

**LETTER OF INTENT**

October 21, 2020

Diane F. Ross  
Resort Enterprises Inc  
66 Route 6A  
Orleans, MA 02653

Re: Governor Prence Motel Property

Dear Ms. Ross:

The purpose of this letter of intent (LOI) is to convey the interest of the undersigned, Town of Orleans, ("Town"), in acquiring the two parcels of property owned by Resort Enterprises Inc. ("Owner") located at 66 Route 6A Orleans, MA and shown on the Orleans Assessors Map as Parcel 26-23-0 and described in Certificate of Title No. 136186 filed with the Barnstable Registry District of the Land Court and shown as Land on Land Court Plan 16048-A (excluding Lot 1 on LCP 16048-B) and the property located at 76 Route 6A Orleans, MA and shown on the Orleans Assessors Map as Parcel 26-22-0 and described in Certificate of Title No. 136186 filed in the Barnstable Registry District of the Land Court and shown as Lot 1 on LCP 16048-B; (collectively, the "Property"). The Property is currently the site of the Governor Prence Motel at 66 Route 6A and a commercial office building at 76 Route 6A. The Town seeks to acquire the Property for the purpose of redeveloping the property for affordable housing and other compatible uses.

After being contacted by the Owner to inquire whether the Town had an interest in acquiring the Property, the Town caused an appraisal of the Property to be prepared by Appraisal Company of Cape Cod, date August 10, 2020 which the Town has provided to the Owner. The Town has also caused the preparation of a Phase 1 Environmental Assessment prepared by Bennett Environmental Associates, LLC dated August 12, 2020 the findings of which the Town has shared with the Owner. The Town now desires to undertake further due diligence to investigate and evaluate the costs associated with redeveloping the Property for affordable housing and other compatible uses as outlined below:

1. **Phases of Due Diligence and Acquisition**

a).The Town, acting by and through its Select Board and the Orleans Affordable Housing Trust, will insert in the warrant of a Special Town Meeting to be held on October 31, 2020 an article seeking an appropriation of funding for the purpose of conducting a feasibility study of the potential for affordable housing and other compatible uses on the Property (the "Study"). If the Town Meeting does not approve funding for the Study then, unless otherwise agreed by the parties hereto, the provisions of this LOI Shall deemed to be terminated without recourse to either the Town or the Owner.

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b). If the Town Meeting approves the funds for the conduct of the Study, the Town and the Owner shall commence negotiations in good faith to determine a Purchase Price for the Property and the terms and conditions of a mutually agreeable acquisition agreement (the "Agreement"), consistent with the provisions of the LOI. If the parties are unable to agree on a Purchase Price and enter into the Agreement within 45 days of the Special Town Meeting vote, or such longer period of time as parties agree upon, then the LOI shall be deemed to be terminated without recourse to either the Town or the Owner.

c). Provided the parties enter into the Agreement provided for in 1(b) above, then the Town will proceed with the Study funded under 1(a). It is anticipated that the Study will include an investigation and evaluation of the costs associated with redeveloping the Property for affordable housing and other compatible uses, including but not limited to investigating available federal, state and local government grant, loan and subsidy programs. As part of its due diligence, the Town will retain an architect and other consultants to advise the Town on the work and costs associated with the proposed redevelopment.

The Town will update the Owner on the progress of its due diligence and will provide the Owner with copies of all architectural plans, surveys, cost estimates, etc., generated by the architect and other consultants during the Study. The Town shall complete the Study by January 31, 2021. After completion of the Study, the Town, at its option, shall have until March 15, 2021 to elect to proceed with the acquisition of the Property pursuant to the terms of the Agreement. If the Town elects not to proceed then the LOI shall be deemed to be terminated without recourse to either the Town or the Owner.

d). If the Town elects to proceed to acquire the Property under 1(c) above pursuant to the terms of the Agreement, then the Town acting through its Select Board and the Orleans Affordable Housing Trust, shall insert an article in the warrant of the Annual Town Meeting, currently scheduled for May 2021, seeking approval and the necessary funding to acquire the Property pursuant to the terms of the Agreement. It is anticipated that a closing will occur on or before July 15, 2021, however, the parties agree that if the Owner elects to operate the motel for the 2021 season, then the Owner may extend the closing date to September 15, 2021, by written notice to the Town delivered no later than May 15, 2021.

The Owner shall not be restricted in marketing or offering the Property for sale or in negotiating with any other parties during the term of the LOI provided however the Owner shall not enter into an agreement for the sale of the property with a third party during the term of the LOI. Further, if the parties enter into an Agreement, as contemplated in said Paragraph 1(b), from and after the date of said Agreement and until termination of the Agreement, the Owner shall not market or offer the Property for sale, negotiate with third parties, or enter into an agreement for sale of the Property with a third party.

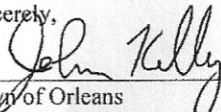
Further the Owner agrees to cooperate and assist the Town, as reasonably necessary, with the Town's due diligence; and, to provide the Town, its agents and representatives with access to

the Property, at reasonable times, for the purposes of site work, surveys, investigations and other matters as may be reasonably necessary for the Town to complete its above-described due diligence; provided, however, that the Town shall restore any portion of the Property which is altered or damaged as a result of the exercise of such rights of access and all of the Town's agents and representatives accessing the property shall be required to carry commercially reasonable comprehensive liability insurance and workmen's compensation insurance and certificates evidencing such shall be delivered to the Owner prior to access by such agent or representative. To the extent permitted by law, the Town agrees to indemnify, defend and hold harmless the Owner from and against any liability or loss the Owner may sustain as a result of the exercise of such rights of access. Anything herein to the contrary notwithstanding, all of such rights of access shall be exercised only with at least 48 hours advance written notice to the Owner and such rights of access shall be conducted in a manner so as to minimize any interference with any tenant's business or other business operations on the Property.

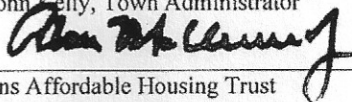
To the extent authorized by law, both parties agree that they will make good faith efforts to keep their negotiations with respect to the Agreement confidential.

The purpose of this document is to memorialize the parties' agreement to allow the Town to conduct its further due diligence and to negotiate in good faith with the Owner the terms of the proposed Agreement.

Sincerely,

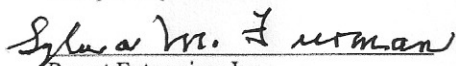


Town of Orleans  
By: John Kelly, Town Administrator



Orleans Affordable Housing Trust  
By: Alan McClennen, Trustee

Accepted By Owner:



Resort Enterprises Inc.  
By: SYLVIA M. FURMAN  
President