



**City Council Special Meeting
Auburn Hall Council Chambers
August 31, 2017
5:30 P.M.**

5:30 P.M. Executive Session

- A. Executive Session, regarding economic development, pursuant to 1 M.R.S.A. §405(6) (C).

6:00 P.M. City Council Meeting

Pledge of Allegiance

I. New Business

1. Order 74-08312017

Authorizing the City Manager to execute a purchase and sales agreement for a City owned property, PID #240-212, and a portion of Troy Street Right of Way if vacated at a future date.



**City of Auburn
City Council Information Sheet**

Council Workshop or Meeting Date: August 31, 2017

Order: 74-08312017

Author: Doug Greene, Urban Development Specialist

Subject: Authorize the City Manager to Sign a Purchase and Sales Agreement for the Troy Street Project

General Information: The Office of Economic and Community Development is pleased to present an opportunity for a new residential infill and redevelopment project. A developer is interested in purchasing a vacant city owned .52 acre lot (PID #240-212) along with a portion of the adjacent Troy Street right of way and has presented a proposal to the City Council in two executive sessions. The Szanton Company is now asking the City Council to execute a purchase and sales agreement with the City. The proposed Purchase and Sales Agreement includes a Joint Development Agreement between the City and Buyer, a Tax Increment Financing agreement and the provision of CBDG HOME funds. This property and the immediate area is currently the subject of a zone change from General Business (GB) to Traditional Downtown Center (T-5.1), which will facilitate infill and redevelopment in the affected area.

Timing: Executing the Purchase and Sales agreement is a time sensitive matter, which has created this request for a special City Council meeting. The developer will be competing for a Low Income Housing Tax Credit with the Maine Housing Authority at the end of this year. In order to score the maximum points for the project application, the City will provide TIF and HOME support and the Planning Board will need to approve the development plan. Approving the purchase and sales agreement at this special City Council meeting will help reduce the time when final design work can begin by three weeks, given the next Council meeting has been moved to September 11th due to Labor Day falling on Monday, September 4th. The developer needs to have the purchase and sales agreement executed before their final design work can begin and their application to the Planning Board can be prepared and presented for approval. Expediting the purchase and sales agreement will move their final design and application to the Planning Board a month sooner.

Advantages and Benefits to the City: There are a number of positive benefits this project can provide:

- The property is currently vacant and not providing any tax revenues
- The project offers a multi-million dollar investment in the property
- The project will provide approximately 50 new residential units
- The project will also bring new residents to the downtown area
- The project will create much needed workforce housing
- The project will complement and enhance the Hampshire Street reconstruction project
- Infill and redevelopment projects like this have a positive, ripple effect on the surround properties and neighborhood and spur additional investment in other redevelopment or rehabilitation of existing properties

Disadvantages: There may be a reduction in public parking in the project area.

City Budgetary Impacts: The proposed project will generate new tax revenues on a property that is currently tax exempt. The HOME funds are in the current CDBG budget.

Staff Recommended Action: Staff recommends the City Council authorize the City Manager to execute the purchase and sales agreement, which will allow the project to move forward in a timely manner.

Previous Meetings and History: The Szanton Company proposal was discussed by the City Council in 2 executive sessions (7/21, 8/7) and is now ready for the City Council to approve the City Manager executing the Purchase and Sales Agreement. The proposed zone change was presented at the City Council August 7 workshop and had 1st reading on August 21st and will have a public hearing and 2nd reading on September 11.

Attachments:

1. Draft Purchase and Sales Agreement
2. City Council Order to Authorize the City Manager to execute Purchase and Sales Agreement

Estimated Captured Assessed Values of Troy Street Proposal Option 1

TIF Year	Tax Year	Original Assessed Value 2016	Original Assessed Value 2017	Projected Additional Assessed Value	Projected Mil Rate	Projected New Taxes Captured (100%)	TIF Revenue to developer at 50%	TIF Revenue to City at 50%
1	2018	\$43,900	\$378,400	9,300,000	0.02299	\$213,807	\$106,904	\$106,904
2	2019	\$43,900	\$378,400	9,300,000	0.02299	\$213,807	\$106,904	\$106,904
3	2020	\$43,900	\$378,400	9,300,000	0.02299	\$213,807	\$106,904	\$106,904
4	2021	\$43,900	\$378,400	9,300,000	0.02299	\$213,807	\$106,904	\$106,904
5	2022	\$43,900	\$378,400	9,300,000	0.02299	\$213,807	\$106,904	\$106,904
6	2023	\$43,900	\$378,400	9,300,000	0.02299	\$213,807	\$106,904	\$106,904
7	2024	\$43,900	\$378,400	9,300,000	0.02299	\$213,807	\$106,904	\$106,904
8	2025	\$43,900	\$378,400	9,300,000	0.02299	\$213,807	\$106,904	\$106,904
9	2026	\$43,900	\$378,400	9,300,000	0.02299	\$213,807	\$106,904	\$106,904
10	2027	\$43,900	\$378,400	9,300,000	0.02299	\$213,807	\$106,904	\$106,904
11	2028	\$43,900	\$378,400	9,300,000	0.02299	\$213,807	\$106,904	\$106,904
12	2029	\$43,900	\$378,400	9,300,000	0.02299	\$213,807	\$106,904	\$106,904
13	2030	\$43,900	\$378,400	9,300,000	0.02299	\$213,807	\$106,904	\$106,904
14	2031	\$43,900	\$378,400	9,300,000	0.02299	\$213,807	\$106,904	\$106,904
15	2032	\$43,900	\$378,400	9,300,000	0.02299	\$213,807	\$106,904	\$106,904
16	2033	\$43,900	\$378,400	9,300,000	0.02299	\$213,807	\$106,904	\$106,904
17	2034	\$43,900	\$378,400	9,300,000	0.02299	\$213,807	\$106,904	\$106,904
18	2035	\$43,900	\$378,400	9,300,000	0.02299	\$213,807	\$106,904	\$106,904
19	2036	\$43,900	\$378,400	9,300,000	0.02299	\$213,807	\$106,904	\$106,904
20	2037	\$43,900	\$378,400	9,300,000	0.02299	\$213,807	\$106,904	\$106,904
21	2038	\$43,900	\$378,400	9,300,000	0.02299	\$213,807	\$106,904	\$106,904
22	2039	\$43,900	\$378,400	9,300,000	0.02299	\$213,807	\$106,904	\$106,904
23	2040	\$43,900	\$378,400	9,300,000	0.02299	\$213,807	\$106,904	\$106,904
24	2041	\$43,900	\$378,400	9,300,000	0.02299	\$213,807	\$106,904	\$106,904
25	2042	\$43,900	\$378,400	9,300,000	0.02299	\$213,807	\$106,904	\$106,904
26	2043	\$43,900	\$378,400	9,300,000	0.02299	\$213,807	\$106,904	\$106,904
27	2044	\$43,900	\$378,400	9,300,000	0.02299	\$213,807	\$106,904	\$106,904
28	2045	\$43,900	\$378,400	9,300,000	0.02299	\$213,807	\$106,904	\$106,904
29	2046	\$43,900	\$378,400	9,300,000	0.02299	\$213,807	\$106,904	\$106,904
30	2047	\$43,900	\$378,400	9,300,000	0.02299	\$213,807	\$106,904	\$106,904
Totals						\$6,414,210	\$3,207,105	\$3,207,105

Notes: 1. Currently the parcel is municipally owned and does not generate tax revenue.
2. The current offer for option one is \$45,000 utilizing \$110,000 HOME funds

Estimated Captured Assessed Values of Troy Street Proposal Option 2

TIF Year	Tax Year	Original Assessed Value 2016	Original Assessed Value 2017	Projected Additional Assessed Value	Projected Mil Rate	Projected New Taxes Captured (100%)	TIF Revenue to developer at 57%	TIF Revenue to City at 43%
1	2018	\$43,900	\$378,400	9,300,000	0.02299	\$213,807	\$121,870	\$91,937
2	2019	\$43,900	\$378,400	9,300,000	0.02299	\$213,807	\$121,870	\$91,937
3	2020	\$43,900	\$378,400	9,300,000	0.02299	\$213,807	\$121,870	\$91,937
4	2021	\$43,900	\$378,400	9,300,000	0.02299	\$213,807	\$121,870	\$91,937
5	2022	\$43,900	\$378,400	9,300,000	0.02299	\$213,807	\$121,870	\$91,937
6	2023	\$43,900	\$378,400	9,300,000	0.02299	\$213,807	\$121,870	\$91,937
7	2024	\$43,900	\$378,400	9,300,000	0.02299	\$213,807	\$121,870	\$91,937
8	2025	\$43,900	\$378,400	9,300,000	0.02299	\$213,807	\$121,870	\$91,937
9	2026	\$43,900	\$378,400	9,300,000	0.02299	\$213,807	\$121,870	\$91,937
10	2027	\$43,900	\$378,400	9,300,000	0.02299	\$213,807	\$121,870	\$91,937
11	2028	\$43,900	\$378,400	9,300,000	0.02299	\$213,807	\$121,870	\$91,937
12	2029	\$43,900	\$378,400	9,300,000	0.02299	\$213,807	\$121,870	\$91,937
13	2030	\$43,900	\$378,400	9,300,000	0.02299	\$213,807	\$121,870	\$91,937
14	2031	\$43,900	\$378,400	9,300,000	0.02299	\$213,807	\$121,870	\$91,937
15	2032	\$43,900	\$378,400	9,300,000	0.02299	\$213,807	\$121,870	\$91,937
16	2033	\$43,900	\$378,400	9,300,000	0.02299	\$213,807	\$121,870	\$91,937
17	2034	\$43,900	\$378,400	9,300,000	0.02299	\$213,807	\$121,870	\$91,937
18	2035	\$43,900	\$378,400	9,300,000	0.02299	\$213,807	\$121,870	\$91,937
19	2036	\$43,900	\$378,400	9,300,000	0.02299	\$213,807	\$121,870	\$91,937
20	2037	\$43,900	\$378,400	9,300,000	0.02299	\$213,807	\$121,870	\$91,937
21	2038	\$43,900	\$378,400	9,300,000	0.02299	\$213,807	\$121,870	\$91,937
22	2039	\$43,900	\$378,400	9,300,000	0.02299	\$213,807	\$121,870	\$91,937
23	2040	\$43,900	\$378,400	9,300,000	0.02299	\$213,807	\$121,870	\$91,937
24	2041	\$43,900	\$378,400	9,300,000	0.02299	\$213,807	\$121,870	\$91,937
25	2042	\$43,900	\$378,400	9,300,000	0.02299	\$213,807	\$121,870	\$91,937
26	2043	\$43,900	\$378,400	9,300,000	0.02299	\$213,807	\$121,870	\$91,937
27	2044	\$43,900	\$378,400	9,300,000	0.02299	\$213,807	\$121,870	\$91,937
28	2045	\$43,900	\$378,400	9,300,000	0.02299	\$213,807	\$121,870	\$91,937
29	2046	\$43,900	\$378,400	9,300,000	0.02299	\$213,807	\$121,870	\$91,937
30	2047	\$43,900	\$378,400	9,300,000	0.02299	\$213,807	\$121,870	\$91,937
Totals						\$6,414,210	\$3,656,100	\$2,758,110

Notes: 1. Currently the parcel is municipally owned and does not generate tax revenue.
2. The current offer for option two is \$157,000 utilizing \$110,000 HOME Funds.

Estimated Captured Assessed Values of Troy Street Proposal Option 3

TIF Year	Tax Year	Original Assessed Value 2016	Original Assessed Value 2017	Projected Additional Assessed Value	Projected Mil Rate	Projected New Taxes Captured (100%)	TIF Revenue to developer at 75%	TIF Revenue to City at 25%
1	2018	\$43,900	\$378,400	9,300,000	0.02299	\$213,807	\$160,355	\$53,452
2	2019	\$43,900	\$378,400	9,300,000	0.02299	\$213,807	\$160,355	\$53,452
3	2020	\$43,900	\$378,400	9,300,000	0.02299	\$213,807	\$160,355	\$53,452
4	2021	\$43,900	\$378,400	9,300,000	0.02299	\$213,807	\$160,355	\$53,452
5	2022	\$43,900	\$378,400	9,300,000	0.02299	\$213,807	\$160,355	\$53,452
6	2023	\$43,900	\$378,400	9,300,000	0.02299	\$213,807	\$160,355	\$53,452
7	2024	\$43,900	\$378,400	9,300,000	0.02299	\$213,807	\$160,355	\$53,452
8	2025	\$43,900	\$378,400	9,300,000	0.02299	\$213,807	\$160,355	\$53,452
9	2026	\$43,900	\$378,400	9,300,000	0.02299	\$213,807	\$160,355	\$53,452
10	2027	\$43,900	\$378,400	9,300,000	0.02299	\$213,807	\$160,355	\$53,452
11	2028	\$43,900	\$378,400	9,300,000	0.02299	\$213,807	\$160,355	\$53,452
12	2029	\$43,900	\$378,400	9,300,000	0.02299	\$213,807	\$160,355	\$53,452
13	2030	\$43,900	\$378,400	9,300,000	0.02299	\$213,807	\$160,355	\$53,452
14	2031	\$43,900	\$378,400	9,300,000	0.02299	\$213,807	\$160,355	\$53,452
15	2032	\$43,900	\$378,400	9,300,000	0.02299	\$213,807	\$160,355	\$53,452
16	2033	\$43,900	\$378,400	9,300,000	0.02299	\$213,807	\$160,355	\$53,452
17	2034	\$43,900	\$378,400	9,300,000	0.02299	\$213,807	\$160,355	\$53,452
18	2035	\$43,900	\$378,400	9,300,000	0.02299	\$213,807	\$160,355	\$53,452
19	2036	\$43,900	\$378,400	9,300,000	0.02299	\$213,807	\$160,355	\$53,452
20	2037	\$43,900	\$378,400	9,300,000	0.02299	\$213,807	\$160,355	\$53,452
21	2038	\$43,900	\$378,400	9,300,000	0.02299	\$213,807	\$160,355	\$53,452
22	2039	\$43,900	\$378,400	9,300,000	0.02299	\$213,807	\$160,355	\$53,452
23	2040	\$43,900	\$378,400	9,300,000	0.02299	\$213,807	\$160,355	\$53,452
24	2041	\$43,900	\$378,400	9,300,000	0.02299	\$213,807	\$160,355	\$53,452
25	2042	\$43,900	\$378,400	9,300,000	0.02299	\$213,807	\$160,355	\$53,452
26	2043	\$43,900	\$378,400	9,300,000	0.02299	\$213,807	\$160,355	\$53,452
27	2044	\$43,900	\$378,400	9,300,000	0.02299	\$213,807	\$160,355	\$53,452
28	2045	\$43,900	\$378,400	9,300,000	0.02299	\$213,807	\$160,355	\$53,452
29	2046	\$43,900	\$378,400	9,300,000	0.02299	\$213,807	\$160,355	\$53,452
30	2047	\$43,900	\$378,400	9,300,000	0.02299	\$213,807	\$160,355	\$53,452

Totals **\$6,414,210** **\$4,810,658** **\$1,603,553**

- Notes: 1. Currently the parcel is municipally owned and does not generate tax revenue.
 2. The current offer for option three is \$380,000 utilizing \$110,000 HOME Funds.

PURCHASE AND SALE AGREEMENT

This Purchase and Sale Agreement entered into by the below-named parties as of the date on which the last to sign of Seller and Buyer have executed this Agreement as shown below next to their respective signatures (the “Effective Date”).

1. PARTIES. CITY OF AUBURN, MAINE, a body corporate and politic under the laws of the State of Maine with a mailing address as set forth below (“Seller” or the “City”), agrees to sell, and SZANTON MONKS PROPERTIES, LLC, a Maine limited liability company with a mailing address also set forth below (“Buyer”), agrees to buy, upon the terms and conditions hereinafter set forth, the real estate described in Paragraph 2 of this Agreement.

2. DESCRIPTION. The real estate to be sold by Seller to Buyer pursuant to this Agreement consists of certain lots or parcels of land, together with any buildings and improvements thereon, and all rights and easements appurtenant thereto known as Map 240, Lot 212, together with a portion of Troy Street to be discontinued and conveyed by the City, all as shown on the site diagram attached as Schedule A (the “Premises”).

The parties acknowledge the Buyer’s intended use of the Premises to develop high quality, professionally managed rental housing financed in part through the low-income housing tax credit and other sources provided or administered by Maine State Housing Authority (the “Project”). Notwithstanding anything set forth herein to the contrary, the parties acknowledge and agree that the Premises shall be conveyed utilizing a metes and bounds description based upon a survey of the Premises to be obtained by Buyer at Buyer’s expense, which metes and bounds description shall be subject to the consent of Seller, such consent not to be unreasonably withheld, delayed or conditioned. The parties expect that the City and an affiliate of the Buyer will enter a Joint Development Agreement, or similar agreement, pursuant to which the City agrees to (i) create and implement an affordable housing tax increment financing program under which 50% of the additional tax revenues generated by the Project for a term of 30 years following construction completion are returned to the Project through a credit enhancement agreement, and (ii) provide \$110,000 in HOME funds to the Project, and (iii) help address other items by mutual agreement between Seller and Buyer, including, but not limited to, off-site parking.

3. DEED. The Premises shall be conveyed by municipal quitclaim deed, which deed shall convey good and clear record and marketable title, free from all liens and encumbrances, with the exception of the easements, covenants and restrictions contained herein and those additional easements, covenants and restrictions of record which do not, in the sole opinion of Buyer, adversely affect Buyer’s proposed development of the Premises and do not violate or cause a violation of, or are otherwise inconsistent with, (i) any applicable local, state and federal laws, ordinances, rules and regulations; or (ii) any local, state or federal governmental permit, approval, license or consent which is necessary or convenient under applicable local, state and federal laws, ordinances, rules and regulations in order to permit Buyer’s proposed development and use of the Premises.

4. PURCHASE PRICE. The purchase price for the Premises is Forty-Five Thousand Dollars (\$45,000.00), subject to the provisions of Paragraph 6(b) hereunder, payable as follows:

(a) Within three business days of the execution of this Agreement Buyer shall pay to Seller Five Thousand Dollars (\$5,000.00) as an earnest money deposit (the "Deposit") to be held by The Malloy Firm, P.A., L.L.C. ("The Malloy Firm"), Seller's attorney, who is holding the Deposit and, except in the case of incidence of default, will pay the Deposit to the Seller at Closing as a portion of the payment of the purchase price. In the event of a default, The Malloy Firm will pay the Deposit to the appropriate party as required by this Agreement. If the Malloy Firm determines that the event of default is unclear or that in the exercise of its discretion it is difficult to ascertain which party is in default or which party is entitled to receive the Deposit, The Malloy Firm will hold the Deposit until it receives written instructions for payment, signed by the Seller and Purchaser or, if no such instructions are forthcoming, The Malloy Firm will hold the Deposit until a Maine Court orders it to make a distribution to one party or another. The Malloy Firm is not acting as an escrow agent for the parties.

(b) The Deposit shall be increased by Buyer by payment directly to Seller of One Thousand Dollars (\$1,000.00) at the expiration of the 90th day after the Effective Date, and then by One Thousand Dollars (\$1,000.00) on or before the end of each full calendar month thereafter (such additional deposits to be non-refundable). In the event Buyer exercises its option to extend the Closing pursuant to Section 6(b) below, the Buyer shall continue to make the non-refundable \$1,000.00 monthly payments until the earlier of (i) closing on Buyer's acquisition of the Premises or (ii) termination of this Agreement; and

(c) The balance of the purchase price less (i) the Deposit(s), as said Deposit(s) shall have been increased as provided in Paragraph 4(a) and 4(b) above is to be paid to Seller by the Buyer at the time of delivery of the deed by certified or cashier's check, or wire transfer, subject to the credits and prorations hereinafter set forth.

(d) The status of the deposit(s) is subject to the provisions of Paragraph 8 hereunder.

5. WITHHOLDING TAX. The Seller is a Maine municipal corporation and, pursuant to 36 M.R.S.A. §5250-A, is not subject to Maine withholding tax.

6. TIME FOR PERFORMANCE/DELIVERY OF DEED.

(a) Closing. Seller's deed and other transfer documents are to be delivered and the consideration paid (the "Closing"), on (i) the date eighteen (18) months from the Effective Date, or (ii) on such earlier date not less than seven (7) days following notice from Buyer to Seller thereof, at 11:00 a.m. at the offices of the Buyer's attorney, Drummond Woodsum, 84 Marginal Way, Portland, Maine, unless otherwise agreed in writing by the Buyer and Seller before the Closing, subject, however, to Buyer's right to extend the Closing pursuant to Paragraph 6(b) below.

(b) Option to Extend the Closing. Buyer shall have the right, upon written notice to Seller, to extend the last day for Closing for an additional twelve (12) months, only in the event that Maine State Housing Authority does not provide a Notice to Proceed with respect to the Property in its competitive round for 2018 Low-income housing tax credits. Notwithstanding the notice provisions set forth below in this Agreement, the notice to extend the Closing hereunder may be given by facsimile or by transmitting a digital image of a physically signed document by electronic email. In the event that the last date for Closing is so extended, then the Closing shall occur on (i) the date thirty (30) months from the Effective Date, or (ii) on such earlier date not less than seven (7) days following notice from Buyer to Seller thereof at the offices of Buyer's attorney, Drummond Woodsum, 84 Marginal Way, Portland, Maine, unless otherwise agreed in writing by Buyer and Seller before the date of the Closing (as extended).

(c) Termination. Unless otherwise terminated earlier pursuant to the terms of this Agreement, this Agreement shall terminate on the date eighteen (18) months from the Effective Date. If the time for performance is extended pursuant to Paragraph 6(b) above, the Agreement shall terminate on the date thirty (30) months from the Effective Date.

7. BUYER'S INSPECTIONS. Prior to the date set for Closing hereunder, or as said date may have been extended by Buyer as provided herein, Buyer and Buyer's agents, at their own risk and expense, shall have the right to enter, inspect, survey and conduct such other activities on or around the Premises as are necessary in order to conduct any investigations or inspections or surveys or other research as Buyer may choose to conduct or have performed, including without limitation geotechnical borings. Buyer shall be obligated to reasonably restore the Premises in a workmanlike manner promptly following the completion of any inspection or testing. Buyer shall promptly pay any agent or investigators retained by the Buyer to investigate the Premises, and shall promptly discharge and indemnify Seller for any costs Seller may incur because of mechanics' liens filed against the Premises due to Buyer's due diligence. Buyer shall furnish Seller with evidence of Buyers' agents' commercial general liability and workers' compensation insurance upon request, and shall ensure that all such agents carry a minimum of \$1 million in commercial general liability coverage, and workers' compensation coverage in accordance with Maine law. Copies of reports resulting from any inspections, investigations, surveys or test results shall be provided to the City by the Buyer within seven (7) days of receipt by the Buyer.

8. DUE DILIGENCE. Buyer shall have ninety (90) days from the Effective Date to conduct its preliminary due diligence. During such ninety (90) day period, Buyer may terminate this Agreement for any reason by written notice to Seller. Upon any such termination, Buyer shall receive a refund of the entire Deposit previously paid. Upon the expiration of such ninety (90) day period, unless the ninety (90) day period has been extended by written agreement of Buyer and Seller, the Escrow Agent shall pay said Deposit to Seller and such portion of the Deposit shall become nonrefundable except as otherwise provided in this Agreement. Subsequent payments of the Deposit directly to Seller shall be nonrefundable except as otherwise provided in this Agreement.

9. CLOSING DOCUMENTS. At the Closing, and in addition to any other documents referred to in this Agreement to be delivered to Buyer, Seller shall execute, acknowledge as necessary and deliver the following documents and such other documents as may be reasonably required to complete the transaction contemplated herein:

(a) Transfer Documents. The municipal quitclaim deed and a Maine Real Estate Transfer Tax Declaration of Value;

(b) Underground Oil Storage Tank Certification. A written notice as required by 38 M.R.S.A. §563(6), and if to the reasonable knowledge of the City's Director of Economic Development, an underground oil storage tank exists, disclosing its registration number or numbers, the exact location of the facility, whether or not it has been abandoned in place, and that the facility is subject to regulation by the Maine Board of Environmental Protection.

(c) Other Documents. Such other documents as are customarily delivered by Sellers to Buyers of real property in the State of Maine, together with evidence reasonably satisfactory to Buyer regarding authority of the Seller to perform all transactions contemplated by this Agreement.

10. POSSESSION AND CONDITION OF PREMISES. Full possession of the Premises free of all tenants and occupants is to be delivered at the Closing, the Premises to be as is and in the same condition as they are now, reasonable wear and tear excepted.

11. EXTENSION TO PERFECT TITLE OR MAKE PREMISES CONFORM. If Seller shall be unable to give title or to make conveyance, or to deliver possession of the Premises, all as herein stipulated, or, if at the time of the Closing the Premises do not conform with the terms and conditions hereof, then Seller shall use commercially reasonable efforts to remove any defects in title, or to deliver possession as provided herein, or to make the Premises conform to the terms and conditions hereof, as the case may be, in which event the time for performance hereof shall be extended for a period of up to forty-five (45) days, or such longer period as shall be agreed to by Buyer.

12. FAILURE TO PERFECT TITLE OR MAKE PREMISES CONFORM. If at the expiration of such extended time Seller shall have failed to remove any defects in title, deliver possession, or make the Premises conform, as the case may be, all as herein agreed, then, at Buyer's option, the Deposit, together with all interest earned thereon, shall be promptly returned to Buyer and all other obligations of the parties hereto shall cease and this Agreement shall be void without recourse of the parties hereto.

13. BUYER'S ELECTION TO ACCEPT TITLE AND CONDITION. In addition to such other remedies available to Buyer under this Agreement, Buyer shall have the election, at either the original or such extended time for performance, to accept such title to the Premises in its then condition as Seller can deliver and to pay therefor the purchase price without deduction, in which case, Seller shall convey such title or deliver the Premises in such

condition, except that in the event of such conveyance in accordance with the provisions of this clause the Premises shall have been damaged by fire or casualty insured against, then Seller shall, unless Seller have previously restored the Premises to its former condition, and at Buyer's express election, pay over or assign to Buyer, on delivery of the deed, all amounts recovered or recoverable on account of such insurance, less any amounts reasonably expended by Seller for any partial restoration.

14. ACCEPTANCE OF DEED. The acceptance of the deed and other transfer documents by Buyer shall be deemed to be a full performance and discharge of every agreement and obligation herein contained or expressed, except such as are, by the terms and conditions hereof, to be performed after the delivery of said documents or to otherwise survive the Closing hereunder.

15. USE OF PURCHASE MONEY TO CLEAR TITLE. To enable Seller to make conveyance as herein provided, Seller may, at the time of delivery of the deed and other transfer documents, use the purchase money or any portion thereof, to clear the title of any or all encumbrances or interests, provided that all instruments so procured are recorded simultaneously with the delivery of said deed and other transfer documents.

16. RISK OF LOSS. Until delivery of possession of the Premises from Seller to Buyer, risk or loss or damage to Premises by fire or otherwise shall be on Seller.

17. ADJUSTMENTS. Buyer will pay its share of the real estate transfer tax due on the sale; the Seller is exempt under Maine Law from real estate transfer taxes.

18. BROKERAGE. Seller and Buyer each represent and warrant to the other that no brokers, agents or consultants have been employed with respect to this transaction by either of them. Seller and Buyer agree to indemnify and hold the other harmless from any claim by any other broker or agent claiming compensation in respect of this transaction, alleging an agreement with Seller or Buyer, as the case may be. This agreement to indemnify and hold harmless shall survive the Closing.

19. DEFAULT. Should Seller fail to fulfill Seller's obligations hereunder, Buyer may elect to receive a refund of the Deposit, or to pursue all available remedies, including specific performance and reasonable attorney's fees. Should Buyer fail to fulfill Buyer's obligations hereunder, Seller shall retain the Deposit, together with all interest earned thereon, as liquidated damages as Seller's sole and exclusive remedy at law or in equity for Buyer's default without further recourse to Buyer and Buyer shall be relieved of all obligations hereunder.

20. SELLER'S WARRANTIES AND REPRESENTATIONS. Seller warrants and represents as of the date of execution by Seller of this Agreement and as of each date through and including the Closing that:

(a) That, to the best of Seller's knowledge, the information set forth in any property disclosures delivered by Seller to Buyer in connection with the delivery of this Agreement is accurate and complete;

(b) There is to the best of Seller's knowledge no hazardous or toxic wastes, substances, matters or materials, including but not limited to any material defined as hazardous or toxic from time to time by applicable state, local and federal law, are stored or otherwise located on the Premises or any adjacent property owned by Seller; and

(c) Seller is a Maine body corporate and politic duly organized and existing under the laws of the State of Maine. Upon the affirmative vote of the Auburn City Council, Seller will have, with full capacity, power and authority to enter into this Agreement and to fully perform the transactions contemplated hereby.

In the event that material adverse changes occur as to any warranties and representations set forth in this Agreement, of which Seller has knowledge, Seller will immediately disclose same to Buyer when first available to Seller; and in the event of any material adverse change, Buyer may, at Buyer's election, terminate this Agreement in which case the Deposit, shall be promptly returned to Buyer, and the parties shall be relieved of all further obligations under this Agreement, subject to the retention provisions of Paragraph 8.

21. ASSIGNMENT. The rights and obligations of Buyer under this Agreement may be assigned, in whole or in part, by Buyer to an entity in which one of more of the principals of Buyer controls the entity or the entity's general partner, provided that such assignee agrees to assume all of Buyer's obligations hereunder not specifically retained by Buyer. The rights and obligations of Seller under this Agreement may not be assigned without the written consent of Buyer.

22. OBLIGATION OF SELLER TO FURNISH INFORMATION. Within ten (10) days of the Effective Date, the Seller shall provide to Buyer any documents in the possession of Seller, such as surveys, appraisals, environmental reports, documentation regarding Troy Street, that may be helpful to Buyer in the conduct of Buyer's due diligence or development of the Premises.

23. MISCELLANEOUS.

(a) This Agreement shall be binding upon and inure to the benefit of the heirs, personal representatives, successors and assigns of the parties.

(b) Any notice relating in any way to this Agreement (except the extension notice referred to in Paragraph 6(b)) shall be in writing and shall be sent by (i) registered or certified mail, return receipt requested, (ii) overnight delivery by a nationally recognized courier, or (iii) hand delivery obtaining a receipt therefor, addressed as follows:

To Seller: City of Auburn

60 Court Street
Auburn, Maine
ATTENTION: Peter Crichton, City Administrator

With copy to: Michael Malloy
The Malloy Firm
178 Court Street, Second Floor
P.O. Box 3171
Auburn, Maine 04212-3171

To Buyer: Szanton Monks Properties, LLC
c/o The Szanton Company
482 Congress Street, Suite 203
Portland, ME 04101
ATTENTION: Nathan S. Szanton

With copy to: John S. Kaminski
Drummond Woodsum & MacMahon
84 Marginal Way, Suite 600
Portland, Maine 04101-2480

and such notice shall be deemed delivered when so posted in the case of notice by certified mail, the next business day in the case of notice by overnight courier and the business day when delivered in the case of notice by hand delivery. Either party may, by such manner of notice, substitute persons or addresses for notice other than those listed above.

(c) All paragraph headings in this Agreement are for convenience of reference only and are of no independent legal significance.

(d) This Agreement may not be modified, waived or amended except in a writing signed by the parties hereto. No waiver of any breach or term hereof shall be effective unless made in writing signed by the party having the right to enforce such a breach, and no such waiver shall be construed as a waiver of any subsequent breach. No course of dealing or delay or omission on the part of any party in exercising any right or remedy shall operate as a waiver thereof or otherwise be prejudicial thereto.

(e) Any and all prior and contemporaneous discussions, undertakings, agreements (including without limitation any prior Agreements or Memorandums of Agreement previously executed by the parties hereto) and understandings of the parties are superseded by and merged in this Agreement, which alone fully and completely expresses their entire agreement.

(f) This Agreement may be simultaneously executed in any number of counterparts, each of which when so executed and delivered shall be an original, but such counterparts shall constitute one and the same instrument. This Agreement may be transmitted between the parties by facsimile machine and signatures appearing on faxed or emailed

instruments shall be treated as original signatures. Both a faxed or emailed Agreement containing either original or faxed or emailed signatures of all parties, and multiple counterparts of the same Agreement each containing separate original or faxed or emailed signatures of the parties, shall be binding on them.

(g) If any term or provision of this Agreement or the application thereof to any person or circumstances shall, at any time or to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which this Agreement is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

(h) It is expressly understood and agreed that time is of the essence in respect of this Agreement.

(i) This Agreement shall be governed by and construed and enforced in accordance with the laws in effect in the State of Maine.

IN WITNESS WHEREOF, Buyer and Seller have executed this Agreement as of the dates hereinafter set forth.

WITNESS: SZANTON MONKS PROPERTIES, LLC

_____ By: _____
Nathan Szanton
Its: Manager

Date of Buyer's execution of this Agreement: _____, 2017.

WITNESS: CITY OF AUBURN, MAINE

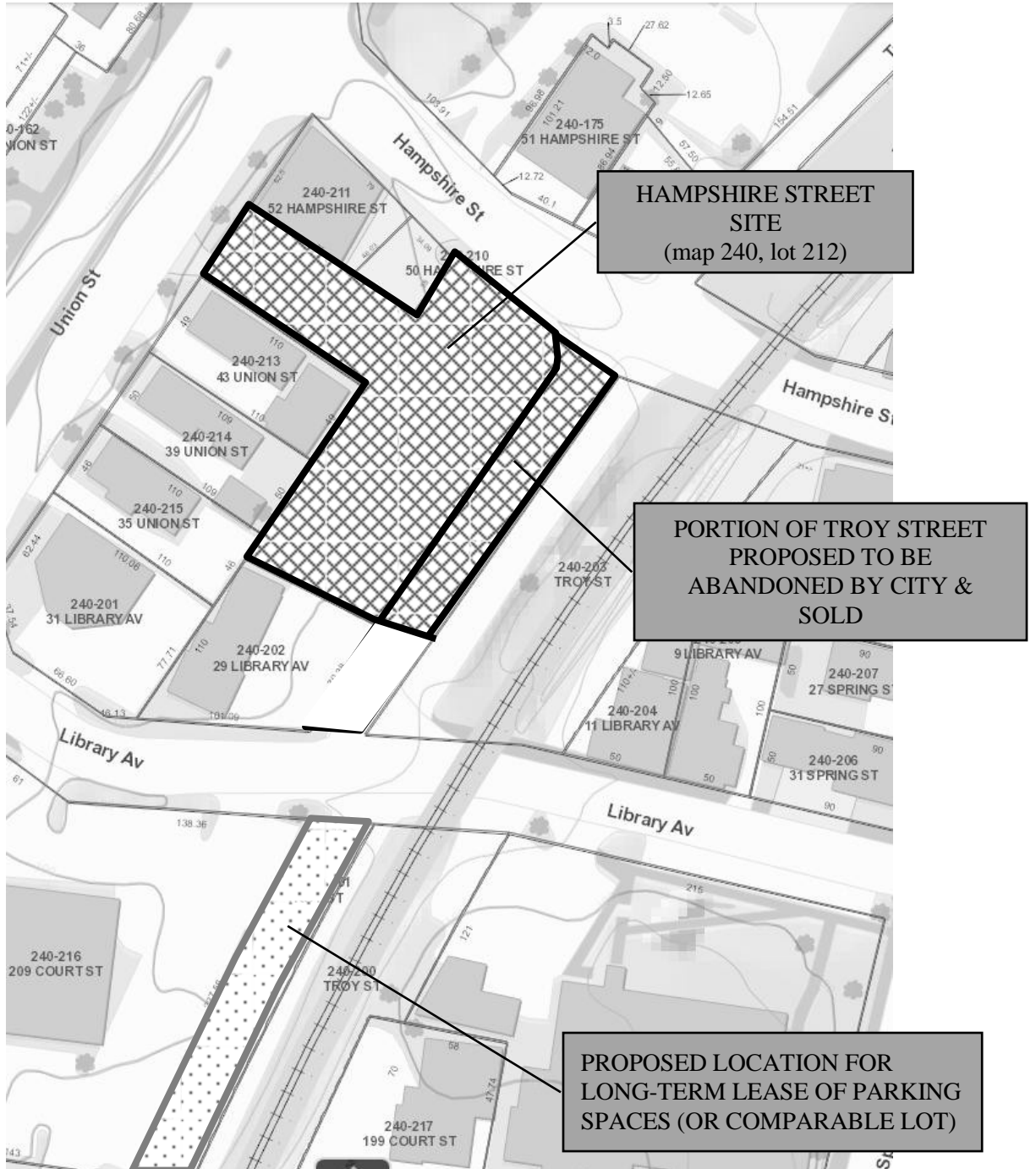
_____ By: _____
Peter Crichton
Its: City Manager

Date of Seller's execution of this Agreement: _____, 2017.

Note: Effective Date is the later of the date of Buyer's execution or the date of Seller's execution hereof.

Schedule A

Sketch of Premises



James Pross, Ward One
Robert Stone, Ward Two
Andy Titus, Ward Three
Adam R. Lee, Ward Four



Leroy Walker, Ward Five
Grady R. Burns, At Large
David C. Young, At Large

Jonathan P. LaBonte, Mayor

IN CITY COUNCIL

ORDER 74- 08312017

ORDERED, that the City Council hereby authorizes the City Manager to execute a purchase and sales agreement for a City owned property, PID # 240-212, and a portion of Troy Street Right of Way if vacated at a future date.