

AGREEMENT REGARDING PROPERTY TAX

WHEREAS, Milliken Heights, LP, (“Developer”) has requested that the Town of Old Orchard Beach, Maine (hereinafter called the “Town”) enter a Credit Enhancement Agreement with respect to certain improvements now or hereafter located in a tax increment financing district in Old Orchard Beach, Maine and the Town has requested that this Agreement with Developer be entered prior to the execution of said Credit Enhancement Agreement.

NOW, THEREFORE, for value received, Developer and the Town hereby agree as follows:

1. Developer has requested that the Town enter a Credit Enhancement Agreement with it and in consideration thereof, Developer is entering this Agreement.

2. Developer agrees that if the Project (all as more specifically described in the Development Program and defined in the Credit Enhancement Agreement) or its owner or tenant or any subtenant, occupant or user thereof or any portion thereof hereafter becomes or is hereafter determined to be or made exempt from real property taxes or if Developer or any owner, tenant, subtenant, occupant or user of the Project (collectively, the “Property Owner”) or any portion thereof becomes entitled for any reason whatever to pay less than 100% of the property tax rate imposed on other property owners in the Town, Property Owner shall nevertheless pay to the Town each year during the term of this Agreement, a sum at least equal to 100% of the amount of revenue listed in the “General Fund Revenue” column—during the term of the CEA Years under the Credit Enhancement Agreement—of the Captured Assessed Value & TIF Revenue Projections included in the Development Program relating to the Milliken Heights Affordable Housing TIF District (see attached Schedule A).¹ All amounts payable under this paragraph shall be in lieu of all real estate property taxes and in lieu of all service charges under any law providing for the payment of service charges in lieu of property taxes with respect to the Project for each applicable year. Such payments in lieu of taxes and service charges shall be reimbursements to offset the costs of the benefits the property receives from public services and shall be due and payable in the same proportions and on the same dates and shall be subject to the same interest charges which shall be payable by the Property Owner, as established by the Town and applicable under Maine law for non-payment of real property taxes. The Town shall determine the amounts due hereunder within 30 days of the date upon which property taxes are committed (or such later date as determined appropriate by the Town), and shall mail an invoice for the amounts due hereunder to the Property Owner at its last known address. The Property

¹ The Milliken Heights Affordable Housing TIF District runs for a term of 17 years beginning in the April 1, 2021 – March 31, 2022 Tax Year, with the CEA Years under the Credit Enhancement Agreement running for a period of 15 years (or until the TIF expires), beginning in the tax year following the “Completion of the Project,” as defined in the Credit Enhancement Agreement. The Captured Assessed Value & TIF Revenue Projections, attached as Schedule A, show a hypothetical scenario in which the CEA Years begins on April 1, 2022. The payments applicable to the obligations of this Agreement shall run during the CEA Years.

Owner shall have 60 days from the date of mailing of such invoice to challenge the amount determined to be due hereunder and if the Property Owner does not challenge the amounts so determined to be due hereunder within such 60 day time period, the amount determined to be due hereunder shall be final with respect to the Property Owner.

3. When the Property Owner makes a payment required pursuant to paragraph 2 hereof, such payment shall be considered and treated as the next payment required to be made by Developer (or any successor to Developer) to the Town pursuant to the Credit Enhancement Agreement between Developer and the Town.

4. In the event the Property Owner shall fail to pay such amount when due, the Town shall have all rights otherwise available to it under law including, without limitation, the right to file a civil action for collection of the same (the exclusive venue for which shall be Maine Superior Court), and the Property Owner shall be required to pay all costs of suit and collection including reasonable attorneys' fees. In the event that the Town is required by law to impose any service charge on the Project in lieu of property taxes or any property tax at less than the ordinary rate or valuation, then the amount payable hereunder shall be reduced by the amount of such taxes and service charges imposed on or with respect to the Project.

5. Notwithstanding the terms of the Credit Enhancement Agreement, the Town may withhold and suspend its payments under said Credit Enhancement Agreement during any period that Developer, the Property Owner or a successor is in default of its obligations under this Agreement. If such default of Developer, the Property Owner or a successor continues for a period of 30 days after written notice of default, the Town may terminate said Credit Enhancement Agreement and thereafter shall have no further obligation or liability thereunder.

6. The covenants and agreements set forth in this Agreement shall constitute covenants running with the land on which the Project is located (see attached Schedule B) and shall be for the benefit of the Town and shall bind the land on which the Project is located, Developer and its respective heirs, successors and assigns.

7. This Agreement shall continue in full force and effect until the last to occur of either (a) the expiration of the Credit Enhancement Agreement or (b) all amounts due and owing hereunder by Developer have been paid in full.

Dated this ___ day of _____, 2020.

WITNESS:

Milliken Heights, LP

By:

Its:

STATE OF MAINE

York, ss.

_____, 2020

Personally appeared the above-named _____,
_____ of Milliken Heights, LP, and acknowledged the foregoing to be his free act
and deed in his said capacity and the free act and deed of said company, before me,

Notary Public / Attorney at Law

My commission expires: _____

WITNESS:

Town of Old Orchard Beach, Maine

By:

Its Town Manager as Authorized by Town Council
On October 20, 2020

STATE OF MAINE

York, ss.

_____, 2020

Personally appeared the above-named _____,
_____ of the Town of Old Orchard Beach, Maine, and acknowledged the
foregoing to be his free act and deed in his said capacity and the free act and deed of said Town
of Old Orchard Beach, Maine, before me,

Notary Public / Attorney at Law

My commission expires: _____

Schedule A
(Captured Assessed Value & TIF Revenue Projections)

Captured Assessed Value & TIF Revenue Projections

Old Orchard Beach Milliken Heights Affordable Housing TIF District

Fiscal Year (April-March)	TIF Year	CEA Year	Original Assessed Value	Projected New Value	Projected Increased Assessed Value	Percent of Value Captured in TIF	Estimated Assessment Ratio	TIF District Projected Captured Assessed Value	Projected Mil Rate 2019: 15.42	Projected Total TIF Revenue	Projected TIF Revenue 80% CEA (100% TIF Rev.)	Projected Total General Fund Revenue to Town
2021-2022	1	-	\$0	\$0	\$0	0%	100%	\$0	15.42	\$0	\$0	\$0
2022-2023	2	1	\$205,862	\$5,670,000	\$5,464,138	80%	100%	\$4,371,310	15.42	\$67,406	\$67,406	\$16,851
2023-2024	3	2	\$205,862	\$5,670,000	\$5,464,138	80%	100%	\$4,371,310	15.42	\$67,406	\$53,924	\$16,851
2024-2025	4	3	\$205,862	\$5,670,000	\$5,464,138	80%	100%	\$4,371,310	15.42	\$67,406	\$53,924	\$16,851
2025-2026	5	4	\$205,862	\$5,670,000	\$5,464,138	80%	100%	\$4,371,310	15.42	\$67,406	\$53,924	\$16,851
2026-2027	6	5	\$205,862	\$5,670,000	\$5,464,138	80%	100%	\$4,371,310	15.42	\$67,406	\$53,924	\$16,851
2027-2028	7	6	\$205,862	\$5,670,000	\$5,464,138	80%	100%	\$4,371,310	15.42	\$67,406	\$53,924	\$16,851
2028-2029	8	7	\$205,862	\$5,670,000	\$5,464,138	80%	100%	\$4,371,310	15.42	\$67,406	\$53,924	\$16,851
2029-2030	9	8	\$205,862	\$5,670,000	\$5,464,138	80%	100%	\$4,371,310	15.42	\$67,406	\$53,924	\$16,851
2030-2031	10	9	\$205,862	\$5,670,000	\$5,464,138	80%	100%	\$4,371,310	15.42	\$67,406	\$53,924	\$16,851
2031-2032	11	10	\$205,862	\$5,670,000	\$5,464,138	80%	100%	\$4,371,310	15.42	\$67,406	\$53,924	\$16,851
2032-2033	12	11	\$205,862	\$5,670,000	\$5,464,138	80%	100%	\$4,371,310	15.42	\$67,406	\$53,924	\$16,851
2033-2034	13	12	\$205,862	\$5,670,000	\$5,464,138	80%	100%	\$4,371,310	15.42	\$67,406	\$53,924	\$16,851
2034-2035	14	13	\$205,862	\$5,670,000	\$5,464,138	80%	100%	\$4,371,310	15.42	\$67,406	\$53,924	\$16,851
2035-2036	15	14	\$205,862	\$5,670,000	\$5,464,138	80%	100%	\$4,371,310	15.42	\$67,406	\$53,924	\$16,851
2036-2037	16	15	\$205,862	\$5,670,000	\$5,464,138	80%	100%	\$4,371,310	15.42	\$67,406	\$53,924	\$16,851
2037-2038	17	-	\$205,862	\$5,670,000	\$5,464,138	0%	100%	\$0	15.42	\$0	\$0	\$84,257

17-year total:	\$1,011,084	\$822,348	\$337,028
17-year average:	\$67,406	\$54,823	\$16,851

Assumptions:

1. Projections show anticipated increased assessed values provided by Developer, captured assessed values, and TIF revenues.
2. Assumes a 15-year CEA term with a 17-year District term.
3. Projections assume a flat mil rate of 15.42.
4. Assumes 80% of the increased assessed value is captured in the District and is available to the Credit Enhancement Agreement with the Developer.
5. The preceding financial information contains projections and forward-looking statements that are subject to a number of risks and uncertainties, many of which are beyond the Developer's or the Town's control, that could cause the actual results, performance, or achievements of the project to differ materially from any future results, performances, or achievements expressed or implied by the financial information reported in this projection. The model is not, nor intended to be, an appraisal or guarantee of an assessed value, and there may be positive or negative variations in the actual assessment of the project due to variety of factors, including without limitation the employment of alternative methods of valuation.

Schedule B
(Map of Milliken Heights Affordable Housing TIF District)



MILLIKEN HEIGHTS AFFORDABLE HOUSING DEVELOPMENT

Old Orchard_Beach, ME

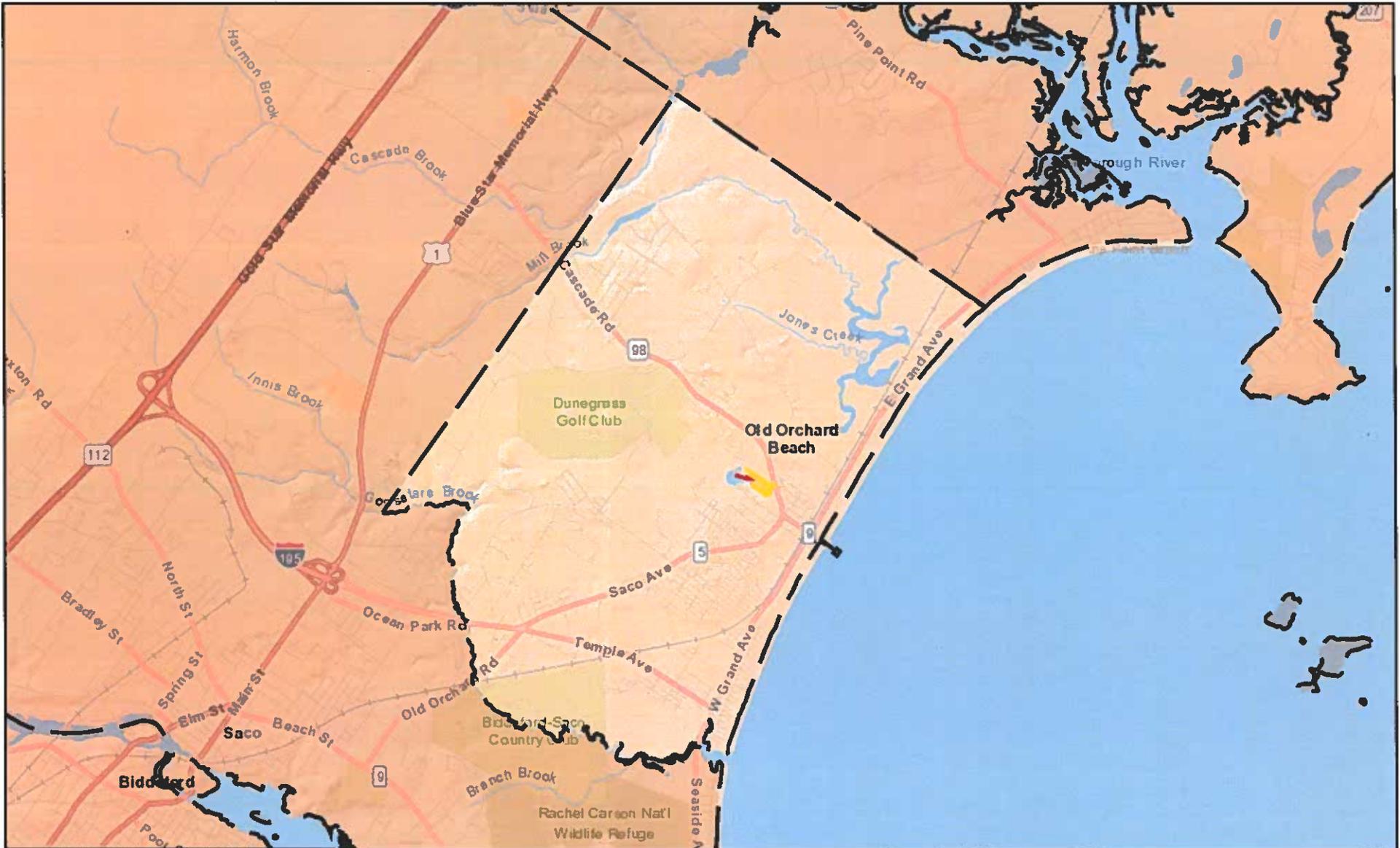


 Milliken Heights AHTIF District (4.76 acres)

1 inch = 4400 Feet

0 4400 8800 13200

September 15, 2020



Data shown on this map is provided for planning and informational purposes only. The municipality and CAI Technologies are not responsible for any use for other purposes or misuse or misrepresentation of this map.

