

PARKING SPACE LEASE AGREEMENT

THIS PARKING SPACE LEASE AGREEMENT (the "Lease") is made this 5th day of August, 2013, by and between the CITY OF BIDDEFORD, a Maine municipal corporation organized and existing under the laws of the State of Maine ("Landlord") and THE LOFTS AT SACO FALLS, LP a Maine limited partnership with an address at c/o The Szanton Company, 482 Congress Street, Suite 203, Portland, Maine, or its assigns ("Tenant"). Tenant is developing a multi-unit residential rental project (the "Project") known as "The Lofts at Saco Falls" by rehabilitating Building No. 2 in the Riverdam Mill Complex, Biddeford, Maine.

WITNESSETH:

ARTICLE I. Parking Spaces. Landlord hereby leases, demises and lets to Tenant, and Tenant hereby takes and leases from Landlord, for the term and upon and subject to the terms and conditions set forth in this Lease, the property, described as seventy (70) paved, striped parking spaces (the "Core Spaces") on the former Maine Energy property located on Lincoln Street, Biddeford, Maine now owned by Landlord (the "Property") together with the right to use in common with others, for purposes of ingress and egress only, the entrance and access ways from Lincoln Street to the Parking Spaces. The Core Spaces shall be located in an area southerly of the train tracks at a location to be determined by Landlord. The Core Spaces may be relocated within such area, or within a municipal parking garage as otherwise provided in this Lease, from time to time pursuant to this Lease at the sole discretion of the Landlord

In addition, upon the written request of Tenant, Landlord shall lease, demise and let to Tenant, and Tenant shall take and lease from Landlord, for the term and upon and subject to the terms and conditions set forth in this Lease, an additional number determined by Tenant, not to exceed ten (10), of paved, striped parking spaces on the Property which shall be in a proximity to the main entrance of the Project to meet federal, state, local and Maine State Housing Authority ("MaineHousing") requirements for handicapped spaces (the "Handicapped Spaces"). Tenant shall be responsible for all costs associated with improving and grading the Handicapped Spaces to meet federal, state, local, and MaineHousing requirements. The Handicapped Spaces may be relocated from time to time pursuant to this Lease at the sole discretion of the Landlord, provided,

however, that the Handicapped Spaces shall always be located in a proximity to the main entrance of the Project to meet federal, state, local and Maine Housing requirements for handicapped spaces.

The Core Spaces and the Handicapped Spaces are collectively referred to below as the "Parking Spaces."

ARTICLE II. Initial Term; Renewals. The initial term of this Lease shall be for a period of three (3) years from the "Commencement Date", which is defined as the Date on which the first Certificate of Occupancy is issued for a completed residential unit in the Project.

Thereafter, provided Tenant is not in default of its obligations under this Lease, Tenant shall have nine (9) consecutive three (3) year options to extend the term of this Lease. This Lease shall automatically be extended for each such consecutive extension option, unless Tenant gives written notice to Landlord no later than ninety (90) days prior to the expiration of the then current term of this Lease that Tenant elects not to extend the term of this Lease. Tenant may elect not to extend the term of this Lease for one, some or all of the Parking Spaces. In the event the term shall automatically be extended as provided herein (with respect to all or less than all of the Parking Spaces), then all references herein to the "Term" shall be deemed to include the term of this Lease as extended and this Lease shall be extended upon all of the same terms and conditions for the extended term, except for further options to extend as to which there shall be one less after each succeeding option period, and with respect to the annual rent provisions set forth herein.

ARTICLE III. Monthly Rent. Tenant agrees to pay to Landlord at the address set forth in the first paragraph above or at such other place as Landlord may direct by notice in writing to Tenant, Monthly Rent for the Parking Spaces as set forth below. Rent for the first month shall be due and payable on the Commencement Date of this Lease, with monthly payments due on the first day of each month thereafter during the Lease Term. Rent for the first month shall be pro-rated based on the number of days between the Commencement Date and the last calendar day of that month.

Landlord shall lease the Parking Spaces to Tenant at the rate of \$40.00 per space/per month for uncovered parking. If and when a municipal parking garage is constructed within 500 feet of any tenant entrance to the Project (a municipal parking garage so located is hereinafter referred to as a "Municipal Parking Garage"), and Landlord elects to move some or all of Tenant's parking spaces to the Municipal Parking Garage, Tenant shall pay \$50.00 per space/per month for parking spaces within the Municipal Parking Garage. Commencing on April 1, 2016, the price per space/per month shall increase annually on April 1 by the lesser of the consumer price index, or 2% per

year. Commencing on April 1, 2018, the immediately preceding sentence shall not apply and Tenant shall pay the market rate established by Landlord for parking spaces on municipal surface lots or in the Municipal Parking Garage.

If payment to the Landlord is more than fifteen (15) days late, Landlord has the right to deny access to the Parking Space(s) in question.

For purposes of this Article III, Consumer Price Index shall be the All Cities Consumer Price Index Urban, as published by the U.S. Department of Labor, Bureau of Labor Statistics ("CPI-U"). In the event the Bureau of Labor Statistics shall cease to publish the Index, then there shall be substituted for the Index any substitute or successor index published by the Bureau of Labor Statistics or other governmental agency of the United States. In the event any such substitute or successor index is not available, then there shall be substituted for the Index such other Index published by a nationally recognized financial authority which most accurately approximates the Index and which is reasonably selected by Landlord. In the event the Index shall hereafter be converted to a different standard reference base or otherwise revised, the computations under this Lease shall be made with the use of such conversion factor, formula or table for converting the Index as may be published by the Bureau of Labor Statistics or, if the Bureau does not publish the same, then with the use of such conversion factor, formula or table as may be published by any other governmental agency of the United States or by a nationally recognized publisher of comparable statistical information.

During the period after the Commencement Date and before all of the residential units in the Project are first occupied by residential tenants, the monthly rent shall not exceed the amount of the then-applicable rent per Parking Space multiplied by the number of units that have been initially occupied as of the first day of such month. In any event, however, if any of the Core Spaces are located in the Municipal Parking Garage, then beginning on the first day of a calendar month following the expiration of four months from the Commencement Date, there shall be no reduction in rent under this paragraph for the Core Spaces located in the Municipal Parking Garage. In any event, however, if any of the Parking Spaces are not located in the Municipal Parking Garage, then beginning on the first day of a calendar month following the expiration of five months from the Commencement Date, there shall be no reduction in rent under this paragraph for the Parking Spaces not located in the Municipal Parking Garage.

ARTICLE IV. Use of Parking Spaces. Tenant agrees that the Parking Spaces during the term of this Lease shall be used and occupied only for vehicle parking for then-current residents of the Project. For purposes of this Lease, the following are specifically excluded from the meaning of "vehicle": unregistered vehicles, commercial vehicles, boats, trailers and recreational vehicles (RVs and campers). Tenant shall restrict the use of the Parking Spaces to such purposes, and shall not use or permit the use of the Parking

Spaces for any other purpose without the written consent of the Landlord. The Parking Spaces shall be subject to and used in accordance with Rules and Regulations promulgated by Landlord, as same may be amended from time to time.

Tenant or each of its assignees shall notify Landlord or its Municipal Parking Garage attendant if his or her vehicle will remain in the same location for more than 10 days, in order to facilitate cleaning, maintenance and security of the parking lot or garage.

The Parking Spaces, and the access thereto, shall be available at all times unless closure is required by an emergency or by circumstances otherwise beyond Landlord's control.

Tenant will not make or suffer any strip or waste of the Parking Spaces, and shall comply with all laws, orders, ordinances and regulations of Federal, State, County and Municipal authorities, and with any direction of any public officer or officials, pursuant to law, which shall impose any duty, obligation, or limitation upon Landlord or Tenant with respect to the Parking Spaces or the use thereof. Tenant shall do or keep nothing, nor allow anything to be done or kept, on or about the Parking Spaces which may be denominated extra hazardous as to insurance by fire insurance companies or which may increase the fire insurance rates for the Parking Spaces or which may cause any of Landlord's insurance to be adversely affected.

ARTICLE V. Repairs, Maintenance, Alterations, and Improvements. During the term of this Lease, the Landlord shall maintain the Parking Spaces and repair any damage thereto. Such maintenance and repair shall include, without limitation, snow plowing, sanding, and restriping. Tenant recognizes and agrees that snowplowing and sanding will be performed in accordance with the schedule established by Landlord for the clearing of parking lots within the City. Tenant further recognizes and agrees that Tenant and its assignees may need to temporarily remove vehicles from the Parking Spaces in order to facilitate snowplowing, sanding and striping. Notwithstanding the foregoing, if any repair or maintenance is necessitated by acts of Tenant or its assignees, subtenants, invitees, agents or guests, then Tenant shall be solely responsible for the cost and expense of such repair or maintenance. Except as provided in this Lease, Tenant may not erect or maintain signs relating to the Parking Spaces without the prior written consent of Landlord. Notwithstanding the foregoing, the Tenant may install and maintain appropriate reasonable signage, approved by Landlord, at the Handicapped Spaces.

ARTICLE VI. Location of Parking Spaces. The Parking Spaces are not reserved parking spaces to be located in any particular area on the Property or within the Municipal Parking Garage, and the Parking Spaces shall be in such location or locations as may be available on a first come, first served basis. Landlord makes no guaranty as to whether the Parking Spaces shall always be available in a covered location.

ARTICLE VII. Sublease and Assignment. Tenant may assign its rights pursuant to this Lease, in whole or in part (e.g., with respect to one or more of the Parking Spaces), to tenants of residential units in the Lofts at Saco Falls. Except as provided in this Lease, Tenant may not otherwise assign or encumber this Lease or sublet the Parking Spaces or any part thereof at any time without the written consent of Landlord which consent may be withheld at Landlord's discretion. Daily rental of the Parking Spaces is prohibited. Landlord agrees to treat each of Tenant's residential tenants entitled to use the Parking Spaces as a separate, independent assignee of this Lease, so that a default or violation by one such residential tenant shall not affect another residential tenant's rights and obligations under this Lease. Notwithstanding the foregoing, Tenant shall have the right to assign this Lease to (i) any purchaser, successor or assign of Tenant's interest in all or a portion of the Project and (ii) in a collateral assignment to any entities providing loans or other financing to Tenant including without limitation Maine State Housing Authority. Landlord agrees to execute and/or enter into any commercially reasonable documentation in connection with such a collateral assignment. Landlord also agrees to provide certificates, on commercially reasonable terms and on the reasonable request of Tenant, regarding whether the Lease is in full force and effect and whether Tenant is in default under the Lease.

ARTICLE VIII. Transfer of Parking Spaces to Municipal Parking Garage. Landlord currently is pursuing the construction of a municipal parking garage within the City. Tenant recognizes and agrees that Landlord may elect not to construct a municipal parking garage within 500 feet of any tenant entrance to the Project and that even if a Municipal Parking Garage is constructed, Landlord may elect, in its sole discretion, not to transfer all or a portion of Tenant's parking spaces to the Municipal Parking Garage.

ARTICLE IX. Unlawful or Dangerous Activity. Tenant shall neither use nor occupy the Parking Spaces or any part thereof for any unlawful or hazardous business purpose nor operate or conduct its business in a manner constituting a nuisance of any kind. Tenant shall immediately upon discovery of all unlawful or hazardous use take action to halt such activity.

ARTICLE X. Surrender of Parking Space. Upon the expiration of the term or other termination of this Lease, whether by reason of lapse of time or Tenant's default or otherwise, Tenant shall quit and surrender the Parking Spaces to Landlord free and clear of all vehicles.

ARTICLE XI. No Waiver. Failure of either party to complain of any act or omission on the part of the other party, no matter how long the same may continue, shall not be deemed to be a waiver by said party of any of its rights hereunder. No waiver by either party at any time, express or implied, of any breach of any provision of this Lease shall be deemed a waiver of such provision or of a subsequent breach of the same or any

other provision. If any action by either party shall require the consent or approval of the other party, the other party's consent to or approval of said action on any one occasion shall not be deemed a consent to or approval of said action on any subsequent occasion. Any and all rights and remedies which either party may have under this Lease or by operation of law, either at law or in equity, upon any breach shall be distinct, cumulative and shall not be deemed inconsistent with each other; and no one of them, whether exercised by a party or not, shall be deemed to be in exclusion of any other; and any two or more or all of such rights and remedies may be exercised at the same time.

ARTICLE XII. Notices. Any notice from one party to the other party hereunder shall be in writing and shall be deemed to be duly given and delivered when mailed by registered or certified mail, postpaid, addressed to the address of such party below set forth;

LANDLORD: CITY OF BIDDEFORD
City Manager's Office
205 Main Street
Biddeford, Maine 04005

TENANT: THE LOFTS AT SACO FALLS, LP
c/o The Szanton Company
482 Congress Street, Suite 203
Portland, ME 04101
ATTENTION: Nathan S. Szanton

Either party may change its above address by giving notice of the change to the other party, such change of address to become effective for all purposes hereunder ten (10) days after such notice is given.

ARTICLE XIII. Rights of Landlord Upon Default or Breach by Tenant. In the event of any failure of the Tenant to pay any rental or other charges due hereunder within fifteen (15) days of the date when due, or any failure to perform any other of the terms, conditions, or covenants of this Lease to be observed or performed by Tenant for more than ten (10) days after written notice of such default shall have been given to Tenant, or if Tenant shall become bankrupt or insolvent, or file any debtor proceeding or have taken against Tenant in any court pursuant to any statute, either of the United States or any State, a petition in bankruptcy or insolvency or for the reorganization or for the appointment of a receiver or trustee of all or a portion of Tenant's property or if Tenant

makes an assignment for the benefit of creditors, or petitions for or enters into an arrangement, or if Tenant shall abandon the Parking Spaces or suffer this Lease to be taken under any writ of execution, then Landlord in addition to any other rights or remedies Landlord may have, shall have the immediate right of reentry by Landlord, and Landlord may enter the Parking Spaces and expel Tenant and those claiming under Tenant, and remove the vehicles of Tenant and those claiming under Tenant and their effects, and/or notify Tenant that the term of this Lease has terminated, and in either case the term hereof shall terminate upon such entry or the giving of such notice, whichever shall first occur and Tenant shall thereupon quit and surrender the Parking Spaces to Landlord. In addition, without limiting the foregoing rights, Landlord may deny Tenant or its assigns access to the garage if payment of monthly rent is more than fifteen (15) days late. Landlord covenants and agrees to treat Tenant's assignees and their assignees separately with respect to the default provisions set forth in this Lease, so that the default of one assignee shall not affect another assignee's rights and obligations under this Lease, and this Lease shall continue with respect to such other assignees pursuant to the terms and conditions hereof. In case of termination of the term of this Lease for any such cause, and in either manner above provided, Landlord shall be deemed to have waived no rights or other remedies hereunder, and shall be entitled to recover Landlord's reasonable attorneys and paralegal fees and any other expenses of Landlord incurred in connection with the retaking of possession of the Parking Spaces.

ARTICLE XIV. Landlord's Covenants of Quiet Enjoyment. Upon payment by Tenant of the rents herein provided and upon the observance and performance of all the covenants, terms and conditions on Tenant's part be observed and performed, Tenant shall peaceably and quietly hold and enjoy the Parking Spaces for the term hereof without hindrance or interruption by Landlord or any person or persons lawfully or equitably claiming by, through or under the Landlord, subject, nevertheless, to the terms and conditions of this Lease.

ARTICLE XV. Total Agreement, Applicable to Successors. This Lease contains the entire agreement between the parties and cannot be changed or terminated except by a written instrument subsequently executed by the parties hereto. This Lease and the terms and conditions hereof apply to and are binding on the heirs, successors and assigns of the parties hereto.

ARTICLE XVI. Severability. If any term or provision of this Lease or the application thereof to any person or circumstances shall, to any extent be invalid or unenforceable, the remainder of this Lease, or the application of such term or provision to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each term and provision of this Lease shall be valid and be enforced to the fullest extent permitted by law.

It is agreed that this Lease shall not be recorded. The parties will execute a memorandum of lease for recording purposes.

ARTICLE XVII. General. This Lease shall inure to and be binding upon the respective heirs, executors, administrators, successors and permitted assigns of the parties. This Lease is made in and shall be governed by and construed in accordance with the laws of the State of Maine. Whenever the singular number is used, the same shall include the plural as well as the singular, as the context shall require. The neuter shall include the masculine and feminine, and vice versa, when the context so requires or permits. The caption and headings contained in this Lease are for convenience only and shall not be taken into account in construing the meaning of this Lease or any part thereof. As to the obligations of each party hereunder to perform its undertakings, promises, covenants, and obligations hereunder, time is of the essence.

ARTICLE XVIII. Tenant's Limited Termination Right. Tenant may terminate this Lease by written notice to the City in the event that Tenant determines that Tenant will not receive an allocation or other availability of Low-Income Housing Tax Credits from the Maine State Housing Authority.

IN WITNESS WHEREOF, the parties have hereunder set their hands and seals all on the day and year first above written.

SIGNED, SEALED AND DELIVERED LANDLORD
IN THE PRESENCE OF

CITY OF BIDDEFORD

By: 
John D. Bubier,
Its: City Manager

STATE OF MAINE
YORK, SS

_____ Aug 5, _____, 2013

Personally appeared the above-named, John D. Bubier, authorized representative of the City of Biddeford, and acknowledged the execution of the foregoing instrument to be his free act and deed and the free act and deed of the City of Biddeford.

Before me,


Kristy Cyr
Notary Public/Attorney at Law
Kristy Cyr
Printed Name

Kristy R. Cyr
Notary Public, State of Maine
My Commission Expires Jan., 7, 2019

TENANT

THE LOFTS AT SACO FALLS, LP

By: Riverdam Building Two, LLC,
Its General Partner



By: 

Nathan S. Szanton, Manager

STATE OF MAINE
YORK, SS

_____, 2013

Personally appeared the above-named, John D. Bubier, authorized representative of the City of Biddeford, and acknowledged the execution of the foregoing instrument to be his free act and deed and the free act and deed of the City of Biddeford.

Before me,

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Notary Public/Attorney at Law


Printed Name

STATE OF MAINE
CUMBERLAND, SS.

August 5th, 2013

Personally appeared the above-named, Nathan S. Szanton, Manager of Riverdam Building Two, LLC, general partner of The Lofts at Saco Falls, LP, and acknowledged the execution of the foregoing instrument to be his free act and deed and the free act and deed of The Lofts at Saco Falls, LP.

Before me,



Notary Public/Attorney at Law
Amy M. Cullen Dailey

Printed Name

**My Commission Expires
October 14, 2015**