

**NOTICE OF PUBLIC HEARING
TOWN OF BERWICK
Regarding**

A Credit Enhancement Agreement between the Town and JCS 16, LLC, the company undertaking the significant development project located in the Berwick Downtown Omnibus Municipal Tax Increment Financing District approved by the town meeting on November 8, 2016

Notice is hereby given that the Town of Berwick will hold a public hearing at its Board of Selectmen Meeting on February 9, 2021 at 6:30 p.m. via REMOTE HEARING described below. The purpose of the public hearing is to receive public comments on a proposed credit enhancement agreement with JCS 16, LLC. Such a credit enhancement agreement is authorized by the development program for the Berwick Downtown Omnibus Municipal Tax Increment Financing District (the "District") pursuant to the provisions of Chapter 206 of Title 30-A of the Maine Revised Statutes, as amended. The District approval authorizes the Board of Selectmen to approve credit enhancement agreements relating to the District following a public hearing. The proposed credit enhancement agreement would obligate the Town to make payments to JCS 16, LLC over time based on a percentage of future property taxes paid on increased assessed value within the District.

Copies of the relevant materials will be on file with the Town Clerk prior to the public hearing, and are available at www.berwickmaine.org and can also be obtained by calling (207) 698-1101 ext. 110 during normal business hours and requesting that a copy be mailed to you. All interested persons are invited to participate in the public hearing and will be given an opportunity to be heard. Public comments will be taken at the hearings and written comments should be submitted to townclerk@berwickmaine.org. Written comments will be accepted until February 9, 2021 at 5pm.

The Berwick Board of Selectmen will hold this public hearing remotely using Zoom. Virtual meetings are allowed using emergency legislation approved by LD 2167; 1 M.R.S. §403-A, that authorizes municipalities to conduct meetings online. Allow your computer to install the free Zoom app to get the best meeting experience. Please use the following Zoom information to access the meeting and hearing:

<https://us02web.zoom.us/j/88947317291?pwd=bGNQSytlVnhIejIwOHdHbzZoSFFRQT09>

CREDIT ENHANCEMENT AGREEMENT

between

THE TOWN OF BERWICK, MAINE,

and

JCS 16, LLC

DATED: ____ ____, 2021

TABLE OF CONTENTS

ARTICLE I DEFINITIONS	3
Section 1.1. Definitions.....	3
Section 1.2. Interpretation and Construction.....	5
ARTICLE II DEVELOPMENT PROGRAM FUND AND FUNDING REQUIREMENTS.....	6
Section 2.1. Creation of Development Program Fund.	6
Section 2.2. Liens.....	7
Section 2.3. Captured Assessed Value: Deposits into Development Program Fund.....	7
Section 2.4. Use of Monies in Development Program Fund.....	7
Section 2.5. Monies Held in Segregated Account.....	8
ARTICLE III PAYMENT OBLIGATIONS	8
Section 3.1. Company Payments.....	8
Section 3.2. Failure to Make Payment.....	8
Section 3.3. Manner of Payments.....	9
Section 3.4. Obligations Unconditional.....	9
Section 3.5. Limited Obligation.....	9
ARTICLE IV PLEDGE AND SECURITY INTEREST	10
Section 4.1. Pledge of and Grant of Security Interest in JCS Project Cost Subaccount.....	10
Section 4.2. Perfection of Interest.....	10
Section 4.3. Further Instruments.....	10
Section 4.4. No Disposition of JCS Project Cost Subaccount.....	11
Section 4.5. Access to Books and Records.....	11
ARTICLE V DEFAULTS AND REMEDIES	11
Section 5.1. Events of Default.....	11
Section 5.2. Remedies on Default.....	12
Section 5.3. Remedies Cumulative.....	12
Section 5.4 Agreement to Pay Attorneys' Fees and Expenses.....	13
ARTICLE VI EFFECTIVE DATE, TERM AND TERMINATION.....	13
Section 6.1. Effective Date and Term.....	13
Section 6.2. Cancellation and Expiration of Term.....	13
ARTICLE VII ASSIGNMENT AND PLEDGE OF JCS'S INTEREST	13
Section 7.1. Consent to Pledge and/or Assignment.....	13
Section 7.2. Pledge, Assignment or Security Interest.....	14
ARTICLE VIII MISCELLANEOUS.....	14
Section 8.1. Successors.....	14
Section 8.2. Parties-in-Interest.....	14
Section 8.3. Severability.....	14
Section 8.4. No Personal Liability of Officials of the Town and/or Employees or Officers of JCS.....	15
Section 8.5. Counterparts.....	15
Section 8.6. Governing Law.....	15
Section 8.7. Notices.....	15
Section 8.8. Amendments.....	16
Section 8.9. Reserved.....	16
Section 8.10. Benefit of Assignees or Pledges.....	16
Section 8.11. Integration.....	16
Section 8.12 Indemnification.....	17
Section 8.13. Dispute Resolution.....	17
Section 8.14. Tax Laws and Valuation Agreement.....	17

THIS CREDIT ENHANCEMENT AGREEMENT dated as of _____, 2021, between the Town of Berwick, Maine (the “Town”), a municipal corporation and political subdivision of the State of Maine, and JCS 16, LLC (“JCS” or the “Company”), a Maine limited liability company registered to do business under the laws of the State of Maine.

WITNESSETH THAT

WHEREAS, the Town designated the Berwick Downtown Omnibus Municipal Tax Increment Financing District (the “District”) pursuant to Chapter 206 of Title 30-A of the Maine Revised Statutes, as amended, by action of the town meeting of the Town at a meeting duly called and held on November 8, 2016 and adopted a development program and financial plan for the District (the “Development Program”); and

WHEREAS, the Maine Department of Economic and Community Development (the “Department”) approved the District and Development Program as required by law on July 17, 2017; and

WHEREAS, the District is a so-called “omnibus” district which means that the Board of Selectmen is permitted to enter into credit enhancement agreements with individual property owners in the District as it sees fit for up to the full term of the District for up to 100% of the captured assessed value so long as the Board of Selectmen holds a public hearing prior to the approval of any such credit enhancement agreement; and

WHEREAS, at a meeting of the Board of Selectmen held on April 13, 2021, the Board of Selectmen authorized a credit enhancement agreement with JCS in the name of and on behalf of the Town; and

NOW, THEREFORE, in consideration of the foregoing and in consideration of the mutual promises and covenants set forth herein, the parties hereby agree as follows:

ARTICLE I DEFINITIONS

Section 1.1. Definitions.

The terms defined in this Article I shall, for all purposes of this Agreement, have the meanings herein specified, unless the context clearly requires otherwise:

“Act” means chapter 206 of Title 30-A of the Maine Revised Statutes and regulations adopted thereunder, as amended from time to time.

“Agreement” shall mean this Credit Enhancement Agreement between the Town and JCS dated as of the date set forth above, as such may be amended from time to time.

“Captured Assessed Value” means the amount, stated as a percentage, of the Increased Assessed Value of the JCS Property that is retained in the District in each Tax Year during the term of the District, as specified in Section 2.3 hereof.

“Town” shall have the meaning given such term in the first paragraph hereto.

“Town Project Cost Subaccount” means that portion of the Project Cost Account of the Development Program Fund for the District set aside for the Town as defined in the Financial Plan Section of the Development Program and established and maintained according to Article II hereof.

“JCS Project Cost Subaccount” means that portion of the Project Cost Account of the Development Program Fund set aside for JCS as established and maintained pursuant to Article II hereof.

“JCS Property” means the taxable real property including any real property buildings and real property improvements located thereon located in the District and taxable to JCS, specifically located at 20 Sullivan Street made up of approximately 7.91 acres and 34 Sullivan Street made up of approximately 2.8 acres, identified as Berwick Tax Map U004 Lot 146 and U004 Lot 133 respectively.

“Commissioner” means the Commissioner of the Maine Department of Economic and Community Development.

“Current Assessed Value” means the then-current assessed value of the JCS Property located in the District as determined by the Town Tax Assessor as of April 1 of each Tax Year during the term of this Agreement.

“Development Program” shall have the meaning given such term in the recitals hereto.

“Development Program Fund” means the Development Program Fund described in the Financial Plan section of the Development Program and established and maintained pursuant to Article II hereof and 30-A M.R.S.A. § 5227(3)(A). The Development Program Fund shall consist of a Sinking Fund Account (as and if necessary) and a Project Cost Account with two subaccounts: The Town Project Cost Subaccount and JCS Project Cost Subaccount.

“District” shall have the meaning given such term in the first recital hereto, which is more specifically comprised of approximately 33.32 acres of real property.

“Effective Date of the Development Program” means the date of final approval of the Development Program by the Commissioner pursuant to the Act.

“Financial Plan” means the financial plan described in the “Financial Plan” Section of the Development Program.

“Fiscal Year” means July 1 to June 30 each year or such other fiscal year as the Town may from time to time establish.

“Increased Assessed Value” means, for each Fiscal Year during the term of this Agreement, the amount by which the Current Assessed Value for such year exceeds the Original Assessed Value. If the Current Assessed Value is less than or equal to the Original Assessed Value in any given Tax Year, there is no Increased Assessed Value in that year.

“Original Assessed Value” means one million five hundred sixteen thousand nine hundred dollars (\$1,516,900), the taxable assessed value of the JCS Property as of April 1, 2020.

“Project Cost Account” means the project cost account described in the Financial Plan Section of the Development Program and established and maintained pursuant to Title 30-A M.R.S.A. § 5227(3)(A)(1) and Article II hereof.

“Property Taxes” means any and all *ad valorem* property taxes levied, charged or assessed against the JCS Property located in the District by the Town, or on its behalf.

“Sinking Fund Account” means the development sinking fund account described in the Financial Plan Section of the Development Program and established and maintained pursuant to Title 30-A M.R.S.A. § 5227(3)(A)(2) and Article II hereof.

“State” means the State of Maine.

“Tax Increment Revenues” means that portion of all real property taxes assessed and paid to the Town in any Tax Year, in excess of any state, or special district tax, upon the Captured Assessed Value.

“Tax Payment Date” means the later of the date(s) on which property taxes levied by the Town are due and payable from owners of property located within the Town, or are actually paid to the Town with respect to taxable property located within the District.

“Tax Year” shall have the meaning given such term in 30-A M.R.S.A. § 5222(18), as amended, to wit: April 1 to March 31.

Section 1.2. Interpretation and Construction.

In this Agreement, unless the context otherwise requires:

(a) The terms “hereby,” “hereof,” “hereto,” “herein,” “hereunder” and any similar terms, as used in this Agreement, refer to this Agreement, and the term “hereafter” means after, and the term “heretofore” means before, the date of delivery of this Agreement.

(b) Words importing a particular gender mean and include correlative words of every other gender and words importing the singular number mean and include the plural number and vice versa.

(c) Words importing persons mean and include firms, associations, partnerships (including limited partnerships), trusts, corporations and other legal entities, including public or governmental bodies, as well as any natural persons.

(d) Any headings preceding the texts of the several Articles and Sections of this Agreement, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Agreement, nor shall they affect its meaning, construction or effect.

(e) All approvals, consents and acceptances required to be given or made by any signatory hereto shall not be withheld, delayed (within the understanding that municipal government must abide by public meetings laws which often requires more time than private entities require to take action) or conditioned unreasonably.

(f) All notices to be given hereunder shall be given in writing and, unless a certain number of days is specified, within a reasonable time.

(g) If any clause, provision or Section of this Agreement shall be ruled invalid by any court of competent jurisdiction, the invalidity of such clause, provision or Section shall not affect any of the remaining provisions hereof.

ARTICLE II DEVELOPMENT PROGRAM FUND AND FUNDING REQUIREMENTS

Section 2.1. Creation of Development Program Fund.

Within sixty (60) days after the execution of this Agreement, the Town shall create and establish a segregated fund in the name of the Town designated as the development program fund for the District (the “Development Program Fund”) pursuant to, and in accordance with the terms and conditions of, the Development Program and 30-A M.R.S.A. § 5227(3). The Development Program Fund shall consist of a Project Cost Account that is pledged to and charged with the payment of project costs as outlined in the Financial Plan of the Development Program and as provided in 30-A M.R.S.A. § 5227(3)(A)(1), and, if necessary, may also consist of a Sinking Fund Account that is pledged to and charged with the payment of Town indebtedness, if any, as outlined in the Financial Plan of the Development Program and as provided in 30-A M.R.S.A. § 5227(3)(A)(2). The Project Cost Account shall also contain at least one subaccount designated as the “JCS Project Cost Subaccount.” The Development Program Fund is pledged to and charged with the payment of costs in the manner and priority provided in 30-A M.R.S.A. § 5227(3)(B) and as set forth in Section 3.1(b) below.

Section 2.2. Liens.

The Town shall not create any liens, encumbrances or other interests of any nature whatsoever, nor shall it hypothecate the JCS Project Cost Subaccount described in Section 2.1 hereof or any funds therein, other than the interest in favor of JCS hereunder in and to the amounts on deposit; provided, however, that nothing herein shall prohibit the creation of property tax liens on property in the District in accordance with and entitled to priority pursuant to Maine law.

Section 2.3. Captured Assessed Value: Deposits into Development Program Fund.

(a) Each year during the term of this Agreement, commencing on July 1, 2021 and continuing thereafter through June 30, 2037 for a total of sixteen (16) years (collectively the “CEA Years”), the Town shall retain in the District one hundred percent (100%) of the Increased Assessed Value as Captured Assessed Value.

(b) For each of the CEA Years, the Town shall deposit into the Development Program Fund contemporaneously with each payment of Property Taxes during the term of this Agreement an amount equal to one hundred percent (100%) of that portion of the property tax payment constituting Tax Increment Revenues. Contemporaneously therewith, in each of the first seven (7) CEA Years, the Town shall deposit seventy percent (70%) of the Tax Increment Revenues generated on the JCS Property into the JCS Project Cost Subaccount, and in each of the remaining nine (9) CEA Years, the Town shall deposit fifty percent (50%) of the Tax Increment Revenues generated on the JCS Property into the JCS Project Cost Subaccount. Notwithstanding the allocations identified herein to the JCS Project Cost Subaccount, if the JCS Property fails to reach a total taxable assessed value of at least Five Million Dollars (\$5,000,000) by July 1, 2026, then no further deposits are required to be made by the Town to the JCS Project Cost Subaccount, nor any further payments made related to Tax Increment Revenues associated with any Tax Years beginning with the 2026-2027 Fiscal Year (which relates to tax value for the 2026 Tax Year) or any Fiscal Year thereafter.

(c) Notwithstanding anything to the contrary contained herein, the Town shall have the authority to decide to discontinue all or a portion of the Town Project Cost Subaccount deposits and instead make those deposits to the Town’s general fund without further action or consents required by JCS.

Section 2.4. Use of Monies in Development Program Fund.

All monies in the Development Program Fund that are allocable to and/or deposited in JCS Project Cost Subaccount shall in all cases be used and applied to fund fully the Town's payment obligations to JCS as described in Articles II and III hereof.

Section 2.5. Monies Held in Segregated Account.

All monies required to be deposited with or paid into JCS Project Cost Subaccount under the provisions hereof and the provisions of the Development Program, and any investment earnings thereon, shall be held by the Town, in trust, for the benefit of JCS in accordance with the terms of this Agreement.

ARTICLE III PAYMENT OBLIGATIONS

Section 3.1. Company Payments.

(a) Within thirty (30) days following the Tax Payment Date, all amounts then on deposit in JCS Project Cost Subaccount shall be paid to JCS, so long as JCS can and does incur expenses of at least as much of the amount of any and all payments under this Section 3.1 on capital improvements within the District. JCS shall be limited to receiving payments from the Town to the total amount of incurred expenses by JCS on capital improvements within the District. The Town through its Town Manager may request documentary proof and certification from JCS of the incurrence of expenses on capital improvements within the District.

(b) Notwithstanding anything to the contrary contained herein, if, with respect to any Tax Payment Date, any portion of the property taxes assessed against the JCS Property remain unpaid, the property taxes actually paid with respect to such Tax Payment Date shall, first, be applied to taxes due on account of Original Assessed Value; and second, shall constitute payment of Property Taxes with respect to Increased Assessed Value, to be applied first to payment in full of the amount to be deposited in the Development Program Fund for the Town's use or to the general fund for the year concerned in accordance with Section 2.3; and third, to payment of JCS's share of the Tax Increment Revenues for the year concerned, to be deposited into the JCS Project Cost Subaccount. In any case where a portion of the property taxes assessed against the JCS Property remain unpaid for any reason other than a bona fide valuation dispute, no payment of JCS's share of the Tax Increment Revenues for the year concerned will be deposited into the JCS Project Cost Subaccount until such property taxes assessed against the JCS Property are paid in full.

Section 3.2. Failure to Make Payment.

(a) In the event the Town should fail to, or be unable to, make any of the payments at the time and in the amount required under the foregoing provisions of this Article III including in the event that the amount deposited into JCS Project Cost Subaccount is insufficient to reimburse JCS for the full amount due to JCS under this Agreement, the amount or installment so unpaid shall continue as a limited obligation of the Town, under the terms and conditions hereinafter set forth, until the amount unpaid shall have been fully paid. JCS shall have the right to initiate and maintain an action to specifically enforce the Town's obligations hereunder, including without

limitation, the Town's obligation to establish and maintain the JCS Project Cost Subaccount, its obligation to deposit Tax Increment Revenues to JCS Project Cost Subaccount and its obligation to make payment out of JCS Project Cost Subaccount to JCS.

(b) Any payment from the Town to JCS not paid within thirty (30) days following the Tax Payment Date, following submission of documentation regarding costs incurred pursuant to Section 3.1(a), as specified in Section 3.1 above, shall be subject to payment of interest by the Town at the same rate applicable to refunds of abated property taxes. The provision in this section 3.2(b) of an interest rate on late payments by the Town shall not limit JCS's right under section 5.2 below to collect or require immediate payment of past due Town payments.

Section 3.3. Manner of Payments.

The payments provided for in this Article III shall be paid directly to JCS at the address specified in Section 8.7 hereof in the manner provided hereinabove for JCS's own use and benefit by check drawn on the Town.

Section 3.4. Obligations Unconditional.

Subject to compliance with the terms and conditions of this Agreement, the obligations of the Town to make the payments described in this Agreement in accordance with the terms hereof shall be absolute and unconditional, and the Town shall not suspend or discontinue any payment hereunder or terminate this Agreement for any cause, irrespective of any defense or any rights of setoff (except as otherwise provided in this Agreement), recoupment or counterclaim it might otherwise have against JCS, other than by court order or by reason of a final judgment by a court of competent jurisdiction that the District is invalid or otherwise illegal. The Town hereby acknowledges that JCS has the right to enforce the contractual obligations of the Town under this Agreement and that the governmental immunity of the Town does not apply to actions to enforce its contractual obligations; provided however, nothing herein shall, nor is intended to, waive any defense, immunity, or limitation of liability which may be available to the Town or its respective officers, agents, and employees under the Maine Tort Claims Act or any other privileges and/or immunities provided by law.

Section 3.5. Limited Obligation.

The Town's obligations of payment hereunder shall be limited obligations of the Town payable solely from Tax Increment Revenues pledged therefor under this Agreement. The Town's obligations hereunder shall not constitute a general debt or a general obligation or charge against or pledge of the faith and credit or taxing power of the Town, the State of Maine, or of any municipality or political subdivision thereof, but shall be payable solely from that portion of Tax Increment Revenues payable to JCS hereunder, whether or not actually deposited into JCS Project Cost Subaccount in the Development Program Fund. This Agreement shall not directly, indirectly or contingently obligate the Town, the State of Maine, or any other Town or political subdivision to levy or to pledge any form of taxation whatever therefor or to make any

appropriation for their payment, excepting the pledge of the Tax Increment Revenues established under this Agreement.

ARTICLE IV PLEDGE AND SECURITY INTEREST

Section 4.1. Pledge of and Grant of Security Interest in JCS Project Cost Subaccount.

In consideration of this Agreement and other valuable consideration and for the purpose of securing payment of the amounts provided for hereunder to JCS by the Town, according to the terms and conditions contained herein, and in order to secure the performance and observance of all of the Town's covenants and agreements contained herein, the Town does hereby grant a security interest in and pledge JCS Project Cost Subaccount described in Section 2.1 hereof and all sums of money and other securities and investments therein to JCS.

Section 4.2. Perfection of Interest.

(a) To the extent deemed necessary or desirable by JCS, the Town will at such time and from time to time as reasonably requested by JCS establish the JCS Project Cost Subaccount described in Section 2.1 hereof as a segregated fund under the control of an escrow agent, trustee or other fiduciary selected by JCS so as to perfect JCS's interest therein. The cost of establishing and monitoring such a fund (including the cost of counsel to the Town with respect thereto) shall be borne exclusively by JCS. In the event such a fund is established under the control of a trustee or fiduciary, the Town shall cooperate with JCS in causing appropriate financing statements and continuation statements naming JCS as pledgee of all such amounts from time to time on deposit in the fund to be duly filed and recorded in the appropriate state offices as required by and permitted under the provisions of the Maine Uniform Commercial Code or other similar law as adopted in the State of Maine and any other applicable jurisdiction, as from time to time amended, in order to perfect and maintain the security interests created hereunder.

(b) In the event JCS requires the establishment of a segregated fund in accordance with this Section 4.2, the Town's responsibility shall be expressly limited to delivering the amounts required by this Agreement to the escrow agent, trustee or other fiduciary designated by JCS. The Town shall have no liability for payment over of the funds concerned to JCS by any such escrow agent, trustee or other fiduciary, or for any misappropriation, investment losses or other losses in the hands of such escrow agent, trustee or other fiduciary. Notwithstanding any change in the identity of JCS's designated escrow agent, trustee or other fiduciary, the Town shall have no liability for mis delivery of funds if delivered in accordance with JCS's most recent written designation or instructions actually received by the Town.

Section 4.3. Further Instruments.

The Town shall, upon the reasonable request of JCS, from time to time execute and deliver such further instruments and take such further action as may be reasonable and as may be required to carry out the provisions of this Agreement; provided, however, that no such

instruments or actions shall pledge the credit of the Town; and provided further that the cost of executing and delivering such further instruments (including the reasonable and related costs of counsel to the Town with respect thereto) shall be borne exclusively by JCS.

Section 4.4. No Disposition of JCS Project Cost Subaccount.

Except as permitted hereunder, the Town shall not sell, lease, pledge, assign or otherwise dispose, encumber or hypothecate any interest in JCS Project Cost Subaccount and will promptly pay, cause to be discharged, or make adequate provision to discharge, any lien, charge or encumbrance on any part thereof not permitted hereby.

Section 4.5. Access to Books and Records.

(a) All non-confidential books, records and documents in the possession of the Town relating to the District, the Development Program, this Agreement and the monies, revenues and receipts on deposit or required to be deposited into JCS Project Cost Subaccount shall at all reasonable times and upon reasonable notice be open to inspection by JCS, its agents and employees.

(b) All non-confidential books, records, lease agreements, and documents in the possession of JCS relating to the District, the Development Program, this Agreement and the monies, revenues, and receipts used from the Development Program Fund shall at all reasonable times and upon reasonable notice be open to inspection by the Town, its agents, and its employees. In addition, inspections of the JCS Property as well as any appraisals related to the JCS Property shall be made possible by JCS upon the reasonable request of the Town for the purpose of assisting the Town in the process of creating a Current Assessed Value.

ARTICLE V DEFAULTS AND REMEDIES

Section 5.1. Events of Default.

Each of the following events shall constitute and be referred to in this Agreement as an “Event of Default”:

(a) Any failure by the Town to pay any amounts due to JCS when the same shall become due and payable;

(b) Any failure by the Town to make deposits into JCS Project Cost Subaccount as and when due;

(c) Any failure by the Town or JCS to observe and perform in all material respects any covenant, condition, agreement or provision contained herein on the part of the Town or JCS to be observed or performed, which failure is not cured within thirty (30) days following written notice thereof; and

(d) If a decree or order of a court or agency or supervisory authority having jurisdiction in the premises of the appointment of a conservator or receiver or liquidator of, any insolvency, readjustment of debt, marshaling of assets and liabilities or similar proceedings, or for the winding up or liquidation of the Town's affairs shall have been entered against the Town or the Town shall have consented to the appointment of a conservator or receiver or liquidator in any such proceedings of or relating to the Town or of or relating to all or substantially all of its property, including without limitation the filing of a voluntary petition in bankruptcy by the Town or the failure by the Town to have an involuntary petition in bankruptcy dismissed within a period of ninety (90) consecutive days following its filing or in the event an order for release has been entered under the Bankruptcy Code with respect to the Town.

(e) If a decree or order of a court or agency or supervisory authority having jurisdiction in the premises of the appointment of a conservator or receiver or liquidator of, any insolvency, readjustment of debt, marshaling of assets and liabilities or similar proceedings, or for the winding up or liquidation of JCS's affairs shall have been entered against JCS or JCS shall have consented to the appointment of a conservator or receiver or liquidator in any such proceedings of or relating to JCS or of or relating to all or substantially all of its property, including without limitation the filing of a voluntary petition in bankruptcy by JCS or the failure by JCS to have an involuntary petition in bankruptcy dismissed within a period of ninety (90) consecutive days following its filing or in the event an order for release has been entered under the Bankruptcy Code with respect to JCS.

Section 5.2. Remedies on Default.

Subject to the provisions contained in Section 8.13, whenever any Event of Default described in Section 5.1 hereof shall have occurred and be continuing, the nondefaulting party, following the expiration of any applicable cure period, shall have all rights and remedies available to it at law or in equity, including the rights and remedies available to a secured party under the laws of the State of Maine, and may take whatever action as may be necessary or desirable to collect the amount then due and thereafter to become due, to specifically enforce the performance or observance of any obligations, agreements or covenants of the nondefaulting party under this Agreement and any documents, instruments and agreements contemplated hereby or to enforce any rights or remedies available hereunder.

Section 5.3. Remedies Cumulative.

Subject to the provisions of Section 8.13 below concerning dispute resolution, no remedy herein conferred upon or reserved to any party is intended to be exclusive of any other available remedy or remedies but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law, in equity or by statute. Delay or omission to exercise any right or power accruing upon any Events of Default to insist upon the strict performance of any of the covenants and agreements herein set forth or to exercise any rights or remedies upon the occurrence of an Event of Default shall not impair any such right or power or be considered or taken as a waiver or relinquishment for the future of the right to insist upon and to enforce, from time to time and as often as may be deemed

expedient, by injunction or other appropriate legal or equitable remedy, strict compliance by the parties hereto with all of the covenants and conditions hereof, or of the rights to exercise any such rights or remedies, if such Events of Default be continued or repeated.

Section 5.4. Agreement to Pay Attorneys' Fees and Expenses.

Subject to the provisions of Section 8.13 below concerning dispute resolution and the Commercial Arbitration Rules of the American Arbitration Association, in the event the Town or JCS should default under any of the provisions of this Agreement, and the non-defaulting party shall require and employ attorneys or incur other expenses or costs for the collection of payments due or to become due or for the enforcement of performance or observance of any obligation or agreement on the part of the Town or JCS herein contained, the defaulting party shall, on demand therefor, pay to the nondefaulting party the reasonable fees of such attorneys and such other reasonable costs and expenses so incurred by the non-defaulting party.

**ARTICLE VI
EFFECTIVE DATE, TERM AND TERMINATION**

Section 6.1. Effective Date and Term.

Notwithstanding any other provision of this Agreement, this Agreement is effective upon its execution because receipt of the Commissioner's unconditional approval of the Development Program has already been received. Following execution and delivery of this Agreement, the Agreement is binding and enforceable, and shall expire upon the later of the expiration of the CEA Years or the payment of all amounts due to JCS hereunder and the performance of all obligations on the part of the Town hereunder unless sooner terminated pursuant to Section 3.4 or any other applicable provision of this Agreement.

Section 6.2. Cancellation and Expiration of Term.

At the acceleration, termination or other expiration of this Agreement in accordance with the provisions of this Agreement, the Town and JCS shall each execute and deliver such documents and take or cause to be taken such actions as may be necessary to evidence the termination of this Agreement.

**ARTICLE VII
ASSIGNMENT AND PLEDGE OF JCS'S INTEREST**

Section 7.1. Consent to Pledge and/or Assignment.

The Town hereby acknowledges that JCS may from time-to-time pledge and assign its right, title and interest in, to and under this Agreement as collateral for financing improvements by or on behalf of JCS within the District, although no obligation is hereby imposed on JCS to make such assignment or pledge. Recognizing this possibility, the Town does hereby consent

and agree to the pledge and assignment of all JCS's right, title and interest in, to and under this Agreement and in, and to the payments to be made to JCS hereunder, to third parties as collateral or security for financing such development, on one or more occasions during the term hereof. The Town agrees to execute and deliver any assignments, pledge agreements, consents or other confirmations required by such prospective pledgee or assignee, including without limitation recognition of the pledgee or assignee as the holder of all right, title and interest herein and as the payee of amounts due and payable hereunder. The Town agrees to execute and deliver any other documentation as shall confirm to such pledgee or assignee the position of such assignee or pledgee and the irrevocable and binding nature of this Agreement and provide to such pledgee or assignee such rights and/or remedies as JCS or such pledgee or assignee may reasonably deem necessary for the establishment, perfection and protection of its interest herein. JCS shall be responsible for the Town's necessary and reasonable costs of counsel with respect to any such pledge or assignment.

Section 7.2. Pledge, Assignment or Security Interest.

Except as provided in Sections 7.1 hereof, and except for the purpose of securing financing for improvements by or on behalf of JCS within the District, JCS shall not transfer or assign any portion of its rights in, to and under this Agreement without the prior written consent of the Board of Selectmen of the Town, which consent shall not be unreasonably withheld.

ARTICLE VIII MISCELLANEOUS

Section 8.1. Successors.

In the event of the dissolution, merger or consolidation of the Town or JCS, the covenants, stipulations, promises and agreements set forth herein, by or on behalf of or for the benefit of such party shall bind or inure to the benefit of the successors and assigns thereof from time to time and any entity, officer, board, commission, agency or instrumentality to whom or to which any power or duty of such party shall be transferred.

Section 8.2. Parties-in-Interest.

Except as herein otherwise specifically provided, nothing in this Agreement expressed or implied is intended or shall be construed to confer upon any person, firm or corporation other than the Town and JCS any right, remedy or claim under or by reason of this Agreement, it being intended that this Agreement shall be for the sole and exclusive benefit of the Town and JCS.

Section 8.3. Severability.

In case any one or more of the provisions of this Agreement shall, for any reason, be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Agreement and this Agreement shall be construed and enforced as if such illegal or invalid provision had not been contained herein.

Section 8.4. No Personal Liability of Officials of the Town and/or Employees or Officers of JCS.

(a) No covenant, stipulation, obligation or agreement of the Town contained herein shall be deemed to be a covenant, stipulation or obligation of any present or future elected or appointed official, officer, agent, servant or employee of the Town in his or her individual capacity, and neither the Town Council nor any official, officer, employee or agent of the Town shall be liable personally with respect to this Agreement or be subject to any personal liability or accountability by reason hereof.

(b) No covenant, stipulation, obligation or agreement of JCS contained herein shall be deemed to be a covenant, stipulation or obligation of any present or future officer, agent, servant or employee of JCS in his or her individual capacity, and no official, officer, employee or agent of JCS shall be liable personally with respect to this Agreement or be subject to any personal liability or accountability by reason hereof.

Section 8.5. Counterparts.

This Agreement may be executed in any number of counterparts, each of which, when so executed and delivered, shall be an original, but such counterparts shall together constitute but one and the same Agreement.

Section 8.6. Governing Law.

The laws of the State of Maine shall govern the construction and enforcement of this Agreement.

Section 8.7. Notices.

All notices, certificates, requests, requisitions or other communications by the Town or JCS pursuant to this Agreement shall be in writing and shall be sufficiently given and shall be deemed given when mailed by first class mail, postage prepaid, addressed as follows:

If to the Town:

Town of Berwick
11 Sullivan Street
Berwick, Maine 03901
Attention: Town Manager

With a copy to:

Bernstein Shur
100 Middle Street

P.O. Box 9729
Portland, Maine 04104-5029
Attention: Shana Cook Mueller, Esq.

If to JCS:

JCS 16, LLC
[REDACTED]
[REDACTED]
Attention:

With a copy to:

Norman, Hanson & Detroy LLC
Two Canal Plaza
P. O. Box 4600
Portland, ME 04112-4600
Attention: Paul F. Driscoll, Esq.

Either of the parties may, by notice given to the other, designate any further or different addresses to which subsequent notices, certificates, requests or other communications shall be sent hereunder.

Section 8.8. Amendments.

This Agreement may be amended only with the concurring written consent of both of the parties hereto.

Section 8.9. Reserved.

Section 8.10. Benefit of Assignees or Pledges.

The Town agrees that this Agreement is executed in part to induce assignees or pledgees to provide financing for improvements by or on behalf of JCS within the District and accordingly all covenants and agreements on the part of the Town as to the amounts payable hereunder are hereby declared to be for the benefit of any such assignee or pledgee from time to time of JCS's right, title and interest herein.

Section 8.11. Integration.

This Agreement completely and fully supersedes all other prior or contemporaneous understandings or agreements, both written and oral, between the Town and JCS relating to the specific subject matter of this Agreement and the transactions contemplated hereby.

Section 8.12 Indemnification.

JCS shall at its own expense defend, indemnify, and hold harmless the Town, its officers, agents, and employees from and against any and all liability, claims, damages, penalties, losses, expenses, or judgments relating in any manner to, or arising out of the Development Program or this Agreement, except to the extent that such liability, claims, damages, penalties, losses, expenses, or result from any negligent act or omission of the Town, its officers, agents, employees or servants. JCS shall, at its own cost and expense, defend any and all suits or actions, just or unjust which may be brought against the Town upon any such above-mentioned matter, claim or claims, including claims of contractors, employees, laborers, materialmen, and suppliers. In cases in which the Town is a party, the Town shall have the right to participate at its own discretion and at its own expense and no such suit or action shall be settled without prior written consent of the Town. Notwithstanding any other provision of this Agreement, this section shall survive any termination of this Agreement. Nothing in this Agreement does, nor is intended to, waive any defense, immunity or limitation of liability which may be available to the Town or its respective officers, agents and employees, under the Maine Tort Claims Act or any other privileges and/or immunities provided by law.

Section 8.13. Dispute Resolution.

In the event of a dispute regarding this Agreement or the transactions contemplated by it, the parties hereto will use all reasonable efforts to resolve the dispute on an amicable basis. If the dispute is not resolved on that basis within sixty (60) days after one party first brings the dispute to the attention of the other party, then either party may refer the dispute for resolution by one arbitrator mutually agreed to by the parties, and judgment on the award rendered by the arbitrator may be entered in any Maine state court having jurisdiction. Any such arbitration will take place in Gardiner, Maine or such other location as mutually agreed by the parties. The parties acknowledge that arbitration shall be the sole mechanism for dispute resolution under this Agreement. Provided however, that in the event the parties are unable to agree, within a reasonable period, on the selection of an arbitrator, either party may file suit to resolve the dispute in any court having jurisdiction within the State of Maine. This arbitration clause shall not bar the Town's assessment or collection of property taxes in accord with law, including by judicial proceedings, including tax lien thereof.

Section 8.14. Tax Laws and Valuation Agreement.

The parties acknowledge that all laws of the State now in effect or hereafter enacted with respect to taxation of property shall be applicable and that the Town, by entering into this Agreement, is not excusing any non-payment of taxes by JCS. Without limiting the foregoing, the Town and JCS shall always be entitled to exercise all rights and remedies regarding assessment, collection and payment of taxes assessed on the JCS Property. In addition, the Development Program makes certain assumptions and estimates regarding valuation, depreciation of assets, tax rates and estimated costs. The Town and JCS hereby covenant and agree that the assumptions, estimates, analysis and results set forth in the Development Program shall in no way (a) prejudice the rights of any party or be used, in any way, by any party in either presenting evidence or making argument in any dispute which may arise in connection

with valuation of or abatement proceedings relating to the JCS Property for purposes of ad valorem property taxation or (b) vary the terms of this Agreement even if the actual results differ substantially from the estimates, assumptions or analysis.

signature page follows

IN WITNESS WHEREOF, the Town and JCS have caused this Agreement to be executed in their respective corporate names and their respective corporate seals to be hereunto affixed and attested by the duly authorized officers, all as of the date first above written.

TOWN OF BERWICK

Witness

By: Steve Eldridge, Town Manager
Authorized by Town Board of Selectmen Vote
on ____ __, 2020

JCS 16, LLC

Witness

By:
Its: