adjustment, Andrew C. Hancock, Tenney Mountain Highway – Route 25, Plymouth, N.H., Grafton County, Site Plan: October 1999", prepared by Alan M. Barnard, Barnard Survey Assoc., Inc., approved by the Plymouth Planning Board on October 21, 1999, and being recorded in the Grafton County Registry of Deeds as Plan #9758, and being more particularly bounded and described as follows:

Beginning at a point, being an iron rod, on the northerly side of Tenney Mountain Highway a/k/a Route 25 and being the southeasterly corner of the herein described premises;

Thence running North 13° 46' 05" East, a distance of 310.38 feet, along land now or formerly of Andrew C. Hancock, to an iron rod;

Thence turning and running North 76° 17' 00" West, a distance of 140.41 feet, along said land now or formerly of Hancock, to an iron rod;

Thence turning and running South 13° 46' 05" West, a distance of 310.25 feet, along said land now or formerly of Hancock, to an iron rod;

Thence turning and running South 76° 13' 55" East, a distance of 140.41 feet, along the said Tenney Mountain Highway a/k/a Route 25 to an iron rod, being the point of beginning.

SUBJECT TO AND TOGETHER WITH the benefit of the terms, conditions and obligations as stated in the Easement Agreement between Andrew C. Hancock and CharLin, L.L.C., dated January 18, 2000, and recorded in the Grafton County Registry of Deeds at Book 2443, Page 12.

To the extent that the following effects the property being conveyed, this conveyance is SUBJECT TO the following:

1. Reservation of a right to use and maintain a water line as recited in the deed from Bunice R. Lowe and Merton C. Lowe to Clara May Arsenault and John Charles Arsenault, dated August 17, 1943, and recorded in the Grafton County Registry of Deeds at Book 719, Page 20.
2. The right of Charles H. Fletcher to maintain a water pipeline as recited in the deed from Julia T. Blake to Margaret A. Wade, dated November 7, 1925, and recorded in the Grafton County Registry of Deeds at Book 592, Page 36 and the deed from Harry N. Blake, Executor of the Estate of Francis F. Blake to Margaret A. Wade, dated November 7, 1925, and recorded in the Grafton County Registry of Deeds at Book 592, Page 217.
3. The benefit of a spring, pipeline and right to maintain pipelines as recited in the deed from Julia T. Blake to Margaret A. Wade, dated November 7, 1925, and recorded in the Grafton County Registry of Deeds at Book 592, Page 36 and the deed from Harry N. Blake, Executor of the Estate of Francis F. Blake to Margaret A. Wade, dated November 7, 1925, and recorded in the Grafton County Registry of Deeds at Book 592, Page 217.
4. A right of way from Margaret A. Wade to Pemigewasset Electric Co., dated September 21, 1934, and recorded in the Grafton County Registry of Deeds at Book 650, Page 546.
5. Slope, embankment and drainage rights as recited in the deed from Thelma A. Spohrer to Thomas E. Abbotts and Jacqueline P. Noseworthy, as Trustees of the Nags Head Realty Trust, dated September 8, 1987, and recorded in the Grafton County Registry of Deeds at Book 1692, Page 324.

6. Easement from Fayleen Fillion a/k/a Fayleen Fillion to Plymouth Village Water and Sewer District, dated May 12, 1988 and recorded in the Grafton County Registry of Deeds at Book 1768, Page 366.

Meaning and intending to describe and convey all and the same premises as described in and conveyed by the Warranty Deed of Andrew C. Hancock to CharLin, L.L.C., dated January 18, 2000, and recorded in the Grafton County Registry of Deed at Book 2443, Page 9.

TOGETHER WITH a certain tract or parcel of land situate on Tenney Mountain Highway, in the Town of Plymouth, County of Grafton and State of New Hampshire, being a certain boundary adjustment parcel depicted on a plan entitled "As Built Plan and Boundary Adjustment between Andrew C. Hancock and Charlin, LLC, Tenney Mountain Highway, Route 25, Plymouth, N.H.", prepared by Alan M. Barnard, Barnard Survey Assoc., Inc., approved by the Plymouth Planning Board on October 19, 2000, and recorded in the Grafton County Registry of Deeds as Plan #10122, and more particularly bounded and described as follows:

Beginning at a point marked "B" on the Plan, said point B being marked by an iron rod set flush at the northerly limit of Tenney Mountain Highway and said point B marking the southwestern most corner of premises of Charlin, LLC; thence North $13^{\circ} 46' 05''$ East 310.25 feet to a point marked "A" on the Plan, said point A being marked by an iron rod set flush and said point A marking the northwestern most corner of premises of Charlin, LLC; thence South $14^{\circ} 04' 46''$ West 190.23 feet to an iron rod set at or near a propane tank; thence following a curve to the left having a delta angle of $59^{\circ} 25' 41''$, a radius of 15.1', an arc length of 15.66', a chord length of 14.97', and a chord bearing of South $43^{\circ} 31' 18''$ West, to an iron rod; thence South $13^{\circ} 48' 28''$ West 54.65 feet to an iron rod; thence following a curve to the left having a delta angle of $60^{\circ} 51' 32''$, a radius of 15.10', an arc length of 16.04', a chord length of 15.30', and a chord bearing of South $16^{\circ} 37' 19''$ East to the iron rod; thence South $12^{\circ} 39' 17''$ West 39.20 feet to the point of beginning. Surveyed to contain 742 square feet, more or less.


Meaning and intending to describe and convey all and the same premises conveyed to WAREHOUSE FURNITURE DIRECT, LLC by Deed of CHARLIN, L.L.C. DATED May 19, 2014 as recorded at Book 4057, Page 45 of the Grafton County Registry of Deeds.

This is not homestead property of the Grantor.

This deed was prepared from information supplied by the grantor and grantee, and at the request of the grantor and grantee no independent title examination was undertaken nor did the preparer otherwise verify the accuracy of the representations contained herein, nor provide advice regarding the estate, gift, income, transfer, business profits, or other tax consequences thereof, if any.

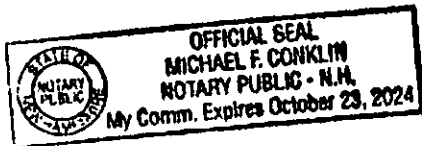
EXECUTED this 19th day of May, 2020.

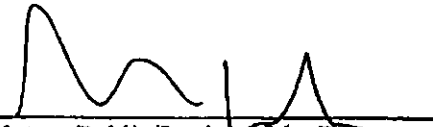
WAREHOUSE FURNITURE DIRECT, LLC


By: Arthur Card
It's Manager
Duly Authorized

STATE OF NEW HAMPSHIRE
COUNTY OF Grafton

On this 19th day of May 2021, before me, the undersigned, officer, Arthur Card as duly authorized Manager of WAREHOUSE FURNITURE DIRECT, LLC personally appeared and known to me or satisfactorily proven to me to be the persons whose names are subscribed herein and acknowledged and executed the foregoing instrument for the purposes therein contained.




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

ATTACHMENT V

FAMILY INCOME VERIFICATION FORM

PLEASE CONTACT CDFA FOR INCOME VERIFICATION FORMS


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CERTIFICATE OF COVERAGE

The New Hampshire Public Risk Management Exchange (Primex[®]) 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[®] 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[®] is entitled to the categories of coverage set forth below. In addition, Primex[®] 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[®], including but not limited to the final and binding resolution of all claims and coverage disputes before the Primex[®] 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[®]. As of the date this certificate is issued, the information set out below accurately reflects the categories of coverage established for the current coverage year.

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

Participating Member: Grafton County 3855 Dartmouth College Highway Box #1 North Haverhill, NH 03774	Member Number: 603	Company Affording Coverage: NH Public Risk Management Exchange - Primex [®] Bow Brook Place 46 Donovan Street Concord, NH 03301-2624
COVERAGE CATEGORIES		
<input type="checkbox"/> General Liability (Occurrence Form)		<input type="checkbox"/> Each Occurrence
<input type="checkbox"/> Professional Liability (describe)		<input type="checkbox"/> General Aggregate
<input type="checkbox"/> Claims Made <input type="checkbox"/> Occurrence		<input type="checkbox"/> Fire Damage (Any one fire)
		<input type="checkbox"/> Med Exp (Any one person)
<input type="checkbox"/> Automobile Liability		<input type="checkbox"/> Combined Single Limit (Each Accident)
<input type="checkbox"/> Deductible <input type="checkbox"/> Comp and Coll:		<input type="checkbox"/> Aggregate
<input type="checkbox"/> Any auto		
<input checked="" type="checkbox"/> Workers' Compensation & Employers' Liability	7/1/2021	7/1/2022
		<input checked="" type="checkbox"/> Statutory
		<input type="checkbox"/> Each Accident \$2,000,000
		<input type="checkbox"/> Disease - Each Employee \$2,000,000
		<input type="checkbox"/> Disease - Policy Limit
<input type="checkbox"/> Property (Special Risk Includes Fire and Theft)		<input type="checkbox"/> Blanket Limit, Replacement Cost (unless otherwise stated)
Description: Proof of Primex Member coverage only.		

CERTIFICATE HOLDER:	Additional Covered Party	Loss Payee	Primex[®] - NH Public Risk Management Exchange
CDFA 14 Dixon Ave, Ste 102 Concord, NH 03301			By: <i>Mary Beth Powell</i>
			Date: 6/16/2021 mource1@nhprimex.org
			Please direct inquiries to: Primex[®] Claims/Coverage Services 603-225-2841 phone 603-228-3833 fax



CERTIFICATE OF COVERAGE

The New Hampshire Public Risk Management Exchange (Primex[®]) 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[®] 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[®] is entitled to the categories of coverage set forth below. In addition, Primex[®] 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[®], including but not limited to the final and binding resolution of all claims and coverage disputes before the Primex[®] 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[®]. As of the date this certificate is issued, the information set out below accurately reflects the categories of coverage established for the current coverage year.

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

Participating Member: Grafton County 3855 Dartmouth College Highway Box #1 North Haverhill, NH 03774	Member Number: 603	Company Affording Coverage: NH Public Risk Management Exchange - Primex [®] Bow Brook Place 46 Donovan Street Concord, NH 03301-2824
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X	General Liability (Occurrence Form)	7/1/2021	7/1/2022	Each Occurrence	\$ 1,000,000
<input type="checkbox"/>	Professional Liability (describe) <input type="checkbox"/> Claims Made <input type="checkbox"/> Occurrence			General Aggregate	\$ 2,000,000
				Fire Damage (Any one fire)	
				Med Exp (Any one person)	
<input type="checkbox"/>	Automobile Liability Deductible Comp and Coll: \$1,000 Any auto			Combined Single Limit (Each Accident)	
				Aggregate	
<input type="checkbox"/>	Workers' Compensation & Employers' Liability			Statutory	
				Each Accident	
				Disease - Each Employee	
				Disease - Policy Limit	
<input type="checkbox"/>	Property (Special Risk includes Fire and Theft)			Blanket Limit, Replacement Cost (unless otherwise stated)	

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

CERTIFICATE HOLDER:	<input checked="" type="checkbox"/>	Additional Covered Party	<input type="checkbox"/>	Loss Payee	Primex [®] - NH Public Risk Management Exchange
CDFA 14 Dixon Ave, Ste 102 Concord, NH 03301					By: <i>Mary Eck Purcell</i>
					Date: 6/16/2021 mpurcell@nhprimex.org
					Please direct inquiries to: Primex [®] Risk Management Services 603-225-2841 phone 603-228-3833 fax

Grafton County: Mid-State Health Center
 Job Categories
 Attachment VII

Job Category	Job Title/Function	NH Labor Occupation	Starting Wages/hr.	Job Created?	Job Retained?	Full Time?	If Yes Full Time, LMI?	Part Time?	If Yes Part Time, LMI?	If Part Time, Number of Weekly Hours	Educational Reqs.
2-Professionals	Teacher	1	14	No	Yes	Yes	yes	No	n/a	0	See Application Attachments
2-Professionals	Teacher	1	14	No	Yes	Yes	yes	No	n/a	0	See Application Attachments
2-Professionals	Teacher	1	14	No	Yes	Yes	no	No	n/a	0	See Application Attachments
2-Professionals	Teacher	1	14	No	Yes	Yes	yes	No	n/a	0	See Application Attachments
1-Officials and Managers	Associate Teacher	1	14	No	Yes	Yes	yes	No	n/a	0	See Application Attachments
1-Officials and Managers	Director	1	29	No	Yes	Yes	no	No	n/a	0	See Application Attachments
2-Professionals	Teacher	1	14	Yes	No	Yes	select	No	n/a	0	See Application Attachments
2-Professionals	Teacher	1	13	Yes	No	Yes	select	No	n/a	0	See Application Attachments
2-Professionals	Teacher	1	14	Yes	No	Yes	select	No	n/a	0	See Application Attachments
2-Professionals	Teacher	1	14	Yes	No	Yes	select	No	n/a	0	See Application Attachments
2-Professionals	Teacher	1	14	Yes	No	Yes	select	No	n/a	0	See Application Attachments
2-Professionals	Associate Teacher	1	14	Yes	No	Yes	select	No	n/a	0	See Application Attachments
5-Office and Clerical	Administrative Assistance	1	14	Yes	No	Yes	select	No	n/a	0	See Application Attachments
8-Laborers	Housekeeping	1	14	Yes	No	Yes	select	No	n/a	0	See Application Attachments

Grafton County: Mid-State Health Center
 Benefits Summary
 Attachment VIII

Benefit	Offered to 80% of Net Jobs?	Offered to FT Employees?	Percent of Cost Business Pays	Offered to PT Employees?	Percent of Cost Business Pays
Group Medical Insurance Coverage		Yes	100	No	0
Group Dental Insurance		Yes	100	No	0
Group Vision Ins Coverage		Yes	0	No	0
Medical Ins. Coverage for EE's and Dependents		Yes	0	No	0
Medical Ins. for the EE Only		Yes	100	No	0
Life Insurance		Yes	0	No	0
Short Term Disability		Yes	0	No	0
Long Term Disability		No	0	No	0
Pre Tax Retirement Plan, or equivalent		Yes	50	Yes	50
Pension Plan		No	0	No	0
Child Care for Employees		Yes	0	Yes	0

Paid Time Off

Benefit	Number of Days (per year)	Offered to FT Employees?	Offered to PT Employees?
Paid Vacation or PTO	15	Yes	No
Paid Sick Leave	0		
Paid Holidays	7	Yes	No
Paid Bereavement Leave	3	Yes	No

ATTACHMENT IX (Job Retention & Creation)

CDFA CDBG Economic Development Program
Guidance for Job Retention and Creation

Consistent with the National Objectives of the Community Development Block Grant Program under Title I of the Housing and Community Development Act of 1974, as amended, and HUD regulations, CDFA's CDBG-Economic Development program enables assistance to businesses that **retain** or **create** permanent jobs, at least 60% of which are either 1) held by or 2) made available to low- and moderate-income (LMI) persons.

Job retention – If CDBG assistance is used to help a business *retain* existing jobs, the business must provide sufficient information or evidence that:

- 1) The retained jobs would have been lost without the CDBG assistance; and
- 2) One or both of the following applies to at least 60% of the retained jobs:
 - a. The job is held by an LMI person; or
 - b. The job can reasonably be expected to turn over within the following two years and steps will be taken to ensure that the job will be filled by an LMI person, including the following information:
 - i. A listing of the retained jobs that are projected to become available within two years of receiving CDBG assistance;
 - ii. The basis of determination that the job is like to turn over within two years of receiving CDBG assistance;
 - iii. The actual turnover date; and
 - iv. The name and income status of the person who filled the vacancy (using the Family Income Verification Form).

If the person who took the job was not an LMI person, the business must demonstrate that the job was made available to LMI persons – see the 'made available to' requirements, below.

Job creation – If CDBG assistance is used to help a business *create* new jobs, the assisted business must provide the following information:

- Listing by job title of the jobs created;
- Listing by job title of the jobs filled;
- The full-time equivalency status of the jobs; and
- The name and income status of the person who filled each position

If the person who took the job was not an LMI person, the business must demonstrate that the job was made available to LMI persons – see the 'made available to' requirements, below.

Jobs 'made available to' LMI persons - Created or retained jobs are only considered to be **made available to** LMI persons when:

- 1) Special skills that can only be acquired with substantial training or work experience or education beyond high school are *not* a prerequisite to fill such jobs, or the assisted business agrees to hire unqualified persons and provide training; and
- 2) The assisted business takes actions to ensure that LMI persons receive first consideration for filling such jobs, including documenting the following:
 - a. Name(s) of persons interviewed for the job;
 - b. Date(s) of the interview(s); and
 - c. Income status of the person(s) interviewed.

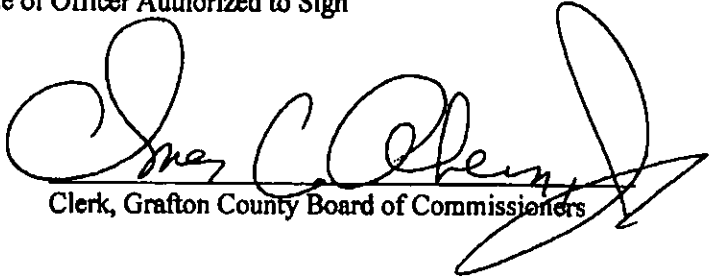
Full-time equivalency (FTE) – If the supported business will create permanent part-time jobs, the part-time jobs must be added together in order to calculate the needed 60% of FTE jobs. For example, if the business creates two quarter-time jobs and one half-time job, together these constitute one FTE. The calculation of FTE is based on the number of hours worked per week, divided by 40.

Information required and business obligations are further described in the Business & Employment Commitment Agreement (BECA).

CERTIFICATE
21-405-CDED

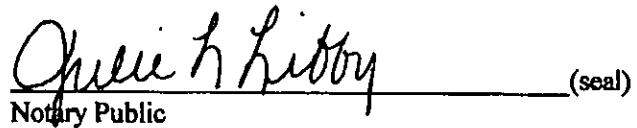
I, Omer C. Ahern, Jr., Clerk of the Grafton County Board of Commissioners, Grafton County, New Hampshire do hereby certify that: (1) at the public hearing held on August 3, 2021, the Grafton County Commissioners voted to accept Community Development Block Grant funds and enter into a contract with the Community Development Finance Authority; (2) the County Commissioners further authorized the Chairman of the Board of County Commissioners to execute any documents which may be necessary to effectuate this contract; (3) 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 elected to , and now occupies, the office indicated under item (2) above:

Wendy Piper, Chairman, Board of Grafton County Commissioners
Name and Title of Officer Authorized to Sign


Clerk, Grafton County Board of Commissioners

State of New Hampshire
County of Grafton, SS

The foregoing instrument was acknowledged before me this 1st day of February, 2022, by the above-named Omer C. Ahern, Jr., Clerk of the Grafton County Board of Commissioners. J
Grafton County, New Hampshire.

 (seal)
Notary Public

My Commission expires: _____

JULIE L. LIBBY, Notary Public
My Commission Expires July 11, 2023

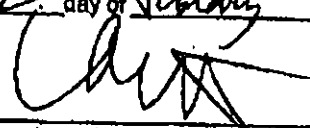
CERTIFICATION OF GRANTEE'S ATTORNEY

21-405-CDED

I, MARIA ANN TORRICE acting as Attorney for the County of Grafton, 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.

M. Hannibal, NH
Dated at Grafton County this 2 day of February 2022.



Signature of Grantee's Attorney

Grafton County – \$490,000 – Mid-State Health Center/Child Learning Center (Economic Development)

Applicant	Grafton County
Subrecipient	Mid-State Health Center
Project Name	Children's Learning Center
Project Location	742 Tenney Mountain Highway, Plymouth, NH
Request	\$490,000
Total Jobs	14 (6 retained, 8 created)
LMI Jobs	9 (64%)
HUD CDBG National Objective	§570.208(a)(4) Job creation or retention for low- and moderate-income individuals (IDIS Code 17C)
HUD CDBG Eligible Activity	§570.203(a) Acquisition, construction, rehabilitation, or other real property improvements by the recipient or public/private subrecipients
NH State Category	Economic Development

Project Summary:

Grafton County is requesting \$490,000 to be sub-granted to Mid-State Health Center (MSHC) to renovate an existing building into a children's learning center to increase the number of children they serve. MSHC is currently providing child care services for eighteen (18) children at a leased space. They have purchased and are planning to renovate an existing commercial property onto a state-of-the-art, energy-efficient childcare facility in order to retain the enrollment of the children they currently serve AND to increase enrollment substantially to a total of sixty (60) children. The project will enable MSHC to retain six (6) current jobs and create eight (8) new jobs, for a total of fourteen (14) permanent full-time jobs in the new facility. Nine (9) of the jobs (64%) will be filled by individuals who qualify as low- or moderate-income.

Background:

MSHC offers child care to support staff retention and recruitment, as well as serve the broader needs of Plymouth and surrounding communities. The lease on the current location (a local church) has been extended into early 2022, and will not be renewed as the church needs the space for its own use.

In 2020, MSHC commissioned a feasibility study of child care in the Plymouth area. The July 2020 final report indicated a significant demand for high-quality child care within MSHC's service area, with available, licensed child-care capacity for only 25% of the region's infant and toddler market, or 198 out of 800 children.

In addition, COVID-19 has had a significant impact on the child care industry across the state of New Hampshire. A number of facilities have closed during the pandemic, reducing the number of child care slots that were already insufficient to meet demand. The new facility addresses the increased health and safety needs of adequate spacing and proper infection control systems. The project also responds to the increased need for affordable child care that is critical in supporting the economic recovery from the pandemic and economic stability in general.

This proposal complements a previous CDBG-Public Facilities award (\$500,000, approved by CDAC in April 2021) and a CDFA Tax Credit award (\$240,000 'net' approved by the CDFA Board in June 2021).

CDFA program guidance allows allocations of up to \$35,000 per job created/retained for projects located within a state-designated "Opportunity Zone" or qualifying census tract eligible for funding through the Federal New Markets Tax Credit program. The renovated MSHC facility is located within the Plymouth "Opportunity Zone."

Sources and Uses

Uses	Sources				Total Uses
	CDBG-ED Proposed	CDBG-Public Facilities	Northern Border R.C., CDFA Tax Credits	USDA-Rural Development Loan	
Site Improvements		150,000		93,500	243,500
Construction	470,000	325,000	590,000	382,643	1,767,643
Professional Fees				153,021	153,021
Equipment/Furnishings				120,000	120,000
Other				96,888	96,888
CDBG Admin.	20,000	25,000			45,000
Totals:	\$490,000	\$500,000	\$590,000	\$846,052	\$2,426,052

Administrative Costs

Grant administrator	15,000
Legal	500
Audit	500
Grant writing fee	4,000
TOTAL:	\$20,000

Financing

The total estimated project cost is \$3,185,000. Confirmed funding sources to date include the previous CDBG-Public Facilities award (\$500,000); CDFA tax credits (\$240,000 net); a grant from the Northern Border Regional Commission (\$350,000); Mid-State Health Center (\$100,000); and a loan from USDA-Rural Development (\$1,995,000).

The total project cost includes \$758,948 in activities that were completed prior to submission of the CDBG-ED application (property acquisition, architectural and engineering design, permitting, and other predevelopment tasks). All relevant HUD compliance activities, including environmental review, were completed prior to acquisition, and are included within the grant record for the previous CDBG-Public Facilities grant award. As of the CDBG-ED application date, the cost to complete the project is \$2,426,052. The expenses outlined in the Sources and Uses table, above, are the remaining expenses, based on cost estimates provided by the architect.

If awarded, CDBG-Economic Development funds would be used to reduce the size of the loan from USDA-RD.

Underwriting Summary

Financial review involved analysis of the combined financial resources of Mid-State Health Center (which includes the children's learning center) and its subsidiary, Mid-State Community Development Corporation (which owns and manages real estate and facilities of MSHC); the Board of Directors of these two legal entities is the same. For the purposes of this analysis, 'MSHC' refers to the combined entities.

MSHC provided numerous financial documents to enable application review, including:

- Board-approved budget information for FY2022*
 - Draft financial statements for FY2021*
 - Audited financial statements for FY2019-20*
 - Financial underwriting information completed by Bank of New Hampshire (for a construction loan for the child-care center project, since superseded by the USDA loan)
 - Historical and projected operating budgets for the children's learning center and related financial implications for MSHC (completed by an independent CPA firm)
- (*MSHC's fiscal year runs from July 1st – June 30th.)

Based on review of these documents, over the past four years:

- Revenue, expenses and unrestricted net assets have steadily increased;
- MSHC has experienced modest annual operating surpluses and deficits, ranging from (2.2%) to 6.1% of operating revenue; and
- MSHC's debt service coverage ratio has fluctuated from a low of 0.67X in FY20 to a high of 4.72X in FY21.

For FY2022 (the current fiscal year), MSHC projects:

- An operating surplus of \$166,000 (1.1% of revenue)
- A DSCR of 2.47X; and
- An increase in unrestricted net assets (due primarily to grants and financing related to the children's learning center).

Overall financial analysis suggests that MSHC is in stable financial condition. This conclusion is supported by approval of significant loan resources by both Bank of New Hampshire (construction loan) and USDA-Rural Development (construction/permanent financing) in 2021.

The project meets CDFA's Minimum Underwriting Standards (summary below) and the application meets the HUD minimum standards for investment: the costs are reasonable, project financing is reasonable and committed, CDBG funds are not substituted for non-Federal funds, there is no 'owner's equity' as this is a nonprofit renovation project, and funds will be disbursed on a *pro rata* basis with other committed funds. Each underwriting standard is specifically discussed below.

(i) That project costs are reasonable;

Project cost estimates are based on detailed engineering and cost assessments provided by a third-party architectural and engineering firm retained by MSHC (Samyn - D'elia Architects). *(ii) That all sources of project financing are committed;*

Commitment letters provided with the application confirm that all of the funding and financing sources listed in the proposed Sources and Uses table, above, are committed.

(iii) That to the extent practicable, CDBG funds are not substituted for non-Federal financial support; MSHC sought funds from several sources in addition to its own resources, including construction financing from Bank of New Hampshire; grants from the Northern Border Regional Commission,

CDBG-Public Facilities/CARES Act funds (previously approved by CDAC); CDFA Tax Credits; other private fundraising; and long-term financing from USDA-Rural Development. CDBG-ED funds are requested for construction in order to reduce the overall debt service for the renovated facility, thereby maintaining affordability of child-care services for low- and moderate-income families.

The projected operating budgets for the children's learning center (completed by the independent CPA) anticipate near-full capacity of 58 children, with tuition set at the median rate for the Plymouth area. Starting with the first full year of operation (beginning on July 1, 2022), the center anticipates \$604,800 in operating revenue and \$724,258 in operating expenses (including debt service for the USDA-RD loan for building renovations). In order to break even, the center needs annual subsidy of approximately \$130,000 (\$10,000 in contributed revenue and an annual allocation of \$120,000 in unrestricted revenue from MSHC). The annual subsidy needed could be larger if projected enrollment does not generate anticipated tuition revenue (a function of different 'mix' of clients and/or less-than-near-full enrollment).

A CDBG-ED award of \$450,000 (net of CDBG administration costs) would result in a reduction of the total principal of the USDA-RD loan from approximately \$1,995,000 to \$1,525,000*. The principal reduction would translate to annual debt service reduction of \$22,000, thereby reducing the overall subsidy needed for break-even operation of the children's learning center, reducing upward pressure on tuition, and enabling continued competitive compensation of center staff. (*depending on exact timing of approval, contracting and payment of CDBG funds).

(iv) That the project is financially feasible;

As noted above, project costs were developed in conjunction with a qualified engineering firm. All other funds for the project are committed. For the proposed project scope for this application, CDBG-ED funds would leverage \$1,936,052 in other committed funds, a leverage ratio of 5.0X. Taking into consideration all potential CDBG funds (the previous \$500,000 public facilities award and the proposed \$490,000 CDBG-ED award) and the full project cost from project inception (\$3,185,000), CDBG funds would leverage a total of \$2,195,000 in other committed funds, a leverage ratio of 3.2X

(v) That the return on the owner's equity investment will not be unreasonably high;

There is no return on owner's equity as the project is being implemented by a nonprofit subrecipient.

(vi) CDBG funds are disbursed on a pro rata basis with other finances provided to the project.

CDBG funds for construction will be disbursed *pro rata* with other construction funding sources for the project.

Benefit of the Project

In addition to its previous commitment to serve low-and moderate-income child-care clients and maintain the improvements for at least 20 years, MSHC will enter into a Business Employment Commitment Agreement (BECA) to retain six (6) existing jobs that otherwise would be lost due to the expiration of the lease for the current child-care space, and create eight (8) new jobs. At least nine (9) of the total of fourteen (14) jobs (64%) will be held by low- and moderate-income individuals. Based on requirements provided by the State, these fourteen (14) positions will enable MSHC to serve up to sixty (60) children.

Starting wages are competitive for the Plymouth area. Existing and new employees will qualify for a variety of employment benefits, include group medical, dental, short-term disability and life insurance; 15 'combined' days off, seven paid holidays, and bereavement leave; organizational contributions toward a tax-exempt retirement plan; and other benefits (a wellness program, tuition reimbursement).

As noted above, the project will help address the significant shortage of child-care capacity in the Plymouth area.

CDBG Scoring

This application scored **286** points (250 required) and is eligible for funding consideration by the Community Development Advisory Committee.

Summary

- The project will help address a significant economic-development challenge by expanding child-care capacity in the Plymouth area by five times (from 12 to 60 children served);
- By reducing overall debt service, MSHC will be able to offer child-care services at a more affordable cost, with a smaller annual subsidy contribution;
- The project meets a CDBG National Objective by retaining and creating a total of 14 jobs with competitive wages and benefits, with 64% of those jobs held by low- and moderate-income individuals; and
- The project successfully raises funding from other public and private sources.