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Phone: (603) 224-6669 | Fax: (603) 225-7425  
info@communityloanfund.org  
www.communityloanfund.org

# Application and investment agreement

## Investor information

(All fields must be complete, if applicable)



Legal name to appear on Promissory Note (Please print):

\_\_\_\_\_

- US citizen       US corporate entity       Other \_\_\_\_\_

## Form of ownership

- |  |   |
|--|---|
| <input type="checkbox"/> Individual<br><input type="checkbox"/> Joint ownership among individuals, as, (check one):<br><input type="checkbox"/> Joint tenants w/ right of survivorship<br><input type="checkbox"/> Tenant by entirety (limited to the married)<br><input type="checkbox"/> Tenants in common | <input type="checkbox"/> Trust (Legal name: <i>Trustee name as trustee for trust name dated trust date</i> )<br><input type="checkbox"/> Corporation (Signature of authorized party and/or parties)<br><input type="checkbox"/> Partnership (Signature of general partner(s) and additional signatures if required by partnership agreement)<br><input type="checkbox"/> Other entity (Please sign as required by applicable documents) |
|--|---|

## Physical address

Street \_\_\_\_\_  
City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

## Mailing address (if different than above)

Street \_\_\_\_\_  
City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_  
Work phone number \_\_\_\_\_ Home phone number \_\_\_\_\_  
Mobile number \_\_\_\_\_ Email address \_\_\_\_\_

**Emergency contact (Please provide the name of a person we can contact if we are unable to reach you.)** This person will NOT have access to your account information

Name \_\_\_\_\_ Phone \_\_\_\_\_ Email \_\_\_\_\_

## Terms of the Note

1 to 10+ years	1 or 2 years	3 or 4 years	5 to 10 years
0%	Up to 1%	Up to 2%	Up to 3%

\* Rates for new investments or renewals are subject to change

**Principal amount** (minimum \$1,000): \$ \_\_\_\_\_

**Interest rate** (based on maturity term above): \_\_\_\_\_

**Maturity** (years): \_\_\_\_\_

**Payment preference:** I understand that I am making a simple interest investment and that the interest will be paid annually. My preference for payment is (choose one):

By check, sent to the following address if different than previously listed:

Attn. \_\_\_\_\_

Street \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

By direct deposit (please attach an ACH authorization form, available online).

Accrued and compounded annually.

Donate interest to New Hampshire Community Loan Fund.

Not applicable—I have chosen 0% interest rate.

### **Authorization to publish name, or anonymity preference**

Recognition by the Community Loan Fund of our investors is extremely helpful in attracting other interested people and institutions to become investors and/or contributors. This establishes credibility and exemplifies the broad community engagement that is key to the Community Loan Fund's effectiveness. The amount and details of your investment will not be disclosed, nor will your mailing address; only your name, as indicated below, will be used.

List my/our name as an investor to the Community Loan Fund as:

\_\_\_\_\_

Keep my/our status as an investor confidential. Initial(s): \_\_\_\_\_

Please tell us how you learned you could invest in the Community Loan Fund \_\_\_\_\_

\_\_\_\_\_

## **Investment terms**

The undersigned (the “Investor”) hereby submits this Application and Investment Agreement and, if accepted, agrees to purchase the principal amount of an unsecured promissory note (“Note”) of the New Hampshire Community Loan Fund (the “Community Loan Fund”) with the interest rate and maturity date set forth on the terms specified herein and in the Opportunity NH Investments Offering Circular dated July 1, 2020, as the same may be supplemented from time to time (the “Offering Circular”).

The Community Loan Fund reserves the right in its sole discretion to verify or reverify any information contained in this application or obtain any information or data relating to the investment, for any legitimate business purpose through any source, including a source named in this application or consumer reporting agency. The Community Loan Fund reserves the right to accept or reject this Application and Investment Agreement, in whole or in part, prior to the date on which the Community Loan Fund accepts this Application and Investment Agreement.

## **Organizational purpose**

The Investor understands that the Community Loan Fund is organized for these purposes:

- To provide access to housing and productive resources for lower-income households and other disadvantaged people;
- To conduct public discussion groups, forums, panels, lectures, and other similar programs designed to educate the public about the benefits of housing and employee cooperatives and other such programs directed at the financing needs of such cooperatives;
- To support the development of a stable and productive economic base in and for local communities and thereby relieve their reliance on government;
- To create alternative models of financing for community economic development, which encourage investment by local community organizations, churches, and individual residents, and promote greater responsiveness to community and low-income needs on the part of conventional lending institutions through:
  - Direct lending to community-based development projects;
  - Loan referral, packaging, and management assistance for potential Investors and the Community Loan Fund;
  - Technical assistance to community-based nonprofit and cooperative organizations in developing their own management capabilities; and
- To conserve and enhance the quality and productivity of land and natural resources, while ensuring that low- and moderate-income people share in the use and enjoyment thereof.

## **Investor’s representations and warranties**

To induce the Community Loan Fund to accept this Application and Investment Agreement regarding the purchase of Notes, the Investor represents and warrants to the Community Loan Fund as follows:

**Investment representation.** The Investor is acquiring the Note for its own account or the institution it represents, for investment and not with a view to resale or distribution thereof, within the meaning of such phrase as defined under the Securities Act of 1933, as amended (the “Securities Act”). The Investor will not dispose of all or any part of the Note in violation of the provisions of the Securities Act and the rules and regulations promulgated under the Securities Act by the Securities and Exchange Commission (the “SEC”) and all applicable provisions of state securities law.

**Investor information.** The information provided by the Investor in this Application and Investment Agreement is true, correct and complete in all respects as of the date hereof.

**Opportunity NH Investments Offering Circular.** The Investor has received from the Community Loan Fund a copy of the Opportunity NH Investments Offering Circular and has had the opportunity to review the same together with his or her professional advisors and understands the various risks of an investment in the Note. The Investor has been afforded the opportunity to, and has, to the extent it desires to do so, asked questions and received answers from management and/or staff of the Community Loan Fund regarding the terms of the Note, the Community Loan Fund and the Community Loan Fund’s activities.

The Investor understands and agrees that the offering is made through the Opportunity NH Investments Offering Circular and is subject to the terms and conditions of the offering and the disclosures set forth therein. The Investor has not relied on any statement or representation regarding the Notes, the Community Loan Fund and the Community Loan Fund’s activities which are not contained in the Opportunity NH Investments Offering Circular.

**Authorization; due execution.** The Investor represents and warrants that, if it is an individual, it has the legal capacity, and if it is an institution, it has the power and has been duly authorized, to purchase the Note and to otherwise comply with its obligations under this Application and Investment Agreement and that the person signing this Agreement is duly authorized to do so.

### **Investor covenant**

The Investor covenants and agrees that the Note as originally issued and any replacement or transferred Note will bear the following legend:

*“This note is being issued by a charitable institution in a transaction exempt from registration under Section 3(a)(4) of the Securities Act of 1933, as amended, and state securities laws. The issuer is excluded from registration under the Investment Company Act of 1940, as amended, and various other securities laws. The purpose of the investment represented by this note is charitable in nature and the note does not reflect commercial terms or have the protection of various legal provisions which apply to commercial investments. This note is not readily marketable and will not be redeemable prior to its stated maturity. Upon request, a prospective transferee of this note will be provided with a copy of the issuer’s offering circular regarding its offering of notes.”*

## Investor acknowledgments

The Investor acknowledges to the Community Loan Fund as follows:

**Note unsecured and not guaranteed or insured.** The Investor acknowledges that the Note is not entitled to the benefit of any security or collateral and is a general unsecured obligation of the Community Loan Fund. The Note is not guaranteed by any third party or insured by any federal or state agency or governmental authority, such as the Federal Deposit Insurance Corporation. The Note is not being issued under an indenture or trust agreement and does not enjoy the protections of the Trust Indenture Act of 1939, as amended.

**Charitable transaction.** The Investor acknowledges that the issuance of the Note represents a charitable transaction and has not been registered under the Securities Act or state securities laws and that the Note is being issued to the Investor in a transaction which qualifies for an exemption from the requirement to register the offering of the Note under the Securities Act contained in Section 3(a)(4) thereof as a charitable issuer. The Investor consequently will not have the protections associated with registration under the Securities Act. Despite being issued under the charitable exemption under Section 3(a)(4) of the Securities Act, interest payable to the Investor under the Note will be reportable as ordinary income for tax purposes by investors subject to income tax.

**Not a registered investment company.** The Investor acknowledges that the Community Loan Fund will invest the proceeds of the issuance of the Note in loans and other financial accommodations to deserving individuals and entities in accordance with its charitable mission but will not be registered as an investment company under the federal Investment Company Act of 1940, as amended (the "Investment Company Act") pursuant to an exclusion under Section 3(c)(10) thereof. The Investor consequently will not have the protections associated with registration under the Investment Company Act.

**No resale, redemption and liquidity.** The Investor acknowledges that the Community Loan Fund is under no obligation to redeem or prepay the Note prior to its scheduled maturity date and that no secondary market currently exists where the Investor might resell the Note prior to the scheduled maturity date. The Investor must be able to bear the risk of an investment in the Note until the scheduled maturity date and must have no need for the funds with which the Note was purchased until the maturity date.

**Possible loss of investment.** The Investor acknowledges that it can afford to sustain a loss of its entire investment in the Note. While no investor in the Notes has incurred a loss to date, past performance is no guarantee of future performance.

**Access to information.** The Investor acknowledges that it has been afforded access to all material information which it has requested relevant to its decision to invest in the Note, and that, except as set forth herein, neither the Community Loan Fund nor anyone acting on behalf of the Community Loan Fund has made any representations or warranties to the Investor which have induced it to purchase the Note hereunder. Without limiting the foregoing, the Investor has met with and/or has had adequate opportunity to ask questions

of and receive answers from management and/or staff of the Community Loan Fund and to do any other investigation it deems appropriate concerning an investment in the Note.

**Acceptance of investment.** The Investor acknowledges that the Community Loan Fund may accept this Application and Investment Agreement at any time after it is submitted, prior to receipt of written notice of revocation of this Application and Investment Agreement by the Investor. Upon acceptance, the Community Loan Fund will execute the acceptance below and will issue to the Investor the Note reflecting the investment elections set forth under “Terms of the Note,” provided such elections are consistent with the terms of the offering as set forth in the Opportunity NH Investments Offering Circular and are consistent with the Community Loan Fund’s Investment Policy.

### Conditions of agreement

**Effective date.** This Application and Investment Agreement takes effect upon the date the Community Loan Fund receives the Investor’s funds and executes the acceptance on p. 8 hereof. A Promissory Note of this date will be issued and delivered to the Investor.

**Interest.** Interest on the Note is calculated on a simple basis based on a year of 360 days. At the request of the Investor and as specified in this Application and Investment Agreement, interest will be paid annually or accrued and compounded annually to the balance payable at maturity. Investors can change their interest payment method at any time by written request. Interest income generated by the Notes is taxable to investors who are subject to income tax. In connection with the Offering, the Community Loan Fund is not rendering tax or investment advice to any Investor; prospective Investors should consult with their own tax and financial advisers to the extent they consider it necessary.

**Principal increase.** The Investor may increase the principal of the Note from time to time during the term of the Note. To maintain the existing interest rate, the term of the Note may need to be extended to correspond to the interest rate schedule in effect on the date the funds are added. Additions shall be evidenced by an amended Note signed by the Community Loan Fund, and sent to the Investor at the Investor’s address or such other mailing address as the Community Loan Fund may be instructed.

**Options at maturity.** Upon the maturity of a Note, Investors may elect to receive the principal and all accrued interest under the Note or renew the investment for a new term based on the maturity and interest rate schedule in effect at that time.

**Notice of maturing investment.** The Community Loan Fund will send a Notice of Maturing Investment approximately two (2) months before the scheduled maturity date of a Note, and may at that time request the Investor to renew/extend the term of the Note. The Investor will evidence her/his/its desires regarding either the repayment of the Note or the extension/renewal/change of terms of the Note by completing and returning the Notice of Maturing Investment form to the Community Loan Fund. By her/his/its signature on that form, the Investor will instruct and authorize the Community Loan Fund to either repay the Note at maturity, or amend the terms as indicated and issue an amended Note to the Investor. If the Community Loan Fund does not receive an executed Notice of Maturing

Investment within 60 days after the scheduled maturity date, the Note will remain outstanding, but the effective rate will be reduced to 1% until such time as the Note is formally renewed or repaid at the Investor's request.

**Right to prepay.** The Community Loan Fund has the right to prepay the Notes at any time prior to the specified maturity date, at its election and for any reason.

### Miscellaneous

**No assignment.** The Investor's rights and obligations under this Application and Investment Agreement are not transferable or assignable without the express written consent of the Community Loan Fund.

**Notices.** All notices and other communications made hereunder shall be in writing, and shall be delivered by mail to the addresses specified herein, including email, or otherwise specified in writing

**Governing law.** This Application and Investment Agreement shall be governed by and construed in accordance with the laws of the State of New Hampshire, excluding any conflicts or choice of law rule or principle that might otherwise refer construction or interpretation of this Application and Investment Agreement to the substantive law of another jurisdiction.

**Entire agreement.** This Application and Investment Agreement and the Opportunity NH Investments Offering Circular (including the exhibits thereto) contain the entire agreement and understanding between the parties with respect to its subject matter. The provisions of this Application and Investment Agreement may not be modified or waived except in writing.

#### Bequest provision (for individuals only)

Some Investors in Notes designate that, in the event of their death before the maturity of their Note, the Note should automatically be converted to a gift to the Community Loan Fund. Without specific authorization to convert a Note into a bequest in this way, a Note would be repaid to the Investor's estate upon its maturity. If you would like to designate that your Note be converted to a gift in the event of your death before the Note's maturity, please sign where indicated. This bequest must also be referenced in your will to be legally binding.

"In the event of my death before the maturity date of this promissory note, I hereby bequeath the full value of this Note, including any accrued or unpaid interest, or, alternatively, the following amount (\$\_\_\_\_\_) of this Note, or the following percentage (\_\_\_\_%) of this Note, to the New Hampshire Community Loan Fund, Inc., a voluntary New Hampshire corporation with primary business offices at 7 Wall Street, Concord, NH 03301."

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

## Signature page

Yes! I want to invest in the New Hampshire Community Loan Fund.

### Investor

The undersigned hereby confirms reading the Investment Terms set forth in this Application and Investment Agreement and submits the same on the terms and conditions set forth herein. (All fields must be complete, if applicable)

Entity or individual name: \_\_\_\_\_

Signature: \_\_\_\_\_

Print name: \_\_\_\_\_ Date: \_\_\_\_\_

Employer: \_\_\_\_\_ Title: \_\_\_\_\_

Social Security or TIN: \_\_\_\_\_ Date of birth: \_\_\_\_\_

Other entity or individual name (if applicable): \_\_\_\_\_

Other signature (if applicable): \_\_\_\_\_

Print name: \_\_\_\_\_

Employer: \_\_\_\_\_ Title: \_\_\_\_\_

Social Security or TIN: \_\_\_\_\_ Date of birth (if applicable): \_\_\_\_\_

### New Hampshire Community Loan Fund.

The New Hampshire Community Loan Fund hereby accepts this Application and Investment Agreement:

Dated: \_\_\_\_\_ Investment #: \_\_\_\_\_

NEW HAMPSHIRE COMMUNITY LOAN FUND, INC.

Signature: \_\_\_\_\_ Print name: \_\_\_\_\_

Title: \_\_\_\_\_





## **IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW LOAN OR INVESTMENT**

To help the government fight the funding of terrorism and money-laundering activities, federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account.

What this means for you: When you open a new loan or investment, we will ask for your name, address, date of birth, and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents.

Thank you in advance for your cooperation.