



Board of Directors – Remote Meeting

Thursday, July 15, 2021 at 2:00 p.m.

Zoom Webinar:

<https://us02web.zoom.us/j/81999892035?pwd=TWhtTSHhvU0dTRzQzMCs5QXU1UkF6dz09>

By phone: +1-646-558-8656 Webinar ID: 819 9989 2035 Passcode: 232141

MEETING AGENDA

AGENDA ITEM	PRESENTER	ACTION or INFORMATION
1. Call Meeting to Order (2:00)	Hope Cahan, Board President	N/A
2. Public Comment (2:00-2:05) The Board of Directors welcomes public comment. For items NOT on this agenda, the chair will recognize speakers at this point on the agenda. For items on the agenda, the chair will recognize public comment following staff’s presentation. There is a 3-min. time limit per citizen.	Hope Cahan, Board President	Information
3. Executive Session (2:05-2:30) The board may vote to enter into executive session to discuss the possible acquisition of real property pursuant to 1 MRSA Section 405 (6) (C) & (E).	Greg Jordan, METRO Executive Director	ACTION
4. Authorization to Enter Lease Agreement with the North River Company (2:30-2:55) Staff is seeking approval of a Letter of Intent to enter into a lease agreement with the North River Company for the lease of the property at 115 St. John’s Street. The Board is further asked to authorize the Executive Director to finalize and execute a lease agreement with the North River Company.	Greg Jordan, METRO Executive Director	ACTION
5. Upcoming Meetings (2:55-3:00) <ul style="list-style-type: none"> • Finance Committee – August 4, 2021 at 4:00 p.m. • Executive Committee – August 11, 2021 at 3:30 p.m. • Ridership Committee – August 19, 2021 at 4:00 p.m. • Board of Directors – August 26, 2021 at 4:00 p.m. 	Hope Cahan, Board President	Information
6. Adjournment (3:00)	Hope Cahan, Board President	ACTION



BOARD OF DIRECTORS

AGENDA ITEM 4

DATE

July 15, 2021

SUBJECT

Agreement with the North River Company to lease the property located at 115 St. John's Street.

PURPOSE

Review and approve the Letter of Intent (LOI), which includes the core business terms of a subsequent lease agreement with the North River Company.

BACKGROUND/ANALYSIS

The business terms associated with the proposed lease agreement with the North River Company (NRC) are provided for the Board's review under **Attachment A**. Sections with changes from the prior version of this document are highlighted. A summary of the core terms is provided below:

- Lease Commencement Date: November 1, 2021
- Lease Term: 10 years with three 7-year option periods.
- Rent: \$325,000 in year 1 with 2% annual increases; tenant to cover facility operating expenses as well as property management fee, property taxes, and municipal stormwater fee.
- Termination: Tenant has one-time right to terminate lease agreement at 5-year mark based on non-appropriation of sufficient funding to cover lease costs for years 6-10. Under termination, a termination fee would be required, along with unamortized leasing costs, but can be reduced through potential negotiation if tenant can secure a replacement tenant under comparable lease terms and comparable (or better) credit as a guarantor.
- Environmental Review: landlord is required to provide phase 1 environmental review. Lease agreement is conditioned on satisfactory report, but satisfactory shall be determined as acceptance of the report by the landlord's lender(s).
- Building Inspections: landlord is required to provide building inspection report and lease agreement is conditioned on tenant's satisfaction with major building systems.
- Sub-lease: Tenant may sublease building space with landlord approval. Landlord's approval will not be unreasonably withheld.
- Security Deposit: None.
- Brokerage Commission: Shall be covered by NRC.

- Rights to Purchase: Agreement includes provision for an ongoing right of first offer in the event landlord desires to sell the property; a right of first refusal with subsequent commitment to purchase in the event landlord receives an unsolicited purchase offer from a third party; and after 36 months, an ongoing option to purchase subject to mutual agreement on purchase price and/or achieving an 18% Internal Rate of Return (IRR) for the landlord.
- Lease Execution: Subject to board approval of the LOI, the final lease agreement must be signed by July 16, 2021.

METRO staff, in coordination with the board, have determined that it is in Metro's and the region's best interest to initially lease and ultimately acquire the property at 115 St. John's Street. The property is located directly adjacent to Metro's facility at 114 Valley Street and comprised 31,718 acres of building space on 1.68 acres of land. Approximately 30% of the building space is office space and 70% devoted to warehouse.

Over the past several months, staff in consultation with the board, have determined the following:

- As Metro's ability to implement service improvements/expansions are currently limited by the fleet capacity and maintenance space of the current facility, the acreage and building capacity at 115 St. John's affords Metro options to expand the fleet in the near-term.
- Upon future acquisition of the site, Metro will have the opportunity to assemble the properties at 115 St. John's Street and 114 Valley Street, master plan the campus, and create the conditions for a replacement regional transit facility that can accommodate Metro's and the region's transit needs for the next several decades.
- The property at 115 St. John's Street is located within the same zoning (I-mb) as Metro's present facility. A change in use permit may be needed for sub-leasing the space and/or Metro's transit operations. Metro staff are in coordination with City of Portland staff on this project.
- Compared to acquiring and building out a new site off peninsula, expanding operating capacity at Metro's present location has a more favorable environmental impact as it maintains deadhead operations at current levels (expansion service aside). This avoids the added fuel/electricity use and associated impacts on local air quality and greenhouse gas emissions that would result from occupying a facility farther away from the Portland peninsula.
- Proceeding with this lease to purchase strategy provides greater certainty compared to the relative uncertainty of locating a suitable facility in the future elsewhere in the region and funding an acquisition. Pursuing this approach means Metro can be in a position to expand service in the near-term.

- Pursuing this approach maintains the transit facility in an urban setting accessible by public transit and allows Metro to be a leader in future redevelopment of the St. John’s/Valley Street neighborhood.
- Staff have evaluated the long-term financial impacts of the lease to purchase strategy and determined it to be the most advantageous compared to a scenario in which Metro seeks a new property off peninsula. Notably, the Maine Department of Transportation (Maine DOT) has agreed to help Metro fund 50% of the lease costs and financially assist with the future acquisition of the property.

Tables 1 and 2 below outline the results of this analysis. Table 1 estimates the total project costs for two scenarios without regard for the type and scale of potential funding/revenue sources. Scenario B is more expensive over the long-term due to the estimated increase in deadhead operations costs.

Table 1: Total 40 Year Estimated Costs for Scenarios A & B

Scenario	Total 40 Year Cost		
	<i>Low Range</i>	<i>Mid-Range</i>	<i>High Range</i>
Scenario A – Lease-Purchase 115 St. John’s Street/Acquire & Reconstruct	\$81.2 million	\$88.2 million	\$95.6 million
Scenario B – Acquire New Site & Reconstruct	\$99.5 million	\$112.4 million	\$125.3 million

Table 2 below supplies the total estimated local funding needed to support Metro’s current service levels and operations over a 40-year period along with the additional local funding needed to acquire the facilities in each scenario. The Baseline-No Build Scenario assumes no action to acquire any additional facilities and accounts for only the local funding needed to support current operations factoring increases of 2.5% per year. Scenarios A and B layer on the additional local funding needed to support the relevant actions necessary to both.

Table 2: Total 40 Year Estimated Local Funding Needed for Scenarios A & B

Scenario	<i>40 Year Local Funding Mid-Range</i>	<i>Difference Compared to Baseline</i>	<i>Difference on Average Annual Basis</i>
Baseline – No Build	\$300.0 million	\$0	\$0
Scenario A – Lease-Purchase 115 St. John’s Street/Acquire-Reconstruct	\$308.8 million	+ \$8.8 million	+ \$224k/year
Scenario B – Acquire New Site and Reconstruct	\$314.4 million	+ \$14.4 million	+ \$363/year

Scenario A requires approximately \$5.6 million less local funding support over the 40-year period compared to Scenario B. This equates to approximately \$140,000 per year. Although Metro can leverage the sale of the existing facility at 114 Valley Street to fully fund the anticipated 20% local match needed for property acquisition and construction, the anticipated increase in deadhead expenses has greater impact because it is both substantial and recurring every year.

FISCAL IMPACT

The immediate impact on local funding of the lease agreement is outlined in tables 3 and 4. Table 3 outlines the funding strategy and includes the annual amounts committed by Maine DOT as well as the annual amounts required of member municipalities. Please note that \$200,000 estimate for facility renovations/modifications is an estimate but should not exceed this amount.

Table 3: Lease Agreement Funding Strategy

		115 St. John's Street - Lease Component																	
		Lease Expenses + Funding Supports																	
Cost Escalator >>>		2%		2%		Funding Shares >>>													
	Year	Lease	Expense	Facility Ops	Sublease	Total Lease	Facility	Sub-Lease	State Support	Federal	Local Cost								
				Expense	Brokerage	Cost	Renovations			Support									
Year 1	2022	\$	325,000	\$	125,000	\$	2,925	\$	452,925	\$	200,000	\$	(135,878)	\$	(226,463)	\$	(160,000)	\$	130,585
Year 2	2023	\$	331,500	\$	127,500	\$	2,984	\$	461,984	\$	-	\$	(138,595)	\$	(230,992)	\$	-	\$	92,397
Year 3	2024	\$	338,130	\$	130,050	\$	3,043	\$	471,223	\$	-	\$	(141,367)	\$	(235,612)	\$	-	\$	94,245
Year 4	2025	\$	344,893	\$	132,651	\$	3,104	\$	480,648	\$	-	\$	(144,194)	\$	(240,324)	\$	-	\$	96,130
Year 5	2026	\$	351,790	\$	135,304	\$	3,166	\$	490,261	\$	-	\$	(147,078)	\$	(245,130)	\$	-	\$	98,052
		\$	1,691,313	\$	650,505	\$	15,222	\$	2,357,040	\$	200,000	\$	(707,112)	\$	(1,178,520)	\$	(160,000)	\$	511,408

Table 4 outlines the estimated impact on funding required from each municipality.

Table 4: Estimated Funding Required from Each Municipality

		Local Cost	Brunswick	Falmouth	Freeport	Portland	Westbrook	Yarmouth
Lease Year			1.9%	5.1%	1.9%	70.6%	18.5%	1.9%
Year 1	2022	\$ 130,585	\$ 2,532	\$ 6,634	\$ 2,532	\$ 92,189	\$ 24,166	\$ 2,532
Year 2	2023	\$ 92,397	\$ 1,791	\$ 4,694	\$ 1,791	\$ 65,229	\$ 17,099	\$ 1,791
Year 3	2024	\$ 94,245	\$ 1,827	\$ 4,788	\$ 1,827	\$ 66,534	\$ 17,441	\$ 1,827
Year 4	2025	\$ 96,130	\$ 1,864	\$ 4,884	\$ 1,864	\$ 67,865	\$ 17,790	\$ 1,864
Year 5	2026	\$ 98,052	\$ 1,901	\$ 4,981	\$ 1,901	\$ 69,222	\$ 18,146	\$ 1,901

RECOMMENDATION

Approve the Letter of Intent (Attachment A), and authorize the Executive Director to finalize and execute a lease agreement with the NRC. Any material changes to terms outlined in Attachment A would require further Board approval as would any lease agreement language that creates new and substantial financial, risk or legal exposures.

CONTACT

Greg Jordan
 Executive Director
 207-517-3025
gjordan@gpmetro.org

ATTACHMENTS

Attachment A – Letter of Intent



One Canal Plaza, Suite 500
Portland, ME 04101

July 11, 2021

Drew Sigfridson
The Boulos Company
1 Canal Plaza
Portland, ME 04101

RE: Letter of Intent – 151 St. John Street, Portland – Landlord response July 8, 2021.

Dear Drew:

Thank you for the ongoing proposal negotiations in which **Greater Portland Metro** (hereinafter referred to as "Tenant") is willing to enter into a lease agreement with **North River Company, LLC or its Assignee** (hereinafter referred to as "Landlord") for space at the above-referenced location. Subject to negotiation of Lease containing these terms and such other customary and usual terms for a Lease of this nature. Landlord's revised offer terms are set forth below.

Property Address: 151 St. John Street
Portland Maine

Tenant: Greater Portland Transit District

Guarantor: N/A

Landlord: North River Company, LLC or its Assignee

Property: The Property is deemed contain approximately 1.68 +/- acres with a commercial building of 31,718 +/- RSF. Exact square footage to be determined and mutually agreed upon following measurement of the facility. There shall be no loss factor in the single tenant building. Any change in square footage shall not change the base rent as set forth below.

Lease Term: Ten (10) years from rent commencement

Renewal Option Terms: Three (3), seven (7) year options to renew provided 12 months, but not more than 15 months, prior written notice. Renewal rent to be the greater of the previous year's rent or fair market value, as defined in the Lease (definition will account for market tenant improvement allowances and then-market rate rent concessions, brokerage fees or free rent).

Termination Rights:

Tenant shall have a one-time right to terminate within a (six) 6-month window starting on the last day of the fifth year of the lease and continuing until 6 months into year 6 of the lease term. The Tenant shall only be able to terminate if it is unable to secure funding (as defined below) for the rent obligation for the remainder of the lease term. If Tenant terminates, Tenant shall provide Landlord no less than twelve (12) months advance written notice of its intention to terminate along with funding documentation as set forth below. In addition, the Tenant shall pay a termination fee of \$300,000, plus all unamortized leasing costs incurred by Landlord in connection with the Lease. The Termination Fee shall be paid upon tenant notice of termination and placed in escrow, and Landlord may withdraw from such escrow, on the first day of each month during the period between Tenant's notice and the Termination Date, an amount equal to the base rent then being paid by Tenant until such escrow amount is depleted. In the event the escrow amount equals more than 12 months of base rent, the Landlord may withdraw such excess amount upon Tenants notice of Termination. For the avoidance of doubt, payment of the Termination Fee does not replace the Tenants obligation to pay rent due under the lease from the date of such payment until the effective date of such termination twelve (12) months later.

Tenant shall provide the Landlord with documentation that they are unable to obtain funding for the total amount of rent for years 6-10, and Landlord may offer to reduce the rent to a certain percentage of the funding amount they received, with a floor of 90% of the base rent. Any such offer shall require Landlord and Tenant to agree upon the reduced base rent in lieu of a termination of the Lease. Should the Tenant receive additional funding at any point throughout the remainder of the term then the base rent will be increased commensurate with the increased funding amount. If the Tenant is paying reduced rent, the Tenant will still make a good faith effort to obtain the full amount of funding annually. A reduction of state, municipal or federal funding of ten (10%) or greater of the base rent amount from the levels of state, municipal and federal funding available to the Tenant during the first year of the term of the Lease shall be sufficient to establish Tenant's failure to obtain funding in order to exercise the Tenant's one-time termination right.

If Tenant is unable to finance such additional amount in full, Tenant shall pay such portion of such amount as it is able to fund, but Tenant's failure to obtain funding for such amount shall not preclude Tenant's purchase that is otherwise in compliance with the requirements of the provisions of the Lease dealing with the Tenant's purchase of the Property.

Nothing set forth in this proposal or Lease shall preclude the Landlord and Tenant from entering into an Assignment and Assumption Agreement, upon mutually agreed upon terms, providing for the assumption of the Lease, including the balance of the term of the lease, by a subtenant procured by

Tenant, that requires no additional leasing costs from the Landlord, in lieu of a termination of the Lease.

The Tenant's right to terminate shall be personal to the named Tenant only and provided no event of default has occurred.

Occupancy & Commencement Date: Occupancy and Commencement Date to be upon Landlord's closing on the Property

Base and Additional Rent Commencement Date: November 1st, 2021.

Landlord's Work: Landlord to conduct the work described in Exhibit A at its cost.

Environmental: Landlord shall share with the Tenant its Phase I environmental report, produced by Woodard and Curran (Landlord's environmental consultant), for the Tenant's funding sources as part of this transaction. The environmental report shall be addressed to Landlord and Tenant, or Tenant shall receive a reliance letter allowing Tenant and its funding sources to rely upon the Woodard and Curran report. A satisfactory environmental report shall be a condition of this transaction. Satisfactory shall mean the Landlord's Lender has accepted the report, without requiring further environmental inspection or remediation that would adversely impact Tenant's ability to take possession and occupy the Premises. If a Phase II Environmental Site Assessment is required by Landlord's lender, Tenant shall be provided with a copy, and the deadline for signing the Lease as set forth below shall be extended until 2 business days following the receipt of the Phase II Environmental Site Assessment.

Condition of Demised Premises: Other than the scope of work outlined in Landlord's Work Exhibit A, the Building and Property shall be provided to Tenant in as-is condition. Notwithstanding the foregoing, Landlord shall provide to Tenant a copy of the building inspection report covering the electrical, mechanical and plumbing systems at the Property, and the Tenants obligation to lease shall be conditioned upon Tenant's satisfaction with the conditions disclosed in such report. The Landlord has engaged an independent, third party engineering firm to provide a property condition report, and shall provide the Tenant a copy of such report. The Tenant acknowledges that Landlord may have its preferred vendors inspect and provide separate written reports on the condition of these systems. The Tenant shall notify Landlord in writing within 2 business days of receiving such reports if they are unsatisfied (as defined in the lease), and no notice shall mean Tenant is satisfied. In addition, Landlord shall notify Tenant if Landlord is unsatisfied with the condition of the Property following such inspections and any change in the status of Landlord's purchase of the Property as a result of such inspections, including any reduction in purchase price.

Initial Tenant's Work: Any and all modifications to the building by Tenant or Tenant's agents shall be submitted to Landlord for its approval prior to commencement of work. Tenant agrees that all work shall be completed in compliance with all applicable state and municipal building codes and ordinances and by licensed, insured and Landlord approved contractors/subcontractors. Tenant may select the architect and contractor to construct any Tenant Improvements, subject to conditions set forth in this paragraph. Tenant shall reimburse Landlord for its actual out of pocket third party expenses reasonably incurred by Landlord plus an amount not to exceed 1.5% of the costs of Tenant's work to review and evaluate Tenant's work and to coordinate with Tenant's designers and contractors, provided, however, that the cost of cosmetic work and renovations that do not require municipal building permits shall not be treated as a part of the Tenant's work for purposes of determining the amount of the reimbursement due Landlord for its review. Tenant shall not be obligated to remove the Tenant Improvements at Lease expiration/termination, unless Tenant is notified by Landlord when Landlord provides its approval.

Future Alterations: Tenant shall be able to make non-structural Alterations costing less than \$50,000 per occurrence without the Landlord's approval.

Base Rent: Years 1-10: \$325,000 NNN with 2% annual rent increases.

Additional Rent: The above base rent is quoted on a Triple Net Basis. Therefore, Tenant is responsible for all operating expenses for this property, including, but not limited to, real estate taxes, building maintenance and repairs, management fees (such fee not to exceed Four percent (4%) of the Base Rent), insurance, water and sewer, parking lot maintenance and repairs, grounds maintenance and all costs associated with owning, managing and operating the Property. Tenant shall be responsible for contracting with a Landlord approved HVAC contractor for routine HVAC maintenance and a Landlord approved contractor for routine roof maintenance. The Tenant shall be directly responsible for the payment of the Real Estate Taxes and any applicable stormwater system fees. Landlord shall be responsible for replacement costs for the roof, structure, and mechanical systems. The estimated NNN expenses for year 1 are to be provided by Landlord. The rent does not include Tenant's premises utility costs. Tenant is directly responsible for its utility expenses for lights, plugs, & HVAC. Tenant is also directly responsible for its premises' janitorial costs. Operating expense details to be further outlined in a lease agreement.

Landlord to provide Tenant with the prior Property owner's historical utility costs for water/sewer, electric and fuel for heat, to the extent available.

Use: Tenant will use the Property as a mixed-use building for a bus depot, warehousing, and office for its business operations, and Tenant or its subtenants may engage in other uses that are lawful and permitted in the zone, except that Tenant will not engage in or permit any cannabis related use to be

conducted upon the Property, subject to Landlord's sublet/assignment lease provision.

Subordination and Non-Disturbance Agreement:

The Lease will have a SNDA section and the Landlord will make commercially reasonable efforts to cause its lender to execute and deliver to Tenant a SNDA agreement in a form reasonably acceptable to Tenant, Landlord and Landlord's lender.

Security Deposit:

None required

Signage:

Signage will be at Tenant's sole expense; however, subject to the prior written approval of design and location by Landlord prior to installation and also subject to any standards in use at the property and Innovation District and subject to municipal approval. Landlord's approval shall not be unreasonably withheld or delayed.

Brokerage Commission:

Landlord's responsibility pursuant to a separate agreement with The Boulos Company.

Assignment / Sublet:

Tenant shall not be permitted to sublet space without prior written approval from Landlord. Such approval shall not be unreasonably withheld or delayed. Additional details to be outlined in the lease agreement.

Zoning:

It is the responsibility of Tenant to determine all zoning information and secure all necessary or required permits and approvals for its proposed use of the subject premises. Landlord and The Boulos Company make no representations or warranties as to the suitability of, or the ability to obtain regulatory approval for, the subject premises for Tenant's intended use.

Rights to Purchase:

Right of First Offer: Landlord grants to Tenant an ongoing right of first offer ("ROFO") to purchase the Property. If Landlord decides to sell the property, Landlord shall provide Tenant with written notice ("Notice of Intention to Sell"). The Notice of Intention to Sell shall set forth (x) the proposed purchase price for the Property shall be not more than an amount based on a Purchase Price which together with the rent paid by Tenant yields an internal rate of return to Landlord, for the period of Landlord's ownership up to the time of sale of 18% per annum, (y) the estimated date for close on the acquisition of the Property and (z) all other material terms and conditions for the proposed sale. The Tenant shall, within twenty (20) days of receipt of Notice of Intention to Sell notify Landlord in writing if Tenant intends to exercise its ROFO. Landlord will be entitled to sell the Property for a period of twelve (12) months after the date of Tenant's rejection (or deemed rejection if Tenant does not timely respond to Landlord's Notice of Intention to Sell) of its ROFO, but the sale must be on substantially similar terms, including not less than 95% of purchase price, as presented in the Notice of Intention to Sell. If Tenant elects to exercise its ROFO, then Tenant shall close on the purchase of the Property on the terms

described in the Notice of Intention to Sell. The ROFO is personal to the named Tenant only and provided no event of default has occurred.

Right of First Refusal: In the event the Landlord receives an offer to buy the Property from a 3rd party, separate from the ROFO, which Landlord desires to accept, Landlord shall give notice to Tenant of the terms of such offer (“ROFR Notice”) and Tenant shall have a Right of First Refusal (the “ROFR”) to match such offer to purchase the Property on the same terms outlined in the ROFR Notice. The Tenant shall have ten (10) business days following the delivery of the ROFR Notice in which to execute the PSA and make an initial deposit equal to the lesser of ten percent (10%) of the purchase price or the deposit stated in the terms referenced in the ROFR Notice. If Tenant elects not to exercise the ROFR, or if Tenant does not timely respond to Landlord’s ROFR Notice, then Landlord may sell the Property as applicable, within twelve (12) months after the deadline for Tenant’s acceptance (but may not reduce the price beyond 95% for such party or otherwise change material terms of the offer as set forth in the ROFR Notice without resubmitting the offer to Tenant). The ROFR is personal to the named Tenant only and provided no event of default has occurred.

Option to Purchase: Tenant will have an option to purchase (“Purchase Option”) the Property beginning 36 months from Rent Commencement Date. The purchase price will be negotiated by Landlord and Tenant following Tenant’s commencement of purchase price negotiations by written notice to Landlord which may be given at any point on or after the date that is 36 months following the Rent Commencement Date (“Tenant Purchase Option Notice”), and which notice shall include a draft purchase and sale agreement (the “PSA”) and the PSA shall include, inter alia, the proposed purchase price and closing date, which date shall be not greater than sixty (60) days following the date of the Tenant Purchase Option Notice. Landlord and Tenant agree to negotiate the PSA in good faith for a period of thirty (30) days following Landlord’s receipt of Tenant’s Purchase Option Notice, and Landlord and Tenant acknowledge that the purchase price may be based upon a number of factors, including the fair market value of the Property and a return to Landlord on its investment. The purchase price may vary based on the purchase date.

Landlord is not obligated to sell to Tenant if Landlord does not agree on the purchase price. Notwithstanding the foregoing, Landlord agrees that it will accept an offer based on a Purchase Price to be paid by Tenant that results in an internal rate of return (“IRR”) to Landlord, for the period covering Landlord’s ownership of the Property, of 18% IRR on Landlord’s equity. If Landlord delivers a Notice of Intention to Sell or ROFR Notice, Tenant may not exercise its Purchase Option until such time that the ROFO or ROFR has reset as described above, provided that Landlord shall not deliver a Notice of Intention to Sell if Tenant has delivered a Tenant Purchase Option Notice to Landlord and the Tenant and Landlord have either agreed upon a Purchase Price, or the time period to negotiate a Purchase Price thereunder, including any extensions

agreed to between Landlord and Tenant, has not expired. The Purchase Option is personal to the named Tenant only and provided no event of default has occurred. Tenant's agreement as to the purchase price and to purchase the Property may be subject to approval of Tenant's board of directors and may be subject to Tenant's ability to secure funding for such purchase. If Landlord and Tenant are unable to agree upon a purchase price, or if Tenant is unable to secure funding for such purchase, Tenant may continue as a Tenant under the Lease, and Tenant shall have the right to recommence purchase price negotiations with Landlord during the remainder of the Lease term after a period of not less than six (6) months, provided that if Landlord has delivered a Notice of Intention to Sell prior to the recommencement of the Purchase Price negotiations, then the terms of the ROFO as set forth above shall govern the Purchase Price negotiations and if Landlord has delivered a RORF Notice to Tenant, then the terms of the Right of First Refusal as set forth above shall govern, in each case including the time period after the ROFO or ROFR has reset as described above.

Scanned/Emails:

The undersigned jointly and severally agree to accept scanned/DocuSign/ email copies of the documents which have been sent by either party to the other, or to any other party or agent to this transaction, as original documents, with the exception of the final lease document.

Lease Agreement:

Landlord agrees to forward its proposed lease to Tenant before or upon the full execution of a Letter of Intent. In the event a lease agreement is not consummated by July 16, 2021, the Landlord shall have the right to negotiate with other tenants and the terms of this term sheet are subject to change.

Conditions to Lease:

If the Tenant does not sign a lease and receive full Board approval by July 16, 2021, the Landlord shall have no further obligation to the Tenant. The Lease is subject to Landlord closing on the Property.

Miscellaneous:

This Letter represents the preliminary understanding of the parties with respect to the proposed Lease. This letter is not intended to be binding upon the parties. The basic terms set forth are subject to both parties entering into a mutually agreeable written Lease agreement to be fully executed by both Landlord and Tenant.

Sincerely,



Drew Sigfridson, SIOR

SEEN AND AGREED TO:

North River Company, LLC or its Assignee, Landlord

By:
Its:

Date:

Greater Portland Transit District, Tenant

By:
Its:

Date:

Exhibit A

The Landlord shall ensure the following work is conducted prior to Tenant's occupancy as part of this transaction:

- Property to be provided in broom clean condition
- Roof shall be in good condition (not leaking)