

PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT ("Agreement") is entered into by and between the State of Vermont, through the Department of Buildings and General Services ("Seller"), and the Town of Waterbury ("Buyer").

WHEREAS, Public Act No. 104 (2012) gave the Commissioner of Buildings and General Services the authority to lease, sell, lease purchase, subdivide or donate buildings at the State Office Complex on South Main Street, Waterbury, Vermont known as Wasson Hall and Stanley Hall and surrounding land;

WHEREAS, the Commissioner has determined that it is in the best interest of the State to sell Wasson Hall and Stanley Hall and the surrounding land;

WHEREAS, the Town of Waterbury Municipal Office and the Village of Waterbury Police Department, both of which were located at 51 South Main Street, suffered substantial damage as a result of flooding associated with Tropical Storm Irene;

WHEREAS, the residents of Waterbury identified the construction of a consolidated municipal complex as one of the top priority projects of the twenty-two projects supported by the Long Term Community Recovery process that FEMA sponsored;

WHEREAS, the State of Vermont (represented by the employees that will return to the State Complex) and the Town of Waterbury will both benefit from a modern municipal facility; and

NOW THEREFORE, THE PARTIES ENTER THIS AGREEMENT on the basis of the following facts, understandings and intentions:

- A. Seller is the owner of two buildings known as Wasson Hall and Stanley Hall, both of which are located in the State Complex in Waterbury, Vermont. The aforementioned buildings along with the parcel of land outlined on the attached Schedule A comprise the "Property" to be sold to Buyer.

The parcel identified in Schedule A is approximate, and will be finalized as part of the subdivision permitting process. The Parties agree that the size and current configuration of the parcel may change to accommodate the Seller's overall development plan for the Waterbury State Office Complex, however, the Parties agree that the final subdivided parcel shall be substantially similar to the parcel identified in Schedule A.

- B. The Seller desires to sell the Property to Buyer and Buyer desires to purchase the Property on all the terms and conditions set forth in this Agreement.

NOW THEREFORE IN CONSIDERATION of the mutual covenants and promises of the parties, the parties hereto agree as follows:

1. Purchase. Seller shall sell the Property to Buyer, and Buyer shall purchase the Property from Seller, on all of the mutual terms and conditions hereinafter set forth.
2. Deposit. Within ten (10) days of the complete Execution of this Agreement (the "Effective Date"), Buyer shall deposit with the State of Vermont the sum of One Thousand Dollars (\$1,000.00) ("Deposit") as a deposit on account of Purchase Price. This Deposit shall be fully refundable to the Buyer should Conditions Precedent, as described herein, not be met to the satisfaction of Buyer. If the transaction closes as provided herein, the entire Deposit shall apply toward the Purchase Price at the Closing, as hereinafter defined. In the event of a default by Seller in regard to any of the terms and provisions of this Agreement, Seller shall promptly return the Deposit and any interest accrued thereon to Buyer
3. Purchase Price. The total purchase price for the Property will be Three Hundred Thousand Dollars (\$300,000.00).

(a) Purchase price shall be paid as follows:

- i. Applying the Deposit; and
- ii. Paying the balance at closing by wire transfer, bank check, certified check, or IOLTA check.

4. Conditions Precedent.

(a) Conditions to Purchase. Buyer's obligation to proceed with the purchase of the Property is subject to the fulfillment, or waiver by Buyer, of the conditions precedent ("Conditions Precedent") described below, which are solely for the benefit of Buyer. In the event that Buyer is not satisfied with the fulfillment of, or results of, any of the Conditions Precedent then Buyer may terminate this Agreement by providing written notice to Seller. Seller may terminate the Agreement based upon the failure of one or more Conditions Precedent, provided Seller has made a thorough and diligent effort to obtain approvals set forth in said Condition).

- i. Subdivision of parcel. Seller will submit a subdivision application to the Town of Waterbury, to the Vermont Agency of Natural Resources, and to the District 5 Environmental Commission to create the parcel identified in Schedule A and shall obtain all such required subdivision approvals prior to Closing. Seller shall cause a survey of the approved subdivision to be recorded in the Land Records of the Town of Waterbury.

- ii. Buyer's intended use. Prior to the Closing Date Buyer shall submit all necessary municipal, State, and federal (if any) permit applications necessary for Buyer's redevelopment of a Portion of the Property for use as a municipal complex and shall obtain all such required approvals. Buyer does not intend, at this time, or as a condition of closing, to redevelop, establish a plan to redevelop, or obtain approval to redevelop the entire Property. Buyer may in the future utilize the portion of the Property that is not necessary for municipal complex purposes for some other use and may further subdivide the Property and sell the portion thereof which is not necessary for municipal purposes.

- iii. Title.
 - i. Condition of Title. Not later than 45 days from the date of the recording of the survey of the approved subdivided parcel, Buyer shall review and approve the condition of title to the Property and shall notify Seller of any encumbrances or defects which are not acceptable to Buyer and which render the title unmarketable, uninsurable, or which materially interfere with the Buyer's ability to use the Property as a municipal complex. Seller shall have until the Closing Date to use reasonable efforts to remove such encumbrances or defects. If Seller fails to remove any such encumbrances by the Closing Date, Buyer shall have the right at its election to proceed with the Closing on the Closing Date (in which event the Buyer will have waived such title defects) or to terminate this Agreement. In the event that Buyer elects to terminate, the State shall return the Deposit to Buyer. The conditions of title approved by Buyer as provided herein shall hereinafter be referred to as the "Condition of Title."

 - ii. Later Changes to Condition of Title. Buyer shall have the right to approve or disapprove any exceptions or encumbrances to title that are revealed or become of record after Buyer has approved the Condition of Title as provided in the prior paragraph.

- iv. Environmental Conditions. Not later than 150 days from the date of the recording of the survey of the approved subdivided parcel, Buyer shall determine if the environmental condition of the Property is satisfactory to Buyer, including but not limited to, the presence of asbestos, lead paint or other hazardous materials on the property and if the condition is not satisfactory, as determined by Buyer, Buyer may terminate this Agreement as provided below.

- v. Financing. Not later than December 1, 2013, Buyer shall obtain necessary electoral approval to incur indebtedness for the purpose of financing the redevelopment of that portion of the Property that will be used for a municipal complex and the construction of improvements thereon. In the event that Buyer is unable to obtain such approval by December 1, 2013 then upon mutual consent of the State and the Buyer, the parties may elect to extend the Closing Date. Under no circumstances shall the Closing date be extended beyond December 1, 2014.
 - vi. Personal Property. Prior to the Closing Date Seller shall remove all personal property from the Property. After the Closing Date, Buyer may dispose of any remaining personal property as it deems appropriate unless the parties otherwise agree in writing.
- (b) Conditions to Sale. Seller's obligation to proceed with the sale of the Property is subject to the fulfillment, or waiver by Seller, of the conditions precedent ("Conditions Precedent") described below.
- i. Seller entering into a Memorandum of Understanding with the Village of Waterbury Water and Sewer Department (Village W/S) for a term of twenty years concerning water and sewer services for the WSOC. The Memorandum must include the following: acceptance of ownership by the Village W/S of the WSOC sewer pump station and force main (with the force main to be connected to the sewer system at Randall Street); an established monthly charge for water and sewer services for the WSOC (excluding Wasson, Weeks and the anticipated divestment properties); an equity review of the payment system at established intervals; the Village will employ appropriately certified employees to maintain the pump station without additional charge to the State.
 - ii. Seller entering into a Memorandum of Understanding with the Town of Waterbury for the inspection and periodic maintenance and upkeep of co-located stormwater swales at the south and north end of the WSOC. It is anticipated that the Town will pay for maintenance costs but that significant repair/reconstruction will be allocated equitably between the State and Town. Each party shall remain the 'permittee' under their respective stormwater permit. Seller shall maintain its own stormwater infrastructure to the extent that it is not co-located with the Town's infrastructure. Town will maintain any and all stormwater infrastructure that it is the permittee of under their stormwater permit.
 - iii. Seller and the Town establishing easement rights concerning stormwater discharges at the WSOC. Survey/engineering/ legal and

recording costs related to rights shall be paid by the Town. The Town shall be permitted to consult with the State's engineers concerning any necessary site plans or survey.

- iv. The deed transferring title to the Buyer shall provide for a 'profit capture or windfall formula' which shall apply in the event of a subsequent sale of all or a portion of the Property by Buyer in which the sale price realized by Buyer exceeds the price at which Buyer purchased the Property. The formula shall provide for the return of a portion of such profit or windfall by Buyer to Seller, taking into account such things as the purchase price, the length of ownership and any post-purchase investment in the Property by Buyer. The deed from Seller shall further provide that any future of use of the Property shall not be inconsistent with Seller's utilization of Seller's remaining property as a State Office Complex. Agreement on these deed provisions is a condition precedent to Seller's obligation to proceed with the sale.
 - v. To the extent that the buildings on the Property remain connected to Seller's utility systems for a limited period of time following the Closing Date, Seller and Buyer shall agree upon a formula and mechanism to determine the amounts to be paid by Buyer. Agreement on a formula / amount to be paid by Buyer is a condition precedent to Seller's obligation to proceed with the sale.
 - vi. Time. Seller shall use reasonable efforts to fulfill the Conditions Precedent that are its responsibility as soon as reasonably possible. Buyer shall use reasonable efforts to fulfill the Conditions Precedent as soon as reasonably possible. Seller shall use reasonable efforts to assist Buyer to fulfill the Conditions Precedent as soon as reasonably possible; provided, however, that Seller shall have no affirmative obligation to remedy any environmental or physical conditions which Buyer determines are not acceptable.
 - vii. Termination. If any Condition Precedent or Condition of Sale is not fulfilled to Buyer's or Seller's satisfaction or waived by the respective party within the allowable time period, the unsatisfied party may terminate this Agreement by written notice within the applicable deadline. Upon any such termination, State shall return the Deposit to Buyer. Seller's obligation to close is contingent upon the fulfillment of the Conditions Precedent.
5. Entry. As of the Effective Date, and at reasonable times and with twenty four (24) hours prior notice, Buyer, Buyer's agents and employees shall have the right to enter the Property for purposes of inspections and conducting other tests. Buyer shall indemnify, defend and hold Seller harmless from any cost, claim or expense arising

from such entry by Buyer or from the performance of any such tests by Buyer. It is understood by Buyer that the State may temporarily deny access to the complex or to deny the performance of a test by the Buyer in the event that the test or access to the complex will interfere with the State's operation of or development plans for the WSOC project.

6. Seller's Obligations.

(i) Background Information. Seller shall deliver to Buyer all documentation requested by the Buyer including documents, title files, existing surveys, plans, permits, specifications, tests, reports, approvals and other documents relating to the Property which Seller has in Seller's possession or to which Seller has access. Approvals shall include, but not be limited to, Act 250 permits, environmental impact reports and certifications, rezonings, general plan amendments, subdivision plats and conditional use permits. The intent of this Section 6 is to allow Buyer an early and complete review of the documents pertaining to the Property.

(ii) No Change in Business Practice. Except as may be required herein, prior to Closing, Seller will continue to own, maintain, and operate the Property in Seller's usual and customary manner subject to Seller's obligation to diligently and thoroughly pursue all permits and approvals necessary for the redevelopment of the WSOC and subject to the ongoing construction activities related to the redevelopment of the WSOC.

7. Applications. As of the Effective Date, Buyer shall have the right with Seller's consent, which shall not be unreasonably withheld, to make applications to governmental entities for permits, licenses and any other governmental approvals necessary for construction or redevelopment of the Property (collectively "Applications"). Seller shall use reasonable efforts to cooperate with and assist Buyer with the Applications. It is the intent of both parties that, should Buyer desire, Buyer shall be in a position to begin construction or redevelopment of the Property upon the Closing.

8. Utilities. The buildings located on the Property are currently connected to one or more of the following utilities owned by the Seller: district heating system, electric, water, and sewer lines. Seller shall permit Buyer to maintain the heat, water, sewer, and electrical connection as they presently exist until such time as Seller takes a particular system out of operation. With regard to the existing utility connections, the Parties agree that Buyer is purchasing the Property "As is" and that the State has no obligation to provide or pay for utility connections for Buyer. Buyer will arrange for its own electric, water, and sewer connections to the building. Seller agrees to permit Buyer to obtain heat from the to-be-constructed municipal complex and Wasson Hall via the to-be-constructed WSOC heating system, such heat to be provided at a rate to be determined by the Parties. Seller agrees to install and provide a vault that contains a valve that will allow for the Buyer to hook up to the WSOC heating system. Said

vault and valve shall be located as shown on Schedule B. Buyer shall be responsible for the cost of actually connecting the line from the vault and valve location to the buildings. Both parties understand that Buyer will need certain easement rights to install and maintain the connection to the WSOC heating system. Buyer also understands that Seller may need to retain certain easement rights affecting the Property in order to develop the Waterbury State Office Complex. Both parties agree to work together to minimize the impact on Buyer's Property however, priority will be given to the State's needs for the effective and efficient redevelopment of the WSOC.

9. Quitclaim Deed. Seller shall convey the Property to Buyer in the form of a Quitclaim Deed in customary Vermont form ("Deed"). Said Deed to include the aforementioned "profit capture or windfall" provision and a provision restricting uses of the Property. (referenced in Paragraph (b)(4))

10. Delivery of Funds and Documents. At the Closing, the parties shall deliver the funds and documents hereinafter described.

(a) Seller. Seller shall deliver the following:

- i. The duly executed and acknowledged Quitclaim Deed;
- ii. The duly executed Land Gains Tax Certification setting forth what amount, if any, Seller must pay as the result of this transaction.
- iii. A completed Property Transfer Tax Return.
- iv. Subdivision and land use permits.

(b) Buyer. Buyer shall deliver the following:

- i. Such sums as are required under Section 3, above.
- ii. Additional cash in the amount necessary to pay Buyer's share of closing costs and prorations, as hereinafter set forth.
- iii. A completed Property Transfer Tax Return.

11. Closing.

(a) Date. Closing ("Closing") shall occur no event later than December 31, 2013 ("Date for Closing"). Upon mutual agreement, the Parties may extend the Closing Date in order to comply with the terms of sections 4(a)(1), 3(i), and 5.

(b) Time and Place. The Closing shall take place on the Date of Closing at a time and location to be agreed upon.

(c) Closing Costs and Prorations.

- i. Closing Costs. Buyer and Seller shall each pay their own attorneys' fees. Buyer shall pay standard recording costs and the Vermont Property Transfer Tax due on account of this sale. Seller shall pay any Vermont Land Gains Tax due on account of this sale and for the recording of any mortgage discharge required.
- ii. PILOT Payment/Taxes. In the event that the Property is not listed as a taxable parcel on the Waterbury Grand List as of the date of closing, no tax proration shall be required. To the extent that the value of the Property has been included in the equation by which the PILOT payment to the Town of Waterbury is calculated, Seller shall remain responsible for the full amount of the PILOT payment for the existing fiscal year only. PILOT payments will then be adjusted downward to reflect the transfer of the Property to the Town.
- iii. Water/Sewer Charges. Unless the buildings on the Property are metered separately from Seller's remaining property as of the Closing Date, there shall be no allocation of water/sewer charges.

12. Brokerage Commission. Buyer and Seller both acknowledge and warrant that there are no real estate brokers involved in this transaction in any manner.

13. Risk of Loss. Prior to the Closing, risk of damage to or loss of any element of the Property shall remain with Seller. In the event of any damage or destruction of any element of the Property, a taking of any element of the Property, by eminent domain, or Seller's inability to convey the Property, or any element thereof, in the same condition as at the time of the execution hereof, Buyer may, at Buyer's election, declare this Agreement to be null and void and be entitled to receive back the Deposit, or proceed to the Closing as provided for herein, with a reduction in Purchase Price that is equal to the diminution of value.

14. Default.

- (a) Seller's Default. If Seller fails to complete this sale as provided for herein, or is otherwise in default of its obligations under this Agreement, Buyer may terminate this Agreement, and shall receive back the Deposit and no other remedies shall be allowed.
- (b) Buyer's Default. In the event that this Agreement does not close as a consequence of default by Buyer, Seller shall retain the Deposit as liquidated damages, and no other remedies shall be allowed.

15. Successors and Assigns. The terms, covenants and conditions herein contained shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto. Buyer may not assign its rights under this Agreement without the express written approval of Seller.
16. Entire Agreement. This Agreement contains all of the covenants, conditions and agreements between the parties and shall supersede all prior correspondence, agreements and understanding, both verbal and written.
17. Amendments. This Agreement may be amended only by a written amendment signed by Seller and Buyer; any other attempt at modification, revision or deletion shall be deemed ineffective.
18. Notices. All written notices required to be given pursuant to the terms hereof shall be either delivered by hand delivery or deposited in the United States mail first class, postage prepaid and addressed as follows:

Seller:

State of Vermont
Commissioner Michael Obuchowski
2 Governor Aiken Avenue
Montpelier, VT 05633-5801

Buyer:

Town of Waterbury.
c/o William Shepeluk.
51 47 South Main Street
Waterbury, VT 05676

The foregoing addresses may be changed by written notice to the other party as provided herein.

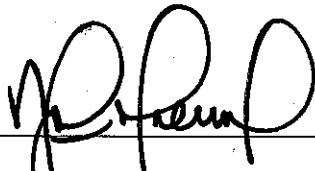
19. Applicable Law. This Agreement shall be governed by the laws of the State of Vermont.
20. Authority. Each person executing this Agreement warrants that he/she has the authority to so execute this Agreement and that no further approval of any kind is necessary to bind the parties hereto.
21. Exhibit. Schedules A and B are attached hereto and incorporated herein by reference thereto.
22. Required Actions of Buyer and Seller. Buyer and Seller agree to execute all such instruments and documents and to take all actions (including the deposit of funds in

addition to such funds as may be specifically provided for herein) as may be required in order to consummate the purchase and sale of the Property and each shall use its best efforts to accomplish the closing of the sale of the Property in accordance with the provisions of this Agreement.

23. Execution. This Agreement shall be binding on the date of execution of the last party to sign below ("Effective Date").

Dated at Waterbury, Vermont this 31st day of MAY, 2013.

Town of Waterbury

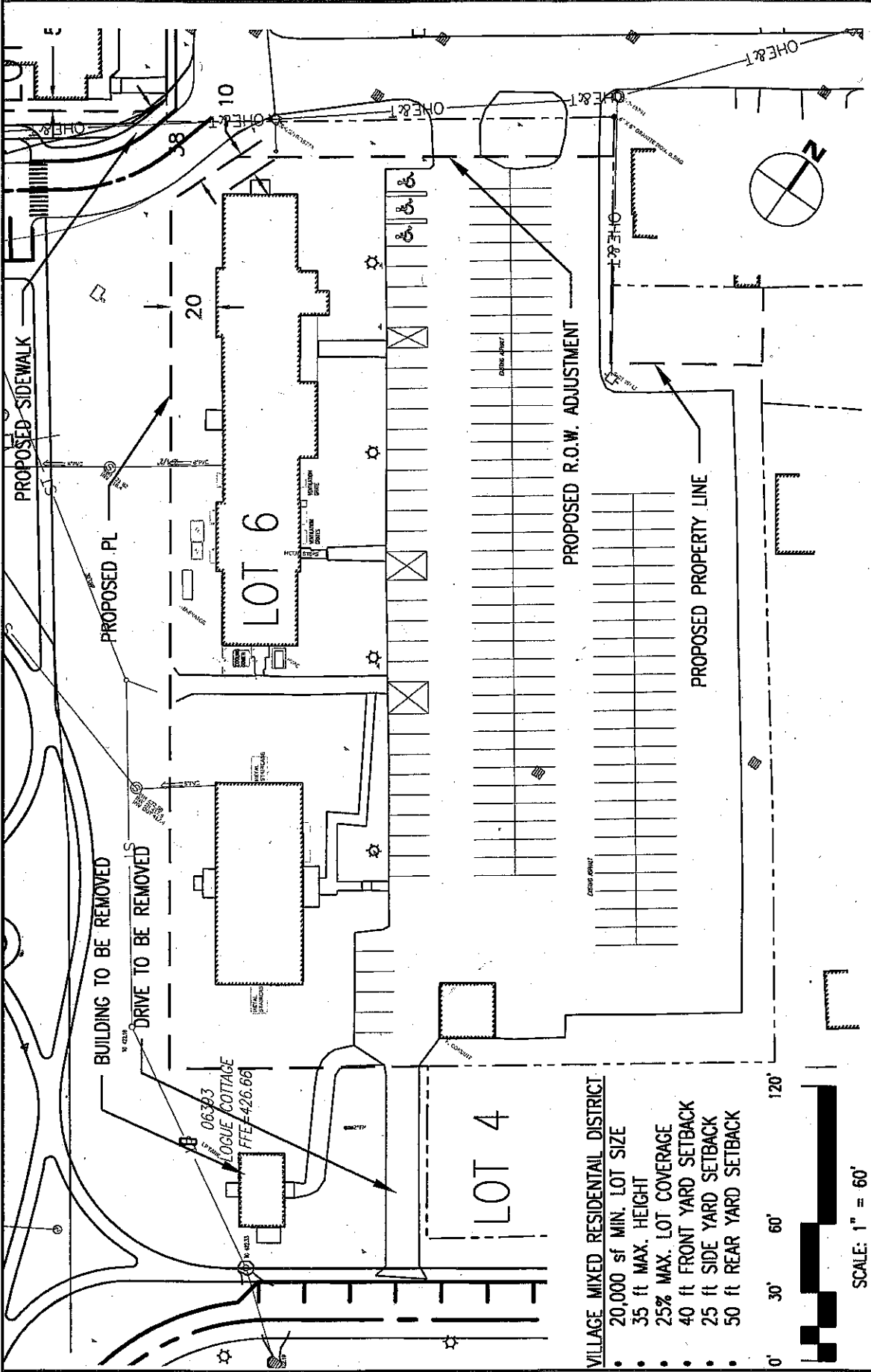
By: 
Title: SELECT BOARD CHAIR

Dated at Montpelier, Vermont this 30th day of MAY, 2013.

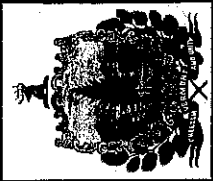
State of Vermont

By: Michael J O'Boehowski
Title: Commissioner DBGS

SCHEDULE "A"



- VILLAGE MIXED RESIDENTIAL DISTRICT**
- 20,000 sf MIN. LOT SIZE
 - 35 ft MAX. HEIGHT
 - 25% MAX. LOT COVERAGE
 - 40 ft FRONT YARD SETBACK
 - 25 ft SIDE YARD SETBACK
 - 50 ft REAR YARD SETBACK



State of Vermont
 Department of Buildings and
 General Services
 Agency of Administration
 Montpelier, Vermont



200 High Street, Suite 414 Burlington, VT 05401
 Tel: 802.283.6225 Fax: 802.263.6286
 85 Mountain Street, Suite 209A, Colchester, VT 05746
 Tel: 800.442.9553 Fax: 800.442.9351
www.engrventures.com

Lot 6
 Waterbury State Office Complex Restoration
 Waterbury, Vermont

Checked By: PB	Scale: AS NOTED
Drawn By: WC	Project No.: 12276
Date: 2/25/13	Drawing No.: