

PURCHASE AND SALE AGREEMENT

This Purchase and Sale Agreement ("Agreement") is made and entered into as of this 8<sup>TH</sup> day of July 2016 (the "Effective Date"), by and between Milliken Smith Block, LLC, a Maine limited liability company with a mailing address of c/o William M. Moody Jr., 5 High Street, Yarmouth, ME., 04096 ("Seller") and Deering Property Development LLC, a Maine limited liability company with a mailing address of 2730 Transit Road, West Seneca, New York 14224 Attn: Gordon Reger ("Buyer").

In consideration of the mutual covenants and promises hereinafter set forth, Seller and Buyer agree as follows:

1. PREMISES. Seller agrees to sell and Buyer agrees to purchase, on the terms and conditions contained in this Agreement, the approximately 110,000 square foot parcel of land located at or near 383 Commercial Street in Portland, Cumberland County, Maine, and bounded by Commercial Street, High Street, York Street, and Maple Street, and all other improvements remaining thereon on the date of Closing and all rights and easements appurtenant thereto (together, the "Premises"). The Premises is approximately depicted on Exhibit A attached hereto and shown on Tax Map 42, Block A as Lot 1. The Premises does not include the building currently occupied by the Charter School and related land located on the northwest corner of the block described above and depicted on Tax Map 42, Block A as Lot 7, and the related 15-foot wide passageway depicted on Tax Map 42, Block A as Lot 8 (together, the "Charter School Property"). The Premises does not include the lumber business currently operated on the Premises by Rufus Deering Lumber Company ("RDC") pursuant to a lease by and between Seller and RDC (the "RDC Lease").

2. PURCHASE PRICE Subject to any adjustments and prorations hereinafter described, the purchase price for the Premises shall be [REDACTED] Dollars per square foot of land area in the Premises, which would be [REDACTED] (\$ [REDACTED]) based on the estimated land area of 110,000 square feet, to be paid by immediately-available funds at the Closing. The actual purchase price paid by Buyer at Closing shall be calculated using the foregoing price per square foot and the actual land area of the Premises as determined according to an ALTA/NSPS survey of the Premises performed by a reputable surveyor, which Buyer agrees to obtain at Buyer's expense.

*Handwritten signature and date: 8/1-6-16*

Promptly upon full execution of this Agreement, Buyer shall deliver to Malone Commercial ("Escrow Agent"), an earnest money deposit (the "Deposit") in the amount of [REDACTED] U.S. Dollars (\$ [REDACTED]), as security for Buyer's performance under this Agreement. The Deposit shall be held in escrow by Escrow Agent pursuant to this Agreement. Upon the expiration of the initial 60-day Inspection Contingency Period, unless Buyer has terminated this Agreement, the Deposit shall become non-refundable.

If Buyer has not terminated this Agreement by the expiration of the Inspection Contingency Period and not terminated this agreement pursuant to Buyer's Approvals Contingency in Paragraph 6 below, Buyer shall make the following monthly payments, all of which payments shall be nonrefundable (except in the event of a Seller default) and included in the definition of Deposit:

(a) Beginning on or before ninety (90) days from the Effective Date and continuing on or before the first day of each month until [REDACTED] Buyer shall deliver to Escrow Agent [REDACTED] Dollars (\$ [REDACTED]) per month, prorated for any portion of a month.

(b) Beginning [REDACTED], and continuing on or before the first day of each month until [REDACTED] Buyer shall deliver to Escrow Agent [REDACTED] Dollars (\$ [REDACTED]) per month, prorated for any portion of a month.

(c) Beginning [REDACTED], and continuing on or before the first day of each month until the Approvals Contingency Period Expiration, Buyer shall deliver to Escrow Agent [REDACTED] Dollars (\$ [REDACTED]) per month, prorated for any portion of a month.

Buyer shall not be in default of this Agreement for failure to make any of the Deposit payments above unless and until Buyer fails to make such payment within seven (7) days of when due. All of the Deposit shall be credited towards the purchase price at the Closing or otherwise disbursed in accordance with this Agreement.

3. TITLE. Seller shall convey the Premises to Buyer at the Closing in fee simple, subject to the Permitted Encumbrances (as defined below), but free and clear of all liens, except for liens for real estate taxes not yet due and payable. Seller may, at the time of delivery of the deed, use the purchase proceeds or any portion thereof to clear the title of liens and encumbrances that are not Permitted Encumbrances, including without limitation consideration for the early termination of the RDC lease, provided that all instruments so procured are delivered simultaneously with the delivery of the deed.

Within sixty (60) days of the Effective Date (the "Title Review Period"), Buyer shall notify Seller in

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writing (the "Title Objection Notice") of matters of record at the Cumberland County Registry of Deeds adversely affecting title to the Premises that are objectionable to Buyer in Buyer's sole discretion ("Title Defects"). Buyer shall be deemed to have waived the right to object to any matter affecting title as of the Effective Date, excluding any mortgage, tax lien, mechanics' lien, judgment lien, or other liens encumbering the Premises (for which no title objection is required), if Buyer fails to specifically identify such matters in the Title Objection Notice (each matter not objected to being a "Permitted Encumbrance"). The RDC Lease shall not be a Permitted Encumbrance. Seller shall use good faith efforts to cure such Title Defects and shall have a period of not more than sixty (60) days after Seller's receipt of the Title Objection Notice within which to cure any such Title Defects (the "Title Cure Period"). Seller agrees that after the Effective Date, it shall not permit or suffer encumbrance of the Premises with any liens, easements, leases, or other encumbrances. On or before the Closing, Seller shall remove at its sole cost any matters affecting the title to the Premises suffered or created by or consented to by Seller, whether voluntarily or involuntarily, after the Effective Date that are not approved in writing by Buyer. If Seller fails to cure any Title Defects within the Title Cure Period, then Buyer shall elect, by written notice to Seller on or before ten (10) days from the expiration of the Title Cure Period, either (i) to accept title to the Premises subject to such uncured Title Defects without reduction of the purchase price and without any liability on the part of Seller therefor, in which case such Title Defects shall be Permitted Encumbrances, or (ii) to terminate this Agreement, whereupon the Deposit immediately shall be returned to Buyer and neither party shall have any further obligations under this Agreement, except for provisions that expressly survive termination. In the event that Buyer does not timely elect either option (i) or (ii) above, Buyer shall be deemed to have elected option (i).

4. BUYER'S INSPECTION AND INVESTIGATIONS CONTINGENCY. Buyer or its agents may enter onto the Premises at any time after the date of this Agreement until the Closing, subject to compliance with the conditions below in this paragraph 4, in order to conduct surveys, engineering studies, soil studies, and such other investigations of the Premises as Buyer elects. Following the exercise of any of Buyer's inspection rights hereunder, Buyer promptly shall use reasonable efforts to restore any portion of the Premises disturbed to its condition prior to disturbance. Buyer shall indemnify and hold Seller harmless for all claims, damages, causes of action, judgments, penalties, fines, costs and expenses, including without limitation attorneys', paralegals' and expert witnesses' fees and court costs, incurred by Seller in connection with the exercise by Buyer or its employees, agents, or contractors, of the investigation and inspection rights contained in this paragraph except for pre-existing conditions and matters

resulting from Seller's negligence, which indemnity shall survive the Closing or any termination of this Agreement. Buyer also intends to investigate the zoning and other land use restrictions on the Premises, which investigations may include discussions with City of Portland officials, and investigate the feasibility of development of the Premises. In the event that Buyer is not satisfied with any of Buyer's inspections or other investigations of the Premises or the potential development of the Premises, in Buyer's sole discretion, Buyer shall so notify Seller in writing (which notice does not have to set forth the reasons for termination) within [REDACTED] days from the Effective Date (the "Inspection Contingency Period"), whereupon this Agreement shall automatically terminate, and the Deposit promptly shall be returned to Buyer, and thereafter, neither party shall have any further obligations under this Agreement, except for indemnities and other provisions that expressly survive termination. In the event that Buyer does not terminate this Agreement by the expiration of the Inspection Contingency Period, Buyer shall be deemed to have waived the foregoing inspection contingency. In the event that Buyer terminates this Agreement pursuant to this Section 4, Buyer shall deliver to Seller simultaneously with such termination notice copies of all reports, studies, plans, surveys, title insurance commitments, and other matters prepared by or for Buyer in connection with its inspections and investigations.

Buyer shall coordinate all due diligence that requires physical inspection or investigation on the Premises with Seller and have such on-site work performed when RDC is not open to the public and only after Seller approves by email the scope, time, and manner of any physical inspection or investigation on the Property, such approval not to be unreasonably withheld, conditioned, or delayed. All of Buyer's due diligence reports relating to the Premises will be owned by Buyer. Buyer shall have such reports certified to Seller, or provide Seller with a reliance letter from the consultant producing such reports, and deliver copies of such reports to Seller, all to the end that Seller may rely on such reports in the event that Buyer does not proceed with the purchase of the Premises. Seller shall not use or disclose the contents of any such report unless the Agreement is terminated or the Closing otherwise fails to occur. Buyer shall obtain from those due diligence consultants conducting on-site investigations confidentiality agreements reasonably satisfactory to Seller, for the benefit of Seller and RDC, the parties acknowledging that RDC's business could be adversely impacted if the potential sale of the Premises became known to RDC's employees or the public.

5. SELLER DELIVERABLES. Within five (5) days of the Effective Date, Seller shall deliver to Buyer the following: (i) a copy of any surveys and plans of the Premises; (ii) any Phase I or Phase II Environmental

Site Assessments; (iii) copies of any soils engineering reports, all to the extent such items are in Seller's possession or control that are in effect on the date of this Agreement (together, the "Seller Deliverables"). For purposes of this paragraph, "control" means in the possession of a person who Seller has contractually engaged to provide services to Seller. Buyer acknowledges and agrees that (a) the Seller Deliverables are being provided by Seller to Buyer as a courtesy, and therefore, Seller makes no representation or warranty regarding the accuracy and/or completeness of the Seller Deliverables, and (b) Buyer and any person to whom Buyer provides the Seller Deliverables shall rely on the same at their own risk.

Buyer agrees, acknowledges and represents that except as specifically set forth in this Agreement, Buyer is entering into this Agreement and shall perform all of its obligations hereunder and consummate the transaction contemplated by this Agreement solely in reliance on and as a result of Buyer's own investigations and efforts (including Buyer's inspection of the Premises and such other investigations, examinations and inspections as Buyer has chosen to make or has made) and at Buyer's sole risk, cost and expense, including, without limitation, the risk that Buyer's inspection of the Premises and such other investigations, examinations and inspections may not reveal any or all adverse or existing conditions, aspects or attributes of the Premises. Buyer acknowledges that Seller has afforded, and, during the Inspection Contingency Period, shall afford, Buyer the opportunity for full and complete investigation, examination and inspection of the Land. Buyer acknowledges that this paragraph was a negotiated part of this Agreement and serves as an essential component of consideration for the same. Without limiting the generality of the foregoing, the parties specifically acknowledge that Buyer has had, and, during the Inspection Contingency Period shall have, an opportunity to fully inspect the Premises, including, but not limited to, the physical condition of the Premises (including all environmental concerns), and the purchase price has been negotiated to eliminate all claims except those arising under representations, warranties or agreements contained in this Agreement, whether known or unknown, relating to the condition of the Premises as of the date of this Agreement and all aspects and attributes thereof, including, without limitation, all environmental matters. Buyer acknowledges and agrees that Seller has made and shall make no representation or warranty with respect to the Premises, except as expressly set forth in this Agreement. The Premises shall be sold and conveyed "AS IS, WHERE IS" without representation or warranty of any kind except as otherwise explicitly set forth herein.

6. BUYER APPROVALS CONTINGENCY. Buyer's obligation to close on the purchase of the

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Premises shall be conditioned upon Buyer's receipt of all necessary, final and unappealable, land-use approvals (the "Approvals") for Buyer's intended development of the Premises (the "Development") by [REDACTED]. Buyer shall notify Seller of the Approvals required for the Development by [REDACTED], which notification shall include Buyer's estimate of the milestone dates to obtain the Approvals. In the event that Buyer is unable to obtain the Approvals by [REDACTED], Buyer's approvals contingency deadline automatically shall be extended to [REDACTED], provided that Buyer continues to make good faith effort to obtain the Approvals. In the event that Buyer is unable to obtain the Approvals (or Buyer's earlier determines in its sole discretion that the Approvals are unlikely to be obtained) by [REDACTED] or [REDACTED], if the Approvals deadline is extended as provided above (as such date is determined, the "Approvals Contingency Expiration"), Buyer shall so notify Seller in writing on or before the Approvals Contingency Expiration whereupon this Agreement shall automatically terminate, and the Deposit shall be delivered by Escrow Agent to Seller and thereafter neither party shall have any further obligations under this Agreement, except for indemnities and other provisions that expressly survive termination. Seller agrees to cooperate with Buyer is applying for and seeking any Approvals, such cooperation to include joining as the land owner in any applications for Approvals, provided that Seller shall not be obligated to incur any material out-of-pocket expense to provide such cooperation.

7. CLOSING: DEED. The closing shall take place on the business day that is closest to sixty (60) days from the Approvals Contingency Expiration at 10:00 a.m., at the offices of Bernstein Shur, 100 Middle Street, Portland, Maine, or at such other time and place as Seller and Buyer may mutually agree upon in writing (as determined, the "Closing"). At the Closing, Seller shall execute and deliver to Buyer, or Buyer's nominee, against payment of the balance of the purchase price, a Quitclaim Deed with Covenant for the Premises in accordance with the Short Form Deeds Act, 33 M.R.S.A. 761 et seq. (the "Deed"). Seller also shall execute and deliver to Buyer at the Closing the following: a customary and reasonable title insurance Seller's Affidavit regarding persons in possession and mechanics' liens; a 1099-S data form, a FIRPTA affidavit; REW-3; W-9 form; an underground storage tank affidavit to comply with 38 M.R.S.A. § 563(6); evidence of Seller's existence and authority to satisfy the customary seller authority requirements for issuance of an owner's title insurance policy; a real estate transfer tax declaration of value form; and a settlement statement.

8. REPRESENTATIONS.

(a) Except as actually known to Buyer prior to Closing as a result of Buyer's investigations of the

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Land, Seller represents and warrants to Buyer as follows, which representations and warranties, and the restatement thereof at Closing, shall survive Closing for a period of one (1) year:

(i) Seller has the legal right, power and authority to enter into this Agreement and to perform all of its obligations hereunder, and the execution and delivery of this Agreement and the performance by Seller of its obligations hereunder will not conflict with, or result in breach of any regulation, order, judgment, injunction or decree of any court or governmental authority or any agreement or instrument to which Seller is a party or by which it is bound.

(ii) There are no tenancies, occupancies or licenses affecting the Premises, except for the RDC Lease.

(b) Buyer has the legal right, power and authority to enter into this Agreement and to perform all of its obligations hereunder, and the execution and delivery of this Agreement and the performance by Buyer of its obligations hereunder will not conflict with, or result in breach of any regulation, order, judgment, injunction or decree of any court or governmental authority or any agreement or instrument to which Buyer is a party or by which it is bound.

9. AFFIRMATIVE COVENANTS OF SELLER. Seller agrees, pending closing, that:

(a) Seller shall pay, when due, all taxes and assessments of every type or nature levied or assessed against the Premises and any valid lien against the Premises.

(b) Seller (i) shall not commit or suffer waste and (ii) shall materially comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting the Premises and will not suffer or permit any material violation thereof.

10. ADJUSTMENTS, PRORATIONS AND CLOSING COSTS.

(a) Real estate taxes and municipal assessments shall be prorated as of the Closing on the basis of the latest available tax bill.

(b) The Maine real estate transfer tax shall be paid equally by Seller and Buyer in accordance with 36 M.R.S.A. Section 4641-A.

(c) The recording fee for the deed of conveyance and any expenses related to any financing for Buyer in connection with the purchase of the Premises shall be paid by Buyer.

*Handwritten signature and date: 11-6-12*

(d) A portion of the purchase price shall be withheld at the Closing by Buyer if required by 36 M.R.S.A. § 5250-A.

11. POSSESSION. Seller shall deliver possession of the Premises to Buyer at the Closing, free of all leases, tenancies or occupancies, including without limitation the RDC Lease. Seller or RDC may remove from the Premises any and all equipment, fixtures and improvements provide that no debris or waste therefrom remains on the Premises and none of RDC's hazardous, toxic, or special materials inventory or wastes remain on the Premises. RDC shall have the right to occupy the Premises for the operation of its business until the Closing.

12. DEFAULT; REMEDIES. In the event that Buyer fails to close hereunder for a reason other than the default of Seller, Seller may terminate this Agreement by written notice to Buyer and thereupon Seller shall be entitled to the Deposit as Seller's sole and exclusive remedy for Buyer's breach, and Escrow Agent shall be authorized to disburse the Deposit to Seller. Seller and Buyer acknowledge and agree that the damages for Buyer's breach of this Agreement are difficult to calculate and that the Deposit is a reasonable estimate of such damages. In the event that Seller breaches this Agreement for a reason other than the default of Buyer, Buyer shall be entitled to either (i) terminate this Agreement by written notice to the Seller, in which case Buyer shall be entitled to a return of the Deposit and Escrow Agent shall be authorized to disburse the Deposit to Buyer or (ii) pursue the remedy of specific performance. In the event of litigation regarding breach of this Agreement by either party, the party who obtains a final, un-appealable judgment in its favor shall be entitled to collect its reasonable attorneys' and paralegals' fees and court costs from the other party.

13. BROKERAGE/ESCROW AGENT. Seller and Buyer each represent to the other that they have not dealt or had contact with any broker in connection with this transaction other than Malone Commercial. Seller shall pay Malone Commercial a commission equal to [REDACTED] of the purchase price at the Closing, and Buyer shall pay Malone Commercial a commission equal to [REDACTED] of the purchase price at the Closing.

14. MISCELLANEOUS.

(a) Time. Time is of the essence hereof.

(b) Notices. Except as expressly provided to the contrary in this Agreement, all notices,

*Handwritten signature and date: 11-6-16*



demands and other communications hereunder shall be in writing and shall be given by electronic mail: if to Seller:

William Moody ([REDACTED]) and Mike Pearce (mpearce@pearcedow.com), and if to Buyer: Gordon Reger ([REDACTED]) and Tom Hanson (thanson@bssn.com), with a copy of such notice to Seller or Buyer at their addresses set forth in the preamble to this Agreement sent by certified mail, return receipt requested. Notices and communications of any kind shall never be sent to Bill Moody or anyone else at RDC or care of the RDC address. All notices shall be deemed to have been duly given if the electronic mail time stamp is prior to the expiration date and time specified herein. Attorneys are authorized to give notices on behalf of their clients. Either party may change the notice electronic mail addresses and certified mail notice addresses for purposes of this subparagraph by giving the other party notice of the new address in the manner described herein.

(c) Assignment. Buyer's rights under this Agreement may not be assigned without Seller's prior written approval, which approval shall be conditioned on Seller being satisfied that Buyer's assignee has in Seller's opinion the financial ability to acquire the Premises; notwithstanding the foregoing, Buyer may assign this Agreement to any entity of which Reger Holdings, LLC or Gordon Reger or his family or some combination thereof are the controlling principals without Seller consent, but with notice to the Seller. Buyer shall remain liable under this Agreement notwithstanding any such assignment. This Agreement will inure to the benefit of and bind the respective successors and assigns of Seller and Buyer.

(d) 1031 Exchange. Seller may elect to perform an IRC §1031 tax deferred exchange. Buyer agrees to cooperate in such an exchange and to sign the documents customarily used in such an exchange, provided that such documents do not modify the terms and conditions of this Agreement or impose additional liabilities or obligations on Buyer.

(e) Entire Agreement. This Agreement constitutes the entire agreement between Seller and Buyer with respect to the sale of the Premises, and there are no representations, warranties, agreements or understandings between the parties except as set forth herein.

(f) Construction. This Agreement shall be governed by and construed in accordance with the laws of Maine, without taking into account choice of law principles. If any provision of this Agreement is determined to be invalid or unenforceable, it shall not affect the validity or enforcement of the remaining provisions hereof.

(g) Confidentiality. Seller, Buyer and Escrow Agent agree not to disclose the terms, conditions or existence of this Agreement to any persons except lawyers, accountants, financial advisors, lenders,

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appraisers, and consultants to the parties. The terms and conditions of a certain Confidentiality Agreement by and between Seller, RDC, Reger Holdings, LLC and Gordon Reger dated May 27, 2016 (the "CA"), are incorporated by reference. It shall not be a breach of this provision or the CA for Seller or its consultants to discuss the development of the Premises with City of Portland officials or to submit applications for Approvals to the City of Portland pursuant to Buyer's Approvals Contingency.

(h) Counterpart Execution. This Agreement may be executed in one or more counterpart signatures, and together the signed counterparts shall be deemed to be a fully-executed contract.

IN WITNESS WHEREOF, Seller and Buyer have executed this Agreement as of the date first above written.

WITNESS:

**Seller: Milliken Smith Bock, LLC**

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By: \_\_\_\_\_  
William Moody  
Its duly-authorized Manager

**Buyer: Deering Property Development LLC**

*Edith M. Bluhm*

By: \_\_\_\_\_  
Gordon Reger  
Its duly-authorized Manager

**Malone Commercial Brokers as Escrow Agent**

By: \_\_\_\_\_  
Joseph Malone

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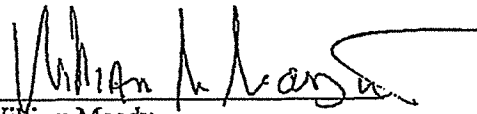
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By:   
\_\_\_\_\_  
William Moody  
Its duly-authorized Manager

**Buyer: Deering Property Development LLC**

\_\_\_\_\_

By: \_\_\_\_\_  
Gordon Reger  
Its duly-authorized Manager

**Malone Commercial Brokers as Escrow Agent**

By: \_\_\_\_\_  
Joseph Malone

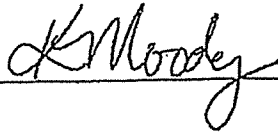
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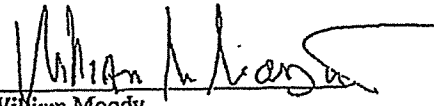
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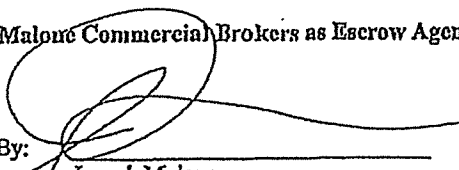
By:   
William Moody  
Its duly-authorized Manager

**Buyer: Deering Property Development LLC**

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By: \_\_\_\_\_  
Gordon Reger  
Its duly-authorized Manager

**Malone Commercial Brokers as Escrow Agent**

By:   
Joseph Malone

Reger Holdings, LLC hereby joins this Agreement, jointly and severally with Buyer, with respect to Buyer's obligations under this Agreement.

Reger Holdings, LLC

*Alan M. Blum*

By:

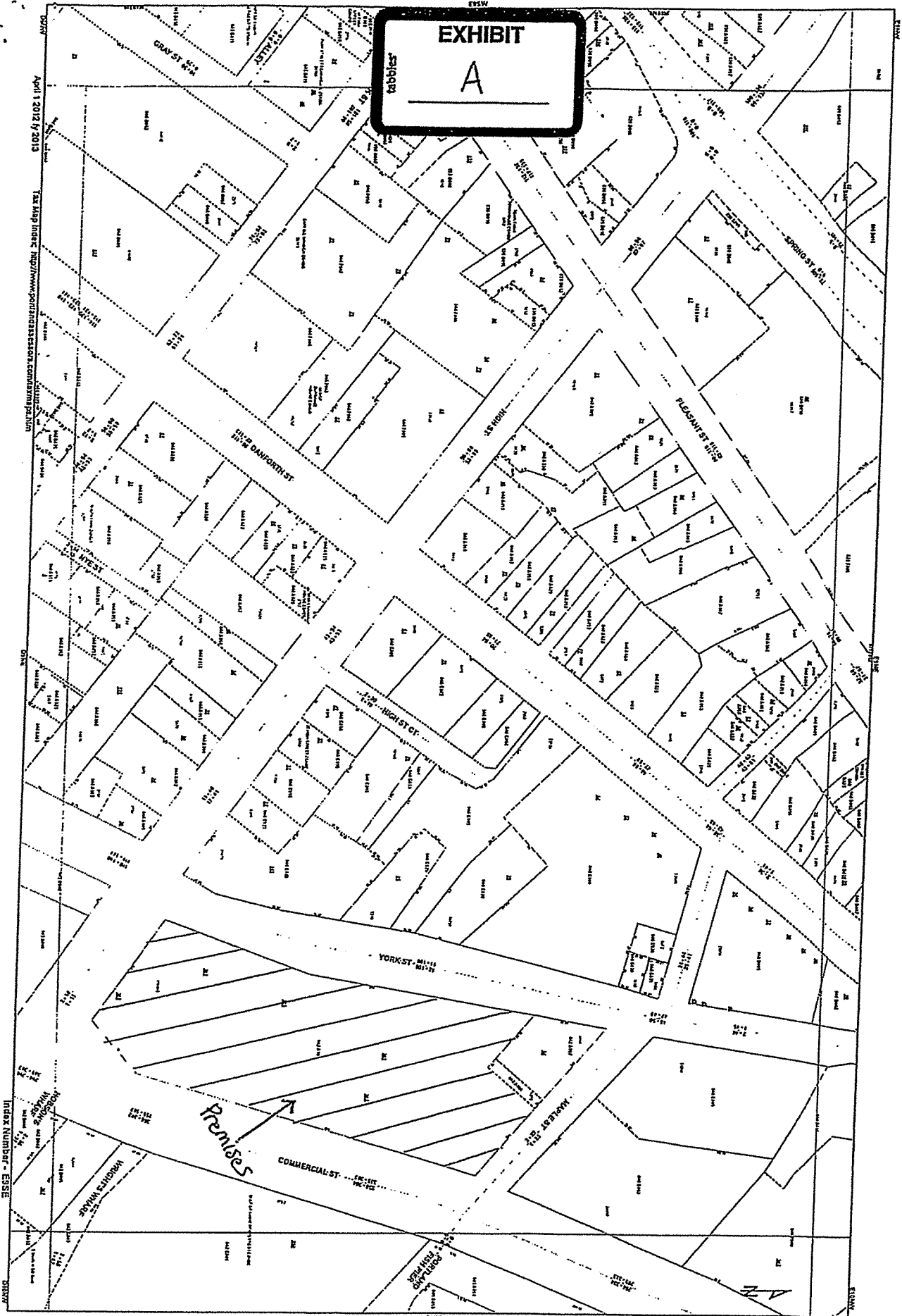
*Gordon Reger*

Gordon Reger  
Its duly-authorized Manager

EXHIBIT

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April 1 2012 4 2013

tax map index <http://www.pocahontas.com/assessor>

Index Number - ESSE

Premises

