

**Letter of Intent**  
**Town of Shelburne – Road to Hana, Inc.**

January 29, 2019

This letter of intent (LOI) sets forth the basic terms, conditions and process upon which Purchaser and Seller will enter into a Purchase and Sale Agreement for the Property described below.

**Background**

Seller has an executed Option to Purchase Real Estate Agreement (Option Agreement) for purchase of Lot 6 of the Rice Lumber Redevelopment Project, consisting of approximately 4.8 acres. It is Seller's intent to subdivide Lot 6 into two (2) separate parcels – an approximately 2.57 acre parcel fronting Shelburne Road and an approximately 2.23 acre back parcel as conceptually shown on Exhibit A attached. Seller's objective is to develop a commercial building on the 2.57 acre front parcel (Seller's Parcel) and operate its retail business. Seller intends to sell the 2.23 acre back parcel (Property) to Purchaser. Purchaser plans to develop a municipal fire and rescue station on the Property (Purchaser's Project).

**Terms and Conditions**

**Seller:** Road to Hana, Inc. d/b/a Healthy Living Market & Cafe

**Purchaser:** Town of Shelburne, VT

**Ultimate Seller:** Rice Lumber Co., Inc.

**Property:** An approximately 2.23-acre parcel of land to be legally subdivided by Seller as generally shown on Exhibit A attached. Access to the Property from Shelburne Road will be provided by a shared access road easement as conceptually shown on Exhibit A. Seller and Purchaser acknowledge and agree that the plans, including the configuration and size of the respective lots, are conceptual and, to achieve the goals of each party, may be amended as design and permitting progress.

**Purchase Price:** The Purchase Price of the Property is to be \$650,000.

**Seller Donation:** In support of the Town of Shelburne's plan to construct a new municipal fire and rescue station on the Property, Seller will contribute twenty-five thousand dollars (\$25,000) to the fire and rescue station fundraising campaign. The timing and specifics of this donation will be outlined in a Purchase and Sale Agreement.

**Third Party Developer:** Both parties acknowledge that it is Seller's intent to enter into a purchase and sale/development/lease agreement with a third party developer (Developer) whereby Developer will purchase Seller's Parcel, construct a building and site improvements for

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Seller's use, and lease the building and site improvements to Seller for operation of its retail business. Purchaser and Seller agree that Seller and/or Developer will take the lead in obtaining all necessary permits and approvals for subdivision and development of both the Seller's and Purchaser's parcels (but not permits for Purchaser's building design), and that Purchaser and Seller shall both be listed as applicants on any applications therefor. The Seller shall select a Developer, and the Town shall review and approve Seller's selection, which shall not be unreasonably withheld or delayed. Purchaser and Seller agree to work in good faith with each other and the Developer during the design and permitting process. In the event Seller assigns a Purchase and Sale Agreement between Purchaser and Seller to the Developer, the Developer shall assume all rights and obligations of Seller, and Purchaser's obligations to Seller shall transfer to Developer.

**Shared Due Diligence, Design and Permitting Costs:** Purchaser and Seller agree to share the cost of all due diligence work, design work and obtaining all necessary approvals and permits to subdivide and develop both lots (Shared Soft Costs), retroactive to the Town's approval, should it occur, as of March 6, 2019. Such Shared Soft Costs include, but are not limited to, costs of analyzing existing permits and approvals, environmental and brownfields analysis, historic preservation analysis, title research, engineering analysis, conceptual site planning, detailed site planning, site civil engineering, traffic analysis and engineering, stormwater analysis and engineering, and all efforts to apply for and obtain municipal zoning and subdivision approval, Act 250 approval, and permits and approvals issued by the Vermont Department of Environmental Conservation (VT DEC) and the Vermont Agency of Transportation (VTrans) as reasonably required for Seller's and Purchaser's respective projects. Such Shared Soft Costs shall include, but are not limited to, the cost of consultants to perform necessary testing, analysis and due diligence, attend meetings and hearings with local and State officials, and prepare required plans (e.g. subdivision plat, civil engineering, etc.), as well as any fees for permit applications and processing of permits and approvals. Shared Soft Costs shall not include architectural design work for either party's building, the cost of which shall be borne by each party for its own building. Shared Soft Costs shall also not include any option fee Seller is paying to the Ultimate Seller. Each party will pay fifty percent (50%) of the total Shared Soft Costs. The process and timing of payments will be outlined in a Purchase and Sale Agreement.

Both parties acknowledge that Seller's contemplated project may progress faster than Purchaser's contemplated project. Purchaser shall provide Seller with reasonable assumptions of what Purchaser's project requirements may be (Purchaser's Requirements) which Seller will use as a basis for seeking permits and approvals. In the event Seller obtains permits and approvals based on Purchaser's Requirements and Purchaser subsequently amends its plans, Purchaser shall be solely responsible for the cost of any redesign of the site, its building and obtaining amended permits and approvals. To the extent any such redesign by Purchaser alters any shared infrastructure, Purchaser must seek and obtain Seller's approval (which shall not be unreasonably withheld or delayed) before applying for any permit amendments.

Notwithstanding the above, Purchaser's portion of Shared Soft Costs shall not exceed fifty thousand dollars (\$50,000) until such time as the voters of the Town of Shelburne (Voters)

specifically authorize payment of Purchaser's portion in excess of \$50,000 (Excess Shared Soft Costs) as outlined in the Purchaser's Financial Obligations section below.

**Shared Infrastructure:** Purchaser and Seller agree to share the cost of construction and on-going maintenance of shared infrastructure (Shared Infrastructure Costs). Each party shall pay fifty percent (50%) of the total cost. Shared infrastructure may include, but is not limited to, the stormwater management system, access road, and other shared utilities, if any, to the extent such infrastructure is used by or benefits both parties. The roles and responsibilities of each party and the timing of payments by each party for construction and maintenance of shared infrastructure will be outlined in a Purchase and Sale Agreement.

**Purchaser's Financial Obligations:**

As part of Purchaser's and Seller's negotiation for a definitive Purchase and Sale Agreement, the parties agree to Purchaser's financial obligations to Seller as follows:

- a) Shared Soft Costs – Purchaser agrees to act with diligence and good faith to seek and obtain approval from the Voters, to the extent reasonably necessary, no later than Town Meeting Day 2019 (March 5, 2019) for authorization to pay Purchaser's portion of Shared Soft Costs. The initial payment shall be made by July 10, 2019 and shall include its portion retroactive to March 6, 2019 up to the last day of the previous month. Thereafter, Seller will send an invoice to Purchaser monthly detailing all Shared Soft Costs incurred since the last such invoice and Purchaser shall pay its portion to Seller within 30 days.
- b) Purchase Price, Shared Infrastructure and Excess Shared Soft Costs – Provided the Voters approve payment of Shared Soft Costs in accordance with the schedule set forth above, and Purchaser's Project has been found through due diligence to be suitable for Purchaser's intended purposes on financial terms typical for the industry, and has not been denied necessary permits, Purchaser agrees to act with diligence and good faith to seek and obtain approval from the Voters, to the extent reasonably necessary, no later than Town Meeting Day 2020 (March 3, 2020) for a binding commitment for: 1) purchase of the Property, 2) payment of Purchaser's portion of shared infrastructure costs, and 3) payment of Purchaser's Excess Shared Soft Costs (i.e. portion in excess of \$50,000) if any. Purchaser shall pay its portion of shared infrastructure costs on a monthly basis during construction of such shared infrastructure based on a procedure to be set forth in the Purchase and Sales Agreement. Closing on the Purchase of the Property shall be as set forth below under Closing.
- c) Purchaser's Construction of its project – Purchaser shall be under no obligation to Seller to construct Purchaser's project.

**Purchaser's Contingencies:** Purchaser's obligation to purchase the Property will be contingent upon satisfaction of the following contingencies prior to closing:

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- a) **Funding:** Approval to purchase the Property and pay for Purchaser's share of Shared Soft Costs and Shared Infrastructure Costs shall have been granted by the Voters. Such approvals to be obtained on the schedule set forth above.
- b) **Permits and Approvals:** Seller or Developer has obtained all required federal, state and municipal permits and approvals for Purchaser's proposed project, other than any permits and approvals required for Purchaser's specific building or building design, in final form not subject to appeal, containing terms and conditions reasonably acceptable to Purchaser.

**Seller's Contingencies:** Seller's obligation to sell the Property will be contingent upon satisfaction of the following contingencies prior to closing:

- a) **Developer Agreement:** Seller shall have executed a purchase and sale/development/lease agreement with a Developer for Developer to purchase Seller's Parcel, construct a building and site improvements for Seller's use, and lease the building and site improvements to Seller for operation of its retail business.
- b) **Purchaser's Funding:** Approval for the Purchaser to pay for Purchaser's share of Shared Soft Costs shall have been granted by the Voters by March 5, 2019. Approval for the Purchaser to purchase the Property and pay its portion of Shared Infrastructure Costs, and Excess Shared Soft Costs shall have been granted by the Voters by March 3, 2020.
- c) **Permits and Approvals:** Seller or Developer has obtained all required federal, state and municipal permits and approvals for Seller's proposed development in final form not subject to appeal, containing terms and conditions reasonably acceptable to Seller.
- d) **Seller's Prior Closing:** Seller having closed on its Purchase of Seller's Parcel.

**Closing:** It is anticipated that Purchaser will close on its purchase of the Property directly from the Ultimate Seller. Closing on Purchaser's acquisition of the Property shall occur no later than April 15, 2020 or whenever all contingencies have been either satisfied or waived, whichever is later unless 1) Purchaser has entered into an agreement with the Ultimate Seller to extend the date of closing on the Property and 2) the Ultimate Seller shall have released Seller from all obligations with respect to the Property.

**Brokerage Commission:** Both parties acknowledge that White + Burke Real Estate Investment Advisors, Inc. (Broker) represents Seller and is the only broker involved in this transaction. Seller is responsible for paying a brokerage commission to Broker in accordance with a separate agreement between Broker and Seller. Purchaser has no obligation to pay any fee to Broker and Seller shall hold Purchaser harmless from and against any such brokerage fees or commissions.

**Purchase and Sale Agreement:** Within 30 days of execution by the parties of this LOI, Seller's attorney shall prepare and submit to Purchaser a proposed Purchase and Sale Agreement incorporating the terms herein together with representations and warranties consistent with a

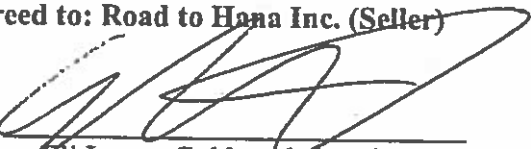
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commercial transaction of this size. Both Purchaser and Seller agree to use good faith efforts to complete and execute the Purchase and Sale Agreement no later than April 15, 2019.

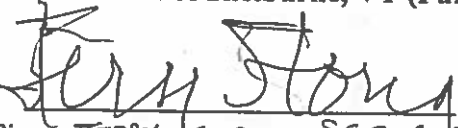
**Ultimate Seller:** Seller's obligation is to obtain cooperation from the Ultimate Seller as to the sale of the Property to Purchaser in accordance with the terms contemplated herein; however, in the absence of such cooperation, and subject to the conditions and contingencies set forth in this LOI and set forth in the Option Agreement between Seller and Ultimate Seller, Seller, or its assignee, shall agree to purchase Lot 6 in its entirety as set forth in the Option Agreement and convey to Purchaser the Property as set forth herein.

**Non-Binding:** The provisions of this LOI do not constitute a binding agreement between the parties, but instead are intended to set forth the parties' understanding of the basic terms, conditions and process upon which a binding, definitive Purchase and Sale Agreement will be based. Purchaser shall not be obligated to purchase, and Seller shall not be obligated to sell the Property until the parties have executed a binding, definitive Purchase and Sale Agreement.

Agreed to: Road to Hana Inc. (Seller)

By:   
Name: Eli Lesser Goldsmith, President  
Date: 1/29/19

Agreed to: Town of Shelburne, VT (Purchaser)

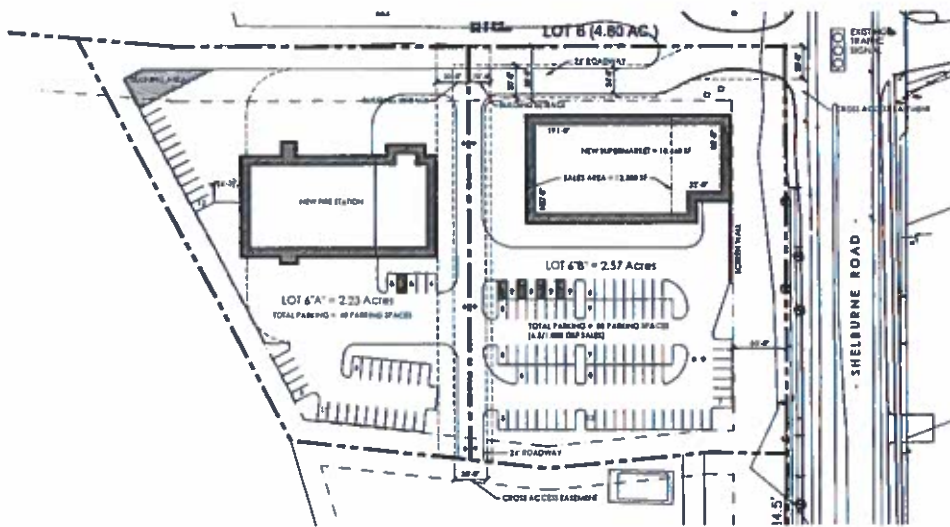
By:   
Name: JERRY STOREY, SECT BOARD CHAIR  
Duly Authorized Signer  
Date: 01/29/2019

2.23 acres

4.80 acres

EXHIBIT A

2.57 acres



PROPOSED SITE PLAN - CONCEPT E

SHELBURNE, VT.

STEWART - NOSKY ARCHITECTS, LTD.

Date: 06 NOVEMBER 2018

Rev: 13 DECEMBER 2018

