

PURCHASE AND SALE AGREEMENT

1. SALE AGREEMENT:

This agreement (the “Agreement”) is made by and between the City of Central Falls Redevelopment Agency (“Seller”), with its principal office located at 580 Broad Street, Central Falls, Rhode Island 02863, by and through its Officers and Members, and The Apiary, LLC (“Buyer”) of 64 Channing Ave., East Providence, Rhode Island 02915. The Seller agrees to SELL and the Buyer to BUY, upon the price and terms below, the following properties located at 229 Washington Street and 12 Hood Street, Central Falls, Rhode Island 02863, and further identified as Lots 121 and 251, respectively, on Assessor’s Plat 4 in the records of the Tax Assessor of the said City of Central Falls (the “Property”).

2. SALE CONTINGENT ON DEVELOPMENT OF PROPERTY:

This Agreement is contingent upon the Buyer obtaining of all municipal approvals necessary in order to commence construction on the development of the Property into two (2) single-family homes substantially in conformance with the development plan attached hereto as Exhibit B (the “Development”). Following the Date of this Agreement, Buyer shall cause said development plan to be refined into development plans adequate to obtain any zoning and planning approvals required to construct the Development (the “Development Plans”). Should the Buyer be unable to develop the Property as envisioned herein, this Agreement shall thereupon become void and of no further force or effect whatsoever. Without limiting the foregoing, Seller shall have the right to terminate this Agreement upon written notice to Buyer if Buyer has not obtained all necessary approvals for the Development prior to the Closing (defined below), or Buyer’s application for the Development to the Planning Board/Zoning Board of Review is denied, and Buyer does not timely appeal the same.

3. DATE OF THIS AGREEMENT:

The Date of this Agreement shall be the date on which Seller signs the Agreement, as set forth by the authorized signatures below.

4. PURCHASE PRICE:

The Purchase Price for the Property, as agreed to by the parties, is One and 00/100 Dollars (\$1.00) and other good and valuable consideration.

5. CLOSING DATE/PLACE:

Closing is to be held on the date that is one hundred twenty (120) days following the Date of this Agreement, unless otherwise agreed to by the parties. The Closing shall occur at the office

of the City Clerk of the City of Central Falls or at such other time and place as may be agreed to by the parties. The Purchase Price shall be paid as directed by the Seller's closing agent and payable by cash, certified check, wire transfer and/or bank check. Payment of the Purchase Price and delivery of deed shall occur at the closing. Notwithstanding anything contained herein to the contrary, this Agreement is expressly contingent upon Buyer's receipt of a commitment to fund the Development of the Property prior to the Closing. Buyer shall use good faith, diligent efforts to secure such funding, and shall provide Seller with reasonable evidence of its ability to fund the Development prior to Closing.

6. DEPOSITS:

No deposit has been submitted by the Buyer and none has been required by the Seller.

7. MORTGAGE CONTINGENCY:

This Agreement is ~~not~~ contingent upon Buyer's obtaining financing ~~from an institutional lender.~~

- BuilderBuyer to provide 25% of project capital with evidence of \$25,000 operating reserve
- City of Central FallsSeller to provide non-recourse construction financing for 75% of project capital requirements
 - Construction loan is simple interest line of credit with a 24 month term at prime rate, interest only through receipt of certificate of occupancy.
 - Funds disperseddisbursed through stages of project completion.

8. INSURANCE/RISK OF LOSS:

The Seller is obligated to keep the Property insured against any loss or casualty until the delivery of the deed.

9. FIXTURES/PERSONAL PROPERTY:

Included in this sale as part of the Property are the buildings, structures and improvements now thereon, if any, but not any other personal property located on the Property which does not constitute fixtures belonging to the Property and/or used in connection therewith. Such improvements and personal property, if any, as contemplated by this Agreement are being sold and transferred in "AS-IS," "WHERE-IS" and "WITH-ALL-FAULTS" AND WITH NO REPRESENTATIONS OR WARRANTIES OF ANY KIND WHATSOEVER.

10. TITLE:

Seller makes no covenants or warranties as to title whatsoever, and Buyer agrees to accept a Bargain and Sale deed from the Seller in the form attached hereto as Exhibit A, as full performance of Seller's obligations hereunder and in consideration of payment of the Purchase Price in full. The Property will be conveyed to the Buyer by a bargain and sale deed from the Seller, conveying all of Seller's interest, if any, in and to the Property, and excepting any easements, restrictions or other encumbrances of any kind, whether of record or otherwise, and all municipal regulations, and containing any restrictions, covenants, good faith deposits, and/or reverters as may be set forth in such Bargain and Sale Deed. Notwithstanding anything contained herein to the contrary, Seller shall cause the release of any liens voluntary incurred by the Seller and secured by the Property on or prior to Closing. Further, notwithstanding anything contained herein to the contrary, Buyer's obligation to purchase the Property is contingent upon Buyer's ability to obtain an owner's policy of title insurance insuring title the Property with standard exceptions, at usual rates. Buyer shall order a commitment for its Owner's policy of title insurance within seven (7) days following the Date of this Agreement, and shall notify Seller of any matters set forth in such commitment which would prevent Seller from being able to convey title as described above. Seller shall have the right, but not the obligation to remedy such title matters. If Seller elects not to remedy such title matters, then Buyer shall have the option to either terminate this Agreement or accept such title as Seller may convey with reduction in the Purchase Price.

11. TAXES, ADJUSTMENTS. OTHER ASSESSMENTS:

(a) Taxes: Seller shall convey the Property free and clear of any delinquent real estate taxes and any other delinquent municipal liens. Notwithstanding anything in this Agreement to the contrary, Seller may satisfy the foregoing requirement by electing to either (1) extend the Closing date until such time that Seller has been able to clear the title of any such delinquent real estate taxes, or (2) pay such taxes (or have the same abated) within six months following the Closing. If Seller does not elect to extend the Closing date until such time that Seller has been able to clear the title of any such delinquent real estate taxes, Seller agrees to deposit funds with the Buyer's attorney or title insurance company to be held in escrow to pay such taxes or until such time as the same have been abated. Real estate taxes for then current tax period shall be adjusted at the Closing between Seller and Buyer in accordance with customary Rhode Island conveyancing procedure.

(b) Adjustments: Rents, fuels, water charges and sewerage charges, if any, shall be apportioned as of the date of the delivery of the deed.

(c) Assessments: All assessments which constitute a lien on the Property shall be paid or assumed by the Seller.

(d) Recording Fees/Documentary Stamps/Transaction Costs: All recording fees (except for recording fees in connection with the Seller recording any discharges, releases, or other documents necessary to deliver title to the Property in accordance with the terms of this Agreement, which recording fees shall be paid by the Seller), transfer taxes, documentary stamps, brokerage commissions, and other transaction costs associated with the transaction contemplated herein shall be paid by Buyer at Closing. Notwithstanding the foregoing, Seller and Buyer shall each be responsible for paying their own attorney's fees in connection with this transaction.

~~(d)~~(e) Real Estate taxes abated until certificate of occupancy granted or 24 months from receipt of deed, whichever comes first.

12. RESTRICTIONS OR LEGISLATIVE/GOVERNMENTAL ACTION: Buyer is responsible for investigating whether there are any restrictions or legislative/governmental actions, present or proposed, which affect or would affect the use of the Property. Without limiting the foregoing, if any restrictions or legislative/governmental action, rules, laws, or regulations affect Seller's capacity or authority to perform the conveyance of the Property then Seller may, at its election, extend the closing for up to ninety (90) days (upon providing Buyer with notice of its intent to do the same). If those matters affecting the conveyance of the Property are not resolved within said ninety (90) days then this Agreement may be cancelled by either party by written notice prior to the Closing, whereupon this Agreement shall become void and unenforceable and neither party shall have any further obligation to the other hereunder.

13. ADDITIONAL SELLER OBLIGATIONS:

(a) Foreign Investment in Real Property Tax Act ("FIRPTA"): The Seller represents that the Seller is not a foreign person or foreign corporation as defined in FIRPTA and according, that the Buyer will not be required to comply with the withholding requirements of FIRPTA at the closing.

~~— Developer and City of Central Falls to enter into a partnership whereby developer is except from all state sales tax on building materials~~

(b) All City building permit fees waived

~~(a)(c) City of Central Falls Seller to provide an upfront \$30,500 recourse loan to Buyer, on each site, forgiven at certificate of occupancy if the Buyer's profit after sale does not exceed fifteen percent (15%) of its documented basis.~~

14. POSSESSION:

The Property is being sold in "AS-IS" condition, including, without limitation it's "AS-IS" condition as to the environmental condition and physical condition of the Property; any and all title, survey, zoning, subdivision, and other legal and/or physical conditions or attributes of the Property (including the use, occupancy and possession of the Property), and Buyer represents that it has not relied on any representation of the Seller or any of Seller's employees, agents, or representatives, oral or otherwise, as to the character or quality of the Property. Possession of the Property, subject to the rights (if any) of all tenants, occupants and personal possessions, is to be delivered to the Buyer at the time of delivery of the deed. At closing, the Property is to be conveyed in the same condition in which it now is, casualty damage excepted, except for reasonable use and wear.

15. DOCUMENTS TO BE DELIVERED BY SELLER AT CLOSING:

At the Closing, Seller shall deliver a Bargain and Sale Deed and a non-foreign affidavit executed by Seller, containing such information as is required by Internal Revenue Code and the regulations thereunder. Seller shall also deliver any other document reasonably requested by Buyer's attorney or title insurance company and customarily delivered at closings in the State of

Rhode Island.

16. DOCUMENTS TO BE DELIVERED BY BUYER AT CLOSING:

At the Closing, Buyer shall deliver to the Seller the Purchase Price in the form of a Cashier's or Treasurer's check of a Rhode Island bank or credit union or by check certified by a Rhode Island bank or credit union, as well as such other instruments and documents as are reasonable and/or customarily provided by purchasers in transactions such as the one contemplated herein.

17. NOTICES:

All notices as required in this Agreement shall be in writing. All notices are to be conveyed by mail, personal delivery, or fax. Notices shall be effective when post marked, upon personal delivery, or upon fax transmittal date. Notices to the Seller shall be sent or delivered to the Seller to the attention of the City Solicitor at the address in Section 1 of this Agreement, with a copy to: Ryan Holt, Esq., One Turks Head Place, Suite 1200, Providence, RI 02903 (Fax: 401-453-1201). Notices to the Buyer shall be sent or delivered to the address that appears in Section 1 of this Agreement.

18. DEFAULT:

Upon default by the Buyer or the Seller in the performance of this Agreement, the non-defaulting party may terminate this Agreement by written notice to the defaulting party as its sole and exclusive remedy and this Agreement shall thereupon become void and of no further force or effect whatsoever

19. ASSIGNMENT AND SURVIVORSHIP:

This Agreement may not be assigned by either party without written consent of the other, and shall be binding upon the heirs, executors, administrators, successors and assigns of the parties hereto.

20. CONSTRUCTION OF AGREEMENT:

This Agreement may be executed in one or more counterparts and each shall be deemed to be an original. If two or more persons are named herein as Seller, their obligations hereunder shall be joint and several. All references to time periods shall be counted in calendar days.

21. NO RECORDING:

This Agreement may not be recorded in the Land Evidence Records of the City of Central Falls. In the event Buyer records or causes this Agreement to be recorded in violation of the foregoing prohibition, the Buyer, at Seller's election at any time thereafter, shall be deemed in default hereunder entitling the Seller to the remedies provided herein for the Buyer's default including, without limitation, the right to retain any unexpended or unencumbered Deposit. In

addition, in the event this Agreement is recorded in violation of the foregoing prohibition against recording, the Seller is hereby authorized and empowered as the true and lawful attorney-in-fact for the Buyer to record an affidavit of the Seller stating that the Seller has elected to hold the Buyer in default hereunder and all third parties may conclusively rely upon the recording by the Seller of such an affidavit establishing that the Buyer no longer has any right, title or interest in and to this Agreement or the Property. This power of attorney shall be deemed irrevocable and coupled with an interest in and to the Property. The Buyer agrees to execute, acknowledge and deliver, in recordable form, any such further documents, assurances, or instruments as the Seller may request in order to further confirm that the Buyer no longer has any right, title or interest in and to this Agreement or the Property and in the event that the Buyer refuses or fails to forthwith execute same, the Seller is hereby appointed the true and lawful attorney-in-fact of the Buyer to execute same, which power of attorney shall be deemed irrevocable and coupled with an interest in the Property.

22. GOVERNING LAW:

This Agreement shall be governed by, interpreted under, and construed and enforced in accordance with the laws of the State of Rhode Island and the Code of Ordinances of the City of Central Falls.

23. WAIVERS AND EXTENSIONS:

No waiver of any breach of any agreement or provision herein contained shall be deemed a waiver of any preceding or succeeding breach thereof or of any other agreement or provision herein contained. No extension of time for performance of any obligations or acts shall be deemed an extension of time for performance of any other obligations or acts.

24. BROKERS:

Buyer and Seller each represent and warrant to the other that they have not dealt with any brokers or real estate sale persons with respect to the transaction contemplated by this Agreement, and that no person is entitled to claim a commission or other fee in connection with the transaction contemplated herein. Buyer and Seller further agree to indemnify and hold harmless the other party and its respective successors and assigns against and from all claims, losses, liabilities and expenses including attorney's fees arising out of any claim by any brokers, consultants, finders or like agents, which are based upon alleged dealings with said parties. The provisions of this action shall survive the closing.

25. ENTIRE AGREEMENT:

We, the parties hereto, each declare that this instrument contains the entire Agreement between us, subject to no understandings, conditions, or representations other than those expressly stated here. This Agreement may not be changed, modified, or amended in whole or in part except in writing, signed by all parties.

27. POST-CLOSING OBLIGATIONS:

The parties hereto acknowledge that the transaction contemplated in this Agreement is conditioned upon Buyer agreeing to construct the Development.

Following the Closing, Buyer shall construct the Development in accordance with the Development Plans in accordance with the timelines set forth in the Bargain and Sale deed attached hereto. Such Improvements shall be constructed by contractors licensed by the State of Rhode Island, in accordance with a construction contract approved by the Seller (which approval shall not be unreasonably withheld and promptly addressed [in all events at Seller's regular monthly meeting next following the date the same is submitted to Seller for its approval, subject to any applicable notice requirements]). In no event may the Development Plans be materially modified or amended after the Closing without the Seller's consent, in its sole but reasonable discretion. Provided that in no case shall Buyer amend the Development Plans to substitute a construction material or process of a lesser quality or value for one of greater quality or value.

Any conveyance of the Property by Buyer following the completion of the Improvements shall be sold with the restriction that ~~one of the units~~the home be owner-occupied.

WITNESS the signatures of the above parties on the date(s) set forth below.

Seller:

CENTRAL FALLS REDEVELOPMENT AGENCY:

By: _____

Patsy Peterson
Peter
Friedrichs
Chairperson
Director

Date: _____

Buyer: _____

The Apiary, LLC

Date: _____

EXHIBIT A

BARGAIN AND SALE DEED

KNOW ALL MEN BY THESE PRESENTS, that this Deed is made on this ___ day of _____, 20__ by and between CENTRAL FALLS REDEVELOPMENT AGENCY (hereinafter referred to as the “Grantor”), a public body, corporate and politic, established pursuant to the laws of the State of Rhode Island, and _____ (hereinafter the “Grantee”), and for and in consideration of the sum of ONE AND 00/100 Dollars (\$1.00) and other good and valuable consideration, paid by the Grantee to the Grantor, the receipt of which sum from the Grantee is hereby acknowledged by the Grantor, and for and in consideration of the observance and performance by the Grantee, its successors, assigns and every successor in interest to the Property or any part thereof or interest therein, of the covenants and agreements herein contained, the Grantor does, by this Deed, grant, bargain, sell and convey unto the Grantee and its successors and assigns, under and subject to the covenants and agreements herein contained, any and all of the right, interest and title Grantor may have in and to the real property described in Exhibit A (herein referred to as the “Property”), if any, situated in Central Falls, Rhode Island. This conveyance is made subject to the following:

A. The applicable building and zoning laws and regulations;

B. Any and all matters affecting the Property, whether of record or otherwise; and

C. The Property shall be used only as a ~~multi-unit~~ affordable housing development, unless Grantee obtains the written permission of the Grantor, in the Grantor’s sole discretion, to allow a different use. Any such permission must be in the form of a written, recordable affidavit signed by the Grantor, and recorded in the City of Central Falls Land Evidence Records. Furthermore, such use shall commence (if not already commenced and continuing), and any and all improvements reasonably required in order to conduct such use shall have been completed in accordance with those certain plans and specifications mutually agreed to by Grantor and Grantee prior to the date of this deed (such improvements are referred to herein as the “Improvements”). In no event shall such plans and specifications be materially amended or modified without Grantor’s prior written consent, in its sole discretion, provided that in no case shall Grantee amend or modify the Development Plans to substitute a construction material or process of a lesser quality or value for one of greater quality or value. All such Improvements shall be constructed pursuant to a construction contract previously approved by Grantor. In addition, within one hundred twenty (120) days following the date of this deed, Grantee shall commence construction of said Improvements and shall thereafter diligently proceed to complete construction of the Improvements. Grantee shall endeavor to sell the Property as soon as reasonably practicable following the completion of the Improvements, and any such sale shall include a restriction requiring that one of the dwelling units on the Property be occupied by the owner of the Property. The foregoing restrictions (the “Deed Restriction”): (i) shall run with the Property and shall encumber the Property, and shall be binding upon Grantee and its heirs, transferees, successors and assigns, and (ii) is not merely a personal covenant of the Grantee. The Grantee hereby agrees that any and all requirements of the laws of the State of Rhode Island required to be satisfied in order for the provisions of this Deed Restriction to become effective and constitute a deed restriction and covenant running with the Property is deemed to be satisfied in full, and that any requirements of privity of estate are deemed satisfied or,

in the alternative, that an equitable servitude has been created to insure that this restriction and covenant runs with the Property. Without limiting the foregoing Deed Restriction and the Grantee's rights to enforce the same pursuant to all of its rights at law and equity, this Deed and this conveyance are upon the condition subsequent that if Grantee should violate the Deed Restriction after written notice from the Grantor and sixty (60) day opportunity to cure, then Grantor shall thereafter (until such time as such violation is cured) have the right, at the Grantor's sole election, to declare a termination of the title herein granted, by recording a written affidavit of same, signed by the Grantor and recorded in the City of Central Falls Land Evidence Records, and re-enter and take possession of the Property and thereby terminate and re-vest in Grantor the estate conveyed by this Deed, and such estate shall thereby revert to Grantor.

TO HAVE AND TO HOLD the Property, subject to the above restrictions, encumbrances and exceptions and to the covenants and agreements herein contained forever. This conveyance is such that no RIGL 44-30-71.3 withholding is required. The Grantor is a public body, corporate and politic, established under the General Laws of the State of Rhode Island.

[Signature page follows]

IN WITNESS WHEREOF said CENTRAL FALLS REDEVELOPMENT AGENCY has caused its official seal to be hereunto affixed and these presents to be executed by _____, its _____, thereunto duly authorized, this ___ day of _____, 20__.

CENTRAL FALLS REDEVELOPMENT
AGENCY

By: _____
Name:
Title:

STATE OF RHODE ISLAND)
)ss:
COUNTY OF PROVIDENCE)

In the City of Central Falls, in said County and State, on the ___ day of _____, 20__, before me appeared the above named _____, to me known and known by me to be the _____ of said CENTRAL FALLS REDEVELOPMENT AGENCY, and s/he acknowledged the foregoing instrument by her/him so executed to be her/his free act and deed in said capacity and the free act and deed of said CENTRAL FALLS REDEVELOPMENT AGENCY.

Notary Public

My Commission Expires:_____