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State of New Hampshire

DEPARTMENT OF ADMINISTRATIVE SERVICES
25 Capitol Street – Room 100
Concord, New Hampshire 03301
Office@das.nh.gov

Catherine A. Keane
Deputy Commissioner

Sheri L. Rockburn
Assistant Commissioner

Charles M. Arlinghaus
Commissioner
(603) 271-3201

November 30, 2022

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

REQUESTED ACTION

Authorize the Department of Administrative Services, acting on behalf of the Governor and Executive Council, pursuant to RSA 10:11, II, to sell the State-owned land, buildings, and other improvements known as the Lakes Region Facility located along North Main Street/Parade Road (NH Route 106), Meredith Center Road, and Eastman Road, and abutting Ahern State Park, in Laconia (the "Property") to Legacy at Laconia, LLC for \$21,500,000, pursuant to the terms of a Purchase and Sale Agreement to be effective upon authorization by the Governor and Executive Council. **100% Net Proceeds from Sale (General Fund).**

Net proceeds from the sale will be allocated to Account # 00000014-405693, Department of Administrative Services, Sale State Owned Real Property.

	<u>FY2023/24</u>
Unrestricted Revenue	\$20,425,000

EXPLANATION

The Property consists of two abutting parcels of land totaling approximately 217 acres in aggregate size, approximately 30 buildings, several other structures, paved roadways, and both subsurface and overhead utilities infrastructure, including the remains of a steam tunnel network and boiler plant, "private" campus-wide water and sewer systems, and an electrical distribution network, portions of two off-site sewer mains, and two water towers, among other improvements. It is located at 1 Right Way Path in Laconia, bounded on three sides by North Main Street/Parade Road (NH Route 106), Meredith Center Road, and Eastman Road, and bounded to the southwest by Ahern State Park. Portions of the Property have been owned by the State for 120 years. The Property has a long history as the former Laconia State School, and then more recently it became the temporary home of the Laconia State Prison for about 18 years after the Laconia State School was finally closed in 1991. Most of the Property has been vacant since the Laconia State Prison was closed in 2009, but the Department of Safety E911 call center and the Lakes Region Mutual Fire Aid Association dispatch center continue to occupy the Dwinell building on the Property to this day. One key term of the proposed sale is the lease-back of the Dwinell building to the State while a new facility to house the E911 call center and Lakes Region Mutual Fire Aid Association dispatch center will be constructed nearby.

On July 1, 2021, the legislature enacted RSA 10:11, which provides that the Governor, with the approval of the Executive Council, has sole discretion to sell the Property. At about the same time the Governor directed the Department to market the Property for sale as soon as possible. In October 2021 the Department hired international

real estate services firm CBRE, Inc. to advise and assist the Department in marketing the Property. The Department and CBRE worked through the winter to compile reports, studies, plans, and other documentation of the Property to make available to prospective buyers and also to design and create an offering memorandum and other marketing materials to use in soliciting interest in purchasing and redeveloping the Property. In March 2022, CBRE began to directly market the Property to its established network of buyers, developers, financiers, and other real estate professionals. Marketing efforts were later expanded to include regional real estate industry publications, the NH Business Review, and other periodicals.

In June 2022, after meeting with several prospective buyer/developer groups with interest in the Property and observing that a small but consistent number of such groups returned repeatedly for additional meetings and visited the Property multiple times, the Department and CBRE issued a call for offers in order to prompt such parties to take the next step and submit an offer to buy the Property and a proposal to redevelop it. By the call for offers deadline on August 19, 2022, CBRE had received four offer/proposals to buy and redevelop the Property. CBRE then went back to each of the parties who made a submission and encouraged them to strengthen their proposals and sweeten their offers given that multiple competitive offer/proposals had been received. All four parties who submitted initial offer/proposals later submitted best and final offers by September 30, 2022.

The Department then convened a technical review committee to review and discuss the offer/proposals received and the qualifications and experience of the buyer/developer groups, and to recommend to the Governor how the offer/proposals should be ranked in order of attractiveness, viability, and anticipated benefit to the State and the people of the City of Laconia. The committee recommended the offer/proposal submitted by Legacy at Laconia, LLC as the top-ranked offer/proposal submitted. The Governor then directed the Department to make a public presentation of the top-ranked redevelopment proposal in Laconia in order to test community sentiment regarding Legacy at Laconia's development plan. During a well-attended live question and answer session hosted by the City of Laconia Planning Director and the Commissioner of the Department immediately after the presentation on October 19, it became readily apparent that public sentiment seemed largely positive. The few written comments received consisted primarily of constructive suggestions regarding certain aspects or components of the proposed development and included only two negative comments. As a result, the Governor directed the Department to sign a letter of intent with Legacy at Laconia and to begin negotiating and drafting the Purchase and Sale Agreement submitted for approval and authorization herewith.

Under the proposed terms and conditions of sale, and pursuant to its Real Estate Services Agreement with the Department, CBRE, Inc. will earn a five percent (5%) commission equal to \$1,075,000 payable out of gross sale proceeds at closing, hence the \$20,425,000 net sale proceeds figure shown above. Said Real Estate Services Agreement was previously authorized by the Governor and Executive Council on October 27, 2021 after being removed from the table (the request to authorize the agreement was initially tabled on October 13, 2021 as Agenda Item #107).

Based on the foregoing and on the terms and conditions of the Purchase and Sale Agreement submitted herewith, we respectfully recommend the sale of the Property to Legacy at Laconia, LLC.

Respectfully submitted,



Charles M. Arlinghaus
Commissioner

STATE OF NEW HAMPSHIRE

Filing Fee: \$100.00

Form No. LLC-1
RSA 304-C:31

CERTIFICATE OF FORMATION

THE UNDERSIGNED, UNDER THE NEW HAMPSHIRE LIMITED LIABILITY COMPANY LAWS, SUBMITS THE FOLLOWING CERTIFICATE OF FORMATION:

FIRST: The name of the limited liability company is:

Legacy at Laconia LLC

Principal Business Information:

Principal Office Address: 955 Goffs Falls Road, #5282, Manchester, NH 03108

Principal Mailing Address (if different): SAME

Business Phone: (603) 851-2856

Business Email: robynn@infiniteequitiesgroup.com

✓ Please check if you would prefer to receive the Annual Report Reminder Notice by email.

SECOND: The nature of the primary business or purposes is real estate development, and any and all activities related or incidental to the foregoing and to do all things necessary or convenient for the accomplishment thereof, which statement of purpose shall not in any way limit or restrain the activities of the Company. The Company is further empowered to engage in any business allowed to be carried on by limited liability companies formed under New Hampshire RSA Chapter 304-C.

THIRD: The name of the limited liability company's registered agent is Robynne Alexander, 955 Goffs Falls Road, #5282, Manchester, NH 03108.

FOURTH: Management of the company is vested in a manager or managers.

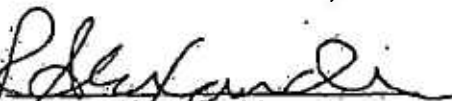
CERTIFICATE OF FORMATION OF A
NEW HAMPSHIRE LIMITED LIABILITY COMPANY

Form LLC-1
(Cont.)

LEGACY AT LACONIA, LLC

Dated: Nov 30, 2022

By:


Robynne Alexander, Manager

Note: The sale or offer for sale of membership interests of the limited liability company will comply with the requirements of the New Hampshire Securities Act (RSA 421-B). The membership interests of the limited liability company: 1) have been registered or when offered will be registered under RSA 421-B; 2) are exempted or when offered will be exempted under RSA 421-B; 3) are or will be offered in a transaction exempted from registration under RSA 421-B; 4) are not securities under RSA 421-B; OR 5) are federal covered securities under RSA 421-B. The statement above shall not by itself constitute a registration or a notice of exemption from registration of securities within the meaning of sections 448 and 461(i)(3) of the United States Internal Revenue Code and the regulation promulgated thereunder.

State of New Hampshire
Department of State

CERTIFICATE OF EXISTENCE
OF
LEGACY AT LACONIA LLC

This is to certify that **LEGACY AT LACONIA LLC** is registered in this office as a **New Hampshire Limited Liability Company** to transact business in New Hampshire on 11/30/2022 4:13:00 PM.

Business ID: 917452



IN TESTIMONY WHEREOF,
I hereto set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 30th day of November A.D. 2022.

A handwritten signature in black ink, appearing to read "David M. Scanlan".

David M. Scanlan
Secretary of State

PURCHASE AND SALE AGREEMENT
for the
State of New Hampshire Lakes Region Facility
(formerly known as the Laconia State School and the Laconia State Prison)

THIS PURCHASE AND SALE AGREEMENT ("Agreement"), effective as of the Effective Date (as that term is defined herein), is made by and between THE STATE OF NEW HAMPSHIRE, acting by and through its Department of Administrative Services, with an address of 25 Capitol Street, Concord, New Hampshire, 03301 (the "Seller"), and LEGACY AT LACONIA, LLC, a New Hampshire limited liability company with a principal place of business at 955 Goffs Falls Rd #5282, Manchester NH 03108 (the "Buyer"; Seller and Buyer may be referred to collectively as the "Parties" or individually as a "Party"), with reference to the following facts:

Recitals

A. Seller is the owner of that certain property bounded on three sides by North Main Street/Parade Road (New Hampshire Route 106), Meredith Center Road, and Eastman Road located in the City of Laconia, Belknap County, New Hampshire, identified in Laconia assessing records as Tax Map 318, Block 155, Lot 1 and Tax Map 318, Block 538, Lot 1.1, including approximately 30 buildings and various other structures and improvements situated on approximately 217 acres of land, being more commonly known as the State of New Hampshire Lakes Region Facility (formerly known as the Laconia State School and the Laconia State Prison) (the "Property").

B. Buyer's final offer to purchase the Property, which offer provided the basic material terms for this Agreement, has been accepted by Seller through final authorization of this Agreement pursuant to RSA 10:11, II by the Governor and Executive Council of the State of New Hampshire on December _____, 2022 (the "Effective Date") as Agenda Item # _____.

Agreement

NOW, THEREFORE, in and for the mutual covenants set forth herein, and other good and valuable consideration paid, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the parties agree as follows:

1. **Agreement to Sell and Purchase.** The Seller agrees to sell and convey and the Buyer agrees to purchase the Property upon the terms and conditions set forth in this Agreement.

2. **Property.** The term "Property" means that certain parcel of land, with the buildings and improvements thereon, defined in the Recitals, above, more particularly described in certain deeds to the Seller, recorded with the Belknap County Registry of Deeds at Book 108, Page 14; Book 107, Page 590; Book 131, Page 145; Book 218, Page 274; Book 263, Page 507; Book 142, Page 428; and Book 774, Page 757; excepting Seller's tract of land now known as Ahern State Park (City of Laconia Tax Map 333, Block 310, Lot 3) [subject to verification/adjustment following title search], together with all easements appurtenant thereto, if any; together with the



existing gravity sewer main pipeline and related facilities that serve the Property and are located within the adjacent Opechee State Forest tract (City of Laconia Tax Map 332, Block 404, Lot 2), together with sufficient easement rights to operate, maintain, repair, and replace such facilities; and also together with the existing sewer main pipeline which serves the Property and is located within the abutting Ahern State Park tract (City of Laconia Tax Map 333, Block 310, Lot 3) "upstream" from the sewer pump station located within Ahern State Park (the sewer pump station and the "downstream" force main connecting to the City of Laconia sewer system south of Ahern State Park on Shore Drive are the property and the operating and maintenance responsibility of the Seller's Department of Environmental Services and the Winnepesaukee River Basin Program), together with sufficient easement rights to operate, maintain, repair, and replace such facilities; and also together with the existing water pump station that serves the Property and is located on adjacent City of Laconia land (City of Laconia Tax Map 332, Block 404, Lot 1) at the southerly corner of the intersection between New Hampshire Route 106 and Old North Main Street, together with Seller's existing easement rights regarding such facility; subject to a public right-of-way and roadway easement for Ahern Park Road to be reserved by Seller, a public right-of-way and snowmobile trail easement across the entire Route 106 frontage of the Property to be reserved by Seller, a drainage infrastructure easement near the intersection of Parade Road (NH Route 106) and Meredith Center Road to be retained by Seller, and a lease of space in the Dwinell building located within the Property to Lakes Region Mutual Fire Aid Association, a municipal corporation and district fire mutual aid system formed pursuant to RSA 154:30-a.

3. Purchase Price.

A. The purchase price for the Property is Twenty-One Million, Five Hundred Thousand and 00/100 Dollars (\$21,500,000) (U.S.) (the "Purchase Price") and shall be paid by the Buyer to the Seller as follows:

- (i) The sum of One Hundred Thousand and 00/100 Dollars (\$100,000.00) upon the full execution of this Agreement, to be held in escrow by Buyer's counsel, McLane Middleton, Professional Association, of Concord, New Hampshire (the "Escrow Agent"), in a non-interest bearing trust account, which amount is referred to herein as the "First Deposit";
- (ii) The additional sum of One Hundred Thousand and 00/100 Dollars (\$100,000.00), at Buyer's sole option, upon the end of the First Due Diligence Period (defined below), to be held in escrow by the Escrow Agent in a non-interest bearing trust account, which amount is referred to herein as the "Second Deposit," the payment of which at or before the time specified herein shall afford the Buyer a "Second Due Diligence Period" also ninety (90) days in length to commence immediately upon the end of the First Due Diligence Period; and
- (iii) The balance of the Purchase Price by wire transfer of immediately available funds or other method of payment mutually agreeable to the parties, which payment shall be made at the Closing (defined in Section 6A below).

B. The term "First Due Diligence Period" means the period of time commencing with the Effective Date and ending the close of business ninety (90) days thereafter. The term "Due Diligence Period" is defined for purposes of this Agreement as the First Due Diligence Period, unless and until the Buyer timely pays the Second Deposit to the Escrow Agent as set forth in Section 3A(ii), at and after which time the term "Due Diligence Period" shall be defined as the First Due Diligence Period combined with the successive Second Due Diligence Period. The term "Deposit" is defined for purposes of this Agreement as the First Deposit, unless and until the Buyer timely pays the Second Deposit to the Escrow Agent as set forth in Section 3A(ii), at and after which time the term "Deposit" shall be defined as the sum of the First Deposit and the Second Deposit.

C. In the event that one or more of the Conditions Precedent (defined in Section 11A below) are not satisfied (or duly waived) prior to the expiration of the Due Diligence Period, then the Deposit shall be refunded to the Buyer, this Agreement shall terminate and neither party shall have any rights against or obligations to the other, except for those rights and obligations which expressly survive the termination of this Agreement. Upon satisfaction or due waiver of the Conditions Precedent, or in the event that this Agreement is not terminated before the end of the Due Diligence Period, the Deposit shall become nonrefundable under all circumstances, except as set forth in Section 5 below or in the event of the Seller's default. At the Closing, the Escrow Agent shall release the Deposit to the Seller.

4. Title and Deed. At the Closing, the Seller shall convey the Property to the Buyer by warranty deed, conveying and assuring a good and clear record and marketable title thereto, free and clear of all liens and encumbrances, except for the Permitted Encumbrances (defined in Section 5B below).

5. Examination of Title.

A. The Buyer shall undertake an examination of title to the Property at the Buyer's cost.

B. The Buyer shall report to the Seller the results of such examination of title on or before the expiration of the Due Diligence Period and in such report (the "Title Report") identify (i) any defects in title, encumbrances or other matters which would render title unmarketable or to which the Buyer objects (collectively the "Objections") and (ii) any mortgages, liens or other financial encumbrances (the "Financial Encumbrances"). In the Title Report, the Buyer shall also identify those matters of title relative to which the Buyer has no objections (the "Permitted Encumbrances").

C. The Seller shall use good faith efforts to remove or correct the Objections in or within forty-five (45) days of receipt of the Title Report; provided, however, that the Seller shall not be obligated to pursue such efforts if the aggregate cost thereof, including, without limitation, reasonable attorney's fees and expenses, exceeds or is reasonably anticipated to exceed \$50,000.00.

D. In the event the Seller is unable to remove the Objections within the forty-five (45) day time period referenced in Section 5C above then, at the Buyer's election, (i) this Agreement shall terminate and the Deposit shall be refunded to the Buyer, neither party having any further rights against or obligations to the other under this Agreement (except for those rights and obligations which expressly survive the termination of this Agreement by its terms) or (ii) the Buyer may elect to complete the Closing and accept such title to the Property as the Seller may convey, subject to such Objections, without any diminution in the Purchase Price.

6. Closing.

A. The deed for the Property shall be executed and delivered by the Seller to the Buyer, and the Buyer shall tender the Purchase Price to the Seller (in the form and manner set forth in Section 3 above) at the closing (the "Closing"). The Closing shall be held no later than the latest of: thirty (30) days after the close of the Due Diligence Period, or thirty (30) days after the close of the forty-five (45) day Objection removal/correction period set forth in Section 5C above. The Closing shall be held at the offices of McLane Middleton, Professional Association, 11 South Main Street, Suite 500, Concord, New Hampshire, or such other location as may be mutually agreed upon by the Buyer's counsel and the Seller. The Closing shall occur at 11:00 a.m. on a business day or on a day mutually acceptable to the parties. The Closing may be held as a closing "at the table" or remotely, or by exchange of documents; provided, the Closing will not be deemed to have been completed nor shall any funds be disbursed from the Closing until and only if the warranty deed for the Property is duly recorded.

B. The Seller's obligations under this Agreement shall be merged with the delivery of the deed by the Seller to the Buyer at the Closing, which shall constitute the Seller's full performance of its obligations under this Agreement, except for those obligations which expressly survive the Closing.

7. Transfer Tax. Pursuant to Rev 802.03, the Buyer shall bear liability for the real estate transfer tax payable by the purchaser or grantee pursuant to RSA 78-B:4, and Seller is exempt from the real estate transfer tax.

8. Brokers. Buyer represents to Seller that it has enlisted the aid of no broker or agent to bring about this sale on its behalf, and Buyer shall further indemnify and hold harmless the Seller from any demand, claim or suit by any person claiming a fee or commission through Buyer as a result of this transaction. Seller independently engaged CBRE, Inc. to advise and assist Seller with Seller's marketing and sale of the Property, and Seller shall be solely responsible for compensating CBRE, Inc. for such services in accordance with the terms of their separate agreement. The parties' representations and obligations under this Section 8 shall survive the Closing or the termination of this Agreement, as the case may be.

9. Proration. Utility charges, including, without limitation, municipal water and sewer fees and Winnepesaukee River Basin Program member community outflow capacity fees and capital cost charges, and any real estate taxes pertaining to or assessed against the Property shall be prorated as of the date of the Closing. The Parties acknowledge that Seller is exempt from liability for real estate taxes, so it is the Parties' expectation that no real estate taxes will be assessed

against the Property until after the Closing. The parties' obligations under this Section 9 shall survive the Closing.

10. **Current Use.** The Buyer acknowledges that if any portion of the Property is subject to open space or current use land classification under RSA Ch. 79-A, it will be conveyed subject to such classification. Any land use change tax, assessment or penalty ("Current Use Tax") imposed under RSA Ch. 79-A, whenever assessed, shall be the sole responsibility and liability of the Buyer.

11. **Conditions Precedent.**

A. The Buyer's obligation to close the purchase of the Property pursuant to this Agreement is subject to each of the following conditions precedent (collectively, the "Conditions Precedent"), to be satisfied or duly waived on or before the close of the Due Diligence Period:

- (i) Buyer's satisfactory completion of a comprehensive evaluation of the Property, including and not limited to the viewing and review of all Deal Room materials and State materials located at <https://www.das.nh.gov/lrpc/index.aspx>;
- (ii) Buyer's satisfactory evaluation of existing water and wastewater outflow capacity;
- (iii) Buyer's satisfactory review of the Winnepesaukee River Basin Program (WRBP) member community requirements, including satisfactory review of the terms and conditions of the NPDES permit and related obligations set forth in Subsection 25.E., written, preliminary pre-approval from the WRBP advisory board of the anticipated transfer of Seller's community membership and reserved wastewater outflow capacity allocated to the Property (and all member community capital cost contribution and co-permittee obligations) to Buyer, and a review of wastewater treatment capacity available for Buyer's intended development of the Property on terms and conditions reasonably acceptable to Buyer;
- (iv) The Buyer obtains at its sole cost a so-called Phase I or Level I environmental assessment of the Property, the results of which are satisfactory to the Buyer; Seller to provide any/all environmental reports Seller has in its possession;
- (v) On or before the termination of the Due Diligence Period, the Buyer receives the Title Report contemplated in Section 5B above, the results of which are satisfactory to the Buyer;
- (vi) The Buyer obtains at its sole cost a full boundary survey of the Property, prepared to American Land Title Association standards (the "ALTA Survey"), which will enable the Buyer to obtain a title insurance policy from a national



title insurer deleting the survey exception from such policy, subject only to matters revealed in the ALTA Survey; and

(vii) Buyer's satisfactory review of the third party rights summarized in Subsection 25.1.

B. The aforesaid Conditions Precedent (i) through (vii) are for the exclusive benefit of the Buyer, any of which may be waived by the Buyer, in whole or in part, in Buyer's sole discretion.

C. In the event that the Buyer delivers written notice to the Seller on or before the close of the Due Diligence Period that one or more of the Conditions Precedent referenced in subparagraphs (i) through (vii) above have not been satisfied in accordance with its terms, then this Agreement will terminate, the Deposit will be returned to the Buyer and neither party shall have any further rights against or obligations to the other except for those rights and obligations which expressly survive the termination of this Agreement. In the event the Buyer does not deliver such written notice to the Seller on or before the close of the Due Diligence Period, then the Conditions Precedent referenced in subparagraphs (i) through (vii) above shall be deemed waived by the Buyer and shall no longer be conditions precedent to the Buyer's obligation to close under this Agreement, and the Deposit shall become nonrefundable except in the event of the Seller's default.

D. In the event the Closing does not occur for any reason, except for the Seller's default or inability to convey marketable title to the Property (which inability does not constitute a default by the Seller), then the Buyer shall provide the Seller with copies of all documentation obtained by the Buyer or provided to the Buyer in connection with the Buyer's actions with respect to the Conditions Precedent, including, without limitation, the ALTA Survey; provided, that all such documentation shall be provided by the Buyer to the Seller without warranties or representations by the Buyer of any kind.

12. Existing Work Product.

A. Within five (5) days after the Effective Date, the Seller shall provide the Buyer with copies of or ready access to any surveys or engineering reports, plans, inspection reports, environmental reports in Seller's possession relating to the Property (collectively, the "Work Product"). The provision of the Work Product shall be made by the Seller without warranties or representations of any kind.

B. Upon request of the Buyer, the Seller shall advise vendors which have prepared any of the Work Product for Seller that they may release to the Buyer elements of the Work Product developed by them. Buyer acknowledges that many of the surveys, reports, plans, and other materials in its possession regarding the Property were commissioned not by the Seller but by the Lakeshore Redevelopment Planning Commission (the "LRCP"), an independent statutory commission comprised of volunteers that was established in 2017 pursuant to RSA 10:5 to study the Property and make comprehensive recommendations for its redevelopment. As such, the Seller has no relevant direct relationship with the vendors who provided such Work Product to the LRCP. In such instances, the Seller shall provide all copies of any/all vendor reports that it has in its possession

and shall seek to obtain LRCP cooperation in advising its vendors to cooperate with the reasonable direct requests of the Buyer for information and documents pertaining to the Property. Seller shall cooperate with Buyer's reasonable requests regarding vendor reports created for the benefit of the Seller. The Seller further consents to the Buyer retaining such vendors in connection with the Buyer's pursuit of satisfaction of the Conditions Precedent, including undertaking the ALTA Survey of the Property, and also to the Buyer retaining such vendors post-Closing to the extent that Buyer elects to retain any such vendors to assist with the permitting and redevelopment of the Property.

C. In the event the Closing does not occur, for any reason, then the Buyer shall return to the Seller all copies of the Work Product and retain no hard copies or electronic copies thereof.

13. Access and Insurance.

A. The Buyer, its agents, and its contractors shall have full access to the Property from and after the Effective Date of this Agreement to undertake such activities as may be necessary for the Buyer to evaluate the Property and conduct sufficient due diligence to satisfy the Conditions Precedent. Access to building interiors or any enclosed structures must be coordinated with Seller, and Seller agrees to provide such access upon request and without unreasonable delay. Buyer acknowledges that most of the outdoor portions of the Property are open to the general public for non-motorized, low-impact recreational use, and that all access to or entry upon or within the Property by Buyer, its principals, officers, employees, agents, and contractors shall be undertaken solely at the Buyer's risk. In addition, due to the suspected presence of localized structural integrity issues in certain buildings and potential hazardous air quality conditions in certain buildings caused over time by a lack of ventilation, the presence of standing water, mold and wildlife infestations, and other factors, Seller strongly recommends that Buyer consult a qualified environmental consultant to determine adequate safety precautions (such as wearing respirators, protective clothing, goggles/facemask, gloves, etc.) to be observed by any and all persons intending to enter such building interiors or other enclosed structures within the Property for or on behalf of the Buyer.

B. Prior to accessing the Property, the Buyer shall provide the Seller certificates of all insurance required hereunder. The certificates of insurance shall contain a reference to Buyer's evaluation of the Property in anticipation of its purchase of the Property for redevelopment. All of the insurance policies required by this Agreement shall require the insurer to provide the Department of Administrative Services with thirty (30) days' prior written notice before an insurance policy is cancelled or modified, or ten (10) days' prior written notice in the event of non-payment of premium. The Buyer shall keep the following insurance coverages in force throughout the term of this Agreement: Commercial General Liability. The Buyer shall have a continuing duty to keep the insurance coverages required under this Agreement in effect and to provide the Department of Administrative Services with new certificates of insurance containing the reference to Buyer's evaluation of the Property for purchase as policies are amended or renewed. At the request of the Department, the Contractor shall promptly make available a copy of any and all listed insurance policies. The required insurance must be written by a company licensed to do business in the State of New Hampshire at the time the policy is issued, amended or renewed. In addition, the company must have a rating of no less than B+ based on the current



A.M. Best rating guide at the time the policy is issued, amended or renewed. Such insurance shall list the Seller as an additional insured thereon. Buyer shall require each contractor or agent employed to assist Buyer in its evaluation of the Property to maintain the coverage levels listed below unless Buyer's insurance explicitly covers the activities of its agents and contractors. Failure to comply with the insurance requirements of this Agreement may result in a denial of entry upon the Property to perform due diligence or otherwise to evaluate the Property for purchase. No entry upon the Property shall be undertaken by Buyer until certificates of insurance attesting to the below listed minimum coverage requirements have been filed with the Department and approved by the Attorney General:

- (i) Commercial General Liability Insurance, Occurrence Form Policy:
 - a. \$1,000,000 Each Occurrence Bodily Injury & Property Damage
 - b. \$2,000,000 General Aggregate

C. The Buyer shall not undertake subsurface investigations of the Property nor material samples of the Property without the prior written permission of Seller, which permission shall not be unreasonably withheld; provided, that the Buyer may undertake material samples inside any of the buildings to determine the presence of lead-based paint or asbestos-containing materials by first providing the Seller with at least 48 hours prior notice thereof, which notice shall identify the person or persons undertaking such samples and the anticipated location(s) of such samples.

D. Within five (5) days after the receipt of any written reports or inspections or assessments, the Buyer shall provide the Seller with copies of the same.

E. In the event such inspections and assessments reveal environmental conditions that require written notification of such conditions to the New Hampshire Department of Environmental Services ("NHDES"), the Buyer shall so advise the Seller and provide the Seller with the first opportunity to so notify NHDES. If the Seller fails to so notify NHDES within twenty (20) days of the receipt of the inspection or assessments requiring notification, then the Buyer or its third-party environmental consultant, may so notify NHDES.

F. The Buyer shall bear all risks and liabilities arising from its activities, and the activities of its agents and contractors, at, within, or pertaining to the Property, and shall promptly restore the Property to the condition existing immediately prior to such access, inspections, and other activities on the Property. The Buyer hereby indemnifies, defends and saves the Seller harmless from and against any and all claims, demands or causes of action and any other liability, damage, cost or expense resulting from damage or injury to persons or property caused by the Buyer, its principals, officers, employees, agents, or contractors while on the Property.

G. The Buyer's obligations under this Section 13 shall survive the Closing, or the termination of this Agreement, as the case may be.

14. Items to be Delivered at Closing by Seller. At the Closing, the Seller shall provide the Buyer with each of the following items:

A. A duly executed warranty deed of the Property, conveying good and clear record and marketable title thereto in fee simple absolute, to the Buyer, or its nominee or permitted assignee, free of all encumbrances except for the Permitted Encumbrances;

B. Evidence satisfactory to the Buyer, current as of the Closing, that all real estate taxes affecting the Property, which are due and payable at or before the Closing (except for any Current Use Tax), have been paid or are paid from Closing proceeds in accordance with this Agreement;

C. An affidavit verifying the non-existence of mechanic's liens and materialmen's liens relating to the Property and a definitive list, to the best of the Seller's knowledge, of parties in possession, leaseholds, and any rental, occupancy or use rights to the Property;

D. Form W-9, a Certificate of Non-Foreign Status and Form CD-57-S; and

E. All keys in the Seller's possession or control to all locks relating to the improvements on the Property.

F. A tenant estoppel certificate ("Estoppel Certificate") and a subordination, attornment and non-disturbance agreement ("SNDA"), in form and substance reasonably satisfactory to Buyer, from each and every tenant at the Property. If Seller is unable to provide an Estoppel Certificate from any of the tenants on or prior to the Closing Date, Seller shall deliver to Buyer at the Closing, a Seller estoppel certificate ("Seller Estoppel Certificate") for each tenant for which it fails to obtain an Estoppel Certificate, in form and substance reasonably acceptable to Buyer.

15. **Disclosures.** The Buyer confirms that prior to the execution of this Agreement, it received the disclosures attached hereto as Exhibit A and Exhibit B.

16. **Condemnation.** In the event that all or a portion of the Property is the subject of condemnation or eminent domain proceedings prior to the Closing, then either Party may terminate this Agreement in which case the Buyer shall receive back the Deposit, with neither Party having any further rights against or obligations to the other, except for those rights and obligations which expressly survive the termination of this Agreement.

17. **AS IS.** Provided the Closing occurs, the Buyer shall be deemed to have accepted the Property "AS IS" and "WITH ALL FAULTS", and without warranties or representations of any kind or nature, as to the condition of the Property or otherwise, except for the warranties of title referenced in the deed of the Property.

18. **Default.**

A. If the Seller defaults in its obligations under this Agreement prior to the Closing, then the Buyer shall have the right to either (a) receive back the Deposit and terminate this Agreement, with neither Party having any further rights against or obligations to the other, or (b) bring a suit for specific performance and mandatory injunction; provided, that the Buyer may not bring any suit or action for damages of any kind or nature, including, without limitation, direct

damages, indirect damages, compensatory damages, consequential damages, or punitive damages, except for the return of the Deposit. The Parties agree that this limitation on remedies available to the Buyer is a fundamental, agreed-upon element of this Agreement, reasonable and enforceable.

B. If the Buyer defaults in its obligations under this Agreement prior to the Closing, then the Buyer's rights under this Agreement shall terminate and the Seller shall retain the Deposit and receive automatically (by operation of this Agreement and law) all of the Buyer's right, title and interest in and to all information and documentation obtained by the Buyer pursuant to its undertakings in connection with Section 11 above, all as reasonable, agreed-upon liquidated damages, as the Seller's sole right and remedy at law and equity, the parties agreeing that actual damages are difficult or impossible to ascertain.

C. In the event that either Party defaults under this Agreement after the Closing or breaches its or his representations and warranties under this Agreement after the Closing, then the other Party shall have all rights and remedies available to him or it at law and equity.

19. Merger. All representations, statements and agreement heretofore made between the Parties are merged in this Agreement, which alone fully and completely expresses their respective rights and obligations. This Agreement is entered into by each Party after opportunity for investigation, neither Party relying on any statements or representations not embodied in this Agreement, made by the other or on its or his behalf.

20. Applicable Law. The Parties agree this Agreement shall be interpreted and enforced according to the laws of the State of New Hampshire.

21. Assignability. The Buyer may not assign its rights under this Agreement without the express consent of the Seller. The Buyer may delegate individually specified duties under this Agreement with notice to, but without consent required from, the Seller.

22. Counsel.

A. Each Party represents to the other that it and they have had the opportunity to consult with independent legal counsel in connection with this Agreement and the transaction contemplated hereby. Without limitation to the foregoing, the Seller recognizes that the law firm of McLane, Middleton, Professional Association, has acted solely as counsel for the Buyer, and the Buyer recognizes that the New Hampshire Attorney General has acted solely as counsel for the Seller.

B. The Seller acknowledges that McLane Middleton is acting both as counsel for the Buyer and as the Escrow Agent and may act in both capacities. In the event of any dispute involving the Deposit or the acts of the Escrow Agent, McLane Middleton may continue to represent the Buyer under this Agreement, notwithstanding any such disputes. However, in the event of any such dispute the Escrow Agent also shall have the right to do either of the following: (i) interplead the Deposit funds into the Merrimack County Superior Court (the cost of doing so to be deducted from the funds held in escrow but shared equally between the parties), and the parties shall thereafter be free to pursue their rights at law or in equity with respect to the disbursement of

the funds and the Escrow Agent shall be fully released and discharged from its duties and obligations as Escrow Agent under this Agreement; or (ii) resign and transfer the funds to a replacement escrow agent acceptable to both Buyer and Seller. Upon the transfer of funds to such replacement escrow agent, the Escrow Agent shall thereupon be fully released and discharged from all obligations to further perform any and all duties or obligations imposed upon it as Escrow Agent by this Agreement. This Section 22B shall survive the termination of this Agreement or the Closing, as the case may be.

23. Notices. All notices shall be sent to the Parties at the following respective addresses, or such other addresses as each Party shall have provided the other in writing:

Seller: Jared J. Nylund, Esquire, Real Property Asset Manager
New Hampshire Department of Administrative Services
25 Capitol Street, Room 102
Concord, New Hampshire 03301
Email: jared.j.nylund@das.nh.gov

Buyer: LEGACY AT LACONIA, LLC
955 Golfs Falls Rd #5282
Manchester, New Hampshire 03108
Email: Robynne@InfiniteEquitiesGroup.com

With copy to: Thomas W. Hildreth, Esquire
McLanc Middleton PA
900 Elm Street, 10th Floor
Manchester, New Hampshire 03101
Email: tom.hildreth@mcclane.com

24. Time. Time is of the essence of all dates and time periods of this Agreement.

25. Additional Provisions.

A. The Seller agrees to maintain any property insurance on the improvements at the Property in the current amounts through the Closing, and to provide evidence thereof to Buyer upon request. Buyer acknowledges that, with certain limited exceptions, Seller generally self-insures.

B. Each Party, promptly upon the request of the other, shall execute and have acknowledged and delivered to the other or to the Buyer's title company, as may be appropriate, any and all further instruments reasonably requested or appropriate to evidence or give effect to the provisions of this Agreement and which are consistent with the provisions of this Agreement.

C. This Agreement may be executed in one or more counterparts, and signatures exchanged among the Parties electronically (e.g., by fax, scan, or photocopy) shall each be deemed an original, but all together shall constitute one instrument.

D. Buyer and Seller shall negotiate, for execution and delivery at the Closing, a mutually agreeable lease agreement for Seller's continued use and occupancy of that portion of the Dwinell building presently used and occupied by Seller's Department of Safety, Division of Emergency Services and Communications (E911) as an emergency call center and offices, and for the continued use and occupancy by Lakes Region Mutual Fire Aid Association of that portion of said building currently used and occupied as a dispatch center pursuant to its existing lease agreement with Seller (to become a sublease when the new lease contemplated by this section is in place). Such lease agreement shall permit Seller to continue to use and occupy the space without a rental fee (other than costs related to the continued use and occupancy of the premises for utilities, maintenance, repair, insurance, taxes, and the like) for up to two years following the Closing, during which time Seller plans to construct a new facility at a nearby site for the eventual relocation of Seller's E911 call center and the Lakes Region Mutual Fire Aid dispatch center. Such two-year term may be extended with Buyer's approval, which approval shall not be unreasonably withheld, if more time is needed to complete the construction of a new facility. Such leased space shall include the parking lot located between the Dwinell building and Right Way Path as well as all antennas, towers, and other fixtures located between said parking lot and said building and otherwise closely adjacent to said building, and rights of vehicular ingress and egress thereto from and to New Hampshire Route 106. The execution at Closing of said mutually agreeable lease agreement is a material term of the purchase and sale contemplated herein, and any failure to finalize such agreement prior to the Closing shall constitute complete grounds for delaying the Closing until such agreement has been finalized.

E. Seller shall take all necessary steps within its control to transfer to Buyer all of Seller's rights and obligations as a co-permittee under the National Pollutant Discharge Elimination System (NPDES) permit issued by the United States Environmental Protection Agency (EPA) for discharges from the WRBP's Franklin wastewater treatment facility into the Merrimack River. Buyer agrees to assume all of Seller's obligations arising from its co-permittee status with regard to said NPDES permit, at least until such time as the Buyer, the City of Laconia, and the WRBP advisory board determine whether the Property should remain a separate member "community" of the WRBP following the Buyer's purchase of the Property. Seller shall further cooperate and coordinate fully with Buyer and the WRBP advisory board to transfer all WRBP outflow capacity currently allocated to the Property and the corresponding "community" membership in the WRBP.

F. Buyer covenants to preserve uninterrupted public vehicular access to and from Ahern State Park over Ahern Park Road at all times after the Closing and throughout the redevelopment of the Property; provided, however, that if Buyer's redevelopment of the Property requires the temporary or permanent relocation of some or all of Ahern Park Road to an alternative course over/through the Property, then Buyer agrees that any such alternative course shall provide functionally equivalent access to the present Ahern Park Road. No permanent relocation of the Ahern Park Road right-of-way may occur without the express approval and cooperation of Seller's Department of Natural and Cultural Resources. Buyer may relocate Ahern Park Road so that it lies entirely within Seller's abutting Ahern State Park tract, provided that Buyer coordinates such relocation with Seller's Department of Natural and Cultural Resources. The foregoing covenant shall be incorporated into the deed to be delivered by Seller.

G. Buyer acknowledges that it is the express expectation of the Seller that Buyer will demolish and remove from the Property all existing buildings, structures, infrastructure, and other improvements that will not be renovated and repurposed as part of Buyer's redevelopment of the Property.

H. Buyer shall indemnify and hold harmless Seller against (i) any and all claims of liability or loss from personal injury or property damage resulting from or arising out of the negligence or willful misconduct of Buyer, its employees, contractors or agents, except to the extent such claims or damages may be due to or caused by the negligence or willful misconduct of the Seller, or its employees, contractors or agents, and (ii) reasonable attorney's fees, expenses, and defense costs incurred by Seller. Where a claim is the result of the concurrent acts of the Parties, each Party shall be liable to the extent of its fault or liability therefor. Seller will provide Buyer with prompt, written notice of any claim that is subject to the indemnification obligations of this Agreement. Seller will cooperate appropriately with Buyer in connection with Seller's defense of such claim. Buyer shall not settle or compromise any such claim or consent to the entry of any judgment without the prior written consent of Seller and without an unconditional release of all claims by each claimant or plaintiff in favor of Seller. Buyer shall conduct its business in compliance with all applicable laws governing the protection of the environment or employee health and safety ("EH&S Laws"), and Buyer shall indemnify and hold harmless Seller from claims to the extent resulting from Buyer's violation of any applicable EH&S Laws or to the extent that Buyer causes a release of any regulated substance to the environment. The Buyer's obligations under this Section 25H shall survive the Closing, or the termination of this Agreement, as the case may be.

I. List of known licensees/other users remaining on site, for Buyer's information:

Department of Environmental Services - Air Quality Monitoring Station
(on Green Street)

Small and Beginner Farmers of New Hampshire – Hay Storage License
(container trailers parked just south of razor wire fence and north of
Communications Drive)

City of Laconia – Water Tower License (use of water tower on Property to
irrigate Robbie Mills athletic fields)

City of Laconia – North Field License (use field for "athletic fields" and
Robbie Mills Field overflow parking on Property)

Josh Prescott (local farmer) – Sublicense from City to cultivate and
harvest hay in the North Field on the Property

26. Conditional Obligation of Seller. All payment obligations of Seller hereunder, including but not limited to the expenditure of funds to cure title, are contingent upon the availability and continued appropriation of funds, and in no event shall Seller be liable for payment in excess of any such available funds.

27. **Amendment.** This agreement may only be amended in writing executed by both parties. Amendments to any material terms of this Agreement may require further authorization by the Governor and Executive Council of the State of New Hampshire.

IN WITNESS WHEREOF, the parties have hereunto caused this Agreement to be executed on the dates indicated below to be effective as of the Effective Date.

SELLER:
THE STATE OF NEW HAMPSHIRE
By and through its
Department of Administrative Services

By: Ch M. Arlinghaus
Name: Charles M. Arlinghaus
Title: Commissioner
Date: 11-30-22

BUYER:
LEGACY AT LACONIA, LLC

By: Robynne Alexander
Name: Robynne Alexander
Title: Manager
Date: 11.30.2022

EXHIBIT A

Notifications

With respect to the foregoing real estate, the Seller hereby advises the Buyer of the following:

RADON: Radon, the product of decay of radioactive materials in rock, may be found in some areas of New Hampshire. Radon gas may pass into a structure through the ground or through water from a deep well. Testing of the air by a professional certified in radon testing and testing of the water by an accredited laboratory can establish radon's presence and equipment is available to remove it from the air or water.

ARSENIC: Arsenic is a common groundwater contaminant in New Hampshire that occurs at unhealthy levels in well water in many areas of the state. Tests are available to determine whether arsenic is present at unsafe levels, and equipment is available to remove it from water. The Buyer is encouraged to consult the New Hampshire Department of Environmental Services private well testing recommendations (www.des.nh.gov) to ensure a safe water supply if the subject property (the Property) is served by a private well.

LEAD PAINT: Before 1978, paint containing lead may have been used in structures. Exposure to lead from the presence of flaking, chalking, chipping lead paint or lead paint dust from friction surfaces, or from the disturbance of intact surfaces containing lead paint through unsafe renovation, repair or painting practices, or from soils in close proximity to the building, can present a serious health hazard, especially to young children and pregnant women. Lead may also be present in drinking water as a result of lead in service lines, plumbing and fixtures. Tests are available to determine whether lead is present in paint or drinking water.

INSULATION: Type(s) and Location(s): unknown types in various buildings (approx. 30) and locations throughout the Property; see previous environmental studies conducted by/for Seller

WATER SUPPLY: Location: City water main beneath NH Route 106 and State water pump station at southern corner of intersection between Route 106 and Old North Main Street (currently only supplies Dwinell and Dube buildings)

Malfunctions (if any): unknown
Date of Installation: unknown
Date of most recent test: unknown



Handwritten signature or initials.

SEWAGE DISPOSAL SYSTEM:

Size of Tank: n/a

Type of System: "private" campus sewer system draining into municipal sewer and Winnepesaukee River Basin Program (WRBP) mains

Location: various; mains drain through Ahern SP to City sewer main and Opetchee SF to WRBP trunk line

Malfunctions (if any): yes; leaks, surface runoff infiltration, etc. for an old, failing campus sewer system; various aging tributary lines and catch basins have been blocked

Age of System: unknown; State began to acquire Property in 1901

Name of Contractor who services system: unknown; consult Department of Administrative Services, General Services Bureau; Donald Perrin, Administrator

The Buyer hereby acknowledges receipt of a copy of this Exhibit A prior to the execution of the Purchase and Sale Agreement to which this is appended.

**BUYER:
LEGACY AT LACONIA, LLC**

By: 

Name: Robynne Alexander

Title: Manager

Date: 11.30.2022

EXHIBIT B

Disclosure of Information on Lead-Based Paint and Lead-Based Paint Hazards

Lead Warning Statement

Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspections in the seller's possession and notify the buyer of any known lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommend prior to purchase.

Seller's Disclosure (initial)

(a) Presence of lead-based paint and/or paint hazards (check one below):

known lead-based paint and/or lead-based paint hazards are present in the housing (explain).
no buildings on the Property are being sold as housing, but there may be trace amounts of lead paint remaining (previous environmental studies conducted by/for Seller)

Seller has no knowledge of lead-based paint and/or lead-based paint hazards in the housing.

(b) Records and reports available to the seller (check one below):

Seller has provided the purchaser with all available records and reports pertaining to lead-based paint and/or lead-based paint hazards in the housing (list documents below):
See reports posted at: <https://das.nh.gov/lrpc/environmental.aspx>



Location of Real Estate: This Disclosure relates to the real estate known as the former Laconia State School in Laconia, New Hampshire.

A handwritten signature in black ink, appearing to be the initials 'P' followed by a horizontal line.

____ Seller has no reports or records pertaining to lead-based paint and/or lead-based paint hazards in the housing.

Purchaser's Acknowledgement (initial)

X (c) Purchaser has received copies of all information listed above.

n/a (d) Purchaser has received the pamphlet Protect Your Family from Lead in Your Home.

X (e) Purchaser has (check one below):

X Received a 10 day opportunity (or mutually agreed upon period) to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards; or

Waived the opportunity to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards.

Agent's Acknowledgement (initial)

N/A (f) Agent has informed Seller of Seller's obligations under 42 U.S.C. 4852(d) and is aware of his/her responsibility to ensure compliance.

Certification of Accuracy

The following parties have reviewed the information above and certify, to the best of their knowledge, that the information provided by the signatory is true and accurate.

THE STATE OF NEW HAMPSHIRE

By: Charles M. Arlinghaus
Name: Commissioner
Title: Charles M. Arlinghaus
Date: 11-30-22

Not Applicable
Agent Date

Not Applicable
Agent Date

LEGACY AT LACONIA, LLC

By: Robynne Alexander
Name: Robynne Alexander
Title: manager
Date: 11-30-2022