



SHELDON OAK

A Non-Profit Housing Development Corporation

November 15, 2024

TO: Sheldon Oak Central, Inc. Board of Directors

FROM: Emily Wolfe

RE: Summary of the proposed Terms and Conditions of the 42-56 Vine Street Purchase Agreement

We are asking for approval of a Board resolution authorizing the Executive Director to sign the attached Purchase & Sale Agreement relating to our acquisition of 42-56 Vine Street, the three buildings adjacent to 4-40 Vine Street.

Here is a summary of the terms and conditions of the proposed agreement:

- 1. Property Details and Price:** Purchase price is \$2.9 million
- 2. Deposit:** An initial \$50,000 money deposit is required upon signing the Purchase and Sale contract. This \$50,000 is fully refundable until the end of the 120-day Conditions Satisfied period. If after that 120-day period we decide to proceed, the \$50,000 becomes non-refundable. We will put down an additional \$25,000 deposit at that time.
- 3. Conditions Satisfied and Decision to Proceed:** We have already submitted an initial application for funding consideration for this project to DOH and CHFA. The initial application provides the details of our plan to acquire the three buildings and package them into a new 57-unit development that will include Rehoboth Place. We are proposing to renovate the 5 buildings at a hard construction cost of approximately \$100,000 a unit. According to the agencies' process, they will review applications on a rolling basis and issue Invitations to Apply in December. We will notify the seller we are proceeding at the close of the Conditions Satisfied period if by then we have received the Invitation to Apply; if we have not received an Invitation to Apply we will withdraw our offer and get our deposit back.

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4. **Closing Timeline:** The deadline to close on the transaction is December 31, 2025. The seller has agreed to extend this deadline for two thirty-day terms, through February 2025 if necessary. Each extension will carry an additional deposit of \$20,000. At closing the entire deposit will be credited towards the purchase price.

The Purchase & Sale contract was drafted by SOC's attorney, Gregg Burton. It includes provisions to protect SOC in the event of a seller default.

We think the contract protects all parties. It contains a realistic time frame given the state's commitment to get its funding out the door, the relative cost-effectiveness of our plan, and our prospective tax credit investor's (Red Stone) familiarity with us and the property.