

PROPERTY TAX ASSESSMENT AGREEMENT

THIS PROPERTY TAX ASSESSMENT AGREEMENT (this "Agreement") dated as of this _____ day of _____, 2014 between the TOWN OF STONINGTON (the "Town") a body corporate and politic, constituting a public instrumentality and political subdivision of the State of Connecticut, THREADMILL PARTNERS LLC (the "Owner") a limited liability company organized under the laws of the State of Connecticut having its corporate headquarters at 225 Westchester Ave., Port Chester, NY, the owner of certain real property located at 12 River Road, Pawcatuck, Connecticut.

WITNESSETH

WHEREAS, §12-65b of the Connecticut General Statutes authorizes a municipality, by affirmative vote of its legislative body, to enter into a written agreement with a party owning or proposing to acquire an interest in real property within such municipality, fixing the assessment of real property and all improvements thereon or therein for a period of no more than seven years, provided the cost of such improvements is not less than \$3,000,000 and the improvements are for, among other things, permanent residential and retail; and

WHEREAS, the Owner proposes to develop real property located at 12 River Road within the Town and improve said property at a cost of not less than \$3,000,000 and to use the said property as improved for, among other things, permanent residential and retail; and

WHEREAS, said proposed improvements are economically feasible only if a fixed amount of real property taxes is agreed upon for a period of seven years; and

WHEREAS, it is in the best interest of the Town and its taxpayers that the Owner make such acquisition and improvements; and

WHEREAS, in order to induce the Owner to make such improvements to property within its borders the Town, at a Town Meeting held June 30, 2014, adopted a resolution approving the fix assessment program described herein, a copy of which is attached hereto as Exhibit A.

NOW THEREFORE, in consideration of the premises and the mutual covenants and agreements herein set forth, the parties hereto agree as follows:

1. **The Property**. This Agreement effects and pertains to Lot 3, as shown on the Town Assessor's Map 5, Block 5, Lot 3, and all improvements thereon or therein or to be constructed thereon or therein, said property being commonly known as 12 River Road, Pawcatuck, Connecticut (the "Property").
2. **Improvements**. The Owner agrees that within twenty-four (24) months of the date of this Agreement they will complete the improvements thereon or therein, as shown on the site plan previously approved by the Town, at a cost in excess of

\$3,000,000 and that the proposed use of the Property is for, among other things, permanent residential and retail. The Town agrees that Owner's use of the Property meets the requirements of §12-65b of the Connecticut General Statutes.

3. **Affordability Plan for 30% of the Residential Units.** The Owner's proposed use for the Property includes 58 residential units (the "Residential Units"), 20% of which will be affordable to household earning up to 50% of the area median income ("AMI") and 10% of which will be affordable to households earning up to 120% AMI, for an overall proposed plan of 30% of the Residential Units maintained as affordable. In support of this proposed plan for 30% of the Residential Units, the Owner agrees to submit to the Town of Stonington its Affordability Plan within 60 days after approval of this agreement by the Special Town Meeting. The Affordability Plan shall describe how affordability will be administered and maintained pursuant to Connecticut General Statute §8-30g(b)(1) and Connecticut Agency Regulations §8-30g-7 and in accordance with that certain Declaration of Restrictive Covenants by and between the Owner and the Connecticut Housing Finance Authority, dated October 31, 2014 and recorded on November 4, 2014 on the land records of the Town.

4. **Fixed Assessment.** For the period(s) of seven (7) years (which shall commence as described in Paragraph 5 below), the percentage of assessment of each phase of the Property shall be the October 1, 2014 assessment of \$569,400 (FMV \$812,900) plus new construction value multiplied by the following percentages:

<u>Year</u>	<u>Percentage</u>
1	7%
2	14%
3	21%
4	28%
5	35%
6	42%
7	49%

The parties agree that the October 1, 2014 assessment (\$569,400) shall remain throughout the seven (7) year term regardless the revaluation scheduled for October 1, 2017.

5. **Commencement and Duration.** The seven (7) year period(s) for all new construction shall commence upon the earlier of:
 - a.) the Grand List of October 1, 2016; or
 - b.) the issuance of the first Certificate of Occupancy by the Town.

If the seven year period does not commence until the Grand List of October 1, 2016, the fixed assessment set forth in Paragraph 4 shall affect payments commencing July 1, 2017. Additionally, if the seven year period does not commence until the Grand List of October 1, 2016, any increased value above the fixed assessment of \$569,400 added prior to that date shall be abated by the Town.

Until the commencement of the seven year period, Owner shall make payments based upon the current assessment.

6. **No Waiver**. Nothing contained in this Agreement shall be construed as waiving any right the Lessee or Owner may have to a future contest or appeal following the seven year period, in the manner provided by law, any assessment made or tax imposed by any taxing authority with respect to the Property.
7. **Condemnation**. In the event the Property or any part thereof is taken by condemnation or eminent domain or is damaged or destroyed by fire or other casualty during an applicable seven year period, the applicable fixed assessment specified in Paragraph (3) shall be adjusted to reflect the diminution of value resulting from such condemnation, eminent domain, fire or other casualty in the manner provided by state and local laws and ordinances.
8. **Successors**. The provisions of this Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.
9. **Amendment/Merger**. This Agreement may not be amended, modified or terminated except by a writing executed by the parties hereto. Parties acknowledge and agree that all understandings and agreements heretofore made between the parties are merged in this agreement, and this agreement contains the entire agreement of the parties.
10. **Governing Law/Venue**. This Agreement shall be governed by and construed in accordance with the internal laws of the State of Connecticut. The parties further agree to be contractually bound to submit themselves to the personal jurisdiction of the courts of Connecticut. The venue for any court proceeding shall be in the Judicial District for New London at New London, Connecticut, and each party waives any venue, convenient forum, removal, jurisdiction, or other rights to the contrary.
11. **Severability**. A ruling by any court or administrative body that a portion of this Agreement is invalid or unconstitutional shall have no effect on the other terms hereof which shall remain in full force and effect and binding on the parties hereto.
12. **Counterparts**. This Agreement may be executed in any number of counterparts, each of which when executed shall be an original and all of which shall constitute but one and the same instrument.
13. **Agreement**. The parties further agree that all of the terms of this Agreement including the "WHEREAS" paragraphs appearing before the numbered paragraphs are contractual and not mere recitals.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed in their respective names by their respective officers' thereunto as of the date first above mentioned.

Signed, Sealed and Delivered
in the Presence of:

Town of Stonington

By: _____
Edward Haberek, Jr.

Title: First Selectman, duly authorized

Threadmill Partners LLC
By Threadmill Acquisition LLC
Its Managing Member

By: _____
Kenneth Olson
A Managing Member