CITY OF PORTLAND, MAINE · RESURGAM
Reviewed for Code Compliance
Inspections Division
Approved with Conditions
Date: 04/02/18

CONTRACT FOR THE SALE OF COMMERCIAL REAL ESTATE

RECEIVED from Hebert Development, LLC and/or assigns, whose mailing address is 9 Gould Rd, Lewiston, ME 04240 (hereinafter called "Purchaser"), this _____ day of July, 2017, the sum of [redacted] as earnest money deposit toward purchase of real estate located at 62 India Street in the City of Portland, County of Cumberland, State of Maine, described as follows: Unit 101 [redacted] of the Mason Block Condominium (the "premises" or "unit"), as described in the Public Offering Statement provided to Purchaser and being a portion of property described at said County's Registry of Deeds in Book 31458/32883, Page 109/140, upon the terms and conditions indicated below. The unit does not include any allocated interest in parking in the building or elsewhere.

1. PERSONAL PROPERTY: The following items of personal property are included in this sale (if applicable): NONE

2. PURCHASE PRICE: The total Purchase Price is [redacted] with payment to be made as follows:

   Earnest money deposit: [redacted]
   Balance due at closing, in cash or certified funds: [redacted]

3. EARNEST MONEY/ACCEPTANCE: Malone Commercial Brokers ("Escrow Agent") shall hold the earnest money in a non-interest bearing account and act as escrow agent until closing; this offer shall be valid until July __, 2017 at 5:00 (☐AM ☒ PM). In the event of Seller's non-acceptance of this offer, the earnest money shall be returned promptly to Purchaser.

4. TITLE: That a deed, conveying the premises in fee simple with good and marketable title in accordance with Standards of Title adopted by the Maine Bar Association shall be delivered to Purchaser and this transaction shall be closed and Purchaser shall pay the Purchase Price as provided herein and execute all necessary papers for the completion of the purchase within ten (10) business days following notification to Purchaser of the completion of Seller's Work as provided below. If Seller is unable to convey the premises in accordance with the provisions of this Contract, then Seller shall have a reasonable time period, not to exceed 30 days from the time Seller receives written notice of the defect, unless otherwise agreed to by both parties, to remedy the defect, after which time, if such defect is not corrected, Purchaser may within ten (10) business days thereafter, at Purchaser's option, withdraw said earnest money and neither party shall have any further obligation hereunder, or Purchaser may, at Purchaser's option, close notwithstanding such uncured defects as may then exist. Seller hereby agrees to make a good-faith effort to cure any legitimate defect identified by Purchaser. For the avoidance of doubt, Seller shall provide such certificates and affidavits as are customarily provided in commercial real estate transactions and shall further take such customary and reasonable actions as may be necessary for Purchaser to obtain title insurance for the premises without any exception for mechanics' or other liens. Purchaser shall have the right to terminate this Contract and receive a return of the deposit in the event the closing hereunder does not occur prior to July 1, 2018, other than by reason of breach on the part of Purchaser.

5. DEED: The premises shall be conveyed at closing by a Maine Short Form Deeds Act Quitclaim with Covenant Deed, and shall be free of any encumbrances (including liens and mortgages), except covenants, conditions, easements and restrictions identified in the Public Offering Statement and usual public utilities servicing the premises and applicable land use and building laws and regulations.

6. POSSESSION/OCCUPANCY: Possession/occupancy of premises shall be given to Purchaser immediately at closing.

7. RISK OF LOSS: Until transfer of title, the risk of loss or damage to said premises by fire or otherwise is assumed by Seller. If the premises are materially damaged or destroyed prior to closing and not repaired by Seller, Purchaser may terminate this Agreement and be refunded the earnest money deposit.

8. PRORATIONS: The following items shall be prorated as of the date of closing:
   a. Real Estate Taxes based on the municipality's tax year. Seller is responsible for any unpaid taxes for prior years.
   b. Metered utilities, such as electricity, natural gas, water and sewer, shall be paid by the Seller through the date of closing.
   c. Purchaser and Seller shall each pay one-half of the transfer tax as required by the laws of the State of Maine.
   d. Condominium dues assessed will be prorated at closing; Purchaser shall pay to the condominium association at closing working capital equal to two months' estimated condominium dues.

10. INSPECTIONS: Purchaser is advised to seek information from professionals regarding any specific issue of concern. Purchaser acknowledges receipt of disclosure form attached hereto. Neither Seller nor the Real Estate Licensees identified below make any representations or warranties regarding the condition, permitted use or value of Seller's real or personal property. This Contract is

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subject to the following inspections, with the results being satisfactory to Purchaser:

TYPE OF INSPECTION	YES	NO	RESULTS REPORTED	TYPE OF INSPECTION	YES	NO	RESULTS REPORTED
a. General Building	☐	☐	Within ____ days	i. Lead Paint	☐	☐	Within ____ days
b. Sewage Disposal	☐	☐	Within ____ days	j. Pests	☐	☐	Within ____ days
c. Water Quality	☐	☐	Within ____ days	k. ADA	☐	☐	Within ____ days
d. Radon Air Quality	☐	☐	Within ____ days	l. Wetlands	☐	☐	Within ____ days
e. Radon Water Quality	☐	☐	Within ____ days	m. Environmental Scan	☐	☐	Within ____ days
f. Asbestos Air Quality	☐	☐	Within ____ days	n. Zoning	☒	☐	Within 30 days
g. Code Conformance	☒	☐	Within 15 days	o. Insurance	☐	☐	Within ____ days
h. Flood Plain	☐	☐	Within ____ days	p. Other: Review of MEP design	☒	☐	Within 15 days of receipt of plans

The use of days is intended to mean from the Effective Date. All inspections will be done by inspectors chosen and paid for by Purchaser. If the result of any inspection or other condition specified herein is unsatisfactory to Purchaser, Purchaser may declare the Contract null and void by notifying Seller in writing within the specified number of days set forth above, and said earnest money shall be returned to Purchaser. If Purchaser does not notify Seller that an inspection is unsatisfactory within the time period set forth above, this contingency is waived by Purchaser. In the absence of inspection(s) mentioned above, Purchaser is relying completely upon Purchaser's own opinion as to the condition of the premises.

11. REVIEW OF PUBLIC OFFERING STATEMENT: Purchaser shall have 15 days from the Effective Date to review the Public Offering Statement for the Mason Block Condominiums, a copy of which has been provided to Purchaser. If the result of such review is unsatisfactory to Purchaser in its sole discretion, Purchaser may declare the Contract null and void by notifying the Seller in writing within the specified number of days set forth herein, and the earnest money shall be returned to Purchaser. If Purchaser does not notify Seller that the review is unsatisfactory within the time period set forth herein and Purchaser does not in writing upon request from Seller acknowledge waiver of Purchaser's right to terminate this Contract pursuant to Section 1604-107 of the Maine Condominium Act based on the review of the Public Offering Statement, then Seller may terminate this Contract and thereupon the earnest money deposit shall be returned to Purchaser.

12. AGENCY DISCLOSURE: Purchaser and Seller acknowledge that they have been informed that NA ("Transaction Broker") is acting as a transaction broker in this transaction and does not have a client relationship with either Purchaser or Seller; Mark Malone ("Selling Agent") is acting as a Purchaser's agent in this transaction and is representing the Purchaser and that Joe Malone/Jennifer Small ("Listing Agent") is acting as a Seller's agent in this transaction and is representing the Seller (Transaction Broker, Selling Agent and Listing Agent are referred to elsewhere herein as "Licensees").

13. DEFAULT: If Purchaser fails to perform any of the terms of this Contract or is otherwise in default of any of its obligations under this Contract, the sole remedy of Seller shall be declaring this Contract terminated and retaining the earnest money as full and complete liquidated damages. Upon any such termination, neither party shall be under any further obligation hereunder. Seller and Purchaser acknowledge that Seller's damages for Purchaser's default would be difficult to calculate and that the earnest money deposit is a reasonable estimate of such damages. In the event of an undisputed default by either party, the Escrow Agent may return the earnest money to Purchaser or Seller with written notice to both parties pursuant to Maine Real Estate Commission regulations. If a dispute arises between Purchaser and Seller as to the existence of a default hereunder and said dispute is not resolved by the parties within thirty (30) days, Escrow Agent may elect to file an action in interpleader and deposit the earnest money in the court to resolve said dispute, or otherwise disburse the earnest money pursuant to Maine Real Estate Commission regulations. Purchaser and Seller, jointly and severally, shall indemnify Escrow Agent for all costs, losses, expenses, and damages, including reasonable attorneys' fees, incurred by Escrow Agent in connection with said action and/or in connection with any dispute relating to this Contract and/or the earnest money deposit.

14. MEDIATION: Any dispute or claim arising out of or relating to this Contract or the premises addressed in this Contract shall be submitted to mediation in accordance with the Maine Residential Real Estate Mediation Rules of the Maine Association of Dispute Resolution Professionals or its successor organization. This clause shall survive the closing of this transaction.

15. PRIOR STATEMENTS: This Contract sets forth the entire agreement between the parties, and there are no other representations, agreements or understandings with respect to the subject matter of this Contract. This Contract shall be construed according to the laws of the State of Maine.

16. HEIRS/ASSIGNS: This Contract shall extend to and be obligatory upon heirs, personal representatives, successors, and assigns of the respective parties.

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17. COUNTERPARTS: This Contract may be signed on any number of identical counterparts, including telefax copies, with the same binding effect as if all of the signatures were on one instrument.

18. EFFECTIVE DATE: This Contract is a binding contract when signed by both Seller and Purchaser and when that fact has been communicated to all parties or to their agents. Time is of the essence of this Contract. Seller or Transaction Broker is given permission by the parties to complete the Effective Date blank below with the date of the last signature of the parties, and that date shall be the Effective Date for all purposes under this Contract, and if that blank is not completed, then the Effective Date shall be the date of the last signature of the parties. Notices required or contemplated by this Contract may be properly given by electronic mail to the parties' respective brokers identified above. A copy of any notice to Purchaser shall be provided to Michael L. Sheehan, Esq. by email at msheehan@preti.com and a copy of any notice to Seller shall be provided to Tom Hanson at thanson@bernsteinshur.com.

19. OTHER TERMS:
A. The Seller shall provide the unit in the following condition ("Seller's Work"):

- Electrical panel centrally located (not distributed)
- Sheet rock ceiling
- Stubbed HVAC (not distributed), which consists of Trane commercial split systems with remote AC Condensers and Ultra Efficient gas furnaces
- Installed sprinkler system to meet life safety codes
- Demising wall between the abutting unit to be 1-hr fire rated 6" sound wall
- ~~Poured concrete floor in the unit~~ Stone with vapor barrier ready for concrete
- Seller shall provide Purchaser a full set of construction plans and specifications for the unit (including mechanical, electrical and design/build) and Purchaser shall have 15 calendar days from receipt (as specified in Paragraph 10 p above) for review. If the result of the review is unsatisfactory to Purchaser in its sole discretion, Purchaser may declare the Contract null and void by notifying the Seller in writing within the specified number of days set forth herein, and the earnest money deposit shall be returned to Purchaser.
- Seller shall cause construction of the unit to be done in material compliance with the plans and specifications referenced on Exhibit A attached hereto and the subsequently approved MEP plans and specifications and in a good and workmanlike manner using new materials.
- If it so desires, Purchaser shall have access to the unit prior to the closing for purposes of performing Purchaser's desired improvements to the unit (including the work required for the certificate of occupancy). Any such entry shall be coordinated with Seller and conducted in such a manner as to minimize any interference with Seller's other work in the unit or with respect to the building generally.

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B. Purchaser acknowledges that the closing will occur prior to the issuance of a certificate of occupancy for the unit and that issuance of the certificate of occupancy will require Purchaser to complete construction to the unit. Seller shall covenant and agree with Purchaser at closing that Seller shall complete all work to the building common elements necessary for the issuance of a certificate of occupancy for the unit prior to July 1, 2018.

C. Purchaser hereby agrees to reduce the limitations/claims period from 6 years to 2 years for any express or implied warranty claims under the Maine Condominium Act with respect to the unit or the common elements. Purchaser shall confirm such agreement in writing to Seller at closing by signing Seller's standard limited warranty certificate.

20. Seller and Purchaser acknowledge receipt of the Maine Real Estate Brokerage Relationships Form.

21. ADDENDA: This contract has addenda containing additional terms and conditions: Yes ☐ No ☒.

22. **The parties agree that none of the above are collateral agreements. It is the intent of the parties that except as expressly**

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set forth in this Contract, all covenants, representations, statements and obligations of both parties herein shall not survive closing.

A COPY OF THIS CONTRACT IS TO BE RECEIVED BY ALL PARTIES AND, BY SIGNATURE, RECEIPT OF A COPY IS HEREBY ACKNOWLEDGED. IF NOT FULLY UNDERSTOOD, CONSULT AN ATTORNEY.

Seller acknowledges that the laws of the State of Maine provide that every buyer of real property located in Maine must withhold a withholding tax equal to 2½% of the consideration unless Seller furnishes to Purchaser a certificate by the Seller stating, under penalty of perjury, that Seller is a resident of Maine or the transfer is otherwise exempt from withholding.

Purchaser: Hebert Development, LLC

Signed on July 31 2017

By: Timothy R. Hebert
signature

Timothy R. Hebert
Print Name and Title, duly authorized

Seller accepts and agrees to the terms and conditions set forth in this Contract and agrees to pay the Licensees the commission for services according to the terms of the listing agreement or if there is no listing agreement, the sum of 6% of the purchase price. In the event the earnest money is forfeited by Purchaser, it shall be evenly distributed between (1) Licensees and (2) Seller; provided, however, that the Licensees' portion shall not exceed the full amount of the commission specified.

Signed this 3 day of ~~June~~ Aug, 2017.

Seller: India Newbury Residences LLC

By: _____
Gordon Reger, its duly authorized Manager

Signed on ~~July~~ August 4, 2017

Escrow Agent: Malone Commercial Brokers

By: _____
Joe Malone, its duly authorized Principal

EFFECTIVE DATE OF CONTRACT ("Effective Date"): ~~July ____, 2017~~ August 3, 2017

 Purchaser's Initials trh Seller's Initials _____
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