



REAL PROPERTY TAX INCENTIVE AGREEMENT FOR THE  
IMPROVEMENT AND OPERATION OF A LOW-INCOME  
SUBSIDIZED RENTAL HOUSING COMPLEX

By and Between

THE TOWN OF GROTON,

THE CITY OF GROTON and

BRANFORD MANOR PRESERVATION, LIMITED PARTNERSHIP

RE: BRANFORD MANOR RENOVATION

400 Shennecossett Road, Groton, Connecticut

A. RECITALS

WHEREAS, the parties to this Real Property Tax Incentive Agreement for the Improvement and Operation of a Low-Income Subsidized Rental Housing Complex ("Agreement") are Branford Manor Preservation, Limited Partnership, a New York limited partnership with a business address of 60 Columbus Circle, New York, New York (the "Developer"), the general partner of which is Branford Manor Preservation GP, LLC, with a business address of 60 Columbus Circle, New York, New York; the Town of Groton, Connecticut, a municipal corporation organized and operating under the laws of the State of Connecticut, with a principal place of business at Town Hall, 45 Fort Hill Road, Groton, Connecticut ("Town"); and the City of Groton, a municipal corporation organized and operating under the laws of the State of Connecticut, with a principal place of business at City Hall, 295 Meridian Street, Groton, Connecticut ("City"), the geographical limits of which are entirely within the municipal boundaries of the Town (each a "Party" and collectively the "Parties," and the Town and City may be referred to each as a "Municipality and collectively the "Municipalities" where the context allows);

WHEREAS, the Developer is the contract purchaser of the buildings and grounds, currently consisting of a 441-unit income-limited subsidized rental housing development (one hundred (100%) percent project-based under section 8 of The Housing Act of 1937, as amended), one management unit and related appurtenances, currently owned by Branford Manor Associates, a New York limited partnership, and located at 400 Shennecossett Road, with a management office at 37 Mather Avenue, Town of Groton, Connecticut, PIN 168816825733 (the "Development Property"), the boundaries of which are more particularly described on Schedule A, attached hereto and made a part hereof;

WHEREAS, the Developer has agreed and committed to invest in the Development Property the sum of Eighteen Million Five Hundred Thousand (\$18,500,000) Dollars ("Developer's Investment") to construct a new resident services building of approximately 3,000 square feet, including a management office, and to make and maintain exterior and interior repairs, upgrades, renovations and replacements to the Development Property and to the buildings and personal property located thereon (collectively, the "Improvements"), as is more particularly described in Exhibit 1, attached hereto and made a part hereof;

WHEREAS, the Developer has agreed that throughout the Term (defined in section 2(a), infra), it will operate the Development Property as one hundred (100%) percent project-based under section 8 of The Housing Act of 1937, as amended, and/or one hundred (100%) percent income-limited rental housing to individuals and families who, at the time each such individual or family first occupies a unit in the Development Property, are of low income, having annual income not exceeding sixty (60%) percent of area median gross income, adjusted for family size, within the meaning of the Internal Revenue Code and the Treasury Regulations promulgated thereunder ("Rent Subsidized Housing") and provide free services to the residents of the Development Property, some or all of which are not currently being provided to

residents of the Development Property, including but not limited to the services and the types of services identified on Exhibit 2 (“Social Services”) (the Developer’s purchase of the Development Property, completion and maintenance of the Improvements and the Ancillary Improvements (as defined on Exhibit 4), provision of the Social Services, and operation and management of a Rent Subsidized Housing development consisting of at least 441 rental units and related appurtenances shall constitute the “Project”);

WHEREAS, the Developer has agreed that it shall manage and operate the Project itself and/or through its property management company, Related Management Company, L.P., or any subsequent professional management company as required by its lender or limited partner investor (each a “Management Company”);

WHEREAS, the Developer’s completion and maintenance of the Improvements, operation and management of the Project, including the provision of the Social Services, will be beneficial to the Town and City by making substantial exterior and interior aesthetic, functional and capital improvements to an outdated residential site, benefitting overall neighborhood design standards and helping to meet public demand for high-quality, low-income limited housing;

WHEREAS, the Development Property is located within both the Town and the City, but is subject to the City’s Zoning regulations and enforcement of the State Building Code;

WHEREAS, the City is a taxing authority under the Connecticut General Statutes and Article VI, Section 4 of the City Charter, and the City may levy taxes on real and personal property located within the boundaries of the City, and provides public services to the Development Property, including police protection and sewage disposal;

WHEREAS, the Town is a taxing authority under the Connecticut General Statutes and Articles 2 and 9 of the Town Charter, and the Town may levy taxes on real and personal property located within the boundaries of the Town, including real and personal property located within the boundaries of the City, and provides public services to the Development Property;

WHEREAS, the Developer has asked the Town and the City to make a tax incentive agreement with it pursuant to Connecticut General Statutes § 7-498, a part of General Statutes Chapter 114, the Connecticut City and Town Development Act (“Act”);

WHEREAS, the Developer has demonstrated to the Municipalities its capacity to fulfill the obligations that this Agreement will place upon it, particularly because of the skills and capacities of Related Management Company, L.P., but has also demonstrated to the Municipalities that fulfilling those obligations will not be economically feasible without the certainty as to the amounts of real property taxes to be paid during the Term that the Agreement will provide;

WHEREAS, each Party has provided each of the other Parties written evidence demonstrating to their satisfaction that each Party is duly authorized to enter into this Agreement;

WHEREAS, contemporaneously with the closing of its acquisition of the Development Property, Developer will provide evidence to the Municipalities of its compliance with the filings required by 7-482(n) of the Act;

WHEREAS, on April 4, 2017, after determining that the land, buildings and appurtenances at 400 Shennecossett Road, Groton, Connecticut and the Project qualify for an agreement as to taxes under § 7-498 of the Act, the Groton Town Council adopted Resolutions (Council Agenda Items Nos. 2017-0065,

2017-0066, 2017-0067) to adopt the Act for the purposes of this Agreement; to declare the land, buildings and appurtenances located at 400 Shennecossett Road, Groton, Connecticut to be a Development Property and the Developer to be a Sponsor, as those terms are defined by the Act; and to authorize its Town Manager to negotiate and execute this Agreement for a period of no more than twenty (20) years from the date of the first tax payment to be made hereunder; and

WHEREAS, on March 27, 2017, after determining that the land, buildings and appurtenances at 400 Shennecossett Road, Groton, Connecticut, the Improvements and the Project qualify for an agreement as to taxes under § 7-498 of the Act, the Council of the City of Groton adopted Resolutions (Nos. R-17-3-58, R-17-3-59, R-17-3-60) to adopt the Act for the purposes of this Agreement; to declare the land, buildings and appurtenances located at 400 Shennecossett Road, Groton, Connecticut to be a Development Property and the Developer to be a Sponsor, as those terms are defined by the Act; and to authorize its Mayor to negotiate and execute this Agreement for a period of no more than twenty (20) years from the date of the first tax payment to be made hereunder.

NOW, THEREFORE, the Town, the City and the Developer agree:

B. TERMS

1. Recitals. The Recitals stated in Part A of this Agreement are incorporated into and made binding terms hereof.

2. Tax Payments; Term.

(a) The term of this Agreement will commence on its execution by the Parties (“Commencement Date”), and shall end on the date on which the last Payment (as defined in section 2(i), *infra*) due hereunder for the fiscal year ending on June 30, 2037, shall be due (January 1, 2037), unless sooner terminated as provided herein (“Term”).

(b) The Developer, at its sole expense, immediately upon its receipt of a deed conveying title to the Development Property to it, will record an executed copy of this Agreement on the Town of Groton Land Records along with the documents from the closing at which it obtains title to said property, and shall promptly provide the Town and the City copies of all of the recorded documents.

(c) This Agreement shall be void ab initio and shall be of no force and effect if, on or before July 1, 2017:

(i) the Developer does not obtain fee title to the Development Property and make the recordings required by subsection 2(b);

(ii) all regularly-assessed personal and real property taxes that became due on the Development Property have not been paid, including accrued interest and penalties; and/or

(iii) the Developer has not made the filings required by 7-482(n) of the Act.

(d) This Agreement shall apply to the buildings, structures, and appurtenances on the Development Property on the Commencement Date, to so much of the Improvements as are completed within the time provided by subsection 6(a) of this Agreement and to any other new construction, capital repairs, replacements, upgrades or additions made at or to the

Development Property during the Term that are not income-producing (*e.g., additional rental units built during the Term will be considered income-producing*). However, any other new construction, capital repairs, replacements, upgrades or additions built on or added to the Development Property during the Term that are income-producing shall be subject to the assessment, levying and collection of all real and personal property taxes due the Municipalities under law at the time, and the taxes due the Municipalities for income-producing construction, capital repairs, replacements, upgrades or additions shall be over and above and not part of the Payments (as hereinafter defined) set out on Exhibit 3.

(e) During the Term, the Developer shall not challenge the assessed value assigned to the Development Property, the Improvements and/or the Project by the Town of Groton Assessor, including assessments made during the Term, and shall not challenge the Payments or assessment(s) after the expiration or termination of this Agreement, to the extent that such assessments apply or applied to the Payments paid or to be paid during the Term. At no time during or after the Term shall the Developer challenge the amounts of the Payments set out on Exhibit 3.

(f) The Development Property is within an Enterprise Zone of the Town, as provided for in Connecticut General Statutes §32-70 *et seq.*, and Town Ordinance No. 229 (§14.5-3(a)-(e) in the current Code of Town Ordinances) (“Ordinance”). The Developer hereby waives and foregoes and shall not seek any deferral, abatement or other tax relief under General Statutes §32-70 *et seq.* and the Ordinance that would modify the Payments. The foregoing waiver shall not apply to any new construction, capital repairs, replacements, upgrades or additions other than the Improvements built on or added to the Development Property during the Term that are income-producing, nor shall it apply to any exemption from State conveyance taxes.

(g) The Developer, by itself and/or through the Management Company, will at all times maintain the Project in good order and repair and manage and operate the Project in accordance with the provisions of all applicable federal, state and local law, and this Agreement.

(h) Utility/Sewer Use Fees. Except as otherwise set forth in this subsection 2(h), the Taxes (as hereinafter defined) to be paid to the City under this Agreement include a sewer use fee for the Development Property. However, the Parties acknowledge that during the Term the City may elect to revise the methodology and/or basis by which it determines the annual sewer use fees the Developer and all others similarly situated in the City’s sanitary sewer district are obligated to pay pursuant to Connecticut General Statutes §7-255 and that nothing in this Agreement shall (i) preclude, or in any way limit, the City’s ability to make one or more such revisions and (ii) relieve the Developer of its obligation to pay such annual sewer use fees directly to the City in full and on time. In the event the City does revise the methodology and/or basis by which it determines the annual fee for connection with and use of the sanitary sewage system, then: (i) the sewer use fee shall thereafter be separate and distinct from Taxes due the City hereunder, and (ii) the next Payment of Taxes due to the City as set forth on Exhibit 3 (and each Payment due thereafter during the Term) shall be reduced by an amount determined by the City, in its reasonable, but sole discretion, as that portion of the Tax attributable to the use and support of sanitary sewer services immediately prior to the implementation of a separate sewer use fee. In making such determination, the City agrees to consult with the Developer.

(i) The Parties shall modify Exhibit 3 (without the need to amend this Agreement under section 14 hereof) to reflect any changes made under subsection 2(h). The

City, at its sole expense, shall promptly record a notice of any such modification on the Town of Groton Land Records.

(ii) The City shall provide the Town Tax Collector with reasonable advance notice of any changes made under subsection 2(h). The City agrees that the Town Tax Collector may rely on the accuracy of Exhibit 3 and/or of any amendments to it in collecting and disbursing to the City the Payments due to the City.

(i) After the Commencement Date, the real property taxes to be paid to the Town and to the City for the Development Property (“Taxes”) shall be in the amounts stated on Exhibit 3 and shall be made in the manner and at the times provided in this Agreement (“Payment” and where the context requires, “Payments”). The Payments shall constitute the payment of the real property taxes due and owing to the Municipalities on the Project and the Development Property in any year of the Term, for the purposes of the Connecticut General Statutes and the Charters and Ordinances of the Town and the City.

3. Priority of Tax Payment Obligations.

(a) The Payments owed to the Town for each year of the Term shall be paid in two equal installments, due on July 1 and January 1, and shall be received by the Town Tax Collector no later than August 1 (for the July Payment) and February 1 (for the January Payment) of each year. The Payments owed to the City shall be paid in one installment, which shall be due on July 1 and received by the Town Tax Collector no later than August 1 of each year. The July 1 Payments to the City and the Town shall be paid in the total amount of the two Payments combined. The failure of either Municipality to send the Developer a rate/tax bill or any other notice that a Payment is due shall not alter the Developer’s obligation to make each Payment timely and in full. The foregoing Payment schedule is based on current state and local laws with regard to the payment of taxes. If there is any change in state and/or local law that modifies the dates on which municipal real property taxes are to be paid, the Parties will modify the payment schedule (and Exhibit 3) to conform to the changes in law, without the need to amend this Agreement under section 14, and the Town and/or the City shall promptly record a notice of the modified payment schedule (and Exhibit 3) on the Town Land Records.

(b) The Town and City shall have and may exercise all of the rights and privileges, including without limitation lien priority, relating to each Payment and the Payments (including without limitation the Payments due on July 1, 2017), as are set forth in the Connecticut General Statutes pertaining to the payment and collection of municipal real property taxes, including without limitation the provisions of §§12-171 *et seq.*, and all provisions regarding the accrual and collection of interest, fees, charges and penalties on delinquent payments. In addition and in furtherance of the foregoing, pursuant to Connecticut General Statutes §12-171(1) and/or (2), the Developer, as of the date on which this Agreement is recorded on the Town of Groton Land Records, with no need for further action, hereby grants to the Municipalities the statutory liens and rights of priority and all other rights associated therewith provided for by Chapter 205 of the Connecticut General Statutes and acknowledges that the Development Property, the Project and this Agreement are and shall be subject to the Municipalities’ powers under Connecticut and local law to assess, levy and collect municipal real property taxes.

(c) The provisions of section 7 of this Agreement are and shall be in addition to and not in derogation of the rights and remedies available to the Town and to the City under

federal, Connecticut and local law for the levying and collection of municipal real property taxes.

4. Late Payments; Interest. If any Payment is not paid in full by August 1 or February 1, as the case may be, during any year of the Term (a "Delinquency"), said Payment shall bear interest at the statutory rate, currently eighteen (18%) percent per annum, until paid, without any notice or demand being required, and will also be subject to the provisions of section 7 of this Agreement, and the Municipalities retain, will have and may at their discretion exercise all statutory remedies for the levying and collection of real property taxes.

(a) The Developer shall make all Payments (including those for the City) payable to the Tax Division, Town of Groton, Town of Groton Town Hall, 45 Fort Hill Road, Groton, Connecticut 06340, or at such other address as may be provided by the Tax Collector, and, shall submit each Payment together with a notation to the Tax Collector that said Payment is being made in accordance with this Agreement.

5. Social Services; Compliance with Residential Rental Income Restrictions. At all times during the Term the Developer will:

(a) manage the Project through its Management Company and shall provide the Social Services to its residents.

(b) operate the Project as Rent Subsidized Housing.

6. Completion of the Project. Commencement and Completion of Construction; Developer Investment; Reporting Requirements.

(a) The Developer will commence the physical construction and installation of the Improvements and all of the work set forth on Exhibits 1 and 4 (*and not merely obtain permits or approvals for doing so*) no later than one (1) year from the Commencement Date (the "Construction Date"), shall pursue the same diligently and shall substantially complete all of the Improvements and all of the work set forth on Exhibits 1 and 4 no later than three (3) years from the Commencement Date (*the term, "substantially complete" will mean the issuance of a certificate of occupancy or certificate of completion from the City's Building and or Zoning Departments and the inspection and certification by the City's Building Official that the Improvements/Project and all the work set forth on Exhibits 1 and 4 are in compliance with this Agreement*) ("Completion Date"). Time shall be of the essence with respect to the Construction Date and the Completion Date.

(i) Notwithstanding anything to the contrary in this Agreement, the Developer's rights and obligations under this Agreement are subject to the timely issuance of all federal, state and local approvals and permits, including but not limited to building permits and zoning approvals required for the Improvements. The Construction Date and the Completion Date will be extended on a day for day basis for any delay in obtaining the foregoing permits and approvals not caused by the Developer. Subject to the limitations in the preceding sentence, the Developer's failure to apply for and/or receive any governmental permit and/or approval necessary to make the Improvements and/or perform the Project shall be a Default (as defined in section 7).

(b) The Developer will expend all of the Developer's Investment in development and construction hard and soft costs to construct the Improvements. Promptly after the

Completion Date, the Developer will submit to the Municipalities a written certification of costs, in form and content reasonably satisfactory to each of the Municipalities, documenting the actual amounts expended for the work, including work that did not require municipal permitting, such as the replacement of appliances.

(c) In addition to any other filings, including without limitation reports and/or the submission of income and expense statements required by law, beginning on January 1 of the first year of the Term and on January 1 of each succeeding year of the Term, the Developer will provide the Municipalities with a written report demonstrating its compliance with this Agreement, and will provide the Municipalities, or either of them, with such additional written reports as either of them may deem reasonably necessary to confirm compliance with this Agreement throughout the Term, and shall allow Town and/or City officials, at their reasonable prior request, which need not be written, to enter and inspect any part of the Project to confirm compliance with this Agreement. During the construction of the Improvements, the Developer will provide the Municipalities with quarterly written construction reports.

7. Defaults; Remedies; Termination.

(a) Except as otherwise specifically provided by this Agreement, a default (“Default”) shall exist under the Agreement if:

(i) there is a Delinquency; and/or

(ii) the Developer violates any material provision of this Agreement other than the obligation to make the Payments, regardless of whether such violation is specifically identified as a Default elsewhere in this Agreement, and including without limitation violations of sections 3, 5 and/or 6 hereof, and such Default continues beyond the cure period provided by the Town and/or the City in any notice required by this Agreement.

(b) Upon the occurrence of a Default under subsection 7(a)(i) above, the Town and/or the City may immediately declare the Agreement terminated (“Termination Date”) without any further cure period.

(c) Upon the occurrence of a Default under subsection 7(a)(ii) above, the Town and/or the City shall give the Developer written notice including a reasonable period of not less than thirty (30) days to cure such Default. Upon the occurrence of a Default that is not cured after the passage of the applicable cure period, unless the Developer has commenced a cure and is diligently pursuing such cure and such Default is not capable of being cured in such time period, the Town and/or the City shall have the right to terminate this Agreement effective at the end of the cure period specified in such written notice to the Developer of its/their intention to do so (also a “Termination Date”).

(d) In the event of any termination under this section 7, the Town and/or the City shall have the right to:

(i) record a notice in the Town of Groton Land Records terminating this Agreement as of the Termination Date,

(ii) collect any Delinquency due as of the Termination Date, including costs and expenses of collection and reasonable attorneys’ fees related to such Delinquency as they may accrue thereafter, whether or not litigation is commenced, and

(iii) immediately impose the Taxes that would otherwise be due on the Development Property and the Improvements immediately following the Termination Date in the absence of this Agreement. Termination of this Agreement shall not invalidate, increase, decrease or otherwise impact previous Payments timely made or unpaid on the Termination Date.

(e) Termination of this Agreement by either the Town or the City shall not terminate this Agreement as to the non-terminating Municipality, but only as between the Developer and the terminating Municipality.

8. Binding Effect; Assignment, Delegation and Agreement Being Personal to The Developer.

(a) This Agreement will be binding upon the Parties and their respective successors and permitted assigns. However, because, as the Developer acknowledges, both the Town and the City are relying upon the financial viability and management expertise of the Developer and Related Management Company, L.P. in implementing this Agreement, the obligations of the Developer and Related Management Company, L.P. as set forth in this Agreement are and will at all times be personal in nature.

(b) Provided that there is no uncured Default, upon reasonably prior written notice the Developer or the Management Company may assign its rights hereunder to any entity controlled by, controlling or under common control with the Related Companies, L.P. (collectively, "Related Entity").

(c) Provided that there is no uncured Default, any assignment by the Developer or the Management Company to a party other than a Related Entity shall require the prior written consent of the Municipalities' legislative bodies, which shall not be unreasonably withheld or conditioned, but which shall not be given until the Developer submits to the Town and the City all written information that either may reasonably request to establish, to the satisfaction of each that the assignee is at least as capable as the Developer or the Management Company, as the case may be, to fully perform the obligations of either or both under this Agreement and the successor or assignee agrees in writing (to be recorded on the Town of Groton Land Records) to be bound by and to assume the obligations and duties of the Developer and/or the Management Company under this Agreement. Notwithstanding the foregoing, any requested assignment of the Management Company by the Developer's lender or limited partner investor to a management company capable of performing the obligations of the Management Company hereunder shall require reasonable notice to, but not further consent from the Municipalities.

9. Security Interests.

(a) The Developer may grant a security interest in its rights under this Agreement to an institutional lender without the City and Town's prior written consent, provided that the Developer shall give written notice of the same to the Town and the City within thirty (30) days after the granting of said security interest.

(b) If a lender having a security interest in the Development Property or a tax credit investor should acquire title to the Development Property, such party shall have the right to substitute a successor owner and/or developer (including the lender/tax credit investor) provided that:



(i) If the Developer's Investment is not fully expended and/or the Improvements and/or the Ancillary Improvements are not complete, the successor owner and/or developer demonstrates to the reasonable satisfaction of the Town and the City in writing that it is willing and capable of expending the full amount of the Developer's Investment, completing the Improvements and the Project and to assume the Developer's obligations under and to operate the Development Property and the Project as set forth in this Agreement, including but not limited to the continuation of Social Services to the residents of the Development Property. No such substitution shall occur unless authorized in writing by the legislative bodies of the Town and the City and the successor or assignee agrees in writing to be bound by and to assume the obligations and duties of the Developer under this Agreement including without limitation, a prompt cure of any curable Default of the Developer; or

(ii) If the Developer's Investment has been fully expended and the Improvements and the Ancillary Improvements are complete, the successor owner or developer demonstrates to the reasonable satisfaction of the Town and the City in writing that it is willing and capable of continuing to fulfill the Developer's obligations under this Agreement and to operate the Project in the manner contemplated herein, including but not limited to the continuation of Social Services to the residents of the Project. No such substitution shall occur unless authorized in writing by the legislative bodies of the Town and the City and the successor or assignee agrees in writing to be bound by and to assume the obligations and duties of the Developer under this Agreement.

10. No Discrimination. Neither the Developer nor the Management Company nor the Developer's and/or the Management Company's successors and permitted assigns, shall discriminate or permit discrimination against any person or group of persons on the grounds of race, color, religion, creed, age, marital status, national origin, sex, sexual orientation, gender identity or expression, veteran's status, or mental or physical disability, in the sale, lease, rental, use or occupancy of the Project or any improvements to be erected thereon, in the provision of the Social Services, or in its employment or contracting practices, or in any other aspect of the performance of its obligations under this Agreement. Further, neither the Developer, the Management Company, nor their successors and permitted assigns, shall effect or execute any agreement, lease, conveyance, or other instrument having a discriminatory intention or effect, and at all times the Developer and its successors and permitted assigns, shall comply with all federal, state and local rules, laws, regulations and statutes prohibiting discrimination.

11. Abandonment of Project; Cessation of Business during the Term. Notwithstanding section 7, if the Developer ceases commercial operation as an entity, ceases work on the Improvements and/or the Project for a period in excess of six (6) months, and/or if other evidence demonstrates that the Developer has abandoned the Project for at least such six (6) month time period, the Town and/or the City may give a written demand to the Developer that it resume work. The Developer must reply to such demand within thirty (30) calendar days of receipt of the demand and, notwithstanding section 7 hereof to the contrary, if the Developer does not respond in writing within thirty (30) calendar days of its receipt of such demand from either the Town and/or the City, whichever it receives first, and/or the Developer does not (i) promptly resume work on the Project and continue same without interruption, or (ii) sufficiently explain and verify with written information reasonably requested by and acceptable to the Town and/or the City that it is still doing business and has not ceased operation or abandoned the Project, then the Town and/or the City, in the exercise of their reasonable judgment, shall each have the right at that time with no need to provide for an additional cure period, to terminate this Agreement and exercise their rights in the event of a termination under subsection 7(d).

12. Condemnation; Casualty. Notwithstanding section 7, upon the occurrence of any of the following, this Agreement may be terminated by the Town and/or the City in the manner and under the conditions provided herein:

(a) *Damage or Destruction to Property by Fire or Other Casualty*. If during the Term the Project, or any part thereof, shall be damaged or destroyed by fire or other casualty of any kind or nature, ordinary or extraordinary, foreseen or unforeseen, the Developer shall promptly give the Town and the City written notice of the same and the Developer, at its sole cost and expense, shall promptly commence (*subject to a reasonable time allowance for unavoidable delays and the time required to adjust insurance claims with the insurance companies*) to repair, restore, replace or rebuild the same as nearly as possible to its value, condition and character immediately prior to such damage or destruction (the "Repair"). However, in the event that the Developer reasonably determines, in good faith, that the Repair of the Project cannot be completed within three (3) years from the date of the casualty, this Agreement may be terminated by either the Town, the City or the Developer by written notice to the others. At no time during the period in which the Developer is engaged in the Repair shall the Developer's obligation hereunder to make all Payments be excused and it shall fulfill its other obligations hereunder to the extent such compliance can be had but for the damage or destruction to the Development Property.

(b) *Condemnation: Total Taking*. If during the Term there shall be a Taking (as hereinafter defined) of the whole, or such a substantial part, of the Project, such that the portion of the Project remaining after such Taking shall, after Restoration (*as hereinafter defined*), be uneconomical for use by the Developer in the operation of its business (as reasonably determined by the Developer), this Agreement shall terminate on the date of such Taking, and any Party may file a notice thereof on the Town of Groton Land Records. At no time during the period in which the Developer is engaged in Restoration shall the Developer's obligation hereunder to make all Payments be excused, and it shall fulfill its other obligations hereunder to the extent such compliance can be had but for the damage or destruction to the Development Property.

(c) *Condemnation: Partial Taking*. In the event of a Taking during the Term which does not result in a termination of this Agreement pursuant to subsection (b) above, the obligations of the Developer hereunder shall not be reduced or affected in any way and the Developer shall promptly upon receipt of any award, proceed to repair, alter (including any necessary demolition and reconstruction) and restore the remaining part of the Project to substantially its former condition, so as to constitute a complete structure suitable for the purposes to which the Project is being used under this Agreement. At no time during the period in which the Developer is engaged in Restoration shall the Developer's obligation hereunder to make all Payments be excused, and it shall fulfill its other obligations hereunder to the extent such compliance can be had but for the damage or destruction to the Development Property.

(d) For purposes of subsections (a), (b) and (c) above, all repairs, alterations, restorations or demolition conducted by the Developer as a result of a Taking or a casualty, including temporary repairs for the protection of the Project or other property pending the completion thereof, are referred to in this Agreement as the "Restoration" or as a "Repair", as applicable.

(e) For purposes of subsections (b) and (c) above, "Taking," (with the *exception of a temporary taking*) is defined as the event of vesting of title in a competent authority that has the powers of eminent domain or condemnation pursuant to any action or proceeding brought

by such authority in exercise of such power, including a voluntary sale to such authority, either under threat of, or *in lieu of*, condemnation or while a condemnation action or proceeding is pending.

13. Indemnification; Hold-Harmless.

(a) The Developer will defend, indemnify and save harmless the Town and the City, and each of their respective governing and legislative bodies, councils, boards, commissions, agencies, employees, officials and volunteers (“Indemnitees”) against and from all liabilities, obligations, damages, penalties, claims, costs, charges and expenses, including, without limitation, reasonable attorneys’ fees, court costs and fees of experts, which may be imposed upon or incurred by or asserted against the Indemnitees or any of them by reason of this Agreement, including without limitation claims that the Agreement is invalid for any reason, e.g., that it was beyond the legal authority of the Town and/or the City to make, and/or claims arising from the construction and installation of the Improvements and the operation and management of the Project.

(b) If a court or other action is filed (including any administrative proceeding) against any Party, to contest and/or to determine the validity of this Agreement and/or to contest the issuance of a permit(s) required for the construction of the Improvements and/or the Project, and/or for any other purpose, the Developer shall defend, at no cost and/or expense to the Town and/or the City, any such action with counsel of its choice and reasonably approved by the Town and the City, and may consent to any settlement or other resolution of any such claims or appeals, subject to the approval of the legislative body of each Municipality. The Town and/or City may join in the defense of any such appeal, but are not required to, unless the Developer determines that their participation is reasonably necessary for the purpose of any litigation or settlement. If the Developer requests the Town and/or the City to join in such defense, the Developer will pay their costs of counsel, selected by the Developer with the reasonable consent of the Town and/or the City. If the Town and/or the City voluntarily join such litigation each Party will pay its own legal counsel.

(c) Neither the Town nor the City shall have any obligation to participate in any way, including by expending monies, in the construction and installation of the Improvements and/or the Project, and/or in the operation and maintenance of the Project, and shall have no liability for the acts and/or omissions of the Developer and its Management Company, and their employees, officials, agents, partners, contractors, any of their permitted assigns, and/or anyone acting on their behalf, including without limitation any liability associated with defaults and/or recapture that might occur with regard to the federal and/or state tax credits and other state and federal benefits being acquired by the Developer in connection with the Project.

(d) If this Agreement terminates for any reason, and/or if entering into this Agreement is declared by a court of competent jurisdiction to have been beyond the authority of any Party, the Developer shall not have a right to nor shall it seek reimbursement of any Payment previously made or due at the time of termination and/or of the judicial determination.

14. Amendments. This Agreement may not be modified or amended except by a written agreement, approved by the legislative bodies of the Municipalities, witnessed, acknowledged and recorded on the Town of Groton Land Records and duly executed by the Parties.

15. Notices.

(a) All notices required or desired hereunder shall be in writing and shall be delivered by a recognized overnight courier service addressed to the receiving party at its address specified below:

Town: Town of Groton  
45 Fort Hill Road  
Groton, Connecticut 06340  
Attention: Town Manager

With a copy to: Suisman Shapiro Wool Brennan Gray & Greenberg, P.C.  
2 Union Plaza - Suite 200  
New London, Connecticut 06320  
Attention: Eileen C. Duggan., Esq.

City: City of Groton  
295 Meridian Street  
Groton, Connecticut 06340  
Attention: Mayor

With a copy to: Berchem Moses & Devlin, P.C.  
75 Broad Street  
Milford, Connecticut 06460  
Attention: Robert Berchem, Esq.

Developer: Branford Manor Preservation, L.P.  
c/o Matthew Finkle  
The Related Companies  
66 Columbus Circle  
New York, NY 10023

With a copy to: Robinson & Cole, LLP  
1055 Washington Boulevard  
Stamford, Connecticut 06907  
Attn: Steve L. Elbaum, Esq.

And;

Levitt & Boccio, LLP  
423 West 55th Street, 8th Floor  
New York, New York 10119  
Attention: David S. Boccio, Esq.

And;

Wells Fargo Affordable Housing  
Community Development Corporation  
MAC D1053-170  
301 South College Street, 17th Floor  
Charlotte, NC 28288  
Attention: Director of Tax Credit Asset Management

And;

Philip Spahn  
Sidley Austin LLP  
One South Dearborn  
Chicago, IL 60603

(b) A certificate of delivery provided by the courier to the sender shall constitute conclusive evidence of delivery.

16. Miscellaneous.

(a) *Captions.* The titles and headings of the various parts, paragraphs and sections hereof are intended solely for means of reference and are not intended for any purpose whatsoever to modify, explain or place any construction on any of the provisions of this Agreement.

(b) *Severability.* Except in the case of a judicial determination that the making of this Agreement was beyond the legal authority of any or all of the Parties, which shall be a termination of this Agreement, if any of the provisions of this Agreement or the application thereof to any persons or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Agreement by the application of such provision or provisions to persons or circumstances other than those as to whom or which it is held invalid or unenforceable shall not be affected thereby, and every provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

(c) *Waiver.* The failure of a Party to insist upon strict performance of any of the terms or provisions of this Agreement or to exercise any option, right or remedy herein contained or available pursuant to applicable law, shall not be construed as a waiver or relinquishment of such term, provision, option, right or remedy, but the same shall continue and remain in full force and effect. No waiver by a Party of any term or provision hereof shall be deemed to have been made unless expressed in writing signed by such Party.

(d) *Exhibits.* All exhibits and schedules to this Agreement are hereby fully incorporated by this reference for all purposes as though fully set forth herein.

(e) *Applicable Law; Venue.* The interpretation, validity and performance of this Agreement will be governed by the laws of the State of Connecticut, without reference to its conflicts of laws principles. The parties mutually consent to the exclusive jurisdiction of the Connecticut Superior Court for the Judicial District of New London over any dispute that arises between or among them under this Agreement, and each waives any objection it might have pertaining to improper venue or *forum non conveniens* to the conduct of any proceeding in any such court, and no Party shall seek to remove any litigation therefrom to a Federal District Court or any other court.

(f) *Entire Agreement.* This Agreement contains the entire agreement of the Parties with respect to the subject matter hereof.

(g) *Counterparts.* This Agreement may be executed in multiple counterparts, each of which shall serve as an original for all purposes, but all copies shall constitute but one and

the same agreement, binding on all Parties, whether or not each counterpart is executed by all Parties, so long as each Party has executed one or more counterparts hereof.

(h) *Mutual Drafting; Construction.* This Agreement was drafted cooperatively by the Parties. No Party shall be entitled to claim the benefit of any ambiguity resulting from its drafting.

(i) *Force Majeure.* The performance of any Party's obligations hereunder shall be subject to events beyond the reasonable control of such Parties, such as labor disputes, strikes, acts of God, war, contamination or acts or threats of terrorism.

(j) *Cure.* The Developer's investor limited partner shall have the right, but not the obligation, to cure any Default on behalf of the Developer.

(k) *Survival.* The provisions of sections 3, 4, 13 and subsection 2(e) shall survive the expiration or earlier termination of the Term.

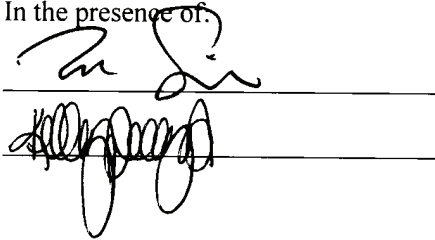
NEXT PAGE IS THE SIGNATURE PAGE







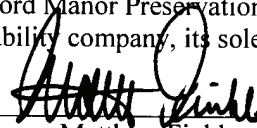
In the presence of:

  
\_\_\_\_\_

DEVELOPER

BRANFORD MANOR PRESERVATION, LIMITED PARTNERSHIP, a New York limited partnership

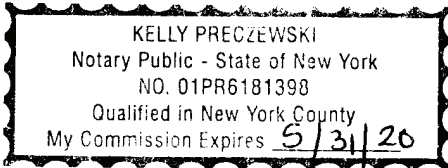
By: Branford Manor Preservation GP, LLC, a New York limited liability company, its sole general partner

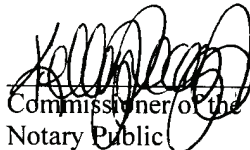
By:   
Name: Matthew Finkle  
Title: Vice President

STATE OF NY )  
                                          )  
COUNTY OF NY )

ss. April 21, 2017

Personally appeared Matthew Finkle, Vice President of Branford Manor Preservation GP, LLC, general partner of BRANFORD MANOR PRESERVATION, LIMITED PARTNERSHIP, signer and sealer of the foregoing instrument, and acknowledged the same to be his/her free act and deed in such capacity and the free act and deed of the Branford Manor Preservation GP, LLC, general partner of BRANFORD MANOR PRESERVATION, LIMITED PARTNERSHIP, and of the limited partnership, before me.



  
Commissioner of the Superior Court  
Notary Public  
My Commission Expires: \_\_\_\_\_

[BRANFORD MANOR PRESERVATION, L.P.'S SIGNATURE PAGE]

## Schedule A

## LEGAL DESCRIPTION OF PROPERTY

ALL THAT CERTAIN piece or parcel of land, together with all buildings and improvements thereon standing, situated in the Town of Groton, County of New London and State of Connecticut, and described as follows:

BEGINNING at the northwesterly corner of the herein described tract, said point of beginning being in the easterly street line of Shennecossett Road, so-called, and also being the southwesterly corner of land now or formerly of Kacey's Inc.; thence running easterly, bounded northerly by said Kacey's Inc. land, a distance of 172.26 feet to the southeasterly corner of said Kacey's Inc. land; thence turning an interior angle of  $269^{\circ} 50' 44''$  and running northerly, bounded westerly by said Kacey's Inc. land, a distance of 144.79 feet to a corner; thence turning an interior angle of  $89^{\circ} 26' 00''$  and running easterly, bounded northerly by said Kacey's Inc. land, a distance of 149.95 feet to a corner; thence turning an interior angle of  $270^{\circ} 13' 00''$  and running northerly, bounded westerly by said Kacey's Inc. land, a distance of 71.52 feet to the northeasterly corner of said Kacey's Inc. land; thence turning an interior angle of  $81^{\circ} 09' 00''$  and running easterly by and along a stone wall, bounded northerly by land now or formerly of Colonial Manor Inc., a distance of 352.74 feet to a drill hole; thence turning an interior angle of  $162^{\circ} 38' 00''$  and continuing easterly by and along said wall, bounded northerly by said Colonial Manor Inc. land, a distance of 49.40 feet to a drill hole; thence turning an interior angle of  $206^{\circ} 51' 00''$  and continuing easterly by and along said wall, bounded northerly by said Colonial Manor Inc. land, a distance of 195.65 feet to a drill hole, thence turning an interior angle of  $175^{\circ} 56' 00''$  and continuing easterly by and along said wall, bounded northerly by said Colonial Manor Inc. land, a distance of 245.35 feet to a drill hole; thence turning an interior angle of  $179^{\circ} 05' 00''$  and continuing easterly, bounded northerly by said Colonial Manor Inc. land, a distance of 522.83 feet to an iron pipe set at the northeasterly corner of the herein described tract at the westerly shoreline of Birch Plain Creek; thence turning and running southerly by and along the westerly shoreline of said Birch Plain Creek a distance of 635 feet more or less to a drill hole set in the northerly line of land now or formerly of the City of Groton; thence turning and running westerly, bounded southerly by land now or formerly of the City of Groton, a distance of 309.77 feet to an iron pipe; then turning an interior angle of  $253^{\circ} 39' 50''$  and running southerly by land now or formerly of the City of Groton, a distance of 600.00 feet to an iron pipe; thence turning an interior angle of  $84^{\circ} 20' 49''$  and running westerly, bounded southerly by other land now or formerly of Edmund O'Brien, Trustee, a distance of 256.51 feet to an iron pipe; thence turning an interior angle of  $270^{\circ} 00' 00''$  and running southerly, bonded easterly by said O'Brien land, a distance of 331.41 feet to a drill hole set at the southeasterly corner of the herein described tract at the northeasterly corner of the herein described tract at the northeasterly line of Shennecossett Road; thence turning an interior angle of  $90^{\circ} 07' 21''$  and running northwesterly by and with said northeasterly line of Shennecossett Road a distance of 213.22 feet to a cross in a rock; thence turning an interior angle of  $181^{\circ} 51' 05''$  and continuing northwesterly by and with said northeasterly street line a distance of 598.70 feet to a drill hole at an angle point in said street line; thence turning an interior angle of  $122^{\circ} 27' 25''$  and running northerly by and with the easterly street line of said Shennecossett Road a distance of 364.35 feet to a mere stone; thence turning an interior angle of  $194^{\circ} 37' 30''$  and continuing northerly by and with said easterly street line a distance of 95.95 feet to a street pin; thence turning an interior angle of  $169^{\circ} 37' 00''$  and continuing northerly by and with said easterly street line a distance of 58.84 feet to a cross in a rock; thence turning an interior angle of  $170^{\circ} 06' 37''$  and continuing northerly by and with said easterly street line a distance of 302.31 feet to the point and place of beginning, said last course forming an interior angle of  $90^{\circ} 05' 03''$  with said first course.

Schedule A

## Exhibit 1

Description of Improvements

If the quantities of the items listed below is reduced by more than ten (10%) percent, the Developer will request the consent of the City and the Town to such changes, which consent shall not be unreasonably withheld, delayed or conditioned. As part of the Improvements, the Developer is obligated to undertake the Improvements listed as “Lump Sum” below, will add Ground Fault Interrupter (“GFI”) outlets to all kitchens and bathrooms and make additional electrical repairs as deemed required by the project engineer, and replace all existing air conditioning sleeves.

Item	Quantity
<b>Bathrooms</b>	
New Vanities, Sinks and Faucets	442
New Medicine Cabinets	442
New Tub, Valve and Surround	442
Toilet replacement	442
Exhaust Fans	442
GFI & Switch	442
Flooring	442
New Lighting	442
Painting	442
<b>Kitchens</b>	
Cabinet Replacements	392
Counters	392
Refrigerators	392
Dishwasher	392
Stoves	392
Range hood	442
Lighting Replacement - 2 lights	884
Sinks	392
Replace All switches and outlets w/ GFI	442
Flooring	442
Faucets	392
Painting	442
<b>General Interior (BR/LR/DR)</b>	
Replace Unit Lighting – Hallway - ALL	Lump Sum
Outlets	442
Radiator Baseboard Covers	250
ADA units	22
<b>Common Areas</b>	
DVR Security Camera Monitoring System	Lump Sum
Common Hallways - Stair treads, Carpet, Paint – Building 25	Lump Sum
Mechanical: Boiler replacement & new controls	11
New management office/resident service building	Lump Sum
<b>Site Improvements</b>	
Landscaping	Lump Sum
Asphalt repairs	Lump Sum
Walks & Curbs	Lump Sum
Dumpster Pads/corrals	8
Playground	Lump Sum
Site Accessibility	Lump Sum
Fencing	Lump Sum
Replace All Site & Building signs - New Entry Sign	Lump Sum
<b>Building Envelope</b>	
New Hardi Siding on ALL 47 buildings	Lump Sum
New Vinyl Windows	4310
Insulation – Crawls & Basements in ALL 47 buildings	Lump Sum
Unit Entry Doors	400
A/C Sleeves – REPLACE ALL EXISTING	Lump Sum
Chill Stopper – PROVIDE AT EVERY A/C SLEEVE	Lump Sum
Shed Roofs	Lump Sum
Building Mounted Lighting	Lump Sum

Exhibit 2

Social Services

1. Food Pantry – existing space is provided for a weekly/monthly food pantry and will continue to be provided free of charge
2. Health, Education and Safety Satellite Program
3. United Way – provide for space for administrative staff
4. Home ownership counseling
5. Money Management Education
6. Career Counseling
7. Youth Programs
8. Recreational Activities
9. Advocacy Services, including United Way and Thames Valley Council for Community Action
10. Groton Human Services – provide free space for administration staff
11. City of Groton Police Department – provide free space upon request

Developer agrees to spend not less than \$15,000 annually to provide Social Services to residents at the resident services building.

## Exhibit 3

Taxes to Town and City

## Payment Schedule

Date	Town	City	Total
7/1/2017	148,694	74,347	223,041
1/1/2018	148,694		148,694
7/1/2018	153,155	76,577	229,732
1/1/2019	153,155		153,155
7/1/2019	157,749	78,875	236,624
1/1/2020	157,749		157,749
7/1/2020	162,482	81,241	243,723
1/1/2021	162,482		162,482
7/1/2021	167,356	83,678	251,035
1/1/2022	167,356		167,356
7/1/2022	172,377	86,189	258,566
1/1/2023	172,377		172,377
7/1/2023	177,548	88,774	266,323
1/1/2024	177,548		177,548
7/1/2024	182,875	91,437	274,312
1/1/2025	182,875		182,875
7/1/2025	188,361	94,181	282,542
1/1/2026	188,361		188,361
7/1/2026	194,012	97,006	291,018
1/1/2027	194,012		194,012
7/1/2027	199,832	99,916	299,748
1/1/2028	199,832		199,832
7/1/2028	205,827	102,914	308,741
1/1/2029	205,827		205,827
7/1/2029	212,002	106,001	318,003
1/1/2030	212,002		212,002
7/1/2030	218,362	109,181	327,543
1/1/2031	218,362		218,362
7/1/2031	224,913	112,457	337,370
1/1/2032	224,913		224,913
7/1/2032	231,660	115,830	347,491
1/1/2033	231,660		231,660
7/1/2033	238,610	119,305	357,915
1/1/2034	238,610		238,610
7/1/2034	245,769	122,884	368,653
1/1/2035	245,769		245,769
7/1/2035	253,142	126,571	379,712
1/1/2036	253,142		253,142
7/1/2036	260,736	130,368	391,104
1/1/2037	260,736		260,736

Exhibit 3

Exhibit 4

Ancillary Improvements

The following are “Ancillary Improvements”, all of which shall be made in consultation with the City:

1. Improve and relocate the bus shelter currently at the northwest intersection of Shennecossett Road and Branford Avenue to a nearby area on the Development Property outside the public sidewalk easement to be granted to the City. The Developer agrees to thereafter maintain the bus shelter in good condition and repair without cost or expense to the City.
2. Add at least six bike racks throughout the Development Property.
3. Construct trails on the Development Property connecting to and extending the existing trail on the Birch Plain Creek Open Space from its terminus at the southerly property line of the Development Property along the creek to the northerly property line of the Development Property. The design and specifications for the connecting trails shall be the same or similar to the existing trails in the open space. The number, location of, design and specifications for the connecting trails on the Development Property shall be subject to the review and approval of the City for compliance with this paragraph and with applicable City and state land use requirements and standards.
4. Provide access easement on the Development Property to the City of Groton for the benefit of the public to use the connecting trails pursuant to paragraph 3 above. The City of Groton will not have any obligation to maintain or construct connecting trails.
5. Provide a ten foot wide easement to the City of Groton along the entire frontage of the Development Property on Shennecossett Road for possible construction of a future public sidewalk (multi-use pathway link) by the City, including, without limitation, the right to relocate any existing stone walls.
6. The form and substance of any easement to the City of Groton pursuant to items 4 or 5, above, shall be acceptable to the City and subject to the approval of the City attorney, which approval shall not be unreasonably withheld or conditioned.
7. If for any reason outside its control the Developer is unable to undertake any of the site improvements set forth in paragraphs 1 through 3, inclusive, the Developer and the City shall agree to one or more alternative site improvements of comparable value.

Received for Record at Groton, CT  
On 05/31/2017 At 1:38:09 pm

Attest: Betsy Moukawsher, Town Clerk