

**PURCHASE AND SALE AGREEMENT
For Agricultural Conservation Easement**

This document represents a Purchase and Sale Agreement by and between **HIGHLAND RIDGE FARM, LLC**, a Maine Limited Liability Company, having a mailing address of 76 Hawthorn Lane, South Portland, ME 04106, hereinafter referred to as "Seller," and **MAINE FARMLAND TRUST, INC.**, of Belfast, Maine, with a mailing address of 97 Main Street, Belfast, ME 04915, hereinafter referred to as "Buyer."

1. Definitions:

- a. **Agreement:** When used herein, the term "Agreement" shall refer to this purchase and sale agreement.
- b. **Protected Property:** When used herein, the terms "Protected Property" or "Property" shall refer to the real estate, as described below in Section 2, to be encumbered by the Agricultural Conservation Easement that is the subject of this Agreement.
- c. **Agricultural Conservation Easement:** When used herein, the terms "Agricultural Conservation Easement," "Conservation Easement," or "Easement" shall refer to a legal agreement between Buyer and Seller that restricts through its terms the right to develop the Protected Property by actions including but not limited to the division of the Property, the construction of buildings and other infrastructure on the Property, and/or the unsustainable exploitation of the natural resources located on the Property in a manner that would prevent or inhibit the use of the Property for agriculture.
- d. **Conservation Interest:** When used herein, the term "Conservation Interest" shall refer to the property interest conveyed through purchase of the Agricultural Conservation Easement defined above, specifically the right to restrict development on the Property in accordance with the terms of said Agricultural Conservation Easement.

2. Sale of Agricultural Conservation Easement: Subject to the terms and conditions set forth herein, the Seller hereby agrees to sell and the Buyer hereby agrees to buy an Agricultural Conservation Easement over the Property, being a portion of certain lots or parcels of land situated in the municipality of Readfield, County of Kennebec, State of Maine, as described in a Warranty Deed dated January 20, 2016, recorded at the Kennebec County Registry of Deeds in Book 12213, Page 26, and a Warranty Deed dated January 20, 2016, recorded at the Kennebec County Registry of Deeds in Book 12213, Page 28, consisting of 88 acres, more or less, of cropland, pasture or hayfields, and woodland, being generally portrayed on the draft sketch attached hereto as **Exhibit A**, together with a right of way in common with Seller over and across all rights of ways over, across and adjacent to the above-described real estate, if any, for access to the within-described Property. The exact legal description of the Property shall be finalized and agreed to by the parties prior to closing. Minor, non-substantive changes may be made without voiding this agreement.

3. Title and Deed: Seller agrees to convey, and Buyer agrees to accept a good and marketable insurable title to the Conservation Interest transferred in the Conservation Easement that is the subject of this Agreement in accordance with the Maine State Bar Association title standards. Said title is to be conveyed by a Deed of Conservation Easement negotiated and agreed to by the parties, free and clear of any and all liens, encumbrances, or other defects in

title that would otherwise render it unmarketable, and subject only to land-use laws, including building and zoning restrictions, and the matters set forth on any survey of the Property. (Any liens, mortgages or other encumbrances secured by the Property must be subordinated to the Easement.)

- a. **Defect in Title:** If Seller is unable to convey in accordance with the provisions of Section 3 above, then Seller shall have a reasonable time period, not to exceed 30 days, from the time Seller is notified of the defect, unless otherwise agreed to by both parties, to remedy the title. If, after this time period, such defect is not corrected so that there is a marketable insurable title, Buyer may be relieved from all obligations. Seller hereby agrees to make a good-faith effort to cure any title defect during such period.
 - b. **Boundary Location:** The parties agree that for purposes of this Agreement, in addition to other interpretations of the term accorded by applicable law, a title shall not be considered "marketable" under this Agreement if Buyer cannot satisfactorily locate the boundaries of the Property or, in the event that Buyer obtains a survey of the Property, in Buyer's opinion the location of any of the boundaries of the Property as shown on said survey are substantially different than that contemplated by the parties and shown on Exhibit A. The parties agree that such matters shall constitute title defects.
4. **Closing:** This transaction shall be closed (hereinafter the "Closing") on or before July 15, 2022 at the offices of Maine Farmland Trust, 97 Main Street, Belfast, Maine, or at such other place and at such time as may be agreed upon by Buyer and Seller in writing. Buyer shall pay the purchase price as provided herein and execute all papers necessary for the completion of Buyer's purchase at the Closing.
 5. **Purchase Price:** Subject to the contingency set forth in Section 8.c below, the purchase price for the Conservation Easement (the "Purchase Price") shall be 81% of the appraised value of the Conservation Easement, as determined by an appraisal to be commissioned by Buyer. The Purchase Price shall be due and payable at Closing. All monies payable under this Agreement, unless otherwise specified in this Agreement, shall be paid by certified or bank check, wire transfer, or such other payment method acceptable to Seller. Notwithstanding the foregoing, the parties acknowledge that the Purchase Price is a percentage of the appraised value of the Conservation Easement, and that the appraisal is based on the understanding that the Property is 88 acres as mapped by Buyer. In the event that title examination, survey examination, or boundary investigation reveals that the Property is less than 88 acres, or if Seller otherwise desires to decrease the size of the Property and such reduction is acceptable to Buyer, the parties agree that a new purchase price shall be established in accordance with either the per-acre value of the Property set forth in said appraisal or upon an updated appraisal using the new acreage amounts as mapped by Buyer, the commission of which updated appraisal shall be at Buyer's sole discretion.
 6. **Closing Costs, Document Preparation and Title Search:** The expenses of preparation of this Agreement and the Deed of Conservation Easement shall be the expense of the Buyer.

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Legal review of these documents shall be the expense of the Seller. Title search, certification, and title insurance (if any) shall be the responsibility of the Buyer.

7. Property Taxes, Assessments, and Penalties:

- a. **Property Taxes:** The Seller agrees to pay all real estate property taxes assessed with respect to the Property, regardless of the assessment date, together with any penalties and interest. The Seller shall be totally responsible for any taxes, interests, costs and penalties due for prior years. At or prior to Closing, Seller shall have paid all property taxes, interests, costs, penalties and betterments pending or assessed against the Property, and shall provide evidence to Buyer at Closing that all tax bills and betterments have been paid.
- b. **Penalties and Assessments:** The parties agree that all assessments, penalties, or other amounts made payable due to the removal of the Property from open space or other forms of tax reduction, shelter, or protection shall be paid by the Seller.

8. Contingencies: In addition to the hazardous waste contingency contained in Section 11.a(1) herein, the obligations of Buyer under this Agreement are subject to the following contingencies. If, after Buyer's good faith effort within the time period specified, any of these contingencies have not been met, Buyer shall be entitled to terminate this Agreement by giving Seller notice of termination within the time period specified. Upon such termination Buyer and Seller shall be relieved of all further obligations under this Agreement.

- a. **Inspections, Surveys, and Tests:** Between the date of this Agreement and the Closing, Seller shall allow Buyer or Buyer's agents access to the Property. Buyer and its agents shall have the right to perform water, soil, septic system and engineering tests (including, without limitation, tests for hazardous wastes, toxic substances and for the existence of any underground tanks) on the Property and to conduct boundary, resource and topographical surveys. Buyer or Buyer's agents shall enter onto the Property at their own risk of loss and harm, and Buyer shall restore the Property in the event of any significant disturbance as a result of such work. In the event that any survey conducted by Buyer reveals that Seller has less than marketable title, as described above in Section 3, then the provisions of Section 3.a shall apply. In the event that Buyer is not satisfied with results of its inspections, surveys or tests other than those related to ensuring marketable title, then Buyer shall notify the Seller. At that time, Buyer may either terminate this Agreement or elect to negotiate in good faith to establish an adjusted purchase price. If the parties are unable to reach an agreement upon an adjusted price within seven (7) days after such notice, then Buyer shall have the right to terminate this Agreement within seven (7) days thereafter by providing notice of termination to Seller. In the event that the price is adjusted under this provision, then such adjusted price thereafter shall constitute the Purchase Price under this Agreement.
- b. **Agreement to Terms of Conservation Easement:** This Agreement is subject to the negotiation and agreement by the parties on the terms and conditions of the

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Conservation Easement, which shall include a provision that requires all of the Property to be owned as one parcel without division, regardless of the existence of any road that may bisect the Property. The parties agree to complete negotiations of the same in good faith on or before June 15, 2021. Failure to reach agreement on the terms of the conservation easement shall void this Agreement with costs to neither party.

- c. **Appraisal:** As set forth in Section 5 above, the Purchase Price shall be 81% of the appraised value of the Easement as determined by an appraisal to be commissioned by Buyer. Within five days of receiving the appraisal report, Buyer shall provide a copy of it to Seller by electronic mail. In the event that 81% of appraised value is greater than seventy-five thousand dollars (\$75,000), Seller agrees that the Purchase Price shall be seventy-five thousand dollars (\$75,000).

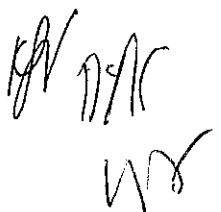
9. Condemnation:

- a. **Material Condemnation:** If, prior to Closing, there is any material taking of the Protected Property (or any part thereof) by eminent domain, Buyer shall have the option to terminate this Agreement. Buyer shall exercise this option by notice to seller within 10 days after notice from the Seller specifying the occurrence of the taking by eminent domain. Upon termination, neither Seller nor Buyer shall have any obligation or liability to or against the other hereunder. Material taking shall mean taking in excess of \$2,500 as well as any taking which, in the sole judgment of the Buyer, creates a long-term or permanent interference with or has a negative impact upon Buyer's purposes in purchasing the Conservation Easement.
- b. **Immaterial Condemnation:** If, prior to Closing, there shall occur any immaterial taking of the Protected Property (or any part thereof) by eminent domain, this Agreement shall remain in full force and effect, and the Closing shall occur as specified. If Seller is due any condemnation award payable as a result of such taking, Seller shall assign to Buyer the proportion of such condemnation award as is attributable to the Conservation Interest. Immaterial damage or destruction shall mean any taking in an amount of \$2,500 or less.

10. Mediation and Breach:

- a. Any dispute or claim arising out of or relating to this Agreement or the Property addressed in this Agreement shall be submitted to mediation in accordance with the Maine Residential Real Estate Mediation Rules of the American Arbitration Association. This clause shall survive the closing of the transaction.
- b. If either party breaches its obligations under this Agreement the non-breaching party may, at its option and after submitting the matter to mediation as required in Section 10.a above, bring an action against the breaching party for specific performance of this Agreement, and/or seek whatever other remedies may be available at law or in equity. Failure to reach agreement upon the terms of the Conservation Easement shall not give rise to a compensable breach by either party. In that case, this Agreement will be terminated without cost to either party.

11. Warranties and Representations:



a. **Seller's Warranties and Representations:** Seller hereby warrants and represents to Buyer the matters contained in the following subsections and agrees to indemnify, defend, and hold harmless Buyer from any loss or liability resulting therefrom.

- (1). **Hazardous or Toxic Waste:** Seller represents that to the best of Seller's knowledge, no portion of the Property has ever been used as a landfill or as a dump to receive refuse or waste, and there is and has been no hazardous or toxic waste, substance matter, or material, as those terms may be defined from time to time by applicable state, local or federal law, stored in, on, or about the Property. In the event any such waste, substance matter or material is discovered at the Property at any time prior to the Closing, Buyer may, at Buyer's option, terminate this Agreement by written notice to Seller, whereupon Seller shall return all sums paid hereunder by Buyer, and the parties shall be relieved of all future obligations hereunder.
- (2). **Notices:** Seller has not received any notices issued by any municipal or other public authority with regard to any work or improvements done or ordered by such authority to be done either before or after the date of this Agreement. Seller has no reason to believe that any such notice will be issued after the closing date specified herein.
- (3). **Title to the Property:** Seller is, to the best of his knowledge, the sole legal owner of the Property in fee simple absolute.
- (4). **No Condemnation:** There are no condemnation proceedings pending with regard to any portion of the Property and Seller does not know of or have reason to know of any proposed condemnation proceedings with regard to any portion of the Property.
- (5). **Condition of Property:** Seller represents and warrants that the Property shall remain in its existing substantially undeveloped state as a working farm, without further alteration of its natural resources until closing.
- (6). **Compliance with Land Use Laws:** The Seller represents that the Property currently complies with all state and local land use laws, including without limitation zoning and building laws. The Seller represents that there has been no illegal division of land which requires or which will require municipal subdivision approval. Seller shall take no action prior to the Closing to render the above statements untrue.
- (7). **No Broker's or Finder's Fee:** Each party represents and warrants to the other that there are no claims for brokerage commissions or finder's fees incurred by reason of any action taken by that party with respect to this transaction. Each of the parties hereto will pay or discharge (a) any and all claims or liabilities for brokerage commissions or finder's fees incurred by reason of any action taken by that party with respect to this transaction, and (b) any and all claims and liabilities for brokerage commissions or finders fees arising from or through persons or entities claiming by or through that party with respect to this transaction.

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b. Buyer's Warranties and Representations:

- (1). **Capacity:** Buyer is a Maine non-profit organization with full capacity, power and authority to enter into and fully perform the transactions contemplated by this Agreement.
- (2). **Authorization:** The execution and performance of this Agreement are within the lawful power of Buyer and have been duly authorized and approved by all necessary corporate actions.

12. **Prior Statements and Survival:** Any representations, statements and agreements are not valid unless contained herein. This agreement completely expresses the obligations of the parties. The covenants, agreements and representations made by the parties and contained in this Agreement shall survive the Closing.

13. **Waiver:** No provision of this Agreement may be waived, changed, or modified orally, except by an agreement in writing signed by the party against whom the enforcement of any waiver, change, or modification is sought.

14. **Public Announcements:** The parties agree to coordinate the timing and content of any and every public announcement relating to this Agreement which are made prior to or in connection with the Closing.

15. Miscellaneous:

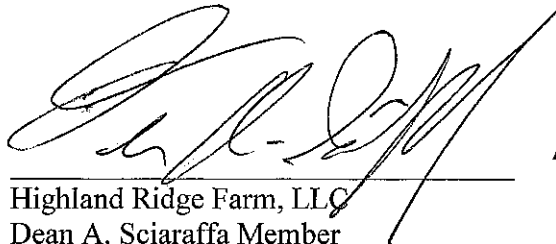
- a. This agreement shall be governed by Maine law, and shall be binding on, and be for the benefit of, all parties, their respective heirs, successors, and assigns.
- b. The parties acknowledge that the Purchase Price is a percentage of the appraised value of the Easement. The difference between the fair market value of the easement and the purchase price stated herein may constitute a charitable conservation contribution by Seller.

16. **Addenda:** None

17. **Execution and Effective Date:** Execution and Effective Date: To facilitate execution, this Agreement may be executed by the parties hereto in any number of separate counterparts, all of which, when delivered, shall together constitute one and the same Agreement. This Agreement is a binding contract when signed by both Buyer and Seller and shall become effective on the date of the signature of the last party to sign.

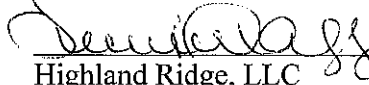
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18. **Acceptance:** This offer shall be valid until January 31, 2022 at 5PM.



Highland Ridge Farm, LLC
Dean A. Sciaraffa Member


1/7/2022
Date



Highland Ridge, LLC
Jennifer Sciaraffa, Member

1.7.22
Date

MAINE FARMLAND TRUST, INC., Buyer



By: Kristin L. Varnum, Vice President,
duly authorized thereunto

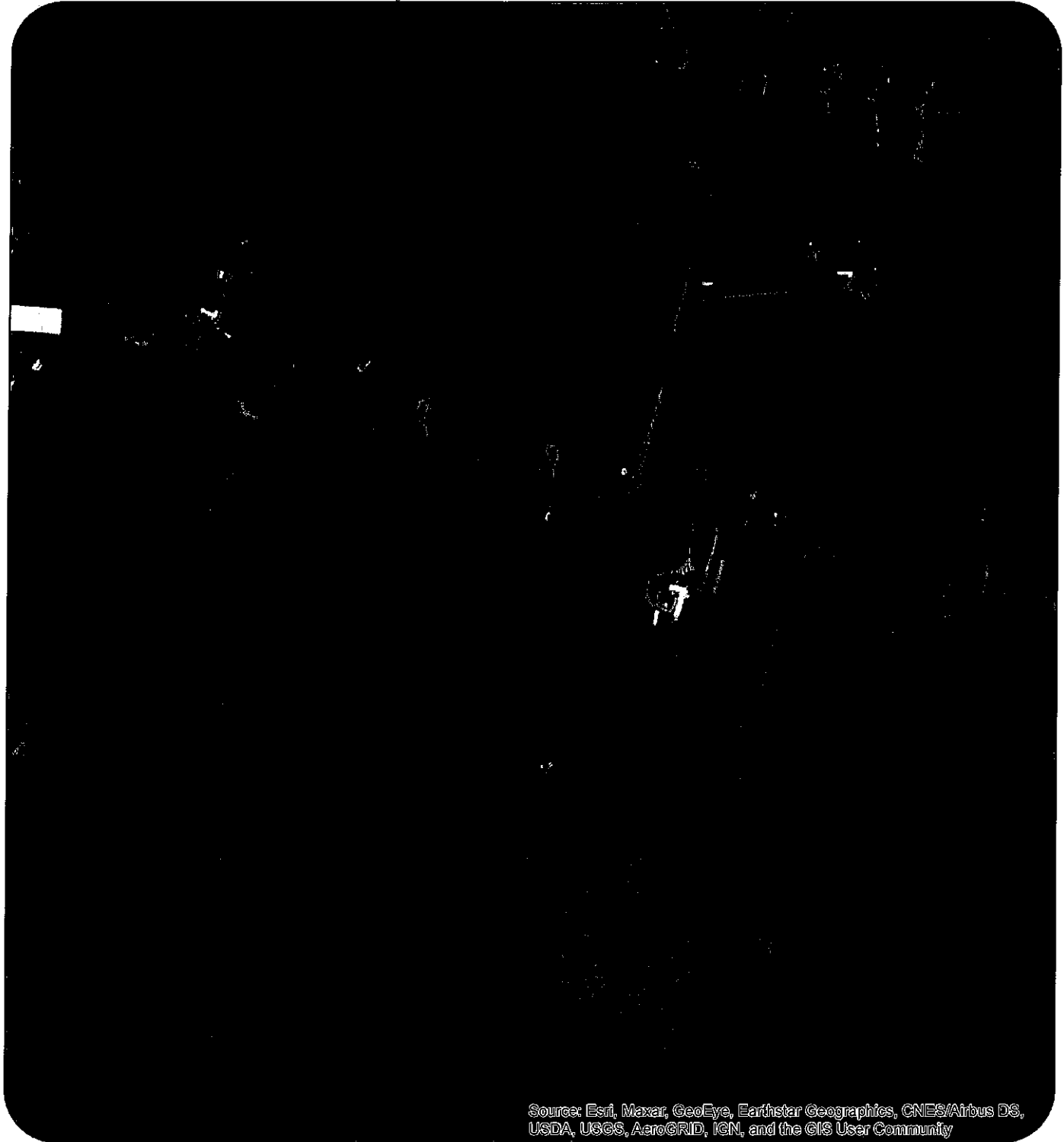
1/4/2022
Date

WR

Highland Ridge Farm (~88 acres)

Exhibit A

Readfield, Kennebec County, Maine



Source: Esri, Maxar, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AeroGRID, IGN, and the GIS User Community

 Property (~88 acres)

 Excluded_Area



Handwritten initials: KBV, MFT



Note: Information on this map is provided for purposes of discussion and visualization only; mapped boundaries and acreages are approximate.

0 1,000 2,000 Feet

Created by Charles Baldwin, MFT, 6/3/2021
Boundary based on Tax Map, Partial Survey