

PURCHASE AND SALE AGREEMENT

AGREEMENT made this _____ day of _____, 2021 by and between The City of Laconia, a municipal corporation duly organized under the laws of the State of New Hampshire with a mailing address of 45 Beacon Street East, Laconia, New Hampshire 03246, (SELLER), and KNM Holdings, LLC, a limited liability company duly organized under the laws of the State of New Hampshire with a mailing address of 518 Shore Drive, Laconia, New Hampshire 0346 (BUYER).

WITNESSETH

1. The City is the owner of the property shown as Lot #2 on a subdivision plan captioned "Subdivision Plan Prepared for the City of Laconia, Tax Map 432, Block 44, Lot 1-1 (30 Church Street) and Tax Map 425, Block 44, Lot 1-2 (50 Church Street), Laconia (Belknap Co.), NH" dated March 29, 2021, scale 1"=30' prepared by Yerkes Survey Association, LLC and duly recorded in the Belknap County Registry of Deeds at Plan Drawer L83, Page 95.

2. Lot #2 contains the building formerly known and used by the Holy Trinity School.

3. The City agrees to sell and the BUYER agrees to purchase this property, with the BUYER representing that it shall remove the building extension containing the gym, and refurbish the main part of the building into a minimum of eight (8) residential rental apartments. The BUYER shall also have, subject to regulatory approvals, the option to build a new extension on the building to contain another four (4) rental units. The BUYER will also construct a minimum of 21 on-site parking spaces to accommodate apartment occupants and guests.

4. Based on these representations, the City agrees that the sale price shall be One Dollar (\$1.00). However, if the BUYER fails to begin and continue with substantial construction of these improvements to the original building within 18 months of the date of closing, title to the property shall automatically revert to the City upon the City filing with the Belknap County Registry of Deeds a Notice of Reverter.

The BUYER understands and agrees that the purpose of the City agreeing to sell this property for One Dollar (\$1.00) is to facilitate the construction of taxable residential spaces in the downtown area. Therefore, the BUYER agrees that the deed shall restrict the ownership and use of the property to for-profit, non-exempt entities.

5. The closing on the sale of this property shall take place no later than 30 days after the BUYER obtaining its final unappealable local land use approval, at

the office of Normandin, Cheney & O'Neill, or at such other place that is mutually agreeable to the parties.

6. The parties agree that the BUYER will be filing an application for relief under RSA 79-E which will be limited to relief from taxes on improvements and additions during the time of reconstruction only. The parties agree that any relief from taxation under RSA 79-E shall end when the first eight residential units are completed and ready for rental, or in any case not later than March 31, 2023. The Parties also agree that this limitation will be included in the deed conveying the property.

7. In addition to payment of taxes, the BUYER agrees that if it elects not to build a new addition for the additional four (4) units, or if those additional 4 units in the new addition are not completed by March 31, 2024, the BUYER or its successors or assigns shall pay a yearly PILOT to the City that is the equivalent of the total of that year's municipal and school tax rate, multiplied by \$400,000 of assessment, which amount shall be annually adjusted by the northeast area CPI. This additional obligation shall run with the land, will continue until the 4 additional units in the addition are complete and will be included in the deed conveying the property.

8. Deed. The property is to be conveyed by a good and sufficient Warranty Deed running to the BUYER or BUYER'S nominee, conveying good and clear, record, marketable and insurable title, and shall be free and clear of all encumbrances except usual public utilities servicing the property, existing easements and restrictions on record and the provisions of existing building and zoning laws.

9. Possession. Possession of the Property free of all personal property and encumbrances, is to be delivered as of the date of the delivery of the deed, "as is", "where is", except as qualified below.

10. Broker. The parties agree that no broker was involved in bringing about this sale as agent of the SELLER or the BUYER

11. Title. BUYER shall be responsible for any examination of title it desires. If, upon the examination of title, the title shall not be good and marketable or prove to be defective in any respect that would substantially interfere with the intended use of the Property by the BUYER, BUYER shall notify SELLER of such defect no later than fifteen (15) days before the date set for the delivery of the deed. In such event, the SELLERS shall use reasonable means to remove any such defects in title. If the SELLERS fail to remove any defects in title within a reasonable time following receipt of such notice, then the BUYER shall, at its option, have the right to either purchase the property subject to the outstanding encumbrances and at no reduction of purchase price, or to declare this Agreement null and void with no further obligations on the part of either party to the other, in which latter case all deposits

shall be returned within ten (10) days.

12. Adjustment. Sewer, water and fuel in storage, shall be apportioned as of the date of delivery of the deed. By accepting and recording the deed to this property, BUYER agrees that it will be responsible for all tax billings for tax year 2021, prorated from the date of closing.

13. Default. If the BUYER defaults pursuant to the terms of this Agreement, the SELLER may retain the amount of the deposit as liquidated damages. If the SELLER defaults pursuant to the terms of this Agreement, the BUYER shall have the right to sue the SELLER for specific performance of contract or damages, or both.

14. Waiver. The waiver by any party of a breach of any provision of this Agreement shall not operate as, or be construed as, a waiver of any subsequent breach thereof.

15. Severability. Should any provision of this Agreement or any portion of any provision of this Agreement be held invalid or unenforceable according to law, the remaining portions hereof shall not be affected thereby, but shall continue in full force and effect.

16. Construction of Agreement. This Agreement, executed in duplicate, shall be construed as a New Hampshire contract and sets forth the entire understanding between the parties.

17. Binding Effect. This Agreement shall be binding upon the heirs, successors and assigns of the SELLER and the BUYER.

18. Merger. All representations, statements and agreements made between the parties are merged into this Agreement and it fully and completely expresses their respective obligations.

19. Access. During the term of this agreement, the SELLER shall allow the BUYER, its agents and representatives, full access to the properties, including the interiors of all buildings, for inspections and evaluations.

20. Insurance. The buildings on said premises shall, until full performance of this agreement, be kept insured against fire with extended coverage by the SELLER. In case of loss, all sums recoverable from said insurance shall be paid or assigned, on delivery of deed, to the BUYER, unless the premises shall previously have been restored to their former condition by the SELLER; or, at the option of the BUYER, this agreement may be rescinded and the deposit refunded if any such loss exceeds \$10,000.

21. Hazardous Waste. The BUYER shall have access to all parts of the

property to perform testing for hazardous waste contamination, at its expense. If Contamination is found, SELLER shall be promptly notified and shall be responsible for abating the contamination prior to closing.

In accordance with RSA 477:4-a, the Seller hereby gives the following notices:

22. Radon Gas. Radon gas, the product of decay of radioactive materials in rock may be found in some areas of New Hampshire. This gas may pass into a structure through the ground or through water from a deep well. Testing can establish its presence and equipment is available to remove it from the air or water.

23. Lead Paint. Before 1977, paint containing lead may have been used in structures. The presence of flaking lead paint can present a serious health hazard, especially to young children and pregnant women. Tests are available to determine whether lead is present.

EXECUTED in duplicate this 23rd day of April 2021.

SELLER: CITY OF LACONIA

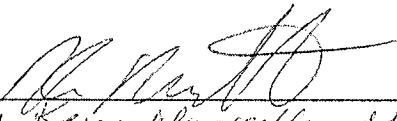
Witness

By: _____
Its _____
Duly Authorized

BUYER: KNM HOLDINGS, LLC



Witness


By Kevin Morrissette, Manager
Duly Authorized

Federal I.D. No. 02-0155840