

(5)



Contract 20220091

### City of Springfield Contract Tracer Document

The purpose of this document is to provide continuous responsibility for the custody of **CONTRACTS** during the processing period.

**INSTRUCTIONS:** Upon receipt, please initial and write in the date of receipt. When your department has approved and signed the contract, please initial and date in the forwarding section and deliver to the next department.

DEPARTMENT	DATE RECEIVED		DATE FORWARDED TO NEXT DEPT.	
	Initials	Date	Initials	Date
Community Development			KB	8/4/2021
City Comptroller	LKL	8/5/21	LKL	8/5/21
Law	PF	8-10	PF	8-10
<del>Mayor</del>				
CAFO	JMM	8.10.21	JMM	8.11.21
Mayor	CG	8/11	CG	8/11
City Comptroller			LKL	8/13/21
Community Development				

Vendor No.: 22063    Contract No.:    Contract Date: 7/1/2021

20220091

Contract Amt.: \$105,000.00    Issue Date: 8/4/2021    Renewal Date:

Appropriation Code1: 26451815-530105-64516

Appropriation Code2:

Appropriation Code3:

Appropriation Code4:

Description of Funding Source: CDBG-NDR

Bid No.:    Requisition No.: 22002369    PO No.:

Vendor Name: Cruz R Payero

Contract Type: CDBG-NDR Healthy Homes Rehab

Contract Purpose: Rehab of Home located at 62 Bancroft St, Springfield, MA 01107

Originating Dept.: Nigel Greaves/Office of Housing

Expiration Date: 8/15/2026    Amendment Date:    Extension Date:

TYPE OF DOCUMENT (Please select at least one):

New     Renewal     Amendment     Extension

C #20220091

**CITY OF SPRINGFIELD  
HEALTHY HOMES PROGRAM**

**REHABILITATION LOAN AGREEMENT  
FOR OWNER-OCCUPANTS**

**Whereas**, the City of Springfield ("City") is providing financial assistance to Cruz R. Payero ("Borrower") from the Healthy Homes Program in the amount of \$105,000.00 to fund rehabilitation of the home located at 62 Bancroft Street, Springfield, MA 01107, according to the terms of the agreed-upon General Notes and Typical Details, dated 3/31/21, attached hereto as Exhibit B and in compliance with Massachusetts and City of Springfield building and health codes. The Healthy Homes program is funded by the federal Community Development Block Grant - National Disaster Resilience (CDBG-NDR) program.

**Now, therefore**, the parties agree as follows:

**Terms of the Loan**

Financial assistance is provided as a 0% interest, five-year forgivable loan. As long as the Borrower complies with this Agreement, the principal amount of the loan shall be forgiven at an equal percentage rate of 20% per full year, plus 45 days until it is 100% forgiven after five years, plus 45 days.

**Owner Occupancy**

The Borrower will use the home as their principal residence for a period of five years, plus 45 days, following final payment to the contractor. In the event that the Borrower continues to own the property, but fails to maintain it as their principal place of residence for the five-year loan term referenced above, the entire sum of the loan will become immediately due and payable.

The Borrower understands that if, during the five-year loan term, part or all of the property is sold or refinanced without the City's prior written consent, the City shall require payment of the amount of the loan outstanding at time of sale.

**Rental Units**

If the property has multiple units, the Borrower must live in one unit and rent all other units to households with income at or below 80% area median income (AMI) for the five-year loan period. The AMI amount changes from year to year; the required income limits can be obtained from the Springfield Office of Housing.

The Borrower may not evict existing tenants without cause for a period of two years, following final payment to the contractor.

**Income Eligibility**

The Borrower certifies that he/she has provided complete, accurate, and current information regarding household income to demonstrate Borrower's eligibility to receive CDBG-NDR funds.

**Schedule**

The City and the Borrower expect the rehabilitation and related activities to be completed within 150 days of the execution of this agreement.

**Enforcement**

The Borrower and the City acknowledge that the City has the right and responsibility to enforce this agreement.

This contract is signed as of the 1 day of July, 2021.

Cruz R. Payero  
Cruz R. Payero  
Property Owner

[Signature]  
Office of Housing  
CITY OF SPRINGFIELD

UK 26451815-530105-64516 \$ 105,000.00

Approved as to Appropriation:

Approved as to Form:

[Signature] 8/6/21  
Office of Comptroller  
CITY OF SPRINGFIELD

[Signature]  
Law Department  
CITY OF SPRINGFIELD

APPROVED:

[Signature]  
Chief Administrative and Financial Officer  
CITY OF SPRINGFIELD

[Signature]  
Domenic J. Sarno, Mayor  
CITY OF SPRINGFIELD

CITY OF SPRINGFIELD  
HEALTHY HOMES PROGRAM

REHABILITATION LOAN AGREEMENT  
List of Exhibits

Healthy Homes Rehabilitation Program Agreement

Exhibit A - Project Budget

Exhibit B - Itemized Repair Specs by Location/Trade

Exhibit C - Mortgage

Exhibit D - Promissory Note

Exhibit E - Section 3 Clause

Exhibit F - Tax Certification for Contracts

Exhibit G - Insurance Binder

## Exhibit A

### Healthy Homes Rehab Project Budget

Homeowner/Borrower: Cruz R. Payero

Project Address: 62 Bancroft Street, Springfield, MA 01107

<b>Cost Description</b>	<b>Project Budget</b>
Foundation repair (ADM)	\$ 86,500
Sage - Furrow initial inspection	\$ 1,650
Fuss & O'Neill initial inspection	\$ 2,900
Fuss & O'Neill re-inspection	\$ 4,490
Contingency 10%	\$ 9,460
<b>Contract Grand Total</b>	<b>\$ 105,000</b>

# Exhibit B

**CITY OF SPRINGFIELD OFFICE OF HOUSING  
1600 EAST COLUMBUS AVE  
SPRINGFIELD, MA 01103**

**Bid Proposal Form**

Homeowner: Cruz Pavero

Date Submitted: 5.19.21

Property Address: 62 Bancroft Street, Springfield, MA

The following proposal is hereby submitted as per your request. This bid covers all work shown and/or specified in the bid documents received for this job.

General Conditions	<u>N/A</u>	Pages, Dated	<u>        </u>
Work Write-Up	<u>N/A</u>	Pages, Dated	<u>        </u>
Code Violation Notice	<u>N/A</u>	Pages, Dated	<u>        </u>
Performance Manual	<u>N/A</u>	Pages, Dated	<u>        </u>
Addenda 1 to	<u>        </u>	Pages, Dated	<u>        </u>
Other			

The undersigned, having become thoroughly familiar with the terms and conditions of the proposed Contract Documents and with local conditions affecting the performance and costs of the Work at the place where the Work is to be completed, and having fully inspection the site in all particulars, hereby proposes and agrees to fully perform the Work within the time stated and in strict accordance with the proposed Contract Document including furnishing of any and all labor and materials, and to do all work required to construct and complete said Work in accordance with the Contract Documents, for the total sum of money.

**Base Bid:** *All labor, materials, services, equipment necessary to complete the work:*

Eighty Six Thousand Five Hundred Dollars (\$ 86,500.<sup>00</sup>/<sub>100</sub>)

**ADDITIONAL SUBMISSIONS**

If awarded the Contract, the Bidder agrees to present the following documents to the Owner prior to the issuance of the Notice to Proceed: valid certificates covering Property Damage, Liability, and Workers' Compensation Insurance, all necessary building permits, and a Sworn Statement for Contractor and Subcontractor to Owner listing all of the subcontractors and subcontract amounts.

**RETAINAGE**

It is further agreed that if awarded this contract, 10% of all requested payouts will be retained until the project is completed to the approval of the Owner and all approving agents. Completion of this project will require **60 calendar days**. This proposal is valid for a period of 90 days.

TIME

Upon request by Our Program, contractor agrees to itemize any/or all aspects of this proposal on the attached form.

LINE ITEMS TO BID

NOTE: Failure to submit line prices for any specified item on the Scope of Work may invalidate the entire bid proposal.

<u>Item Number</u>	<u>Line Price</u>
1)..... <b>FOUNDATION REPAIR</b> .....	\$ <u>42,000</u>

THE CONTRACTOR FURTHER PROPOSES THE FOLLOWING CHANGES, DELETIONS OR ADDITIONS TO THE WRITE-UP:

	<u>Line Price</u>
3).....	\$ _____
4).....	\$ _____

TOTAL BID \$ 86,500

ADDITIONAL COMMENTS, RECOMMENDATIONS, SUBSTITUTIONS, ETC.:

#2 Section: We will NOT pour concrete. We will substitute with 8" CMU, with rebar + grout solid.

#3 Section: thru steel strengthening is NOT possible due to wall NOT being true/flat according to structural steel fabricator. We will perform same method here as proposed in our section #2 above.

Contractor Name: Joyce Leith

Company: Atlantic Diversified

Title: President

Address: Mason Contractors, Inc

Phone: [REDACTED]

500 North Liberty St  
Belchertown, MA  
01007

By my signature as a Contractor or agent of the Contractor, I swear that I have fully inspected the above noted property and have received all documents as listed on the Invitation to Bid and/or Bid Form.

Signature: Joyce Leith

Date: 5.18.21







**Exhibit C - Mortgage**

**MORTGAGE**

City of Springfield Healthy Homes Rehabilitation Program

**THIS MORTGAGE** is made as of July 26, 2021, between Cruz R. Payero, whose address is 62 Bancroft Street ("**Borrower**"), and the **City of Springfield**, a municipal corporation with the address 36 Court Street, Springfield, Massachusetts ("**City**").

WHEREAS, the Borrower and the City entered into a **HEALTHY HOMES REHABILITATION PROGRAM AGREEMENT** dated July 26, 2021 in the sum of \$105,000.00 (the Principal Amount"), together with interest of 0%, (this indebtedness is called the "**Note**", a copy of which is attached to this Mortgage as **Schedule A**); and

WHEREAS, to secure the performance of all the terms, covenants, agreements, conditions and obligations of the Note and this Mortgage, the Borrower wishes to grant to the City its rights, title, and interest in the property located at 62 Bancroft Street in Springfield, Massachusetts and described on the attached **Schedule B** (the "**Mortgaged Property**").

NOW THEREFORE, in consideration of the loan for the Principal Amount made by the City to the Borrower, the Borrower and the City hereby agree as follows:

1. **Purpose.** This Mortgage and the Note are to secure a loan made by the City to the Borrower for the purpose of making home improvements to the Mortgaged Property, as detailed in the **General Notes and Typical Details** 3/31/2021. The Borrower is responsible for making the improvements, and the City shall only make payment of Principal for such improvements as it inspects and verifies that the improvements have been completed.
2. **Conditions of the Loan.**
  - a. **Due Upon Sale or Transfer.** If the Borrower sells or transfers the Mortgaged Property before the final maturity date, the amount of the loan still owing at the time of sale or transfer will be immediately due and payable to the City.
  - b. **Owner Occupancy.** If the Borrower is an owner-occupant at the time this loan is entered into, the Borrower must continue to live in the Mortgaged Property as his/her principal place of residence during the term of the loan.
  - c. **Rental Unit Affordability.** If the Borrower (including a Borrower who lives in one unit of a multi-unit property) rents out units in the Mortgaged Property to others, the Borrower must rent all units in the Mortgaged Property to households with income at or below 80% of the area median income<sup>1</sup> during the term of the loan.

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<sup>1</sup> The area median income (AMI) for the Springfield Metropolitan Area is established annually by the U.S. Department

**3. Terms of the Loan**

Loan Type:	Forgivable loan, due upon default or upon sale or transfer of property prior to final maturity
Interest Rate:	0%
Payment Schedule:	No monthly payments
Final Maturity Date:	5 years from date of execution
Forgiveness:	An equal amount of the loan will be forgiven for each year that passes from the date the loan is entered, until the loan is fully forgiven at the final maturity date. (For example, a 5-year loan is forgiven 20% per year; a 10-year loan is forgiven 10% per year.)
Prepayment penalty:	None

- 4. Completion of Agreed-Upon Improvements.** If construction required to meet the Work Write-Up Specifications is discontinued or not carried out with reasonable diligence, the City after due notice to the Borrower is authorized to enforce or carry out existing contracts between the Borrower and other parties to make contracted improvements, to make and enter into additional contracts and incur obligations for the purposes of completing the improvements, and to pay and discharge all debts, obligations and liabilities incurred by reason of any action taken by the City, the cost of which shall be payable from the Borrower to the City on demand and shall be secured by this Mortgage.
- 5. Compliance with Building and Health Codes.** The improvements shall comply with all applicable municipal and state ordinances, laws, regulations, and rules made or promulgated by lawful authority, and upon their completion shall comply therewith and with the rules of the Board of Fire Underwriters having jurisdiction.
- 6. Payment of Property Taxes and Other Charges.** The Borrower will pay when due all taxes, assessments, water & sewer charges, and other governmental charges, fines and impositions, now or hereafter imposed, on the Mortgaged Property and will pay when due every amount of indebtedness secured by any lien on the Mortgaged Property.
- 7. Maintenance and Repair.** The Borrower shall maintain the Property and shall not allow the property to deteriorate or decrease in value due to its condition. If the Property is damaged, the Borrower shall promptly repair the Property to avoid further deterioration or damage, unless repair or restoration is not economically feasible. The Borrower shall

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of Housing and Urban Development. The Springfield Office of Housing will provide the current AMI for the Springfield Metropolitan area upon request.

not commit waste or permit others to permit actual, permissive, or constructive waste on the Property.

**8. Property Insurance.**

- a. **Maintenance of Insurance.** The Borrower shall keep the Property insured against loss by fire, earthquakes, floods, hazards included within the term "extended coverage," and any other hazards for which the City requires insurance. The insurance amounts (including deductible levels) and periods and the insurance carrier shall be subject to the City's approval. Unless otherwise required by the City, all such insurance shall be effected by Standard Fire and Extended Coverage Insurance policies, in amounts not less than necessary to comply with the coinsurance clause percentage of the value applicable to the location and character of the property to be covered.

All such property insurance shall be in such form and shall have attached loss payable clauses in favor of the City. All such policies and attachments shall be delivered promptly to the City, unless they are required to be delivered to the holder of a lien of a mortgage or similar instrument to which this Mortgage is expressly subject, in which case a certificate of insurance shall be delivered to the City. The Borrower will pay any and all premiums on such insurance promptly when due.

- b. **City Rights to Payment for Loss or Damage.** In the event of loss or damage to the mortgaged property, the Borrower will give to the City immediate notice of the event and the City may make and file proof of loss if not made otherwise promptly by or on behalf of the Borrower. Each insurance company issuing any such policy is authorized and directed to make payment under the policy for such loss to the Borrower and the City jointly, unless the amount of loss is payable first to the holder of a lien under a mortgage or similar instrument to which this Mortgage is expressly subject. Insurance proceeds received by the City may be applied, at the City's option, either in reduction of the indebtedness secured by this Mortgage, or to the restoration or repair of the damaged Mortgage Property.

9. **Rights of City as Lender.** If the Borrower fails to carry out the covenants and agreements set forth in this mortgage, the City may do and pay for whatever is necessary to protect the value of and the City's rights in the property, and any amounts so paid shall be added to the Principal amount due to the City hereunder

10. **Inspection.** The City shall have the right to inspect the Mortgaged Property from time to time at any reasonable hour of the day.

11. **Acceleration upon Default.** If any condition of this Mortgage shall be in default, the entire outstanding balance of the Principal Amount shall become immediately due and payable at the option of the City. The City shall be entitled to collect all costs and expenses, including reasonable attorney's fees incurred. If the City exercises its option to require immediate payment of the balance of funds secured by this Mortgage, the City shall give Borrower notice of acceleration. This notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed within which Borrower must pay all remaining sums secured by the Mortgage.

The following "events of default" will cause the Note to be immediately due and payable:

- a. The Borrower's nonperformance of any covenant, agreement, term, or condition of this Mortgage or of the Note, after the Borrower has been given due notice by the City of such nonperformance;
  - b. The Borrower's failure to perform any covenant, agreement, term, or condition in any Mortgage or instrument creating a lien upon the Mortgaged Property, which lien shall have priority over the lien of this mortgage;
  - c. The City's discovery that the Borrower failed to disclose in the Borrower's application for funds any fact deemed to be material by the City, or that the Borrower made any misrepresentations in the application or in any agreements entered into between the Borrower and the City (including but not limited to, the Note and this Mortgage);
  - d. The sale, lease or other transfer of any kind or nature of the Mortgaged Property, or any part thereof, without the prior written consent of the City.
12. **No waiver.** No party shall be deemed to have waived any provision of this Mortgage or the exercise of any rights under this Mortgage unless such waiver is made expressly and in writing. Waiver by any party of a breach or violation of any provision of this Mortgage shall not constitute a waiver of any other subsequent breach or violation.
13. **Surrender after Default.** If the Borrower defaults, and upon demand from the City, the Borrower shall immediately surrender possession of the Mortgaged Property to the City, and the City may enter such property, rent out and collect rent from Mortgaged Property units, and apply rental income to the indebtedness secured by this Mortgage. The City may also dispossess, by usual summary proceedings, any tenant defaulting in the payment of any rent to the City. The Borrower shall cooperate and facilitate any summary process proceedings under this paragraph.

If the Borrower continues to occupy the Mortgaged Property after default and City demand to surrender, such possession shall be as a tenant of the City, and the Borrower shall pay in advance upon demand by the City, a reasonable monthly use and occupancy fee for the premises occupied by the Borrower, and upon the failure of the Borrower to pay such monthly fee, the Borrower may also be disposed by the usual summary proceedings applicable to tenants.

This covenant shall become effective immediately upon the happening of any such default, as determined in the sole discretion of the City, who shall give notice of such determination to the Borrower; and in the case of foreclosure and the appointment of a receiver of the rents, the within covenant shall insure to the benefit of such receiver.

14. **Notice of Change of Ownership.** The Borrower will give immediate notice by certified mail, return-receipt requested, to the City of any conveyance, transfer or change in ownership of such property, or any part thereof.
15. **No Assignment of Rents.**  
The Borrower will not assign the rents, if any, in whole or in part, from the mortgaged property, or any part thereof, without the prior written consent of the City.
16. **Notice.** Notice and demand or request shall be made in writing and may be served in person or by mail.
17. **Waiver of Homestead Exemption.** The Borrower hereby waives the benefit of all homestead exemptions, as to the debt secured by this Mortgage and as to any expenditure for insurance, taxes, levies, assessments, dues or charges incurred by the City pursuant to any provision of this Mortgage.
18. **City Right to Nonjudicial Foreclosure.** This Mortgage is upon the **STATUTORY CONDITION**, for any breach of which, or for breach of any of the aforementioned provisions or conditions, the City may declare all sums secured hereby immediately due and payable, and the City shall have the **STATUTORY POWER OF SALE**.
19. **Joint and several liability.** If the Borrower, as defined herein, consists of two or more parties, this Mortgage shall constitute a grant and mortgage by all of them jointly and severally, and they shall be obligated jointly and severally under all the provisions hereof and under the Note.

20. **Discharge.** Upon payment in full by the Borrower of the Note and any other instruments secured by this Mortgage, this Mortgage shall be terminated, and the City shall provide the Borrower the appropriate notice of termination.

**IN WITNESS THEREOF** this mortgage has been duly signed and sealed by the Borrower on or as of the day and year first above written.

BY: Cruz R. Payero  
Cruz R. Payero,  
Borrower

Katy Puergne  
Witness

*Commonwealth of Massachusetts*

Hampden, ss 2021

On 7/26/2022, before me, the undersigned notary public, personally appeared, Cruz R. Payero proved to me through satisfactory evidence of identification, which was MISS ID # S1219817, to be the person whose name is signed on the preceding or attached document, and acknowledged to me that he/she signed it voluntarily for its stated purpose.

[Signature]

(Official signature and seal of notary).

Notary Public: Manceby Vega  
My Commission Expires: May 06, 2022

The note secured by this Mortgage has:

A principal sum of \$105,000.00  
A rate of interest of Zero (0%) percent.

The sum of \$105,000.06 with interest thereon at a rate of Zero (0.00%) per annum, is due and payable upon sale, lease or other transfer of any kind of the above-referenced property, or any part thereof without the prior written consent of the City, other than a transfer by will or by operation of the laws of descent and distribution.

**SCHEDULE A**  
**PROMISSORY NOTE**

**Springfield, Massachusetts**

Property Address: **62 Bancroft Street, Springfield, MA 01107**

**1. BORROWERS' PROMISE TO PAY**

In return for a loan that I have received, I, Cruz R. Payero ("Borrower"), promise to pay \$105,000.00 (this amount is called "Principal"), without interest, to the **City of Springfield**, a Massachusetts municipal corporation with a usual address of 36 Court Street, Springfield, Massachusetts 01103 ("City").

**2. INTEREST**

Interest will not be charged on unpaid principal.

**3. TIME AND PLACE OF PAYMENTS**

No monthly payments are due. If there is no default on the loan, the Principal shall be forgiven at an equal percentage rate per year until it is 100% forgiven at the end of the fifth year.

**4. BORROWER'S RIGHT TO PREPAY**

I have the right to make payments of principal at any time before they are due. A payment of principal only is known as a "prepayment." When I make a prepayment, I will tell the City in writing that I am doing so.

I may make a full prepayment or partial prepayments without paying any prepayment charge. The City will use all of my prepayments to reduce the amount of principal that I owe under this Note. If I make a partial prepayment, there will be no changes in the due date or in the amount of my payment unless the City agrees in writing to those changes.

**6. BORROWER DEFAULT**

**(A) Default** If I am in default of or breach of the Healthy Homes Rehabilitation Program Agreement ("Program Agreement") or the Mortgage, both dated the same date as this Note, and if I do not cure any default or breach within any applicable cure period, then I will be in default of this Note.

**(B) Notice of Default** If I am in default, the City may send me a written notice telling me



that if I do not come into compliance with the Program Agreement and Mortgage by a certain date, the City may require me to pay immediately the full amount of principal I owe.

**(C) No Waiver by City** Even if, at a time when I am in default, the City does not require me to pay immediately in full as described above, the City will still have the right to do so if I am in default at a later time.

**(D) Payment of City's Costs and Expenses** If the City has required me to pay immediately in full as described above, the Note Holder will have the right to be paid back by me for all of its costs and expenses in enforcing this Note to the extent not prohibited by applicable law. Those expenses include, for example, reasonable attorneys' fees, court costs and witness fees, including but not limited to expert witness fees.

## **7. GIVING OF NOTICES**

Unless applicable law requires a different method, any notice that must be given to me under this Note will be given by delivering it or mailing it by first class mail to me at the Property Address above or at a different address if I give the City a notice of my different address.

Any notice that must be given to the City under this Note will be given by mailing it by first class mail to:

Director  
City of Springfield Office of Housing  
1600 E. Columbus Ave.  
Springfield, MA 01103

with a copy simultaneously mailed by first class mail to:

City Solicitor  
City of Springfield Law Department  
36 Court Street  
Springfield, MA 01103

## **8. OBLIGATIONS OF PERSONS UNDER THIS NOTE**

If more than one person signs this Note, each person is fully and personally obligated to keep all of the promises made in this Note, including the promise to pay the full amount owed. Any person who is a guarantor, surety or endorser of this Note is also obligated to do these things. Any person who takes over these obligations, including the obligations of a guarantor, surety or endorser of this Note, is also obligated to keep all of the promises made in this Note. The City may enforce its rights under this Note against each person individually or against all of us

together. This means that any one of us may be required to pay all of the amounts owned under this Note. This Note is binding on me and my executors, administrators, heirs, successors and assigns.

#### **9. WAIVERS**

I and any other person who has obligations under this Note waive the rights of presentment and notice of dishonor. "Presentment" means the right to require the City to demand payment of amounts due. "Notice of dishonor" means the right to require the City to give notice to other persons that amounts due have not been paid.

#### **10. UNIFORM SECURED NOTE**

This Note is a uniform instrument with limited variations in some jurisdictions. In addition to the protections given to the City under this Note, a Mortgage dated the same date as this Note protects the City from possible losses which might result if I do not keep the promises which I make in this Note. That Mortgage describes how and under what condition I may be required to make immediate payment in full of all amounts I owe under this Note. Some of those conditions are described as follows:

**Due Upon Sale or Transfer.** If all or any part of the Property or any interest in it is sold or transferred without the City's prior written consent, the City may, at its option, require immediate payment in full of all sums secured by the Mortgage.

**Owner Occupancy.** If the Borrower is an owner-occupant at the time this loan is entered into, and the Borrower ceases to live in the Mortgaged Property as his/her principal place of residence during the term of the loan, the City may, at its option, require immediate payment in full of all sums secured by the Mortgage.

**Rental Unit Affordability.** If the Borrower (including a Borrower who lives in one unit of a multi-unit property) rents out units in the Mortgaged Property to others, and the Borrower rents units to households with income above 80% area median income, the City may, at its option, require immediate payment in full of all sums secured by the Mortgage.

If the City exercises its option to require immediate payment of the balance of funds secured by the Mortgage, the City shall give Borrower notice of acceleration. This notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed within which Borrower must pay all remaining sums secured by the Mortgage.

EXECUTED as a sealed instrument as of the date first written above.

Cruz R. Payero  
Cruz R. Payero  
Borrower

Katy Luergne  
Witness

[Signature]  
Witness

COMMONWEALTH OF MASSACHUSETTS

HAMPDEN, ss, 2021

On this 26 day of July, 2021, before me, the undersigned Notary Public, personally appeared the above-named Cruz R. Payero proved to me through satisfactory evidence of identification, which was MASS ID # 544214817 to be the person whose name is signed on the preceding or attached document, and acknowledge that he signed it voluntarily for its stated purpose, and acknowledged to me that he executed the same as his free act and deed.

[Signature]  
Notary Public Mancely Vega  
My Commission Expires: May 06 2022

**SCHEDULE B**  
**PROPERTY DESCRIPTION**

That certain parcel of land, with the buildings thereon, situated in Springfield, Hampden County and Commonwealth of Massachusetts, lying on the northerly side of Bancroft Street, in said Springfield, Massachusetts, and bounded as Follows:

Beginning on the Northerly side of said street at a point distant one hundred thirty-seven and one-half (137 ½ ) feet Westerly from the Westerly line of North Street, and at land of one Vining, and running thence.

NORTHERLY: By land of said Vining and land of one Ferry, about one hundred seventy (170) feet to land of the City of Springfield; Thence

WESTERLY: By Land of the City of Springfield, fifty (50) feet to land now or formerly of Jon E. Guertin; Thence

SOUTHERLY: By land now or formerly of said Guertin, about one hundred seventy (170) feet to Bancroft Street; and Thence

EASTERLY: By said Bancroft Street, fifty (50) feet to the place of beginning.

For title references, see deed recorded with said Registry of Deeds in Book 5772, Page 296.

Being the same premises conveyed to the grantor herein by deed of Eligio Payero (deceased) and Rosario Cruz Payero A/K/A Cruz R. Payero, dated October 15<sup>th</sup>, 2007 and recorded in Hampden Registry of Deeds in Book 16981, Page 359.

Exhibit D - Promissory Note

**PROMISSORY NOTE**

**Springfield, Massachusetts**

Property Address: **62 Bancroft Street, Springfield, MA 01107**

**1. BORROWERS' PROMISE TO PAY**

In return for a loan that I have received, I, Cruz R. Payero ("Borrower"), promise to pay \$105,000.00 (this amount is called "Principal"), without interest, to the **City of Springfield**, a Massachusetts municipal corporation with a usual address of 36 Court Street, Springfield, Massachusetts 01103 ("City").

**2. INTEREST**

Interest will not be charged on unpaid principal.

**3. TIME AND PLACE OF PAYMENTS**

No monthly payments are due. If there is no default on the loan, the Principal shall be forgiven at an equal percentage rate per year until it is 100% forgiven at the end of the fifth year.

**4. BORROWER'S RIGHT TO PREPAY**

I have the right to make payments of principal at any time before they are due. A payment of principal only is known as a "prepayment." When I make a prepayment, I will tell the City in writing that I am doing so.

I may make a full prepayment or partial prepayments without paying any prepayment charge. The City will use all of my prepayments to reduce the amount of principal that I owe under this Note. If I make a partial prepayment, there will be no changes in the due date or in the amount of my payment unless the City agrees in writing to those changes.

**6. BORROWER DEFAULT**

**(A) Default** If I am in default of or breach of the Healthy Homes Rehabilitation Program Agreement ("Program Agreement") or the Mortgage, both dated the same date as this Note, and if I do not cure any default or breach within any applicable cure period, then I will be in default of this Note.

**(B) Notice of Default** If I am in default, the City may send me a written notice telling me that if I do not come into compliance with the Program Agreement and Mortgage by a certain date, the City may require me to pay immediately the full amount of principal I owe.

**(C) No Waiver by City** Even if, at a time when I am in default, the City does not require me to pay immediately in full as described above, the City will still have the right to do so if I am in default at a later time.

**(D) Payment of City's Costs and Expenses** If the City has required me to pay immediately in full as described above, the Note Holder will have the right to be paid back by me for all of its costs and expenses in enforcing this Note to the extent not prohibited by applicable law. Those expenses include, for example, reasonable attorneys' fees, court costs and witness fees, including but not limited to expert witness fees.

## **7. GIVING OF NOTICES**

Unless applicable law requires a different method, any notice that must be given to me under this Note will be given by delivering it or mailing it by first class mail to me at the Property Address above or at a different address if I give the City a notice of my different address.

Any notice that must be given to the City under this Note will be given by mailing it by first class mail to:

Director  
City of Springfield Office of Housing  
1600 E. Columbus Ave.  
Springfield, MA 01103

with a copy simultaneously mailed by first class mail to:

City Solicitor  
City of Springfield Law Department  
36 Court Street  
Springfield, MA 01103

## **8. OBLIGATIONS OF PERSONS UNDER THIS NOTE**

If more than one person signs this Note, each person is fully and personally obligated to keep all of the promises made in this Note, including the promise to pay the full amount owed. Any

person who is a guarantor, surety or endorser of this Note is also obligated to do these things. Any person who takes over these obligations, including the obligations of a guarantor, surety or endorser of this Note, is also obligated to keep all of the promises made in this Note. The City may enforce its rights under this Note against each person individually or against all of us together. This means that any one of us may be required to pay all of the amounts owed under this Note. This Note is binding on me and my executors, administrators, heirs, successors and assigns.

## **9. WAIVERS**

I and any other person who has obligations under this Note waive the rights of presentment and notice of dishonor. "Presentment" means the right to require the City to demand payment of amounts due. "Notice of dishonor" means the right to require the City to give notice to other persons that amounts due have not been paid.

## **10. UNIFORM SECURED NOTE**

This Note is a uniform instrument with limited variations in some jurisdictions. In addition to the protections given to the City under this Note, a Mortgage dated the same date as this Note protects the City from possible losses which might result if I do not keep the promises which I make in this Note. That Mortgage describes how and under what condition I may be required to make immediate payment in full of all amounts I owe under this Note. Some of those conditions are described as follows:

**Due Upon Sale or Transfer.** If all or any part of the Property or any interest in it is sold or transferred without the City's prior written consent, the City may, at its option, require immediate payment in full of all sums secured by the Mortgage.

**Owner Occupancy.** If the Borrower is an owner-occupant at the time this loan is entered into, and the Borrower ceases to live in the Mortgaged Property as his/her principal place of residence during the term of the loan, the City may, at its option, require immediate payment in full of all sums secured by the Mortgage.

**Rental Unit Affordability.** If the Borrower (including a Borrower who lives in one unit of a multi-unit property) rents out units in the Mortgaged Property to others, and the Borrower rents units to households with income above 80% area median income, the City may, at its option, require immediate payment in full of all sums secured by the Mortgage.

If the City exercises its option to require immediate payment of the balance of funds secured by the Mortgage, the City shall give Borrower notice of acceleration. This notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed within which Borrower must pay all remaining sums secured by the Mortgage.

EXECUTED as a sealed instrument as of the date first written above.

Cruz R. Payero  
Cruz R. Payero  
Borrower

Katy Lawrence  
Witness

[Signature]  
Witness

COMMONWEALTH OF MASSACHUSETTS

HAMPDEN, ss, 2021

On this 26 day of July, 2021, before me, the undersigned Notary Public, personally appeared the above-named Cruz Payero proved to me through satisfactory evidence of identification, which was MISS ID # 544219817 to be the person whose name is signed on the preceding or attached document, and acknowledge that he signed it voluntarily for its stated purpose, and acknowledged to me that he executed the same as his free act and deed.

[Signature]  
Notary Public Manceley Vega  
My Commission Expires May 06, 2022



Exhibit F

DECLARACIÓN DE CERTIFICADO FISCAL PARA CONTRATOS

Número de Seguro Social Individual

Número de Identificación Estatal

Número de Identificación Federal

Compañía:

Apartado de Correo (si algún): Dirección de Calle Solamente:

Ciudad/Estado. Código Postal:

Número de Teléfono: Numero de Fax:

Detalle dirección(es) de todas otras propiedades en que la compañía es dueño en Springfield:

Favor de identificar si el solicitante es un(a):

Corporación

Individual

Nombre de Individual:

Asociación

Nombre de todos Asociados:

Compañía de Riesgos Limitados

Nombre de todos Gestores

Asociación de Riesgos Limitados

Nombres de Asociados:

Asociación Limitada

Nombre de todos Asociados Generales:

Es requerido que llenes por completo las siguientes certificaciones y autenticar las firmas abajo con un notario público. Cualquiera certificación que no se te aplique, escriba N/A en las líneas provista.

CERTIFICACIÓN DE IMPUESTOS FEDERALES

Yo, Cruz R. Payero certifico bajo las Penas y Penalidades del perjurio que, por mi mejor (Agento Autorizado) (Solicitante)

Conocimiento y creencia, ha cumplido con todos los Impuestos Federales de los Estados Unidos requerido por la ley.

Firma de Cruz R. Payero

Fecha: 8-29-17 Firma de Persona Autorizada

CERTIFICACIÓN DE IMPUESTOS FISCALES DE LA CUIDAD DE SPRINGFIELD

Yo, Cruz R. Payero certifico bajo las Penas y Penalidades del perjurio que, por mi mejor (Agento Autorizado) (Solicitante)

Conocimiento y creencia, ha cumplido con todos los Impuestos de la Ciudad de Springfield como requerido por la ley (o ha entrado en un plan de pago con la Ciudad).

Firma de Cruz R. Payero

Fecha: 8-29-17 Firma de Persona Autorizada

**CERTIFICACIÓN DE IMPUESTOS DEL ESTADO (MANCOMUNIDAD) DE MASSACHUSETTS**

De acuerdo con M.G.L. c. 62C,49A, Yo, Cruz Payro certifico bajo las penas y penalidades de perjurio que \_\_\_\_\_  
(Agente autorizado) (Solicitante)  
a mi mejor conocimiento y creencia, yo ha presentado todas declaraciones de impuestos del estado y ha cumplido con todos  
impuestos requeridos por la ley.

Cruz A Payro  
Solicitante

\_\_\_\_\_  
Firma de Persona Autorizada Fecha: 8-23-17

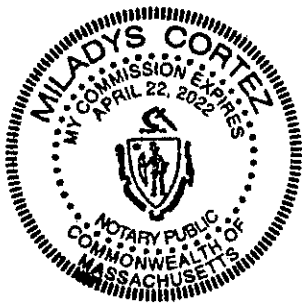
**Notario Público**

ESTADO DE MASSACHUSETTS

, ss.

Aug 23, 2017

En este día personalmente compareció ante mí (Nombre) Cruz Payro (titulo) \_\_\_\_\_  
de (nombre de compañía) \_\_\_\_\_, debidamente jurado, declara que ha leído y entiende el  
contenido de este documento; y los hechos contenido son verdadero segun su conocimiento, y ha dicho que es un acto y acción  
libre y acto y acción libre de (nombre de compañía) Cruz Payro.



Miladys Cortez  
Notario Público

MI Comisión Vence: April 22, 2022

**Exhibit E:**  
**SECTION 3 CLAUSE**

“All section 3 covered contracts shall include the following clause (referred to as the section 3 clause):

- A. The work to be performed under this contract is subject to the requirements of section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (section 3). The purpose of section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.
- B. The parties to this contract agree to comply with HUD's regulations in 24 CFR part 135, which implement section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the part 135 regulations.
- C. The contractor agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the contractor's commitments under this section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.
- D. The contractor agrees to include this section 3 clause in every subcontract subject to compliance with regulations in 24 CFR part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR part 135. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR part 135.
- E. The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR part 135 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR part 135.
- F. Noncompliance with HUD's regulations in 24 CFR part 135 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.
- G. With respect to work performed in connection with section 3 covered Indian housing assistance, section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450e) also applies to the work to be performed under this contract. Section 7(b) requires that to the greatest extent feasible (i) preference and opportunities for training and employment shall be given to Indians, and (ii) preference in the award of contracts and subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprises. Parties to this contract that are subject to the provisions of section 3 and section 7(b) agree to comply with section 3 to the maximum extent feasible, but not in derogation of compliance with section 7(b).



# INSURANCE BINDER

MMILLET

DATE (MM/DD/YYYY)  
07/26/2021

THIS BINDER IS A TEMPORARY INSURANCE CONTRACT, SUBJECT TO THE CONDITIONS SHOWN ON PAGE 2 OF THIS FORM.

AGENCY <b>AXIA Insurance Services</b> 933 East Columbus Ave Springfield, MA 01105		COMPANY <b>Guard Insurance</b>		BINDER # [REDACTED]
PHONE (A/C, No, Ext): [REDACTED]	FAX (A/C, No): [REDACTED]	DATE EFFECTIVE	TIME	DATE EXPIRATION
CODE: AGENCY CUSTOMER ID: [REDACTED]	SUB CODE:	06/28/2021	12:01 <input checked="" type="checkbox"/> AM <input type="checkbox"/> PM	08/27/2021 <input checked="" type="checkbox"/> 12:01 AM <input type="checkbox"/> NOON
INSURED AND MAILING ADDRESS  <b>Cruz Payero</b> 62 Bancroft St Springfield, MA 01107-1957		DESCRIPTION OF OPERATIONS / VEHICLES / PROPERTY (Including Location) <b>Loc 1, 62 Bancroft St, Springfield, MA 01107-1957</b> Policy Eff 12/12/2020-12/12/2021		

## COVERAGES

## LIMITS

TYPE OF INSURANCE	COVERAGE / FORMS	DEDUCTIBLE	COINS %	AMOUNT
<b>PROPERTY CAUSES OF LOSS</b> <input type="checkbox"/> BASIC <input type="checkbox"/> BROAD <input type="checkbox"/> SPEC	<b>Dwelling</b> <b>Other structures</b> <b>Personal property</b> <b>Loss of use</b>			<b>\$433,470.00</b> <b>\$43,347.00</b> <b>\$216,735.00</b> <b>\$130,041.00</b>
<b>GENERAL LIABILITY</b> <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> OCCUR	RETRO DATE FOR CLAIMS MADE:	EACH OCCURRENCE \$ <b>300,000</b> DAMAGE TO RENTED PREMISES \$ MED EXP (Any one person) \$ <b>2,000</b> PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMP/OP AGG \$		
<b>VEHICLE LIABILITY</b> <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS		COMBINED SINGLE LIMIT \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE \$ MEDICAL PAYMENTS \$ PERSONAL INJURY PROT \$ UNINSURED MOTORIST \$		
<b>VEHICLE PHYSICAL DAMAGE</b> DED <input type="checkbox"/> COLLISION: _____ <input type="checkbox"/> OTHER THAN COL: _____	<input type="checkbox"/> ALL VEHICLES <input type="checkbox"/> SCHEDULED VEHICLES	ACTUAL CASH VALUE STATED AMOUNT \$		
<b>GARAGE LIABILITY</b> <input type="checkbox"/> ANY AUTO		AUTO ONLY - EA ACCIDENT \$ OTHER THAN AUTO ONLY: EACH ACCIDENT \$ AGGREGATE \$		
<b>EXCESS LIABILITY</b> <input type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM	RETRO DATE FOR CLAIMS MADE:	EACH OCCURRENCE \$ AGGREGATE \$ SELF-INSURED RETENTION \$ PER STATUTE		
<b>WORKER'S COMPENSATION AND EMPLOYER'S LIABILITY</b>		E.I. EACH ACCIDENT \$ E.I. DISEASE - EA EMPLOYEE \$ E.I. DISEASE - POLICY LIMIT \$		
<b>SPECIAL CONDITIONS / - 1,000; Theft - 1,000; OTHER COVERAGES</b>		FEES \$ TAXES \$ ESTIMATED TOTAL PREMIUM \$		

## NAME & ADDRESS

<b>City Of Springfield Office Housing</b> 1600 E Columbus Ave Springfield, MA 01103	MORTGAGEE	ADDITIONAL INSURED
	LOSS PAYEE	<input checked="" type="checkbox"/> <b>Additional Interest</b>
LOAN #:		
AUTHORIZED REPRESENTATIVE 		