

AGENDA

COMMITTEE ON LANDS AND BUILDINGS

March 2, 2009

Aldermen Smith, Gatsas,
M. Roy, J. Roy, Osborne

5:00 PM

Aldermanic Chambers
City Hall (3rd Floor)

1. Chairman Smith calls the meeting to order.
2. The Clerk calls the roll.
3. Communication from Ward 3 Alderman, Peter Sullivan, regarding a Green Buildings Task Force.
(Note: Referred by the Board of Mayor and Aldermen on 1/20/09.)
Gentlemen, what is your pleasure?
4. Communication from Jay Minkarah, Economic Development Director, recommending that the \$50,000 received from the sale of the Jac Pac freezer equipment be transferred to the Anagnost Companies.
Gentlemen, what is your pleasure?
5. Communication from Jay Minkarah, Economic Development Director, requesting approval for placement of a public sculpture on property located at the intersection of Old Granite and Granite Streets.
Gentlemen, what is your pleasure?

TABLED ITEM

A motion is in order to remove any item off the table.

6. Report of the Board of Mayor and Aldermen advising that is has requested staff to prepare documents to provide that the City agree to extend the term on the 2nd mortgage relating to Lowell Terrace Associates property located at the northwest corner of Lowell and Chestnut Streets to coincide with the expiration of the existing first mortgage in 2013.
(Note: The Committee has requested clarification from Finance as to whether financials from 1984 – 2001 have been provided; Solicitor to provide a fair market value for the property as established by the Superior Court in October; Tabled 8/04/08; The Committee requests the Solicitor to provide an updated Certificate of Insurance for the property; Retabled 12/2/08. Information to be provided by the Assessor.)
On file for viewing with Office of the City Clerk, One City Hall Plaza.
7. There being no further business, a motion is in order to adjourn.



CITY OF MANCHESTER

Board of Aldermen

1/20/09 Refr to LSE



MEMORANDUM

To: Members of the Board of Mayor and Aldermen

From: Alderman Peter M. Sullivan
Ward 3

Date: January 20, 2009

Re: Green Buildings Task Force

In his inaugural address earlier today, president Obama reaffirmed his commitment to creating a "green economy" and to assisting states and municipalities in their efforts to promote green buildings.

Since there is a strong possibility that additional federal funds for green building initiatives may soon be available, I believe that it is an appropriate time for the City of Manchester to develop a comprehensive, long-term strategy for undertaking such initiatives.

I propose that a task force be established to prepare a green buildings plan for the city. The composition of the committee would be as follows:

- Deputy Director of Public Works (Facilities Manager) or designee;
- Director of the Department of Planning and Economic Development or designee;
- One representative of the Board of Mayor and Aldermen'
- One representative of the Board of School Committee
- Three members of the general public, at least one of whom shall have professional or academic experience in the fields of environmental science, energy conservation, or a related discipline.

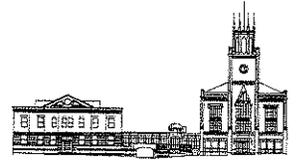
The committee will submit a final report to the BMA no later than 180 days from the date of its first meeting.

I am, of course, willing to listen to your suggestions and advice as to the exact composition of the committee and the timeline for the completion of its work.



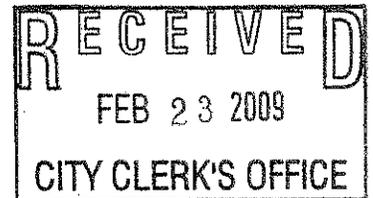
CITY OF MANCHESTER

Economic Development Office



February 23, 2009

George W. Smith, Chairman
Committee on Lands & Buildings
Board of Mayor and Aldermen
One City Hall Plaza
Manchester, New Hampshire 03101



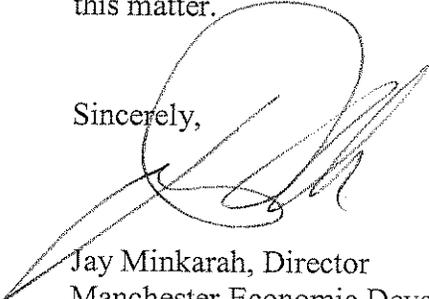
Re: Jac Pac Freezer Equipment

Dear Chairman Smith and Members of the Committee:

Attached are correspondence and related materials regarding various actions and approvals related to the sale and removal of the freezer equipment from the Jac Pac property. As you may be aware, prior to closing on the property, Dick Anagnost notified the MHRA of his belief that he is entitled to the proceeds received from the sale of the equipment (see attached). Though I was not present at the time, from a review of the record it appears that the process of issuing the RFP for the sale of property by MEDO and the sale of the freezer equipment by the MHRA occurred simultaneously, but in an uncoordinated manner which resulted in a misunderstanding of intentions by the parties. As can be seen in the attached documents, the removal and sale of the freezer equipment by the MHRA was clearly authorized and approved by the Board of Mayor & Aldermen. However, because the equipment was on site when the RFP was issued on November 6, 2006 and when the developer's conference was held on December 6, 2006, and there was apparently no disclosure to indicate otherwise, it would have been reasonable for Mr. Anagnost to have understood that the equipment was a part of the property to be conveyed and to have prepared his proposal accordingly. Therefore, I would recommend that the \$50,000 received by the City for the sale of the freezer equipment be transferred to the Anagnost Companies so that this matter can be resolved.

Please let me know if you have any questions or require additional information regarding this matter.

Sincerely,


Jay Minkarah, Director
Manchester Economic Development Director

cc: Frank C. Guinta, Mayor
Ken Edwards, MHRA

*Anagnost Investments, Inc.
33 South Commercial Street
Manchester, NH 03101*

October 2, 2008

Via Facsimile

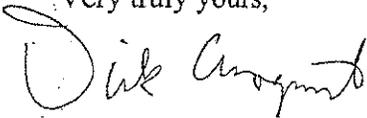
Mr. Dick Dunfey, Executive Director
Manchester Housing and Redevelopment Authority
198 Hanover Street
Manchester, New Hampshire 03104

Dear Dick:

As you know, River's Edge Manchester, LLC ("River's Edge"), is still disputing the application of the proceeds received by MHRA I, Inc. from the sale of machinery, equipment and fixtures (collectively the "Personalty") located in the freezer at the so-called Jac Pac site. As we've told you, we feel that at least those proceeds rightly belong to River's Edge. When we walked through the building and prepared the RFP we were led to believe that the freezer and all the equipment and fixtures were part of the sale. When we signed the Purchase and Sale Agreement we were under the impression that we would be receiving all of the Personalty. Thereafter, we solicited and received proposals for demolition, which were based on the salvage value of the Personalty. We've since had to solicit revised proposals to account for the lack of salvageable materials at a great cost to River's Edge.

We are hereby delivering this letter to put you on notice that it is our position that we are entitled to the value of the Personalty and plan to pursue any rights or remedies we may have with respect thereto.

Very truly yours,



Dick Anagnost

Cc John Deachman, Esq.
Jay Minkarah

Dick Dunfey
Executive Director



M A N C H E S T E R
HOUSING AND REDEVELOPMENT AUTHORITY

George N. Copadis
Chair

William B. Cashin
Vice-Chair

Fern G. Gelinis
Commissioner

M. Mary Mongan
Commissioner

Marion G. Russell
Commissioner

January 22, 2009

Jay Minkarah
Director, Economic Development Office
City of Manchester
One City Hall Plaza
Manchester, NH 03101

RE: Jac Pac Freezer Building Equipment

Dear Jay:

In response to a request by the Board of Mayor and Aldermen for Manchester Housing and Redevelopment Authority input regarding the Jac Pac freezer building equipment, please find enclosed correspondence from our counsel and pertinent documents which pertain to this issue.

Please forward this information to the Board of Mayor and Aldermen. Should there be any questions do not hesitate to contact us.

Thank you.

Sincerely,

MANCHESTER HOUSING AND REDEVELOPMENT AUTHORITY



Dick Dunfey
Executive Director

198 Hanover Street, Manchester, New Hampshire 03104-6136
603 624-2100 FAX 603 624-2103 TDD 1 800-545-1833, ext. 590

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Craig, Deachman & Cowie, PLLC

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William H. Craig
James W. Craig
W. John Deachman
Marc van Zanten

January 21, 2009

Dick Dunfey, Executive Director
Manchester Housing & Redevelopment Authority
198 Hanover Street
Manchester, NH 03104

Re: Sale of Jac Pac Property

Dear Mr. Dunfey:

In accordance with your request, we have undertaken an investigation of the facts and circumstances surrounding the sale of the freezer equipment from the so-called Jac Pac site in Manchester, New Hampshire. We have reviewed various documents and interviewed Manchester Housing and Redevelopment Authority ("MHRA") employees. We have also examined public records of the City of Manchester, and such other documents as we deemed reasonable and appropriate. Based upon our investigation, we have determined the facts as follows:

General Role of MHRA:

On January 21, 2005, MHRA I, Inc., a New Hampshire voluntary corporation, took title to the so-called Jac Pac Site, and MHRA was hired by the City of Manchester to manage the site on behalf of MHRA I, Inc. and the City. In furtherance of its management responsibilities, MHRA employed Ron Dachowski, a former Jac Pac/ Tyson employee, on a full-time basis to provide security and maintenance at the Jac Pac site; MHRA undertook to lease portions of the facility for parking and other uses; and MHRA took direction from the City with regard to the disposition of certain contracts including the sale of the freezer equipment and the eventual sale of the site itself. In January of 2009, MHRA remitted funds to the City that had been earned during the period MHRA managed the site. The management role of MHRA was thereby concluded.

Specific Findings:

In November, 2005, Junker Equipment Division, Inc., on behalf of its client, Portland Shellfish Company of South Portland, Maine, approached the City of Manchester's Office of

THE H.H. RICHARDSON BUILDING

4-4

Dick Dunfey, Executive Director
Manchester Housing & Redevelopment Authority
Manchester, NH 03104
Re: Sale of Jac Pac Property

January 21, 2009

Page Two

Economic Development with a proposal to remove the refrigeration building from the Jac Pac site. Following investigation by Junker Equipment, it was determined that the building could not be salvaged and reconstructed. See copy of Castagna Consulting Group, LLC's letter to The Board of Mayor and Alderman dated November 14, 2006 attached hereto as Exhibit "A".

On August 14, 2006, Portland Shellfish Company of South Portland, Maine made a formal proposal to the City of Manchester to purchase the freezer equipment at the Jac Pac site for the sum of \$50,000.00. The City did not act on Portland Shellfish's proposal immediately. By letter to the Board of Mayor and Alderman, dated November 3, 2006, Portland Shellfish, through its representative, Michael J. Castagna of Castagna Consulting Group, Inc. requested that the matter be submitted for consideration at the next scheduled meeting of the Board of Mayor and Alderman scheduled for November 14, 2006. See Exhibit "A" attached hereto. Portland Shellfish's proposal was then presented by Michael Castagna to the Board of Mayor and Alderman for the City of Manchester at the November 14, 2006 meeting. At that time, Alderman DeVries requested that the Board of Mayor and Alderman refer the matter to MHRA and recommend the sale. See Minutes of the November 14, 2006 meeting of the Board of Mayor and Alderman attached hereto as Exhibit "B".

Based upon the City's recommendations, MHRA I, Inc. executed a Purchase and Sale Agreement for the freezer equipment on January 8, 2007. A copy of this Agreement is attached hereto as Exhibit "C". The equipment was thereafter sold to Portland Shellfish. Portland Shellfish removed the bulk of the freezer equipment by April 1, 2007, leaving behind only the steel racking system and fork lifts. The steel racking system and some of the fork lifts were later removed by Portland Shellfish prior to the closing on the transfer of the Jac Pac site to Anagnost Investments, Inc.'s nominee. We noted that there were no independent negotiations between Portland Shellfish and MHRA or MHRA I, Inc. relative to the sale of the freezer equipment, prior to the City's approval of the sale of the freezer equipment. To the best of the knowledge of MHRA's staff, all negotiations were handled by the Economic Development Office of the City of Manchester and/or the Board of Mayor and Alderman.

In the spring of 2007, the City of Manchester issued a request for proposals for development of the Jac Pac site, and named Anagnost Investments, Inc. as the successful bidder. On June 28, 2007, Anagnost Investments, Inc. entered into a Purchase and Sale Agreement with MHRA I, Inc., for the purchase of the Jac Pac site, together with all "...appurtenant easements, buildings, improvements and fixtures attached or affixed thereon ...". A copy of the Purchase and Sale Agreement is attached hereto as Exhibit "D".

Dick Dunfey, Executive Director
Manchester Housing & Redevelopment Authority
Manchester, NH 03104
Re: Sale of Jac Pac Property

January 21, 2009

Page Three

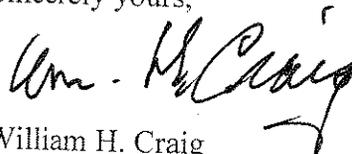
Ron Dachowski has indicated that prior to June 28, 2007, he did not take any representative of Anagnost Investments, Inc. through the Jac Pac site. Mr. Dachowski also indicated that at no time following execution of the Purchase and Sale Agreement up to and including the date of closing on the transfer of the Jac Pac site, did he take any representative of Anagnost Investments, Inc. or its nominee, through the Jac Pac site. Mr. Dachowski did provide access to the site when a representative from the City of Manchester Economic Development Office escorted demolition contractors, including Thibeault Corporation (Anagnost Investments' demolition contractor) through the building in the late summer or early fall of 2007. During this tour, Mr. Dachowski identified remaining materials that had been sold.

Summary:

The plain meaning of the Purchase and Sale Agreement dated June 28, 2007 between MHRA I, Inc. and Anagnost Investments, Inc. is clear, the sale included all fixtures attached or affixed to the property. When the Purchase and Sale Agreement was executed on June 28, 2007, the freezer equipment had been removed from the building. Neither MHRA nor MHRA I, Inc., their respective officers, agents or employees, made any representations to representatives of Anagnost Investments, Inc. as to the inclusion or exclusion of the freezer equipment as a fixture of the real estate. It is unclear what, if any, representations were made by the Board of Mayor and Aldermen or the Economic Development Office of the City of Manchester to Anagnost Investments, Inc. regarding the freezer equipment.

Should you wish to discuss this matter further, please feel free to contact me. Thank you.

Sincerely yours,



William H. Craig

WHC:ddb
Enclosure


**CASTAGNA
CONSULTING GROUP, LLC**

November 3, 2006

The Board of Mayor and Aldermen
C/o The Office of the Clerk
One City Hall Plaza
Manchester, NH 03101

REFERENCE: Jac-Pac Refrigeration Building

The Honorable Mayor Frank C. Guinta,
Lady and Gentlemen of the Board of Aldermen:

I am writing this request for consideration on behalf of my client, Junker Equipment Division, Inc., of Gloucester, Ma. and their customer Portland Shellfish.

About a year ago I approached the Office of Economic Development to inquire about the possibility of removing the refrigeration building on the Jac-Pac site for salvage and reconstruction. The need for this type of facility came as a result of the devastation of Hurricane Katrina. My client and I met several times with Mr. Borek of the Office of Economic Development, and Mr. Edwards of the Manchester Housing and Redevelopment Authority to evaluate the site in order to make a proposal. The initial letter dated November 1, 2005 is attached. After our investigation was complete, it was unfortunately determined that the building could not be salvaged and reconstructed. However, my client was still interested in the equipment in the building.

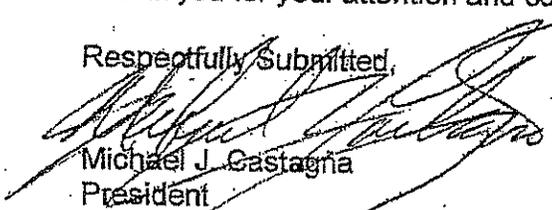
On August 14, 2006, my client made a formal proposal to purchase the equipment for \$50,000.00. The proposal is attached with pictures.

I have made several inquiries as to the status of the proposal only to find out that it had not traveled through the proper channels for consideration.

I would respectfully submit this proposal for your consideration on behalf of my client. I will be available to answer any questions at your next scheduled meeting on November 14th.

Thank you for your attention and consideration of this matter.

Respectfully Submitted,



Michael J. Castagna
President

CC: J.E.D.I.

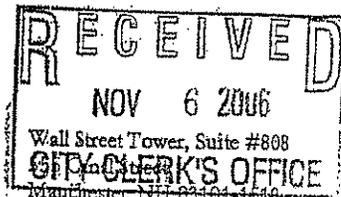
IN BOARD OF MAYOR & ALDERMEN

DATE: November 14, 2006

ON MOTION OF ALD. DeVries

SECONDED BY ALD. Garrity

support request and refer to
VOTED TO MHRA for further review and
execution.


CITY CLERK


Phone: 603-625-1912

Fax: 603-641-6493

www.castagnaconsultinggroup.com

BOARD OF MAYOR AND ALDERMEN

November 14, 2006

7:30 PM

Mayor Guinta called the meeting to order in joint session with the Library Trustees.

The Clerk called the roll.

Board of Aldermen:

Aldermen Roy, Gatsas, Long, Duval, Osborne, Pinard, O'Neil, Lopez, Shea, DeVries, Garity, Smith, Thibault, Forest

Library Trustees Present:

Peter Duffy, Joseph Sullivan, Kevin Devine, Jeffrey Hickock, Karen Sheehan-Lord

Library Trustees Absent:

Joanne Barrett and Madeleine Roy

Mayor Guinta advised that nominations are in order to fill the expired term of Peter Duffy currently completing the term of Trustee Mary Heath who resigned in March 2006; such nominations to be made for a term to expire October 2013.

Alderman Gatsas moved to nominate Peter Duffy to begin serving a seven-year term expiring in October 2013. Library Trustee Devine duly seconded the nomination.

On motion of Alderman O'Neil, duly seconded by Alderman Duval it was voted to close nominations.

On motion of Alderman Gatsas, duly seconded by Alderman DeVries it was voted to suspend the rules and confirm the nomination of Peter Duffy to the Library Board of Trustees, term to expire October 2013.

There being no further business to come before the joint session, on motion of Alderman Roy, duly seconded by Alderman Pinard it was voted to adjourn.

Mayor Guinta called the regular meeting of the Board to order.

The Clerk called the roll.

Present: Aldermen Roy, Gatsas, Long, Duval, Osborne, Pinard, O'Neil, Lopez, Shea, DeVries, Garity, Smith, Thibault and Forest

Mayor Guinta stated we have a quick presentation if Georgie Reagan will come forward.

Peter Ramsey, Arts Commission Chairman, stated we are very proud tonight on behalf of the Manchester Arts Commission to have the Mayor give an award to a very unique and special

and Aldermen that have to approve each one and I think the Board has to designate which Committee...I think it should go to a Committee but I think the Board has to designate which one is the most appropriate.

Mayor Guinta called for a vote on the motion to accept, receive and adopt the report and request MEDO to submit proposed procedures including applications to the CIP Committee for review. There being none opposed, the motion carried.

Alderman O'Neil asked what is the next step on getting the zone expanded.

Mayor Guinta answered the Master Plan is the most likely.

Alderman O'Neil asked and how soon...

Mr. MacKenzie interjected we are shooting to have that done by the end of June. Again by state statute it is the Planning Board that works on it but we are shooting to have that done by next June.

Alderman O'Neil asked couldn't we ask the delegation to get something changed pretty quick up in Concord to give us some flexibility so that in the springtime we could consider village centers or whatever.

Mr. MacKenzie answered I think you would want to amend the legislation to read "including neighborhood centers."

Alderman O'Neil responded point being that we could probably get the Legislature to act on this quicker than the Master Plan.

Mayor Guinta stated that will bring me to Item 19. I don't really have a big legislative update other than to say that I talked to Representative Baroody, who is the Chairman of the delegation. He and I are meeting on Thursday to discuss what some of the issues we feel should be addressed up in Concord are. After that we are going to have a meeting and he will send letters of invitation to all of the delegation and that will be scheduled for Monday, 11/27 at 7:30 AM here so we can meet with the entire delegation.

Communication from Castagna Consulting on behalf of Junker Equipment Division, Inc. submitting an offer to purchase equipment located at 163 Hancock Street at a total price of \$50,000.

Alderman DeVries stated as we are back at the Jac Pac property and we have already set that up under the Housing Authority I would move to refer this to the Housing Authority to execute. Alderman Garrity duly seconded the motion.

Alderman O'Neil asked instead of referring can we request that they move forward with this item. I don't want to refer it and just have it sit there. This is a legitimate request and it is in the best interest of the project.

Alderman DeVries asked refer and recommend the sale.

Alderman O'Neil answered right if that was part of your motion.

Alderman DeVries stated it was.

Alderman Roy asked have we had an appraisal on any of the equipment there and if so what is that appraisal. In the Junker Equipment letter there are two numbers. An offer of \$30,000 and then an offer of \$50,000 and in our agenda it says \$50,000. My question is probably to Bob MacKenzie. Have we appraised this?

Mr. MacKenzie responded not to my knowledge no.

Alderman Roy asked do we have any idea from any City employee staff or Housing Redevelopment if this is a fair price for refrigeration. I am not an expert in it and I don't think anyone on the Board is.

Alderman O'Neil stated I am not expert in refrigeration but my guess would be that every day the equipment sits there it decreases in value so the sooner we move this the better.

Alderman Roy stated I agree with Alderman O'Neil that this project has sat for much longer than it needed to but I hate to make a decision because we have one person making an offer and no knowledge. As much as I support moving this, I would vote no until we have some expert opinion.

Alderman O'Neil stated in looking at the original letter, this was submitted in November 2005. That is when this whole process started.

Alderman Shea stated a bird in the hand is worth two in the bush but actually I would say that the sooner we move on this, the better.

Alderman Smith stated we do have an expert here and you can bring him up and he can explain the \$50,000. He is representing the client.

Alderman Roy stated you have done a lot of work in the City and you are a trusted advisor to us, what is your opinion. I know you are representing the client but we are going out on a limb here.

Mike Castagna stated the equipment for the most part when the building was built five or six years ago the equipment was used and refurbished from back in 1982. Even when it was put into operation at this particular facility it was old. The client has come in and evaluated it and basically the offer is based on the value of the equipment and the use of the equipment but also it is based on the cost it is going to take to get it out and move it. It is going to cost close to \$40,000 to take it out of there. There is some substantial cost here and that weighed into the equation and I am making the offer.

Alderman Roy stated your Honor we have worked a lot with Mike in the past and I respect his opinion but we also have representatives who used to own that building available to us via a phone call. I would like to move this forward but I would like to see us make the best deal possible.

Mr. MacKenzie stated I would like to add that after reviewing the site and talking about this site to a few developers there is no value to any of the buildings or equipment at the present time to a developer. In essence, that is a liability to the site. I heard estimates as high as \$600,000 for demolition of the building so at this point anything we can get rid of is actually a positive because we won't have to pay for demolition.

Alderman Gatsas asked can somebody tell me if this is revenue to the City.

Mayor Quinta answered MHRA I believe would get the money.

Alderman Gatsas asked then why is this before us and not before MHRA. Why are we making the decision when this really belongs to them?

Solicitor Clark answered I don't think you are making a decision. I think you are referring it to them and if they feel it is appropriate...you can refer it with a recommendation that you think it is appropriate but if they feel it is appropriate they will do it. I believe the cash would go to the same place as the rental is going for the parking.

Alderman Gatsas replied we didn't make a decision on the parking rental fee and refer it to them. They made that decision.

Mayor Quinta stated it came to the Board though.

Alderman Gatsas stated there is a company in Manchester that kind of does the same business and I would suggest if you are looking for another client because I know they just left their location on Spruce Street and are in the process of buying another building, which is called Oven Poppers and they are in the seafood business. That is just a suggestion.

Alderman O'Neil stated my understanding is this has been around for almost a year. It has gone nowhere. They are looking for some direction and we can provide that direction with a recommendation to MHR.A.

Mayor Guinta called for a vote. The motion carried with Alderman Roy being duly recorded in opposition.

Ordinances:

"Amending the Building Code of the City of Manchester as adopted in Section 151.01 of the City of Manchester Code of Ordinances by repealing the 1993 BOCA National Plumbing code and adopting the 2000 edition of the International Plumbing Code as amended by the State of NH Board of Licensing and Regulation of Plumbers and with further amendments contained herein."

"Amending Section 33.054 (B)(2)(Overtime Compensation/Comp Time) of the Code of Ordinances of the City of Manchester."

"Amending Section 33.076(A), Special Leave of the Code of Ordinances of the City of Manchester."

"Amending the Zoning Ordinance of the City of Manchester by adding language to 5.11 Table of Accessory Uses regarding the storage of unregistered automobiles."

"Amending Chapter 117: Food Service Establishments, Section 117.19 Permit Fee, providing for increased fees."

On motion of Alderman Roy, duly seconded by Alderman Garrity, it was voted to dispense with the reading by titles only.

Alderman Osborne moved that the Ordinances, having had their second reading, pass to be Enrolled. Alderman Thibault duly seconded the motion. Mayor Guinta called for a vote. The motion carried with Aldermen Roy, Lopez and DeVries opposed to the third ordinance regarding Special Leave.

On motion of Alderman Pinard, duly seconded by Alderman Duval, it was voted to recess the meeting to allow the Committee on Accounts, Enrollment and Revenue Administration to meet.

Mayor Guinta called the meeting back to order.

A report of the Committee on Accounts, Enrollment & Revenue Administration was presented recommending, after due and careful consideration, that Ordinances:

"Amending the Building Code of the City of Manchester as adopted in Section 151.01 of the City of Manchester Code of Ordinances by repealing the 1993 BOCA National Plumbing code and adopting the 2000 edition of the International Plumbing Code as amended by the State of NH Board of Licensing and Regulation of Plumbers and with further amendments contained herein."

ASSET PURCHASE AGREEMENT

This ASSET PURCHASE AGREEMENT (this "Agreement") is dated as of December , 2006, by and among **Portland Shellfish Company, Inc.**, a Maine corporation with its principal business office located at 110 Dartmouth Street, South Portland, ME 04106 (the "Purchaser"), and **MHRA I, Inc.**, a New Hampshire corporation with its principal business office located at 198 Hanover Street, Manchester, NH 03104 (the "Seller").

In consideration of the mutual representations, warranties, covenants, agreements and conditions contained herein, and for other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

ARTICLE 1 PURCHASE AND SALE

- 1.1 Purchase and Sale of Assets. On and subject to the terms and conditions of this Agreement, at the closing, the Seller wishes to sell, and the Purchaser wishes to purchase, those certain assets identified on Exhibit A attached hereto (the "Assets") which are located within the Freezer building on the west side of the railroad bed, at the former Jac-Pac industrial site at 163 Hancock Street, Manchester, New Hampshire (the "Premises"), upon the terms and subject to the conditions of this Agreement.
- 1.2 Transaction Price. The transaction price shall be Fifty Thousand Dollars (\$50,000.00) (the "Transaction Price") to be paid in cash, certified checks or wire transfers. The Transaction Price shall be paid as follows:
- (a) Five Thousand Dollars (\$5,000) upon execution of this Agreement as a deposit (the "Deposit"); plus
 - (b) Twenty Two Thousand Five Hundred Dollars (\$22,500) (the "First Installment") at Closing (as hereinafter defined), plus
 - (c) Twenty Two Thousand Five Hundred Dollars (\$22,500) (the "Second Installment") upon the beginning of the removal of the Assets.
- 1.3 Risk of Loss. Seller shall retain the risk of loss or damage to the Acquired Assets for any reason or cause until payment of the First Installment.
- 1.4 Failure to Remove. If Buyer chooses not to remove any part of the Assets, it shall still pay the entire transaction price.

ARTICLE 2
CLOSING

2.1 Time and Place of Closing. Unless otherwise agreed in writing by the Parties, the closing of the transaction contemplated by this Agreement (the "Closing") shall take place at the offices of Seller. The Closing will be held at 10:00 A.M. (Eastern Time) on ~~December~~, ~~2006~~ (the "Closing Date").

January 31, 2007

ARTICLE 3
CLOSING DOCUMENTS

3.1 Deliveries of Seller at Closing: Seller shall deliver to Buyer at Closing:

- (i) A Bill of Sale in the form attached hereto as Exhibit B, conveying the Assets, signed by Seller;
- (ii) All service manuals, instructions, warranties service agreements, or any other written information as Seller may have in its possession relating to the Assets;
- (iii) Evidence of Seller's authority to deliver all of the foregoing, including, without limitation, an opinion from Seller's counsel as to due authorization, validity of the documents to be executed and delivered pursuant to the terms hereof and the binding nature thereof;
- (iv) A release of all liens on the Assets;
- (v) Any other document or certificate reasonably requested by Buyer in order effectively to convey the Assets as required hereunder.

3.2 Deliveries of Buyer at Closing: Buyer shall deliver to Seller at Closing:

- (i) The First Installment;
- (ii) Evidence of Buyer's authority to deliver all of the foregoing, including, without limitation, a secretary's certificate relating to officers and directors and adoption of authorizing resolutions;
- (iii) Any other document or certificate reasonably requested by Seller in order to consummate the transactions contemplated by this Agreement.

3.3 The Deposit. At Closing, the Deposit shall be applied by Seller toward the Transaction Price.

ARTICLE 4
CLOSING CONDITIONS

4.1. Conditions to Seller's Obligation to Close. The obligations of Seller to sell the Assets and consummate the transactions contemplated by this Agreement are subject to the fulfillment (or waiver in writing) prior to or at the Closing of the following conditions:

4.1.1 Representations and Warranties True. The representations and warranties of Buyer contained in this Agreement or in any document delivered by Buyer pursuant to this Agreement shall be true on the Closing Date in all material respects as if made on and as of the Closing Date.

4.1.2 Compliance with Agreement. Seller shall have performed all of its agreements and covenants under this Agreement in all material respects.

4.1.3 Compliance With Laws. The consummation of the transactions contemplated by this Agreement shall be legally permitted by all laws and regulations to which Seller is subject.

4.1.4 Legal Proceedings. No order of any court of administrative agency shall be in effect that enjoins, restrains, conditions or prohibits consummation of this Agreement, and no litigation, investigation or administrative proceeding shall be pending or threatened that would enjoin, restrain, condition or prevent consummation of this Agreement.

4.1.5 Failure of Any Condition. If any of the foregoing conditions is not satisfied to Seller's satisfaction, in its sole and exclusive discretion, by the Closing Date, Seller may, at its option, either notify Buyer in writing of the failure of such condition and Seller shall be entitled to retain the Deposit, or Seller may waive the failure of such condition and proceed with the transactions contemplated herein.

4.2 Conditions to Buyer's Obligation to Close. The obligations of Buyer to purchase the Assets and consummate the transactions contemplated by this Agreement are subject to the fulfillment (or waiver in writing) prior to or at the Closing of the following conditions:

4.2.1 Representations and Warranties True. The representations and warranties of Seller contained in this Agreement or in any document delivered by Seller pursuant to this Agreement shall be true on the Closing Date in all material respects as if made on and as of the Closing Date.

4.2.2 Compliance with Agreement. Buyer shall have performed all of its agreements and covenants under this Agreement in all material respects.

4.2.3 Compliance with Laws. The consummation of the transactions contemplated by this Agreement shall be legally permitted by all laws and regulations to which Buyer is subject.

4.2.4 Legal Proceedings. No order of any court or administrative agency shall be in effect that enjoins, restrains, conditions or prohibits consummation of this Agreement, and no litigation, investigation or administrative proceeding shall be pending or threatened that would enjoin, restrain, condition or prevent consummation of this Agreement.

4.2.5 Release of Security Interest. All liens, if any, on the Assets shall have been released.

4.2.6 Condition of Assets. There shall have been no material adverse change in the Assets between the time of Buyer's inspection on November 20, 2006, and the Closing Date.

4.2.7 Failure of Any Condition. If any of the foregoing conditions is not satisfied to Buyer's satisfaction, in its sole and exclusive discretion, by the Closing Date, Buyer may, at its option, either notify Seller in writing of the failure of such condition and Buyer shall be entitled to an immediate refund of the Deposit, or Buyer may waive the failure of such condition and proceed with the transactions contemplated herein.

ARTICLE 5 REPRESENTATIONS AND WARRANTIES

5.1 Representations and Warranties of Seller. Seller represents and warrants to Buyer as follows:

5.1.1 Organization. Seller is a corporation duly organized, validly existing, and in good standing under the laws of the State of New Hampshire.

5.1.2 Authorization of Transaction. Seller has the full power and capacity necessary to enter into and perform its obligations under this Agreement, to sell, assign, transfer and convey the Assets pursuant to this Agreement, and to consummate the transactions contemplated hereby. This Agreement has been duly executed and delivered by Seller and constitutes the legal, valid and binding obligation of Seller.

5.1.3 Title to Assets. Buyer will obtain from Seller at Closing all of its interest in the Assets free and clear of any rights of others claiming under the Seller.

5.1.4 Modification of Premises: Modification to the premises required for removal and restoration shall maintain the safety, integrity, security, appearance and weather tightness of all effected surfaces. All electric, water, drainage, gas or other utility connections affected by the removal of Assets shall be permanently terminated or capped to assure no open circuits, drains, or water lines, and continued service to remaining equipment, fixtures, etc. All exterior walls, openings and roof penetrations shall be structurally framed and covered to provide adequate safety, security, and weathertightness. If Buyer elects to remove the stairs to the conveyor, railings shall be installed to exposed areas to provide adequate safety. All interior and exterior surfaces affected by Asset removal, storage, handling and loading shall be thoroughly cleaned of any liquids or solids resulting from disconnection and/or removal of equipment. Electric power and light fixtures shall remain to provide sufficient light within all building sections for security inspection purposes.

5.1.5 Brokers' Fees. There is no broker or finder or other person who would have a valid claim against Buyer or Seller for a commission, finder's fee or brokerage fee in connection with a sale of the Assets by virtue of any actions taken by Seller.

5.1.6 Litigation. No proceeding has been threatened or is pending at law or in equity, or by or before any governmental instrumentality or agency having jurisdiction over the Assets, which challenges or would affect the validity of Buyer's possession or use of the Assets;

5.1.7 Environmental Matters. Except as previously disclosed by Seller to Buyer, to the best of Seller's knowledge and belief:

(a) Seller is not liable under any applicable environmental laws with respect to the release or presence of any hazardous substance at the Premises or with regard to any of the Assets.

(b) No hazardous substance that may require response or corrective action or remediation under any environmental law is present at or emanating from the Premises.

(c) Seller is not subject to any pending or threatened claim arising under any environmental law.

5.1.8 Seller makes no representations or guarantees, expressed or implied, concerning the condition of the Assets; Buyer takes the Assets "as is."

5.2 Representations and Warranties of Buyer. Buyer represents and warrants to Seller as follows:

5.2.1 Organization. Buyer is corporation duly organized, validly existing and in good standing under the laws of Maine.

5.2.2 Authorization of Transaction. Buyer has full power and authority to execute and deliver this Agreement and all related agreements and documents and to perform its obligations thereunder. This Agreement and all related agreements and documents constitute the valid and legally binding obligations of Buyer, enforceable in accordance with their respective terms. Buyer does not need to give any notice to, make any filing with, or obtain any authorization, consent or approval of any government or governmental agency in order to consummate the transactions contemplated by this Agreement.

5.2.3 Environmental. Buyer acknowledges that Environmental Level I and Level II assessments prepared by Haley and Aldrich are available at the MHRA offices at 89 Pine Street Manchester, NH for review.

ARTICLE 6
PRE-CLOSING COVENANTS

6.1 Covenants of Seller. From the date of this Agreement to the Closing Date, Seller agrees as follows:

6.1.1 Access and Inspection. Seller shall grant Buyer acting through its employees, agents or representatives, the right at reasonable times during normal business hours prior to the Closing, and on reasonable notice to Seller, to enter the Premises to inspect the Assets. Seller shall cooperate with Buyer's due diligence investigation of the Assets and shall provide Buyer and its employees, agents and representatives prompt and reasonable access to books, records, contracts and other information pertaining to the Assets, and the operation thereof.

6.1.2 Security of Premises. Seller shall continue its ongoing activities to secure the Premises against adverse weather conditions, vandalism, and unauthorized entry by anyone other than authorized representatives of Seller and Buyer.

ARTICLE 7
POST-CLOSING COVENANTS

7.1 Covenants that Survive the Closing. From the Closing Date, the parties agree as follows:

7.1.1 Security of Premises. Seller shall continue its ongoing activities to secure the Premises against adverse weather conditions, vandalism, and unauthorized entry by anyone other than authorized representatives of Seller and Buyer.

7.1.2 Removal of Equipment. Seller shall grant Buyer, its employees, agents or representatives, or assignees the right at reasonable times during normal business hours after the Closing, and on reasonable notice to Seller, to enter the Premises to remove the Assets and to make reasonable modifications to the Premises in order to remove the Assets in order to effectuate the transactions contemplated herein. Buyer shall be entitled to use such equipment, tools and vehicles as may be necessary or desirable to remove the Assets; and such equipment, tools and vehicles may be left at the Premises on a temporary basis until the Assets have been completely removed from the Premises, but in no event beyond May 1, 2007. Buyer shall use reasonable efforts to modify the Premises to the minimum extent necessary to remove the Assets. Buyer shall be obligated to restore the Premises, in compliance with the written plan for removal described in 5.1.4., condition immediately subsequent to Buyer's removal of the Assets.

7.1.3 Completion of Removal. Completion of Removal shall be deemed to have occurred on March 30, 2007. Notwithstanding the foregoing, Buyer shall be entitled to leave any portion of the Assets constituting racking and related racking equipment,

including, without limitation, any forklifts that are specialized for the type of racking located at the Premises (all of which shall be referred to, collectively, as the "Racking Equipment") inside the Premises until May 1, 2007 by which time Buyer shall (a) remove or cause to be removed the Racking Equipment or (b) Buyer shall notify Seller in writing of Buyer's intention to abandon the Racking Equipment (or so much thereof as still is inside the Premises) and Buyer shall thereupon provide Seller with any further evidence of Buyer's abandonment of the remaining Racking Equipment as Seller may reasonably request. Seller shall not be responsible in any way for Assets left at the site.

7.1.4 Further Assurances. In case at any time after the Closing any further action is necessary or desirable to carry out the purposes of this Agreement, each of the parties will take such further action (including the execution and delivery of further bills of sale, assignments, agreements of assumption and other instruments and documents) as any other party reasonably may request.

ARTICLE 8 TERMINATION

8.1 Grounds for Termination. This Agreement may be terminated prior to the Closing by the giving of a notice of termination, the date of receipt of which shall be the "Termination Date":

- (a) by the mutual written agreement of Seller and Buyer; or
- (b) by any party, if the Closing has not occurred by December , 2006 (or such other date, if any, as the parties shall have agreed in writing), if the failure to consummate such transactions on or before such date is not caused by any breach of this Agreement by the party electing to terminate pursuant to this paragraph; or
- (c) by Buyer (i) at any time prior to the Closing, if Seller shall default in the observance or performance of any of the terms or conditions of this Agreement to be performed by Seller that cannot be cured at or prior to the Closing, or (ii) at the Closing, if any of the conditions precedent to the performance of Buyer's obligations at the Closing shall not have been fulfilled; in which case the Seller shall immediately return the Deposit to Buyer and Seller shall have no further liability to Buyer of any kind.
- (d) by Seller (i) at any time prior to the Closing, if Buyer shall default in the observance or performance of any of the terms or conditions of this Agreement to be performed by Buyer that cannot be cured at or prior to the Closing, or (ii) at the Closing, if any of the conditions precedent to the performance of Seller's obligations at the Closing shall not have been fulfilled; in which case Seller shall retain the Deposit as liquidated damages hereunder and Buyer shall have no further liability to Seller of any kind.
- (e) by Seller, if Buyer, subsequent to Closing, shall default in the observance or performance of any of the terms and conditions of this Agreement to be performed by the Buyer, then Seller may retain as liquidated damages, the First Installment and, to the extent paid, the Second Installment and the security deposit. In the case of a non-

emergency life safety default the Buyer shall be given seven (7) days to cure a notice of default prior to termination of the Agreement.

ARTICLE 9
MISCELLANEOUS

9.1. Expenses. Except as specifically provided in this Agreement, all legal and other costs and expenses in connection with this Agreement and the transactions contemplated hereby shall be paid by Seller or Buyer, as the case may be, depending upon which party incurred such costs and expenses. Buyer shall be responsible for all costs and expenses associated with removing and transporting the Assets; provided, however, that if any municipal or State permits are required in order to remove the Assets or modify the Premises in connection with such removal, then Buyer agrees to pay or be responsible for such costs or fees.

9.2 Notices. All notices and other communications hereunder shall be in writing and shall be deemed given if delivered personally or received by facsimile transmission, or mailed by registered or certified mail (return receipt requested), postage prepaid (in the case of mailing, any such notices shall be deemed given upon receipt or refusal to accept as noted in the records of the U.S. Postal Service) or if sent by reputable and generally recognized overnight delivery service, to the parties at the following addresses (or at such other address for a party as shall be specified by like notice; provided that notices of a change of address shall be effective only upon receipt thereof):

(i) To Buyer as follows:

Portland Shellfish Company, Inc.
Attention: Jeffrey Holden
110 Dartmouth Street
South Portland, Maine 04106
Fax: 207 -799-7179

With a copy to:

Kevin J. McCarthy, Esq.
MARCUS CLEGG & MISTRETТА, PA
100 Middle Street
Portland, ME 04101
Fax: 207 773-3210

However, failure to give such copy shall not invalidate any notice sent to Buyer.

To Seller:

MHRA I, Inc.
c/o Manchester Housing & Redevelopment Authority

Attn: Kenneth R. Edwards, Assistant Executive Director
89 Pine Street
Manchester, New Hampshire 03103
Fax: 603-624-2027

9.3 Entire Agreement. This Agreement, together with Exhibits hereto which are by this reference incorporated herein, supersedes all prior agreements among the parties (written or oral) with respect to its subject matter, and is intended as a complete and exclusive statement of the terms of the agreement among the Parties.

9.4 Survival of Representations, Warranties and Indemnities and Closing Conditions. The representations, warranties, covenants and indemnities of the parties made in this Agreement shall survive the consummation of the transactions contemplated by this Agreement.

9.5 Headings. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

9.6 Governing Law. To the fullest extent permitted by law, (a) this Agreement shall be governed by and construed in accordance with the laws of the State of New Hampshire, without regard to conflict of laws rules, (b) each party irrevocably subjects itself to the exclusive jurisdiction of the federal and state courts located in New Hampshire, for the purposes of any action, suit or proceeding (collectively, "Action") arising out of this Agreement or any transaction contemplated hereby, (c) each Party agrees to commence any Action relating to this Agreement or any hereby exclusively in the federal or state courts located in New Hampshire.

9.7 Amendments and Waivers. No amendment of any provision of this Agreement shall be valid unless the same shall be in writing and signed by the party against whom such amendment is to be enforced. No waiver by any party of any default, misrepresentation or breach of warranty or covenant hereunder, whether intentional or not, shall be deemed to extend to any prior or subsequent default, misrepresentation or breach of warranty or covenant hereunder or affect in any way any rights arising by virtue of any prior or subsequent such occurrence.

9.8 Severability. The provisions of the Agreement shall be deemed severable and the invalidity or unenforceability of any provision shall not affect the validity and enforceability of any other provision. If any provision of the Agreement is finally held to be invalid or unenforceable by a court of competent jurisdiction, such provision shall be appropriately limited and reduced (in time, duration, geographical scope, activity or subject) and given effect to the extent it may be enforceable in accordance to applicable law. The rights and remedies of the parties are cumulative and are not exclusive of any rights or remedies that any party may otherwise have at law or in equity.

9.9 Assignability. Buyer may not assign all or any part of its rights and obligations under this Agreement to any other person, firm or entity, without the consent of the Seller.

9.10 Time. Time is of the essence in the performance of all terms and conditions to be performed by the parties hereto.

9.11 Insurance. Seller shall, at its expense, keep and maintain liability insurance on the Premises throughout the term of the Agreement. Buyer and all subcontractors prior to working at the site shall provide insurance certificates showing evidence of workers compensation, commercial general liability with a combined single limit for bodily injury and property damage of not less than \$1,000,000, and automobile liability on owned and non-owned motor vehicles in a combined single limit for bodily injury and property damage of not less than \$500,000 with the Seller and the City of Manchester being named as additional loss payees substantially in amounts in the certificate attached hereto.

9.12 No Third Party Beneficiaries. Except as expressly provided in this Agreement, nothing in this Agreement shall entitle any person other than Seller or Buyer or their respective permitted successors and assigns to any claim, cause of action, remedy or right of any kind.

9.13 Counterparts. This Agreement may be executed in any number of counterparts, all of which, taken together, shall constitute an original of this Agreement.

9.14 Security Deposit. Buyer, prior to removal of any Assets, shall post \$25,000.00 in the form of cash, with Seller to secure performance by Buyer of all terms and conditions of Buyer to be performed under this Agreement. Seller agrees to deposit the security in an interest bearing account.

9.15 Obligations of the parties shall terminate on May 1, 2007 at 5:00 PM unless extended by the consent of both parties in writing.

The undersigned have executed this Agreement as of the day and date first written above.

WITNESS

Emily B. Lane

PORTLAND SHELLFISH COMPANY,
INC.

By: Jeffrey Holden
Jeffrey Holden
Its: President

MHRA I, INC.

Dick Dumfey

By: Dick Dumfey
Name: Dick Dumfey
Title: President

List of Exhibits:

Exhibit A: Assets
Exhibit B: Bill of Sale

EXHIBIT A
Schedule of Assets

All assets are located in or on the Freezer Building.

Ammonia compressor engine room including equipment support structural steel, all compressors and related equipment, including electrical panels, transformers, fire and safety equipment; all valves, evaporators, piping and components related thereto and all building framing and wall and roof sections relating to the compressor engine room.

Material handling equipment including all forklifts, loading plates, battery chargers and stretch wrapper.

All pallet racking and related forklifts.

All manual or electric doors and door frames both interior and exterior and any related motors, switches, electrical panels and other related components.

All hardware, software, tools, spare parts, other equipment or material, including any instruction or service manuals, warranties, or service contracts related to any of the foregoing.

Electric light fixtures.

Stairs to the conveyor: Prior to any removal, Buyer shall inform Seller as to whether it will take the stairs to the conveyor.

NOTE: Enough exterior doors shall be left to provide access to the building and enough light fixtures shall remain to provide adequate light for security.

FORM OF BILL OF SALE

KNOW ALL MEN BY THESE PRESENTS, that MHRA I, Inc., a New Hampshire corporation, having a place of business at 198 Hanover Street, Manchester, NH 03104 ("Seller"), in consideration of Fifty Thousand Dollars (\$50,000.00) and other valuable consideration paid by Portland Shellfish Company, Inc., a Maine corporation with its principal business office located at 110 Dartmouth Street, South Portland, ME 04106 ("Buyer"), to be paid according to the schedule of payments set forth in Article II of an Asset Purchase Agreement signed by the Buyer and Seller on December ____, 2006, does hereby transfer and assign unto the said Assignee, its successors and assigns forever, all of the Seller's right, title and interest, if any, in and to the equipment described on Exhibit A attached hereto (the "Personal Property").

The Personal Property hereby conveyed is sold "AS IS, WHERE IS AND WITH ALL FAULTS." Seller, and its agents, make no representations or warranties, either express or implied, as to the fitness of the Personal Property for a particular purpose, merchantability, habitability or as to any other matter. Furthermore, Seller makes no representations or warranties regarding the number, quantity, count or quality of any items of Personal Property.

IN WITNESS WHEREOF, Seller has caused this instrument to be executed and delivered in its name by President, Dick Dunfey, hereunto duly authorized this 9th day of December, 2006.
March, 2007.

SIGNED, SEALED AND DELIVERED in the presence of:

MHRA I, Inc.

Richard Peabody
Witness

By: Dick Dunfey
Name: Dick Dunfey
Title: President

Accepted:

PORTLAND SHELLFISH COMPANY, INC.

By: Jeffrey Holden
Name: Jeffrey Holden
Title: President

Emily B. Lane
Witness

PURCHASE AND SALES AGREEMENT

THIS PURCHASE AND SALES AGREEMENT (the "Agreement"), is made by and between Anagnost Investments, Inc., a New Hampshire corporation, with a mailing address of 33 South Commercial Street, Manchester, New Hampshire 03101, its successors and assigns (hereinafter collectively the "Purchaser") and MHRA I, Inc., a New Hampshire corporation with an address c/o City of Manchester, Economic Development Office, One City Hall Plaza, Manchester, New Hampshire 03101 (hereinafter "Seller").

WITNESSETH:

In consideration of the mutual covenants set forth herein, the parties undertake and agree as follows:

1. RECITALS AND PURPOSES

1.01 Seller wishes to sell and Purchaser wishes to buy a certain property commonly known as the so-called "Jac Pac" site located on Hancock Street, in Manchester, New Hampshire, together with all appurtenant easements, buildings, improvements, fixtures and appurtenances, attached or affixed thereon, all rights in adjacent streets or roads, all riparian rights, all assignments of contracts, leases, rents, security deposits, tax abatements, actions, and other property, rights and interests therein, as more particularly described on Exhibit A attached hereto and incorporated herein by reference (collectively the "Premises"); and further, together with all plans, surveys, reports, agreements, environmental reports and information, and engineering currently in the Seller's possession (together with the Premises, the "Property").

2. PURCHASE AND SALE

2.01 Expressly conditioned upon and in reliance on the terms and conditions set forth herein, Seller hereby agrees to sell and Purchaser agrees to purchase all of Seller's interest in the Property set forth in Section 1, above.

3. PURCHASE PRICE, DEPOSITS AND MODE OF PAYMENT

3.01 Purchase Price. The Purchase Price for the Property shall be Three Million Six Hundred Thousand Dollars (\$3,600,000.00) (the "Purchase Price").

3.02 Deposits. Purchaser shall upon the execution and delivery of this Agreement by the parties deliver to the Seller the amount of One Hundred Thousand Dollars (\$100,000.00) (the "Deposit"). Said Deposit to be applied as set forth herein. The Deposit shall be non-refundable except for Seller's breach hereunder or if Purchaser exercises its rights pursuant to Section 6 or Section 10. The Deposit shall be held by Seller's Attorneys, Craig, Deachman & Cowie

3.03 Purchase Price Payment. The Purchase Price shall be payable at Closing by application of the Deposit, with the balance of the Purchase Price payable by cash, bank or certified check drawn on a member bank of the Boston Clearing House, or current funds.

4. CLOSING, TIME AND PLACE

4.01 Closing (the "Closing") shall take place on or before thirty (30) days after the receipt of the approvals contemplated by Section 6.03. The Closing shall take place at the offices of the Sheehan Phinney Bass + Green, PA, 1000 Elm Street, Manchester, New Hampshire or at another location agreed to by the parties.

5. OBLIGATIONS OF THE PARTIES AT CLOSING

5.01 At Closing, Seller shall deliver to Purchaser:

(i) A warranty deed for the Premises in statutory form, conveying clear, record, insurable and marketable title in fee simple absolute, free and clear of any and all outstanding encumbrances (except those of record not raised as objections by Purchaser pursuant to Section 6.01) and free and clear of all liens and mortgages (the "Deed").

(ii) Mechanics lien and parties in possession affidavits by Seller, and other forms and affidavits as reasonably and customarily required by Purchaser's lender or title insurance company for transactions of this type and nature.

(iii) A Bill of Sale or assignment for the non-Premises portions of the Property.

(iv) A copy of Seller's or its assignee's, vote(s) authorizing resolutions or similar evidence, authorizing the sale of the Property.

5.02 At Closing, Purchaser shall deliver to Seller:

(i) The Purchase Price net of the Purchaser's deposit as provided for in paragraph 3.02.

(ii) A copy of Purchaser's or its assignee's, vote(s) authorizing resolutions or similar evidence, authorizing the purchase of the Property.

(iii) Real estate transfer and other forms and affidavits customarily required when transferring property in the state where the Premises is located.

6. CONDITIONS TO CLOSING

6.01 Purchaser shall have until 5:00 p.m. of the forty fifth (45th) calendar day after the later of: (i) the day last party executes this Agreement, or (ii) the day the Seller receives any necessary approvals to sell the Property from the City of Manchester, to undertake such title examinations as it deems appropriate, and if it determines that there is any objection to Seller's title rendering it uninsurable or unmarketable, it shall so notify Seller in writing. If defects or flaws in title are of such character that they may be readily remedied or removed by Seller, then upon receipt of the notice the Seller shall promptly institute and prosecute proceedings to remedy

such defects, and upon giving return written notice to Purchaser to that effect, Seller shall be entitled to ninety (90) days from Purchaser's notice to correct such title defects. If Seller is unable to remedy title within said ninety (90) day cure period, then Purchaser may either: (i) terminate this Agreement, whereupon Purchaser shall be entitled to the return of its Deposit, and both parties shall be discharged from any further liability under this Agreement, or (ii) Purchaser may elect to accept such title as Seller can deliver, with no deduction of the Purchase Price.

6.02 Purchaser shall have until 5:00 p.m. of the one hundred twentieth (120th) calendar day after the later of: (i) the day the last party executes this Agreement; or (ii) the day the Seller receives any necessary approvals to sell the Property from the City of Manchester (the "Due Diligence Period"), to undertake at its sole cost and expense: (a) engineering studies and inspections as it deems appropriate; (b) a soils investigation and inspection as it deems appropriate; (c) a zoning and use review; (d) a review of the environmental condition of the Premises; (e) a review of any wetlands located on the Premises, and (f) a review of any and all matters, information and documentation relating to or concerning the Premises. If Purchaser shall discover or determine prior to the expiration of the Due Diligence Period that it is not satisfied in any way with the status of the Premises or the results of any of its due diligence or inspections, Purchaser shall have right to terminate this Agreement and have the Deposit refunded forthwith, and all the parties shall thereafter be released from any further obligations hereunder. Notwithstanding the above, in the event that the Purchaser is performing its due diligence inspections in good faith, and reasonably believes it needs an extension of time to complete its due diligence inspections, the Purchaser shall have the right to extend the Due Diligence Period for an additional thirty (30) days, provided it gives notice to the Seller of its intent to do so prior to the expiration of the Due Diligence Period.

6.03 This Agreement is expressly conditioned upon Purchaser receiving, obtaining and procuring the issuance of any and all federal, state or local approvals, licenses, permits, variances, special exceptions, leases, agreements or consents necessary from any federal, state or local officials, regulatory authority(s), homeowners or other association having jurisdiction over the Premises (if any) to construct a minimum 300,000 square foot commercial development on all or a portion of the Premises (the "Project") (including expiration of any applicable appeals periods), including, but not limited to: (i) the subdivision approval necessary to subdivide the so-called Riverwalk Parcel from the Premises as contemplated by Section 11, below; and (ii) receipt of all appropriate variances and special exception, site plan approval(s), subdivision approval(s), site specific approvals and historic commission approvals (collectively the "Approvals") within one hundred eighty (180) days from the expiration of the Due Diligence Period set forth in Section 6.02, above. Purchaser shall have the right, in its sole discretion, to extend the Approval Period for an additional ninety (90) days. If Purchaser shall discover or determine that it is not able to obtain the Approvals, Purchaser shall have the right to terminate this Agreement and have the Deposit refunded forthwith, and all the parties shall thereafter be released from any further obligations hereunder.

7/11 Done
6.04 Upon execution of this Agreement, Seller shall deliver to Purchaser copies of any and all reports, materials or information in its possession relating to the title, environmental condition, structural condition or other aspect of the Premises and any and all surveys or plans in Seller's possession in connection with the Premises (collectively the "Reports"). In the event

that Purchaser terminates this Agreement in accordance herewith, Purchaser shall return all Reports to the Seller, together with copies of any and all reports, plans, materials, studies or information prepared by or obtained by Purchaser, if permissible, at no cost to Seller. Provided further, in the event that the Purchaser terminates this Agreement in accordance herewith, Purchaser shall deliver to Seller copies of any and all reports, plans, materials, title work, environmental studies, engineering studies or information prepared by or obtained by Purchaser in connection with its inspection of the Premises, at no cost to Seller.

6.05 This Agreement is subject to ratification of this Purchase and Sale Agreement by the Board of Mayor and Aldermen of the City of Manchester, New Hampshire. If the Board of Mayor and Aldermen does not ratify this Purchase and Sale Agreement then this Purchase and Sale Agreement shall be null and void and the Purchaser's deposit shall be returned.

6.06 The Agreement is subject to the Purchaser applying for and receiving a Building Permit from the City of Manchester, and paying any permit fees associated therewith prior to the Closing.

7. OCCUPANCY, TENANTS

7.01 Purchaser shall be entitled to occupancy on the date of Closing, free of all rights of use or possession by Seller and/or any other tenant. Seller agrees that it will deliver the Premises on the Closing free and clear of all personal property of Seller and all tenants or any other right of tenancy or occupancy.

8. ACCESS TO PREMISES/RECORDS

8.01 Between the date hereof and the date of Closing, Purchaser (and Purchaser's representatives) shall be permitted access to the Premises at reasonable times in order to conduct any inspections it desires. In the course of making such inspections, Purchaser shall not unreasonably interfere with Seller's use of the Premises or interfere with Seller's records and files. In the event the Closing does not take place as provided herein, Purchaser shall at its sole cost and expense restore the Premises as nearly as possible to its condition existing prior to the time of said examinations. All engineers and other representatives of Purchaser performing such tests and examinations upon the Premises shall be adequately insured for public liability and workman's compensation claims with MHRA I, Inc. and the City of Manchester being named as an additional insured. MHRA I, Inc. shall be presented with certificates of insurance upon request.

9. DEFAULT

9.01 In the event of Purchaser's default hereunder, then Seller shall retain the Deposit as completed liquidated damages and the obligation of the parties hereunder shall be null and void.

9.02 In the event that Seller defaults hereunder Purchaser, (i) may terminate this

Agreement, whereupon the Deposit promptly shall be refunded to Purchaser, or (ii) seek specific performance.

10. CONDEMNATION; INSURANCE

10.01 In the event of a partial taking of the Premises by public authorities for an eminent domain award of less than Fifty Thousand Dollars (\$50,000.00), the eminent domain award shall be paid to the Purchaser and the Purchaser shall be bound to purchase the Premises without any diminution in the Purchase Price. In the event of a taking where the eminent domain proceeds equal or exceed Fifty Thousand Dollars (\$50,000.00) Purchaser may, at its option (a) purchase the Premises without any diminution in the Purchase Price, in which event eminent domain proceeds shall be paid to Purchaser; or (b) rescind the Agreement in which event the Deposit shall be returned to Purchaser and neither party shall have any further rights or duties hereunder.

11 DEVELOPMENT

11.01 All development of the Property shall be consistent with intent and quality level set forth in Queen City Riverfront Park a Proposed Development for the Southern Gateway to Manchester submitted by Dick Anagnost Investments, Inc. in Conjunction With Cube3 Studio and CLD Consulting Engineers, dated January 18, 2007. Any material deviation from the intent and quality level set forth in Queen City Riverfront Park a Proposed Development for the Southern Gateway to Manchester submitted by Dick Anagnost Investments, Inc. in Conjunction With Cube3 Studio and CLD Consulting Engineers, dated January 18, 2007, shall be subject to the approval of the Board of Mayor and Aldermen Special Committee on Riverfront Activities and Baseball (or such committee of said Board determined to be it's successor) with recommendations by a group comprised of the City of Manchester Planning Director, the City Solicitor (or his designee), the Finance Director (or his designee), the Economic Development Director for the City of Manchester, the Development Coordinator (Economic Development Office) and the Senior Policy Advisor to the Mayor.

12 MISCELLANEOUS

12.01 After conveyance of the Premises to Purchaser, Purchaser shall donate a portion of the Premises shown as Parcel 2 and Parcel 3 on a plan of land entitled "ALTA/ASCM Land Title Survey (Urban), Jac Pac Foods, Ltd., 183 Hancock Street, Manchester, New Hampshire", dated March 1998, as amended, prepared by CLD Consulting Engineers, and recorded in the Hillsborough County Registry of Deeds at Plan Numbers 29167(1) and 29167(2), to the City of Manchester, New Hampshire to be used for public purposes and to preserve portions of the so-called "Riverwalk". Purchaser shall demolish all buildings and structures on or over the foregoing lots and shall remove and properly dispose of any trash, garbage or rubble at its sole expense.

12.02 Purchaser may, upon written notice to the Seller, assign this Agreement to an entity in which it or Dick Anagnost or an entity controlled by Dick Anagnost holds a majority interest or acts as general partner or acts as the managing member. The Purchaser shall not

otherwise assign, transfer, convey or sell any interest in this Purchase and Sale Agreement or the fee of the Property until after the completion of phase one of the development contemplated by Section 11.01, above. Notwithstanding the above, nothing contained herein shall be intended to prohibit the Purchaser from granting ownership interests to investors in the Purchaser, provided the Purchaser or Dick Anagnost or an entity controlled by Dick Anagnost holds a majority interest or acts as general partner or acts as the managing member of said entity.

12.03 The provisions and requirements of paragraphs 11.01, 11.02, 12.01 and 12.02 shall survive closing.

12.04 The parties stipulate that no broker or real estate agent is entitled to a commission from this transaction. Each party agrees to indemnify and hold the other harmless from all loss, cost, damage or expense arising out of or as a consequence of claims for brokerage commissions asserted by third parties whose claim derives from the party required to make indemnification.

12.05 This Agreement contains all the agreements of the parties with respect to the subject matter hereof. All prior discussions are merged herein. Any amendment hereto shall be effective only if executed with all the formalities hereof by the party against whom the amendment is asserted.

12.06 This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

12.07 All notices required by this Agreement shall be deemed given when sent and shall be either mailed by United States mail, postage prepaid, certified, return receipt requested or by Federal Express or other over night carrier or sent via facsimile with a copy sent via regular mail, and shall be mailed to the parties at the following addresses:

If to the Seller:

MHRA I, Inc.
c/o City of Manchester, Economic Development Office
One City Hall Plaza
Manchester, New Hampshire 03101
Attn: _____

With a copy to:

William Craig, Esq
Craig, Deachman & Cowie
84 Bay Street
Manchester, New Hampshire 03104

If to the Purchaser:

Anagnost Investments, Inc.
33 South Commercial Street
Manchester, New Hampshire 03101
Attn: Dick Anagnost

With a copy to:

Kenneth A. Viscarello, Esq.
Sheehan Phinney Bass + Green, PA
1000 Elm Street
Manchester, New Hampshire 03101
Facsimile No. (603) 627-8121

And

Thomas R. Clark, City Solicitor
One City Hall Plaza
Manchester, New Hampshire 03101

12.08 The captions in this Agreement are inserted for convenience of reference only and do not define, describe, or limit the scope or intent of this Agreement of any of its terms.

[PAGE ENDS HERE, SIGNATURE PAGES TO FOLLOW]

IN WITNESS WHEREOF, the Parties hereto have sent their hands to the written instrument.

PURCHASER:

ANAGNOST INVESTMENTS, INC.

By: Dick Anagnost
Name: Dick Anagnost
Title: President

Richard Lee Webster
Witness

Dated: 6-25-07

SELLER:

MHRA I, INC.

By: Dick Dunfee
Name: Dick Dunfee
Title: Exec. Director

Richard Lee Webster
Witness

Dated: 6/28/07

EXHIBIT A

Property Description

Those certain parcels and/or tracts of land together with the improvements thereon, as shown on a plan of land entitled "ALTA/ASCM Land Title Survey (Urban), Jac Pac Foods, Ltd., 183 Hancock Street, Manchester, New Hampshire", dated March 1998, as amended, prepared by CLD Consulting Engineers, and recorded in the Hillsborough County Registry of Deeds at Plan Numbers 29167(1) and 29167(2).



CITY OF MANCHESTER

Economic Development Office



February 23, 2009

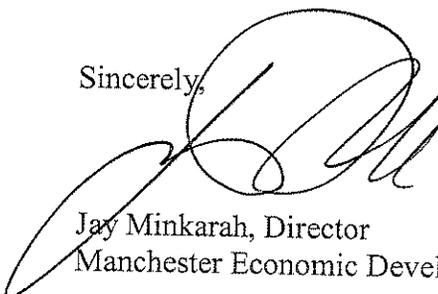
George W. Smith, Chairman
Committee on Lands & Buildings
Board of Mayor and Aldermen
One City Hall Plaza
Manchester, New Hampshire 03101

Re: Public Sculpture Placement

Dear Chairman Smith and Members of the Committee:

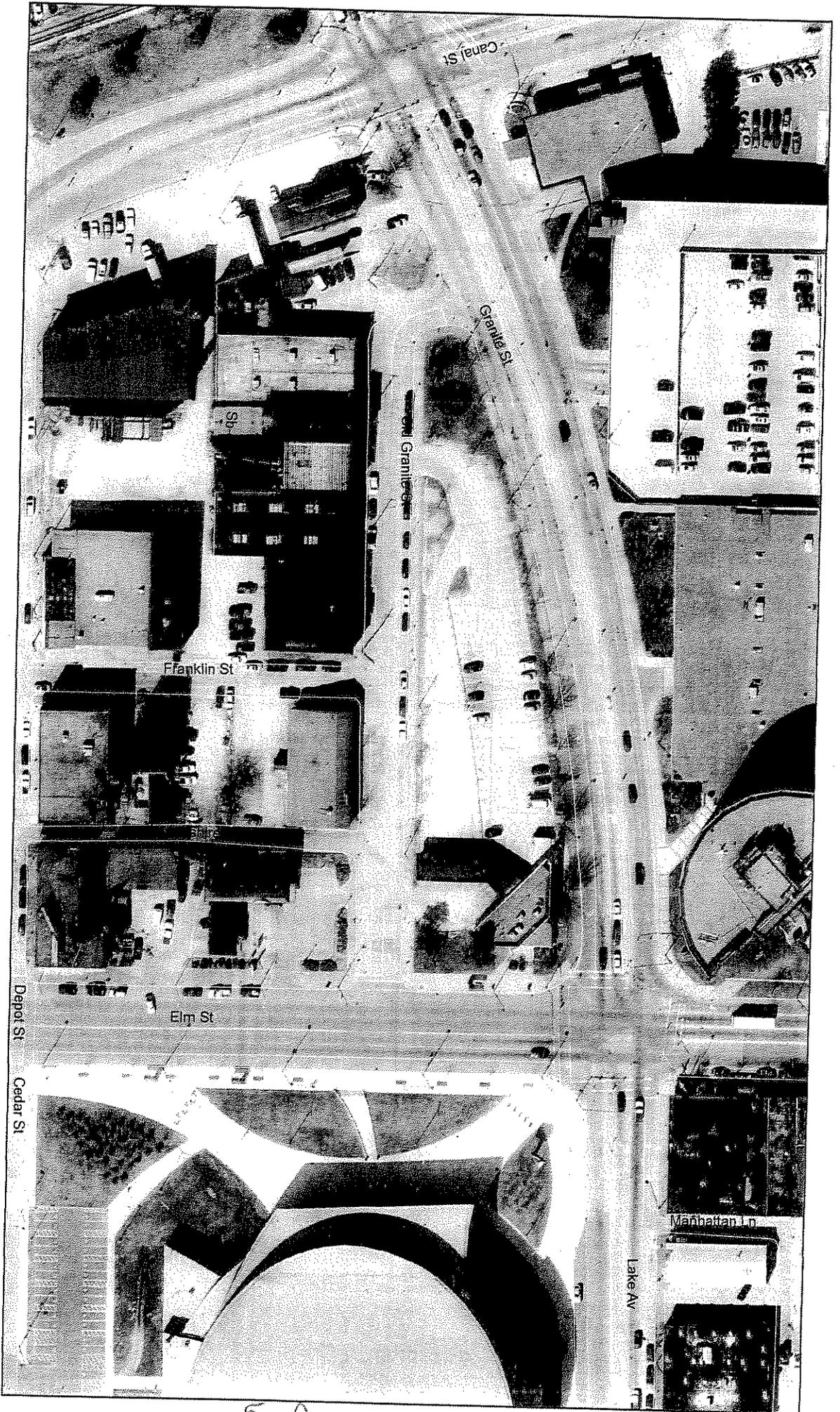
As part of our on-going efforts to beautify the City and promote Manchester as an arts and cultural destination, we request approval to locate a public sculpture on property located at the intersection of Old Granite and Granite Streets (see attached aerial). Funding for the sculpture would come from the City's Arts Fund which was specifically created for this purpose. If approval is granted, staff would work with the City's Arts Commission to identify a proposal that is appropriate for this prominent setting. Thank you for your consideration. Please let me know if you have any questions or require additional information regarding this matter.

Sincerely,



Jay Minkarah, Director
Manchester Economic Development Director

cc: Frank C. Guinta, Mayor



PROPOSED
PUBLIC SCULPTURE LOCATION