

## CONTRACTOR'S CONSENT

The undersigned **LANDRY/FRENCH CONSTRUCTION COMPANY**, 160 Pleasant Hill Road, Scarborough, Maine 04074 ("Contractor") acknowledges that **KATAHDIN TRUST COMPANY** ("Lender") will be making a construction loan in the aggregate principal amount of \$8,000,000.00 (the "Loan") to **SCHLOTTERBECK BLOCK, LLC**, a Maine limited liability company with a mailing address of 104 Grant Street, Portland, Maine 04101 ("Owner"), for the construction of renovations to property formerly known as the Schlotterbeck - Foss Building located at 117-119 Preble Street and 195 Lancaster Street, Portland, Maine to create a 55 unit rental housing project with commercial space (the "Project"), pursuant to that certain Construction Loan Agreement and related lending documents and loan agreements (the "Loan Agreements") of near or even date between Lender and Owner. The Loan will be secured by, among other things, a Mortgage, Security Agreement, Assignment of Rights and Financing Statement (the "Security Deed") from Owner to Lender.

The construction of the Project is to be performed by Contractor pursuant to that certain construction management agreement (the "Construction Contract"), dated January \_\_\_\_, 2016 between Owner and Contractor. To further secure the Loans and the obligations of Owner to Lender under the Loan Agreements, the Owner has assigned all of its right, title and interest in and to the Construction Contract to Lender pursuant to that certain Assignment of Construction Contract and the Assignment of Project Documents (the "Assignment") by Owner in favor of Lender.

As an inducement to Lender to make the Loans to Owner, Contractor agrees with Lender as follows:

1. Consent, Assignment and Subordination. Contractor consents to the Assignment, and agrees to recognize, honor and be bound by the terms, provisions and conditions of the Assignment.
  
2. Notice of Default. Should any default by Owner arise under the Construction Contract, whether in making any required payment or in performing any other obligation under the Construction Contract, then Contractor shall give prompt written notice thereof to Lender.
  
3. Option to Cure. Subject to the Contractor's compliance with the Construction Contract, which shall remain in full force and effect, and unless and until the notice referenced in Section 2 above is given to Lender and for a period thirty (30) days thereafter, Contractor shall not exercise any of its rights or remedies against Owner under the Construction Contract (including the right to terminate the Construction Contract or to stop work thereunder). After such notice is given and for a period of thirty (30) days thereafter, Lender may, at its option, cure any such default by Owner, and, if so cured during such thirty (30) day period, Contractor shall continue performance under the Construction Contract.

Upon receipt by Contractor of written notice from Lender stating that (a) Owner is in default under the Loan Agreements or any other agreement, document or instrument evidencing, securing or otherwise relating to the Loan, and (b) Lender is electing to exercise its rights under the Assignment to replace Owner as "owner" under the Construction Contract, then Contractor shall continue performance on Lender's behalf under the Construction Contract in accordance with the terms thereof, regardless of any default by Owner under the Construction Contract, so long as Lender compensates Contractor as provided in the Construction Contract including payment of any undisputed past due amounts due and payable under the Construction Contract prior to Lender's exercising its rights of Assignment. Except as provided herein, Except as modified herein, Lender shall not be deemed by virtue of the Assignment or any action taken thereunder to have assumed any obligations of Owner under the Construction Contract accruing prior Contractor's receipt of such notice, nor will Lender incur any liability of any kind to Contractor under the Construction Contract by reason of any breach of such obligations by Owner..

4. Use of Construction Plans Etc. Whether or not Lender elects to exercise its rights under the Assignment to replace Owner as "owner" under the Construction Contract or to continue the employment of Contractor, if Owner is in default under the Loan Agreements or other loan documents, Lender shall thereafter have the absolute right to use, copy and modify all plans, specifications, drawings, renderings, models and other materials prepared by or for Contractor in connection with the design or construction of the Project, without charge, cost or expense to Lender, to complete the construction of the Project.

5. Changes. Contractor shall not perform work under any change order or construction change directive that shall increase the contract cost in excess of the cumulative sum of \$100,000 or \$25,000 per individual change order or change directive without unless prior written approval by Lender. .

Contractor shall not enter into any agreement to amend, or modify the Construction Contract which will materially change the overall design concept, or without the prior written approval of Lender. In addition, Contractor will not enter into any agreement to change any of the historic features of the design of the Project, including windows or interior stairs, without evidence that such changes have been approved by the appropriate federal and state authorities governing the historic tax credit rehabilitation of the Project.

6. Lien Waivers. Contractor shall utilize the form of Lien Waivers attached hereto as Exhibit A and shall complete the applicable lien waiver for each construction requisition.

7. Assignment. Lender may assign its rights under the Assignment and the Construction Contract, and the rights and obligations of such assignee and Contractor shall be the same as provided herein as to Lender and Contractor.

8. Effect on Construction Contract. The Assignment and this Consent shall not be deemed to release or affect in any way the obligations of Owner to Contractor under the Construction Contract. Contractor hereby consents to the exercise by Lender of its rights under the Assignment by Owner and the enforcement thereof by Lender.

9. Lender's Role. Nothing herein shall be construed to impose upon Lender any duty to oversee, assure or verify the application of the proceeds of the Loan in connection with the Construction Contract. Contractor acknowledges that Lender is obligated under the Loan Agreements only to Owner and to no other person or entity. Contractor is executing this Consent to induce Lender to advance funds under the Loan Agreements and Contractor understands that Lender would not do so but for Contractor's execution and delivery of this Consent.

10. Notice. Notices to be given hereunder shall be sufficiently given if in writing and delivered in person or sent by overnight courier or sent by United States certified mail, return receipt requested, postage prepaid to the party being given such notice at the following addresses or at such other address as the party to be notified shall have provided the other parties in writing, the date of receipt of mailed notices being deemed the date of receipt:

Contractor: Landry/French Construction Company  
160 Pleasant Hill Road  
Scarborough, ME 04074

Owner: Schlotterbeck Block LLC  
104 Grant Street  
Portland, Maine 04101  
Attn: Thomas E. Watson, Manager

Lender: Katahdin Trust Company  
144 U.S. Route One  
Scarborough, Maine 04074  
Attn: Aaron Cannan, Senior Vice President

Executed on \_\_\_\_\_, 2016.

LANDRY/FRENCH CONSTRUCTION  
COMPANY

\_\_\_\_\_  
Witness

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

Its:

**EXHIBIT A  
INTERIM LIEN WAIVER AND CERTIFICATE**

Project Name: Schlotterbeck Block  
Location: 117-119 Preble Street, Portland, Maine  
Owner: Schlotterbeck Block LLC

For valuable consideration, receipt of which is hereby acknowledged in the amount of \_\_\_\_\_ DOLLARS (\$\_\_\_\_\_), the undersigned hereby waives, releases, and discharges all liens and claims of liens that the undersigned has as a result of all labor, services, and materials furnished to the property described above through the cut-off date of \_\_\_\_\_, 201\_\_.

Further, the undersigned hereby covenants and represents that all of the subcontractors, suppliers, mechanics, and laborers engaged by the undersigned have been paid in full less proper retainages, if any, to be paid from the payment referenced above, or shall be promptly paid from the proceeds of this current payment for work done and/or materials furnished to said property in accordance with applicable subcontract or supplier contracts. The undersigned hereby agrees to indemnify, defend and hold the owner, Katahdin Trust Company and the title insurer harmless from payment claims and lien claims based upon work done and/or materials furnished in connection with this construction by the undersigned's subcontractors, materialmen and suppliers through the cut-off date shown above.

IN WITNESS WHEREOF, the undersigned has executed this waiver on \_\_\_\_\_, 201\_\_.

WITNESS:

Name of Contractor or Supplier:

\_\_\_\_\_  
Witness

By: \_\_\_\_\_  
Its:

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_, ss.

Date:

Subscribed and sworn to before me,

\_\_\_\_\_  
Notary Public/Attorney-at-Law

Print Name: \_\_\_\_\_  
Commission Expires: \_\_\_\_\_

**EXHIBIT A  
FINAL LIEN WAIVER AND CERTIFICATE**

Project Name: Schlotterbeck Block  
Location: 117-119 Preble Street, Portland, Maine  
Owner: Schlotterbeck Block LLC

For valuable consideration, receipt of which is hereby acknowledged in the amount of

\_\_\_\_\_ DOLLARS (\$\_\_\_\_\_) which represents the aggregate final payment due and payable to the contractor for services rendered, work performed, and/or materials furnished in connection with the above-referenced project, the undersigned hereby waives, releases, and discharges all liens and claims of liens that the undersigned has as a result of all labor, services, and materials furnished to the property described above.

Further, the undersigned hereby covenants and represents that all of the subcontractors, suppliers, mechanics, and laborers engaged by the undersigned have been paid in full less proper retainages, if any, and that any outstanding amounts owing to such subcontractors, suppliers, mechanics and labors engaged by the undersigned shall be promptly paid in full from the proceeds of this current payment for all work done and/or materials furnished to said property through the date shown above. The undersigned hereby agrees to indemnify, defend and hold the owner, Katahdin Trust Company and the title insurer harmless from payment claims and lien claims based upon work done and/or materials furnished in connection with this construction by the undersigned and his subcontractors, materialmen and suppliers.

IN WITNESS WHEREOF, the undersigned has executed this waiver on \_\_\_\_\_, 201\_\_.

WITNESS:

Name of Contractor or Supplier:

\_\_\_\_\_  
Witness

By: \_\_\_\_\_  
Its:

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_, ss.

Date:

Subscribed and sworn to before me,

\_\_\_\_\_  
Notary Public/Attorney-at-Law  
Print Name: \_\_\_\_\_  
My Commission Expires: \_\_\_\_\_