



November 14, 2017

*Updated December 06, 2017*

Zach Mosher                      Doug Greene  
City Planner                      Urban Development Coordinator  
City of Auburn

**Re:            Troy Street / Hampshire Street Multifamily Housing Project  
                  Additional information**

Dear Zach and Doug—

Please find enclosed site plan and subdivision application for the proposed workforce housing project at the southwest corner of Troy Street and Hampshire Street.

We are excited to propose this development, which will bring much-needed quality housing to the neighborhood. The location is ideal for mixed-income housing: right in downtown Auburn, close to bus lines, the grocery store, Chestnut Park, City Hall, and all the other services and amenities that Auburn has to offer.

This project is targeted to working people, and working families, with a mix of one- two—and three-bedroom apartments. Based on our experience with similar properties in Lewiston, Bath, Biddeford, and Portland, we also expect a high percentage of older adults, who would be attracted by the comfort, safety, accessibility, energy-efficiency (our rents include heat and hot water) and walkable location of the project.

The proposed financing relies on affordable housing tax credits from MaineHousing. The project fits well with their scorecard by which tax credits are allocated. We are aiming to earn

48 Hampshire Street, LP  
c/o The Szanton Company  
482 Congress #203  
Portland, ME 04101

readiness/approvals points by applying for site plan and subdivision approval now, which will allow us to be ready for the application deadline of February 8. We understand that this project will be scheduled for the December 12 Planning Board hearing. This will allow the 30-day appeals period to expire prior to the MaineHousing application deadline.

As you know, the site includes two Pan Am Railways parcels to allow parking, one adjacent to the site along the east side of Troy Street, and another parcel on the east side of Troy Street between Hampshire Street and Spring Street (let's call this North Troy).

Our application packet includes the information outlined in the Application, including plans, the Development Review Checklist, and the evidence of right, title and interest.

We look forward to continuing discussions on this project. Please let me know if you need any more information.

Thanks again for your time and consideration of this application.

Sincerely,



Andy Jackson  
Project Manager

Enclosures and attachments:

- Development Review Application form
- Narrative of special exceptions and site plan review notes
- Narrative of financial and technical capacity
- Project development budget and pro forma financial model
- Purchase and Sale Agreement for lot 212 and Troy Street
- Purchase and Sale Agreement amendment clarifying extent of Troy Street purchase
- Purchase and Sale Agreement for Pan Am parcels
- Options for Purchase of site parcels by 48 Hampshire Street, LP from Szanton-Monks Properties, LLC



# Development Review Application

City of Auburn Planning and Permitting Department

PROJECT NAME: Maine Workforce Housing; Hampshire Street Housing

PROPOSED DEVELOPMENT ADDRESS: Union, Hampshire and Troy Streets

PARCEL ID#: Tax Map 240, Lot 212

REVIEW TYPE:    Site Plan                       Site Plan Amendment                       Special Exception   
                          Subdivision                       Subdivision Amendment                       Form Based Code Plan   
                          Planned Unit Development

PROJECT DESCRIPTION: The project will involve the construction of an apartment complex on Hampshire Street. The building will consist of 53 units. Supporting facilities are also encompassed in this project, including parking and connections to city water, sanitary sewer and storm drainage systems.

### CONTACT INFORMATION:

<u>Applicant</u>
Name: 48 Hampshire Street, LP
Address: c/o The Szanton Co., 482 Congress ST, Suite 203, Portland, ME
Zip Code: 04102
Work #: (207) 245 6436
Cell #:
Fax #:
Home #:
Email:
<u>Project Representative</u>
Name: Andy Jackson
Address: c/o The Szanton Co.
Zip Code
Work #: (207) 245 6436
Cell #:
Fax #:
Home #:
Email: ajackson@szantoncompany.com

<u>Property Owner</u>	
Name: Douglas Greene, AICP RLA, City of Auburn	
Address: 60 Court ST, Room 146, Auburn, ME	
Zip Code 04210	
Work #: (207) 333 6601 ex. 1156	
Cell #:	
Fax #:	
Home #:	
Email: dgreene@auburnmaine.gov	
<u>Other professional representatives for the project (surveyors, engineers, etc.),</u>	
Name: Sean Thies, P.E., CES, Inc.	Name: Travis Nadeau, Platz Associates
Address: 465 S Main Street, Brewer, ME	Address: 2 Great Falls Plaza, Auburn, ME
Zip Code: 04412	Zip Code: 04210
Work #: (207) 989-4824	Work #: (207) 784 2941
Cell #: (207) 341-0588	Cell #:
Fax #:	Fax #:
Home #:	Home #:
Email: sthies@ces-maine.com	Email: tnadeau@platzassociates.com

# PROJECT DATA

The following information is required where applicable, in order complete the application

**IMPERVIOUS SURFACE AREA/RATIO**

Existing Total Impervious Area .....	<u>23,587</u>	sq. ft.
Proposed Total Paved Area.....	<u>7,758</u>	sq. ft.
Proposed Total Impervious Area Proposed .....	<u>22,231</u>	sq. ft.
Impervious Net Change .....	<u>-1,356</u>	sq. ft.
Impervious surface ratio existing.....	<u>87</u>	% of lot area
Impervious surface ratio proposed.....	<u>82</u>	% of lot area

**BUILDING AREA/LOT COVERAGE**

Existing Building Footprint.....	<u>0</u>	sq. ft.
Proposed Building Footprint.....	<u>14,473</u>	sq. ft.
<b>Proposed Building Footprint Net change.....</b>	<u>14,473</u>	sq. ft.
Existing Total Building Floor Area .....	<u>0</u>	sq. ft.
Proposed Total Building Floor Area .....	<u>57,892</u>	sq. ft.
Proposed Building Floor Area Net Change .....	<u>57,892</u>	sq. ft.
New Building ?.....	<u>Yes</u>	(yes or no)
Building Area/Lot coverage existing .....	<u>0</u>	% of lot area
Building Area/Lot coverage proposed.....	<u>65</u>	% of lot area

**ZONING or FORM BASED CODE DISTRICT**

Existing .....	<u>T5.1</u>
Proposed, if applicable.....	<u>T5.1</u>

**LAND USE**

Existing .....	<u>Pavement</u>
Proposed.....	<u>Pavement/Building</u>

**RESIDENTIAL, IF APPLICABLE**

Existing Number of Residential Units .....	<u>0</u>
Proposed Number of Residential Units .....	<u>52</u>
Subdivision Proposed Number of Lots .....	<u>NA</u>

**PARKING SPACES**

Existing Number of Parking Spaces.....	<u>0</u>
Proposed Number of Parking Spaces .....	<u>0</u>
Number of Handicapped Parking Spaces .....	<u>8</u>
Proposed Total Parking Spaces.....	<u>8</u>

**ESTIMATED COST OF PROJECT.....** \$10,000,000

**DELEGATED REVIEW AUTHORITY CHECKLIST**

**SITE LOCATION OF DEVELOPMENT AND STORMWATER MANAGEMENT**

Existing Impervious Area	<u>23,587</u>	sq. ft.
Proposed Disturbed Area	<u>27,095</u>	sq. ft.
Proposed Impervious Area	<u>22,231</u>	sq. ft.

1. *If the proposed disturbance is greater than one acre, then the applicant shall apply for a Maine Construction General Permit (MCGP) with MDEP.*
2. *If the proposed impervious area is greater than one acre including any impervious area created since 11/16/05, then the applicant shall apply for a MDEP Stormwater Management Permit, Chapter 500, with the City.*
3. *If total impervious area (including structures, pavement, etc) is greater than 3 acres since 1971 but less than 7 acres, then the applicant shall apply for a Site Location of Development Permit with the City. If more than 7 acres then the application shall be made to MDEP unless determined otherwise.*
4. *If the development is a subdivision of more than 20 acres but less than 100 acres then the applicant shall apply for a Site Location of Development Permit with the City. If more than 100 acres then the application shall be made to MDEP unless determined otherwise.*

**TRAFFIC ESTIMATE**

Total traffic estimated in the peak hour-existing \_\_\_\_\_ 27 \_\_\_\_\_ passenger car equivalents (PCE)  
(Since July 1, 1997)

Total traffic estimated in the peak hour-proposed (Since July 1, 1997) \_\_\_\_\_ 27 \_\_\_\_\_ passenger car equivalents (PCE)  
If the proposed increase in traffic exceeds 100 one-way trips in the peak hour then a traffic movement permit will be required.

### Zoning Summary

1. Property is located in the \_\_\_\_\_ T5.1 \_\_\_\_\_ zoning/form based code district.
2. Parcel Area: \_\_\_\_\_ 0.5 \_\_\_\_\_ acres / \_\_\_\_\_ 21,780 \_\_\_\_\_ square feet(sf).

<b>Regulations</b>	<u>Required/Allowed</u>	<u>Provided</u>
Min Lot Area	10,000 sf	/ 0.5 ac
Street Frontage	-	/ 313'
Min Front Yard	0-10'	/ 10'
Min Rear Yard	10'	/ 10'
Min Side Yard	0-5'	/ 5'
Max. Building Height	4 Story	/ 4 Story
Use Designation	<u>Multifamily</u>	
Parking Requirement	<u>1 Space/ Dwelling Unit + 1 Guest Space / 4 Dwelling Units = 67 Spots</u>	
Total Parking:	<u>67</u>	/ 8, and Public Spaces within 1000'
Overlay zoning districts (if any):	<u>None</u>	
Urban impaired stream watershed?	YES/NO If yes, watershed name <u>NO</u>	

## DEVELOPMENT REVIEW APPLICATION SUBMISSION

### Submissions shall include seventeen (17) complete packets containing the following materials:

1. 5 Full size (24" x 26") plans and 12 smaller (no larger than 11" x 17") plans containing the information found in the attached sample plan checklist.
2. Application form that is completed and signed by the property owner or designated representative.  
(NOTE: All applications will be reviewed by staff and any incomplete application will not be accepted until all deficiencies are corrected.)
3. Cover letter stating the nature of the project.
4. Narrative which explains how the project meets the intent, objectives or conditions of the required Zoning sections, such as Special Exception, Site Plan Law, Subdivision Law or the Form Based Code Ordinance.
5. All written submittals including evidence of right, title and interest.
6. Copy of the checklist completed for the proposal listing the material contained in the submitted application.
7. Any additional materials as required by the Form Based Code (Chapter 60-546) if applicable.
8. PDF files for all plans and application materials.

**Refer to the application checklist for a detailed list of submittal requirements.**

Additional information regarding zoning and form based code can be found on-line at:

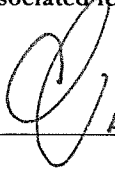
<http://www.auburnmaine.gov/Pages/Government/Planning-Permitting-and-Code> or,

For more information contact the Urban Development Coordinator at: 207-333-6601 ext. 1156 or [dgreene@auburnmaine.gov](mailto:dgreene@auburnmaine.gov) or the City Planner at: 207-333-6601 ext. 1334 or [zmosher@auburnmaine.gov](mailto:zmosher@auburnmaine.gov)

### Application Certification:

I hereby certify that I am the Owner of record of the named property, or that the owner of record authorizes the proposed work and that I have been authorized by the owner to make this application as his/her authorized agent. I agree to conform to all applicable laws of this jurisdiction. In addition, I certify that the City's authorized representative shall have the authority to enter all areas covered by this permit at any reasonable hour to enforce the provisions of the codes applicable to this permit.

**This application is for development review only; a Performance Guarantee, Inspection Fee, Building Permit Application and other associated fees and permits will be required prior to construction.**

Signature of Applicant:  A. JACKSON

Date: 12/06/2017

**HAMPSHIRE STREET HOUSING PROJECT  
AUBURN, ME  
SITE PLAN REVIEW APPLICATION**

**DEVELOPMENT DESCRIPTION**

48 Hampshire Street, LP is planning to develop four parcels totaling approximately 1.01 acres into a 53-unit apartment complex, to be located on Hampshire Street in Auburn, Maine. Supporting aspects are also encompassed in this project, including traffic, parking, utilities, and drainage.

**PART 1 – SPECIAL EXCEPTION**

*Our application meets the conditions of the Special Exception Law Section 60-1336 as follows:*

1. *Will your special exception application fulfill the specific requirements of the zone the property is located in relative to such exception?*

This application follows the Building and Configuration specifications as outlined in Section 60-550.1 of the Code of Ordinances. This project lies in the T-5.1 zoning district. We are requesting three waivers from the specific requirements of this district:

- A. Waiver of the required 75% Frontage Build Out due to the narrow street frontage on Union Street of 50 feet. This is based on the shape of the existing lot and the required setbacks.
  - B. Waiver of 160 foot maximum lot width. This is based on the irregularly shaped, old, non-conforming lot that was in existence prior to the zoning district designation for this site.
  - C. Waiver of External Elements for T-5.1 Driveways, which allows a maximum width of 20 feet. We are proposing a driveway width of 25 feet which is based on conversations with City staff, including the fire department, to enable the driveway to easily be used as a public right-of-way and fire lane.
2. *Will the special exception application neither create nor aggravate a traffic hazard, a fire hazard or any other safety hazard?*

According to Trip Generation, 7<sup>th</sup> Ed., Apartment Land Use, the development of this project will result in an insignificant increase in traffic. The addition of sidewalks will provide a safe method of pedestrian transport through areas on and adjacent to the site.

3. *Will the special exception application block or hamper the recommendations of the 2010 Comprehensive Plan regarding the pattern of highway circulation or of planned major public or semipublic land acquisition?*

As shown in the 2010 Comprehensive Plan, the project site lies in the “Growth Area” region of Auburn. The project helps achieve the desire for urban housing in the city core rather than pushing residents to rural areas.

4. *Will the special exception alter the essential characteristics of the neighborhood and/or depreciate the value of property adjoining and neighboring the property under application?*

This project will be designed in accordance with the design aspects outlined in Section 60-550 of the Code of Ordinances, for District T-5.1. Therefore, characteristics of the existing neighborhood will not be altered. This project is a residential dwelling, and would not negatively impact abutting property value.

5. *Have reasonable provisions been made for adequate land space, lot width, lot area, stormwater management in accordance with the requirements of a Site Plan (Section 60-1301) such as green space, driveway layout, road access, off street parking, landscaping, building separation, sewage disposal, water supply, fire safety and where applicable, a plan or contract for perpetual maintenance of all the common green space and clustered off-street parking areas to ensure all such areas will be maintained in a satisfactory manner?*

Land space, lot dimensions and additional site planning criteria fall within those specified by Section 60-550: T-5.1 guidelines. The information in question is available in the Site Plan as directed by Section 60-1301 of the Code of Ordinances.

Site plan requirements of Section 60-664 state that one parking spot per unit and one guest spot for every four units be constructed. This equals 67 parking spaces, which will be provided on the project site.

6. *Are the standards imposed in the special exception at least as stringent as those elsewhere imposed by the city building code and by the provisions of this chapter?*

The project design will incorporate all criteria of the city building code, provisions of this chapter, and codes more stringent or not encompassed in local ordinances.

7. *Are essential city services which will be required for the project are presently available or can be made available without disrupting the city’s master development plan?*

Current city plans show that public water and sewer utilities run on all sides of the proposed complex. This would allow for additional services to be provided with minimum impact. The project is in an urban center, therefore, it will not be a burden to receive additional services.

## **PART 2 – SITE PLAN REVIEW**

Our application meets the following provisions of the Site Plan Review Law-Section 60-1277 as follows:

1. *Does your site plan protect adjacent areas against detrimental or offensive uses on the site by provision of adequate surface water drainage, buffers against artificial and reflected light, sight, sound, dust and vibration, and preservation of light and air?*

The site plan is located in an urbanized area, and existing buildings will act as buffers against any detrimental sights, sounds, and other negative impacts resulting from the development.

2. *Is the convenience and safety of vehicular and pedestrian movement within the site and in relation to adjacent areas adequately addressed?*

According to Trip Generation, 7<sup>th</sup> Ed., Apartment Land Use, the development of this project will result in an insignificant increase in traffic. The addition of sidewalks will provide a safe method of pedestrian transport in areas on and adjacent to the site.

3. *Are the proposed methods of disposal for wastes adequately addressed?*

Current city plans show that existing public water and sewer utilities run on all sides of the proposed complex. This would allow for additional services to be provided with minimum impact. The capacity for managing additional waste and water will be addressed with city management.

4. *Does your site plan provide adequate protection of environment features on the site and in adjacent areas?*

The project will be constructed on an already developed area, therefore, the proposed building will not create any additional impact to environmental features. Impervious surface ratio will increase by approximately 8% (see plan).



### Zoning Summary

1. Property is located in the T5.1 zoning/form based code district.
2. Parcel Area: 0.5 acres / 21,780 square feet(sf).

<b>Regulations</b>	<u>Required/Allowed</u>	<u>Provided</u>
Min Lot Area	<u>10,000 sf</u>	<u>0.5 ac</u>
Street Frontage	<u>-</u>	<u>313'</u>
Min Front Yard	<u>0-10'</u>	<u>10'</u>
Min Rear Yard	<u>10'</u>	<u>10'</u>
Min Side Yard	<u>0-5'</u>	<u>5'</u>
Max. Building Height	<u>4 Story</u>	<u>4 Story</u>
Use Designation	<u>Multifamily</u>	
Parking Requirement	<u>1 Space/ Dwelling Unit + 1 Guest Space / 4 Dwelling Units = 67 Spots</u>	
Total Parking:	<u>67</u>	<u>/ 8, and Public Spaces within 1000'</u>
Overlay zoning districts (if any):	<u>None</u>	
Urban impaired stream watershed?	<u>YES/NO If yes, watershed name <u>NO</u></u>	

## DEVELOPMENT REVIEW APPLICATION SUBMISSION

**Submissions shall include seventeen (17) complete packets containing the following materials:**

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8. PDF files for all plans and application materials.

**Refer to the application checklist for a detailed list of submittal requirements.**

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For more information contact the Urban Development Coordinator at: 207-333-6601 ext. 1156 or [dgreene@auburnmaine.gov](mailto:dgreene@auburnmaine.gov) or the City Planner at: 207-333-6601 ext. 1334 or [zmosher@auburnmaine.gov](mailto:zmosher@auburnmaine.gov)

### Application Certification:

I hereby certify that I am the Owner of record of the named property, or that the owner of record authorizes the proposed work and that I have been authorized by the owner to make this application as his/her authorized agent. I agree to conform to all applicable laws of this jurisdiction. In addition, I certify that the City's authorized representative shall have the authority to enter all areas covered by this permit at any reasonable hour to enforce the provisions of the codes applicable to this permit.

**This application is for development review only; a Performance Guarantee, Inspection Fee, Building Permit Application and other associated fees and permits will be required prior to construction.**

Signature of Applicant:  A. JACKSON

Date: 12/06/2017

## Attachment: Financial and Technical Capacity

The total project budget is approximately \$9.6 million. Financing sources are projected as follows:

### After Occupancy

Amount	Source	Description / Notes
\$6,900,000	Low-Income Housing Tax Credit (LIHTC) Equity	<p>To be allocated by MaineHousing following their competitive process. Applications are due in February 2018 and notifications are expected in March or April 2018.</p> <p>MaineHousing allocates the right to take these tax credits, which are spaced out over ten years. These tax credits are sold to investors and the proceeds are used as equity to pay for the construction and other costs of the development.</p>
\$975,000	Low-Income Housing Subsidy	Subsidy from MaineHousing that is tied to the allocation of LIHTCs.
\$1,530,000	MaineHousing mortgage	An interest-bearing mortgage on the property and improvements from MaineHousing.
\$110,000	Other sources	City of Auburn HOME funds

## During Construction

Note: total amount needed during construction is approximately \$8.6 million, which is the portion of the total budget required during construction. This total does not include approximately \$1.0 million that is paid at permanent loan closing, including a portion of developer fees; tax/insurance reserves; operating reserves; rent-up reserves; capital replacement reserves; and tax credit monitoring fees.

Amount	Source	Description / Notes
\$7,000,000	Construction Loan from Bank (letter of interest to be obtained as part of tax credit application)	Construction loan for the duration of construction and lease-up, typically 12-14 months.
\$1,200,000	Low-Income Housing Tax Credit Equity	A portion of the tax credit equity is contributed during construction, per IRS rules.
\$500,000	Low-Income Housing Subsidy	A portion of the Maine Housing subsidy is paid during construction.

Technical capability:

The Applicant, 48 Hampshire Street, LP, is an affiliate of The Szanton Company, which has successfully completed eight mixed-income apartment buildings in southern Maine and New Hampshire totaling nearly 400 units. The Szanton Company specializes in high-quality apartment buildings in vacant or underutilized sites near downtowns.

Szanton Company developments include: 53 Danforth Street in Portland; The Mill at Saco Falls in Biddeford; The Lofts at Bates Mill in Lewiston; Walker Terrace in Portland; Casco Terrace in Portland; Huse School Apartments; The Lofts at Saco Falls; and the Squamscott Block in Exeter, New Hampshire (which includes 2 retail spaces).

The project will be managed by Saco Falls Management, a professional property management firm affiliated with The Szanton Company that specializes in managing mixed-income housing to a high level of quality and customer service.

The project design team includes Platz Associates and CES Civil Engineers.

Collectively, the project team has decades of experience in housing development and new construction projects of all types.

**Hampshire Street**

Financial Model

PROJECT DESCRIPTION	Apartments		<b>53</b>	Note: The exact number of apartments, the balance of affordable and market-rate units, and the precise bedroom mix (percentage of one-bedrooms, two-bedrooms, etc) would be based on market need as determined by a market study.
	Income-Restricted	74%	39	
	Market-Rate	26%	14	
	Studios	0%	0	
	One-Bedrooms	49%	26	
	Two-Bedrooms	32%	17	
	Three-Bedrooms	19%	10	
FINANCING SOURCES	Affordable Housing Tax Credits	6,942,000	72.6%	Based on Eligible Costs
	MaineHousing Subsidy	975,000	10.2%	Based on Eligible Units
	MaineHousing Mortgage	1,530,000	16.0%	Based on Net Operating Income
	City HOME grant	110,000	1.2%	
	TOTAL	<u>9,557,000</u>		

**Hampshire Street**

Financial Model

DEVELOPMENT BUDGET	Land Acquisition	45,000
	Construction + Contingency	7,200,000
	Professional and Other Fees	1,320,000
	Building Permit	
	Sewer Impact Fee	
	Architectural	
	Developer Fee	
	Civil and Structural Engineering	
	Surveyor	
	Geotechnical	
	Legal	
	Reserves Required by MaineHousing and Other Fees	992,000
	Mortgage Fee	
	Tax Credit Allocation Fee	
	Operating Reserve	
	Replacement / Capital Improvement Reserve	
	Marketing / Rent-Up Reserve	
	Interest, Financing Fees, and Other Costs	
	Construction Loan Interest	
	Construction Inspections	
	Lender Legal	
	Construction Loan Origination Fee	
	Appraisal & Market Study	
	Property Taxes During Construction	
	TOTAL	9,557,000

**Hampshire Street**

Financial Model

ANNUAL INCOME	Apartment Type and Income Targeting	# of units	Rent per unit	Monthly Revenue
	0-BR at/below 50% of AMI*	0	501	-
	1-BR at/below 50% of AMI*	6	528	3,168
	2-BR at/below 50% of AMI*	6	631	3,786
	3-BR at/below 50% of AMI*	4	717	2,868
	0-BR at/below 60% of AMI*	0	607	-
	1-BR at/below 60% of AMI*	12	642	7,704
	2-BR at/below 60% of AMI*	7	768	5,376
	3-BR at/below 60% of AMI*	4	875	3,500
	0-BR Market Rate	0	700	-
	1-BR Market Rate	8	775	6,200
	2-BR Market Rate	4	950	3,800
	3-BR Market Rate	2	1,065	2,130
		53		
	* AMI: area median income, which is a function of household size		Monthly Rental Revenue	38,532
			Annual Rental Revenue	462,384
			Property Taxes Returned Under TIF	36,450
			Less 5% vacancy	(23,119)
			Laundry Income	12,720
			<b>TOTAL INCOME</b>	488,435

**Hampshire Street**

Financial Model

ANNUAL EXPENSES	Management Fees	34,600
	Management Expenses and Reimbursements	5,100
	Marketing	3,100
	Legal	3,100
	Audit	5,100
	Janitorial / Cleaning	12,500
	Fuel and Gas	39,400
	Electricity	21,400
	Water and Sewer	21,400
	Garbage and Trash Removal	9,100
	Vehicle and Equipment Expenses	1,200
	Grounds Contractual Services	21,400
	Building Maintenance	42,900
	Building Tools and Supplies	10,700
	Other Contract Services	15,400
	Building Systems Maintenance	7,700
	Property and Liability Insurance	12,900
	Resident Service Coordinator	16,300
	Property Taxes	72,900
	Replacement Reserve (Required by MaineHousing)	27,600
	<b>TOTAL EXPENSES</b>	<b>383,800</b>
	Net Operating Income	104,635
	Debt Service / Mortgage Payments	78,135
	Net Cash Flow / Profit	26,500



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 90<sup>th</sup> 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

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:



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: August 29, 2017.

WITNESS:

CITY OF AUBURN, MAINE



By:   
Peter Crichton  
Its: City Manager

Date of Seller's execution of this Agreement: Sept. 1, 2017.

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

AMENDMENT TO PURCHASE AND SALE AGREEMENT

THIS AMENDMENT TO PURCHASE AND SALE AGREEMENT (this "Amendment") is made and entered into as of the 30 day of October, 2017, by and between CITY OF AUBURN, a body corporate and politic (the "Seller") and SZANTON MONKS PROPERTIES, LLC, a Maine limited liability company (the "Buyer"), concerns the Purchase and Sale Agreement between the Seller and the Buyer dated September 1, 2017 (the "Agreement"), relating to property of Sellers located in the City of Auburn, Maine that is described in Paragraph 2 of the Agreement.

WHEREAS, the Seller and the Buyer wish to replace Schedule A of the Agreement with the Schedule A attached to this Amendment.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Seller and the Buyer hereby agree as follows:

1. Schedule A of the Agreement is hereby replaced in full with the Schedule A attached to this Amendment. The Schedule A attached to this Amendment shall become Schedule A of the Agreement effective as of the date of this Amendment.
2. The Seller and the Buyer hereby ratify and confirm all terms and provisions of the Agreement and agree that, except as amended by this Amendment, all terms and provisions of the Agreement shall remain in full force and effect.
3. This Amendment 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 Amendment may be transmitted between the parties by facsimile machine or by email attachment and signatures appearing on faxed or emailed instruments shall be treated as original signatures. Both a faxed or emailed version containing either original, faxed or emailed signatures of all parties, and multiple counterparts of the same version each containing separate original, faxed or emailed signatures of the parties, shall be binding on them.

IN WITNESS WHEREOF, the Seller and the Buyer has each executed this Amendment to be effective as of the date first set forth above.

[Signatures on immediately following page]

Schedule A

Sketch of Premises



WITNESS:

*[Signature]*  
A. JACKSON

BUYER:

SZANTON MONKS PROPERTIES, LLC

By:

*[Signature]*  
Nathan Szanton  
Its: Manager

SELLER:

CITY OF AUBURN

By:

*[Signature]*  
Name: *[Signature]*  
Title: City Manager

WITNESS:

*[Signature]*

Schedule A

Sketch of Premises



Amendment to Purchase and Sale Agreement  
The City of Auburn and Szanton Monks, LLC  
October 26, 2017  
Schedule A

Amendment to Purchase and Sale Agreement  
The City of Auburn and Szanton Monks, LLC  
October 26, 2017  
Signature Page



**PURCHASE AND SALE AGREEMENT**

**PURCHASE AND SALE AGREEMENT** made as of this 4th day of December, 2017 by and between the **MAINE CENTRAL RAILROAD COMPANY**, a Maine corporation with a place of business at Iron Horse Park, North Billerica, Massachusetts (the "Seller") and the party hereinafter identified in Paragraph 1(b) (the "Buyer").

**WITNESSETH:**

1. The following terms shall have the meanings specified whenever used in this Agreement:

(a)

**SELLER:**

Maine Central Railroad Company  
c/o Pan Am Systems, Inc.  
1700 Iron Horse Park  
North Billerica, Massachusetts 01862  
Attention: Philip D. Kingman, Sr. Vice President  
Real Estate & Development

Send a copy of any notice to:

Maine Central Railroad Company  
c/o Pan Am Systems, Inc.  
1700 Iron Horse Park  
North Billerica, Massachusetts 01862  
Attention: Michael Twidle, Assistant to the Vice President - Real Estate

(b)

**BUYER:**

Szanton Monks Properties, LLC, or its assigns  
c/o The Szanton Company  
482 Congress Street - #203  
Portland, Maine 04101

Send a copy of any notice to:  
John Kaminski, Esq.  
c/o Drummond Woodsum  
84 Marginal Way Suite 600  
Portland, Maine 04101

(c) **PREMISES:** Two (2) parcels of land consisting of approximately 16,875 square feet of land total, located in Auburn, County of Androscoggin, State of Maine as more particularly shown on the sketch attached to this agreement and marked "Exhibit A".

(d) **PURCHASE PRICE:** The agreed purchase price is Six and 00/100 Dollars (\$6.00) for each and every square foot contained in said premises as shown on the Plan referred to in paragraph 4(a).

(e) **DEPOSIT:** Ten Thousand and 00/100 Dollars (\$10,000.00)

(f) **CLOSING DATE:** December 28, 2018 or such earlier date specified by written notice from Buyer to Seller.

(g) **EXHIBITS:** The following exhibits are hereby incorporated by this reference into this Agreement:

(i) Exhibit "A": A sketch of the Premises

(ii) Exhibit "B": Deed.

(iii) Exhibit "C": Plan Specifications.

(iv) Exhibit "D": Additional Provisions.

2. **PURCHASE AND SALE.** In consideration of the mutual covenants and promises contained in this Agreement, and other good and valuable consideration received by each party, the Seller hereby agrees to sell and the Buyer agrees to purchase the Premises, upon the terms and conditions hereinafter set forth.

3. **TITLE.** The Premises shall be conveyed by a release deed running to the Buyer in a form substantially identical to that annexed hereto and marked Exhibit "B" (the "Deed"). The Deed shall contain no warranties or covenants of title whatsoever and shall convey all of the Seller's right, title and interest in the Premises, subject only to the following:

(a) Provisions of existing building, land use, subdivision control and zoning laws;

(b) Such real property taxes for the then current tax year as are not yet due and payable on the Closing Date;

(c) Any liens for municipal betterments assessed after the date of this Agreement;

(d) Such agreements, leases, licenses, easements, restrictions and encumbrances, if any, as may appear of record, or otherwise; and

(e) The provisions, conditions and covenants set forth in the Deed and hereby expressly incorporated by reference. The Buyer agrees to signify acceptance of such provisions, conditions and covenants contained in the Deed by executing the Deed at closing.

4. **DEED PLAN.** The Seller's obligations under this Agreement are conditioned upon the Buyer furnishing the following items to the Seller no later than ten (10) days prior to the Closing Date:

(a) A satisfactory linen or mylar deed plan of the Premises (the "Plan") which: (i) is prepared by a registered land surveyor; (ii) is suitable in all respects for recording at the local registry of deeds, (iii) contains a certification by said registered land surveyor as to the actual land area comprising the Premises, (iv) conforms to the requirements set forth in Exhibit "C", and (v) contains such other information as the Seller may reasonably require; and

(b) A description of the Premises by metes and bounds, consistent with and referring to the Plan, which description shall be attached to and become the Exhibit "A" referred to in the Deed.

The Seller agrees to reasonably cooperate with the Buyer or the Buyer's agents to furnish the information necessary for the Buyer to complete the Plan.

The Buyer agrees to indemnify the Seller for all loss, cost, damage and expense (including reasonable attorneys' fees and expenses) arising in any way out of the presence or activities upon the Premises by the Buyer, said registered land surveyor or the agents, servants, employees or contractors or any of them, whether such loss, cost, damage or expense is incurred by the Seller, the Buyer, said registered land surveyor, or the agents, servants, employees or contractors of the same, or by others.

5. **ADJUSTMENTS TO PURCHASE PRICE.** Water rates, rents, real estate and other property taxes and sewer charges (collectively, the "Taxes") shall be apportioned as of the Closing Date and the net amount thereof shall be added to or deducted from, as the case may be, the Purchase Price payable by the Buyer. If the amount of Taxes is not known at the Closing Date, they shall be apportioned on the basis of the Taxes for the applicable preceding period and reapportioned as soon as verified current information can be obtained. The latter provision shall survive the delivery of the Deed.

6. **FEES, COSTS, AND TRANSFER TAXES.** The Buyer agrees to pay all recording fees and real estate transfer taxes of any description imposed on either the Buyer or Seller on account of this transaction by any government or governmental authority.

7. **CLOSING.** The Deed shall be delivered and the Purchase Price less the Deposit shall be paid by certified or bank cashier's check (and not otherwise) at Iron Horse Park, North Billerica, Massachusetts at 10 o'clock a.m. on the Closing Date, unless the parties otherwise agree beforehand in writing. It is agreed that time is of the essence in all respects to this transaction.

8. **POSSESSION.** The Seller shall deliver possession of the Premises to the Buyer on the Closing Date, subject only to the provisions of Paragraph 3 hereof, the Premises then being in the same condition as they now are, reasonable wear and tear excepted.

9. **SELLER'S DEFAULT.** In the event that the Seller is unable to give title or make conveyance of the Premises to the Buyer in accordance with the terms of this Agreement for any reason, then any payments made by the Buyer to the Seller shall be refunded, the obligations of the parties shall cease, this Agreement shall be void and neither party shall have further recourse against the other.

10. **REMOVAL OF ENCUMBRANCES.** The Seller may use the Purchase Price paid by the Buyer at the time of the delivery of the Deed, or any portion thereof, to clear the title of any mortgage or other title encumbrance not in accordance with the terms hereof, provided that any instrument so procured is recorded as soon as reasonably practical after the delivery of the Deed.

11. **ACCEPTANCE OF DEED.** The Buyer's acceptance of the Deed shall be deemed to be a full performance and discharge of every agreement or obligation of the Seller herein contained, except for such as are, by the terms hereof, to be performed after the delivery of the Deed.

12. **BROKER.** The parties represent and warrant to each other that neither has dealt with any broker in respect to this transaction or the Premises. The Buyer and Seller each agree to indemnify and hold harmless the other party from and against all other claims for brokerage or commission on account of this transaction.

13. **DEPOSIT.** The Deposit shall be held by the Seller subject to the terms of this Agreement and shall be duly accounted for at the time of delivery of the Deed. The parties agree that the Deposit shall not bear interest.

14. **WARRANTIES.** The Buyer acknowledges that the Buyer has not been induced to enter into this Agreement, and the transaction contemplated herein, in reliance upon any warranties or representations of any party not set forth herein. The Buyer hereby expressly waives any claims against the Seller for any matters of public record or matters



which a physical inspection of the Premises would reveal. This paragraph shall survive the delivery of the Deed.

15. **BUYER'S DEFAULT.** In the event the Buyer fails to fulfill any one or more of the Buyer's performances under this Agreement, the Seller shall retain the Deposit as liquidated damages. The parties expressly acknowledge that the Seller's damages owing to the Buyer's default hereunder are difficult to ascertain and agree that the Deposit represents a reasonable estimate of the Seller's damages.

16. **APPROVALS, RELEASES.** The Seller's obligations under this Agreement are conditioned upon the Seller obtaining any necessary releases, approvals or permits relating to the sale of the Premises by the Seller from any state or federal government or governmental authority having jurisdiction over the Premises, including but not limited to 23 M.R.S.A. Section 7105. The Seller agrees to proceed with reasonable diligence to obtain any such approvals and shall notify Buyer when such approvals are obtained. In no event, however, shall the Seller be required to obtain subdivision approval from any governmental authority. If subdivision approval is required by applicable law, the Buyer shall obtain it or shall indemnify the Seller from all loss, cost, damage, and expense arising in any way out of the conveyance of the Premises without first having obtained the same. In the event that the State of Maine or its designee exercise the option to purchase pursuant to 23 M.R.S.A. Section 7105 by accepting in writing the offer tendered by the Railroad pursuant to 23 M.R.S.A. Section 7105 within ninety (90) days of the date the offer is made to the State, this agreement becomes null and void, and all deposits paid by the Buyer shall be refunded, and the parties shall have no further recourse hereto.

17. **HAZARDOUS WASTE.** The Buyer hereby acknowledges that the Buyer is purchasing the Premises "as is", "with all faults" and subject to the possible existence of hazardous materials, petroleum products and/or other pollutants regulated by law. Notwithstanding the foregoing, the Buyer, for itself, its successors, assigns and grantees hereby irrevocably waives, gives up and renounces any and all claims or causes of action against the Seller in respect of any claims, suits, and/or enforcement actions, including any administrative or judicial proceedings and any remedial, removal, or response actions ever asserted, threatened, instituted, or requested by any person (including any government agency) on account of: (a) any release of oil or hazardous materials (as those terms are defined in the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601, et seq.) or any applicable state law) on, upon, or into the Premises; and (b) any and all damage to real or personal property, natural resources, and/or harm to persons alleged to have resulted from such release of such oil hazardous materials upon the Premises. This provision shall survive the delivery of the deed.

18. **NOTICES.** Any notice or other communication in connection with this Agreement shall be deemed given when received (or upon attempted delivery if delivery is not accepted). Such notices shall be in writing and delivered by hand or sent either (a) by registered or certified mail (return receipt requested) with the United States Postal Service;

or (b) by Federal Express or other similar overnight mail carrier furnishing evidence of receipt to the sender, at the address set forth in paragraph 1 of this Agreement. Either party may change the address at which notices are to be received by notice given as set forth above.

19. **CONFIDENTIALITY.** The Buyer agrees and acknowledges that Information (hereinafter defined) concerning the Premises obtained by the Buyer in connection with the transaction contemplated in this Agreement (the "Transaction") is unique and confidential to the Seller. If the Transaction does not take place, for any reason whatsoever (including, but not limited to, breach of this Agreement by either party), the Buyer agrees, in addition to the provisions of paragraph 15 hereof, to turn over to the Seller all (i) plans, (ii) surveys, (iii) reports, (iv) site assessment and environmental reports of any description, (v) soil, vegetation, water, air and other samplings collected at the Premises and the fruits of any research, testing, experimentation or study conducted with the same, and (vi) all plans or other information or documents furnished by the Seller to the Buyer (collectively, the "Information"). Furthermore, in the event the Transaction does not take place, the Buyer warrants to the Seller that all Information has been paid for and is free of any and all liens, and that the Buyer, its officers, agents, employees, directors, shareholders and affiliates shall not disclose the Information to any person, entity or government. The Buyer acknowledges and agrees that the Seller may, in addition to all other remedies available to it, obtain injunctive relief against the Buyer for any breach or threatened breach of the provisions of this paragraph. Notwithstanding the foregoing, Buyer may provide the Information prior to the Closing to parties from whom Buyer is seeking financing, allocations of tax credits or other governmental financial resources or governmental approvals.

20. **RECORDING.** The parties agree that neither this Agreement nor any memorandum thereof shall be recorded at the registry of deeds and that any such recording by the Buyer shall constitute a default by Buyer.

21. **AUTHORITY OF SIGNATORY.** If the Buyer executes this Agreement by agent or representative, such agent or representative hereby warrants and represents to the Seller that he is authorized to execute, acknowledge and deliver this Agreement on behalf of the Buyer and to thereby bind the Buyer to the same. This warranty shall survive the delivery of the Deed.

22. **ASSIGNMENT.** The Buyer may not assign this Agreement, or any interest herein, to any party other than a business entity in which Nathan Stanton directly or indirectly owns a majority interest in such entity or in the general partner of such entity, without the prior written consent of the Seller, which consent shall not be unreasonably withheld.

23. **SEVERABILITY.** If any term of this Agreement or the application thereof to any person or circumstance shall at any time or to any extent be deemed invalid or unenforceable, the remainder of this Agreement and the application of such term to persons

or circumstances other than those as to which it is held invalid or unenforceable shall not be affected.

24. **NO WAIVER.** No delay or omission on the part of the Seller in exercising its rights under this Agreement shall constitute a waiver of such right or any other right under this Agreement. Also, no waiver of any such right on one occasion shall be construed as a waiver of it on any other occasion.

25. **APPLICABLE LAW.** This Agreement shall be governed by and construed in accordance with the laws of the state wherein the Premises lie.

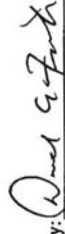
26. **ENTIRE AGREEMENT.** This Agreement constitutes the entire agreement between the parties relating to the subject matter hereof, supersedes all prior oral or written offers, negotiations, agreements, understandings and courses of dealing between the parties relating to the subject matter hereof and is subject to no understandings, conditions, or representations other than those expressly stated herein. This Agreement may only be modified or amended by a writing which states that it modifies or amends this Agreement and which is signed by all parties.

27. **SECTION HEADINGS.** The section headings contained in the Agreement are for reference and convenience only and in no way define or limit the scope and contents of this Agreement or in any way affect its provisions.

28. **MISCELLANEOUS.** This Agreement shall take effect as a sealed instrument and be binding upon and inure to the benefit of the parties and their respective successors, heirs, administrators and assigns.


**IN WITNESS WHEREOF,** the parties hereto have executed this Agreement in two counterparts, effective as of the day and year first above written.

**SELLER:**  
**MAINE CENTRAL RAILROAD COMPANY**

By:   
David A. Fink, President

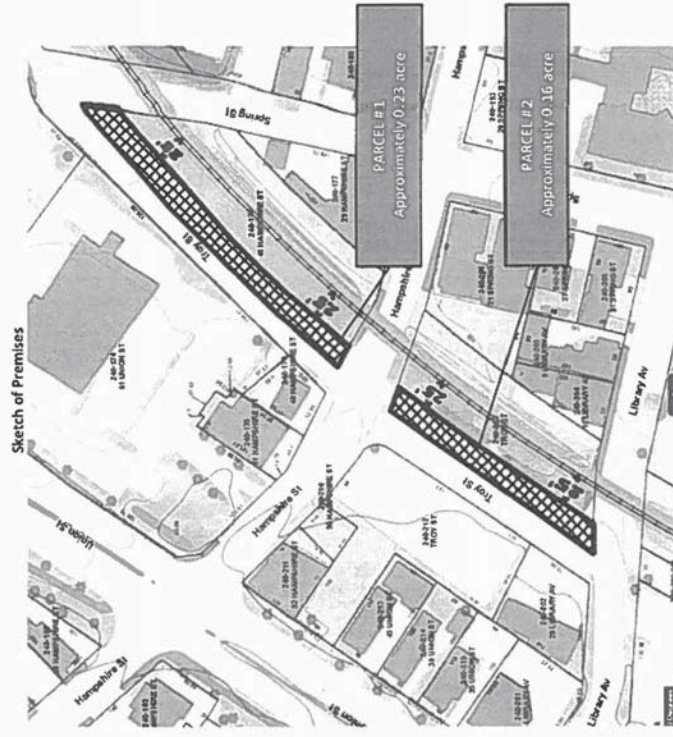
  
Witness

**BUYER:**  
**SZANTON-MONKS PROPERTIES, LLC**

By:   
Name: Nathaniel Johnston  
Title: Manager

  
Witness

EXHIBIT "A"  
SKETCH OF THE PREMISES





**DRAFT**

**EXHIBIT B  
RELEASE DEED**

The MAINE CENTRAL RAILROAD COMPANY, a corporation duly organized and existing under the laws of the State of Maine, with offices at Iron Horse Park, North Billerica, Middlesex County, Massachusetts (the "Grantor") in consideration of and \$00/100 (\$0.00) Dollars paid to it by \_\_\_\_\_, with a mailing address \_\_\_\_\_, (the "Grantee") hereby grants to the Grantee all the Grantor's right, title and interest, without any warranties or covenants of title whatsoever, in a certain parcel of land, and the buildings, bridges, structures, crossings, fixtures and improvements thereon, if any, situated in Lincoln, County of Penobscot, State of Maine (the "Premises") described as follows:

SEE EXHIBIT "A" ATTACHED HERETO AND  
MADE A PART HEREOF BY THIS REFERENCE.

This conveyance is subject to the following reservations, conditions, covenants and agreements:

1. This conveyance is made without granting any right of way, either by necessity or otherwise, over any remaining land or location of the Grantor.
2. ~~The Grantor hereby reserves a permanent, exclusive right of way and easement in, on, over, under, across and through the Premises for the purpose of accessing, constructing, installing, operating, maintaining, modifying, repairing, replacing, relocating and removing a telecommunications system or other system for transmission of intelligence or information by any means, whether now existing or hereafter devised, including such poles, pipes, wires, fibers, fiber optic cables, repeater stations, attachments, appurtenances, structures or other equipment and property of any description necessary or useful for the same (the "Telecommunications Easement"). The Grantor further reserves the right to freely lease, license, mortgage, assign, pledge and otherwise alienate the Telecommunications Easement. The Grantee hereby covenants with the Grantor to recognize the Telecommunications Easement and, without the payment of any further consideration, to execute, acknowledge and deliver such instruments suitable for recording with the registry of deeds as the Grantor may reasonably require to acknowledge title to the Telecommunications Easement in the Grantor. The Grantor covenants to reasonably repair and restore the surface of the easement area after any work.~~

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3. ~~The Grantor excepts from this conveyance any and all railroad tracks, railroad track materials (including, but not limited to, ties, connections, switches and ballast) and/or related equipment of any description located in whole or in part within the Premises (the "Trackage") and this conveyance is subject to the right of the Grantor to enter the Trackage from time to time and at any and all times within the ninety (90) day period commencing with and subsequent to the date of delivery of this deed, with such men, equipment and materials as, in the reasonable opinion of the Principal Engineering Officer of the Grantor, are necessary for the removal of the Trackage. Days during the months of December, January, February and March shall not be included in the aforesaid ninety (90) day period. If the Trackage is not removed from the Premises by the expiration of said ninety (90) day period, the Trackage shall be deemed abandoned by the Grantor and shall then become the property of the Grantee.~~
4. ~~The Grantor excepts from this conveyance any and all advertising signs and/or billboards located upon the Premises which are not owned by the Grantor. Furthermore, this conveyance is subject to the right of the owners of said signs and/or billboards to go upon the Premises and remove them within ninety (90) days from the date of delivery of this deed.~~
5. By the acceptance of this deed and as part consideration therefor, the Grantee hereby assumes any and all agreements, covenants, obligations and liabilities of the Grantor in respect to any underground facilities, drainage culverts, walls, crossings and/or other structures of any nature and description located in whole or in part within the Premises.
6. By the acceptance of this deed and as part consideration therefor, the Grantee agrees to irrevocably waive, give up and renounce any and all claims or causes of action against the Grantor in respect of claims, suits and/or enforcement actions (including any administrative or judicial proceedings and any remedial, removal or response actions) ever asserted, threatened, instituted or requested by any person and/or governmental agency on account of: (a) any release of oil or hazardous materials or substances of any description on, upon or into the Premises in contravention of any ordinance, law or statute (including, but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. Section 9601, et seq., as amended); and (b) any and all damage to real or personal property, natural resources and/or harm or injury to persons alleged to have resulted from such release of oil or hazardous materials or substances.
7. By the acceptance of this deed and as part consideration therefor, the Grantee hereby agrees to build and forever maintain fencing (together with any necessary gates), suitable to the Principal Engineering Officer of the Grantor, along the boundaries of the Premises which are common to remaining land or

**DRAFT**

location of the Grantor (the "Fences"), if Fences are ever required in the sole and reasonable opinion of said Principal Engineering Officer.

8. This conveyance is subject to the following restriction for the benefit of other land or location of the Grantor, to wit: that from the date of delivery of this deed, the Grantor shall not be liable to the Grantee or any lessee or user of the Premises (or any part thereof) for any damage to any buildings or property upon them caused by fire, whether communicated directly or indirectly by or from locomotive engines of any description upon the railroad operated by the Grantor, or otherwise.

9. By the acceptance of this deed and as part consideration therefor, the Grantee hereby agrees to make no use of the Premises which, in the sole and reasonable opinion of the Principal Engineering Officer of the Grantor, adversely affects, increases or decreases drainage to, from, upon or in any remaining land or location of the Grantor. The Grantee agrees to indemnify and save the Grantor harmless from and against any and all loss, cost, damage or expense including, but not limited to, the cost of defending all claims and/or suits for property damage, personal injury or death arising out of or in any way attributable to any breach of the foregoing covenant.

10. The Grantor excepts from this conveyance any and all overhead, surface or underground signal and communication line facilities of the Grantor located within the limits of the Premises and this conveyance is subject to the Grantor's use of any such facilities in their present locations and entry upon the Premises from time to time to maintain, repair, replace, renew, relay or remove such facilities. Grantor shall be obligated to reasonably restore the Premises in a workmanlike manner promptly following the completion of any such activities.

11. Whenever used in this deed, the term "Grantor" shall not only refer to the MAINE CENTRAL RAILROAD COMPANY, but also its successors, assigns and affiliates and the term "Grantee" shall not only refer to the above-named Grantee, but also the Grantee's successors, assigns and grantees, as the case may be.

12. The several exceptions, reservations, conditions, covenants and agreements contained in this deed shall be deemed to run with the land and be binding upon the Grantee forever. In addition to the acceptance and recording of this deed, the Grantee hereby signifies assent to the said several exceptions, reservations, conditions, covenants and agreements, by joining in its execution.

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IN WITNESS WHEREOF, the said MAINE CENTRAL RAILROAD COMPANY has caused this release deed to be executed in its name and its corporate seal to be hereto affixed by David A. Fink, its President, thereunto duly authorized this \_\_\_\_\_ day of \_\_\_\_\_, 2017.

**GRANTOR:**  
**MAINE CENTRAL RAILROAD COMPANY**

By: \_\_\_\_\_  
David A. Fink, President  
Witness

**GRANTEE:**

By: \_\_\_\_\_  
Witness



**DRAFT**

**COMMONWEALTH OF MASSACHUSETTS**

Middlesex, ss. \_\_\_\_\_, 2017

On this day of \_\_\_\_\_, 2017, before me, the undersigned notary public, personally appeared David A. Fink, President as aforesaid, proved to me through satisfactory evidence of identification, which was personal knowledge, to be the person whose name is signed on the preceding or attached document, and acknowledged to me that he signed it voluntarily for its stated purpose.

\_\_\_\_\_  
Notary Public  
My Commission Expires:

**STATE OF MAINE**

\_\_\_\_\_, ss. \_\_\_\_\_, 2017

On this day of \_\_\_\_\_, 2017, before me, the undersigned notary public, personally appeared \_\_\_\_\_ as aforesaid, proved to me through satisfactory evidence of identification, which was a Drivers License, to be the person whose name is signed on the preceding or attached document, and acknowledged to me that he signed it voluntarily for its stated purpose.

\_\_\_\_\_  
Notary Public  
My Commission Expires:

**EXHIBIT "C"**

Two Pages

**Engineering Department  
Minimum Requirements for Deed Plans**

1. Title Block shall be similar to the attached sample and located in the bottom right corner of plan.
2. Plan is to include metes and bounds. Physical features. Railroad baseline and engineering stations for the extremities of the parcel to be conveyed, culverts and street locations.
3. Railroad's file number (to be assigned) is to appear in the top right and bottom left corners of plan.
4. Registered land Surveyor's seal and signature must appear on plan.
5. Plan is to meet all requirements of and be acceptable for recording by the appropriate Registry of Deeds.
6. Parcel distance from centerline of location of track must be indicated.
7. No reference to "Railroad" shall appear on plan. The term Maine Central Railroad Company shall be used.
8. Plan to include the tax map and parcel number of area to be conveyed.
9. Two (2) copies of proposed plans shall be submitted for review prior to sending original.
10. Recordable original tracing and linen or mylar duplicate thereof are to be furnished this office. The original tracing will be forwarded to the Real Estate Department at the time of Closing. The duplicate will be retained in the Railroad's permanent files.

All correspondence regarding the particulars of the plan should be addressed to:

Ted Krug  
Pan Am Railways  
1700 Iron Horse Park  
North Billerica, MA 01862-1681  
(978) 663-1108  
tkrug@panam.com

EXHIBIT "D"

Additional Provisions

29. The Buyer's performance hereunder is subject to the title to the Premises being good, clear record and marketable and subject only to those easements, encumbrances and restrictions which: (i) are of record, (ii) are described in this Agreement, or (iii) do not substantially interfere with the Buyer's use of the Premises. The Buyer shall have a period of thirty (30) days from the date first written above to examine the title to the Premises, determine whether or not it complies with the provisions hereof and conduct other due diligence not inconsistent with the provisions of this Agreement. If (i) Buyer notifies Seller of a title defect on or before the thirty fifth (35) day, and if Seller does not cure said defect prior to the Closing Date, or (ii) Buyer determines that such due diligence investigation is unsatisfactory in Buyer's sole judgment, then Buyer may terminate this Agreement by written notice to Seller in which case the Deposit shall be refunded. In the event the Buyer fails to so notify the Seller of any title defect existing as of the ending date of Buyer's title examination on or before the thirty fifth (35) day following the execution of this Agreement, the Buyer shall be conclusively deemed to have waived any objection to the title based upon said defect.

30. The Buyer's performance hereunder is subject to the Premises being free of hazardous materials and/or other pollutants regulated by law ("Pollutants"). The Buyer may, at its own expense, promptly conduct a Phase 1 environmental assessment ("Report") concerning the presence of Pollutants on the Premises from a duly qualified, certified engineer currently engaged in the business of rendering such reports ("Consultants"). The Report shall be completed within Sixty (60) days from the date hereof. The Buyer may terminate this Agreement and receive a refund of the Deposit by causing the Consultant to certify to the Seller in writing within Sixty (60) days from the date hereof that the Premises are contaminated by Pollutants, and included therewith a description of the nature, quantity and location thereof on the Premises. If Buyer does not so terminate this Agreement, Buyer shall be deemed to have waived all objections to the condition of the Premises, including hazardous waste, oil or other contaminated material existing on the date of completion of Buyer's inspection. Upon certification from the Consultant as hereinabove provided, and in reliance thereupon, the Seller shall refund the Deposit and this Agreement shall be null and void and neither party shall have further recourse against the other.

31. The Buyer shall have the option of extending the Closing Date six (6) months, by paying an additional consideration of ten percent of the total Purchase Price, to the Seller, ten (10) days prior to the Closing Date, calculated by multiplying the total number of square feet shown on the Plan by Six and 00/100 Dollars (\$6.00). The additional consideration shall not be considered a deposit or credit, and shall be non-refundable. Should the Buyer exercise its option to extend the initial Closing Date, the Deposit shall also become non-refundable.

SAMPLE TITLE BLOCK

LAND IN

WHEREVER, ME

MAINE CENTRAL RAILROAD COMPANY

TO

WHATEVER CORPORATION CO. INC.

SCALE; 1" = 40'

DATE: JANUARY 2, 2017

## OPTION AGREEMENT

OPTION granted as of this \_\_\_\_\_ day of December, 2017, by Szanton Monks Properties, LLC, a Maine limited liability company whose mailing address is c/o The Szanton Company, 482 Congress Street, Suite 203, Portland, ME 04101 (hereinafter called "Optionor"), to 48 Hampshire Street, LP, a Maine limited partnership whose mailing address is c/o The Szanton Company, 482 Congress Street, Suite 203, Portland, ME 04101 (hereinafter called "Purchaser").

### RECITALS

WHEREAS, Optionor presently has under contract to purchase, a lot or parcel of land, together with the improvements thereon and all rights and easements appurtenant thereto, known as the Maine Central Railroad Company lots in the City of Auburn, County of Androscoggin, Maine (the "Premises") pursuant to a Purchase and Sale Agreement (the "P & S Agreement") with an effective date of December 4, 2017 between Optionor and the Maine Central Railroad Company (the "Present Owner"); and

WHEREAS, Optionor desires to grant, and Purchaser desires to acquire, an option on the terms provided by this Option Agreement to acquire the Premises as may be acquired by Optionor pursuant to the P & S Agreement, together with all of Optionor's other rights pursuant to the P & S Agreement. The rights of Optionor which are included in this Option Agreement are referred to in this Option Agreement as "Contract Rights."

### AGREEMENT

1. **Grant.** Optionor hereby grants to Purchaser the exclusive right and option to purchase the Premises and Contract Rights.
2. **Option Price and Purchase Price.** Within ten (10) days from the date of this Agreement, Purchaser shall pay Optionor the Option Price in the amount of One Dollar (\$1.00). The Purchase Price, upon exercise of this Option, shall be equal to the sum of Six Dollars (\$6.00) per square foot in the Premises as shown on the Plan referenced in the P&S Agreement. This Option Price shall not exceed One Hundred and One Thousand Two Hundred Fifty Dollars (\$101,250). In no case shall the Purchaser pay any other sums, other than the Option Price and the Purchase Price, as acquisition price to the Optionor.

All payments from Purchaser to Optionor, other than the Option Price, shall be payable at closing. At such closing, Purchaser shall also be required to assume all obligations of Optionor to the Present Owner pursuant to the P & S Agreement to the extent such obligations have not been performed prior to closing, except for any obligations to make any payments which shall

32. The Buyer shall make application to the applicable agency of the City of Auburn, Maine ("City") to obtain all applicable approvals, including but not limited to, zoning, planning, subdivision and engineering (including a determination that approval is not required) by May 30, 2018. The Buyer shall have until September 30, 2018 to obtain any and all such governmental approvals and permits. If the Buyer is unable to obtain said approvals and permits, including any and all appeals, then the Deposit shall be refunded to the Buyer, the obligations of the parties shall cease, this Agreement shall be void and neither party shall have further recourse against the other.

33. 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 geotechnical borings. Buyer shall be obligated to reasonably restore the Premises in a workmanlike manner promptly following the completion of any inspection or geotechnical borings.

34. Seller is hereby notified that Buyer will withhold two and one-half percent (2.5%) of the purchase price for transfer to the State of Maine Tax Assessor pursuant to 36 M.R.S.A. §5250-A unless (a) Seller furnishes a certificate to Buyer at the Closing, as hereinafter defined, stating, under penalty of perjury, that as of the date of the Closing, Seller is a resident of the State of Maine, or (b) Seller furnishes a certificate from the State of Maine Tax Assessor to Buyer at the Closing stating that no taxes are due on the gain from the transfer of the Premises or that Seller has provided adequate security to the State of Maine Tax Assessor to cover the tax liability resulting from said transfer.

35. Seller represents and warrants that it has reviewed its files regarding the Premises and, to the best of its knowledge, provided Buyer with copies of all agreements, covenants, and other documents evidencing obligations and liabilities of the Seller in respect to any underground facilities, drainage culverts, walls, crossings and/or other structures of any nature and description located in whole or in part within the Premises. This representation and warranty shall survive the delivery of the Deed.



remain exclusively those of Optionor. The Option Price shall be credited towards the Purchase Price in the event Purchaser exercises this option.

3. **Term and Certain Actions pursuant to P & S Agreement.** Purchaser may exercise this option by notice delivered in the manner described below on or before December 31, 2018, or such later date to which Optionor's closing date under the P & S Agreement may have been extended. In the event that Purchaser exercises this option, Optionor shall be required to acquire the Premises under the P & S Agreement and convey them (together with the Contract Rights) to Purchaser upon Purchaser's payment of the Purchase Price as provided in this Option Agreement. Optionor agrees to take all steps required to extend the date for closing under the P & S Agreement pursuant to the terms thereof upon written request of Purchaser. Optionor agrees that it will not amend, modify or waive any of the provisions of the P & S Agreement in any manner which would adversely affect Purchaser without the prior written consent of Purchaser.

4. **Notice of Exercise.** This Option may be exercised by Purchaser giving written notice to Optionor in person or by U. S. mail, fax or overnight delivery service prior to the expiration of the option term, at the address set forth above.

5. **Closing.** Closing shall occur at a date and time reasonably specified by Purchaser. Title shall be conveyed by Optionor by Quitclaim Deed with Covenant and any other assignment documents required, conveying good and marketable title to the Premises and Contract Rights free from all encumbrances and claims of others. Real estate taxes shall be prorated. Unless Purchaser shall waive a defect in title, Optionor shall make reasonable efforts to remove such defect in title. In case Optionor, after 45 days, or such greater period that Purchaser may permit, shall have failed to do so, Purchaser may elect to (a) terminate, in which case Optionor shall return the Option Price without further recourse to either party, or (b) waive such defect by notice in writing. In the event Purchaser exercises this Option and fails to close for reasons not attributable to default by Optionor, Optionor shall, as Optionor's sole remedy, be entitled to retain the Option Price as liquidated damages without further recourse. At Purchaser's election prior to closing, in Purchaser's sole discretion, the closing may occur by Purchaser receiving from Optionor an assignment of the P & S Agreement, Purchaser assuming all applicable obligations of Optionor under the P & S Agreement and Purchaser closing with the Present Owner pursuant to the P & S Agreement, except that Purchaser shall in no event be obligated to pay more than the Purchase Price provided in this Option Agreement.

6. **Failure to Exercise.** If Purchaser fails to exercise this Option, any payments made under this Option Agreement shall be retained by Optionor, and neither party shall have any further rights or claims against the other. The Purchaser may fail or refuse to exercise this Option for any reason whatsoever, including without limitation that the Purchaser determines, or is notified that, the Premises do not meet environmental requirements of the United States Department of Housing and Urban Development or other environmental requirements.

7. **Inspections.** Purchaser shall have reasonable access to the Premises to conduct such surveys, tests, and inspections as it may deem necessary during the Option term or after exercise of the Option, subject, however, to any restrictions on Optionor pursuant to the P & S Agreement. Purchaser shall provide reasonable notice to Optionor, shall enter at its sole risk and shall restore the premises substantially to its prior condition.

8. **Successors and Assigns.** This Agreement is binding upon and shall inure to the benefit of the parties hereto and their personal representatives, heirs, successors and assigns. This Agreement may be assigned by Purchaser.

9. **Environmental Condition.** In the event that Maine State Housing Authority, as the entity responsible for compliance with the environmental review rules of the U.S. Department of Housing and Urban Development under 24 C.F.R. Part 58, determines that the premises which are the subject of this Option Agreement are not suitable for their intended use as residential rental housing as a result of the completed environmental review pursuant to 24 C.F.R. Part 58, then, notwithstanding any other provision of this Option Agreement, the Purchaser shall have the right to terminate this Option Agreement.

IN WITNESS WHEREOF, the undersigned have executed this Option Agreement as of the day and year first above stated.

WITNESS:

**Szanton Monks Properties, LLC**

By: Nathan S. Szanton  
Its: Manager

**48 Hampshire Street, LP**

By: Cushman Hampshire, LLC  
Its: General Partner

By: Nathan S. Szanton  
Its: Manager

## OPTION AGREEMENT

OPTION granted as of this \_\_\_\_\_ day of December, 2017, by Szanton Monks Properties, LLC, a Maine limited liability company whose mailing address is c/o The Szanton Company, 482 Congress Street, Suite 203, Portland, ME 04101 (hereinafter called "Optionor"), to 48 Hampshire Street, LP, a Maine limited partnership whose mailing address is c/o The Szanton Company, 482 Congress Street, Suite 203, Portland, ME 04101 (hereinafter called "Purchaser").

## RECITALS

WHEREAS, Optionor presently has under contract to purchase, a lot or parcel of land, together with the improvements thereon and all rights and easements appurtenant thereto, known as the Troy Street lot in the City of Auburn, County of Androscoggin, Maine (the "Premises") pursuant to a Purchase and Sale Agreement (the "P & S Agreement") with an effective date of September 1, 2017 between Optionor and the City of Auburn, Maine (the "Present Owner"); and

WHEREAS, Optionor desires to grant, and Purchaser desires to acquire, an option on the terms provided by this Option Agreement to acquire the Premises as may be acquired by Optionor pursuant to the P & S Agreement, together with all of Optionor's other rights pursuant to the P & S Agreement. The rights of Optionor which are included in this Option Agreement are referred to in this Option Agreement as "Contract Rights."

## AGREEMENT

1. **Grant.** Optionor hereby grants to Purchaser the exclusive right and option to purchase the Premises and Contract Rights.
2. **Option Price and Purchase Price.** Within ten (10) days from the date of this Agreement, Purchaser shall pay Optionor the Option Price in the amount of One Dollar (\$1.00). The Purchase Price, upon exercise of this Option, shall be equal to the sum of Forty Five Thousand Dollars (\$45,000). In no case shall the Purchaser pay any other sums, other than the Option Price and the Purchase Price, as acquisition price to the Optionor. All payments from Purchaser to Optionor, other than the Option Price, shall be payable at closing. At such closing, Purchaser shall also be required to assume all obligations of Optionor to the Present Owner pursuant to the P & S Agreement to the extent such obligations have not been performed prior to closing, except for any obligations to make any payments which shall remain exclusively those of Optionor. The Option Price shall be credited towards the Purchase Price in the event Purchaser exercises this option.
3. **Term and Certain Actions pursuant to P & S Agreement.** Purchaser may exercise this option by notice delivered in the manner described below on or before December

31, 2018, or such later date to which Optionor's closing date under the P & S Agreement may have been extended. In the event that Purchaser exercises this option, Optionor shall be required to acquire the Premises under the P & S Agreement and convey them (together with the Contract Rights) to Purchaser upon Purchaser's payment of the Purchase Price as provided in this Option Agreement. Optionor agrees to take all steps required to extend the date for closing under the P & S Agreement pursuant to the terms thereof upon written request of Purchaser. Optionor agrees that it will not amend, modify or waive any of the provisions of the P & S Agreement in any manner which would adversely affect Purchaser without the prior written consent of Purchaser.

4. **Notice of Exercise.** This Option may be exercised by Purchaser giving written notice to Optionor in person or by U. S. mail, fax or overnight delivery service prior to the expiration of the option term, at the address set forth above.

5. **Closing.** Closing shall occur at a date and time reasonably specified by Purchaser. Title shall be conveyed by Optionor by Quitclaim Deed with Covenant and any other assignment documents required, conveying good and marketable title to the Premises and Contract Rights free from all encumbrances and claims of others. Real estate taxes shall be prorated. Unless Purchaser shall waive a defect in title, Optionor shall make reasonable efforts to remove such defect in title. In case Optionor, after 45 days, or such greater period that Purchaser may permit, shall have failed to do so, Purchaser may elect to (a) terminate, in which case Optionor shall return the Option Price without further recourse to either party, or (b) waive such defect by notice in writing. In the event Purchaser exercises this Option and fails to close for reasons not attributable to default by Optionor, Optionor shall, as Optionor's sole remedy, be entitled to retain the Option Price as liquidated damages without further recourse. At Purchaser's election prior to closing, in Purchaser's sole discretion, the closing may occur by Purchaser receiving from Optionor an assignment of the P & S Agreement, Purchaser assuming all applicable obligations of Optionor under the P & S Agreement and Purchaser closing with the Present Owner pursuant to the P & S Agreement, except that Purchaser shall in no event be obligated to pay more than the Purchase Price provided in this Option Agreement.

6. **Failure to Exercise.** If Purchaser fails to exercise this Option, any payments made under this Option Agreement shall be retained by Optionor, and neither party shall have any further rights or claims against the other. The Purchaser may fail or refuse to exercise this Option for any reason whatsoever, including without limitation that the Purchaser determines, or is notified that, the Premises do not meet environmental requirements of the United States Department of Housing and Urban Development or other environmental requirements.

7. **Inspections.** Purchaser shall have reasonable access to the Premises to conduct such surveys, tests, and inspections as it may deem necessary during the Option term or after exercise of the Option, subject, however, to any restrictions on Optionor pursuant to the P & S Agreement. Purchaser shall provide reasonable notice to Optionor, shall enter at its sole risk and shall restore the premises substantially to its prior condition.

8. **Successors and Assigns.** This Agreement is binding upon and shall inure to the benefit of the parties hereto and their personal representatives, heirs, successors and assigns. This Agreement may be assigned by Purchaser.

9. **Environmental Condition.** In the event that Maine State Housing Authority, as the entity responsible for compliance with the environmental review rules of the U.S. Department of Housing and Urban Development under 24 C.F.R. Part 58, determines that the premises which are the subject of this Option Agreement are not suitable for their intended use as residential rental housing as a result of the completed environmental review pursuant to 24 C.F.R. Part 58, then, notwithstanding any other provision of this Option Agreement, the Purchaser shall have the right to terminate this Option Agreement.

IN WITNESS WHEREOF, the undersigned have executed this Option Agreement as of the day and year first above stated.

WITNESS:

**Szanton Monks Properties, LLC**

\_\_\_\_\_  
By: Nathan S. Szanton  
Its: Manager

**48 Hampshire Street, LP**

\_\_\_\_\_  
By: Cushman Hampshire, LLC  
Its: General Partner

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By: Nathan S. Szanton  
Its: Manager