April 27, 2020

Mr. William Hutwelker

Re: Offer to Purchase Troy Mills

Dear Bill,

I am submitting the following offer to purchase the Troy Mills. I look forward to working with you in completing this purchase. Since our meeting, we have spent a lot of time analyzing the property and attempting to see what programs may be a fit for us to redevelop it with public support, and using those inputs to develop a draft plan which we will share for review. I have attached these plans to the email, which call with the creation of 135 apartments and renovation of significant industrial/commercial space.

As a little background before we get into the details, we have completed over 100 deals in the last 10 years, and own and operate over 700 apartments throughout New England. We are currently finishing our renovation of 45 Summer Street in Leominster MA, pictured below, into 36 market rate units with historic tax credits as well as HDIPs offered through MA and a property tax break from the City of Leominster.
We have completed several other historic tax credit projects and many other construction projects of large scale and would be happy to provide further details upon request.

The Troy Mills is a great site and it is a shame that the previous developer was unable to bring his vision to life. We spoke with the Monadnock Economic Development Corporation and they thought there was a good opportunity to leverage New Market Tax Credits for this project, incorporating both a commercial/office/light industrial component with a housing component. The NMTCs stack nicely with historic tax credits, and the property is already listed as the “Troy Village Historic District” which helps with that process.

As you likely are aware, these programs can require significant effort up front and take a long time before funds are approved. The NMTCs have a single application date each year in May, and we would not be able to put submit an application until 2021. While we could apply for historic credit sooner, those credits would not be earned until the project is completed. We are also looking into the idea of obtaining LIHTC credits for a portion of the building for subsidized housing – our understanding from speaking with our attorneys at Sheehan Phinney is that we could use the NMTCs on part of the campus, LIHTC on another part, and Historic Tax Credits over everything – but we would like to speak with you first about your vision for the property before we finalize any plans.

With this background, we think there is a lot of potential with the site but there are also a lot of challenges. Obviously the present COVID-10 pandemic does not help. The property is located in a relatively rural area of New Hampshire, so some banks and investors will be nervous about spending ~$30MM here (roughly $150/SF X 200,000 SF) where there aren’t existing tenants that are ready to take the space. We think we can solve those challenges with the experience and banking relationships we bring to the table, and the capital we are ready to contribute.

However, the engineering and planning for the development will be expensive and we won’t be able to put a shovel in the ground until the Fall of 2021 once our plans are approved and likely $500K has already been spent towards soft costs.

With that in mind, we would like to make an offer on the following terms:

Buyer: Dan Botwinik, his assignee or related affiliate

Property: The Property known as Troy Mills, Troy NH

Purchase Price: $288,000

Deposit: $1,000 upon acceptance of these terms to bind this offer, and $19,000 provided upon execution of a purchase and sale agreement. The balance of $268,000 will be brought to closing.
Proposed Schedule:

Acceptance of Offer                                      May 8, 2020  \textcircled{1}  4/50/20
Completion of Physical and Financial Due Diligence      August 1, 2020
Execution of Purchase and Sale Agreement                 August 1, 2020
Closing                                                  October 1, 2020

Seller agrees, upon acceptance of this offer, to provide for review to Buyer all leases, plans, documents, permits, environmental reports, title insurance policies, expense statements, easements, deed to the property, and any other information in their possession critical to Buyer's evaluation of the property.

Conditions to Sale:

☐ Seller agrees to use best efforts to prevent changes to the property excluding those resulting from force majeure.
☐ Good clear record and marketable title.
☐ Property to be delivered vacant

Please sign below indicating acceptance of this offer. This offer shall be binding, subject only to the execution of a mutually executed purchase and sale agreement or an event of force majeure. If not responded to by May 1, 2020, this offer shall be considered withdrawn. I look forward to working with you in completing this transaction. Do not hesitate to contact me should you have any questions.

Very truly yours,

\textit{Dan Botwinik}

Agreed to and accepted by:

\textit{Rick Olmsted}  \textcircled{1}  09/30/20

Seller  Date

\textit{Subject to final approved by the teg Redevelopment Group, Board of Directors, said meeting currently scheduled for 5/1/20.}