

**CREDIT ENHANCEMENT AGREEMENT**

**between**

**THE CITY OF BELFAST, MAINE**

**and**

**REALTY RESOURCES MANAGEMENT, LLC**

**DATE: \_\_\_\_\_, 2019**

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**EXHIBITS**

Exhibit A Copy of Attachment 5 from Development Program – District Map

Exhibit B Depiction of Realty Resources Property

DRAFT

**THIS CREDIT ENHANCEMENT AGREEMENT** dated as of \_\_\_\_\_, 2019, between the City of Belfast, a municipal corporation located in Belfast, County of Waldo and State of Maine, with offices at 131 Church Street, Belfast, Maine 04915 (hereinafter the “City”), and Realty Resources Management, LLC (the “Realty Resources”), a Maine limited liability company, with an address of 247 Commercial Street, Suite A, Rockport, Maine 04856.

**WITNESSETH THAT**

**WHEREAS**, the City designated the Wight Street Affordable Housing Development and Tax Increment Financing (“TIF”) District (the “District”) pursuant to Chapter 206 of Title 30-A of the Maine Revised Statutes, as amended, by vote of the City Council at a meeting duly called, noticed, and held on November 5<sup>th</sup>, 2019 (the “Vote”) and pursuant to the Vote adopted a development program and financial plan for the District (the “Development Program”); and

**WHEREAS**, the Maine State Housing Authority (the “MaineHousing”) has approved or is expected to approve the District and Development Program as required by law; and

**WHEREAS**, within the Development Program, and as contemplated thereby, the City Council authorized the execution and delivery of the credit enhancement agreements by the City Manager, in the name of and on behalf of the City, if such credit enhancement agreements meet the requirements of the Development Program; and

**WHEREAS**, the City and Realty Resources desire and intend that this Credit Enhancement Agreement be and constitute such a credit enhancement agreement as contemplated by and described in the Development Program; and

**NOW, THEREFORE**, in consideration of the foregoing and in consideration of the mutual promises and covenants set forth herein, the parties hereby agree as follows:

**ARTICLE I  
DEFINITIONS**

**Section 1.1. Definitions.**

The terms defined in this Article I shall, for all purposes of this Agreement, have the meanings herein specified, unless the context clearly requires otherwise:

“Act” means chapter 206 of Title 30-A of the Maine Revised Statutes and regulations adopted thereunder, as amended from time to time.

“Agreement” shall mean this Credit Enhancement Agreement between the City and Realty Resources dated as of the date set forth above, as such may be amended from time to time.

“Captured Assessed Value” means the amount, stated as a percentage, of the Increased Assessed Value that is retained in the District in each Tax Year during the term of the District, as specified in Section 2.2 hereof pertaining to the Realty Resources Property only.

“City” shall have the meaning given such term in the first paragraph hereto.

“Current Assessed Value” means the then-current assessed value of taxable real and personal property located in the Realty Resources Property as determined by the City Tax Assessor as of April 1 of each Tax Year during the term of this Agreement.

“Development Program” means the development program and financial plan for the District adopted by the City.

“Development Program Fund” means the development program fund described in the Financial Plan of the Development Program into which the Tax Increment Revenues are to be deposited, established and maintained pursuant to the Development Programs and Article II hereof.

“District” means the Wight Street Affordable Housing Development and Tax Increment Financing District (42.87 acres), a map of which is attached as Exhibit A.

“Effective Date of the Development Program” means the date of final approval of the Development Program by MaineHousing pursuant to the Act.

“Financial Plan” means the financial plan described in the Development Program.

“Fiscal Year” means July 1 to June 30 each year or such other fiscal year as the City may from time to time establish.

“Increased Assessed Value” means, for each Fiscal Year during the term of this Agreement, the amount by which the Current Assessed Value for such year exceeds the Original Assessed Value. If the Current Assessed Value is less than or equal to the Original Assessed Value in any given Tax Year, there is no Increased Assessed Value in that year.

“Original Assessed Value” means \$111,500 as of March 31, 2019 (April 1, 2018), the real and personal taxable assessed value of the Realty Resources Property as of March 31, 2019 (April 1, 2018).

“Project” means the planned approximately 24-unit elder affordable housing project to located on the Realty Resources Property.

“Property Taxes” means any and all *ad valorem* property taxes levied, charged or assessed against real and personal property located in the District by the City, or on its behalf.

“Realty Resources Property” means the real property depicted in Exhibit B attached hereto and shown on the City’s Tax Map as Map 034, Lot 017, consisting of approximately 2.46 acres with a physical address of 80 Wight Street, Belfast, Maine 04915.

“State” means the State of Maine.

“Tax Increment Revenues” means that portion of all real and personal property taxes assessed and paid by Realty Resources to the City in any Tax Year, in excess of any state, or special district tax, upon the Captured Assessed Value.

“Tax Payment Date” means the later of the date(s) on which property taxes levied by the City are due and payable from owners of property located within the City, or are actually paid to the City with respect to taxable property located within the District.

“Tax Year” shall have the meaning given such term in 30-A M.R.S.A. § 5222(18), as amended, to wit: April 1 to March 31.

**Section 1.2. Interpretation and Construction.**

In this Agreement, unless the context otherwise requires:

(a) The terms “hereby,” “hereof,” “hereto,” “herein,” “hereunder” and any similar terms, as used in this Agreement, refer to this Agreement, and the term “hereafter” means after, and the term “heretofore” means before, the date of delivery of this Agreement.

(b) Words importing a particular gender mean and include correlative words of every other gender and words importing the singular number mean and include the plural number and vice versa.

(c) Words importing persons mean and include firms, associations, partnerships (including limited partnerships), trusts, corporations and other legal entities, including public or governmental bodies, as well as any natural persons.

(d) Any headings preceding the texts of the several Articles and Sections of this Agreement, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Agreement, nor shall they affect its meaning, construction, or effect.

(e) All approvals, consents and acceptances required to be given or made by any signatory hereto shall not be withheld unreasonably.

(f) All notices to be given hereunder shall be given in writing and, unless a certain number of days is specified, within a reasonable time.

(g) If any clause, provision or Section of this Agreement shall be ruled invalid by any court of competent jurisdiction, the invalidity of such clause, provision or Section shall not affect any of the remaining provisions hereof.

## **ARTICLE II**

### **DEVELOPMENT PROGRAM FUND AND FUNDING REQUIREMENTS**

#### **Section 2.1. Creation of Development Program Fund.**

The City hereby confirms the creation and establishment of a segregated fund in the name of the City designated as the “Development Program Fund” pursuant to, and in accordance with the terms and conditions of, the Development Program and 30-A M.R.S. § 5250-A(3). The Development Program Fund shall include a project cost account (the “Project Cost Account”) within which the City shall maintain a subaccount for City project costs (the “City Project Cost Subaccount”) and a subaccount for Realty Resources project costs (the “Realty Resources Project Cost Subaccount”). The Realty Resources Project Cost Subaccount is pledged to and charged with the payment of costs in the manner and priority provided in 30-A M.R.S. § 5250-A(3)(A)(1) and as set forth in Section 3.1(b) below.

#### **Section 2.2. Captured Assessed Value; Deposits into Development Program Fund.**

(a) Each year during the term of this Agreement, commencing with the July 1, 2020-June 30, 2021 Fiscal Year and continuing thereafter through the July 1, 2050-June 30, 2051 Fiscal Year (collectively, the “CEA Years”), the City shall retain in the District 100% of the Increased Assessed Value as Captured Value.

(b) For each of the CEA Years, the City shall deposit into the Development Program Fund contemporaneously with each payment of Property Taxes during the term of this Agreement an amount equal to one hundred percent (100%) of that portion of the property tax payment constituting Tax Increment Revenues. The City shall then allocate fifty percent (50%) of the Tax Increment Revenues so deposited in the Development Program Fund to the Realty Resources Project Cost Subaccount of the Project Cost Account. The City shall allocate fifty percent (50%) of the Tax Increment Revenues so deposited in the Development Program to the City Project Cost Subaccount.

(c) Notwithstanding anything to the contrary contained herein, the City shall have the authority to decide to discontinue all or a portion of the City Project Cost Subaccount deposits and instead make those deposits to the City’s general fund without further action or consents required by Realty Resources.

#### **Section 2.3. Use of Monies in the Realty Resources Project Cost Subaccount of the Development Program Fund.**

All monies in the Realty Resources Project Cost Subaccount of the Development Program Fund that are allocable to and/or deposited in the Realty Resources Project Cost Subaccount of the Development Program Fund shall in all cases be used and applied to fund fully the City’s payment obligations to Realty Resources, as described in Articles II and III hereof. Realty Resources shall use the Tax Increment Revenues solely for the purpose set forth in the Development Program.

**Section 2.4. Monies Held in Segregated Account.**

All monies required to be deposited with or paid into the Development Program Fund under the provisions hereof and the provisions of the Development Program shall be held by the City for the uses specified in the Development Program. Interest earnings thereon shall be retained by the City for the City's own use.

**Section 2.5. Liens.**

The City shall not create any liens, encumbrances or other interests of any nature whatsoever, nor shall it hypothecate the Realty Resources Project Cost Subaccount described in Section 2.1 hereof or any funds therein, other than the interest in favor of Realty Resources hereunder; provided, however, that nothing herein shall prohibit the creation of property tax liens on property in the District in accordance with and entitled to priority pursuant to Maine law.

### **ARTICLE III PAYMENT OBLIGATIONS**

**Section 3.1. Realty Resources Payments.**

(a) Within thirty (30) days following the Tax Payment Date, the City agrees to pay Realty Resources in immediately available funds all amounts then on deposit in the Realty Resources Project Cost Subaccount.

(b) Notwithstanding anything to the contrary contained herein, if, with respect to any Tax Payment Date, any portion of the property taxes assessed against the Realty Resources Property remain unpaid, the property taxes actually paid with respect to such Tax Payment Date shall, first, be applied to taxes due on account of Original Assessed Value; and second, shall constitute payment of Property Taxes with respect to Increased Assessed Value, to be applied first to payment in full of the amount to be deposited in the Development Program Fund for the City's use or to the general fund for the year concerned in accordance with Section 2.3; and third, to payment of Realty Resources' share of the Tax Increment Revenues for the year concerned, to be deposited into the Realty Resources Project Cost Subaccount. In any case where a portion of the property taxes assessed against the Realty Resources Property remain unpaid for any reason other than a bona fide valuation dispute, no payment of Realty Resources' share of the Tax Increment Revenues for the year concerned will be deposited into the Realty Resources Project Cost Subaccount until such property taxes assessed against the Realty Resources Property are paid in full.

**Section 3.2. Failure to Make Payment.**

In the event the City should fail to, or be unable to, make any of the payments at the time and in the amount required under the foregoing provisions of this Article III including in the event that the amount deposited into the Realty Resources Project Cost Subaccount is insufficient to reimburse Realty Resources for the full amount due to Realty Resources under this Agreement, the amount or installment so unpaid shall continue as a limited obligation of

the City, under the terms and conditions hereinafter set forth, until the amount unpaid shall have been fully paid. Realty Resources shall have the right to initiate and maintain an action to specifically enforce the City's obligations hereunder, including without limitation, the City's obligation to deposit Tax Increment Revenues to Realty Resources Project Cost Subaccount and its obligation to make payment out of Realty Resources Project Cost Subaccount to Realty Resources.

**Section 3.3. Manner of Payments.**

The payments provided for in this Article III shall be paid directly to Realty Resources at the address specified in Section 8.11 hereof in the manner provided hereinabove by check drawn on the City.

**Section 3.4. Obligation Unconditional.**

Except as otherwise expressly provided in this Agreement, the obligations of the City to make the payments described in this Agreement in accordance with the terms hereof shall be absolute and unconditional irrespective of any defense or any rights of setoff, recoupment, or counterclaim it might otherwise have against Realty Resources. The City hereby acknowledges that Realty Resources has the right to enforce the contractual obligations of the City under this Agreement and that the governmental immunity of the City does not apply to actions to enforce its contractual obligations; provided however, that nothing herein shall constitute a waiver of the City's tort immunity or any other governmental immunities.

**Section 3.5. Limited Obligation.**

The City's obligations of payment hereunder shall be limited obligations of the City payable solely from Tax Increment Revenues pledged therefor under this Agreement. The City's obligations hereunder shall not constitute a general debt or a general obligation or charge against or pledge of the faith and credit or taxing power of the City, the State of Maine, or of any municipality or political subdivision thereof, but shall be payable solely from that portion of Tax Increment Revenues payable to Realty Resources hereunder, whether or not actually deposited into the Realty Resources Project Cost Subaccount in the Development Program Fund. This Agreement shall not directly, indirectly or contingently obligate the City, the State of Maine, or any other City or political subdivision to levy or to pledge any form of taxation whatever therefor or to make any appropriation for their payment, excepting the pledge of the Tax Increment Revenues established under this Agreement.

**ARTICLE IV  
PLEDGE AND SECURITY INTEREST**

**Section 4.1. Pledge of Realty Resources Project Cost Subaccount.**

In consideration of this Agreement and other valuable consideration and for the purpose of securing payment of the amounts provided for hereunder to Realty Resources by the City, according to the terms and conditions contained herein, and in order to secure the performance

and observance of all of the City's covenants and agreements contained herein, the City does hereby grant a security interest in and pledge Realty Resources Project Cost Subaccount described in Section 2.1 hereof and all sums of money and other securities and investments therein to Realty Resources.

**Section 4.2. Perfection of Interest.**

(a) Upon written request by Realty Resources, the City will establish the Realty Resources Project Cost Subaccount described in Section 2.1 hereof as a segregated fund under the control of an escrow agent, trustee, or other fiduciary selected by Realty Resources so as to perfect Realty Resources' interest therein. The cost of establishing and monitoring such a fund (including the cost of counsel to the City with respect thereto) shall be borne exclusively by Realty Resources. In the event such a fund is established under the control of a trustee or fiduciary, the City shall cooperate with Realty Resources in causing appropriate financing statements and continuation statements naming Realty Resources, or its designee, as pledgee of all such amounts from time to time on deposit in the fund to be duly filed and recorded in the appropriate state offices as required by and permitted under the provisions of the Maine Uniform Commercial Code or other similar law as adopted in the State of Maine and any other applicable jurisdiction, as from time to time amended, in order to perfect and maintain the security interests created hereunder. The costs of setting up such a segregated fund, including any and all fees to third parties such as agents, trustees and attorneys, shall be borne by Realty Resources.

(b) In the event Realty Resources requires the establishment of a segregated fund in accordance with this Section 4.2, the City's responsibility shall be expressly limited to delivering the amounts required by this Agreement to the escrow agent, trustee or other fiduciary designated by Realty Resources. The City shall have no liability for payment over of the funds concerned to Realty Resources by any such escrow agent, trustee or other fiduciary, or for any misappropriation, investment losses or other losses in the hands of such escrow agent, trustee or other fiduciary. Notwithstanding any change in the identity of Realty Resources' designated escrow agent, trustee or other fiduciary, the City shall have no liability for misdelivery of funds if delivered in accordance with Realty Resources' most recent written designation or instructions actually received by the City.

**Section 4.3. Further Instruments.**

The City shall, upon the reasonable request of Realty Resources, from time to time execute and deliver such further instruments and take such further action as may be reasonable and as may be required to carry out the provisions of this Agreement; provided, however, that no such instruments or actions shall pledge the credit of the City; and provided further that the cost of executing and delivering such further instruments (including the reasonable and related costs of counsel to the City with respect thereto) shall be borne exclusively by Realty Resources.

**Section 4.4. Access to Books and Records.**

(a) All non-confidential books, records, and documents in the possession of the City relating to the District, the Development Program, this Agreement and the monies, revenues and receipts on deposit or required to be deposited into Development Program Fund shall at all

reasonable times and upon reasonable notice be open to inspection by Realty Resources, its agents, and its employees.

(b) All non-confidential books, records, lease agreements and documents in the possession of Realty Resources relating to the District, the Development Program, this Agreement and the monies, revenues, and receipts used from the Development Program Fund shall at all reasonable times and upon reasonable notice be open to inspection by the City, its agents, and its employees. In addition, inspections of the Realty Resources Property as well as any appraisals related to Realty Resources property shall be made possible by Realty Resources upon the reasonable request of the City for the purpose of assisting the City in the process of creating a Current Assessed Value.

## **ARTICLE V DEFAULTS AND REMEDIES**

### **Section 5.1. Events of Default.**

Each of the following events shall constitute and be referred to in this Agreement as an “Event of Default”:

(a) Any failure by the City to make payments due when the same shall become due and payable;

(b) Any failure by the City to make deposits into the Realty Resources Project Cost Subaccount as and when due;

(c) Any failure by the City or Realty Resources to observe and perform in all material respects any covenant, condition, agreement, or provision contained herein on the part of the City or Realty Resources to be observed or performed, which failure is not cured within thirty (30) days following written notice thereof;

(d) If a decree or order of a court or agency or supervisory authority having jurisdiction in the premises of the appointment of a conservator or receiver or liquidator of, any insolvency, readjustment of debt, marshaling of assets and liabilities or similar proceedings, or for the winding up or liquidation of Realty Resources’ affairs shall have been entered against Realty Resources or Realty Resources shall have consented to the appointment of a conservator or receiver or liquidator in any such proceedings of or relating to Realty Resources or relating to all or substantially all of its property, including without limitation the filing of a voluntary petition in bankruptcy by Realty Resources or the failure by Realty Resources to have an involuntary petition in bankruptcy dismissed within a period of ninety (90) consecutive days following its filing or in the event an order for release has been entered under the Bankruptcy Code with respect to Realty Resources;

(e) If any secured lender of Realty Resources accelerates the indebtedness owed to it;

(f) If any written representation or warranty given to the City by Realty Resources is knowingly incorrect or incomplete in any material respect, other than statements made about or in agreements with the City that were later changed by mutual consent;

(g) If Realty Resources fails to maintain adequate surety bonding during construction at the levels and terms as may be required from time to time by Realty Resources' secured lenders and/or Realty Resources allows mechanics' liens to encumber the Realty Resources Property for a period of more than thirty (30) days;

(h) Any discontinuance of the Realty Resources Property as "affordable housing," pursuant to the definition contained in Title 30-A M.R.S.A. Section 5246.

**Section 5.2. Remedies on Default.**

Subject to the provisions contained in Section 8.9, whenever any Event of Default described in Section 5.1 hereof shall have occurred and be continuing, the nondefaulting party, following the expiration of any applicable cure period, shall have all rights and remedies available to it at law or in equity, including the rights and remedies available to a secured party under the laws of the State of Maine, and may take whatever action as may be necessary or desirable to collect the amount then due and thereafter to become due, to specifically enforce the performance or observance of any obligations, agreements, or covenants of the nondefaulting party under this Agreement and any documents, instruments, and agreements contemplated hereby or to enforce any rights or remedies available hereunder. Further, the non-defaulting party may elect to terminate this Agreement upon 30 days' written notice to the defaulting party.

**Section 5.3. Remedies Cumulative.**

Subject to the provisions of Section 8.13 below concerning dispute resolution, no remedy herein conferred upon or reserved to any party is intended to be exclusive of any other available remedy or remedies but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law, in equity or by statute. Delay or omission to exercise any right or power accruing upon any Events of Default to insist upon the strict performance of any of the covenants and agreements herein set forth or to exercise any rights or remedies upon the occurrence of an Event of Default shall not impair any such right or power or be considered or taken as a waiver or relinquishment for the future of the right to insist upon and to enforce, from time to time and as often as may be deemed expedient, by injunction or other appropriate legal or equitable remedy, strict compliance by the parties hereto with all of the covenants and conditions hereof, or of the rights to exercise any such rights or remedies, if such Events of Default be continued or repeated.

## **ARTICLE VI EFFECTIVE DATE, TERM AND TERMINATION**

### **Section 6.1. Effective Date and Term.**

(a) Notwithstanding any other provision of this Agreement, this Agreement is conditioned upon receipt of MaineHousing's unconditional approval of the City's designation of the District and adoption of the Development Program. Following execution and delivery of this Agreement, the Agreement shall not be or become binding and enforceable until receipt of such unconditional approval.

(b) From the date of execution and delivery of this Agreement, the Agreement shall remain in full force and effect until the completion of the CEA Years as herein defined, unless even sooner terminated pursuant to any applicable provision of this Agreement.

### **Section 6.2. Cancellation and Expiration of Term.**

At the acceleration, termination or other expiration of this Agreement in accordance with the provisions of this Agreement, the City and Realty Resources shall each execute and deliver such documents and take or cause to be taken such actions as may be necessary to evidence the termination of this Agreement.

## **ARTICLE VII ASSIGNMENT AND PLEDGE OF REALTY RESOURCES'S INTEREST**

### **Section 7.1. Consent to Pledge, Collateral Assignment or Grant of a Security Interest.**

The City hereby acknowledges that Realty Resources may pledge, assign and grant a security interest in its right, title and interest in, to and under this Agreement as collateral for financing by a bank, financial institution or MaineHousing to Realty Resources for the Project, although no obligation is hereby imposed on Realty Resources to make such assignment or pledge. Recognizing this possibility, the City does hereby consent and agree to the pledge and assignment of and the grant of a security interest in all Realty Resources' right, title and interest in, to and under this Agreement and in, and to the payments to be made to Realty Resources hereunder, to third parties as collateral or security for indebtedness or otherwise, on one or more occasions during the term hereof. The City agrees upon request to execute and deliver any assignments, pledge agreements, consents, or other confirmations required by the prospective pledgee or assignee or secured party, including without limitation recognition of the pledgee or assignee or secured party as the holder of all right, title, and interest herein and as the payee of amounts due and payable hereunder and any and all such other documentation as shall confirm to such pledgee or assignee or secured party the position of such assignee or pledgee or secured party and the irrevocable and binding nature of this Agreement, and provide to the pledgee or assignee such rights and/or remedies as the parties may reasonably deem necessary for establishing, perfection and protection of its interest herein. Realty Resources shall be

responsible for the City's necessary and reasonable costs of counsel with respect to any such pledge or assignment.

**Section 7.2. Transfer**

Except as specified in Section 7.1 hereof, Realty Resources shall not transfer or assign any portion of its rights in, to and under this Agreement without the prior written consent of the City Council, which consent shall not be unreasonably withheld, conditioned, or delayed.

**ARTICLE VIII  
MISCELLANEOUS**

**Section 8.1. Successors.**

In the event of the dissolution, merger, or consolidation of the City or Realty Resources, the covenants, stipulations, promises, and agreements set forth herein, by or on behalf of or for the benefit of such party shall bind or inure to the benefit of the successors and assigns thereof from time to time and any entity, officer, board, commission, agency, or instrumentality to whom or to which any power or duty of such party shall be transferred. Notwithstanding this Subsection 8.1, unless the City affirmatively approves of such action, the City shall have the unilateral right to terminate this Agreement upon the dissolution, merger, or consolidation of Realty Resources, and if it exercises such right shall not be obligated to comply with this Agreement thereafter.

**Section 8.2. Parties-in-Interest.**

Except as herein otherwise specifically provided, nothing in this Agreement expressed or implied is intended or shall be construed to confer upon any person, firm, or corporation other than the City and Realty Resources any right, remedy, or claim under or by reason of this Agreement, it being intended that this Agreement shall be for the sole and exclusive benefit of the City and Realty Resources.

**Section 8.3. Severability.**

In case any one or more of the provisions of this Agreement shall, for any reason, be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Agreement and this Agreement shall be construed and enforced as if such illegal or invalid provision had not been contained herein.

**Section 8.4. No Personal Liability of Officials of the City.**

(a) No covenant, stipulation, obligation, or agreement of the City contained herein shall be deemed to be a covenant, stipulation, or obligation of any present or future elected or appointed official, officer, agent, servant, or employee of the City in his or her individual capacity, and neither the City Council nor any official, officer, employee, or agent of the City

shall be liable personally with respect to this Agreement or be subject to any personal liability or accountability by reason hereof.

(b) No covenant, stipulation, obligation, or agreement of Realty Resources contained herein shall be deemed to be a covenant, stipulation or obligation of any present or future officer, agent, servant, or employee of Realty Resources in his or her individual capacity, and no official, officer, employee, or agent of Realty Resources shall be liable personally with respect to this Agreement or be subject to any personal liability or accountability by reason hereof.

**Section 8.5. Counterparts.**

This Agreement may be executed in any number of counterparts, each of which, when so executed and delivered, shall be an original, but such counterparts shall together constitute but one and the same Agreement.

**Section 8.6. Governing Law.**

The laws of the State of Maine shall govern the construction and enforcement of this Agreement.

**Section 8.7. Amendments.**

This Agreement may be amended only with the concurring written consent of both of the parties hereto.

**Section 8.8. Integration.**

This Agreement completely and fully supersedes all other prior or contemporaneous understandings or agreements, both written and oral, between the City and Realty Resources relating to the specific subject matter of this Agreement and the transactions contemplated hereby.

**Section 8.9. Dispute Resolution.**

In the event of a dispute regarding this Agreement or the transactions contemplated by it, the parties hereto will use all reasonable efforts to resolve the dispute on an amicable basis. If the dispute is not resolved on that basis within sixty (60) days after one party first brings the dispute to the attention of the other party, then either party may refer the dispute for resolution by one arbitrator mutually agreed to by the parties, and judgment on the award rendered by the arbitrator may be entered in any Maine state court having jurisdiction. Any such arbitration will take place in Belfast, Maine or such other location as mutually agreed by the parties. The parties acknowledge that arbitration shall be the sole mechanism for dispute resolution under this Agreement. Provided however, that in the event the parties are unable to agree, within a reasonable period, on the selection of an arbitrator, either party may file suit to resolve the dispute in any court having jurisdiction within the State of Maine. This arbitration clause shall not bar the City's assessment or collection of property taxes in accordance with law, including by judicial proceedings, including tax lien thereof.

**Section 8.10. Tax Laws and Valuation Agreement.**

The parties acknowledge that all laws of the State now in effect or hereafter enacted with respect to taxation of property shall be applicable and that the City, by entering into this Agreement, is not excusing any non-payment of taxes by Realty Resources. Without limiting the foregoing, the City and Realty Resources shall always be entitled to exercise all rights and remedies regarding assessment, collection and payment of taxes assessed on Realty Resources' property. In addition, the Development Program makes certain assumptions and estimates regarding valuation, depreciation of assets, tax rates, and estimated costs. The City and Realty Resources hereby covenant and agree that the assumptions, estimates, analysis, and results set forth in the Development Program shall in no way (a) prejudice the rights of any party or be used, in any way, by any party in either presenting evidence or making argument in any dispute which may arise in connection with valuation of or abatement proceedings relating to Realty Resources' property for purposes of ad valorem property taxation or (b) vary the terms of this Agreement even if the actual results differ substantially from the estimates, assumptions or analysis.

**Section 8.11. Notices.**

All notices, certificates, requests, requisitions or other communications by the City or Realty Resources pursuant to this Agreement shall be in writing and shall be sufficiently given and shall be deemed given when mailed by first-class mail, postage prepaid, addressed as follows:

If to the City:

City Manager  
City of Belfast  
Belfast City Hall  
131 Church Street  
Belfast, Maine 04915

With a copy to:

Shana Cook Mueller, Esq.  
Bernstein Shur  
100 Middle Street  
P.O. Box 9729  
Portland, Maine 04104-5029

If to Realty Resources:

Belfast Acres  
c/o Realty Resources Management, LLC  
247 Commercial Street, Suite A  
Rockport, Maine 04856

Either of the parties may, by notice given to the other, designate any further or different addresses to which subsequent notices, certificates, requests, or other communications shall be sent hereunder.

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**IN WITNESS WHEREOF**, the City and Realty Resources have caused this Agreement to be executed in their respective corporate names and their respective corporate seals to be hereunto affixed and attested by the duly authorized officers, all as of the date first above written.

WITNESS:

CITY OF BELFAST

\_\_\_\_\_

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

Name:

Its City Manager as Authorized by the City Council  
on November 5<sup>th</sup>, 2019

WITNESS:

REALTY RESOURCES MANAGEMENT, LLC

\_\_\_\_\_

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

Name:

Title:

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Exhibit A: Map of District

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Exhibit B: Depiction of Realty Resources Property

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