

DEVELOPMENT AGREEMENT

AGREEMENT, made as of this ___ day of August, 2017, by and between **THE CITY OF NORWICH**, a Connecticut municipal corporation, with a mailing address of 100 Broadway, Norwich, Connecticut 06360, acting by and through its Planning and Neighborhood Services Department (hereinafter referred to as the "**City**") and **WOMEN'S INSTITUTE REALTY OF CONNECTICUT, INC. or its nominee or assignee**, a Connecticut non-stock corporation with a mailing address of 75 Charter Oak Avenue, Suite 1-200, Hartford, CT 06106 (hereinafter referred to as the "**Developer**").

WHEREAS, the City is desirous of having certain real property (hereinafter identified) developed in furthering its efforts to revitalize downtown Norwich; and

WHEREAS, the Developer is desirous of rehabilitating, acquiring and using said real property for residential and/or other purposes consistent with a certain Redevelopment Plan for the Building, a copy of which has been provided to and/or reviewed by the City; and

WHEREAS, the parties wish to reduce their agreement to this writing, thereby superseding all previous negotiations and agreements between the parties, written or oral.

NOW THEREFORE THE PARTIES COVENANT AND AGREE AS FOLLOWS:

I. SALE AND PURCHASE OF REAL PROPERTY

- 1.1 Property Description.** Pursuant to the terms of this Agreement, the City agrees to sell and convey and the Developer agrees to purchase that certain parcel of land known as 193-201 Main Street, Norwich, Connecticut 06360, which parcel is more fully described in Exhibit A attached hereto and incorporated herein (the "**Property**"). The Property is currently improved by a four- story structure containing approximately 24,390 square-feet (the "**Building**").
- 1.2 Purchase Price.** At Closing, the Developer shall pay to the City the purchase price of One dollar (\$1.00). Payment shall be in the form of cash, a certified or bank cashier's check or, at the option of either of the parties, by wire transfer of Federal Funds to an account designated by the City.
- 1.3 Conditions Precedent to Sale.** The obligations of the City to convey the Property to the Developer are subject to the Developer's satisfaction of the conditions precedent contained in Articles II III and IV of this Agreement.
- 1.4 The Closing.** The Closing shall occur pursuant to the terms of Articles IV and V, below.

II. PROPOSED USE AND DEVELOPMENT PARAMETERS

- 2.1 Development for Proposed Use.** The Developer shall renovate the Building and prepare it for mixed use as affordable housing/retail and/or commercial –as further specified in Section 3.3, below (the "Use"). The Developer covenants and agrees that the Developer shall commence the Use upon the Developer's taking title to the Property (unless sooner acquired as hereinafter provided for purposes of stabilization of the Building) and shall continue the Use for a period of not less than five years from completion of the Work and issuance of all required permanent certificates of occupancy. There shall be implied no right of reversion to the City in the event of a breach of said covenant to continue the Use, but the City shall have the right to seek damages and/or injunctive relief for the Developer's breach of the foregoing covenant.
- 2.2 Development Requirements.** The Developer shall commence, diligently pursue and complete the rehabilitation of the Building for the Use in accordance with Article III of this Agreement.
- 2.3 Costs.** The Developer shall be responsible for all costs and expenses of performing the rehabilitation of the Building and/or the Property.
- 2.4 Access.** Upon providing the City with proof of insurance as required in Article VI, below, and provided that the Developer is not then in material default of the Developer's obligations under this Agreement, which default is not cured as set forth in this Agreement or as may be otherwise agreed to by the parties, the City hereby grants to the Developer a license to enter upon the Property for purposes of inspection, preparation for the commencement of the stabilization and rehabilitation of the Building and demolition and construction activities incident to said restoration, provided that all such activities shall be in accordance with the terms of this Agreement. The City reserves the right of access at all reasonable times, with notice to the Developer, to inspect the Developer's progress and compliance. The Developer shall indemnify and hold the City harmless from all liability with respect to the entry upon the Property of the Developer and any and all persons exercising the above granted license by or through the Developer, including claims for damages to person or property occurring as a result thereof
- 2.5 Supplemental Documentation.** Upon the execution of this Agreement, the City shall deliver to the Developer, at commencement of the due diligence period under Section 3.1 of this Agreement, but without any warranties, copies of any surveys, environmental reports, engineering plans, soil analysis, existing permits and approvals (including, but not limited to any such approvals to be assigned pursuant to Section 5.2 of this Agreement) and other reports, studies and documents the City has in its possession with respect to the Property, which are specifically requested by the Developer.
- 2.6 Hazardous Materials.** Commencing as of the Due Diligence Date, the Developer shall be solely responsible for the Developer's compliance with all applicable Environmental

Laws (as hereafter defined), including but not limited to the proper disposal of Hazardous Materials (as hereafter defined) now or hereafter located on the Premises at the Developer's sole cost and expense and shall and hereby does indemnify and hold the City harmless from and against any claim arising out of any compliance failure to the maximum extent allowed by law.

- 2.7 Code Compliance.** As of the Due Diligence Date (as that term is defined in Section 3.1 below), the Developer shall be solely responsible for the Developer's compliance with all applicable codes and regulations pertaining to the Property and/or the Building, including but not limited to State and Municipal Building Code and the State and Municipal Fire Code and shall and hereby does indemnify and hold the City harmless from and against any claim arising out of any compliance failure to the maximum extent allowed by law.
- 2.8 Taxes and Utilities.** The City shall be responsible for all real property taxes until the Closing. The Developer shall be responsible for paying all personal property taxes, if any, as assessed against the personal property of the Developer and all costs of utilities, including but not limited to electricity, gas, sewer and water, whether due to the City of Norwich Department of Public Utilities or otherwise.

III. OBLIGATIONS OF DEVELOPER PRIOR TO CLOSING; DUE DILIGENCE PERIOD; PERFORMANCE OF THE WORK

- 3.1 Building Stabilization.** Developer shall have ninety (90) days from the date of this Agreement to obtain the necessary funds to accomplish the stabilization of the Building concerning this phase of the project (the "Stabilization Assessment Period"). Not later than ten (10) days after it has received any funding for this phase of the project, Developer shall notify the City in writing of this milestone.

Provided that the Developer has secured all necessary financing and funding for the stabilization of the Building and has not otherwise notified the City of the Developer's election to terminate this Agreement based upon the results of the Due Diligence (as hereinafter defined) in accordance with Section 3.2 below, the Developer shall have one hundred twenty (120) calendar days after the Stabilization Assessment Period to complete, to the City's reasonable satisfaction, the Building stabilization (the "Completion of the Building Stabilization").

Upon the Completion of the Building Stabilization, the Developer shall thereafter have thirty-six (36) months (the "Financing Contingency Period") to obtain all of the required funds that the Developer determines are necessary, in order to complete the renovation of the Building and the Work (as defined below). The Developer shall provide the City a quarterly update of its funding efforts during the Financing Contingency Period.

- 3.2 Due Diligence Period.** Developer shall have ninety (90) days from the date of this Agreement (the "Due Diligence Period"), to conduct such inspections and investigations of the Property and the Building as the Developer may determine is necessary to

determine the feasibility of the project, including causing a title search, survey, environmental search (Phase I), market study and flood management plan to be conducted, as well as seeking to obtain certain zoning variances from the Norwich Zoning Board of Appeals (one, pursuant to Section 6.5.2 of the City's zoning regulations to allow residential units, in addition to commercial space, on the first floor of the Building and one pursuant to Section 6.5.5 of said regulations as the planned residential square footage exceeds the commercial square footage) and a special permit from the City's Commission on the City Plan (collectively, the "Due Diligence"); PROVIDED, HOWEVER, that during said Due Diligence Period, Developer shall not conduct any Work relative to any Due Diligence on the Property, and shall not undertake any investigations of an invasive or destructive nature without the express prior written consent of the City in each instance. The City shall provide reasonable access to the Building during said Due Diligence Period for permitted inspections and Developer shall and hereby does save and hold harmless the City from and against any claims arising out of such access for such Due Diligence, including claims of personal injury and property damage. The foregoing indemnity shall survive the Closing or other termination of this Agreement. If Developer determines not to proceed with its obligations under this Agreement after completing its Due Diligence, for any or no reason, Developer shall give written notification of such determination to the City on or before the first business day following the conclusion of the Due Diligence Period (the "Due Diligence Date") with time being of the essence to the giving of such notice. If such notice is so timely given then this Agreement shall terminate and the rights and obligations of the parties, one to the other, shall cease except as herein otherwise expressly provided for. If such notice is not so timely given then Developer shall be bound by the terms of this Agreement and the Agreement shall remain in full force and effect, subject to the financing contingency hereinafter described in Section 3.3 below. Under no circumstances shall the City be responsible to the Developer for any cost or expense incurred by the Developer prior to the Due Diligence Date, all such cost and expense being deemed to have been incurred by the Developer at the Developer's sole risk. For purposes of clarity, should the Developer have secured the requisite project financing for the Work during or prior to the end of the Financing Contingency Period, the period during which the Developer will commence and complete the Work will be referred to as the "Project Development Period", which Project Development Period for completion of all Work shall be for a period of up to thirty-six (36) months commencing on the expiration of the Financing Contingency Period.

- 3.3** Upon Closing, and during the Project Development Period; and provided that, the Developer has secured financing for the development of the project prior to the end of the Financing Contingency Period, the Developer shall thereafter timely commence, diligently pursue and timely complete the renovation of the Building by stabilizing and improving the interior and exterior elements of the Building through a combination of new construction, demolition and renovation in accordance with the provisions of this Article III. The scope of the Developer's obligations hereunder (the "Work") shall be determined in accordance with following:

a. The Developer shall renovate the following portions of the Building for the following uses, if approved by the City's Zoning Board of Appeals and the Commission on the City Plan, as applicable, incident to the Use:

Basement	Storage/Common Area
First floor	Retail/Commercial/ Residential
Second floor	Residential
Third Floor	Residential
Fourth Floor	Residential

b. During the Project Development Period, the Developer shall hire a structural engineer to prepare a report detailing any repairs necessary to allow for the proposed future occupancy of the Building for the Use (the "Structural Report"). When complete, the Structural Report shall be presented to the City of Norwich Planning and Neighborhood Services Department for approval, which approval will not be unreasonably withheld, delayed or conditioned, and will be provided within thirty (30) days of its submittal or else the Project Development Period shall be extended for each day and the total period of time beyond said thirty days in which the City of Norwich Planning and Neighborhood Services Department takes to provide such approval.

c. During the Project Development Period, the Developer shall present to the City for approval, architectural drawings and engineering plans detailing the proposed Work (the "Plans"). The Plans shall properly and adequately address all material matters contained in the Structural Report to the reasonable satisfaction of the Planning and Neighborhood Services Department as well as the proposed appearance of the façade. In no event shall any construction or Work start until the City approves the Plans, which approval will not be unreasonably withheld, delayed or conditioned, and will be provided within thirty (30) days of its submittal or else the Project Development Period shall be extended for each day and the total period of time beyond said thirty days in which the City of Norwich Planning and Neighborhood Services Department takes to provide such approval (if any, as discussed below). If the Planning and Neighborhood Services Department does not approve the Plans as submitted, the Planning and Neighborhood Services Department shall provide written notice to the Developer of the deficiencies in the Plans to be addressed, within said 30-day period. The Developer and the Planning and Neighborhood Services Department shall negotiate in good faith to resolve such deficiencies but if no resolution is reached within thirty (30) days of the date of such written notice from the Planning and Neighborhood Services Department, either the Developer or the City may terminate this Agreement by written notice to the other. Upon such notice of termination, each party shall be deemed to have released the other from all rights and obligations herein arising except for any express indemnities herein contained. If and when approved, said Plans shall constitute the scope of the Work for purposes of this Agreement and the date of such written approval by the Planning and Neighborhood Services Department shall hereafter be referred to as the "Plan Date". No approval of the Plans by the Planning and Neighborhood Services Department shall be deemed binding upon the City with respect to enforcement by the City in its municipal enforcement capacity of any laws,

regulations or codes applicable to the Building nor shall the same be deemed to be a warranty of any kind, whether with respect to sound engineering or construction practices or otherwise.

d. The Developer shall timely apply for and obtain any necessary permits to conduct the Work within one hundred fifty (150) days of the Plan Date.

e. The Developer shall complete the Work within the Project Development Period, and request from the City a valid certificate(s) of occupancy for the Use. In the event that the Developer determines it is unable to complete the Work in accordance with the time lines of this Agreement, the Developer shall notify the City in writing as to the reasons why the Work cannot be so timely completed, and the parties shall attempt to negotiate a resolution. If a mutually agreeable resolution cannot be reached, and the Work is not then completed, the Developer shall be deemed in material default of this Agreement. Upon Developer's default under this paragraph, the City shall have the right to terminate this Agreement pursuant to paragraph 11.2, below, whereupon the City shall have no obligation to reimburse the Developer for any costs associated with the Work or the development.

f. All work performed and all alterations, additions and improvements made by the Developer shall be in accordance with all applicable laws, regulations and codes and shall be performed in a good, workmanlike manner and in conformity with the rehabilitation standards of the Planning and Neighborhood Services Department.

3.4 Inspections. The Developer shall also provide copies of all reports, surveys, engineering analysis reports and data and other test results of any kind generated by or for the Developer with respect to the Property and the Building. Specifically, but not by means of limitation, the Developer will fully disclose to the City all materials generated or received on or behalf of the Developer relating in any way to the compliance of the Work and the Property with Environmental Laws (as hereafter defined).

IV. CLOSING

4.1 Closing. Subject to the terms and conditions of this Agreement, the City shall convey the Property to the Developer and the Developer shall purchase the Property from the City within twenty (20) days of written notice from Developer following the Developer's satisfaction of all conditions precedent to the City's obligations to convey that shall include Completion of the Building Stabilization, and the Developer's having secured the requisite financing for the development of the project prior to the end of the Financing Contingency Period (the "Closing"). Notwithstanding anything to the contrary contained in this Agreement, should the Developer determine that during the Stabilization Assessment Period, to achieve the Completion of the Building Stabilization, that it must grant or pledge collateral in the form of a mortgage lien on the Property to any funder or

lender, upon the prior written and reasonable approval of the City concerning any such proposed stabilization, mortgage financing from such third party source(s), the City hereby agrees to convey title to the Property within twenty (20) days of written notice from the Developer. Developer hereby covenants to provide to the City all necessary documentation evidencing any requirement and approval sought for such collateral and mortgage for such stabilization financing. The City may consider the nature of and terms to any such stabilization, mortgage financing and the experience and resources of any party or parties from whom such financing may be extended, regarding the City's review and approval of same. Should the City approve such financing, all terms and conditions relevant to Closing shall apply, and all terms, conditions and contingencies as to the Developer's development of the project subsequent to Closing shall also continue to apply and remain in full force and effect.

4.2 Closing Documentation. At Closing, the parties shall exchange such documentation as shall fully and completely consummate the performance of the sale and purchase whereupon this Agreement shall be deemed merged into the Closing excepting only the indemnities herein expressly provided for and the obligations of the Developer pursuant to Section 2.1, above. The Closing shall take place at the office of the City's attorney at a time mutually acceptable to both parties or such other location as the parties may mutually agree. Time shall be of the essence to the date of Closing as specified in this Agreement.

4.3 Conditions to Closing. The Closing shall not occur until each of the following conditions has been fully met as hereinafter set forth:

- a. All representations and warranties of the City and the Developer shall be affirmed and be true and correct as of the Closing Date.
- b. City has complied with, performed or otherwise met its covenants, Agreements and conditions imposed on it pursuant to this Agreement.
- c. Developer has complied with, performed or otherwise met its covenants, agreements and conditions imposed on it pursuant to this Agreement.

4.4 Environmental Indemnity. Effective as of the Due Diligence Date relative to all Due Diligence performed by the Developer, the Developer shall and hereby does release and discharge City from, and assume, defend, indemnify and hold harmless the City (and its shareholders, directors, officers and employees) against, and waive any right to seek contribution or recovery from City for any and all fees, costs, penalties, obligations, liabilities, suits, proceedings or claims, including, without limitation, reasonable attorneys' fees, which hereafter may be asserted against the City or to which City may be subjected to by any party, whether or not now known, suspected or claimed (including, but not limited to, the State of Connecticut Department of Energy and Environmental Protection) arising under any Environmental Law (as hereinafter defined) or under common law with respect to the present or future existence on or about the Property of any Hazardous Materials due to Developer's activities, whenever and however resulting or arising. This foregoing release and indemnity shall indefinitely survive the Closing and delivery of the deed under this Agreement and shall be ratified and affirmed by the

Developer in writing at Closing. Notwithstanding any judgment rendered that in any way limits the generality of the foregoing, the foregoing indemnity shall in any event survive the earlier termination of this Agreement in accordance with its terms with respect to any such claim arising out of the actions or failures to act of the Developer during the term of this Agreement.

4.5 Definition of Environmental Law. For purposes of this Agreement, “Environmental Law” shall mean any federal, state or local statute, regulation or ordinance or any judicial or administrative decree, decision, guideline, standard, order, or policy, whether previously or now existing or hereinafter enacted, promulgated or issued, with respect to any Hazardous Materials (as hereinafter defined), drinking water, groundwater, wetlands, landfills, open dumps, storage tanks, underground storage tanks, solid waste, waste water, storm water run-off, waste emissions, wells, or substances or materials that are or may become a threat to public health or the environment. Without limiting the generality of the foregoing, the term shall encompass, but not be limited to, each of the following statutes and regulations promulgated thereunder, and amendments and successors to such statutes and regulations, as may be enacted and promulgated from time to time: (i) the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (codified in scattered sections of 26 U.S.C.; 33 U.S.C.; 42 U.S.C. and 42 U.S.C. §9601 et seq.); (ii) the Resource Conservation and Recovery Act of 1976 (42 U.S.C. §6901 et seq.); (iii) the Hazardous Materials Transportation Act (49 U.S.C. §1801 et seq.); (iv) the Toxic Substances Control Act (15 U.S.C. §2061 et seq.); (v) the Clean Water Act (33 U.S.C. §1251 et seq.); (vi) the Clean Air Act (42 U.S.C. §7401 et seq.); (vii) the Safe Drinking Water Act (21 U.S.C. §349; 42 U.S.C. §201 and 300f et seq.); (viii) the National Environmental Policy Act of 1969 (42 U.S.C. §4321); (ix) the Superfund Amendment and Reauthorization Act of 1986 (codified in scattered sections of 10 U.S.C., 29 U.S.C., 33 U.S.C. and 42 U.S.C.); (x) Title III of the Superfund Amendment and Reauthorization Act (40 U.S.C. §1101 et seq.); and (xi) Chapters 445 of the Connecticut General Statutes as amended.

4.6 Definition of Hazardous Materials. For purposes of this Agreement, “Hazardous Materials” shall mean each and every element, compound, chemical mixture, contaminant, pollutant, material, toxic substance, hazardous substance, hazardous material, hazardous waste and/or petroleum, waste or other substance which is defined, determined or identified as hazardous or toxic under any Environmental Law. In addition, the Developer, at City’s sole cost and expense, shall prepare for the City’s execution the facilitation and performance of all filings with the State of Connecticut Department of Energy and Environmental Protection (“CTDEEP”) of any and all documentation required in connection with the transfer of the Property under this Agreement including, but not limited to, preparing for execution and filing for the City as the "certifying party" and the Developer as the "responsible party", a Form III approved by the City, such approval not to be unreasonably withheld, with CTDEEP prior to the Closing and otherwise comply with Section 22a-134 and 22a-134a of the Connecticut General Statutes.

V. CONVEYANCE OF TITLE

- 5.1 Deed.** At the Closing, upon payment of the purchase price and the satisfaction of the Developer's obligations contained in Article II and III, the City shall deliver to Developer, and the Developer shall accept, a limited warranty claim deed (the "Deed") prepared and executed according to Connecticut practice with warranties of title extending only to the period of time during which the City held title to the property, with required Connecticut conveyance tax paid at the City's expense, conveying to the Developer fee simple title in and to the Property, free and clear of all encumbrances and exceptions to title other than: the Permitted Encumbrances (as hereafter defined in Section 5.2); such other matters that do not make title unmarketable according to the Standards of Title of the Connecticut Bar Association. The parties agree that the City may satisfy its obligation under this paragraph using proceeds of the purchase price, net of adjustments, as it deems necessary to obtain release of any liens or encumbrances not allowed under said Section. The conveyance shall include a transfer to the Developer of any existing easements, licenses, privileges, rights of ingress and egress and all other appurtenances relating to the Property.
- 5.2 Permitted Encumbrances.** The Developer agrees and understands that the Property will be conveyed in an "as is" condition. No warranties, except those expressly contained herein, are made as to its condition and no adjustments will be made for any after discovered defect. The Developer agrees and understands that the Property will be conveyed free and clear of any and all liens arising during the term of the City's ownership, without any other warranty or representation of title and not be means of limiting the generality of the foregoing, title to the premises shall be conveyed subject to the following encumbrances and restrictions:
- a. Property taxes due the City of Norwich accruing subsequent to the conveyance of the Property to the Developer pursuant to this Agreement.
 - b. Any and all provisions of any ordinance, municipal regulation or public or private law affecting said Property.
 - c. Covenants, restrictions, declarations, easements and agreements, if any, as of record.
 - d. Any state of facts disclosed by a personal inspection and/or survey of the Property.
 - e. Any mechanic's liens or other encumbrances recorded subsequent to the execution of this Agreement, but prior to the conveyance of title to the Developer, that are deemed by the City, in its sole and absolute discretion, to be the fault of or arise out of the actions of the Developer.
 - f. Any and all assessments, which may on or after the date hereof be levied against or become a lien on said Property for any municipal improvements hereafter made.

- g. Any and all easements to the benefit of adjoining properties as may appear of record.
- h. Any and all rights or claims of right of Edward Lord, his predecessors, successors or assigns, or of any other person claiming a right by virtue of an interest in adjoining premises located to the east and southeast of the Property, whether with respect to claims of encroachment, denial of access to the rear of the Building or otherwise.
- i. Any and all utility easements of record.
- j. Any and all restrictive covenants and easements appearing of record
- k. Any condition of title appearing as a matter of record and recorded prior to the Due Diligence Date (collectively, "Permitted Encumbrances").

5.3 Title Status. Developer acknowledges that it shall have the opportunity to conduct such investigations of the status of title of the Property as it may choose to make prior to the Due Diligence Date during the Due Diligence Period. Other than the items referred to in subsections c, g, j and k of Section 5.2 of this Agreement, the existence of any Permitted Encumbrance shall not constitute a nonconformity and shall not entitle the Developer to exercise its rights of termination under this Section.

5.4 Assignment of Transferable Permits & Assumption of Obligations. The City shall deliver to the Developer at Closing an Assignment, in form and substance reasonably acceptable to the parties, of any transferable permits and approvals relating to the Property in effect as of the date of this Agreement, with customary representations and warranties by the City. The City shall furnish the original permits and approvals to the Developer with the Assignment. The Developer shall assume the obligations of the City under any such permits and approvals from and after the Closing. The Developer agrees to defend, indemnify and hold harmless the City from and against any liability, damages, costs and expenses (including, without limitation, reasonable attorney's fees) arising under or in connection with such permits and approvals from and after the Closing.

5.5 Merger. Upon consummation of the Closing in accordance with the terms and conditions of this Agreement, all of the conditions set forth in this Article shall be deemed to have been merged into the conveyance and to have been fully and unconditionally satisfied.

VI. INSURANCE/INDEMNITY

6.1 Prior to entry upon the premises by Developer, the Developer agrees to procure and at all times maintain workman's compensation, casualty and extended coverage insurance on the Property upon terms, in amounts and from such carriers as are reasonably satisfactory to the City.

- 6.2 The Developer agrees to provide the Certificates of Insurance coverage before the commencement of the Work, naming the City as additional insured with no cancellation without thirty (30) days prior written notice from the company. The Developer further agrees to hold the City harmless for any damages until title to the property is conveyed to the Developer. An insurer authorized and licensed to do business in the State of Connecticut must issue any Certificate of Insurance. All Certificates of Insurance, evidencing the required coverage, shall be filed with the Director of Planning & Neighborhood Services, 23 Union Street, Norwich, CT 06360.
- 6.3 To the fullest extent permitted by law, the Developer agrees to defend, pay on behalf of, indemnify and hold harmless the City of Norwich, its elected and appointed officials, employees, and volunteers and others working on behalf of the City of Norwich, against any and all liability, claims, demands, suits or loss, including all costs connected therewith, and for any damages which may be asserted, claimed or recovered against or from the City of Norwich, its elected and appointed officials employees and volunteers and others working on behalf of the City of Norwich, by reason of personal injury, including bodily injury or death and/or property damage, including loss or use thereof, and further with respect to any claims of materialmen or subcontractors, all relating in any way to the exercise of the Developer's rights or the discharge of the Developer's duties hereunder, with respect to the conduct of the Work.
- 6.4 The Developer shall procure and maintain during the life of the Agreement, Commercial General Liability Insurance on an Occurrence Basis with limits of liability not less than \$1,000,000 per occurrence and/or aggregate combined single limit of \$3,000,000, or such lesser amounts as the City may agree to in writing, for bodily injury and property damage.
- 6.5 The Developer shall be fully responsible for securing the Building and the Property at all times prior to Closing; subject to the terms hereof and provided that all contingencies have been fulfilled in this Agreement. The City shall not be responsible for insuring any real or personal property in connection with this Agreement, including the existing structure or materials stored on site to be made part of the structure, nor for insuring against injuries to persons. Likewise, the City of Norwich shall not assume any direct or consequential financial loss to the Developer for damage to any real or personal property in connection with this Agreement. The Developer may, at his own cost, secure a Renovation Builder's Risk Policy to protect his own interest in the Property prior to the completion of the project.
- 6.6 The undertakings and indemnities contained in this Article VI shall survive the Closing or termination of this Agreement. The Developer shall pay for any and all costs and legal fees incurred by the City to enforce any provision of this Agreement against the Developer or incurred as a result of the Developer's breach of its obligations hereunder.

VII. CITY'S REPRESENTATIONS, WARRANTIES

AND COVENANTS

- 7.1. The City hereby represents, warrants and covenants to Developer that:
- a. There are no leases, subleases or parties in possession of any portion of the Property as lessees, tenants at sufferance, trespassers or otherwise.
 - b. There is no pending or threatened condemnation or similar proceeding or assessment affecting the Property or any part thereof, nor to the best knowledge and belief of City is any such proceeding or assessment contemplated by any governmental authority.
 - c. Except for existing licenses, certificates, permits or approvals issued by governmental authorities having jurisdiction, there are no agreements affecting the Property entered into by the City which shall be binding upon the Developer or the Property after the Closing.
 - d. The City has not entered into or granted any, and to the City's knowledge there are no, agreements, options or entitlements whereby any person has any right to purchase all or part of the Property. City shall not grant any easements, rights of way or other similar encumbrances after the date hereof, unless the City has obtained the Developer's prior written consent, which shall not be unreasonably withheld or delayed.
 - e. The City is, and at the Closing shall be, a municipal corporation duly organized, validly existing and in good standing under the laws of the State of Connecticut.
 - f. The execution, delivery and performance of this Agreement in accordance with its terms do not, and shall not, violate the Charter or Ordinances of the City, nor any contract, agreement, commitment order or judgment to which the City is a party.
 - g. The execution, delivery and performance of this Agreement by the City have been duly authorized by all necessary actions of the City, and no other actions, consents or approvals are required to enable the City to consummate the transactions contemplated by this Contract.
 - h. The City expressly disclaims any representation or warranty whatsoever relative to the compliance of the Property with Environmental Laws (as herein defined), the absence or presence of Hazardous Materials (as herein defined) on or under the Real Property and any warranties of the accuracy, completeness and thoroughness of any report or documentation relative to the foregoing provided by the City to the Developer pursuant to the terms of this Agreement.
 - i. The City expressly disclaims any warranties of the accuracy, completeness and thoroughness of any representations, maps, data, surveys, tests or other information pertaining to the Property made, furnished or claimed to have been made or furnished

by the City or any other person or entity including any employee, agent, attorney or other person representing or purporting to represent the City, whether verbally or in writing, except as expressly set forth herein.

- 7.2 The City shall reasonably and promptly notify Developer of any material change in any state of facts making any of the representations contained in paragraph 7.1 untrue or, in light of the circumstances in which they are made materially inaccurate, which change occurs or comes to the attention of City after the execution of this Agreement and prior to the Closing. In the event any of the representations contained in paragraph 7.1 shall be materially inaccurate on the Closing, the Developer shall have the right to give the City written notice of the termination of this Agreement and thereafter all liabilities of the Developer and all liabilities of the City due to this Agreement shall terminate without recourse or penalty upon returning the deposit and any interest earned thereon.
- 7.3 The representations, warranties and indemnities contained in this Article shall survive the Closing or termination of this Agreement for a period of six (6) months from such date whereupon (except for such warranties as may be contained in the Deed) they shall terminate and the Developer shall have no recourse or other right or claim against the City with respect thereto. Except as otherwise specifically set forth herein, no other representation, warranty, covenant or agreement of the City shall survive the Closing (except for such warranties as may be contained in the Deed), the acceptance of the Deed being an acknowledgement by the Developer that the City has fully complied with all of its obligations hereunder, that the City has discharged therefrom and that the City shall have no further liability therefor. Any action or claim which the Developer may elect to bring or make for the breach of any said representation or warranty shall be allowable only if notice is given and a proceeding is commenced within the period of six (6) month after the Closing.

VIII. DEVELOPER'S REPRESENTATIONS, WARRANTIES AND COVENANTS

- 8.1. The Developer represents, warrants and covenants to the City that:
- a. During the Due Diligence Period, the Developer shall make an examination of the Property and shall become familiar with the condition thereof, that except as herein specifically set forth neither the City nor the employees, agents or attorneys of the City have made any verbal or written representations or warranties whatsoever to the Developer, whether express or implied, and, in particular, that no such representations or warranties have been made with respect to the physical condition of the Property, the zoning, compliance with Environmental Laws (as herein defined), the presence of Hazardous Materials (as herein defined) and other laws, orders, ordinances, requirements, regulations and rules applicable to the Property or the compliance of the Property therewith, and that the Developer has not relied on any such representations or warranties.

- b. The Developer agrees to accept the Property "as is," in its present condition, subject to the operation of Article II and III hereof and to the reasonable use, wear, tear and natural deterioration between the date hereof and the Closing. The Developer expressly agrees that the City shall not be liable for any latent or patent defects in the Property, whether now or hereafter discovered by the Developer.
- c. The execution, delivery and performance of this Agreement in accordance with its terms do not violate the articles of organization or operating agreement of the Developer, nor any contract, agreement, commitment, order, judgment or decree to which the Developer is a party or by which it is bound.
- d. The execution, delivery and performance of this Agreement by the Developer in accordance with its terms have been duly authorized by all required corporate actions of the Developer, and no other actions, consents or approvals are required to enable it to consummate the transactions contemplated by this Agreement.

8.2. The foregoing representations, warranties and covenants shall survive the Closing.

IX. ADJUSTMENTS, CONVEYANCE TAXES AND OTHER COSTS

- 9.1 Water charges, utility fees or deposits, fuel and other operating costs, if any, shall be adjusted on a pro rata basis between Developer and City as of the date of the Closing as is customary for New London County. Taxes shall be determined on an assessment year basis under Section 12-81a of the Connecticut General statutes.
- 9.2 The City shall pay the local and State of Connecticut conveyance taxes due in connection with the sale of the Property at Closing by payment at closing or by making an adjustment to the purchase price in the appropriate amount, and all other fees, costs or expenses incurred by it in connection with the sale under this Agreement, including, without limitation, the fees or expenses of its counsel.
- 9.3 The Developer shall pay the premium and cost of any title insurance policy that it obtains on the Property and all other fees, costs or expenses incurred by it in connection with its purchase under this Agreement, including, without limitation, any surveys, tests, inspections or other activities performed in connection with said purchase and the fees or expenses of its counsel.

X. DAMAGE OR CONDEMNATION

- 10.1 If the Property is damaged from any cause or condemnation prior to the Closing, the City shall promptly give the Developer written notice of such event, and the Developer shall have the option of:
 - a. Accepting title to the Property in its damaged or condemned condition and receiving a credit on the purchase price equal to any insurance monies (and any deductible

amount) or condemnation awards paid or to be paid to the City on account of such loss, or taking an assignment of the City's rights to receive the same; or

- b. Canceling this Agreement, in which event the City shall refund to the Developer any payments as the Developer may have made on the purchase price in anticipation of the Closing, but otherwise neither party shall have any further liability under this Agreement and this Agreement shall become void and of no effect except with respect to the Developer's indemnities herein contained, which indemnities shall survive such termination.
- 10.2. The Developer shall have thirty (30) days after such notice within which to notify the City that he will accept title pursuant to Subparagraph (a) above; otherwise the Developer will be deemed to have cancelled this Contract under Subparagraph (b) above.

XI. DEFAULT

- 11.1 City's Default. If City is in default by reason of failure or refusal to comply with any material term of this Agreement and such default is the sole and direct cause of the Developer's inability to perform its obligations under this Agreement, the Developer may as its exclusive remedy: (i) terminate this Agreement by written notice thereof delivered to the City on or before the Closing whereupon the parties shall have no further right or obligation hereunder except as otherwise expressly provided for; or (ii) pursue enforcement of specific performance of this Agreement.
- 11.2 Developer's Default; Right of City to Terminate Agreement before Closing. If the Developer fails to meet or reasonably satisfy any of its obligations hereunder, including any conditions of sale enumerated in Articles II and III, the City shall have the right to waive such conditions in a written notice to the Developer and proceed with the Closing, or elect to terminate this Agreement by notice to the Developer after notice and opportunity to cure as hereafter provided. As a condition to the City's right to terminate this Agreement, the City shall give written notice of the Developer's default whereupon the Developer shall have thirty (30) days to affect a cure of such noticed default unless such cure cannot be reasonably effected within such time period and the Developer has timely commenced and diligently pursues such cure in which case the time to affect such cure shall be a reasonable time. If after such notice and opportunity to cure, the City elects to provide notice of termination, all obligations of the City under this Agreement shall terminate upon the receipt of said notice of termination unless the failure of such conditions was caused solely as a result of the intentional and wrongful action of the City. The failure of the City to so give notice of default or of termination shall not constitute the waiver of such rights with respect to future or ongoing defaults. Termination pursuant to the terms of this Article shall not release the Developer of any indemnity obligations expressly provided for in this Agreement nor shall such termination be deemed to waive any right of the City to seek recourse against the Developer for any damage to the

Property and/or diminution of value caused by the Developer as of the date of termination, which rights the City expressly reserves.

- 11.3 No Obligation to Reimburse Developer. To the maximum extent allowed by law, the Developer does for itself and its successors and assigns release and waive any and all claims for monetary damages against the City, the City and its and their representatives and employees without limitation arising out of any default by the above releasees hereunder, including but not limited to any claim for reimbursement for any Work performed, costs and expenses related thereto, unjust enrichment, quantum meruit and/or consequential damages

XII. MISCELLANEOUS

- 12.1 No Broker. The Developer and the City agree that no broker acted on behalf of either party in the transactions contemplated by this Agreement and each does hereby agree to defend, indemnify and hold harmless the other from and against any loss, cost, expense, claim or liability arising under or in respect of any claim by any broker, person or entity for any commission or fee based in whole or in part upon any act of the Developer or the City, respectively.
- 12.2 Assignment of Contract, Recording. The Developer may assign this Agreement subject to the City's written consent, not to be unreasonably withheld or delayed. Neither this Agreement nor any notice thereof shall be recorded on any land records without the prior written permission of the City and the Developer.
- 12.3 Effectiveness of Agreement; Time is of the Essence. This Agreement shall only become effective as a contract for the purchase and sale of the Property after it has been duly executed by each of the City and the Developer in two or more counterparts and such fully executed counterparts have been delivered by the parties to each other. All dates provided for herein shall be strictly construed and considered to be of the essence to this Agreement provided that any failure of either party to discharge an obligation by a date certain shall be excused to the extent that such delay was caused solely by an event of force majeure.
- 12.4 Other Documents. The parties hereby covenant and agree that each shall execute and deliver at Closing such additional documentation as may reasonably be required to affect the purchase and sale.
- 12.5 Governing Law; Succession and Survival of Rights. This is a Connecticut contract, made and executed in that State, and is to be governed and construed according to its laws. This Agreement shall be binding upon and inure to the benefits of the parties hereto and, to the extent not prohibited under this Agreement, each of their respective successors and assigns.

12.6 Due Authority. The City and the Developer and each of their respective signatories to this Agreement represent and warrant that the purchase and sale provided for under this Agreement have been duly authorized and such signatory is duly authorized and empowered to execute and consummate this Contract subject to and in accordance with its terms and conditions.

12.7 Notice. Unless otherwise specifically provided herein, all notices, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given if delivered in person or sent by e-mail or United States certified mail, postage prepaid or by nationally recognized overnight courier service:

a. If to City:

City of Norwich
Attn: John L. Salomone
100 Broadway
Norwich, CT 06360

With copy to:

Michael Driscoll, Esq.
Brown Jacobson, PC
22 Courthouse Square
Norwich, CT 06360-0391
ksternlof@brownjacobson.com

b. If to Developer:

Women's Institute Realty of Connecticut, Inc.
Attn: Elizabeth B. Crum
75 Charter Oak Avenue
Suite 1-200
Hartford, CT 06106

With copy to:

James M. Scaramozza, Esq.
Hoopes Morganthaler Rausch & Scaramozza LLC
185 Asylum Street, CityPlace II
Hartford, CT 06103
jscaramozza@hmrslaw.com

- 12.8 Severability; Survival after Termination. If any clause or provision of this Agreement is illegal, invalid, or unenforceable under present or future laws effective during the term of this Agreement, the remainder of this Agreement shall not be affected thereby. The provisions of Article XI and all indemnities herein provided to the benefit of the City shall survive the Closing and/or the earlier termination of this Agreement.
- 12.9 Entire Agreement; Amendment. All prior negotiations between the parties including the Letter of Intent are merged by and in this Agreement so that this Agreement, together with the exhibits attached hereto, contains and embodies the entire agreement of the parties hereto, and there are no representations, inducements or agreements, oral or otherwise, between the parties not contained in this Agreement. This Agreement may not be modified, changed or terminated in whole or in part in any manner other than by an agreement in writing duly signed by the parties hereto.
- 12.10 Assignability. This Agreement may be assigned, upon prior written notice to the City, by the Developer to a limited liability company of which the Developer shall be its member (the "LLC"). The parties hereby acknowledge and agree that the LLC may itself thereafter become the general partner of a limited partnership that may be formed in conjunction with the Developer's procurement of project financing, as may be required in conjunction with the syndication of federal low-income housing tax credits should such credits be allocated to the Property. But in all instances, the Developer shall remain affiliated with any such project entity that may be formed.
- 12.11 Timelines. Attached hereto as Exhibit B is a schedule and outline of dates and corresponding benchmarks for purposes of performing or satisfying certain conditions precedent as set forth and provided for hereunder. This Exhibit B is not intended to supersede this Agreement should the information therein referenced conflict with the terms and conditions of this Agreement. Said Exhibit B is being provided for illustration purposes only. Should any conflict arise between this Agreement and Exhibit B, this Agreement shall govern and control.
- 12.12 Counterpart Execution/Electronic or Facsimile Transmission of Signature Pages. This Agreement may be executed in any number of counterparts, but when taken together will constitute but one and the same Agreement. Additionally, signature pages to this Agreement may be delivered electronically or by facsimile and shall be accepted for all purposes as original.

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Exhibit A

REAL PROPERTY DESCRIPTION

[See Attached]

EXHIBIT B

Reid & Hughes – Development Timeline Requirements

- **Section 2.1 Development for Proposed Use.**
 - The Developer shall commence the Use upon the Developer’s taking title to the Property (unless sooner acquired as hereinafter provided for purposes of stabilization of the Building) and shall continue the Use for a period of not less than five (5) years from completion of the Work and issuance of all required permanent certificates of occupancy.

- **3.1 Building Stabilization.**
 - Developer shall have ninety (90) days from the date of Agreement to obtain the necessary funds to accomplish the stabilization of the Building concerning this phase of the project (the “Stabilization Assessment Period”).
 - Not later than ten (10) days after it has received any funding for this phase of the project, Developer shall notify the City in writing of this milestone.
 - The Developer shall then have one hundred twenty (120) calendar days after the Stabilization Assessment Period to complete the building stabilization (the “Completion of the Building Stabilization”).
 - Upon the Completion of the Building Stabilization, the Developer shall thereafter have thirty-six (36) months (the “Financing Contingency Period”) to obtain all of the required funds that the Developer determines are necessary, in order to complete the renovation of the Building and the Work (as defined below).
 - Developer shall provide the City a quarterly update of its funding efforts during the Financing Contingency Period.

- **3.2 Due Diligence Period.**
 - Developer shall have ninety (90) days from the date of this Agreement (the “Due Diligence Period”), to conduct such inspections and investigations of the Property and the Building as the Developer may determine is necessary to determine the feasibility of the project.
 - If Developer determines not to proceed with its obligations under this Agreement after completing its Due Diligence, for any or no reason, Developer shall give written notification of such determination to the City on or before the first business day following the conclusion of the Due Diligence Period (the "Due Diligence Date") with time being of the essence to the giving of such notice.
 - During the Project Development Period, the Developer shall hire a structural engineer to prepare a report detailing any repairs necessary to allow for the

proposed future occupancy of the Building for the Use (the "Structural Report"). The Structural Report shall be presented to the City of Norwich Planning and Neighborhood Services Department for approval, which approval will not be unreasonably withheld, delayed or conditioned, and will be provided within thirty (30) days of its submittal or else the Project Development Period shall be extended for each day and the total period of time beyond said thirty days in which the City of Norwich Planning and Neighborhood Services Department takes to provide such approval.

- During the Project Development Period, the Developer shall present to the City for approval, architectural drawings and engineering plans detailing the proposed Work (the "Plans"). In no event shall any construction or Work start until the City approves the Plans, which approval will not be unreasonably withheld, delayed or conditioned, and will be provided within thirty (30) days of its submittal or else the Project Development Period shall be extended for each day and the total period of time beyond said thirty days in which the City of Norwich Planning and Neighborhood Services Department takes to provide such approval (if any, as discussed below). Within 150 days of the Plan Date (i.e., when the Plans have been approved), the Developer shall timely apply for and obtain any necessary permits to conduct the Work, but within the Project Development Period in all instances
- If the Planning and Neighborhood Services Department does not approve the Plans as submitted, the Planning and Neighborhood Services Department shall provide written notice to the Developer of the deficiencies in the Plans to be addressed, within said 30-day period. The Developer and the Planning and Neighborhood Services Department shall negotiate in good faith to resolve such deficiencies but if no resolution is reached within thirty (30) days of the date of such written notice from the Planning and Neighborhood Services Department, either the Developer or the City may terminate this Agreement by written notice to the other.
- The Developer shall timely apply for and obtain any necessary permits to conduct the Work within one hundred fifty (150) days of the Plan Date.

- **Section 4.1 Closing.**

- The City shall convey the Property to the Developer and the Developer shall purchase the Property from the City within twenty (20) days of written notice from Developer following the Developer's satisfaction of the all conditions precedent to the City's obligations to convey.
- Should the Developer determine that during the Stabilization Assessment Period, to achieve the Completion of the Building Stabilization, that it must grant or pledge collateral in the form of a mortgage lien on the Property to any funder or lender, upon the prior written and reasonable approval of the City concerning any such proposed stabilization, mortgage financing from such third party source(s), the City hereby agrees to convey title to the Property within twenty (20) days of written notice from the Developer.