MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding is made this __th day of July, 2024, between and among the Town of Lisbon, a body corporate and politic under Maine law with a mailing address of 300 Lisbon St, Lisbon, ME 04250 (the "Town"), JMC Limited Liability Company, a Maine limited liability company with a mailing address of 247 Commercial Street, Suite A, Rockport, ME 04856 "JMC LLC") and JMC Farwell Limited Liability Company, a Maine limited liability company with a mailing address of 247 Commercial Street, Suite A, Rockport, ME 04856 ("JMC Farwell").

WHEREAS, JMC Farwell owns and operates an affordable housing project located in the Town known as Farwell Mill I ("Farwell I") which is located in a portion of the Farwell Mill located at 244 Lisbon Street, Lisbon, Maine 04250;

WHEREAS, JMC LLC owns and operates an affordable housing project located in the Town known as Farwell Mill II ("Farwell II") which is located in a portion of the Farwell Mill located at 244 Lisbon Street, Lisbon, Maine 04250;

WHEREAS, Farwell I and Farwell II are collectively described herein as the "Farwell Project";

WHEREAS, JMC LLC executed and delivered to the Town a promissory note in the original principal amount of $ 210,000 dated August 22, 1997, which note represents the proceeds of a Community Development Block Grant to the Town (the "Note") and which as of the date hereof has a total balance of $200,799, with accrued interest;

WHEREAS, the Note matured on March 31, 2021;

WHEREAS, Joseph M. Cloutier was the Manager and a Member of JMC LLC and JMC Farwell;

WHEREAS, Joseph M. Cloutier died on January 3, 2023;

WHEREAS, JMC LLC has requested that the Town consent to the transfer to JMC Partners, LLC, a Maine limited liability, of the Membership Interests in JMC LLC of the late Joseph M. Cloutier and the appointment of JMC Partners, LLC as Manager of JMC LLC;

WHEREAS, Realty Resources Chartered, an affiliated company of JMC LLC and JMC Farwell, is intending to develop a parcel of land in the Town to accommodate MaineHousing's request to relocate 42 affordable housing units from the existing Farwell project to a new site located near Beech and Winter Streets (the "New Project Site") with the intention of adding additional units (the "New Project").

WHEREAS, following completion of the New Project, the owners of the Farwell Project intend to sell or refinance the Farwell Project;

WHEREAS, the parties wish to clarify their understandings relating to the Farwell Project, the Note, the status of the manager of JMC LLC and JMC Farwell and the New Project;

NOW THEREFORE, the parties agree as follows:

1. Note. The Note shall be amended and restated in the form of **Exhibit A** to this Memorandum of Understanding. The Amended and Restated Note shall provide that ~~Farwell Projects~~JMC Partners, LLC shall make interest only payments at a rate of 5%, on a monthly basis to the Town, until such time as the Farwell Project is sold or refinanced, at which time all amounts due under the Note shall become due and payable in full and shall contain such other usual and customary terms and conditions as the parties may agree to.

2. Consent to Assignment. The Town consents to the assignment to JMC Partners, LLC of the Membership Interests of Joseph M. Cloutier and shall execute the consent letter attached hereto as **Exhibit B**, upon approval of this Memorandum of Understanding.

3. Zoning of New Project. The Town represents that the Town staff is working to enact a zoning change in the section of the Town containing the Project Site, which would result in the Project Site zoning being changed from Limited Residential to General Residential. The Town further agrees to provide reasonable input and assistance with such other zoning or permitting approvals as the New Project may require.

4. Gas House. JMC LLC and LMC Farwell acknowledge that one of the buildings on the site of the Farwell Project is the so-called Gas House, which is currently used for storage. JMC LLC and JMC Farwell shall use reasonable efforts to provide that in any sale or refinancing of the Farwell ~~project~~ Project that the historic value of the Gas House is highlighted and shall undertake commercially reasonable steps to provide for the rehabilitation and adaptive re-use of the Gas House by either a buyer in the event of a sale of the Farwell Project or JMC Partners and JMC Project (or affiliates thereof) in the event of a refinancing, but in all such cases JMC LLC, JMC Project and/or their affiliates shall be entitled to make determinations as to the financial feasibility of such rehabilitation.

[The rest of this page is intentionally left blank.
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Dated as of the date first set forth above:

Town of Lisbon

_____
By:
Its:

JMC Limited Liability Company

By: Michael Cloutier in his capacity as
Personal Representative of the Estate of Joseph M. Cloutier
Its: Manager

_____
Michael Cloutier

JMC Farwell Limited Liability Company

By: Michael Cloutier in his capacity as
Personal Representative of the Estate of Joseph M. Cloutier
Its: Manager

_____
Michael Cloutier