#### LAND DISPOSITION AGREEMENT

Littleton Drive Property Wareham, Massachusetts

This Land Disposition Agreement ("Agreement") is entered into as of September \_\_\_\_\_\_2020 by and between the WAREHAM REDEVELOPMENT AUTHORITY, a public body politic and corporate organized and operating under a special act ("WRA") and LITTLETON DRIVE LLC, Massachusetts limited liability company (together with its permitted transferees, "Buyer") regarding the proposed purchase of 4 Littleton Drive, Wareham MA (as more particularly described below, the "Property").

# 1. <u>Background and Agreement to Dispose of and Develop the Property</u>

WRA issued a Request for Proposals (the "<u>RFP</u>") in accordance with M.G.L. C. 30B seeking proposals for the acquisition and development of the Property on or about January 15, 2020. Pennrose Properties, LLC, a Pennsylvania limited liability company ("<u>Developer</u>") submitted a Response to Request for Proposals dated March 9, 2020 (the "<u>Proposal</u>"), seeking to acquire a leasehold interest in the Property and develop it to consist of up to ninety-three (93) – and at least forty-nine (49) — units of affordable and mixed-income housing as more particularly described below.

WRA selected the Developer pursuant to the RFP pursuant to a Notice of Award dated May 12, 2020. The Developer has formed Buyer, a single-purpose affiliate of the Developer, to acquire and develop the Property. WRA and Buyer are entering into this Agreement as contemplated by the RFP. The substantive terms and conditions of the RFP and of the Proposal are made part of this Agreement, and therefore, are incorporated herein and made part of this Agreement. In the event a conflict between this Agreement and the RFP and/or Proposal shall arise, the terms of this Agreement shall control.

Subject to the terms and conditions of this Agreement, WRA agrees to lease and dispose of and Buyer agrees to acquire and develop the Property.

## 2. Description of Property and Project

The property which is the subject of this agreement (the "<u>Property</u>") consists of approximately 16 acres of undeveloped, forested property about one-mile northwest of Swifts Neck Beach in Wareham. A plan showing the approximate boundaries of the Property is attached as <u>Exhibit A</u>.

Buyer proposes to acquire the Property for the purposes of developing up to ninety-three (93) dwelling units in two phases, a 49-unit "Phase 1" and a 44-unit "Phase 2." Phase 1 and Phase 2 are referenced separately in this Agreement (as applicable) as a "Phase" and together (as applicable) as the "Project." The Buyer's Concept Plan of the Project is attached as Exhibit B.

Pursuant to the Proposal, as modified by Exhibit B, Phase 1 will include a bedroom-mix of approximately eighteen (18) one-bedroom units, twenty-six (26) two-bedroom units and five (5) three-bedroom units, and will be subject to the following affordability restrictions:

- A) approximately forty-one (41) units will be restricted for rental to households at or below 60% of area median income ("AMI") as defined by the U.S. Department of Housing and Urban Development ("HUD");
- B) approximately eight (8) units will be restricted for rental to households qualifying as "Workforce Housing" pursuant to the MassHousing Workforce Housing Initiative (which presently limits occupancy to a mix of 80% AMI and 120% AMI households); and

Pursuant to the Proposal, Phase 2 will be all one-bedroom units restricted for rental to households at or below 60% of AMI. Phase 2 will further be required to operate as age-restricted housing limited to elderly persons and families, and as a separate housing community from Phase 1, provided that such designation is subject to compliance with all applicable federal and state fair housing laws and regulations. While the ownership structure and site plan for Phase 1 and Phase 2 remain to be determined, Buyer anticipates they will be separately owned and located on distinct parcels within the Property, with cross easements for access and utilities. Subdivision of the property will require the approval of the WRA if applicable, but is not anticipated based upon the use of ground leases for each Phase

Buyer and WRA each prefer for Phase 1 and Phase 2 to be constructed at the same time, but the parties acknowledge that it may be not be possible to do so. Notwithstanding anything to the contrary in this Agreement, Buyer reserves the right to proceed with Closing at such time as the conditions referenced in Section 5 below are satisfied relative to Phase 1 only. In such event Buyer will reserve the right to construct Phase 2 at a later date – likely after Phase 1 is complete – as shown in the Concept Plan (Exhibit B).

If not constructed concurrently, as part of Phase 1 construction Buyer will cause site improvements utility connections [e.g. gas, water, electric, cable] and access to be constructed in a manner that allows for Phase 2 to supplement or connect to such improvements as part of its later construction activities, at the expense of Phase 2. Buyer will also establish mutual cross-easements between the Phase 1 and Phase 2 parcels to support such later construction activities, as well as long-term operation for both Phases and reasonable cost-sharing terms (once Phase 2 is constructed).

## 3. Buyer's Obligations to Pursue Permits and Funding: Term

Buyer, at Buyer's sole risk and expense, shall submit an application to the Wareham Board of Appeals for a comprehensive permit pursuant to M.G.L. C. 40B (a "Comprehensive Permit") within one hundred twenty (120) days of the date of this Agreement, and shall diligently pursue

issuance of a Comprehensive Permit for the Project (Phase 1 and Phase 2) throughout the Term (as defined below). WRA acknowledges and agrees that key elements of the Project may evolve during the Comprehensive Permit process relative to the Proposal; provided, however that Buyer may not materially increase the number of units or decrease the percentage of affordable or number of age-restricted units between the terms of the Proposal and a proposed Comprehensive Permit without the prior written approval of WRA. Buyer agrees that, except as may otherwise be approved by WRA in writing, it shall include a provision in its Comprehensive Permit requiring that, at initial lease-up of the Project, there will be a preference given for up to 70% of the units in the Project to applicants that reside in, work in, or who have been hired to work in the Town of Wareham, to the maximum extent such preference is permitted by applicable law, ordinance, or regulation, including regulations imposed by virtue of the receipt of certain types of financing (in furtherance of which, such preference shall be subject to the prior approval of DHCD and, if required, of HUD).

Buyer, at Buyer's sole risk and expense, is responsible for pursuing, arranging, and closing on all financing necessary for the Project. Buyer shall apply for funding from the Massachusetts

Department of Housing and Community Development ("DHCD") not later than the first funding round that opens not less than sixty days after issuance of the Comprehensive Permit.] If Buyer does not secure funding at least for Phase 1 in the first DHCD funding round in which it applies, Buyer shall continue to apply at least for Phase 1 during remaining rounds during the Term of this Agreement. If Buyer secures funding for Phase 1 but not for Phase 2 during any funding round during the Term of this Agreement, Buyer shall continue to apply for Phase 2 during the remaining rounds of such Term. Buyer may seek additional funding from the Town of Wareham, such as from the Community Preservation Committee (CPC); however, Buyer acknowledges that CPC awards are subject to appropriation by the CPC and are not offered or committed by WRA as an element or condition of this Agreement.

Buyer, at Buyer's sole risk and expense, is responsible for designing, constructing and operating the Project. Buyer shall be solely responsible for selection, hiring, contract with, directing and discharging all employees, agents, contractors and consultants involved with the Project. Buyer or its affiliated entities will provide reasonable and customary guarantees of construction and operation of the Project to third-party lenders and investors: WRA will have no guarantee, responsibility nor any other financial obligations relating to the construction or operation of the Project.

#### Ground Lease

Buyer will acquire the Property from WRA pursuant to a long-term Ground Lease (the "<u>Ground Lease</u>") for a term of ninety-nine (99) years. The Ground Lease will include the following key terms:

 a) an initial payment of rent in the amount of Two Hundred Seventy Thousand Dollars (\$270,000) at Closing, as well as ongoing payments of Five Thousand Dollars (\$5,000) per year, which escalates at 2.5% per year;

- b) "triple-net" terms requiring Buyer to be solely responsible for the maintenance, operation, payment of rent, utilities, taxes and insurance of the Property, among other costs;
- c) requiring substantial completion of the Project (or applicable Phase) within twenty-four months of Closing (subject to permitted extensions and *force majeure*);
- d) reasonable protections and rights for Buyer's lenders and investor (which WRA
  acknowledges may include limitations on termination rights or other remedies);
- e) a prohibition on transfers by Buyer without the consent of WRA prior to substantial completion of the Project, subject to permitted exceptions and lender and investor requirements; and
- f) a requirement to comply with the terms of the affordable housing restriction referenced in Section 5.

Buyer may structure the Ground Lease as it determines reasonably necessary for purposes of accomplishing the phasing of the Project as referenced in Section 2. This may include, without limitation, a single Ground Lease accommodating separate sub-leases for each Phase or separate Ground Leases for portions of the Property corresponding to each Phase (provided that in any event the entire Property will be conveyed pursuant to one or more Ground Leases on the date of Closing). If Buyer is not starting construction on both Phases at the time of the initial Closing. the Ground Lease (or sub-lease) applicable to the later Phase may contain reasonable terms limiting the use of that portion of the Property to the construction and operation of Phase 2 pursuant to the terms of the Comprehensive Permit. If Buyer is not starting construction on both Phases at the time of the initial Closing, the Ground Lease (or sub-lease) applicable to the later Phase may also contain reasonable terms providing WRA with the right to terminate the Ground Lease (or sub-lease) if Buyer: (a) receives approval for Phase 2 under the Comprehensive Permit; (b) receives a commitment of financial support from approved affordable housing subsidy providers sufficient to support construction of Phase 2, and (c) fails to initiate construction of Phase 2 within two (2) years of completing Phase 1 (provided that the Phase 2 parcel will remain limited to use as affordable, mixed-income age-restricted housing pursuant to the terms of the Comprehensive Permit). In no event, however, will the Ground Lease(s) or sub-lease applicable to one Phase or corresponding portion of the Property require the construction of the other Phase nor otherwise contain any cross-default terms that could result in the owner of one Phase being subject to termination or other remedies associated with the performance, or lack of performance, relating to the other Phase or corresponding portion of the Property.

The WRA and Buyer agree that no temporary use of the Premises shall be made without the express written approval of the WRA.

#### 5. Term of Agreement; Conditions Precedent to Closing

This term of this Agreement (the "Term") shall extend until the earliest to occur of:

- a) Closing;
- b) Termination by either party pursuant to the terms of this Agreement;

- c) December 31<sup>st</sup> of the year following the year in which Buyer receives an award of low-income housing tax credits for the Project from DHCD; or
- d) One year after the announcement of awards from the DHCD 2024 low-income housing tax credit funding round (or the last such round if there is more than one round in 2024), regardless of whether or not the Project secures an award in such round.

The execution and delivery of the Ground Lease (the "Closing") shall take upon not less than fifteen (15) days prior notice to WRA (which notice shall be delivered prior to expiration of the Term) and shall be conditioned upon receipt by WRA of evidence that Buyer has (or at Closing will have) the following items:

- a) a Comprehensive Permit;
- b) a Building Permit;
- all necessary funds available to finance and complete the Project (or, if applicable, Phase 1) (which may be evidenced by commitment letters, executed equity and/or loan documents); and
- d) an affordable housing restriction encumbering the Property (or applicable portion corresponding to the subject Phase) as affordable or mixed-income housing as and to the extent required by this Agreement (which may be evidenced by one or more regulatory agreements or restrictive covenants pursuant to M.G.L. c. 184 Sec. 31-34 in a form promulgated by DHCD and/or as required to conform with the requirements of the Comprehensive Permit).

### 6. Title Inspection and Closing Documents

Buyer will cause title to the Property to be examined within one hundred twenty (120) days from the date of this Agreement (the "Title Inspection Period"). On or before the end of the Title Inspection Period, the Developer will notify WRA (the "Developer's Title Defect Notice") of any claimed defect in title revealed by any such examination. As used in this Agreement, the phrase "defect in title" shall mean any liens, encumbrances or other matters of record that may in Buyer's reasonable determination prohibit or materially interfere with the use of the Property and the financing and development of the Project. WRA shall use reasonable efforts to cure such defect in title. If WRA, despite reasonable efforts, is unable to (i) cure any defect in title within one hundred twenty (120) days after receipt of the Developer's Title Defect Notice, or (ii) provide reasonable assurances that such defect will be released, discharged or terminated of record on or prior to the Closing, then WRA shall so notify Buyer. On or before ten (10) days after receiving notice of WRA's inability to cure a defect in title or inability to provide reasonable assurances that such defect will be released, discharged or terminated of record on or prior to the Closing Date, or WRA's determination that it is not likely to cure such defect, or, in the eyent WRA shall fail to give such notice, on or before one hundred twenty (120) days after the Developer's Title Defect Notice, Developer shall notify WRA that it has elected to either waive all rights to refuse to close on account of such defect in record title (each, a "Waived Title

<u>Defect</u>") or terminate this Agreement for infeasibility as provided in Section 8. Any liens, encumbrances or other matters of record as of the date of the Developer's Title Defect Notice, and any Waived Title Defect shall collectively be referenced in this Agreement as "<u>Permitted Encumbrances</u>."

At Closing, WRA shall convey the Property pursuant to the Ground Lease, which shall convey a good and clear record and marketable leasehold title, free from encumbrances except for Permitted Encumbrances. WRA and Buyer will work cooperatively to remove the existing rights-of-way disclosed in the RFP through rescission of the existing subdivision plan or other means, as applicable, and for obtaining all approvals required in connection with such activity.

WRA shall also provide evidence of the authority of WRA to deliver the Ground Lease and of the party executing the Ground Lease to do same on behalf of WRA, an affidavit verifying that there are no parties in possession or other persons entitled to rights of possession of the Property and any other documentation reasonably requested or as shall be reasonably necessary or desirable to carry out the terms of this Agreement.

The execution of the Ground Lease by Buyer and WRA shall be deemed to be the full performance and discharge of every agreement and obligation of the parties under this Agreement, except such agreements and obligations which, by the terms hereof, expressly survive after the Closing.

## 7. Costs and Responsibilities of the Parties:

Buyer will pay an initial non-refundable deposit with the WRA in the amount of Ten Thousand and 00/100 Dollars (\$10,000.00) (the "Initial Deposit") and, within two (2) business days following the WRA's and Buyer's full execution and delivery of this Agreement, These funds may be used to hire consultants to assist the WRA in assessments of the Project.

All costs and expenses relative to construction of the Project, including but not limited to any removal of material from the site, environmental compliance expenses, abatement/remediation expenses, or the like, shall be the obligation of Buyer. Buyer shall be exclusively responsible for securing any and all permits and approvals required for the Project, provided that WRA agrees to provide reasonable cooperation to Buyer and assistance with such efforts. WRA shall be responsible for the cost of its own legal counsel and any other consultants used by WRA in connection with the Project, acknowledging that such consultants may be paid from the \$10,000 initial deposit provided above. This will not cover the fees of any consultants hired by the Zoning Board of Appeals for review of the Comprehensive Permit.

Buyer acknowledges that it has been afforded the opportunity to inspect the Property and is aware that there may be hazardous materials on the Property and it agrees to be solely responsible for any legally required removal or other site remediation from the date of execution of this

Agreement. The Property is being sold "AS IS" with no warranties or representations by WRA either express or implied. This provision shall survive the Closing.

WRA shall permit Buyer and its agents, consultants and contractors access to the Property prior to transfer for the purpose of inspections, measurements, testing and/or preliminary site work. Buyer shall, at its expense, restore any land disturbances or otherwise provide remediation for the activities of Buyer or its agents, consultants or contractors on the Property in the event Buyer fails to take title to the Property. Buyer waives in advance all claims for injury or damages and agrees to fully and completely indemnify, defend and hold harmless WRA, the Town of Wareham and their respective employees, agents, successors and assigns from and against all claims, damages, losses and expenses, including but not limited to attorney's fees, arising out of, caused by, or resulting from Buyer's purchase of and/or any work or action performed by Buyer, its agents and contractors on the Property related to the purchase of the Property. Access shall be limited to weekdays between 8:00 a.m. and 5:00 p.m. with notice to WRA Clerk in advance. Additional hours of access may be provided with written approval from WRA Clerk.

Any and all actions undertaken by Buyer in accordance with this Agreement shall be done in full compliance with all applicable local, state and federal laws, rules and regulations. It shall be a material breach of this Agreement for Buyer to engage in any practice which shall violate any provision of Massachusetts General Laws, Chapter 151B, relative to discrimination in hiring, discharge, compensation, or terms, conditions, or privileges of employment because of race, color, religious creed, national origin, sex, age or ancestry.

The Licensee shall notify the Licensor immediately upon the violation of any such law, ordinance, regulation, or requirement, upon the release or threatened of any oil or hazardous material as said terms are defined in Chapter 21-E of the Massachusetts General Laws or the Massachusetts Contingency Plan promulgated pursuant thereto.

Throughout the Term of this Agreement WRA shall continue to secure and preserve the Property in materially the same condition as it is on the date of this Agreement. WRA will not take any action, or allow others claiming under WRA to take any action, that would (a) adversely affect the condition of the Property, (b) violate or expand any existing violation of any safety, health, wetlands, environmental, building or zoning laws and regulations applicable to the Property, (c) violate the provisions of any instrument of record affecting the Property, or (d) interfere with or impair Buyer's rights under this Agreement.

Buyer shall carry and shall cause any contractor, consultant or agent engaged by it to perform activities at the premises to maintain, at no cost to the WRA, insurance in amounts as set forth below:

 a) Commercial general liability, including coverage for bodily injury, personal injury, property damages and completed operations coverage in the minimum amount of \$1,000,000 per occurrence and \$2,000,000 in the aggregate;

- b) Automobile liability coverage for owned, hired and non-owned vehicles in the minimum amount of \$1,000,000 per occurrence combined single limit;
- c) Workers' compensation for all its employees, as required by statute, with employers' liability of\$500,000.00 or more including \$100,000 accident and \$100,000 disease;
- d) Excess/Umbrella Liability having limits of \$1,000,000 per occurrence and \$5,000,000 aggregate; and
- e) Professional liability coverage of at least \$1,000,000 per claim and \$1,000,000 aggregate for any Licensed Site Professional, Professional Engineer, and other professional performing professional services as part of the licensed activities.

Buyer shall furnish the WRA with certificates of insurance showing that Buyer has complied with this Section, which certificates shall name WRA as Additional Insured for the insurance required under (a), (b), and (d), above, and shall contain a provision that written notification of cancellation of the insurance policies required hereunder shall be given to WRA and Buyer thirty (30) days prior to such cancellation, with the exception of ten (10) days for cancellation due to nonpayment of premium.

# 8. <u>Default and Right to Terminate:</u>

Each of the following shall constitute Buyer's default and grounds for WRA to terminate this Agreement:

- a) Buyer's refusal or failure to perform any material obligation imposed upon it by any provision of this Agreement provided that WRA shall have given written notice to Buyer and thirty (30) days have elapsed without Buyer's taking remedial action reasonably satisfactory to WRA.
- b) Buyer's or Developer's filing for voluntary bankruptcy or reorganization, Buyer's legal dissolution or formal cessation of business, the filing of an involuntary bankruptcy or other creditor's proceeding against Buyer or Developer that is not dismissed within thirty (30) days.

Buyer may terminate this Agreement upon ninety (90) days prior written notice to WRA if Buyer reasonably determines that the Project is not feasible. Buyer shall meet and confer with WRA following delivery of any such notice to present evidence of the reasons for such determination and shall consider in good faith any proposed changes or alternative plans to preserve feasibility prior to the termination of this Agreement.

### 9. Miscellaneous:

- A. No officer, director, employee, agent, official or representative of either party shall have or be subject to personal liability with respect to any obligation or liability under this Agreement. It is acknowledged and understood by the parties that the representatives of WRA executing this Agreement and any related documents either now or in the future are doing so in their official capacity only and not in their individual capacity. The provisions of this Section 9(A) shall specifically survive delivery of the Ground Lease or earlier termination of this Agreement.
- B. Buyer expressly warrants and represents to WRA that:
  - Buyer is a Massachusetts limited liability company, validly existing, with full right, power and authority to make, execute, deliver and perform this Agreement; and
  - ii. The person executing this Agreement on behalf of Buyer is duly and validly authorized to do so.
- C. Any and all notices shall be deemed given if (i) delivered by hand, or (ii) sent by certified or registered mail, postage pre-paid, or delivered in a manner by which civil process may be served, if delivered/addressed as follows:

To WRA: Kenneth Buckland, Clerk, WRA
Town Hall
54 Marion Road
Wareham, MA 02571

With a copy to:
Derek Sullivan, Town Administrator
Town Hall
54 Marion Road
Wareham, MA 02571

To Buyer: Littleton Drive LLC

c/o Pennrose Properties LLC 230 Wyoming Avenue, Kingston, PA 18704 Attn. Mark H. Dambly

With a copy to: Klein Hornig LLP 101 Arch St., Suite 1101 Boston, MA 02110 Attn: Daniel M. Rosen

- D. Buyer shall not assign its rights and obligations under this Agreement without the prior consent of WRA, provided however, that Buyer may effect a partial or complete assignment to an affiliate organization controlled by Buyer or by Developer upon written notice to WRA and the affiliate organization accepts the requirements of this Agreement.
- E. The Buyer shall not record this Agreement or a memorandum or notice of this Agreement. WRA may record this Agreement or a memorandum or notice of this Agreement provided that it releases or terminates such instrument at Closing when the Ground Lease is delivered.
- F. This Agreement, executed in multiple originals, is to be construed as a Massachusetts contract and is to take effect as a sealed instrument. If any provision of this Agreement shall to any extent be deemed invalid, the remainder of this Agreement shall not be affected thereby and shall remain in full force and effect as if such invalid provision were never included in this Agreement, if the remainder would continue to conform to the requirements of applicable law. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns. This Agreement may not be cancelled, modified or amended except by a written instrument executed by both WRA and Buyer.

IN WITNESS WHEREOF, the parties have executed this Agreement under seal as of the day and year first written above.

WARFHAN	M REDEVEL	OPMENT	AUTHORITY
WANDIA	VI KEDEVEL	CITIVILLIA	AUTHORIT

# LITTLETON DRIVE LLC

By: Pennrose Holdings, LLC, its sole member

By: Tikw J	By:
Name: Peter Teitelbaum	Name:
Title: Chair, WRA	Title:

Approved as to Form:

See attached email from Town Counsel

Recommended By:

Name: Kenneth Buckland

Title: Clerk, WRA

# EXHIBIT A

Plan of Property

IN WITNESS WHEREOF, the parties have executed this Agreement under seal as of the day and year first written above.

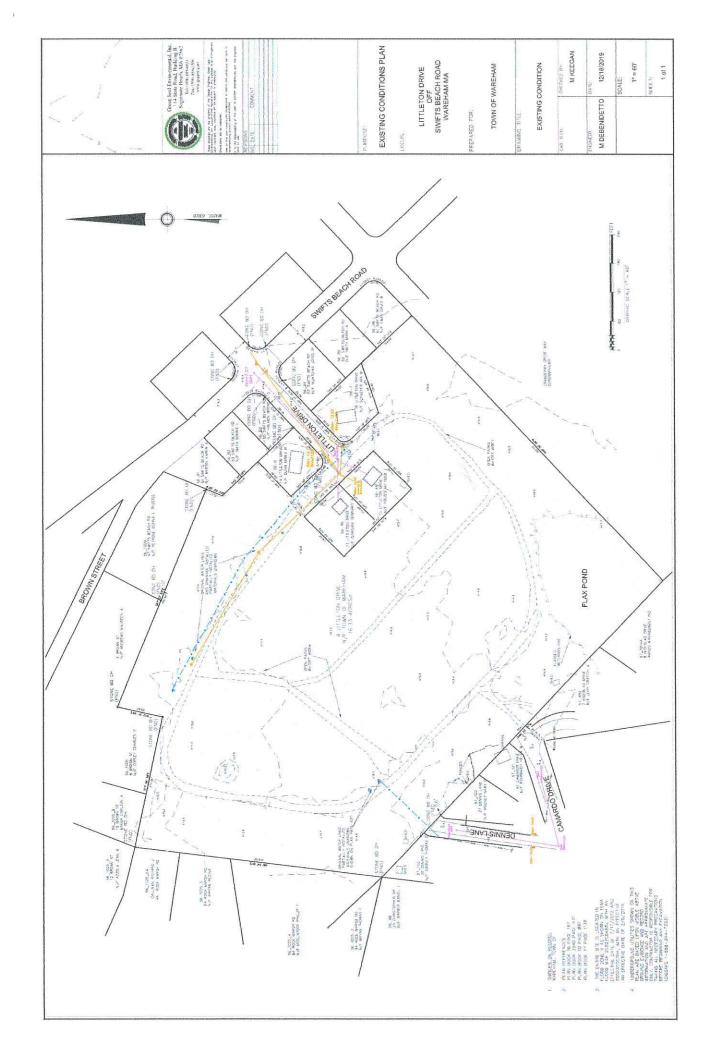
LITTLETON DRIVE LLC

By: Name: Timothy I. Henkel
Title: Senior Vice President

By: Pennrose Holdings, LLC, its sole member

WAREHAM REDEVELOPMENT AUTHORITY
By:
Name: Peter Teitelbaum
Title: Chair, WRA
Approved as to Form:
See attached email from Town Counsel

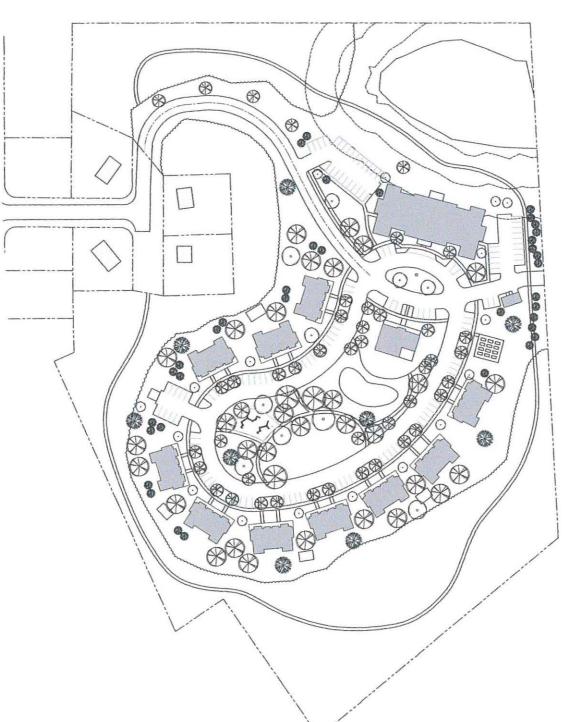
Title: Clerk, WRA



# EXHIBIT B

Concept Plan





Site Plan

# ATTACHMENT: EMAL FROM TOWN COUNSEL

# Re: [External] LDA mark-up

# Richard Bowen < richbowen1@hotmail.com>

Thu 9/3/2020 9:45 AM

To:Peter Teitelbaum <pteitelbaum@wareham.ma.us>;

Cc:Kenneth Buckland <kbuckland@wareham.ma.us>;

Peter, Thanks!

With the previous suggestion I made you are all set to go.

Rich

On Sep 3, 2020, at 8:22 AM, Peter Teitelbaum <ptelbaum@wareham.ma.us> wrote:

It's Article 17 here:

https://www.wareham.ma.us/sites/g/files/vyhlif5146/f/uploads/2019 spring annual town meeting warrant.pdf

Peter W. Teitelbaum, Esq. Chairman, Wareham Board of Selectmen

Chairman,

Wareham Redevelopment Authority

From: Richard Bowen <richbowen1@hotmail.com> Sent: Wednesday, September 02, 2020 9:38 PM

To: Peter Teitelbaum
Cc: Kenneth Buckland

Subject: Re: [External] LDA mark-up

And further authorized disposal? Sorry to be a "by the numbers" pedant!

Sent from my iPhone

On Sep 2, 2020, at 9:08 PM, Peter Teitelbaum <pteltelbaum@wareham.ma.us> wrote:

Town Meeting vote that authorized the BOS to convey the land to the WRA.