

DEVELOPMENT AGREEMENT

This Development Agreement (“Agreement”) is entered into as of May __, 2025 (the “Effective Date”), by and between Center & Wales LLC, a Vermont limited liability company (“Developer”) and the City of Rutland, Vermont (the “City”). Developer and the City are sometimes referred to herein individually as a “Party” and collectively as the “Parties.”

Background

- A. Developer owns a 0.9-acre parcel of land numbered 27 Wales Street, located at the intersection of Center and Wales Streets in Rutland, Vermont, identified by the City as Parcel #12529, SPAN 540-170-12529 (the “Developer Property”), located within the TIF District (as defined below). The Developer Property is more particularly described in Exhibit B attached hereto.
- B. The City has encouraged the redevelopment of the Developer Property since the Berwick Hotel burned in 1973, and desires for the Developer Property to be redeveloped, preferably with a hotel and an apartment building.
- C. Developer has experience with owning and developing commercial real estate.
- D. The Developer Property requires environmental remediation, and Developer intends to remediate the existing environmental contamination on the Developer Property.
- E. Following remediation, Developer desires to redevelop the Developer Property with a new hotel and apartment building, with two existing commercial buildings to remain (the “Redevelopment Project”, described on **Exhibit C** attached hereto).
- F. The Redevelopment Project will only be financially feasible if the City makes improvements to municipal infrastructure in the vicinity of, and serving, the Developer Property (the “Public Improvements”, described on **Exhibit D** attached hereto), and if the City provides additional financial and other support in the manner outlined in this Agreement. Together, the Redevelopment Project and the Public Improvements are sometimes referred to in this Agreement as the “Project”.
- G. The City desires to support the Redevelopment Project, and has obtained approval from the Vermont Economic Progress Council (“VEPC”) to create a Tax Increment Financing district (the “TIF District”) that includes the Developer Property, among other property, as a means of financing the City’s development and construction of the Public Improvements, in compliance with the provisions of 24 V.S.A. Chapter 53, Subchapter 5 and any related rules and regulations (the “TIF Statute”). The TIF District is depicted on the map entitled “Rutland Downtown TIF District Map” attached hereto as **Exhibit A**.
- H. Individual phase filings for specific projects (such as the Project) within the TIF District are required to be submitted to VEPC for approval. If the individual phase filing for the Project is approved by VEPC and if the City is thereafter authorized by its voters to issue

debt instruments (i.e., to incur indebtedness) to finance the development and construction of the Public Improvements, then pursuant to the TIF Statute the City will be authorized to invest public funds to design, construct and acquire the Public Improvements, and to repay that indebtedness using the incremental increase in property taxes generated by the real property located within the TIF District over the property taxes that were generated within the TIF District at the time that the TIF District was first established (the “Tax Increment”).

- I. The City has estimated (i) that the Public Improvements will cost ±\$7,800,000 to complete and place into service, and (ii) that sufficient incremental increase of grand list value will be realized following completion of the Redevelopment Project to service municipal debt incurred to pay for ±\$3,100,000 - \$3,400,000 of construction expenses and related costs of the Public Improvements (the “Municipal Debt”).
- J. Developer and the City acknowledge and agree that they have mutually beneficial interests in the creation of the TIF District, the development and construction of the Public Improvements, and the development and construction of the Redevelopment Project. Developer and the City entered into a Letter of Intent on February 20, 2025, and they now desire to enter into this Agreement to formalize their mutual commitments.

Now therefore, in consideration of the covenants, considerations and mutual benefits set forth herein, and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the Parties agree as follows:

1. Public Improvements.

(a) The Public Improvements, as described on Exhibit D, will modernize the utility infrastructure serving downtown Rutland to promote growth and development. The City estimates that it will take approximately twenty-four (24) months to complete construction of and place into service the Public Improvements. The City will obtain all permits, if any, that are necessary to develop, construct, and place into service the Public Improvements.

(b) The Project will only proceed after both parties have confirmed in writing by notice to the other that all conditions precedent to the commencement of construction, as established by Section 5 of this Agreement, have been met (“Mutual Project Commencement Confirmation”). The City will complete construction of and place into service the Public Improvements within two (2) years from and after Mutual Project Commencement Confirmation, subject to force majeure events (as set forth in Section 15).

(c) In designing the Public Improvements, the City is relying on representations made by Developer that it intends to construct the Redevelopment Project as described on **Exhibit C** attached hereto. If Developer desires to modify the design of the Redevelopment Project as described on **Exhibit C** attached hereto in a manner that would or might materially affect the design of the Public Improvements, Developer shall promptly notify the City of its plans in an effort to mitigate delays and waste associated with redesigning the Public Improvements in response to a redesign of the Redevelopment Project. If the City shall have already designed elements of the Public Improvements at the time that Developer notifies the City of its desire to

redesign the Redevelopment Project, then Developer shall pay the costs, if any, necessary to redesign the Public Improvements in response to a redesign of the Redevelopment Project.

2. Developer Commitments. Developer agrees to accomplish the following:

(a) Following the Effective Date of this Agreement, Developer will use good faith efforts to secure sufficient funds (anticipated to be approximately \$5,000,000) through grants and loans to remediate existing environmental contamination on the Developer Property and thereafter, subject to having obtained such funds, remediate the contaminated soils at the Developer Property; Developer will not seek any funds from the City to pay for the remediation of the Developer Property.

(b) Following the Effective Date of this Agreement, Developer will pay (at an anticipated cost of over \$150,000) Green Mountain Power Corporation to temporarily relocate above-ground power on Wales Street from Willow Street to a point south of Center Street before environmental remediation begins (which remediation must occur prior to the construction of the Redevelopment Project, or any redevelopment of the Developer Property).

(c) Following the Effective Date of this Agreement, Developer will use good faith efforts to satisfy the conditions precedent established by Section 5(a)(iv), (v), and (vi) of this Agreement.

(d) Following the Effective Date of this Agreement, and in support of the City's obligation set forth in Section 4(g) below, Developer will apply, with the City, to the State of Vermont's Sales Tax Reallocation Program in order to obtain ±\$500,000 of state sales tax revenue to the City, to be used to pay for the construction of elements of the Public Improvements.

(e) In addition, if Mutual Project Commencement Confirmation occurs, Developer will use good faith efforts to accomplish the following:

(i) Provide a designated contact person to work with the City and downtown businesses on a public awareness campaign and on communications with downtown businesses, consumers and the community at-large to limit the negative impacts of the Project on downtown businesses.

(ii) Construct the Redevelopment Project.

3. TIF District; Minimum Assessment.

(a) The City agrees to use good faith efforts to obtain approval from VEPC to incur the Municipal Debt to finance (i) the development and construction of the TIF financed portion of the Public Improvements, and (ii) the payment of associated debt service after the indebtedness is first incurred (together, the "Initial TIF Indebtedness Phase Filing"). The City will use good faith efforts to obtain such approvals by September 1, 2025. If such approvals are timely received, the City will use good faith efforts to obtain authorization from its voters prior to November 5, 2025 to incur the Municipal Debt. Upon request, Developer shall timely provide the City with available materials

and submissions in its possession to the level of completeness necessary for the City to seek the approvals from VEPC and from the voters described above so as to reasonably facilitate the Public Improvements.

(b) As stated in the Background section to this Agreement, if approved, municipal debt incurred within the TIF District is repaid using the Tax Increment, being the incremental increase in property taxes generated by the real property located within the TIF District over the property taxes that were generated by the TIF District at the time that the TIF District was first established, all as more particularly set forth and described in the TIF Statute. The Parties acknowledge that but for the City's agreement to utilize the public financing resources available through the TIF Statute to finance the development and construction of the TIF financed portion of the Public Improvements, the Redevelopment Project would not be economically viable or financially feasible, and that the Tax Increment from the Developer Property must be sufficient to service the Municipal Debt incurred by the City to finance the development and construction of the TIF financed portion of the Public Improvements. If not sooner, the City will issue instruments of indebtedness to incur the Municipal Debt promptly following Mutual Project Commencement Confirmation, if ever. Notwithstanding anything to the contrary, the City is not obligated under this Agreement to incur the Municipal Debt prior to Mutual Project Commencement Confirmation. To ensure that the Tax Increment generated by the Developer Property is sufficient to service the Municipal Debt for the City's development and construction of the TIF financed portion of the Public Improvements, the Parties have agreed upon the minimum assessed value of the Developer Property, and Developer agrees not to appeal such assessment in an effort to reduce it below the agreed upon value, in accordance with the following procedure:

- (i) As stated below in Section 4(j)(i), the City has agreed to stabilize municipal taxes and special benefit district taxes for the Developer Property. Developer agrees that after the expiration of the stabilization period(s), municipal taxes and special benefit district taxes will be assessed based on the fair market value of the Developer Property using the normal assessment procedure established by applicable state law, which requires the Grand List value to be established as of April 1 of each year based on the fair market value of the property as of April 1st of each year. If the tax increment so generated by the Developer Property (net of the amounts required to be remitted to the applicable taxing authorities) is not sufficient to service the Municipal Debt, the City will first apply any available (as reasonably determined by the City) tax increment generated by other real property within the TIF District to service the Municipal Debt. If the tax increment generated by such other real property within the TIF District is not available (as reasonably determined by the City), or together with the net tax increment generated by the Developer Property is not sufficient, to service the Municipal Debt, the Developer agrees that for the remaining life of the TIF District after the expiration of the stabilization period(s), but only until the Municipal Debt instrument is repaid in full, the assessed value of the Developer Property shall not be less than the lesser of (x) \$15,000,000, and (y) such amount as would be sufficient to ensure that the available tax increment is sufficient to service the Municipal Debt (such lesser amount,

the “Minimum Assessment”). Developer agrees that during such period, Developer shall not appeal the tax assessment of the Developer Property in an effort to reduce it below the Minimum Assessment (provided that Developer may appeal the assessment to the extent the assessment is above such amount), and Developer shall pay the municipal and special benefit portions of its property tax liability based upon at least that minimum assessed value during the period of Municipal Debt instrument repayment (after the expiration of the stabilization period(s)) regardless whether any portion of the Developer Property is owned by an entity that is statutorily exempt from property taxation or that is subject to statutorily limited or reduced property taxation. Promptly following the City’s receipt of, and determination to accept, a commitment letter from one or more prospective issuers of the Municipal Debt, the City will notify the Developer of the annual amount needed to service the prospective Municipal Debt.

- (ii) Developer acknowledges that the City will not stabilize the state educational portion of Developer’s property tax liability, and Developer acknowledges and agrees that for purposes of calculating state educational taxes, the Developer Property will be assessed at its fair market value at all times, provided that for the period commencing two fiscal years following Mutual Project Commencement Confirmation (i.e., after the construction period) and continuing until the Municipal Debt instrument is repaid in full the assessed value for purposes of the state education portion of Developer’s property tax liability shall in no event be less than the Minimum Assessment, and Developer agrees that until the Municipal Debt instrument is repaid in full, Developer shall not appeal the tax assessment of the Developer Property in an effort to reduce it below the Minimum Assessment (provided that Developer may appeal the assessment to the extent the assessment is above such amount), and Developer shall pay the state educational portion of its property tax liability based upon at least that minimum assessed value during the period of Municipal Debt instrument repayment (but only for the period commencing two fiscal years following Mutual Project Commencement Confirmation (i.e., after the construction period)) regardless whether any portion of the Developer Property is owned by an entity that is statutorily exempt from property taxation or that is subject to statutorily limited or reduced property taxation.
- (iii) Developer’s agreement to pay property taxes in the manner set forth above and not to appeal its assessment during the respective periods of Municipal Debt instrument repayment is hereby established as a covenant binding upon Developer and its successors and assigns running with title to the Developer Property until such time as the municipal debt instruments shall have been paid in full regardless of the tax-exempt status of Developer, its successors or assigns, or of any portion of the Developer Property. Upon the expiration of the period of Municipal Debt instrument repayment the covenant shall expire and the owner of the Developer Property shall only

be required to pay property taxes using the normal assessment procedure established by applicable state law. This Agreement shall be recorded in the City of Rutland Land Records and is a contractual covenant binding upon Developer and the City and each of their successors and assigns, running with the title to the Developer Property, and benefitting and burdening the Developer Property.

4. City Commitments. The City agrees that in addition to its obligation to construct the Public Improvements set forth in Section 1(b), and in addition to its obligations with respect to TIF approvals as set forth in Section 3(a), and its obligation to issue the Municipal Debt as set forth in Section 3(b), the City will accomplish the following:

(a) Facilitate a public awareness campaign and facilitate communications with downtown businesses, consumers and the community at-large to limit the negative impacts of the Project on downtown businesses.

(b) Allocate at least 21,353 gpd of water to the Redevelopment Project, as determined by the Redevelopment Project's actual engineering needs and by the permits issued for the Redevelopment Project.

(c) Beginning in Summer 2025, eliminate parking spaces as needed in order for the Developer to install temporary power poles on east side of Wales Street during construction as provided in Section 2(b) above.

(d) By June 1, 2025, and at the City's expense, relocate the City-owned meter and related electrical equipment that feeds traffic and streetlights on Center Street to a location not on the Developer Property.

(e) By June 1, 2025, permanently eliminate parking spaces on Wales Street and Center Street adjacent to the Developer Property.

(f) In 2025, apply for a Northern Borders Regional Commission Catalyst Grant to secure funding to help pay for the construction of Public Improvements to support the Redevelopment Project.

(g) In 2025, use diligent, reasonable and good faith efforts to apply with the Developer to the State of Vermont Sales Tax Reallocation Program to return $\pm$ \$500,000 of sales tax revenue related to the Redevelopment Project to the City to be used to pay for the construction of elements of the Public Improvements.

(h) For the duration of remediation and construction, grant a construction easement, at no cost to the Developer, from the City property line to the edge of the traveled way, including sidewalks and parking spaces, on both Center Street and Wales Street from Center Street to Willow Street, to facilitate construction of the Redevelopment Project.

(i) Allow public access to be restricted in the construction easement area described in

Section 4(h) above during remediation and construction of the Redevelopment Project (up to 24 months) at no cost to Developer, including as follows:

- (i) Beginning in Spring 2025, close the area to be used for construction and allow installation of temporary fence along its perimeter (edge of the traveled way on both Center Street and Wales Street from intersection of Center Street to Willow Street). Developer will apply for a barricade permit and City will grant the permit so long as the application is in compliance with applicable permit standards, and waive the permit fee.
 - (ii) Allow for occasional short-term closures of Center Street and/or Wales Street for unloading large items, crane access, concrete trucks, deliveries etc. Developer will apply for a barricade permit and City will grant the permit so long as the application is in compliance with applicable permit standards, and waive the permit fee.
- (j) Waive or reduce taxes and fees, as follows:
- (i) Stabilize municipal taxes and special benefit district taxes for the Developer Property as follows:
 - (1) For a period of ten (10) years starting two (2) years after Mutual Project Commencement Confirmation (i.e., after the two year construction period), stabilize municipal taxes and special benefit district taxes for the Developer Property at the April 1, 2025 property assessment value.
 - (2) Reserved.
 - (3) After the expiration of the stabilization period(s) described above, municipal taxes and special benefit district taxes will be assessed based on the fair market value of the Developer Property, but in no event shall the assessed value be less than the Minimum Assessment for the remaining life of the TIF District but only until the Municipal Debt instrument is repaid in full.
 - (4) For purposes of calculating State Educational taxes, the Developer Property will be assessed at its fair market value at all times, provided that for the period commencing two fiscal years following Mutual Project Commencement Confirmation (i.e., after the construction period) the assessed value shall in no event be less than the Minimum Assessment for the remaining life of the TIF District but only until the Municipal Debt instrument is repaid in full.
 - (ii) Reduce by 50% the City's water/wastewater rates on the Redevelopment Project's actual water usage for ten (10) years from and after first occupancy

of the Redevelopment Project.

- (iii) Regarding business personal property tax, in accordance with 32 V.S.A. §3849, the City will establish a business personal property tax exemption for the Developer Property for the duration of the hotel's operation.
 - (iv) Waive bond requirements and connection fees for Developer's construction of water and sewer connections serving the Redevelopment Project.
 - (v) Waive building permit fees based on square footage (ancillary fee for primary structures) for the Redevelopment Project.
 - (vi) Waive all water and sewer allocation fees for the Redevelopment Project.
 - (vii) Waive annual standby water (sprinkler) fees the Redevelopment Project for ten (10) years from and after first occupancy of the Redevelopment Project.
 - (viii) Waive all road closure permit fees during remediation and construction of the Redevelopment Project.
 - (ix) By May 1, 2025, return the \$10,000 deposit paid by Developer for the installation of two (2) monitoring wells on the Developer Property.
- (k) Provide development and construction support, as follows:
- (i) Allow streetside areas along the entire property line of Center Street in front of the Developer Property, and on Wales Street from the intersection of Center Street to Willow Street, to become drop off/pick up zones and delivery zones for use in connection with the Redevelopment Project.
 - (ii) Seasonally allow for outdoor restaurant seating to serve the Developer Property, in accordance with the City's existing or future policies.
 - (iii) Allow temporary sewer and stormwater connections to be made to the existing sewer main to serve the Developer Property until the new sewer and stormwater mains that are a component of the Public Improvements are installed on Center Street, subject to review and approval by the Department of Public Works.
 - (iv) Allow ground water and stormwater to be discharged into existing City sewer during construction and until the new stormwater main that is a component of the Public Improvements is installed on Center Street and the Developer Property connects to it, subject to review and approval by the Department of Public Works.
 - (v) Use good faith efforts to help facilitate a long-term lease between Developer

and the State of Vermont to park up to 250 vehicles in the State-owned parking structure numbered 102 West Street, Rutland, Vermont (the “State Parking Garage”).

- (vi) Use good faith efforts to help facilitate access from the State Parking Garage property to a pedestrian entrance on the Developer Property with a designated pedestrian path, hotel entrance awning and signage, subject to the City’s design bylaws, to be developed and constructed at Developer’s cost.
- (vii) Allow a liquid propane (LP) line to cross Willow Street from the LP tank farm on the State Parking Garage property on the north side of Willow Street to the west end of the old Herald Press room; and grant a permanent easement for said line under Willow Street, in a location generally shown on **Exhibit E** attached hereto, to be developed and constructed at Developer’s cost, subject to review and approval by the Department of Public Works.
- (viii) Use good faith efforts to help facilitate permission from the State of Vermont to tie into the LP tank farm on the State Parking Garage property to serve the Developer Property via metered use, to be developed and constructed at Developer’s cost.
- (ix) Use good faith efforts to help facilitate permission from the State of Vermont to install a transformer on the State Parking Garage property to serve the Developer Property, to be developed and constructed at Developer’s cost.
- (x) Use good faith efforts to help facilitate permission from the State of Vermont to site dumpsters serving the Developer Property to be situated in the southeastern corner of the State Parking Garage property, to be developed and constructed at Developer’s cost.
- (xi) Allow construction and placement of a handicap ramp at the 27 Wales Street entrance to the Developer Property, to be developed and constructed at Developer’s cost, subject to Developer’s application for and receipt of all necessary permits and approvals.
- (xii) Allow propane fire pits at the hotel, subject to approval from the Fire Department, and subject to the City’s adoption of an ordinance or regulation pertaining to propane fire pits.

(l) Following the Effective Date of this Agreement, the City will use good faith efforts to satisfy the conditions precedent established by Section 5(b)(i) and (iii) of this Agreement.

5. Conditions Precedent.

(a) Developer's obligation to issue its notice of Mutual Project Commencement Confirmation is conditioned upon:

- (i) VEPC having approved the City's incurrence of the Initial TIF Indebtedness Phase Filing;
- (ii) the Rutland voters authorizing the City to issue debt instruments in the amount of the Initial TIF Indebtedness Phase Filing;
- (iii) the City having performed all of its obligations under this Agreement to have occurred prior to Mutual Project Commencement Confirmation, and the City having certified to the Developer that it is ready to issue its notice of Mutual Project Commencement Confirmation simultaneous with that of Developer;
- (iv) Developer having obtained all permits and approvals necessary to commence construction of the Redevelopment Project, with the exception of building permits;
- (v) Developer having obtained commitments from lenders and other funding sources to finance construction of the Redevelopment Project on terms and conditions reasonably acceptable to the Developer;
- (vi) Developer having obtained from the State of Vermont a long-term lease to park up to 250 vehicles in the State Parking Garage, and Developer having obtained from the State of Vermont all of the permissions anticipated in Sections 4(k)(vi) – (x) above, in each case on terms and conditions reasonably acceptable to Developer; and
- (vii) The City confirming that it is unconditionally committed to issue instruments of indebtedness to incur the Municipal Debt promptly following Mutual Project Commencement Confirmation, and the City documenting that it has obtained and committed to the Project all funds necessary and sufficient to pay for the non-TIF financed portion of the Public Improvements, subject to the City's right under Section 5(b)(iii) below, upon the prior written approval of the Developer (not to be unreasonably withheld), to value engineer or reduce the scope of the streetscape improvements that are included among the Public Improvements if the City determines that such a scope reduction is necessary for the Project to timely proceed.

(b) The City's obligation to issue its notice of Mutual Project Commencement Confirmation is conditioned upon:

- (i) VEPC shall have approved the City's incurrence of the Initial TIF Indebtedness Phase Filing, and the Rutland voters shall have authorized the City to issue debt instruments in the amount of the Initial TIF Indebtedness Phase Filing;
- (ii) Developer having provided the City, to the City's reasonable satisfaction, with evidence that it has obtained all permits and approvals necessary to commence construction of the Redevelopment Project, with the exception of building permits, and with evidence of its financial wherewithal to obtain construction financing to commence and complete construction of the Redevelopment Project;
- (iii) The City having obtained and committed all funds necessary and sufficient to pay for the entirety of the Public Improvements, provided that the City may, upon the prior written approval of the Developer (not to be unreasonably withheld), value engineer or reduce the scope of the streetscape improvements that are included among the Public Improvements if the City determines that such a scope reduction is necessary for the Project to timely proceed; and
- (iv) Developer having performed all of its obligations under this Agreement to have occurred prior to Mutual Project Commencement Confirmation, and Developer having certified to the City that it is ready to issue its notice of Mutual Project Commencement Confirmation simultaneous with that of City.

6. Cooperation; Design Concurrence; Construction Coordination. The Parties acknowledge that it is necessary to coordinate the design of the Public Improvements and the design of the Redevelopment Project where they intersect along the roadways to ensure a seamless transition between municipal transportation and utility corridors and the private development parcel. The Parties agree to timely and freely share pertinent design materials and personnel for such purposes. Because the Parties intend for the construction of the Redevelopment Project and the Public Improvements to occur more or less simultaneously, they agree to coordinate their construction efforts in an effort to avoid interference and disruption. The Parties agree to execute, acknowledge and deliver such documents, certificates or other instruments and take such other actions as may be reasonably required from time to time to carry out the intents and purposes of this Agreement.

7. Further Agreements. The Parties agree to execute amendments to this Agreement to incorporate final construction cost figures and to memorialize minimum Tax Increment amounts necessary to enable the City to pay the debt service on the Municipal Debt instruments contemplated in this Agreement, provided such amendments do not alter the rights or obligations of the Parties as set forth in this Agreement.

8. No Assignment. This Agreement shall bind and inure to the benefit of the Parties and their respective permitted successors and assigns. This Agreement shall not be assigned by Developer without the prior written consent of the City, and any assignment without the City's prior written

consent shall entitle the City to void and terminate this Agreement in its discretion. Notwithstanding the foregoing, the Developer may assign this Agreement to an affiliate of the Developer, to a successor owner of the Developer Property, and as a collateral assignment in connection with construction financing, in each event without requiring the consent of the City.

9. Governing Law; Venue. This Agreement shall be governed and construed in accordance with the laws of the State of Vermont, without regard to its conflicts of law rules. The Parties consent to and submit to in personam jurisdiction and venue in the State of Vermont and in the federal district courts which are located therein. The Parties assert that they have purposefully availed themselves of the benefits of the laws of the State of Vermont and waive any objection to in personam jurisdiction on the grounds of minimum contacts, waive any objection to venue, and waive any plea of forum non conveniens. This consent to and submission to jurisdiction is with regard to any action related to this Agreement, regardless of whether the Parties' actions took place in the State of Vermont or elsewhere in the United States.

10. Severability. If any term, covenant or condition contained in this Agreement is held to be invalid by any court of competent jurisdiction, such invalidity shall not affect any other term, covenant or condition herein contained, provided that such invalidity does not materially prejudice any Party in their respective rights and obligations contained in the valid terms, covenants or conditions hereof, and the Parties shall cooperate to modify the Agreement to cause it to conform to the original language of the Agreement to the extent consistent with the finding of the court.

11. Construction; Headings. The Parties waive the benefit of any rule that this Agreement is to be construed against one Party or the other. The headings in this Agreement are for the purposes of reference only and shall not limit or otherwise affect the meaning hereof.

12. Integration; Modification. This Agreement, together with the exhibits referenced herein and/or attached hereto, constitutes the entire agreement between the Parties, superseding any prior agreements, understandings or representations, oral or written, and no representations, inducements, promises or agreements not embodied herein shall be of any force or effect. The Agreement can be modified only by written agreement executed by authorized representatives of each Party.

13. No Partnership. The Parties do not intend by this Agreement to create, nor shall this Agreement be deemed to create, a partnership or a joint venture among the Parties; each Party is an independent actor and entity, and nothing in this Agreement shall be deemed to make either Party an agent or partner of the other, or to give either Party the right to bind the other in any way, notwithstanding any reference to the Project as a "public-private partnership."

14. Force Majeure. If either Party shall be delayed, hindered in or prevented from the performance of any act required hereunder, by reason of strikes, lock-outs, labor troubles, inability to procure materials, failure of power, restrictive state or federal governmental laws or regulations, riots, insurrection, war, terrorism, or other reason beyond its reasonable control (including the act, failure to act or default of the other Party), then performance of such act shall be excused for the period of the delay and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay, provided that no such event shall excuse a Party's

failure to comply with any time period imposed by statute.

15. Waiver. The failure of either Party to insist on strict performance of any of the provisions of this Agreement or to exercise any right it grants will not be construed as a relinquishment of any right or a waiver of any provision of this Agreement. No waiver of any provision or right shall be valid unless it is in writing and signed by a duly authorized representative of the Party granting the waiver.

16. Incorporation by Reference. The content of the Background section to this Agreement, including without limitation the definitions set forth therein, and all exhibits hereto and the terms contained therein and the contents thereof, are incorporated into this Agreement by reference.

17. Authority. Each of the Parties warrants to the other that the person or persons executing this Agreement on behalf of such Party has the full right, power and authority to enter into and execute this Agreement on such Party's behalf and to thereby bind the Party on whose behalf such person, and that no consent from any other person or entity is necessary as a condition precedent to the legal effect of this Agreement.

18. Notices. Any notices to be given pursuant to this Agreement shall be sufficient if given by a writing: deposited in the United States mails, certified mail or registered mail, return receipt requested, postage prepaid; by commercial courier, provided the courier's regular business is delivery service and provided further that it guarantees delivery to the addressee by the end of the next business day following the courier's receipt from the sender; or by email (provided that the electronic process used is reasonably secure and not easily susceptible to manipulation) addressed as follows:

If to the City:	City of Rutland Attn: Mike Doenges, Mayor 1 Strongs Avenue Rutland, VT 05702 mdoenges@rutlandcity.org
With a copy to:	Jeremy Farkas, Esq. MSK Attorneys 275 College Street P.O. Box 4485 Burlington, VT 05406-4485 Email: jfarkas@mskvt.com
If to Developer:	Center & Wales, LLC Attention: Carly Perry 15 Belden Road Rutland City, VT, 05701 Email: Carly@beldencompany.com
With a copy to:	Timothy S. Sampson

Downs Rachlin Martin PLLC
199 Main Street, PO Box 190
Burlington, Vermont 05402-0190
Email: tsampson@drm.com

or to such other person, address or number as the Party entitled to such notice or communication shall have specified by notice to the other Party given in accordance with the provisions of this Section. Any such notice or other communication shall be deemed given: (i) if mailed, three days after being deposited in the mail, properly addressed and with postage prepaid; (ii) if sent by courier, the next day after being deposited with the courier, properly addressed and with prepaid; (iii) if sent by facsimile, when transmission has been electronically confirmed; and (iv) if sent by email, when transmitted as long as the sender does not receive a delivery failure notification.

19. Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument; all such counterparts may be evidenced by a facsimile, .pdf or similar reproduction methods and/or may be executed electronically using electronic signature software (e.g., DocuSign or similar software) or similar methods (each a method of “Electronic Execution”), and each facsimile or pdf or Electronic Execution shall have the same legal and binding effect as original signatures.

20. Attorneys’ Fees. The substantially prevailing party in any dispute arising out of or relating to this Agreement, its breach or enforcement that is resolved by a binding arbitration or by litigation shall be entitled to recover from the other party its reasonable attorneys' fees, costs and expenses incurred in connection therewith.

21. Termination. The City shall have the right to terminate this Agreement by written notice to Developer if Mutual Project Commencement Confirmation has not occurred by March 31, 2030, being the final date on which the City has the right to incur debt in the TIF District. The Developer shall have the right to terminate this Agreement by written notice to the City if Mutual Project Commencement Confirmation has not occurred by December 1, 2026.

Signature Page to Follow

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first entered above.

CENTER & WALES LLC

By: _____
Kent Belden, Member and Authorized Agent

STATE OF VERMONT
RUTLAND COUNTY

This record was acknowledged before me on _____, 2025 by Kent Belden as Member and Authorized Agent of Center & Wales LLC.

Notary Public State of Vermont
My Commission Expires: 1.31.27

CITY OF RUTLAND

By: _____
Michael Doenges, Mayor

STATE OF VERMONT
RUTLAND COUNTY

This record was acknowledged before me on _____, 2025 by Michael Doenges as Mayor and Authorized Agent of the City of Rutland.

Notary Public State of Vermont
My Commission Expires: 1.31.27

EXHIBIT A

Rutland Downtown TIF District Map

[Attached Behind This Page]

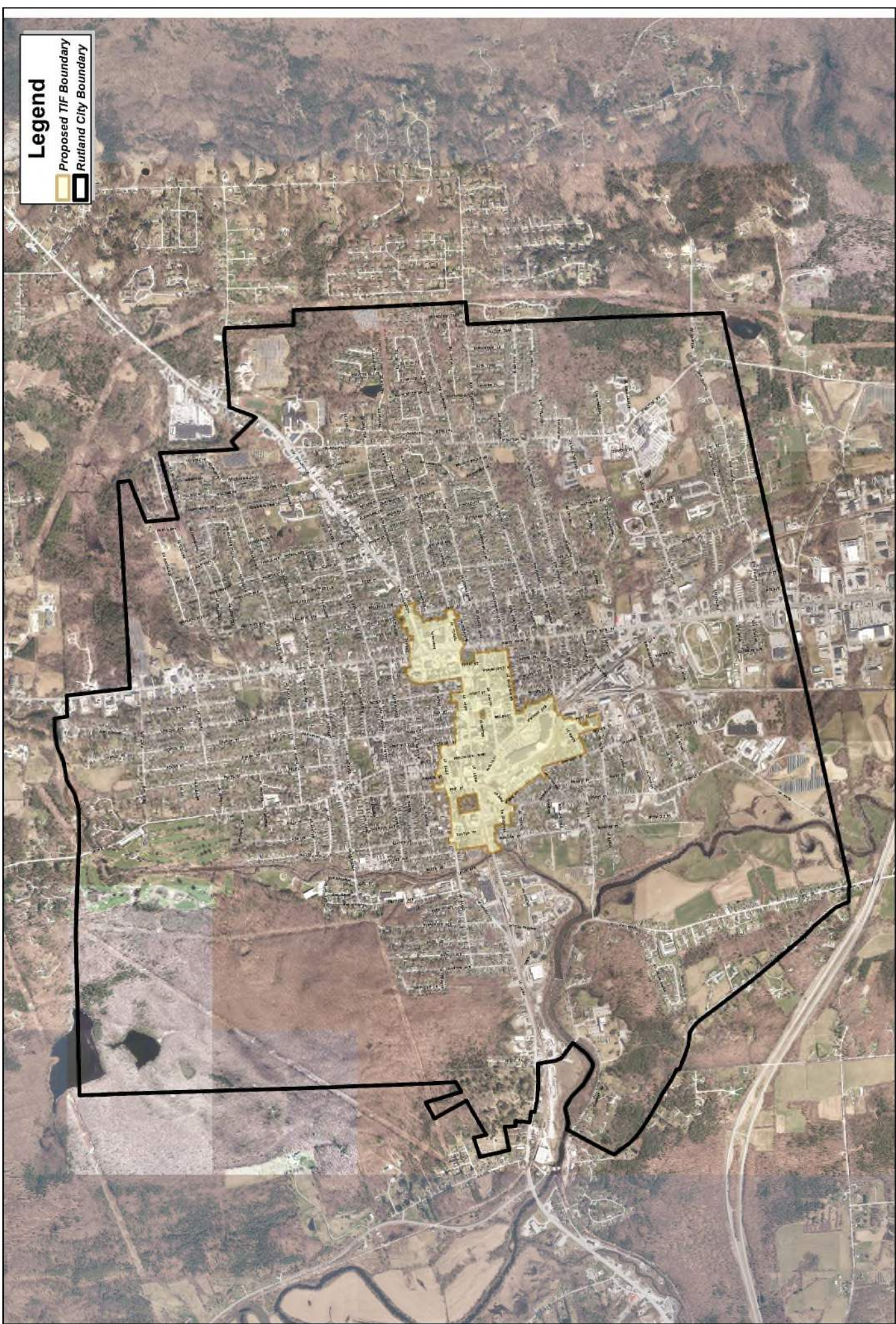


04/21/2025

City of Rutland

5G: Rutland City TIF District Map

This map is provided as a reference by the City of Rutland.
The property lines depicted above are estimations.
They are not survey lines and therefore should not be relied upon as such.



Legend

 Proposed TIF Boundary

 Rutland City Boundary

EXHIBIT B

Description of Developer Property

Being all and the same property conveyed to Center & Wales LLC by that certain Trustee Deed dated December 21, 2020, recorded January 19, 2021 in Book 703, Page 780-788 among the City of Rutland Land Records.

EXHIBIT C

Description of Redevelopment Project

The proposed Redevelopment Project will be a 6-story structure on the corner of Center and Wales Streets located in the heart of downtown Rutland. It is proposed to create a hotel with a restaurant, bar, and hospitality area, as well as ninety-nine rooms on the first four floors. It is also proposed to include a rooftop restaurant and bar. The fifth and sixth floors are proposed to have 26 one and two-bedroom market rate apartments. The Redevelopment Project is further described in the following documents:

- Site plans issued by Enman Kesselring for permit review dated 12/6/24 showing preliminary project and municipal infrastructure.
- City of Rutland zoning permit Z-25-0056 approved on February 7, 2025 and recorded in the City of Rutland Land Records, and the plans approved in connection therewith.
- City of Rutland Building Permit #B-25-0136 effective March 24, 2025 and recorded in the City of Rutland Land Records, and the plans approved in connection therewith.
- Jurisdictional Opinion JO 1-483 dated November 15, 2024.

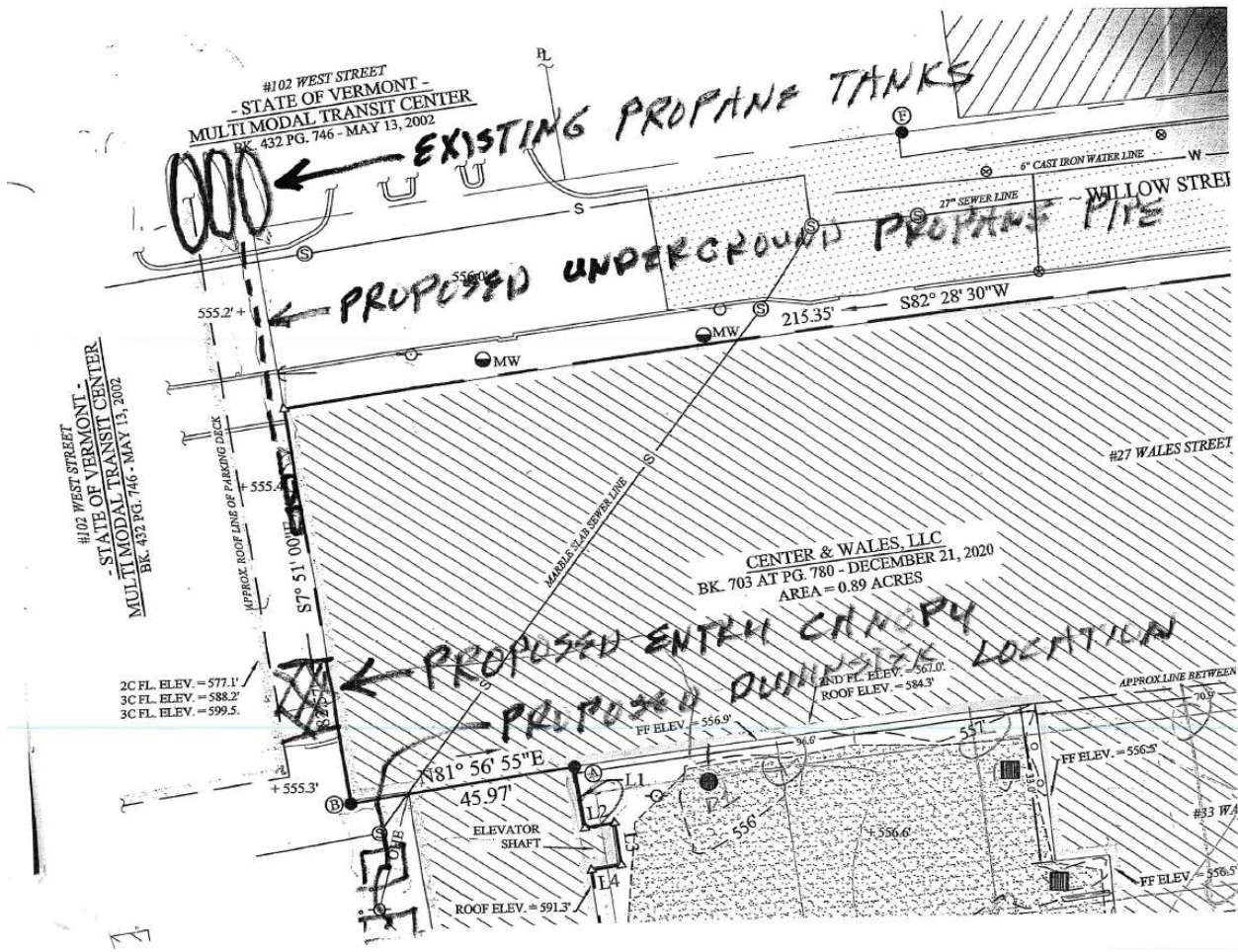
EXHIBIT D

Description of Public Improvements

- Bury and feed all electrical and communication conduits to be relocated from above ground to below ground on Wales Street, from Willow Street to south of Center Street; and provide Developer with a new transformer to serve the Redevelopment Project which Developer will install on adjacent State owned land.
- Install new water mains on Wales Street sufficient to serve the Redevelopment Project with tees and valves for the Redevelopment Project.
- Install new sewer main, new water main, and new stormwater main on Center Street sufficient to serve the Redevelopment Project with service connections for the Redevelopment Project; provided that this work may be constructed in phases to account for the availability of funding through a combination of Municipal Debt and other sources for pay for this work so long as the final phase of such work is completed within the two year construction period for the Public Improvements.
- Replace sidewalks on Center, Wales and Willow Streets during construction of the Redevelopment Project; provided that this work may be constructed in phases to account for the availability of funding through a combination of Municipal Debt and other sources for pay for this work so long as the final phase of such work is completed within the two year construction period for the Public Improvements.

EXHIBIT E

Liquid Propane Line Details



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