

**THIS IS A PRELIMINARY DRAFT SUBJECT TO FURTHER
REVIEW AND COMMENT**

DEVELOPMENT AGREEMENT

Dated as of _____, 2007

by and among

**RENAISSANCE PLACE LLC,
a Connecticut limited liability company,**

THE BOROUGH OF NAUGATUCK,

and the

**THE NAUGATUCK ECONOMIC
DEVELOPMENT CORPORATION**

**Relating to the Development of the
Development District in the
Borough of Naugatuck, Connecticut**

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THIS DEVELOPMENT AGREEMENT (the "Agreement") is made and entered into as of this __ day of _____ 2007, by and among RENAISSANCE PLACE LLC, a Connecticut limited liability company ("Renaissance"), the NAUGATUCK ECONOMIC DEVELOPMENT CORPORATION (the "Corporation"), and the BOROUGH OF NAUGATUCK, a body corporate and politic and a political subdivision of the State of Connecticut (the "Borough"). Capitalized words and terms used herein, including in the recitals which follow, have the respective meanings assigned to such words and terms in Article I of this Agreement.

RECITALS

WHEREAS, the Borough and the Corporation have expressed an interest in encouraging and enabling the revitalization and redevelopment of the Borough of Naugatuck and its immediate environment, and stimulating substantial economic development and corresponding increased job creation and tax revenues to the Borough; and

WHEREAS, the Borough has found that market rate housing, entertainment, recreation, retail, medical, technology, industry, energy creation, office and other compatible uses, and related parking development in the downtown Naugatuck area will stimulate the needed redevelopment of said area and that the success of this development is dependent upon the integrated development and completion of the associated market rate housing, entertainment, recreation, retail, medical, technology, industry, energy creation, and office and other compatible uses; that the acquisition of property and the preparation of suitable sites for such associated private development, particularly in an urban area, often cannot be accomplished through the ordinary operations of private enterprise, and therefore public participation and assistance in site acquisition and preparation are necessary inducements to such activities and development; and

WHEREAS, on June 14, 2005, the Board of Mayor and Burgesses of the Borough adopted an ordinance designating the Corporation as either (i) its development agency

under the provisions of Chapter 132 of the Connecticut General Statutes (“C.G.S.”) (the “Development Act”) and/or (ii) its redevelopment agency under the provisions of Chapter 130 of the Connecticut General Statutes (the “Redevelopment Act”); and

WHEREAS, the Borough and the Corporation desire to stimulate the redevelopment of downtown Naugatuck through public improvements within the downtown Naugatuck area which will further aid the area’s revitalization; and

WHEREAS, Renaissance is the owner, or will become the owner, of certain parcels or tracts of land situated in the downtown area of the Borough of Naugatuck, Connecticut more particularly described on the Exhibit A attached hereto (the “Renaissance Parcels”), included and described within a larger tract of land situated in the Borough and more particularly described on the attached Exhibit B (the “Development District Area”); and

WHEREAS, included among the Renaissance Parcels is that certain real property and associated improvements located on the southern portion of the Development District Area, which property currently is owned by General Datacomm Corporation and is included and described on the attached Exhibit C (the “GDC Site”); and

WHEREAS, Renaissance, in cooperation with the Naugatuck Parties (as hereinafter defined), will seek to establish the Development District Area as a newly created development district (the “Development District”) pursuant to the terms of this Agreement; and

WHEREAS, the Borough is the owner of certain parcels or tracts of land within the Development District Area described as those shaded parcels or portions of parcels numbered 5, 7, 8, 10, 12 and 13 on the attached Exhibit D (the “Borough Owned Parcels”); and

WHEREAS, the Borough intends to exercise best efforts to acquire certain parcels or tracts of land within the Development District Area described as those shaded parcels

numbered 1, 2 and 6 on the attached Exhibit D (the “Borough Acquisition Parcels,” together with the Borough Owned Parcels, the “Borough Parcels”); and

WHEREAS, in addition to the Development District Area, the Parties have identified a second parcel or tract of land along the riverfront described on the attached Exhibit E (the “Additional Development Property”) which may be necessary for and beneficial to the development of the Development District Area; and

WHEREAS, the Borough, the Corporation and Renaissance entered into a Pre-Development Agreement dated June 16, 2004 setting forth their preliminary understandings as to the development of the Development District Area; and

WHEREAS, the Borough, the Corporation, and Renaissance have the authority to enter into this Agreement; and

WHEREAS, Renaissance is an experienced developer which intends to undertake a development program in the Development District Area in multiple phases to revitalize Naugatuck’s downtown center and related areas for various uses, including, but not limited to, market rate housing, entertainment, recreation, retail, medical, technology, industry, energy creation, office and other compatible uses (the “Project”); and

WHEREAS, Renaissance has prepared, in consultation with the Borough and the Corporation, a master concept plan which reflects a conceptual framework for the proposed development of the Project within the Development District Area and is attached hereto as Exhibit F (the “Master Concept Plan”); and

WHEREAS, subject to available property and financial resources, Renaissance intends to develop the Project in an environmentally friendly manner, as such concept is described in the “Sustainable Initiatives” section of the Master Concept Plan; and

WHEREAS, the Borough, the Corporation and Renaissance intend to prepare jointly a Municipal Development Plan for the Project in accordance with the applicable statutory requirements (the “MDP”); and

WHEREAS, pursuant to the Development Act, the State of Connecticut has authority to make planning grants and special planning grants to municipalities to assist in and facilitate the preparation of an MDP by providing all or a part of the costs of such preparation (“Project Planning Grants”); and

WHEREAS, Renaissance will assist the Borough and the Corporation in pursuing such grants from the State and other granting authorities and, upon such grants being processed and made available to offset the costs of the preparation of the MDP, the same shall be utilized by the Corporation to offset, on an equitable and prorata basis, the expenditures made or to be made by each Party in the preparation of the MDP, to the extent said grant or granting authority allows such reimbursement; and

WHEREAS, the Corporation engaged the firm of Harrall-Michalowski Associates, Inc. (“HMA”) in accordance with the requirements set forth in a “Request for Proposal Market Feasibility Study of Renaissance Place” dated December 15, 2005 to conduct a market/economic feasibility study for the Project, which was completed and presented to the Parties; and

WHEREAS, the Parties will cooperate and work together to secure any funding that may be available for the Project, including local, state and federal grants, loans and other financial assistance; and

WHEREAS, the Borough and the Corporation intend to proceed with the development as contemplated by this Agreement, and are prepared to designate Renaissance as the sole and exclusive developer of all components within the Development District Area as contemplated by this Agreement; and

WHEREAS, Renaissance has agreed, subject to satisfaction of the conditions precedent contained hereinbelow, to develop the Development District Area for and in accordance with the uses specified herein; and

WHEREAS, on _____, 2007, the Board of Mayor and Burgesses for the Borough adopted a resolution approving this Agreement and authorizing the execution and delivery thereof on behalf of the Borough, and authorizing the performance of all obligations of the Borough under this Agreement; and

WHEREAS, on _____, 2007, the Board of Directors for the Corporation adopted a resolution approving this Agreement and authorizing the execution and delivery thereof on behalf of the Corporation, and authorizing the performance of all obligations of the Corporation under this Agreement; and

WHEREAS, on _____, 2007, the members of Renaissance adopted a resolution approving this Agreement and authorizing the execution and delivery thereof on behalf of Renaissance, and authorizing the performance of all obligations of Renaissance under this Agreement; and

WHEREAS, the Parties wish to set forth their mutual understandings as to their respective roles, responsibilities and obligations relating to the development of the Project in the Development District Area and certain material terms and conditions of other definitive agreements that the Parties intend to enter into with respect thereto;

NOW, THEREFORE, in consideration of the foregoing and the mutual representations, warranties, agreements, and covenants set forth herein, the Parties hereto agree as follows:

AGREEMENT

ARTICLE I

DEFINITIONS AND INTERPRETATION

Section 1.01 Definitions.

For purposes of this Agreement, the following words and terms shall have the meanings set forth below:

“50% Incremental Tax Amount” is defined in Section 9.05(e) hereof.

“ADRC” is defined in Section 5.03(d) hereof.

“Additional Development Property” has the meaning assigned to such term in the recitals hereof.

“Affiliate” means, with respect to any Person, any Person that, directly or indirectly, controls, is controlled by, or is under common control with, such Person. The term “control” (including the terms “controlled by” and “under common control with”) means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract, or otherwise.

“Agreement” means this Development Agreement, all recitals, exhibits, schedules and appendices hereto, and any and all supplements and amendments hereto or thereto.

“Applicable Laws” means all federal, state and local laws, statutes, codes, ordinances, rules, regulations, orders or determinations of Governmental Authorities, including, without limitation, Environmental Laws, laws applicable to the design, development, purchase, acquisition, disposition, equipping, construction, financing, leasing, maintenance, ownership, occupancy, possession, control, management, use or non-

use or operation of any property, facility, structure or improvement forming part of the Development District Area, the performance by the Parties of their respective obligations under the Operative Agreements or the consummation of the transactions contemplated thereby.

“Applicable Taxes” means, with respect to a taxpayer, all applicable taxes, assessments, fees and other governmental charges due from such taxpayer to the State, any federal taxing authority or any municipality or other local taxing or assessment district or authority, arising from, based upon or otherwise relating to the design, development, purchase, acquisition, disposition, equipping, construction, financing, leasing, maintenance, ownership, occupancy, possession, control, management, use or non-use or operation of any property, facility, structure or improvement forming part of the Development District Area, the performance by the Parties of their respective obligations under the Operative Agreements or the consummation of the transactions contemplated thereby, whether in the nature of income taxes, sales and use taxes, admissions, cabaret and dues taxes, corporation business taxes, real and personal property taxes, utility taxes, conveyance taxes, franchise taxes, motor vehicle taxes, employment and withholding taxes, license, registration and filing fees or otherwise, together with all penalties, fines and interest payable with respect to any of the foregoing.

“Architect” means the Renaissance Architect or such other similarly qualified architect or architectural firm licensed in the State and mutually acceptable to the Parties.

“Bonds” is defined in Section 9.05(b) hereof.

“Borough” means the Borough of Naugatuck, Connecticut.

“Borough Acquisition Parcels” has the meaning assigned to such term in the recitals hereof.

“Borough Conveyance Parcels” is defined in Section 7.02(c) hereof.

“Borough Funding Commitment” means the Phase I Borough Funding Commitment, as to Phase I, and the Successive Phase Borough Funding Commitment, as to all other Phases.

“Borough Owned Parcels” has the meaning assigned to such term in the recitals hereof.

“Borough Parcels” has the meaning assigned to such term in the recitals hereof.

“Borough Parcels/Garage Parcels Acquisition Agreement” means the agreement to be entered into by the Borough and Renaissance relating to the conveyance of the Borough Conveyance Parcels by the Borough to Renaissance and the conveyance of the Renaissance Garage Parcels by Renaissance to the Borough, which shall be in form and substance satisfactory to the Parties.

“Borough Property” means the real property consisting of the Borough Parcels, together with the buildings and improvements located thereon.

“Buildable Condition,” when used with respect to any site or area of land defined in this Agreement, means that (a) the subject area is, and all buildings and improvements thereon are, owned in fee by the Borough, the Corporation or Renaissance; (b) all tenants and other occupants, if any, have been relocated therefrom; (c) all improvements erected upon, above, or under the subject area, other than improvements that are to remain as more specifically described in the Schematic Design Documents, have been demolished; (d) all underground storage tanks and other significant underground obstructions including, but not limited to, foundations, have been removed from the subject area; (e) all underground utilities have been removed from the subject area, or, if not likely to constitute a significant or costly obstacle to construction, as determined by Renaissance in its reasonable discretion, have been closed off and abandoned in place; (f) to the extent identified in the Schematic Design Documents, those public streets and rights of way within the subject area have been legally closed and abandoned, and all governmental procedures required for such purposes have been completed; (g) all excavations made for any of the foregoing purposes, or for any purpose set forth in this definition have been

backfilled with clean fill containing no Hazardous Material in excess of the levels allowable for residential or commercial/industrial developments pursuant to the RSRs consistent with the proposed Project uses, and such fill has been leveled, rolled, graded, and compacted; and (h) all platforms (whether in the form of pavement, concrete slabs, caps or other physical structures), to be identified in the Schematic Design Documents, on which the Project Improvements may be constructed, have been completed only to the extent that such platforms are deemed necessary by the Naugatuck Parties in connection with Site Remediation activities undertaken for the Project Improvements. The term “Buildable Condition” shall mean, moreover, when used with respect to any site or area of land defined or described in this Agreement, that the subject area is free of Hazardous Material to the extent required by applicable Environmental Laws; and that any Hazardous Materials remaining on the subject area are at levels of concentration permitted for residential or commercial/industrial developments, as applicable, under such Environmental Laws, and have been remediated if and to the extent required for residential or commercial/industrial developments, as applicable, under Environmental Laws; and the Naugatuck Parties shall have obtained and provided to Renaissance, if reasonably requested by Renaissance, written confirmation, from the applicable Governmental Authorities or a licensed environmental professional, that any required cleanup or remediation work has been completed in accordance with RSRs. For purposes of complying with the RSRs the Parties agree that environmental land use restrictions (“ELURs”) shall be allowed on the Project Parcels to the extent that they are not inconsistent with the Project as contemplated herein.

“Business Day” means any day other than a Saturday, Sunday, legal holiday as recognized in the Borough of Naugatuck or the State of Connecticut, or any other day on which, in the State of Connecticut, the United States Post Office has no scheduled deliveries.

“CEPA” means the Connecticut Environmental Policy Act.

“Chief Executive Officer” means the Chief Executive Officer of the Corporation, or his designee.

“Code” means the Internal Revenue Code of 1986, as amended, and the rules and regulations promulgated thereunder.

“Combined Projects” means the Naugatuck Projects and the Renaissance Projects.

“Commercial Improvements” is defined in Section 5.02 hereof.

“Conceptual Plans” has the meaning ascribed to such term in the Pre-Development Agreement.

“Connecticut Adverse Law” means an Applicable Law which (i) is enacted or adopted by the State or by the Borough after the Effective Date, (ii) is not by its terms of general applicability, or is by its terms of general applicability but in application only affects the Development District Area, Renaissance or the Naugatuck Parties (as it relates to the Project), and (iii) makes compliance by Renaissance or the Naugatuck Parties with their respective obligations under this Agreement materially more burdensome or has the effect of materially impairing the rights of Renaissance or the Naugatuck Parties, as the case may be, under this Agreement.

“Construction Commencement Failure Date,” as it relates to each specific Phase, means (i) five (5) years from the Effective Date, in the event Renaissance has failed to commence construction of the Phase I Private Improvements by such date, subject, however to Uncontrollable Circumstance and provided such failure by Renaissance is not a result of a Naugatuck Default; (ii) that date agreed to by the Parties as part of the approval of Phase II pursuant to Section 5.01(b) hereof, in the event Renaissance has failed to commence construction of the Phase II Private Improvements by such date, subject, however to Uncontrollable Circumstance and provided such failure by Renaissance is not a result of a Naugatuck Default; (iii) that date agreed to by the Parties as part of the approval of Phase III pursuant to Section 5.01(b) hereof, in the event Renaissance has failed to commence construction of the Phase III Private Improvements by such date, subject, however to Uncontrollable Circumstance and provided such failure by Renaissance is not a result of a Naugatuck Default; and (iv) that date agreed to by the Parties as part of the approval of Phase III pursuant to Section 5.01(b) hereof, in the event Renaissance has

failed to commence construction of the Phase IV Private Improvements by such date, subject, however to Uncontrollable Circumstance and provided such failure by Renaissance is not a result of a Naugatuck Default. For purposes of this definition, “commence construction” shall mean the building permit has been issued, the contractor has fully mobilized at the site and the contractor has commenced the construction of one or more buildings.

“Construction Consultant” means any consulting architects, engineers or inspectors retained by the Naugatuck Parties from time to time to review construction activities, construction documents, plans, reports, requisitions, and any other construction materials, and to provide advice regarding construction related matters for the benefit of the Naugatuck Parties.

“Construction Disbursement Agreement” is defined in Section 8.03(b) hereof.

“Construction Financing” is defined in Section 9.02 hereof.

“Construction Standards” is defined in Section 4.06 hereof.

“Corporation” means the Naugatuck Economic Development Corporation.

“DECD” means the State of Connecticut Department of Economic and Community Development or any successor agency thereof.

“DEP” means the State of Connecticut Department of Environmental Protection .

“Default” means a Naugatuck Default or a Renaissance Default.

“Development Act” has the meaning ascribed to such term in the recitals hereof.

“Development District” has the meaning ascribed to that term in the recitals hereof.

“Development District Area” has the meaning ascribed to that term in the recitals hereof.

“Disbursement Schedule” means a schedule of the amounts of the Payments anticipated to be requested by Renaissance each month during the construction of the Public Improvements (including an itemization of hard costs and soft costs to be included in each such Request for Payment).

“Effective Date” is defined in Section 2.01 hereof.

“Environmental Laws” means any and all federal, state and local laws, statutes, ordinances, rules, regulations, orders, or determinations of any Governmental Authority pertaining to the environment, including the federal Clean Water Act, the federal Clean Air Act, the federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986, the federal Water Pollution Control Amendments, the federal Resource Conservation and Recovery Act of 1976, the federal Hazardous Materials Transportation Act of 1975, the federal Safe Drinking Water Act, the federal Toxic Substances Control Act, RSRs and any other comparable or similar environmental laws of the State applicable to the design, development, purchase, acquisition, disposition, equipping, construction, financing, leasing, maintenance, ownership, occupancy, possession, control, management, use or non-use or operation of any property, facility, structure or improvement forming part of the Combined Projects.

“Estimated Debt Service Requirements” is defined in Section 9.05(d) hereof.

“Final Project Schedule” is defined in Section 5.03(c) hereof.

“Financial Advisor” is defined in Section 9.06 hereof.

“FOIA” is defined in Section 16.03 hereof.

“Garage Parcels” means those certain parcels or tracts of land on which the Parking Garages are to be constructed, as indicated on Exhibit G attached hereto, as such

exhibit may be modified subject to the approval of the Parties, and which will be more particularly described in the Plans, and will include the Renaissance Garage Parcels and the Borough Acquisition Parcels.

“GDC Site” has the meaning ascribed to that term in the recitals hereof.

“General Statutes” means the General Statutes of the State of Connecticut, 1958 Revision, as amended.

“Governmental Authorities” means all federal, state or local governmental bodies, instrumentalities or agencies, including all political subdivisions of the State (including municipalities, taxing, fire and water districts and other governmental units), including, without limitation, the Borough of Naugatuck and the State of Connecticut.

“Governmental Permits” means all Local Approvals, Other Approvals and permits, authorizations, registrations, consents, approvals, waivers, exceptions, variances, orders, judgments, decrees, licenses, exemptions, publications, filings, notices to and declarations of or with, or required by Governmental Authorities pursuant to Applicable Laws, including, but not limited to, those relating to traffic, environmental protection, wetlands, zoning and site approval, building and public health and safety that are required for the development of any property, facility, structure or improvement forming part of the Development District Area, but specifically excluding building permits, elevator licenses, liquor licenses and other operational permits.

“Hazardous Materials” means (i) any chemical, compound, material, mixture or substance that is now or hereafter defined as or included in the definition of “hazardous substances”, “hazardous wastes”, “hazardous materials”, “extremely hazardous waste”, “restricted hazardous waste” or “toxic substances” or terms of similar import under any applicable federal, state or local law, or under the regulations adopted or promulgated pursuant thereto, including Environmental Laws; (ii) any oil, petroleum or petroleum derived substance, any flammable substances or explosives, any radioactive materials, any hazardous wastes or substances, any toxic wastes or substances, or any other materials or pollutants which cause any part of any facility, structure or improvement to be in violation of any Environmental Laws; and (iii) asbestos in any form, urea formaldehyde foam

insulation, electrical equipment which contains any oil or dielectric fluid containing levels of polychlorinated biphenyls in excess of applicable legal or regulatory limits.

“Incremental Property Tax Share” means, for any Phase of the Project, that amount equal to fifty percent (50%) of the Incremental Property Taxes actually generated by the completion of the Project Improvements within the Development District Area relating to such Phase, less that portion of the Incremental Property Taxes utilized in determining the amount of the Bonds issued for such Phase and that portion of the Incremental Property Taxes pledged under or in connection with any state or federal assistance programs or for which a tax credit or abatement has been given by the Borough.

“Incremental Property Taxes” is defined in Section 9.05(c) hereof.

“Infrastructure Improvements” shall mean those certain off-site infrastructure improvements related to each Phase which will be designed to accommodate the Project Improvements, the plans for which shall be in form and substance satisfactory to the Parties, and include the construction or relocation of designated existing public and private roads, utilities, parks, sidewalks, gutters, curbs and traffic signals. The Infrastructure Improvements for Phase I are shown on Exhibits H-1 and H-2 attached hereto (“Phase I Infrastructure Improvements”). Any Infrastructure Improvements proposed for Successive Phases are subject to the written approval of each of the Parties in accordance with the terms and conditions hereof.

“Lien” means any mortgage, pledge, security interest, encumbrance, lien or charge of any kind (including any agreement to give any of the foregoing), any conditional sale or other title retention agreement, and any lease in the nature thereof but shall exclude Permitted Encumbrances.

“Local Approvals” is defined in Section 6.01 hereof.

“MCP” means the Master Concept Plan

“Master Concept Plan” is defined in the recitals hereof.

“MDP” means a municipal development plan for the Development District Area pursuant to the Development Act.

“MDP Consultant” is defined in Section 4.02(c) hereof.

“Naugatuck Default” is defined in Section 14.02 hereof.

“Naugatuck Funded Improvements” is defined in Section 4.04(c) hereof.

“Naugatuck Infrastructure Improvements” means the Infrastructure Improvements to be funded by the Naugatuck Parties. The Naugatuck Infrastructure Improvements to be made in Phase I are more specifically described on Exhibit H attached hereto (the “Phase I Naugatuck Infrastructure Improvements”). Any Naugatuck Infrastructure Improvements proposed for Successive Phases are subject to the approval of the Parties in accordance with the terms and conditions hereof.

“Naugatuck Parties” means collectively the Borough and the Corporation.

“Naugatuck Projects” means the Public Parking Facilities, and all other elements of the Public Improvements located within the Development District Area and part of Phase I.

“Naugatuck Site Preparation Cost Obligation” is defined in Section 7.03 (c) hereof.

“NEPA” means the National Environment Policy Act.

“Operative Agreements” is defined in Section 2.02 hereof.

“Other Approvals” is defined in Section 6.02 hereof.

“Parking Garages” means the structured parking facilities designed to be constructed as part of Phase I on the Garage Parcels in accordance with the Plans. It is anticipated that structured parking for no less than 5,181 motor vehicles, subject to compliance with Applicable Laws, shall be necessary for all Phases of the Project.

“Parking Management Agreement” is defined in Section 8.06(a) hereof.

“Parking Revenue Bonds” means revenue bonds which may be issued by the Borough or the Corporation to provide an additional source of funding for the costs of completion of the Parking Garages, including any and all Site Acquisition, Site Preparation and Site Remediation costs related thereto.

“Parties” means the Borough, the Corporation and Renaissance.

“Payments” is defined in Section 8.03(b) hereof.

“Permitted Encumbrances” means (i) any Permitted Mortgage, and (ii) any of the following: (A) liens for taxes, assessments and other governmental charges or levies not yet delinquent; (B) liens of materialmen, mechanics, carriers, warehousemen, and other similar liens arising in the ordinary course of business and securing obligations that have not remained unpaid for more than ninety (90) days from the date the same shall have become due; (C) pledges or deposits made in connection with, or to secure payment of, worker’s compensation, unemployment insurance, old age pensions or other social security obligations; (D) liens in favor of either of the Parties created pursuant to the Operative Agreements; (E) utility, access and other easements and rights of way, encroachments and exceptions which will not interfere with or impair the present or future operation of the property; (F) rights of tenants, occupants and licensees pursuant to leases, occupancy agreements or other such rental agreements; (G) rights, interests, privileges or entitlements approved in writing by the Parties; and (H) such minor defects, irregularities, encumbrances, easements, and clouds on title as normally exist with respect to similar properties and which do not adversely affect marketable title of the property affected thereby as determined by application of the Standards of Title of the Connecticut Bar Association then in effect.

“Permitted Mortgage” means any fee or leasehold mortgage financing or refinancing of all or some of the Renaissance Projects which shall run in favor of a so-called “institutional lender” (including as lead lender, administrative agent for the benefit of other institutional lenders or as trustee for the benefit of bondholders) such as, but not limited to, a federal, state, or local housing finance agency or development authority, a bank (including a savings and loan association), an insurance company, a mortgage

banking or investment banking firm, a pension and/or profit sharing fund or trust, investment fund, investment group, or any combination of the foregoing, which financing and/or refinancing shall be in such amount as Renaissance may reasonably determine.

“Person” or “entity” means any natural person, corporation, partnership, limited liability company, association, trust, other business entity or governmental unit.

“Phase” means Phase I or any Successive Phase.

“Phase I” means the first phase of the Project as more particularly described in Exhibit I attached hereto, as may be modified subject to the approval of the Parties in accordance with the terms hereof, and which will be more particularly described in the Plans.

“Phase I Borough Acquisition Parcels” is defined in Section 7.02(b) hereof.

“Phase I Borough Funding Commitment” means the total dollar amount of Borough financial assistance available to support Public Development Costs for Phase I, regardless of the means employed to deliver such support, whether local, state or federal, and in no event shall exceed the lesser of (i) the aggregate of the development cost reflected in line items labeled “B. Public Development” and “C. Public Infrastructure” for Phase One on Exhibit N attached hereto, which amount may be adjusted due to unforeseen increases in the cost of construction materials, provided that such adjustment shall be subject to the reasonable approval of the Parties and shall in no event exceed ten percent (10%) of such amount and (ii) the 50% Incremental Tax Amount as calculated pursuant to Section 9.05(e) hereof.

“Phase I Private Improvements” is defined in Section 5.02(a) hereof.

“Phase I Public Improvements” is defined in Section 5.01(a) hereof.

“Phase I Public Parking Facilities” is defined in Section 5.01(a) hereof.

“Phases” means Phase I and any Successive Phase.

“Plans” means the final plans and specifications prepared by the Architect at the direction of Renaissance, in accordance with industry standards, for the development of the Project and the construction of the Project Improvements. The Plans shall include all construction documents, architectural, mechanical, electrical, and plumbing drawings and specifications necessary to complete the construction of the Project Improvements.

“Preliminary Project Budget” is defined in Section 5.04(a) hereof.

“Preliminary Project Schedule” is defined in Section 5.03(a) hereof.

“Private Improvements” means the buildings and related improvements to be constructed and developed by Renaissance, or at the direction of Renaissance, as part of Phase I and all Successive Phases, including, without limitation, the Residential Improvements, the Retail Improvements, the Commercial Improvements and the Renaissance Infrastructure Improvements. Private Improvements does not include the Naugatuck Projects or the Public Improvements. Any Private Improvements proposed for Successive Phases are subject to the written approval of each of the Parties in accordance with the terms herein.

“Project” is defined in the recitals hereof.

“Project Budget” is defined in Section 5.04(b) hereof.

“Project Documents” means all books, records, plans and specifications, drawings, renderings, schematics, models, schedules, budgets, cost estimates, invoices, data, reports, studies, contracts and agreements, and other materials, documents and information, including all such materials, documents and information in electronic form, (i) relating to the design, development, construction, cost or funding of the Combined Projects, (ii) relating to any cost allocation between the Parties or the incurrence, payment or calculation of reimbursable expenses or otherwise necessary for proper financial management in accordance with the terms hereof, or (iii) relating to Renaissance to the extent such information is necessary for purposes of any required review, consent or approval of the Naugatuck Parties pursuant to this Agreement, or in order to determine compliance by Renaissance with its commitments and obligations under this Agreement.

“Project Improvements” means the Private Improvements and the Public Improvements.

“Project Manager” is defined in Section 4.05(a) hereof.

“Project Parcels” means the Borough Parcels and the Renaissance Parcels.

“Project Planning Grants” has the meaning assigned to such term in the recitals hereof.

“Project Schedule” means, initially, the Preliminary Project Schedule, as it may be amended and modified pursuant to the terms herein, and if replaced or superseded by the Final Project Schedule pursuant to the terms herein, it shall mean the Final Project Schedule.

“Proprietary Information” means any and all information furnished by the Naugatuck Parties or Renaissance or any Renaissance Affiliate, or any of their Representatives, pursuant to this Agreement, whether furnished before or after the date hereof, whether oral, written, recorded or electronic, and regardless of the manner in which furnished, which would be deemed protected from disclosure under the FOIA.

“Public Development Costs” means the aggregate cost (i) to acquire the Borough Acquisition Parcels and the Renaissance Garage Parcels, (ii) to design, develop and construct the Public Improvements in accordance with the Plans and all Applicable Laws and Governmental Permits, and (iii) to complete all Site Preparation and Site Remediation related to the Public Improvements. The final determination of the Public Development Costs shall be presented to the Naugatuck Parties for their review and approval as part of the Project Budget approval process.

“Public Funding Agency” means any Governmental Authority which provides public financial assistance in connection with the Project.

“Public Improvements” means the Public Parking Facilities and the Naugatuck Infrastructure Improvements to be constructed as part of Phase I and all Successive Phases. Public Improvements does not include the Renaissance Projects or the

Private Improvements. Any Public Improvements proposed for Successive Phases are subject to the written approval of each of the Parties in accordance with the terms herein.

“Public Improvements Budget” is defined in Section 5.04(c) hereof.

“Public Parking Facilities” is defined in Section 8.01(a) hereof.

“Public Site Acquisition” is defined in Section 7.02 (b) hereof.

“Renaissance” means Renaissance Place LLC, a Connecticut limited liability company, its successors and/or its assigns.

“Renaissance Affiliate” is defined in Section 4.01(d) hereof.

“Renaissance Architect” is defined in Section 4.04(b) hereof.

“Renaissance Default” is defined in Section 14.01(a) hereof.

“Renaissance Garage Costs” is defined in Section 8.07(d) hereof.

“Renaissance Garage Parcels” means that portion of the Renaissance Parcels to be conveyed to the Naugatuck Parties in connection with the development of the Parking Garages and more specifically described on the attached Exhibit A and Exhibit G, as such exhibits may be modified subject to the approval of the Parties.

“Renaissance Infrastructure Improvements” means the Infrastructure Improvements to be constructed and funded by Renaissance as part of the Private Improvements.

“Renaissance Parcels” has the meaning assigned to such term in the recitals hereof.

“Renaissance Projects” is defined in Section 5.02(a) hereof.

“Renaissance Site Acquisition” is defined in Section 7.02(a) hereof.

“Representatives” means a Person’s Affiliates, and its or their directors, members, managers, partners, officers, employees, agents, consultants and advisors (including lenders, financial advisors, counsel, accountants, architects, engineers and other professionals) preparing, furnishing, receiving or utilizing, as the case may be, any Proprietary Information.

“Residential Improvements” is defined in Section 5.02(a) hereof.

“Retail Improvements” is defined in Section 5.02(a) hereof.

“RSRs” means the State of Connecticut Remediation Standard Regulations, RCSA § 22a-133k-1, et. seq.

“Schematic Design Documents” is defined in Section 7.01(a) hereof.

“Site Acquisition” means the Public Site Acquisition and the Renaissance Site Acquisition.

“Site Preparation” is defined in Section 7.03(a) hereof.

“Site Preparation Commencement Date” is defined in Section 7.03(a) hereof.

“Site Remediation” means those remedial activities required to be undertaken based on the Plans in order to render a parcel of land or building within the Development District Area in accordance with applicable remediation standards of DEP for residential and commercial/industrial uses contemplated by this Agreement and the issuance of customary documentation by DEP and/or the environmental consultants to evidence completion of such remediation.

“State” means the State of Connecticut.

“State Assistance Agreement” is defined in Section 9.04 hereof.

“Substantial Completion” and similar terms means as to any improvements substantially completed in accordance with the approved Plans and any approved

modifications thereto, as certified by the Architect, and ready and permitted for use and occupancy under all Applicable Laws, including the issuance of an appropriate temporary or permanent certificate of occupancy, if applicable.

“Successive Phase” means each phase of Successive Phase Project Improvements to be developed in addition to Phase I and includes any site acquisition, site preparation and site remediation related thereto consistent with the terms of this Agreement.

“Successive Phase Borough Funding Commitment” means, as to each particular Successive Phase, the total amount of Borough financial assistance available to support Public Development Costs for such applicable Phase, regardless of the means employed to deliver such support, whether local, state or federal, and in no event shall exceed the lesser of (i) the amount to be determined by the written consent of all Parties for each Successive Phase prior to or contemporaneous with the approval of Successive Phases or (ii) that amount calculated pursuant to Section 9.05(e) hereof.

“Successive Phase Project Improvements” means any additional improvements to be designed, developed and constructed independent of, in addition to and complementary to Phase I, including any Project Improvements and Infrastructure Improvements.

“Termination Event” means (i) the occurrence of any event described in Sections 14.01(v), 14.01(vi), or 14.01(vii) hereof, (ii) the failure to approve Successive Phases under Section 16.20 within twenty-four (24) months from the date on which Renaissance presents to the Naugatuck Parties the exhibits reflecting the Successive Phase Project Improvements for a specific Successive Phase in accordance with said Section 16.20 (provided that such termination shall apply to the applicable Successive Phase and all future Successive Phases), or (iii) any other event whose occurrence shall entitle a Party to terminate this Agreement in accordance with the terms hereof.

“Uncontrollable Circumstance” means any event which renders impossible, prevents, interrupts or delays the performance of an obligation of a Party to this Agreement, if such event is beyond the reasonable control of such Party and which, by the

exercise of due diligence, such Party would be unable to overcome, including: strikes, lockouts, sit-downs, material or labor restrictions by any Governmental Authority, shortages of material or labor, unusual transportation delays, riots, acts of terrorism, floods, explosions, earthquakes, fire, unusually unfavorable weather (including wet grounds or inclement weather which prevents construction), acts of the public enemy, wars, insurrections, and changes in Applicable Laws.

Section 1.02 Interpretation.

(a) References to a “Section”, “Sections”, “Article” or “Articles” herein refer to this Agreement unless otherwise stated.

(b) Words of the masculine gender mean and include correlative words of the feminine and neuter genders and words importing the singular number mean and include the plural number and vice versa.

(c) Any headings preceding the texts of the several Articles and Sections of this Agreement, and any table of contents or index of schedules and exhibits appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Agreement, nor shall they affect its meaning, construction or effect.

(d) Words such as “hereunder”, “hereto”, “hereof” and “herein” and other words of similar import shall, unless the context requires otherwise, refer to the whole of this Agreement and not to any particular article, section, subsection, paragraph or clause hereof.

(e) A reference to “including” means including without limiting the generality of any description preceding such term and for purposes of this Agreement the rule of *ejusdem generis* shall not be applicable to limit or restrict a general statement, followed by or referable to an enumeration of specific matters, to matters similar to, or of the same type, class or category as, those specifically mentioned.

(f) Any reference to “days” shall mean calendar days unless otherwise expressly specified.

(g) Any reference to any statute, law or regulation includes all statutes, laws or regulations amending, consolidating or replacing the same from time to time, and a reference to a law or statute includes all regulations, codes or other rules issued or otherwise applicable under such law or statute unless otherwise expressly provided in such law or statute or in this Agreement. This rule of interpretation shall be applicable in all cases notwithstanding that in some cases specific references in this Agreement render the application of this rule unnecessary.

(h) All approvals, consents, waivers, acceptances, concurrences and permissions required to be given or made by any Party hereunder shall be at the sole and absolute discretion of the Party whose approval, consent, acceptance or permission is required, whether or not expressly so stated, unless otherwise expressly provided herein. Wherever under this Agreement “reasonableness” is the standard for the granting or denial of any approval, consent, waiver, acceptance or concurrence of any party hereto, the Naugatuck Parties shall be entitled to consider public policy and public laws, as well as business and economic considerations, and Renaissance may consider business and economic considerations.

(i) All notices to be given hereunder shall be given in writing (whether or not so specified in a particular provision of this Agreement) within a reasonable time unless otherwise specifically provided.

(j) Whenever any calculation or valuation may be made for any purposes hereunder and the method or manner of such calculation or valuation is not provided for in this Agreement, it shall be done in accordance with generally accepted accounting principles consistently applied or in such other manner as may be mutually agreed by the parties, unless otherwise required by Applicable Laws.

(k) The Naugatuck Parties and Renaissance have participated in the drafting of this Agreement and any ambiguity contained in this Agreement shall not be construed against the Naugatuck Parties or Renaissance solely by virtue of the fact that either the Naugatuck Parties or Renaissance may be considered the drafter of this Agreement or any particular part hereof.

(l) Each schedule and exhibit referred to in this Agreement shall be considered a part of this Agreement as if fully set forth herein.

ARTICLE II

EFFECTIVENESS

Section 2.01 Effective Date.

Upon acceptance, execution and delivery by each of the Parties hereto, as well as the satisfaction of all approval processes necessary for its execution and implementation, this Agreement shall be deemed effective as of the date set forth in the first paragraph hereof (the “Effective Date”). This Agreement is subject to and conditioned upon the approval of the Board of Mayor and Burgesses of the Borough, as to the Borough, and of the Board of Directors of the Corporation, as to the Corporation.

Section 2.02 Cooperation; Good Faith Efforts.

The Parties acknowledge that further actions and the execution and delivery of further documents and instruments may be reasonably requested by another Party in order to implement the terms of this Agreement. Such documents and instruments may include, but are not limited to, necessary parking, reciprocal easement, common area maintenance and other agreements which are customary for similar urban, mixed-use development projects. This Agreement, together with such other documents and instruments now or hereafter entered into by the Naugatuck Parties and/or Renaissance (or any Renaissance Affiliate) in connection with the development of the Combined Projects,

including, without limitation, the Borough Parcels/Garage Parcels Acquisition Agreement, the TIF Financing Agreement and the Construction Disbursement Agreement, are referred to herein as the “Operative Agreements”. Accordingly, the Parties agree to consult and cooperate reasonably and in good faith with respect to the taking of any such further actions and the negotiation, preparation and execution of any such agreements or instruments as may be necessary or desirable for such purposes; provided, however, that nothing in this Section 2.02 is intended to obligate any Party to take any action or execute any agreement or instrument that is inconsistent with any material provisions of this Agreement, or that imposes additional costs, obligations or burdens on any such Party in any material respect not otherwise contemplated or provided for in this Agreement.

Section 2.03 Connecticut Adverse Law.

It is not expected by the Parties that any Connecticut Adverse Law will be enacted or adopted. If a Connecticut Adverse Law is enacted or adopted during the term of this Agreement, the Parties agree to enter into good faith negotiations for the purpose of fairly allocating among them, in a manner consistent with the other understandings in this Agreement, any increased costs or expenses incurred or to be incurred in order to comply with the Connecticut Adverse Law, or for the purpose of agreeing on amendments to this Agreement designed to preserve the benefit of the bargain of the Parties contemplated hereby. In the event the performance of any Party’s obligations hereunder is or shall be in violation of any enacted Connecticut Adverse Law then any Party may terminate this Agreement.

ARTICLE III

COMPLIANCE WITH LAWS

Section 3.01 Compliance with Laws Generally.

With respect to the development of the Combined Projects and the performance of their obligations under this Agreement, each of the Parties agree that they

shall comply at all times with all Applicable Laws. In connection with all contracts and subcontracts with respect to the Combined Projects entered into by the Parties, the Parties shall require compliance by the other Parties to such contracts and subcontracts with Applicable Laws.

Section 3.02 Applicable Taxes.

Renaissance shall pay all Applicable Taxes when due, except for such Applicable Taxes (a) that Renaissance is contesting in good faith by appropriate proceedings, (b) for which Renaissance has established adequate reserves, and (c) as to which nonpayment will not result in the imposition of any Lien prohibited by Section 3.05 hereof.

Section 3.03 Compliance with Construction Standards; Environmental Laws and Regulations.

The Combined Projects shall be designed and constructed so as to protect the environment and the public health and safety consistent with Applicable Laws and shall otherwise be in accordance with all Applicable Laws. The design and construction of the Combined Projects shall meet all established standards under the applicable building codes and fire safety codes.

Section 3.04 Use of Project Documents; Work Product.

(a) The Project Documents related to the Public Improvements shall constitute the property of the Naugatuck Parties regardless of whether construction of the Project is completed. This Section 3.04 shall survive the termination of this Agreement.

(b) The Project Documents related to the Private Improvements shall constitute the property of Renaissance regardless of whether construction of the Project is completed.

(c) This Section 3.04 shall survive the termination of this Agreement.

Section 3.05 Liens.

Renaissance shall not cause any Lien to be filed, or suffer or permit any Lien to be maintained of record by any Person claiming by or through Renaissance or any Renaissance Affiliate or resulting from any claim against Renaissance or any Renaissance Affiliate, against any portion of the Development District Area or of the Project Improvements. If any such Lien shall be filed notwithstanding the prohibition of this Section 3.05, Renaissance promptly and at its own cost and expense shall cause such Lien to be released (except to the extent any such Lien has been filed by a third party as a result of the failure of the Naugatuck Parties to pay amounts due under this Agreement), or if the lien is contested by Renaissance, Renaissance may bond the Lien until the validity of the claim has been resolved.

ARTICLE IV

SELECTION OF DEVELOPER; MDP

Section 4.01 Selection of Exclusive Developer.

(a) The Naugatuck Parties hereby designate Renaissance as the exclusive developer of the Combined Projects within the Development District Area, such designation to be terminable only as provided in this Section 4.01. This designation entitles Renaissance to all rights to develop the Project Improvements pursuant to Applicable Law, including, without limitation, the Development Act, and the terms and conditions hereof and subject to the liabilities and obligations of Renaissance as provided herein. This designation shall terminate upon the earlier of the following: (i) the termination of this Agreement in accordance with Section 16.16 hereof or (ii) fifteen (15) years from the Effective Date.

(b) The designation herein by the Naugatuck Parties of Renaissance as the exclusive developer of the Development District Area is a final designation and not

intended to be contingent on the occurrence of any event or act on the part of any party, including Renaissance but shall be subject to termination in accordance with Section 4.01(a) hereof.

(c) The Parties agree to proceed diligently and in good faith with the specific planning, design and development of the Public and Private Improvements in the Development District Area, including, to the extent required, the implementation of the MDP once approved by the Corporation, the Borough and other applicable Governmental Authorities and Renaissance, the negotiation and preparation of any remaining Operative Agreements and any other development activities contemplated hereby, all on the terms and conditions set forth in this Agreement. This Agreement supersedes all prior written and oral agreements and understandings by and among the Parties (including the Pre-Development Agreement), except for Section 16 of the Pre-Development Agreement and as otherwise specifically set forth herein.

(d) In acting hereunder and under the other Operative Agreements, Renaissance may act through one or more Affiliates (each a “Renaissance Affiliate”), provided that any such Renaissance Affiliate (i) is a solvent partnership, corporation or limited liability company duly qualified to transact business in the State and (ii) has the legal authority to enter into and carry out the transactions to which it is proposed to be a party.

(e) So long as this Agreement shall not have been terminated in accordance with its terms, the Borough and the Corporation shall not negotiate with any other Person to serve as developer regarding the development of any portion of the Development District Area.

Section 4.02 Municipal Development Plan.

(a) The Naugatuck Parties and Renaissance intend to prepare the MDP for Phase I, or all Phases of the Project as provided herein, pursuant to the Development Act, including, without limitation, C.G.S. §8-189. The Parties shall exercise their best

efforts to prepare the MDP within six (6) months of the Effective Date of this Agreement. The MDP shall include, but not be limited to, the elements set forth in C.G.S. Section 8-189, to the extent legally required. The Parties will cooperate with each other in the preparation of the MDP.

(b) Unless otherwise agreed to by the Parties, the MDP shall be prepared by a firm/consultant acceptable to the Parties and any Public Funding Agency furnishing Project Planning Grants (“MDP Consultant”) in accordance with a scope of services to be mutually agreed upon by the Parties subject to approval of the Public Funding Agency furnishing Project Planning Grants (the “MDP Consultant Scope of Services”).

(c) Notwithstanding anything to the contrary contained herein, the Naugatuck Parties and Renaissance mutually consent to each other’s use of all final reports prepared, except those which may contain Proprietary Information, in support of the MDP for all purposes consistent with the Project.

(d) MDP Consultant shall be retained by the Parties as experts to assist the Parties in the preparation of the MDP for a certain not-to-exceed price (the “MDP Preparation Expenses”). The MDP Preparation Expenses shall include present and anticipated future expenditures for the preparation, if necessary, of, as the case may be, all reports and supporting documentation, including title and appraisal reports, required by statute to be included in the MDP. Such MDP Preparation Expenses will be shared equally by the Borough and Renaissance. The share of MDP Preparation Expenses borne by the Borough and Renaissance shall be subject to prorata reimbursements from Project Planning Grants, if any, for which applications shall be made by Renaissance and either or both of the Naugatuck Parties. The Parties will work together and cooperate in order to secure any public or private funds from third parties such as local authorities, the State, the federal government, and foundations in order to reimburse or pay the Borough’s or Renaissance’s obligations to fund the MDP Preparation Expenses, consistent with the requirements and regulations of the Borough and other funding sources. The share of

MDP Preparation Expenses borne by the Borough shall constitute a Public Development Cost under this Agreement except if funded or reimbursed to the Borough by an entity other than the Borough. Notwithstanding the foregoing, in all other cases under this Agreement, a Public Development Cost shall remain a Public Development Cost of the Naugatuck Parties regardless of the source of funding for such costs.

(e) Notwithstanding anything to the contrary contained herein, the MDP shall at a minimum encompass and describe the development of the Project Improvements for Phase I and may reflect the development of any Successive Phase Project Improvements subject to the approval of the Parties, provided that the inclusion of such Successive Phases within the MDP shall in no way obligate the Naugatuck Parties as to such Successive Phases unless such Successive Phases are approved in accordance with Section 16.20 hereof. In the event the MDP prepared pursuant to Section 4.02 hereof does not encompass any Successive Phase Project Improvements, for each Successive Phase undertaken by Renaissance, the MDP shall be amended to provide for such Successive Phase prior to the commencement of activities related to any Successive Phase Project Improvements. Such amendments to the MDP, if required, shall be undertaken pursuant to this Section 4.02.

Section 4.03 Approval of the MDP.

(a) Upon completion of the MDP, the Corporation shall undertake the process required for adoption of the MDP under the Development Act. The Parties will work diligently and cooperate in good faith to secure all approvals necessary for the adoption of the MDP in a prompt and expeditious manner.

(b) The Parties recognize that the failure to obtain approval of the MDP by the necessary Governmental Authorities may negatively affect the powers and rights of the Naugatuck Parties and their ability to perform certain obligations under this Agreement. Upon the adoption of the MDP by the necessary Governmental Authorities, as required by the Development Act, the performance of all obligations under this Agreement, including, without limitation, the construction of the Project Improvements, shall be

undertaken in accordance with Applicable Laws, including, without limitation, the Development Act.

(c) The Parties acknowledge that in connection with the preparation and approval of a municipal development plan pursuant to the Development Act, it may be determined after the date hereof that the interests of the Project shall be furthered by the preparation of a plan that also satisfies the requirements of a redevelopment plan under Chapter 130 of the Connecticut General Statutes and/or a development plan under Chapter 5881 of the Connecticut General Statutes. In such case, the Parties shall cause the preparation of a plan which satisfies the foregoing statutory requirements to the extent necessary to further the development of the Project and the term “MDP” as used herein shall encompass any and all plans prepared hereunder that satisfy the requirements of Chapter 130 and/or Chapter 5881.

Section 4.04 Selection and Employment of Architects.

(a) The Parties have agreed that substantial efficiencies can be achieved if the same design professionals are engaged for the Combined Projects. The Parties shall cooperate in an effort to ensure that the architect for the Project is fully accountable for the coordinated and integrated, to the extent necessary, design of the Combined Projects with the objective of achieving the greatest possible scheduling efficiencies and cost savings with respect to both design and construction.

(b) Renaissance shall select and employ as the master architect for the Combined Projects a qualified registered architect, architectural firm or group of firms or additional firms licensed in the State (the “Renaissance Architect”), whose primary responsibility shall be to ensure architectural compatibility with the Project Improvements and to ensure the coordinated and integrated design of the Combined Projects. The Naugatuck Parties and Renaissance agree that the architectural firm of FXFowle (formerly known as Fox & Fowle) is a qualified architectural firm for the position of Renaissance Architect and is acceptable for this position.

(c) If Renaissance so chooses, Renaissance may select and employ other architects, licensed in the State, other than FXFowle, to provide architectural services for the various Project Improvements which, if selected for the Public Improvements or any other improvements or work funded by the Naugatuck Parties (“Naugatuck Funded Improvements”), shall be subject to the reasonable written approval of the Naugatuck Parties.

(d) An estimate of costs and expenses associated with the performance of services by any architects for Naugatuck Funded Improvements shall be presented to the Naugatuck Parties for their review and approval, which approval shall not be unreasonably withheld

(e) The selection of any Architect for Naugatuck Funded Improvements shall be subject to Applicable Laws and other requirements, which may include the necessity to conduct an RFP, applicable to the Naugatuck Funded Improvements, and to the approval of any Public Funding Agency, if necessary.

Section 4.05 Project Manager.

(a) The Borough and the Corporation acknowledge that Renaissance has selected and engaged an acceptable project and construction management firm, Divney, Tung and Schwalbe LLP, to provide overall project management and development services for the Combined Projects (the “Project Manager”). Subject to final approval pursuant to Section 4.05(b) below, the Project Manager shall be subject to the overall supervision, direction and control of Renaissance and is authorized on behalf of the Borough and the Corporation to coordinate the day-to-day activities on behalf of the Borough and the Corporation for the programming, design, planning, architecture, scheduling, contractor selection, retention and direction, professional and consultant selection, retention and supervision, budget review, construction and completion of the Public Improvements, subject to the execution of an agreement with the Project Manager for Naugatuck Funded Improvements satisfactory to the Naugatuck Parties (the “Project Management Agreement”). The foregoing authorization shall not in any way limit,

restrict, abrogate or nullify any rights of review, approval or consent of the Naugatuck Parties granted herein. The Project Manager shall update the Borough and the Corporation with all requisite information so that those entities can properly make all required reviews, decisions and approvals.

(b) Notwithstanding the foregoing, the final approval of the Project Manager as it relates to the Public Improvements shall be subject to all Applicable Laws and other requirements, which may include the necessity to conduct an RFP, applicable to Naugatuck Funded Improvements and to the approval and requirements of any Public Funding Agency, if necessary. The Parties shall cooperate to obtain the approval of any Public Funding Agency in a timely manner.

(c) Any and all activities of the Project Manager under the Project Management Agreement, including, without limitation, the retention of contractors, subcontractors, professionals, consultants and laborers shall be subject to all Applicable Laws and other requirements, which may include the necessity to conduct an RFP, applicable to Naugatuck Funded Improvements and to the approval and requirements of any Public Funding Agency, if necessary. The Parties shall cooperate to obtain the approval of any Public Funding Agency in a timely manner.

Section 4.06 Construction Standards.

The Project Manager shall develop, subject to the approval of Renaissance and the Naugatuck Parties, minimum construction requirements and standards applicable to the Public and the Private Improvements to be constructed in the Development District Area (the "Construction Standards"). The Construction Standards shall be consistent with the MDP and shall satisfy, at a minimum, all Applicable Laws, shall meet or incorporate all applicable requirements under applicable building codes and fire safety codes, including the State Building Code and the State Fire Safety Code, and shall satisfy all requirements, if any, of any Public Funding Agency. Renaissance agrees to ensure that the construction of the Combined Projects shall be done in compliance with the Construction Standards.

ARTICLE V
COMBINED PROJECTS

Section 5.01 Public Improvements

(a) Subject to the terms and conditions set forth in this Agreement and the other Operative Agreements and the approved Plans, the public components of the Combined Projects as part of Phase I shall consist of (i) the Parking Garages and certain other parking structures or facilities to be constructed within the Development District Area, as more particularly described on Exhibit J attached hereto, as may be modified by the Parties, and as shall be described in the Plans (“Phase I Public Parking Facilities”) and (ii) the Phase I Naugatuck Infrastructure Improvements (collectively, the “Phase I Public Improvements”). Any changes in the scope or nature of the Phase I Public Improvements shall be subject to the review and reasonable approval of the Naugatuck Parties.

(b) The specific components of each Successive Phase and the Successive Phase Project Improvements constituting such Successive Phase, including Infrastructure Improvements, shall be subject to the good faith review and approval of the Parties and shall be reflected in exhibits describing such Successive Phase Project Improvements prepared by or at the direction of Renaissance, the form of such exhibits shall be consistent in scope and detail as those exhibits attached hereto. Exhibit O attached hereto provides a general description of the Project Improvements for Successive Phases and shall be considered by both Parties in formulating and approving the specific components of the Project Improvements for each Successive Phase. In connection with their consideration of each Successive Phase, the Parties shall determine the Construction Commencement Failure Date for each Successive Phase. Notwithstanding anything to the contrary contained herein, this Agreement shall apply to each Successive Phase upon the approval of the specific components of each particular Phase by the Parties, such approval to occur in accordance with, and subject to, the terms and conditions contained in this Agreement.

(c) Except as otherwise expressly provided herein, the Public Improvements shall be designed, developed and constructed by Renaissance subject to compliance with Applicable Laws, including any public bidding requirements related thereto.

(d) The costs associated with and related to the design, development and construction of the Public Improvements shall be the responsibility of the Naugatuck Parties and shall be funded by the Naugatuck Parties and such other sources of public financial assistance in accordance with Article 9 hereof.

Section 5.02 Private Improvements

(a) The private components of Phase I of the Combined Projects may include, but not be limited to, market rate housing, entertainment, recreation, retail, technology, medical services, institutional, hotel, industry, research and development, transportation, service, energy creation, educational and office components and other compatible uses in the Development District Area (collectively, the “Renaissance Projects”). Subject to the terms and conditions set forth in this Agreement and the other Operative Agreements and the approved Plans, Renaissance initially intends to construct, or cause to be constructed, in the Development District Area as part of Phase I certain residential units as more particularly described in the plans attached hereto as Exhibit K (the “Residential Improvements”), certain retail and entertainment improvements as more particularly described in the plans attached hereto as Exhibit L (the “Retail Improvements”), and certain commercial improvements as more particularly described in the plans attached hereto as Exhibit M (the “Commercial Improvements”, together with the Residential Improvements, the Retail Improvements and the Commercial Improvements, the “Phase I Private Improvements”). It is understood that the nature of the Phase I Private Improvements shall become more exact and defined over time and that they shall be subject to the reasonable review and approval of the Naugatuck Parties. Subject to consultation with and approval of the Naugatuck Parties, which approval shall not be unreasonably withheld, Renaissance may modify the scope and nature of the foregoing

Phase I Private Improvements and may decrease or increase (subject to the constraints of the site) the number of residential units and the number of square feet of commercial and other space based on, among other things, market conditions and market demand, provided that in no event shall there be more than 387 residential units in Phase I and no more than thirty percent (30%) of the public street frontage at grade level shall be for residential units. Given the scope of the contemplated development, each Phase of the development of the Development District Area may occur in separate sub-phases (i.e., Phase 1a, Phase 1b, and Phase 1c, etc.).

(b) The Private Improvements will be designed, developed and constructed by Renaissance pursuant to the Project Schedule, as detailed in Section 5.03 of this Agreement.

(c) The costs associated with and related to the design, development and construction of the Private Improvements shall be the responsibility of Renaissance and shall be funded by Renaissance in accordance with Article 9 hereof.

Section 5.03 Project Schedule.

(a) Renaissance will develop no later than ninety (90) days from the Effective Date hereof and maintain and update, as necessary, during the term of this Agreement prior to the commencement of construction of any of the Project Improvements for Phase I, a preliminary project schedule for the design and development of that portion of the Development District Area related to Phase I, which shall include both the Phase I Public Improvements and the Phase I Private Improvements (the “Preliminary Project Schedule”) and such schedule shall be distributed to the Naugatuck Parties for their review and approval, which approval shall not be unreasonably withheld. The Preliminary Project Schedule for each Phase shall include target dates related to that Phase for the selection and approval of professionals and consultants, the preparation (consistent with the terms herein) and approval of the MDP, development of cost estimates and project budgets, development of schedules of sources and uses of financing, completion of schematic design documents and design development documents, completion of full construction

plans and specifications and bid documents, the procurement of Governmental Permits, the commitment of public and private financing, completion of Site Acquisition, Site Preparation and Site Remediation activities, schedules for construction, including utilities and Infrastructure Improvements, Substantial Completion and opening. The Parties understand there are a number of variables and factors occurring prior to the actual commencement of construction of the Project Improvements for each Phase, which may be beyond the control of the Parties or may involve development activities that may affect the Preliminary Project Schedule for the applicable Phase. Accordingly, until the commencement of construction of the Project Improvements for the applicable Phase, the Preliminary Project Schedule for each Phase shall be subject to modification from time to time in order to account for these circumstances. If Renaissance proposes to modify the Preliminary Project Schedule for any Phase, it shall submit the proposed revised schedule to the Naugatuck Parties for their approval, which approval shall not be unreasonably withheld or delayed.

(b) A Preliminary Project Schedule shall be developed for each Successive Phase approved by the Parties in accordance with Section 5.01(b) hereof no later than ninety (90) days from the date of approval of such Successive Phase.

(c) Throughout the phase of planning and design of each Phase of the Project Improvements, the Preliminary Project Schedule shall be updated to reflect any material modifications, and shall be distributed by Renaissance to the Naugatuck Parties for their review and approval, which approval shall not be unreasonably withheld or delayed.

(d) Renaissance will update and amend, as necessary, the Preliminary Project Schedule for each Phase prior to the anticipated commencement of construction of any Phase of the Project Improvements and provide such amended schedules to the Naugatuck Parties for their reasonable review and approval. It is anticipated that any lender, investor or other entity providing financing for the Project, including a Public Funding Agency, will require a project schedule for each Phase having greater detail and

definition than the Preliminary Project Schedule for such Phase. A project schedule prepared by Renaissance for a particular Phase to be submitted for the review and approval of any lender, investor or other entity, including a Public Funding Agency, for the purpose of providing financing for the Project shall be the final Project Schedule (“Final Project Schedule”) for such Phase, provided that such Final Project Schedule shall be subject to the prior review and approval of the Naugatuck Parties, which approval shall not be unreasonably delayed or withheld. The Final Project Schedule for each Phase upon its approval by the Naugatuck Parties and any necessary lender, investor or other necessary entity referenced above shall replace and supersede the Preliminary Project Schedule for that applicable Phase. If the Parties, after exercising their best efforts and good faith, are unable to agree on a Final Project Schedule, the areas of dispute regarding the schedule shall be subject to resolution by non-binding mediation in accordance with Section 14.04(c) hereof. As a specific exception to Section 14.04(c), if mediation is unsuccessful, and for the sole purpose of determining a Final Project Schedule, the Parties shall seek resolution through binding arbitration utilizing a single arbitrator under the Rules of Commercial Arbitration of the American Dispute Resolution Center (“ADRC”).

(e) The Parties shall diligently proceed with the planning and design of the Project Improvements for each Phase in accordance with the Preliminary Project Schedule related to the applicable Phase. Subject to the receipt of all necessary approvals for the commencement of construction of the Project Improvements and the completion of the Operative Agreements for each Phase, Renaissance shall commence construction of the Project Improvements applicable to the relevant Phase in accordance with the Final Project Schedule applicable to the relevant Phase and shall diligently pursue completion of the Project Improvements applicable to the relevant Phase in accordance with the Final Project Schedule applicable to the relevant Phase.

Section 5.04 Budget Approval.

(a) In the context of preparing the Master Concept Plan, Renaissance has developed and submitted preliminary concept construction budgets for all Phases of

the Combined Projects for the Development District Area (the “Preliminary Project Budget”). The Preliminary Project Budget is attached hereto as Exhibit N.

(b) Following the completion of the Schematic Design Documents applicable to each Phase, and in no event later than the project budget deadline set forth in the Project Schedule related to such Phase, an updated budget for the Project Improvements for the applicable Phase will be developed and submitted by Renaissance to the Naugatuck Parties (the “Project Budget”). The development of the Project Budget for the Public Improvements shall be subject to consultation with and approval of the Naugatuck Parties.. The Naugatuck Parties shall be permitted to review the Project Budget for any Private Improvements in order to ensure that said budget encompasses the specific Project Improvements agreed upon by the Parties for each applicable Phase under the terms of this Agreement. The Project Budget shall detail hard costs and soft costs related to the Private Improvements and the Public Improvements in Phase I and each Successive Phase approved by the Parties including, without limitation, the costs of Site Acquisition, Site Preparation and Site Remediation and all other Public Development Costs, and shall include a list of potential sources of funding for both the Private Improvements and the Public Improvements and all costs related thereto. The Project Budget for each Phase may be updated and modified, as necessary, throughout the course of design of the Project Improvements subject to the approval of the Naugatuck Parties. The review of the Project Budget for Private Improvements shall be limited by this Section 5.04(b).

(c) After the completion of the Plans applicable to each Phase of the Project Improvements, an updated Project Budget will be prepared and developed by Renaissance for the Public Improvements related to such Phase, including all Public Development Costs related to such Phase (“Public Improvements Budget”), and delivered within the timetable set forth in the Project Schedule related to such Phase to the Naugatuck Parties for its approval. Upon receipt of the Public Improvements Budget for Phase I and any Successive Phase, the Naugatuck Parties shall have forty-five (45) days to review the budget and shall give notice to Renaissance within such forty-five (45) day period of its determination that either: (a) the budget is approved, (b) the budget is

incomplete or (c) the budget is unacceptable and must be modified for one or more reasons. If the Naugatuck Parties determine in good faith that the Public Improvements Budget for any Phase is incomplete or must be modified, they shall, in their notice thereof to Renaissance, specify the reasons and basis for determining that the Public Improvements Budget is incomplete and/or the nature of the modifications being requested. Within thirty (30) days of receipt by Renaissance of such notice, the Parties shall meet and negotiate in good faith in an attempt to resolve the issues surrounding the Public Improvements Budget. Renaissance shall amend such budget and deliver such amended budget to the Naugatuck Parties for their further review and approval. If the amended Public Improvements Budget is again rejected in good faith by the Naugatuck Parties, then either (i) Renaissance shall agree to fund any amounts in excess of the budget amount acceptable to the Naugatuck Parties (the “Excess Public Improvement Costs”) or (ii) this Agreement shall be terminated for the applicable Phase and all subsequent Phases provided that for at least fifteen (15) days prior to such termination, the Parties shall meet and act in good faith to reasonably determine the modifications necessary to obtain the approval of both Parties. If Renaissance elects to advance funds to cover the Excess Public Improvement Costs required for any Public Improvements related to a particular Phase, Renaissance shall be entitled to reimbursement by the Borough for such Excess Public Improvement Costs up to any amounts remaining under the Borough Funding Commitment applicable to such Phase after the satisfaction of all Public Development Costs related to that Phase so long as (i) the Public Improvements are completed as a result of such funds being advanced by Renaissance and (ii) the Excess Public Improvement Costs for such Phase relate to Public Improvements whose scope and description have been specifically approved by the Naugatuck Parties. Except as expressly provided for above, the Naugatuck Parties shall have no obligation to fund any of the Public Development Costs related to a particular Phase until such time as they have reviewed and approved the proposed budget for such costs and such funding obligation shall be in accordance with the approved Public Improvements Budget for that Phase.

ARTICLE VI

PERMITS AND APPROVALS

Section 6.01 Local Approvals.

Renaissance, on a timely basis as appropriate, shall prepare and submit such applications as may be necessary to the appropriate agencies of the Borough in order to fulfill the terms and conditions of this Agreement, including, but not limited to, requests for zoning amendments, the establishment of the Development District, special permits, site plan approvals, inland-wetland approvals, sewer and water approvals, building permits and any and all other approvals which the Borough and its agencies are required to consider in connection with the development of the Project in accordance herewith and Applicable Laws, including the Development Act (“Local Approvals”). Renaissance shall exercise good faith and due diligence in seeking to obtain Local Approvals relevant to each Phase. Such Local Approvals shall be obtained by no later than the deadline established for the procurement of Local Approvals set forth in the Project Schedule for such Phase, provided, however, Renaissance may request reasonable extensions of such deadline up to six (6) months therefrom by notifying the Naugatuck Parties at least thirty (30) days prior to such deadline and the Naugatuck Parties shall grant such extensions up to such time period provided Renaissance is proceeding with good faith and due diligence in its attempts to obtain the Local Approvals, provided, further, in the event an adversarial judicial proceeding is brought by a Person other than the Naugatuck Parties to prevent the procurement of such Local Approvals by Renaissance, then such deadline shall be extended as necessary provided Renaissance is proceeding with good faith and due diligence in its attempts to obtain the Local Approvals. The Naugatuck Parties will make a good faith effort to assist Renaissance in its effort to obtain such necessary Local Approvals provided that the Naugatuck Parties shall not be required to take any action which would impose additional obligations, liabilities or burdens on them not contemplated herein without their consent.

Section 6.02 Other Approvals.

Renaissance shall proceed in a timely and appropriate manner to obtain all federal and state approvals for the development of the Project, including, without

limitation, necessary approvals from the State Department of Transportation, DEP, DECD and all other federal, regional and state approvals (the “Other Approvals”). Renaissance shall exercise good faith and due diligence in seeking to obtain Other Approvals relevant to each Phase. Such Other Approvals shall be obtained by no later than the deadline established for the procurement of Other Approvals set forth in the Project Schedule for such Phase, provided, however, Renaissance may request reasonable extensions of such deadline up to six (6) months therefrom by notifying the Naugatuck Parties at least thirty (30) days prior to such deadline and the Naugatuck Parties shall grant such extensions provided Renaissance is proceeding with good faith and due diligence in its attempts to obtain the Other Approvals, provided, further, in the event an adversarial judicial proceeding is brought by a Person other than the Naugatuck Parties to prevent the procurement of such Other Approvals by Renaissance, then such deadline shall be extended as necessary provided Renaissance is proceeding with good faith and due diligence in its attempts to obtain the Obtain Approvals. The Naugatuck Parties will make a good faith effort to assist Renaissance in its effort to obtain such necessary Other Approvals provided that the Naugatuck Parties shall not be required to take any action which would impose additional obligations, liabilities or burdens on them not contemplated herein without their consent.

Section 6.03 Appeal.

In the event Renaissance exercises its right to appeal the denial of any Governmental Permit, the applicable date set forth in the Project Schedule by which Renaissance was to obtain such Governmental Permit shall be extended for a reasonable period of time necessary to resolve the pending appeal provided such appeal is filed in good faith by Renaissance with a reasonable expectation that such appeal will succeed. In the event an appeal is denied, Renaissance may elect to prepare a new or amended application taking into consideration the reasons the application was denied and resubmit the application for approval or, if feasible, modify the Plans, subject to the reasonable approval of the Naugatuck Parties, to eliminate the need for that approval. If a new or amended application is filed, the date contained in the Project Schedule for obtaining Governmental Permits shall be adjusted accordingly.

Section 6.04 Decision Not to Appeal.

Nothing contained in this Article 6 shall be deemed to obligate Renaissance to appeal any Governmental Permits, the denial thereof, or to defend an appeal or other collateral action relating thereto. If Renaissance commences such appeal or defense of action as to any necessary Governmental Permit, Renaissance may, in its sole discretion, determine at any time during such proceedings to withdraw such appeal or defense. Unless Renaissance elects to submit a new or amended application, upon the withdrawal or denial of such appeal for an approval necessary for the development and construction of the Project Improvements which are part of any Phase, the extension of any deadline for obtaining such Governmental Permit shall be terminated.

ARTICLE VII

DESIGN, SITE ACQUISITION AND SITE PREPARATION OBLIGATIONS

Section 7.01 Design of Project Improvements

(a) Renaissance shall cause the Architect to provide for each Phase schematic design documents for the Project Improvements which are part of such Phase (the “Schematic Design Documents”) based upon a specific program, schedule and construction budget for the Project Improvements for each Phase of the Project at such time as that particular Phase will be undertaken in accordance with the Preliminary Project Schedule devised for such Phase. The Architect shall commence preparation of the Schematic Design Documents for each Phase no later than the deadline set forth in the Preliminary Project Schedule for such action applicable to such Phase and shall complete the preparation of such documents by no later than the deadline set forth in the Preliminary Project Schedule for the preparation of such documents. The Schematic Design Documents shall establish the conceptual design of each Phase of the Project illustrating the scale and relationship of the Project components. The Schematic Design Documents shall include a conceptual site plan and, if appropriate, preliminary building plans, sections and elevations. The buildings for which Schematic Design Documents shall be undertaken

shall be substantially consistent with the description of the buildings encompassing the Project Improvements as described herein.

(b) Within thirty (30) days from the date that the Schematic Design Documents for each Phase are approved by the Parties in accordance with Section 7.01 (d) hereof, Renaissance shall cause the commencement of the preparation of design development documents for the Project Improvements related to such Phase (the “Design Development Documents”) based on the approved Schematic Design Documents and the Project Budget for the Project Improvements related to such Phase. The Design Development Documents for each Phase shall be completed by no later than the deadline set forth in the Preliminary Project Schedule for the completion of such documents applicable to such Phase. The Design Development Documents shall illustrate and describe any changes in the design of the Project for the applicable Phase between the Schematic Design Documents and the Design Development Documents for such Phase. The Design Development Documents shall include specifications that identify major construction materials and building systems and establish in general their quality levels as reasonably determined by the Architect. The Design Development Documents shall identify the Project Parcels and any other interests in real estate to be acquired necessary for the development of the applicable Phase. The purpose of the Design Development Documents for each Phase is to establish a framework for the preparation and approval of the Plans applicable to such Phases. The Design Development Documents for each Phase of the Project Improvements shall be consistent with industry standards and the requirements of this Agreement and Applicable Laws, including the Development Act, and in sufficient detail to support applications for, and the procurement of all applicable Governmental Permits necessary for this stage of the design applicable to each Phase. The design of the Project Improvements shall conform to all applicable Construction Standards, building codes, fire safety codes, and all other Applicable Laws.

(c) By no later than thirty (30) days from the later of (i) the date that the Design Development Documents are approved by the Parties in accordance with Section 7.01(d) hereof and (ii) the date on which Governmental Permits are obtained in respect of such Design Development Documents, if Governmental Permits are necessary or

applicable in respect of such documents, Renaissance shall cause the commencement of the preparation of the Plans for the Project Improvements for such Phase based on the approved Design Development Documents and updated budget for the Project Improvements for such Phase. The Plans shall be completed by no later than the deadline set forth in the Preliminary Project Schedule for the completion of the Plans. The Plans shall set forth in detail the requirements for construction of the Project Improvements. The Plans shall include drawings and specifications that establish in detail the quality levels of materials and systems required for the Project Improvements.

(d) Renaissance shall submit for the review and approval of the Naugatuck Parties, their Construction Consultant and any Public Funding Agency, if required, subject to the standard of review set forth in Section 7.01(e) hereof, all design and engineering work for the Project Improvements, including specifically, the Schematic Design Documents, the Design Development Documents and the Plans in accordance with the deadlines set forth in the Preliminary Project Schedule.

(e) At the conclusion of each of the design phases, the Naugatuck Parties, their Construction Consultant and/or any Public Funding Agency shall review the design documents for the Public Improvements in its reasonable discretion. The review of the design documents for the Private Improvements shall be limited for concept purposes to ensure consistency with the uses and scope of the Private Improvements agreed to by the Parties hereunder and that the building material components are generally consistent and compatible with those of the Public Improvements and shall be conducted by the Construction Consultant on behalf of the Naugatuck Parties. The review of design documents for all Project Improvements shall not be conducted to ascertain code compliance of the design documents or to provide a detailed review of the technical components of the design documents or the proposed floor plans of a particular building. Renaissance shall be solely responsible to ensure that the design documents comply with all Applicable Laws, Construction Standards and project scope.

Section 7.02 Site Acquisition.

(a) Renaissance will use its best efforts to acquire and assemble, fee interests or the equivalent thereof in the Renaissance Parcels relating to Phase I, including the GDC Site, as more particularly depicted on Exhibits A and O attached hereto, in accordance with the timeline set forth in the Project Schedule for Phase I (the “Renaissance Site Acquisition”). Renaissance will use its best efforts to acquire and assemble fee interests, or the equivalent thereof, in the Renaissance Parcels required for Successive Phases of the Project, as identified in Exhibits A and O attached hereto, as such exhibits may be modified with the approval of the Parties, in accordance with the timeline which will be established in the Project Schedule for Successive Phases of the Project (“Renaissance Additional Site Acquisition”).

(b) The Borough and/or the Corporation will use its best efforts to acquire and assemble, fee interests or the equivalent thereof in the Borough Parcels relating to Phase I parcels numbered 1 and 2 on Exhibit D attached hereto (the “Phase I Borough Acquisition Parcels”), as such exhibits may be modified with the approval of the Parties, in accordance with the timeline set forth in the Project Schedule (the “Public Site Acquisition”). These parcels represent those parcels located within the Development District Area which are currently owned by the State and are to be used in connection with the development of Phase I. At its option, Renaissance may elect to acquire any of the Borough Acquisition Parcels subject to reimbursement by the Naugatuck Parties in accordance with Section 7.02(e) hereof. Nothing herein shall prohibit the Naugatuck Parties from naming a designee to perform the Public Site Acquisition. The Borough and/or the Corporation will use its best efforts to acquire and assemble fee interests, or the equivalent thereof, in the Borough Parcels required for Successive Phases of the Project, as identified in Exhibits A and O attached hereto, in accordance with the timeline which will be established in the Project Schedule for Successive Phases of the Project (“Additional Public Site Acquisition”). Notwithstanding anything to the contrary contained herein, in no event shall the Naugatuck Parties be required to exercise the power of eminent domain in furtherance of its property acquisition obligations hereunder.

(c) Subject to all the terms, covenants and conditions of this Agreement, the Borough covenants and agrees to convey to Renaissance fee simple title to the Borough Owned Parcels described as parcels numbered 5 and 12 on Exhibit D attached hereto and any of those Phase I Borough Acquisition Parcels acquired pursuant to Section 7.02(b) hereof (the “Borough Conveyance Parcels”) not later than the date specified for such conveyances in the Project Schedule for Phase I, and Renaissance covenants and agrees to accept fee simple title to the Borough Conveyance Parcels at such time as the Borough transfers such property and subject to and in accordance with the terms of the Borough Parcels/Garage Parcels Acquisition Agreement, including the requirement that the funding obligations of Renaissance set forth in Section 9.02 have been satisfied. The Parties agree that the Borough Conveyance Parcels shall be conveyed to Renaissance at fair market value as such values shall be determined pursuant to the terms of the Borough Parcels/Garage Parcels Acquisition Agreement provided that the Borough Conveyance Parcels that are acquired by the Naugatuck Parties, subsequent to the execution date of this Agreement, shall be conveyed, subject to the payment by Renaissance of the purchase price and all other costs incurred by the Naugatuck Parties in the acquisition of such parcels, including, but not limited to, costs of due diligence and reasonable attorneys fees (subject to Applicable Laws, including the Development Act). Prior to the conveyance of the Borough Conveyance Parcels to Renaissance, the Naugatuck Parties shall ensure that the Borough Conveyance Parcels are substantially in Buildable Condition.

(d) Subject to all the terms, covenants and conditions of this Agreement, Renaissance covenants and agrees to convey to the Borough or its designee fee simple title to the Renaissance Garage Parcels no later than the date specified for such conveyance in the Project Schedule for Phase I, and the Borough covenants and agrees to accept fee simple title to the Renaissance Garage Parcels, or cause such acceptance by its designee, at such time as Renaissance transfers such property and subject to and in accordance with the terms of the Borough Parcels/Garage Parcels Acquisition Agreement. The Parties agree that the Renaissance Garage Parcels shall be conveyed at fair market value as such value shall be determined pursuant to the terms of the Borough Parcels/Garage Parcels Acquisition Agreement.

(e) Renaissance shall be reimbursed by the Naugatuck Parties for the purchase price and certain other costs incurred by Renaissance in acquiring the Renaissance Garage Parcels or any of the Borough Acquisition Parcels, in the event Renaissance elects to acquire any of the Borough Acquisition Parcels, including, but not limited to, costs of due diligence and reasonable attorney fees, in accordance with and subject to the funding and other limitations contained in Article 9 hereof. Notwithstanding the foregoing, in the event the aggregate amount of such costs exceeds the fair market value of such parcels as such value shall be determined pursuant to the terms of the Borough Parcels/Garage Parcels Acquisition Agreement, then such excess costs shall be subject to the reasonable written pre-approval of the Naugatuck Parties. At the option of the Borough, the Borough shall be permitted to transfer to Renaissance the Borough Conveyance Parcels in exchange for the Renaissance Garage Parcels pursuant to the terms of the Borough Parcels/Garage Parcels Acquisition Agreement subject to compliance with the property transfer requirements contained in the Development Act and any other Applicable Law.

(f) Notwithstanding the foregoing, the Naugatuck Parties may, but shall not be obligated, to the extent and in a manner consistent with Applicable Laws, and subject to Renaissance's satisfaction as to the likely cost of acquisition, exercise the option to acquire (by condemnation or otherwise) and convey to Renaissance (subject to payment therefor, as provided for herein) such parcels or properties, including, without limitation, air rights, easements, leases and the like, within the Development District Area ("Borough Selected Properties"). In the event that either of the Naugatuck Parties shall acquire any Borough Selected Properties pursuant to this Section 7.02(f), then in consideration of the conveyance of the same to Renaissance, Renaissance shall pay to the applicable Naugatuck Party all costs incurred by the applicable Naugatuck Party related to such acquisition (direct and indirect) including, without limitation, all legal fees, appraisal fees, surveyors fees, engineers fees, relocation costs, demolition costs and environmental engineers fees and all costs and expenses incurred with respect to any environmental clean-up (to the extent that such environmental related costs are not covered by the Naugatuck Parties

pursuant to Section 7.03 hereof) (“Acquisition Expenses”), except that no payment shall be due either of the Naugatuck Parties for the Garage Parcels, if acquired by either of the Naugatuck Parties pursuant to this Section 7.02(f).

(g) At the time the applicable Naugatuck Party conveys to Renaissance a parcel of Borough Selected Properties which has been acquired by it via the exercise of the power of eminent domain (such a parcel being called, for purposes of this Section, a “Designated Parcel”), the eminent domain proceeding in which such Designated Parcel was acquired still may be pending and the value of such Designated Parcel established by the Corporation or the Borough in such proceeding (“Designated Parcel Value”), which Designated Parcel Value will be equal in an amount to the sum of money deposited by the Corporation or the Borough with the Clerk of the Court together with the Statement of Compensation relating to such Designated Parcel (the “Deposited Funds”), still may be subject to appeal, and an award in excess of the amount of the Designated Parcel Value and the Deposited Funds (an “Excess Award”) may be made in such proceeding, or the Corporation or the Borough (with the approval of Renaissance) may agree to pay an amount in excess of such Deposited Funds (a “Settlement Amount”) to settle such proceeding (it being agreed that the Naugatuck Parties may not make any settlement of any eminent domain proceeding or appeal without the prior written consent of Renaissance), which, in either case, may require the Corporation or the Borough to pay to the owner of such Designated Parcel (the “Parcel Owner”) additional sums in excess of the Deposited Funds. Any such Excess Award or Settlement Amount shall constitute Acquisition Expenses under this Agreement and Renaissance will be required to pay the amount thereof to the Corporation or the Borough, in accordance with this Agreement, to enable the Corporation or the Borough to pay such Excess Award or Settlement Amount to the Clerk of the Court or the Parcel Owner. The amount of the Deposited Funds with respect to any Designated Parcel shall not be the limit of Renaissance’s obligation and liability with respect to Acquisition Expenses incurred by the Borough and/or the Corporation with respect to such Designated Parcel, and Renaissance hereby agrees to indemnify, defend and hold harmless the Borough and the Corporation against and from any and all claims, suits, costs, expenses, losses, liabilities, and damages, including reasonable attorneys’ fees,

asserted against and/or incurred by either of them arising out of an Excess Award or Settlement Amount. This indemnity shall survive termination of this Agreement and shall be separate and independent of any other provision of this Agreement, but shall apply only with respect to Designated Parcels actually conveyed to Renaissance by the Borough and the Corporation.

(h) The Parties hereby agree that all designated Project Parcels within the Development District Area for Phase I as identified in Sections 7.02(a) and 7.02(b) hereof must be acquired by Renaissance or either or both of the Naugatuck Parties or be subject to legally enforceable purchase and sale contracts or option contracts to which Renaissance or either or both of the Naugatuck Parties are parties, as the case may be, prior to commencement of construction of the Project Improvements for Phase I and in accordance with the Project Schedule for Phase I so that accommodations may be made for construction staging, parking, Site Preparation, Site Remediation, Infrastructure Improvements and the like.

(i) Both Parties acknowledge that the Borough Owned Parcel numbered 7 on Exhibit D (the “Restricted Parcel”) contains deed restrictions which limit the use of the property for “park” purposes only. The Parties agree to cooperate in their efforts to remove such deed restrictions in order to permit the transfer of the Restricted Parcel by the Borough to Renaissance in Phase III, or such other Successive Phase agreed to by the Parties, and the development of such Restricted Parcel in accordance with the terms hereof. If the Parties are unable to remove such deed restrictions from the Restricted Parcel then the Borough shall have no obligation to transfer such Restricted Parcel and Renaissance will have no corresponding obligation to develop such Restricted Parcel.

Section 7.03 Site Preparation; Site Remediation.

(a) No later than the deadline for the commencement of site preparation work set forth in the Project Schedule for each Phase (the “Site Preparation Commencement Date”), subject to Uncontrollable Circumstance, the Naugatuck Parties

shall commence, or cause to be commenced, all site preparation activities described below in subsections (i) through (iv) related to each Phase on applicable Project Parcels (the “Site Preparation”) in accordance with the Plans, all Governmental Permits obtained with respect to the development of the Project, as necessary, and the Project Schedule for such Phase. The Naugatuck Parties shall have responsibility for the following:

- (i) if required, the completion of an environmental impact evaluation and an environmental impact statement with respect to the Development District Area applicable to each Phase in accordance with the applicable requirements of CEPA and NEPA, including compliance with all related notice, filing, briefing and hearing requirements;
- (ii) the demolition of structures and removal of substructures and the relocation of utilities as required;
- (iii) the performance of Site Remediation of the Project Parcels;
- (iv) the construction of platforms (whether in the form of pavement, concrete slabs, caps or other physical structures) on all Project Parcels on which Project Improvements may be constructed so long as such platforms are deemed necessary by the Naugatuck Parties in connection with the performance of Site Remediation activities related to such Project Improvements.
- (v) reconfiguring, improving and/or relocating, as necessary, all existing public and private streets, utilities, parks, sidewalks, gutters, curbs, street lamps, security lights, traffic signals, paving and landscaping; and

- (vi) providing or procuring all of the following engineering and design aids for the Development District Area for review and use by the Naugatuck Parties and Renaissance: boundary survey (Class A-2), topographic surveys, geological test reports, wetlands studies (if applicable), environmental statements and soil remediation program (if applicable).

The foregoing site preparation activities shall be undertaken separately for those Project Parcels applicable to Phase I and for those Project Parcels applicable to each Successive Phase approved in accordance with Section 16.20 hereof. Notwithstanding the foregoing or anything else to the contrary contained herein, the Naugatuck Parties shall have no responsibility or obligation to remove any building improvements on the GDC Site, except that the Naugatuck Parties shall, subject to the satisfaction of those conditions set forth in Section 7.03(c) hereof, exercise commercially reasonable efforts to remove the water pump station located on such site so long as such removal (i) is not prohibited by any easement or land use covenants or restrictions governing such site or the operation and maintenance of the water pump station and (ii) is otherwise permitted by Applicable Laws.

(b) Site Preparation activities as to each of the applicable Project Parcels shall be completed in accordance with the requirements contained in this Section 7.03 by no later than the date specified in the Final Project Schedule applicable to each particular Phase (“Site Preparation Completion Date”). Notwithstanding anything to the contrary contained herein, the Naugatuck Parties shall be permitted to cause the performance of the Site Remediation and Site Preparation activities hereunder through their authorized designee.

(c) Notwithstanding anything to the contrary contained in this Section 7.03, the Naugatuck Parties shall have no obligation to undertake the Site Preparation and Site Remediation activities described in this Section 7.03 for Phase I and each approved Successive Phase unless and until (i) the Naugatuck Parties shall have reviewed and approved the exact scope, nature and cost of such Site Preparation and Site Remediation

activities which are necessary to put the applicable Project Parcels in Buildable Condition, (ii) Renaissance has procured, to the reasonable satisfaction of the Naugatuck Parties and any applicable Public Funding Agency, site access, easement and any other license agreements necessary for the conduct of the Site Preparation and Site Remediation activities on the Project Parcels, (iii) the Parties have satisfied the requirements of any Public Funding Agency related to the use of public financial assistance for the funding of the Site Remediation and Site Acquisition activities, (iv) the costs associated with the conduct of the Site Preparation and Site Remediation activities attributable to the Private Improvements, including the costs of all environmental studies, reports and tests, (the “Private Improvement Site Preparation Costs”) shall be funded by the State and other public financing sources, other than the Naugatuck Parties, in an amount equal to no less than eighty percent (80%) of such costs, subject to terms and conditions reasonably acceptable to the Naugatuck Parties, for which commitments shall have been secured, (v) sufficient funding shall exist for the Public Development Costs for prior Phases, and (vi) sufficient funds exist from the Borough Funding Commitment set forth herein for the particular Phase after the payment of all Public Development Costs related to such Phase, including, but not limited to, costs associated with the construction of the Public Improvements and all Site Acquisition, Site Preparation and Site Remediation related to the development of the Public Improvements for such Phase, based upon the Project Budget approved by the Parties for such Phase, in order to finance any amount remaining to be paid to cover the Private Improvement Site Preparation Costs applicable to such Phase in full. To the extent sufficient funds exist from the Borough Funding Commitment established herein for a particular Phase, after the payment in full of all Public Development Costs related to such Phase, to pay the Private Improvement Site Preparation Costs for such Phase remaining to be paid after application of the State and other public funds, such funds shall be defined herein as the “Naugatuck Site Preparation Cost Obligation.” In the event that sufficient funds do not exist from the Borough Funding Commitment after the payment in full of all Public Development Costs for a particular Phase to pay the Private Improvement Site Preparation Costs for such Phase remaining to be paid after application of the State and other public funds, then the Parties shall confer in good faith to modify the Plans to reduce the Private Improvement Site Preparation Costs

for such Phase and to seek additional funding from sources other than the Naugatuck Parties to pay for the excess Private Improvement Site Preparation Costs related to that Phase. If the Parties are unsuccessful in reducing said Private Improvement Site Preparation Costs or securing additional funds to cover such excess Private Improvement Site Preparation Costs, Renaissance may elect to advance funds to cover such overage, and if it does so, Renaissance shall be entitled to reimbursement by the Borough for such excess Private Improvement Site Preparation Costs up to the value of the Incremental Property Tax Share. If Renaissance does not elect to pay those costs, then either Party shall have the right to terminate this Agreement as to the applicable Phase and all future Phases.

Section 7.04 Intentionally Omitted.

Section 7.05 Construction of Infrastructure Improvements.

(a) Consistent with the Plans applicable to Phase I and all approved Successive Phases, Renaissance shall perform, or cause to be performed, the Infrastructure Improvements in accordance with the Project Schedule related to each Phase. Subject to and in compliance with the applicable Project Schedule, construction of the Infrastructure Improvements for each Phase shall be commenced or caused to be commenced by Renaissance on the Project Parcels attributable to the particular Phase and shall be prosecuted with all reasonable diligence and without interruption subject, however, to Uncontrollable Circumstance. The construction of the Infrastructure Improvements shall be Substantially Completed in a good and workmanlike manner in accordance with the Plans relating thereto, the Governmental Permits, if any, Applicable Laws and this Agreement no later than two (2) months prior to the Site Preparation Completion Date. Final completion shall be completed no later than the Site Preparation Completion Date applicable to the relevant Phase.

(b) Renaissance shall cause the Infrastructure Improvements for each Phase to be constructed in accordance with the approved design documents for the

Infrastructure Improvements and any modifications thereof, which must be approved by both Renaissance and the Naugatuck Parties. The Naugatuck Parties may from time to time inspect the work on the Infrastructure Improvements and notify Renaissance in writing of any way in which the work fails to comply with the terms and conditions of the design documents for the Infrastructure Improvements. Not less than two (2) Business Days prior to the commencement of any work on the Infrastructure Improvements, Renaissance shall give notice to the Naugatuck Parties describing the location and type of work expected to be done in such detail that the Naugatuck Parties, may prepare to inspect the same. Renaissance shall construct the Infrastructure Improvements only after obtaining all required Governmental Permits therefor and, thereafter, in compliance with all such Governmental Permits and otherwise in compliance with all Applicable Laws. To the extent permissible under Applicable Law, the Naugatuck Parties shall cooperate with and support Renaissance in seeking to obtain Governmental Permits for the Infrastructure Improvements. Notwithstanding anything to the contrary contained herein, the Naugatuck Parties may elect to cause the construction of the Infrastructure Improvements in accordance with the terms hereof provided that such construction shall have been undertaken in accordance with the Plans reasonably approved by Renaissance.

(c) The Naugatuck Parties shall fund the performance of the Naugatuck Infrastructure Improvements in accordance with Section 8.03 hereof. Upon completion of such Naugatuck Infrastructure Improvements, in accordance with the Plans and all Governmental Permits, Renaissance, if applicable, will dedicate said improvements to the Borough and the Borough shall accept the same so long as such improvements have been constructed in accordance with the Plans approved by the Naugatuck Parties. Nothing in this subsection shall preclude the Borough from accepting the dedication of any other property. Prior to said dedication, Renaissance shall supply to the Naugatuck Parties “as-built” plans of the Naugatuck Infrastructure Improvements in such form and detail as is customary for improvements of this type. For any Naugatuck Infrastructure Improvements approved by the Naugatuck Parties for Successive Phases, the foregoing provisions in this Section 7.05 shall govern.

Section 7.06 Construction of the Project Improvements.

(a) On locations to be mutually agreed upon among the Parties, Renaissance shall develop, construct and complete the Project Improvements applicable to Phase I and all approved Successive Phases in compliance with all Applicable Laws and Governmental Permits and in accordance with the Project Schedule applicable to each specific Phase. Construction of the Project Improvements shall be prosecuted with all reasonable diligence and without interruption, subject, however, to Uncontrollable Circumstance. The Project Improvements shall be completed in a good and workmanlike manner in accordance with the Plans relating thereto and shall be consistent in scope, configuration, quality and design with such Plans, as may be modified from time to time. For each Phase of the Project, Renaissance shall commence and complete construction of the Project Improvements attributable to such specific Phases in accordance with the timeline set forth in the Final Project Schedule for the specific Phases, subject to Uncontrollable Circumstance. The financing of the design, development and construction of the Public Improvements shall be pursuant to the terms and conditions of Article IX of this Agreement.

(b) All Project Improvements shall comply with all Applicable Laws (including specifically, but without limitation, all Environmental Laws and the Development Act) and the terms of this Agreement and other Operative Agreements.

(c) The obligations of Renaissance to satisfy the timeline set forth in the Final Project Schedule for each Phase I and each approved Successive Phase shall be subject to Uncontrollable Circumstance and to the placement of the Project Parcels on which the Project Improvements will be constructed in a Buildable Condition.

(d) Final completion of the Project Improvements related to each Phase shall occur within two (2) months following Substantial Completion of their construction, which in no event shall be later than the final construction milestones as set forth in the Final Project Schedule for the relevant Phase, subject, however, to Uncontrollable

Circumstance.

(e) The Naugatuck Parties or their designated representatives shall have the right, at reasonable hours and upon reasonable advance notice, to visit and inspect the Project Improvements during construction and following completion for the purpose of determining compliance with the terms of this Agreement, provided that such inspection right as it relates to the construction and completion of the Private Improvements shall be limited to the Chief Executive Officer of the Corporation or an authorized designee of the Corporation for purposes of measuring construction progress to confirm compliance with the approved Project Schedule for the construction of the Private Improvements. Such right shall be subject to appropriate restrictions relating to safety. Until Substantial Completion of the Public Improvements, Renaissance shall provide to the Naugatuck Parties progress reports, in such form and at such intervals (not more than monthly) as the Naugatuck Parties may reasonably agree, reporting on the progress of construction, including any material variations from the schedule or the budget, any material litigation, claims or disputes affecting the construction of the Public Improvements.

(f) In its design, construction and development of the Project Improvements pursuant to the terms hereof, Renaissance shall make commercially reasonable efforts to create an environmentally friendly project in which at least some of the energy consumed by the Project Improvements is produced on-site within the Development District Area or from renewable resources to reduce dependency on fossil fuel. The Parties acknowledge that the viability of any such effort will depend on the ability of Renaissance to acquire sufficient property and to receive favorable funding in order to develop an alternative energy program.

Section 7.07 Zoning; Creation of a Development District.

(a) The Parties acknowledge that the goals of the Project and the public purpose will be maximized if efficiencies in terms of the local review and approval processes can be developed. Accordingly, the Borough and the Corporation agree to use their best efforts and cooperate and work with Renaissance to create a Development

District for the property included in the Development District Area to support the public purposes of such development. The rules and the regulations of the Development District will be designed in such a manner as to facilitate the unified planning of a mixed-use development, to streamline the approval process for the development of the Combined Projects and to permit flexibility and reasonable modifications to occur as the Combined Projects are designed and developed.

(b) The Parties shall exercise best efforts to establish the Development District, the ordinances and regulations governing such district of which must be approved by the Naugatuck Parties and be reasonably acceptable to Renaissance, no later than five (5) months from the Effective Date of this Agreement. It is anticipated that at such time the Development District approval shall be final and shall not be subject to any moratorium and with respect to which all applicable appeal periods under Conn. Gen. Stat. Sections 8-8(b) and 8-8(c) shall have expired with no appeal having been taken, or, if such appeal has been taken, final judgment has been entered affirming the Development District zoning approval that was the subject of the appeal.

(c) Renaissance agrees to use its best efforts, and to work cooperatively with the Borough and the Corporation, to establish the Development District.

Section 7.08 Intentionally Omitted.

Section 7.09 Naming Rights of Private Improvements.

(a) Renaissance shall have the right to market, sell or lease the naming rights to the Project, excluding the Public Improvements, and lease, market or sell the advertising rights on, in or about the Project, excluding the Public Improvements. The foregoing right to advertise shall include the right to construct and utilize signage on the Private Improvements for display or advertising purposes subject to Applicable Laws, including applicable zoning regulations and requirements. Renaissance shall be

responsible for the cost of construction, operation and maintenance of any signage or structures used for display or advertising.

(b) The proceeds of any sale or lease of the naming and advertising rights described in Section 7.09(a) hereof shall belong to Renaissance.

Section 7.10 Sale or Assignment of Renaissance Interests.

(a) Without the prior written consent of the Naugatuck Parties, which consent shall not be unreasonably withheld, (i) Renaissance may not sell, transfer, or otherwise convey or assign all or any portion of its interest in the Renaissance Projects to any Person (other than the grant of leases of space within the buildings in the Development District Area or the grant of a mortgage interest to a construction or permanent lender or investor as security for financing to fulfill Renaissance's obligations hereunder) and (ii) there shall occur no sale, transfer, conveyance or assignment of any membership interest, joint venture interest or any other interest in Renaissance, prior to the issuance of a permanent or temporary Certificate of Occupancy for all of the Project Improvements (as it relates to transfers of interests in Renaissance) or for any building constituting part of the Private Improvements (as it relates to real property transfers), provided that such sale, transfer, conveyance or assignment shall be permitted if prior written notice of such sale, transfer, conveyance or assignment is provided to the Naugatuck Parties, and the proposed transferee (i) is an independent third-party acting in an arm's length transaction and (ii) is (x) a publicly traded company, which is listed on a major stock exchange, (y) a financial institution regulated by a federal agency engaged in the financing or development of real estate, or (z) a private company having institutional partners or members as defined in (x) or (y) above ("Permitted Transferee"). Any Permitted Transferee or other transferee approved by the Naugatuck Parties shall have expressly assumed for itself and its successors all obligations of Renaissance under this Agreement prior to or contemporaneously with the proposed sale, transfer, conveyance or assignment to the reasonable satisfaction of the Naugatuck Parties.

(b) Notwithstanding the foregoing, interests in the Renaissance Projects or Renaissance may be transferred, conveyed or assigned at any time to a Renaissance Affiliate or to any entity, provided Alexius Conroy, or an entity owned or controlled by him, owns, directly or indirectly, a controlling interest in such entity subject to the same obligation assumption requirement set forth in Section 7.10(a) above.

(c) Notwithstanding the foregoing, the Naugatuck Parties hereby consent to the transfer by Alex Conroy of his interest in Renaissance (“Membership Transfer”) to a trust for the benefit of his family members for estate planning purposes, provided however that in the event any Membership Transfer results in a Person other than a Permitted Transferee owning a controlling interest in Renaissance, said Person shall be subject to the approval of the Naugatuck Parties.

(d) Renaissance, in its reasonable discretion, may submit any portion of or all of the Renaissance Projects and all rights and easements appurtenant thereto to a form of common interest ownership, including, but not limited to, a condominium in accordance with the provisions of the Common Interest Ownership Act, Section 47-200, et seq. of the Connecticut General Statutes.

(e) Notwithstanding anything to the contrary contained herein, subsequent to the issuance of a permanent or temporary Certificate of Occupancy for any building constituting part of the Private Improvements, Renaissance may sell or transfer a portion or all of its interest in such building without restriction.

Section 7.11. Contractor and Employment Preferences.

(a) Renaissance will make reasonable, good faith efforts to hire available and qualified residents of the Borough for construction jobs with respect to the construction of the Project Improvements.

(b) (i) Renaissance and all contractors and subcontractors will employ industry standard job advertising and recruitment practices to attract qualified Borough residents as applicants for jobs related to the construction of the Project Improvements and will otherwise comply with all Applicable Laws relating to hiring and employment practices.

(ii) Nothing in this Section 7.11 will require Renaissance and/or such contractors to hire workers that Renaissance and/or such contractors reasonably believe are not qualified for such available jobs, nor will Renaissance or any other contractor be required to unreasonably delay the construction of the Project Improvements in order to fill job openings in furtherance of the terms of this Section 7.11.

(c) The foregoing shall not in any way limit or nullify Renaissance's obligations under Applicable Laws.

ARTICLE VIII

DEVELOPMENT OF PUBLIC IMPROVEMENTS

Section 8.01 Construction of Public Improvements.

(a) The Phase I Public Parking Facilities and any other parking facilities approved by the Parties as part of Successive Phases (collectively, the "Public Parking Facilities") shall be developed and constructed in accordance with the provisions of this Article 8 and the Plans related thereto. The Public Parking Facilities shall be first-class facilities, designed and constructed to be of a quality and providing levels of amenity, lighting, surface finishes and security, typical of garages and parking facilities constructed in connection with similar projects.

(b) The Naugatuck Parties or their designated representatives including their Construction Consultant shall have the right at reasonable hours and upon reasonable notice to examine any books, records and other documents of Renaissance pertaining to the construction of the Public Improvements.

(c) Notwithstanding anything else to the contrary contained herein, Renaissance, no later than the deadline set forth in the Project Schedule for each Phase following the completion of the Site Preparation for the Project Parcels on which the Public Improvements are to be constructed for the applicable Phase, the receipt of all necessary Governmental Permits and satisfactory evidence of the commitment of available and adequate public funding to finance the construction and development of the Public Improvements for the applicable Phase, shall commence or cause to be commenced the construction of the Public Improvements for such Phase. The projected opening of the Public Parking Facilities for Phase I and each Successive Phase having a component of Public Parking Facilities shall be no later than sixty (60) days prior to the projected opening of the Private Improvements for each Phase as shall be reflected in the Project Schedule for such Phase.

(d) In order to implement Renaissance's responsibilities under this section with respect to the Public Improvements, Renaissance shall enter into one or more construction contracts with a construction contractor for the performance of the Public Improvements, which construction contractor also may be the construction contractor for the Private Improvements, provided that such construction contractor and construction contracts shall in all cases be reasonably acceptable to the Naugatuck Parties.

(e) The cost of the construction of the Public Improvements and the construction contracts related to the Public Improvements shall be submitted to and subject to the review and approval of the Borough, the Corporation or any Public Funding Agency, if necessary, for the Public Improvements prior to the execution by Renaissance of any contract for construction of the Public Improvements. The review and approval of the Naugatuck Parties shall not be unreasonably withheld or delayed.

Section 8.02 Financing of the Public Improvements.

The cost of the design, development, financing and construction of the Public Improvements shall be borne by the Naugatuck Parties provided that such costs are detailed in the Public Improvements Budget for each Phase which has been approved by the Naugatuck Parties in accordance with this Agreement and that funding for such costs has been obtained in accordance with Article IX hereof. The Naugatuck Parties shall exercise best efforts to provide or secure funding for the Public Development Costs relating to the design, development and construction of the Public Improvements in accordance with the terms and conditions set forth below.

Section 8.03 Construction Progress Payments to Renaissance.

(a) Renaissance's obligation under Section 8.01 and this Section 8.03 shall be subject to the commitment and performance of the Borough and the Corporation of their financing obligations under this Agreement and to the timely payment of funds to Renaissance for work related to the Public Improvements. The Borough and the Corporation acknowledge that Renaissance is entering into this Agreement, and intends to incur expense in accordance with this Agreement and make commitments and obligations to third parties in reliance upon this Agreement and, in particular, but without limitation, the Borough's and the Corporation's funding obligations hereunder.

(b) Renaissance shall deliver to the Naugatuck Parties and/or their Construction Consultant a Disbursement Schedule for each Phase for their review and approval no later than sixty (60) days prior to the date on which commencement of the Public Improvements is anticipated to occur for the applicable Phase as set forth in the Project Schedule for such Phase. The Borough or the Corporation shall, pursuant to the terms and conditions set forth in a mutually acceptable construction advance disbursement agreement to be hereafter entered into by the Parties for each Phase (the "Construction Disbursement Agreement") and in accordance with the Disbursement Schedule for each Phase, advance construction payments ("Payments") to Renaissance in order to pay eligible development costs incurred by Renaissance with respect to the construction of the Public Improvements for each respective Phase.

(c) Upon full completion of the Public Improvements related to each particular Phase in accordance with the Plans, the Architect shall execute and deliver to the Parties an appropriate instrument so certifying provided that the form of such certification is in accordance with AIA Standards (“Certificate of Completion”). If the Architect shall refuse or fail to provide certification in accordance with the provisions of this Section 8.03(c), the Architect shall, within thirty (30) days after written request by any of the Parties, provide the Parties with a written statement indicating in adequate detail the work that need to be completed by Renaissance in order to complete the Public Improvements for such applicable Phase substantially in accordance with the Plans, in order for the Architect to issue its Certificate of Completion. Following receipt of the Architect’s written statement listing the work that needs to be completed by Renaissance to complete the Public Improvements for such applicable Phase substantially in accordance with the Plans, Renaissance shall promptly complete that work which is necessary to obtain the Certificate of Completion. In the event of any dispute between the Naugatuck Parties and Renaissance with respect to the issuance of a Certificate of Completion for any Phase, such dispute shall be resolved in the manner set forth in Section 14.04 of this Agreement.

(d) Nothing herein shall prevent Renaissance from requesting and the Architect from issuing, Certificates of Completion with respect to individual components of the Public Improvements, provided that such portion of the Public Improvements for which a Certificate of Completion is being requested is fully completed. Upon the issuance of the Certificate of Completion for the entire Public Improvements applicable to any given Phase, Renaissance shall be paid any required retainage withheld pursuant to the Construction Disbursement Agreement for such Phase.

(e) Upon completion of the Public Improvements for any Phase as evidenced by the foregoing Certificate of Completion from the Architect as to such Phase, Renaissance will dedicate said improvements to the Borough and the Borough shall accept the same. Prior to said dedication, Renaissance shall supply to the Naugatuck Parties “as-built” plans of the Public Improvements in such form and detail as is customary for improvements of this type.

Section 8.04 License to Construct Public Improvements.

The Naugatuck Parties shall grant a license to Renaissance onto any of the Borough Parcels as may be necessary for purposes of constructing the Public Improvements pursuant to a mutually acceptable license agreement to be entered into by the Parties.

Section 8.05 Building Permits and Other Application Fees.

Renaissance shall not be required to pay any building permit application fees or other application fees to the Borough in connection with the construction of the Public Improvements.

Section 8.06 Operation of the Parking Garages.

(a) The Corporation or the Borough, as owner of the Parking Garages, shall enter into an agreement with Renaissance or a Renaissance Affiliate, as the manager of the Parking Garages (the “Parking Management Agreement”), in form and substance satisfactory to the Naugatuck Parties by no later than the deadline set forth in the Project Schedule for Phase I. The Parking Management Agreement shall provide or govern, among other things, (i) the operation of the Parking Garages by a qualified parking operations company under the supervision and management of Renaissance which operator shall be chosen in consultation with, and subject to the approval of, the Borough and Corporation, as required to serve the Renaissance Projects; (ii) consistent operation of the Parking Garages with regard to operating hours, rates and the installation and maintenance of adequate security systems; (iii) the right of Renaissance to cause portions of the Parking Garages to be operated as a valet parking service system designed to encourage full and convenient usage of the Retail Improvements; (iv) dedicated and secure parking to serve the Residential Improvements; (v) dedicated parking to serve the Commercial Improvements; (vi) dedicated parking to serve “zip” cars and rental cars; (vii) dedicated and secure spaces for other uses as Renaissance may reasonably require; and (viii) the

structuring of rates for undedicated public parking so as to encourage retail use and discourage other uses that may be inconsistent with this Agreement. The Parking Management Agreement also shall expressly provide that Renaissance shall have no responsibility for guaranteeing that the Parking Garages generate a minimum level of parking revenues or property or ad valorem taxes. The Parties hereto acknowledge that the obligation of the Borough or the Corporation to enter into the Parking Management Agreement is subject to compliance with the federal tax laws and regulations governing the tax-exempt nature of debt obligations issued by the Borough, including, without limitation, the Bonds.

(b) The Parties acknowledge that the viability and success of the Project Improvements and other uses as contemplated by this Agreement depend on available, accessible and inexpensive parking. The Naugatuck Parties agree to cooperate with Renaissance to develop, to the maximum extent reasonably possible, fixed parking rates for the Residential Improvements, the Retail Improvements, the Commercial Improvements and other Project uses specifically permitted by the Agreement as part of the Parking Management Agreement.

(c) Renaissance acknowledges that the Borough or the Corporation may finance the construction of the Public Parking Facilities with the proceeds of tax-exempt bonds, such as the Bonds, including tax-exempt Parking Revenue Bonds, subject only to the requirement that certain spaces be reserved for the exclusive use of tenants or owners of the Residential Improvements, the Commercial Improvements and other Project uses specifically permitted by this Agreement. As a result, (i) a rate structure for the public parking available for the Retail Improvements will be developed that is uniform for all public parkers but is less expensive for short-term, hourly parkers (and promotes the successful development and operation of the Retail Improvements), while at the same time supporting the revenue projections for the Bonds, including any incremental tax revenues anticipated to be generated by the Project and that are necessary in order to finance the Public Parking Facilities required by the overall financing plan, and (ii) parking management arrangements by and between Renaissance or a Renaissance Affiliate and the

Borough or Corporation with respect to publicly-available parking throughout the Public Parking Facilities may be under a single management contract meeting the IRS requirements for a qualified management contract for purposes of the private activity bond limitations of the Code. Security arrangements with respect to the Bonds, including any pledge or lien on the Public Parking Facilities and its revenues, will be structured so as to include provision for appropriate recognition and non-disturbance agreements or provisions relating to the use of spaces for tenants or owners of the Residential Improvements, Commercial Improvements and other Project uses specifically permitted by this Agreement.

Section 8.07 Air Rights Lease.

(a) If necessary and acceptable to Renaissance, either the Borough or the Corporation, as the case may be, shall convey to Renaissance by air rights leases or other legally sufficient means reasonably satisfactory to Renaissance (collectively, the “Air Rights Leases”), the right to occupy and improve certain areas on top of and adjacent to the Parking Garage sufficient for purposes of development and operation of the Residential Improvements, the Retail Improvements, Commercial Improvements or other Project uses specifically permitted by this Agreement. The Air Rights Leases shall be in form and substance reasonably satisfactory to the Naugatuck Parties and shall be entered into no later than twelve (12) months prior to the construction of any individual Parking Garage. The effectiveness of each Air Rights Lease shall be subject to the conveyance of the applicable Renaissance Garage Parcels pursuant to the Borough Parcels/Garage Parcels Acquisition Agreement. Any Air Rights Leases shall be for a minimum term of ninety-nine (99) years at a rental rate of one dollar (\$1.00) per year to the extent permitted by Applicable Law. For the duration of the Air Rights Leases, use of the demised premises will be limited to uses contemplated by and consistent with the terms of this Agreement and the Plans related thereto.

(b) In connection with the Air Rights Leases, the Parties shall provide for such reserved rights, easements, rights of way and other accommodations necessary in order to provide for such public space and amenities, access, utilities, mutual support and

other similar rights as are necessary or appropriate to facilitate the integrated public and private uses contemplated by the terms of this Agreement and the Plans related thereto.

(c) The Air Rights Leases shall be in form satisfactory to be financeable by institutional lenders and will contain mortgagee protection provisions customary for financeable ground leases of similar duration. The Parties recognize that the final structure and form of the Air Rights Leases shall comply with all federal and state tax legal requirements for tax exemption related to the existence of such leases as reasonably determined by bond counsel to the Borough.

(d) Notwithstanding anything to the contrary contained herein, any additional design, construction and other costs associated with the development of the Parking Garages due to the development of the Renaissance Projects on top of and adjacent to the Parking Garages (the “Renaissance Garage Costs”) shall be borne by Renaissance. The Project Budget shall detail the costs associated with work relating to the Parking Garages independent of the Renaissance Projects to be constructed on or adjacent thereto and the Renaissance Garage Costs.

ARTICLE IX

FINANCIAL AGREEMENTS AND PROJECT FUNDING

Section 9.01 Financing for Project Improvements.

(a) Renaissance shall exercise best efforts to provide or secure the financing necessary to perform the Renaissance Site Acquisition and to design, develop, construct and complete the Private Improvements for Phase I and each Successive Phase approved by the Parties pursuant to the terms hereof, with the understanding that Renaissance may pursue public funding from local, state and/or federal sources other than the Borough, as well as private funding from equity investors, partners, lending institutions and such other sources as Renaissance may elect to pursue in its discretion. Renaissance shall exercise best efforts to obtain such financing and shall secure commitments for such

financing by no later than the financing commitment milestone set forth in the Project Schedule as to each specific Phase.

(b) The Naugatuck Parties shall exercise best efforts to provide or secure the financing necessary to perform the Public Site Acquisition and to design, develop, construct and complete the Public Improvements for Phase I and each Successive Phase approved by the Parties pursuant to the terms hereof, with the understanding that the Naugatuck Parties may pursue public funding from local, state and/or federal sources other than the Borough provided that the Naugatuck Parties shall have no obligation to procure such financing until it has approved that portion of the Project Budget related thereto. The Naugatuck Parties shall exercise best efforts to obtain such financing and to secure commitments for such financing by no later than the financing commitment milestone set forth in the Project Schedule as to each specific Phase.

(c) The Naugatuck Parties and Renaissance agree to cooperate in efforts to identify and secure additional sources of public or private funds or other forms of financial assistance for the Project exclusive of funding by the Borough. Without limiting the foregoing, the Naugatuck Parties will support and assist Renaissance in applying for (i) Urban Reinvestment Tax Credits pursuant to Section 38 of Public Act 00-170 for the Renaissance Projects in the maximum amount available, (ii) HUD financing, (iii) tax incremental financing from sources other than the Borough; (iv) “brown fields” or “green fields” funding; (v) block grants available from the federal and State governments; (vi) foundation grants; (vii) sales tax relief for construction materials and services available through the Connecticut Development Authority (“CDA”); (viii) any funding or other financial assistance or benefits associated with the Development District Area being located in an Enterprise Zone Corridor; (ix) financial assistance from DECD, DEP, CDA or other state or federal agencies; and (x) other public or private financing opportunities that are or may become available, provided that the Naugatuck Parties shall not be required to take any action which would impose additional burdens, obligations or liabilities on them not contemplated herein without their consent. Notwithstanding anything to the contrary contained herein, the requirement that the Parties cooperate in the securing of

funding for the Project Improvements shall not in any way alter the responsibility of Renaissance to secure funding for the Private Improvements and all costs related thereto and the responsibility of the Naugatuck Parties to secure funding for the Public Development Costs.

(d) The Parties acknowledge that market forces and others factors beyond the control of Renaissance or the Naugatuck Parties may affect the actual timing and construction of the Project Improvements. The obligation on the part of Renaissance to commence construction of the Project Improvements for Phase I and each approved Successive Phase and the obligation on the part of the Naugatuck Parties to fund the Public Improvements and the Naugatuck Site Preparation Cost Obligation, to the extent applicable, for Phase I and each approved Successive Phase shall be contingent upon the commitment of the levels of financial support from both the private and public sectors as shown in the Project Budget for each Phase of the Project. In particular, neither Renaissance nor the Naugatuck Parties shall be obligated to proceed with Phase I or any Successive Phase of the Project unless: (x) satisfactory written evidence (i.e., an executed bond purchase agreement, in the case of TIF Bonds or revenue bonds, an approved bonding resolution, in the case of general obligation bonds, signed commitment letter of a Public Funding Agency) is provided to Renaissance that an adequate amount of public financing has been committed to the particular Phase to the particular Phase pursuant to terms and conditions that are acceptable to Renaissance, such acceptance not to be unreasonably withheld; and (y) satisfactory written evidence (i.e., signed commitment letter of lending institution) is provided to the Naugatuck Parties that an adequate amount of private financing has been committed to the particular Phase pursuant to terms and conditions that are acceptable to the Naugatuck Parties, such acceptance not to be unreasonably withheld. In addition to this written evidence, Renaissance will provide to the Naugatuck Parties payment and performance bonds or adequate completion guaranties or other guaranties for its construction obligations related to the Project Improvements reasonably acceptable to the Naugatuck Parties, such payment and performance bonds or guaranties to be adequate in light of the scope of the activity for that component or phase of the project and such payment and performance bonds or guaranties to be consistent with

industry standards. The Naugatuck Parties shall procure payment and performance bonds to the extent necessary under Applicable Law in connection with its conduct of the Site Preparation and Site Remediation activities. The cost to secure payment and performance bonds or guaranties required herein for Public Improvements will be a Public Development Cost.

(e) Notwithstanding anything to the contrary contained herein, the funding obligations of the Parties hereunder shall be separate and distinct for Phase I and each Successive Phase approved pursuant to Section 16.20 herein.

Section 9.02 Renaissance’s Funding Obligations.

On or before the financing commitment milestone set forth in the Project Schedule related to the applicable Phase, Renaissance shall have provided the Naugatuck Parties with commitments reasonably satisfactory to the Naugatuck Parties that Renaissance has or will have sufficient funds from all funding sources, including public entities, to pay in full the cost of the Private Improvements related to the applicable Phase as set forth in the Project Budget for such Phase, including, without limitation, the commitment from one or more lenders or investors to fund one or more loans or equity investments in an aggregate principal amount no less than the amount necessary to construct the Private Improvements related to the applicable Phase (collectively, the “Construction Financing”), which Construction Financing shall be subject to such terms and conditions as are satisfactory to Renaissance in its reasonable discretion.

Section 9.03 Public Financing / Non-Borough Source.

It is expressly understood and agreed by the Parties that, due to extraordinary land acquisition, infrastructure, site preparation, relocation, environmental and other costs, the development of the Project is not economically viable without financial assistance from the public sector. The Parties shall cooperate with each other and work diligently to identify and secure funding from the federal government, the State and

other non-Borough public financing sources for the Project Improvements including, without limitation, land acquisition, site remediation, infrastructure, site work, parking, energy equipment, transportation improvements, and other additional costs that the Parties determine are necessary and desirable for the Project Improvements. Any public funding committed to the Public Improvements shall be subject to reasonable terms and conditions and the approval of the Naugatuck Parties, which approval shall not be unreasonably withheld, provided that it shall not be required to accept any funding which would impose additional burdens, obligations or liabilities not contemplated herein, and any public funding committed to the Private Improvements shall be subject to reasonable terms and conditions and the approval of Renaissance, which approval shall not be unreasonably withheld.

Section 9.04 State Funding.

Renaissance and the Naugatuck Parties shall use all reasonable efforts to obtain funding from the State. It is hereby agreed and acknowledged by Renaissance that the grant agreements and/or such other documentation with respect to the funding from the State, including DECD (together, the “State Assistance Agreements”), shall contain all of the terms and conditions with respect to the use of the monies granted, and that regardless of whether the monies granted pursuant to the State Assistance Agreements (in whole or in part) shall be channeled through the Borough or the Corporation, it shall be the sole responsibility of Renaissance to use such monies in accordance with, and to comply fully and completely with, each of the conditions set forth in the State Assistance Agreements provided that such conditions shall first be approved by Renaissance in its reasonable discretion and that the Naugatuck Parties have complied with any obligations that they may have under the State Assistance Agreements.

Section 9.05 Borough’s Funding Obligations.

(a) The Naugatuck Parties shall be responsible for obtaining funding of the Public Development Costs and the Naugatuck Site Preparation Cost Obligation, to the

extent applicable, approved as part of the Project Budget for Phase I and all approved Successive Phases.

(b) To the extent that sufficient funds are not available from sources other than from the Borough to satisfy the foregoing funding obligations, it is agreed and understood that the Borough shall use all reasonable efforts, subject to the conditions set forth herein, including Section 9.06 hereof, and compliance with Applicable Laws, including the Development Act, to enact a bond authorization providing for the issuance and sale of bonds, notes or other obligations (the “Bonds”), including, without limitation, special obligation tax increment bonds or notes (“TIF Bonds”) to finance the payment of the Public Development Costs related to each specific Phase (the “Borough Funding”), provided that notwithstanding anything to the contrary contained in this Agreement in no event shall the Borough Funding for such Phase and all other funding obligations of the Naugatuck Parties under this Agreement exceed the Borough Funding Commitment established herein for such Phase. To the extent that sufficient funds from the Borough Funding Commitment for a particular Phase remain after payment in full of the Public Development Costs for such particular Phase, then such remaining funds will be applied by the Borough toward payment of the Naugatuck Site Preparation Cost Obligation related to such Phase.

(c) The Naugatuck Parties acknowledge that, notwithstanding the tax payment agreement referenced in Section 9.07 hereof, an increase in overall tax revenue to the Borough is anticipated as a direct result of and upon the construction of the Private Improvements. “Incremental Property Taxes” means that portion of the real property taxes generated within the Development District Area relating to each Phase each fiscal year in excess of that portion of the real property taxes produced by applying the then current tax rate to the total sum of the assessed value of all of the taxable real property within the Development District Area relating to such Phase as of the date on which the issuance of the Bonds shall be authorized. For purposes of computing the Borough Funding Commitment for a Phase, estimated Incremental Property Taxes for such Phase shall be

determined by the Financial Advisor. In making its determination, the Financial Advisor shall account for any geographic overlap among the Phases.

(d) For each Phase of the Project, the Financial Advisor shall prepare financial pro formas for different principal amounts of Bonds which could be issued hereunder having maturities permitted under Applicable Laws and which shall project required principal and interest debt service payments and any other required payments and expenses associated with such Bonds, taking into account anticipated conditions in the credit markets and all related costs and funding requirements not paid out of Bond proceeds as such Financial Advisor shall deem necessary or desirable in structuring any such Bond issue (the “Estimated Debt Service Requirements”), as well as estimated Incremental Property Taxes resulting from the complete construction of the Project Improvements particular to the applicable Phase which would be available to pay debt service on such Bonds for each year that such Bonds would be outstanding (the “Estimated Real Property Tax Increment”). In structuring the payments of principal and interest over the life of the proposed bond issues in the pro formas prepared by the Financial Advisor as aforesaid, the Financial Advisor shall do so taking into consideration all legal restrictions relating to such structuring as determined by the Borough’s Bond Counsel as well as taking into consideration the sale of the Bonds at a reasonable interest rate and overall cost to the Borough and the issuance of such Bonds in a fiscally prudent manner.

(e) Notwithstanding anything else to the contrary herein, the Bonds applicable for each Phase shall be subject to a maximum principal amount (the “50% Incremental Tax Amount”) which still results in a financial pro forma prepared as provided above meeting the following coverage requirement:

For each and every year that the Bonds for a particular Phase are indicated to be outstanding in such pro formas, the amount of the Estimated Real Property Tax Increment derived from the Project Improvements within the Development District Area related to such Phase (excluding any revenues pledged under or in connection with any state or federal assistance

programs or any revenues for which a tax credit or tax abatement has been granted by the Borough) shall be at least 2.0 times the Estimated Debt Service Requirements for such Bonds.

(f) Notwithstanding anything to the contrary contained herein, for purposes of determining the maximum principal amount of TIF Bonds for any Successive Phase, the Financial Advisor shall determine the Estimated Real Property Tax Increment resulting from the complete construction of the Successive Phase Project Improvements particular to that Successive Phase in accordance with Section 9.05(d) hereof and by adding thereto Incremental Property Taxes resulting from the completion of Project Improvements from previous Phases after deducting Incremental Property Taxes which are the basis for the calculation of the Phase I Borough Funding Commitment and all other previously determined Successive Phase Borough Funding Commitments. The foregoing determination of Estimated Real Property Tax Increment shall be calculated after a reexamination of the assumptions underlying the determination of the Phase I Borough Funding Commitment and all Successive Phase Borough Funding Commitments previously calculated in light of the timing and nature of the Project Improvements for which Bonds have been issued, among other factors.

(g) The sale of any Bonds issued by the Borough shall be in a commercially reasonable manner. In the event the Naugatuck Parties decide that the Borough shall issue TIF Bonds, a separate agreement dealing with the final determination of the principal amount of the TIF Bonds and the specific terms of issuance of the TIF Bonds shall be entered into by the Parties mutually satisfactory to the Parties in form and substance customary for the issuance of tax increment bonds (the "TIF Bond Financing Agreement") promptly after the final adoption and approval of the MDP under the Development Act and appropriate resolutions authorizing the issuance and sale of the TIF Bonds and the use of said funds adopted by the Borough. Notwithstanding the foregoing, the Borough may, in its sole discretion, satisfy its funding obligation to Renaissance as set forth in this Section 9.05 by issuing its general obligation bonds and notes or its Parking Revenue Bonds in such amounts as it deems fit and paying the net Bond funds therefrom,

after deducting costs of issuance, to Renaissance so long as the aggregate amount of any Bonds issued by the Borough for any Phase do not cause it to exceed the Borough Funding Commitment for such Phase. The Borough may require that all debt obligations issued by the Borough, including the Bonds under this Agreement, satisfy all requirements for tax-exempt obligations under the Code.

Section 9.06 Timing of Issuance.

It is hereby agreed and acknowledged by Renaissance that the obligation of the Borough to exercise its reasonable efforts to issue and sell any of its Bonds, including TIF Bonds, in connection with Phase I and any approved Successive Phase, in a commercially reasonable manner and to pay the net bond funds derived therefrom for Public Development Costs and the Naugatuck Site Preparation Cost Obligation, to the extent applicable, all as set forth in Section 9.05 above, shall not be binding upon the Borough unless and until the satisfaction of all of the following conditions precedent:

- (i) All statutory requirements for the issuance of the Bonds, including TIF Bonds pursuant to Chapter 132 of the Connecticut General Statutes, shall be fully met within the sole discretion of the Borough and its Bond Counsel;
- (ii) The Borough's Bond Counsel shall be satisfied that all necessary legal requirements have been met so that it may deliver its approving opinion in the form which is customary and accepted in the marketplace including its opinion that the Bonds have been duly authorized and validly issued under the laws of the State of Connecticut and under proceedings duly had and taken in conformity therewith and that any TIF Bonds are valid and binding special obligations of the Borough payable from funds or monies pledged therefor under Chapter 132 of the Connecticut General Statutes and any applicable indenture of trust;

- (iii) The Borough's Financial Advisor shall have sized any issue of Bonds for any Phase in accordance with the requirements of this Agreement and any TIF Bond Financing Agreement, in the case of TIF Bonds, and Renaissance shall acknowledge in writing that the issuance of such Bonds shall fully satisfy and discharge the obligations of the Naugatuck Parties to provide financial assistance for each specific Phase pursuant to this Agreement. "Financial Advisor" shall mean Webster Bank, National Association, or such other institution, corporation or individual as the Borough may designate.
- (iv) The Financial Advisor shall be satisfied that the Borough may successfully market and sell the Bonds in a commercially reasonable manner and that there is a reasonable likelihood that the Borough's financial objectives relative to the issuance of the Bonds, including the TIF Bonds as more particularly described in the TIF Bond Financing Agreement, will be achieved;
- (v) The Naugatuck Parties shall be reasonably satisfied that there exists a binding, enforceable commitment by Renaissance to construct the Private Improvements; and
- (vi) No Renaissance Default shall have occurred and be continuing.

Section 9.07 Tax Relief.

The Parties acknowledge that a tax assistance agreement between the Borough and Renaissance with regard to the Renaissance Projects could create greater economic viability for the Project. Accordingly, the Naugatuck Parties shall consider the negotiation of the terms and provisions of such agreement in connection with the construction of the Private Improvements in a manner timely enough to comply with the

Project Schedule and the financial obligations of the Parties. The terms and provisions may include the temporary abatement by the Borough of any Borough tax obligations of Renaissance during the period of construction of the Private Improvements through the issuance of the applicable certificates of occupancy for the Private Improvements. Any tax property relief resulting from a tax assistance agreement between the Parties shall be accounted for and deducted from the calculation of any Estimated Real Property Tax Increment prior to any issuance of Bonds. The Naugatuck Parties shall also consider the negotiation of an agreement that would provide a certain payment in lieu of taxes (PILOT). It is presumed that the revenue generated pursuant to any PILOT agreement would be sufficient to provide adequate revenue to service any debt associated with related public financing as well as satisfy any related covenants. The Parties hereby recognize that the Naugatuck Parties shall have no obligation to execute any such agreements unless express legal authority supports such agreements by the Naugatuck Parties to the satisfaction of counsel to the Naugatuck Parties based on its review of existing Applicable Laws.

ARTICLE X

CONDITIONS PRECEDENT TO RENAISSANCE'S OBLIGATIONS

Section 10.01 Conditions Precedent to Renaissance's Obligation to Commence Construction for Each Phase of Development.

Renaissance's obligation to commence construction of each Phase of the Project Improvements is subject to the following conditions precedent, which conditions (except for Section 10.01(a) below) are to be satisfied independently for each Phase:

(a) Renaissance has obtained the Development District approval applicable to the development of the Renaissance Projects (which Development District approval shall not contain any conditions that are unacceptable to Renaissance in its reasonable discretion), which Development District approval shall be final and shall not be subject to any moratorium and with respect to which all applicable appeal periods under Conn. Gen Stat. Sections 8-8(b) and 8-8(c) have expired with no appeal having been taken,

or, if such appeal has been taken, final judgment has been entered affirming the Development District approval that was the subject of the appeal, all in accordance with the Project Schedule;

(b) the Parties have identified and secured commitments for the necessary amounts of public and private financing for each Phase in accordance with Section 9.01 hereof;

(c) The Borough has acquired, or contemporaneously with the acquisition of the Renaissance Garage Parcels, is acquiring fee simple title to the Borough Acquisition Parcels related to the specific Phase and will simultaneously deliver to Renaissance the Borough Conveyance Parcels related to the specific Phase pursuant to Section 7.02 hereof;

(d) The Naugatuck Parties have entered into legally binding agreements for the performance of work related to the Site Preparation and Site Remediation related to the applicable Phase;

(e) Renaissance has obtained all Governmental Permits, including a State Traffic Commission Certificate (or a determination that no such certificate is required), with appeal periods passed, in order to develop the Project Improvements for each specific Phase in accordance with the Project Schedule for such Phase; and

(f) No Naugatuck Default has occurred and is continuing.

ARTICLE XI

CONDITIONS PRECEDENT TO NAUGATUCK PARTIES' OBLIGATIONS

Section 11.01 Conditions Precedent to Borough Conveyance Parcels Closing and Naugatuck Parties' Obligations for Each Phase of Development.

The Naugatuck Parties' obligations to consummate the closing of the conveyance of the Borough Conveyance Parcels and to perform their other obligations under Article VII hereof (excluding Section 7.01) and Article VIII hereof for each Phase, are subject to satisfaction of the following conditions precedent, which conditions are to be satisfied independently for each Phase:

(a) The conditions set forth in Sections 10.01(a), (b) and (e) have been satisfied;

(b) Renaissance has entered into one or more construction contracts or construction management contracts with Renaissance's Construction Manager covering the construction of the Project Improvements for each applicable Phase and furnished to Naugatuck Parties copies of contracts for the Public Improvements for such Phase, provided that the form of such contracts shall have been reviewed and approved by the Naugatuck Parties in their reasonable discretion prior to their execution, and Renaissance has delivered payment and performance bonds or such completion guaranties or other guaranties reasonably acceptable to the Naugatuck Parties with respect to the Project Improvements for such Phase in accordance with Section 9.01(d) herein;

(c) Renaissance has delivered to the Naugatuck Parties Plans for the Public Improvements for the applicable Phase prepared by or on behalf of the Renaissance Architect and the Naugatuck Parties have approved said Plans for the Public Improvements for such Phase;

(d) Renaissance has acquired or, contemporaneously with the acquisition of the Borough Conveyance Parcels, is acquiring fee simple title to the Renaissance Parcels related to the specific Phase and will simultaneously convey to the Naugatuck Parties the Renaissance Garage Parcels related to the specific Phase pursuant to Section 7.02 hereof;

(e) The Parties shall have entered into such other agreements governing the development of the applicable Phase of the Project as may be necessary or desirable, and Renaissance shall have provided to the Naugatuck Parties adequate assurances that Renaissance is both capable and willing to commence, carry out and fully fund its commitments and obligations under this Agreement and all such other agreements; and

(f) No Renaissance Default has occurred and is continuing.

ARTICLE XII

COOPERATION; CONSTRUCTION COORDINATION

Section 12.01 Cooperation.

The Borough, the Corporation and Renaissance acknowledge that the Project includes the interrelationship of the various parcels of real property included within the Development District Area and that the construction, development and operation of such real property, including the improvements to be located thereon, will require cooperation between the Parties in a number of areas which may not be apparent until final design or completion of construction of each Phase of the Project Improvements, including, without limitation, the coordination of systems and permits for storm water discharge, sanitary sewer discharge, and stationery source emissions and the construction, development and operation of utility facilities. The Parties agree to cooperate with one another with respect to such matters.

Section 12.02 Easements and Licenses.

The Naugatuck Parties and Renaissance shall negotiate and enter into in good faith and in a timely manner, upon the request of Renaissance or the Naugatuck Parties therefor, such easements and/or licenses for construction, drainage, utilities, vaults, footings, construction signage and other similar purposes, as may be reasonably necessary to permit or facilitate performance of the Renaissance's or the Naugatuck Parties'

obligations with respect to the Project (including, without limitation, such easements, rights or way or other agreements with utility providers), provided that such easements, licenses, rights of way and other agreements are acceptable to the Parties and do not unreasonably interfere with the use of the property of any of the Parties.

ARTICLE XIII

INSURANCE; PAYMENT AND PERFORMANCE BONDS

Section 13.01 Insurance.

(a) Renaissance shall obtain and maintain, or cause to be maintained, at its own cost and expense such forms of insurance required by Applicable Laws, required by sources of public or private funding or ordinarily required of parties providing development services to the Borough on public works projects. Renaissance shall require each of its contractors and subcontractors to maintain workers' compensation insurance in accordance with the foregoing requirements.

(b) During the performance of the Site Preparation by the Naugatuck Parties, the Naugatuck Parties shall maintain, at its own cost and expense, such forms of insurance required by Applicable Laws.

(c) The Borough shall have the right to self-insure with respect to any property insurance required by Section 13.01(b).

Section 13.02 Payment and Performance Bonds.

(a) Renaissance shall maintain, or cause to be maintained, payment and performance bonds or such completion guaranties reasonably acceptable to the Naugatuck Parties and such other assurances of performance as required by applicable governmental ordinances, codes, regulations or related requirements with respect to construction of the

Project Improvements. The payment and performance bonds shall be consistent with the type and amount of payment and performance bonds as is customary in the industry for similar projects. The cost to supply payment and performance bonds securing the construction of Public Improvements shall be a cost of those improvements and the cost to supply payment and performance bonds securing the construction of Private Improvements shall be a cost of those improvements.

(b) The Naugatuck Parties shall maintain, or cause to be maintained, payment and performance bonds or other assurances of performance as required by Applicable Law with respect to its obligations pursuant to Section 7.03 hereof, if applicable.

ARTICLE XIV

DEFAULTS AND REMEDIES

Section 14.01 Default by Renaissance Parties.

(a) The occurrence of any one or more of the following events constitutes a default by Renaissance under this Agreement (“Renaissance Default”):

- (i) failure by Renaissance to use its commercially reasonable efforts to promptly, professionally and diligently proceed to design and construct the Project Improvements in accordance with the terms hereof, including, without limitation, the failure to satisfy in any material respect any milestone for which it is obligated set forth herein or in any Project Schedule, where the satisfaction of such milestone is within the control of Renaissance and not within the control of either or both of the Naugatuck Parties, if such failure shall continue for more than thirty (30) days after notice of such

failure is given to Renaissance by the Borough or the Corporation; provided, however, that Renaissance shall not be in default with respect to such matters that are susceptible of cure but cannot be reasonably cured within thirty (30) days, so long as Renaissance has promptly commenced such cure within such thirty (30) day period, and diligently proceeds in a reasonable manner to complete the same thereafter, or if such failure is as a direct result of any action, inaction or default by the Naugatuck Parties;

(ii) failure by Renaissance to observe or perform any other material covenant, agreement, condition or provision of this Agreement, if such failure shall continue for more than thirty (30) days after notice of such failure is given to Renaissance by the Borough or the Corporation; provided, however, that Renaissance shall not be in default with respect to such matters that are susceptible of cure but cannot be reasonably cured within thirty (30) days, so long as Renaissance has promptly commenced such cure within such thirty (30) day period, and diligently proceeds in a reasonable manner to complete the same thereafter, or if such failure is as a direct result of any action, inaction or default by the Naugatuck Parties;

(iii) failure by Renaissance to observe or perform any material covenant, agreement, condition or provision of any Operative Agreement to which Renaissance is a party, other than this Agreement, including any agreement providing for private or public funding for the Project, if such failure shall have a material adverse impact on the performance of Renaissance's obligations under this Agreement and shall

continue for more than thirty (30) days after notice of such failure is given to Renaissance by the Borough or the Corporation; provided, however, that Renaissance shall not be in default with respect to such matters that are susceptible of cure but cannot be reasonably cured within thirty (30) days, so long as Renaissance has promptly commenced such cure within such thirty (30) day period, and diligently proceeds in a reasonable manner to complete the same thereafter, or if such failure is as a direct result of any action, inaction or default by the Naugatuck Parties;

- (iv) failure by Renaissance to maintain during the construction period, adequate insurance, payment and performance bonds or other similar security in accordance with the terms hereof or any other Operative Agreement, or to pay any amounts whose non-payment shall adversely impact or jeopardize the development of the Project in any material respect;
- (v) Renaissance admits in writing its inability to pay its debts as they mature, or makes an assignment for the benefit of creditors, or applies for or consents to the appointment of a trustee or receiver, or for a major part of its property;
- (vi) a trustee or receiver is appointed for Renaissance or any Renaissance Affiliate or for a major part of its assets and it is not discharged within ninety (90) days after such appointment; or
- (vii) bankruptcy, reorganization, receivership, arrangement, insolvency or liquidation proceedings, or other proceedings for relief under any federal or state bankruptcy law, or

similar law for the relief of debtors, are instituted by or against Renaissance, and, if instituted against Renaissance, are allowed against it or are consented to by it or are not dismissed within ninety (90) days after such institution.

(b) In the event that Renaissance wishes to avail itself of the extended cure rights provided in this Section 14.01 in circumstances in which cure is possible, but cannot commence such cure rights within thirty (30) days of the date of notice of default, Renaissance shall promptly furnish to the Naugatuck Parties a written statement specifying the actions undertaken or to be undertaken to cure such default and a timetable for the satisfaction of such actions, and thereafter, upon the written request of the Naugatuck Parties, shall promptly provide such additional or updated information with respect to such actions as the Naugatuck Parties may reasonably request.

Section 14.02 Default by Naugatuck Parties.

(a) The occurrence of any one or more of the following events constitutes a default by the Naugatuck Parties under this Agreement (“Naugatuck Default”):

- (i) failure by the Naugatuck Parties to make Payments toward the payment of Public Improvements in accordance with Section 8.03 hereof, if such failure shall continue for more than thirty (30) days after notice of such failure is given to the Naugatuck Parties by Renaissance; provided, however, that the Naugatuck Party shall not be in default with respect to such matters that are susceptible to cure but cannot be reasonably cured within thirty (30) days, so long as the Naugatuck Parties promptly commenced such cure, and diligently proceed in a reasonable manner to complete the same thereafter;

- (ii) failure by the Naugatuck Parties to use their commercially reasonable efforts to promptly, professionally and diligently proceed to perform the Site Preparation and Site Remediation in accordance with and subject to the terms hereof, including, without limitation, the failure to satisfy in any material respect any milestone for which they are obligated set forth herein or in any Project Schedule, where the satisfaction of such milestone is within the control of either or both of the Naugatuck Parties and not within the control of Renaissance, if such failure shall continue for more than thirty (30) days after notice of such failure is given to the Naugatuck Parties by Renaissance; provided, however, that the Naugatuck Parties shall not be in default with respect to such matters that are susceptible of cure but cannot be reasonably cured within thirty (30) days, so long as the Naugatuck Parties have promptly commenced such cure within such thirty (30) day period, and diligently proceed in a reasonable manner to complete the same thereafter, or if such failure is as a direct result of any action, inaction or default by Renaissance;

- (iii) failure of either of the Naugatuck Parties to observe or perform any other material covenant, agreement, condition or provision of this Agreement, if such failure shall continue for more than thirty (30) days after notice of such failure is given to the Naugatuck Parties by Renaissance; provided, however, that a Naugatuck Party shall not be in default with respect to such matters that are susceptible to cure but cannot be reasonably cured within thirty (30) days, so long as such Naugatuck Party has promptly commenced such cure, and

diligently proceed in a reasonable manner to complete the same thereafter, or if such failure is as a direct result of any action, inaction or default by Renaissance.

- (iv) failure by either of the Naugatuck Parties to observe or perform any material covenant, agreement, condition or provision of any Operative Agreement to which either of the Naugatuck Parties is a party, other than this Agreement, including any agreement providing for private or public funding for the Project, if such failure shall have a material adverse impact on the performance of the obligations of the Naugatuck Parties under this Agreement and shall continue for more than thirty (30) days after notice of such failure is given to the Naugatuck Parties by Renaissance; provided, however, that a Naugatuck Party shall not be in default with respect to such matters that are susceptible of cure but cannot be reasonably cured within thirty (30) days, so long as such Naugatuck Party has promptly commenced such cure within such thirty (30) day period, and diligently proceeds in a reasonable manner to complete the same thereafter, or if such failure is as a direct result of any action, inaction or default by Renaissance;

(b) In the event that the Naugatuck Parties wish to avail themselves of the extended cure rights provided in this Section 14.02 in circumstances in which cure is possible, but cannot cure such cure rights within thirty (30) days of the date of notice of default, the Naugatuck Parties shall promptly furnish to Renaissance a written statement specifying the actions undertaken or to be undertaken to cure such default and a timetable for the satisfaction of such actions, and thereafter, upon the written request of Renaissance, shall promptly provide such additional or updated information with respect to such actions as Renaissance may reasonably request.

Section 14.03 Remedies Generally.

(a) If a Renaissance Default or Naugatuck Default occurs, the Parties shall be entitled to pursue their respective rights and remedies pursuant to this Agreement or any other Operative Agreement or as may otherwise be available in law or equity.

(b) With respect to a Naugatuck Default, Renaissance may pursue any one or more of the following remedies concurrently or successively, it being the intent hereof that none of such remedies shall be to the exclusion of any other:

- (i) Pursue an action for damages incurred by or asserted against Renaissance as a result of the default by the Naugatuck Parties;
- (ii) Exercise or pursue any other remedy or cause of action permitted under this Agreement or conferred upon Renaissance at law or in equity, including, but not limited to, instituting an action for specific performance; and/or
- (iii) Termination of this Agreement subject to compliance with the express terms of Section 14.03(d) hereof.

(c) With respect to a Renaissance Default, either of the Naugatuck Parties may pursue any one or more of the following remedies concurrently or successively, it being the intent hereof that none of such remedies shall be to the exclusion of any other:

- (i) Pursue an action for damages incurred by or asserted against either of the Naugatuck Parties as a result of the default by Renaissance;

- (ii) Exercise or pursue any other remedy or cause of action permitted under this Agreement or conferred upon either of the Naugatuck Parties at law or in equity, including, but not limited to, instituting an action for specific performance; and/or
- (iii) Termination of this Agreement subject to compliance with the express terms of Section 14.03(d) hereof.

(d) As a condition precedent to terminating this Agreement pursuant to Section 14.03 hereof, a Party wishing to terminate this Agreement must first submit the matter to mediation in accordance with Section 14.04(c) hereof to determine whether a Default has occurred and is continuing and whether termination of this Agreement is warranted based upon the occurrence of such Default. If mediation is unsuccessful, then the issues of whether a Default has occurred and is continuing and whether termination is warranted as a result of such Default must be submitted to binding arbitration solely to decide such issues. If the Parties do not mutually agree upon termination of this Agreement, a Party may terminate this Agreement only after an arbitrator has ruled that a Default has occurred and is continuing and termination of this Agreement is warranted.

- (i) Notwithstanding the provisions of Section 14.04 of this Agreement, the Parties agree that they will submit to arbitration the limited issues of whether a Default exists under this Agreement and, as a result, whether termination of this Agreement is warranted. That arbitration proceeding will be limited to the arbitrator determining the issues of whether a Default exists under this Agreement and whether termination of this Agreement is warranted as a result of such Default. Said arbitration proceeding shall not determine any other issues, including a determination of

damages of any variety. All other issues shall be resolved in accordance with the provisions of Section 14.04 of this Agreement.

- (ii) The arbitration shall be in accordance with the Rules of Commercial Arbitration of the ADRC with certain restrictions. These restrictions shall include:
 - a. There shall be a single arbitrator.
 - b. The issues to be decided by the arbitrator shall be limited to the issues of whether a Default exists under this Agreement and whether termination of this Agreement is warranted as a result of such Default.
 - 1. In reaching this decision, the arbitrator shall consider the evidence and briefs submitted by the parties as well as the terms of this Agreement, particularly the default provisions contained in Sections 14.01 and 14.02 hereof.
 - 2. Absent mutual written consent and agreement by the Parties, the arbitrator shall not be authorized to render a decision on any other liability or damages issues.
 - c. Each Party shall have twenty (20) hearing hours (either through direct or cross-examination) in which to present its case.
 - d. The Parties shall be entitled to submit pre-arbitration and post-arbitration briefs, the length of which shall be determined by the arbitrator.

- e. The Parties shall not make opening or closing statements unless they mutually agree to do so and/or are requested to do so by the arbitrator.
- f. There shall be a stenographic record of the proceedings. The cost shall be equally shared by the Parties.
- g. The arbitrator shall be authorized to permit limited discovery prior to the hearing dates as he/she feels appropriate.
- h. The hearings shall be scheduled so that they conclude no later than one hundred and twenty (120) days from the date on which the arbitration demand is made.
- i. The arbitrator shall make his/her ruling on the termination issue no later than fifteen (15) days after receiving the Parties' post-arbitration briefs.

Section 14.04 Dispute Resolution.

(a) The Parties shall attempt in good faith to resolve any dispute arising out of or relating to this Agreement first by negotiation, then by mediation, and finally by litigation.

(b) If a dispute arises, any Party may give the other Party written notice of any dispute not resolved in the normal course of business, specifically referring to this Section 14.04 and requesting negotiation. The receiving Party shall promptly submit to the other a written response. The notice and the response shall each include a statement of the Party's position and a summary of arguments supporting that position. If deemed appropriate, the Parties shall meet at a mutually acceptable time and place, and thereafter as often as they reasonably deem necessary, to attempt to resolve the dispute. All reasonable requests for relevant information made by one party to the other should be

honored. It is the goal of the Parties to attempt to negotiate resolutions within thirty (30) days of the date a dispute arises. All negotiations pursuant to this provision are confidential and shall be treated as compromise and settlement negotiations for purposes of applicable rules of evidence and the FOIA. The Parties shall continue to perform under this Agreement while any such dispute is pending.

(c) If a dispute arises out of or relates to this Agreement, or breach thereof, and if said dispute cannot be settled through direct negotiation, the Parties agree to first endeavor to settle the dispute in an amicable manner by non-binding mediation under the Construction Industry Mediation Rules of the ADRC, before having recourse to a judicial forum, except where some other method of dispute resolution is expressly provided for herein.

(d) If the Parties are unsuccessful in mediation of a dispute, all Parties agree that the Superior Court of the State of Connecticut for the judicial district of Waterbury (and, in the event of appeal, the appropriate appellate courts of the State of Connecticut) shall be the sole and exclusive jurisdiction and venue for any dispute or disagreement arising under or related to this Agreement and any action with respect thereto shall be brought, if at all, within three (3) years after Substantial Completion of the Combined Projects.

ARTICLE XV

REPRESENTATIONS AND WARRANTIES

Section 15.01 Representations and Warranties of Renaissance.

Renaissance represents, warrants and covenants as follows:

(a) Renaissance is a limited liability company duly organized and validly existing under the laws of the State of Connecticut with full power and authority to

conduct its business as presently conducted and as contemplated by this Agreement, and to enter into and perform its obligations under this Agreement.

(b) Renaissance shall maintain its legal existence, will not dissolve, liquidate or wind up its affairs, and will not dispose of all or substantially all of its assets;

(c) neither the operating agreement or the articles of organization of Renaissance or any Applicable Law in any way prohibits, limits or otherwise affects the right or power of Renaissance to enter into and perform all of the terms and conditions of this Agreement and the transactions contemplated hereby, and Renaissance is not a party to or bound by any material contract, agreement, indenture, trust agreement, note, obligation or other instrument which would prohibit or limit the same. No consent, authorization or approval of, or other action by, and no notice to or filing with any Governmental Authority or other person is required for the proper execution, delivery and performance by Renaissance of this Agreement or any of the transactions contemplated hereby, except for such approvals as have already been obtained;

(d) the execution and delivery of this Agreement by Renaissance has been duly and validly authorized by all necessary action. This Agreement is a legal, valid and binding obligation of Renaissance, enforceable against Renaissance in accordance with its terms;

(e) Renaissance shall secure and maintain access to financial resources, including contributed or accumulated capital, sufficient to meet its obligations as the same become due.

Section 15.02 Representations and Warranties of the Naugatuck Parties.

(a) The Borough represents and warrants as follows:

- (i) the Borough has the legal power and authority to execute and deliver this Agreement and to carry out and perform all of the terms and provisions of this Agreement and all transactions contemplated hereby, subject to those limitations attributable to the absence of an approved MDP under the Development Act, to the extent required to be carried out or performed by the Borough. The Borough is not bound by any contract, agreement, mortgage, trust agreement, note, obligation or other instrument which would prohibit, limit or otherwise affect the same.
 - (ii) The execution and delivery of this Agreement by the Borough has been duly and validly authorized by all necessary action. This Agreement is a legal, valid and binding obligation of the Borough, enforceable against the Borough in accordance with its terms, subject to those limitations attributable to the absence of an approved MDP under the Development Act.
 - (iii) Except as disclosed to Renaissance and based upon the actual knowledge of the Mayor and other Borough officials reasonably expected to have responsibility for such matters, the Borough has not received any notice, notification or citation from DEP or the U.S. Environmental Protection Agency informing the Borough of, and the Borough has no knowledge of, the presence, or the alleged or suspected presence of, any Hazardous Materials in or on the Borough Conveyance Parcels.
- (b) The Corporation represents and warrants as follows:

- (i) the Corporation has the legal power and authority to execute and deliver this Agreement and to carry out and perform all of the terms and provisions of this Agreement and all transactions contemplated hereby, subject to those limitations attributable to the absence of an approved MDP under the Development Act, to the extent required to be carried out or performed by the Corporation. The Corporation is not bound by any contract, agreement, mortgage, trust agreement, note, obligation or other instrument which would prohibit, limit or otherwise affect the same.
- (ii) The execution and delivery of this Agreement by the Corporation has been duly and validly authorized by all necessary action. This Agreement is a legal, valid and binding obligation of the Corporation, enforceable against the Corporation in accordance with its terms, subject to those limitations attributable to the absence of an approved MDP under the Development Act.
- (iii) Except as disclosed to Renaissance and based upon the actual knowledge of the Chief Executive Officer and the Chairman of the Board of Directors of the Corporation, the Corporation has not received any notice, notification or citation from DEP or the U.S. Environmental Protection Agency informing the Corporation of, and the Corporation has no knowledge of, the presence, or the alleged or suspected presence of, any Hazardous Materials in or on the Borough Conveyance Parcels.

ARTICLE XVI

GENERAL PROVISIONS

Section 16.01 Notices.

(a) Except as otherwise provided in this Agreement, all notices, demands, requests, consents, approvals and other communications required or permitted to be given hereunder, or which are to be given with respect to this Agreement, shall be in writing and shall be deemed delivered (i) upon the delivery by facsimile electronic transmission (provided that such facsimile is sent on a Business Day prior to 5:00 p.m. of the recipient's local time, and a confirmation copy is sent via another manner set forth in this Section 16.01), (ii) the next Business Day following delivery to Federal Express or another nationally recognized air-freight or commercial delivery service for next day delivery, or (iii) two (2) Business Days following deposit thereof in the United States mail, certified mail (return receipt requested), provided such notices shall be addressed or delivered to the parties at their respective addresses or facsimile telephone numbers set forth below. Copies of all notices delivered hereunder relating to any default, breach, indemnity or reimbursement claim, termination or other matter of similar import, shall also be delivered in the same manner to counsel as indicated below, but the failure to deliver such copy shall not affect the validity or sufficiency of any such notice.

If to the Borough:

Borough of Naugatuck
Town Hall
229 Church Street
Naugatuck, CT 06770

Attention: Mayor
Facsimile: (203) 720-7099

If to the Corporation:

Naugatuck Economic Development Corporation
195 Water Street

Naugatuck, CT 06770

Attention: David Prendergast
Facsimile: (203) 729-4512

with a copy to:

Updike, Kelley & Spellacy, P.C.
One State Street
Hartford, CT 06103

Attention: Michael P. Botelho, Esq.
Facsimile: (860) 548-2680

If to Renaissance:

Renaissance Place, LLC
33 Miller Street
Fairfield, CT 06824

Attention: Alexius C. Conroy
Facsimile: (203) 319-7369

with a copy to:

Brendan M. Fox, Jr., Esq.
Law Offices of Jay F. Malcynsky, P.C.
One Liberty Square
New Britain, CT 06051

Facsimile: (860) 225-4627

(b) Each Party shall have the right to change the place or person to which notices, requests, demands, and communications hereunder shall be sent or delivered by delivering a notice to the other parties.

(c) Except as otherwise may be expressly provided herein, whenever this Agreement calls for any approval, consent, waiver, acceptance or concurrence by a Party, the approval, consent, waiver, acceptance or concurrence of the person identified below shall be sufficient for purposes hereof:

- (i) in the case of the Borough, the Mayor;
- (ii) in the case of the Corporation, either the Chairperson of the Board of Directors of the Corporation or the Chief Executive Officer; and
- (iii) in the case of Renaissance, its Managing Member.

Section 16.02 Confidentiality.

The Parties agree, except as required by Applicable Law, including the FOIA, to make reasonable good faith efforts to keep all Proprietary Information confidential and not to disclose or reveal any Proprietary Information to any Person other than their respective Representatives who are participating in the development of the Project. The Parties shall take reasonable steps to safeguard and protect the confidentiality of the Proprietary Information. This Section 16.02 shall not limit the use of such Proprietary Information in furtherance of the performance of obligations by the Parties under this Agreement or the other Operative Agreements. This Section 16.02 is subject in all respects to the provisions of Section 16.03.

Section 16.03 Freedom of Information Act.

The Naugatuck Parties have advised Renaissance that the Borough and the Corporation are “public agencies” for purposes of the Connecticut Freedom of Information Act, Sections 1-200 to 1-241 of the General Statutes, as amended (the “FOIA”), and that information relating to Renaissance and their affairs received or maintained by the Borough or the Corporation will constitute “public records or files” for purposes of the FOIA subject to public access and disclosure in the manner provided in the FOIA, unless another specific exemption from the public access and disclosure requirements of the FOIA is available in connection with particular records or files received or maintained by

the Borough or the Corporation. Accordingly, it is agreed that the Borough and the Corporation shall be relieved from any confidentiality obligations under this Agreement, including Section 16.02, or otherwise arising that would be in conflict with its obligations under the FOIA.

Section 16.04 Public Statements.

All written press releases and written marketing materials regarding the terms of this Agreement or any of the agreements contemplated hereby will be subject to the review and reasonable approval of the Parties provided that the foregoing shall not apply in those circumstances relating to the seeking of approvals of this Agreement or any other actions contemplated herein by any board, commission or agency of the Borough of Naugatuck. Any formal press conferences to be conducted by any of the Parties regarding the terms of this Agreement or any of the agreements contemplated hereby shall be subject to the reasonable approval of the other Parties. The Parties agree to cooperate with, and communicate with each other, on a regular basis and in a reasonable manner with respect to any other method of publicity to be utilized by any of the Parties concerning this Agreement or any of the agreements contemplated hereby.

Section 16.05 Intentionally Omitted.

Section 16.06 Severability.

In case any provision in this Agreement shall be held invalid, illegal, or unenforceable, the validity, legality and enforceability of the remaining provisions hereof will not in any way be affected or impaired thereby.

Section 16.07 Amendments.

No amendment or modification of this Agreement shall be effective unless in writing and signed by each of the Parties hereto, such acknowledgment and acceptance not to be unreasonably withheld or delayed.

Section 16.08 Intentionally Omitted.

Section 16.09 No Partnership, Joint Venture or Agency.

Nothing contained herein or done pursuant hereto shall be deemed to create, as between Renaissance, on the one hand, and the Naugatuck Parties on the other, any partnership, joint venture or agency relationship.

Section 16.10 Entire Understanding.

As of the Effective Date, this Agreement shall constitute the entire understanding among the Parties, and shall supersede any and all previous understandings pertaining to the subject matter of this Agreement, including the Pre-Development Agreement, with the exception of Section 16 of the Pre-Development Agreement which shall survive.

Section 16.11 No Third Party Beneficiaries.

This Agreement is for the exclusive benefit of the Parties hereto and no rights of third party beneficiaries are created hereby.

Section 16.12 Binding Effect; Successors and Assigns.

This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and permitted assigns, including those Persons described in Section 7.10(a) hereof (and any reference to a Party herein shall include the successors and permitted assigns of such Party, unless otherwise indicated). Nothing in

this Section 16.12 shall be deemed to permit any transfer or assignment of this Agreement or the rights or obligations hereunder not otherwise expressly permitted by this Agreement.

Section 16.13 Certain Legal Fees.

The Naugatuck Parties, on the one hand, and Renaissance, on the other hand, each shall be responsible for the fees and disbursements of their own counsel in connection with the negotiation, preparation and execution of this Agreement.

Section 16.14 Governing Law.

This Agreement shall be governed by and construed in accordance with the internal laws of the State of Connecticut.

Section 16.15 Counterparts.

This Agreement may be executed in counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

Section 16.16 Term.

This Agreement shall terminate and be of no further force and effect (except for provisions which by their terms explicitly survive the termination hereof) upon the earlier to occur of (i) any Construction Commencement Failure Date (provided such termination shall affect such applicable Phase and all future Phases hereunder); (ii) the termination of this Agreement by any Party as a result of the occurrence of a Termination Event; (iii) the termination of this Agreement by any Party pursuant to Section 14.03(d) hereof; and (iv) the expiration of the term of fifteen (15) years from the Effective Date of this Agreement.

Section 16.17 Certificate of Completion.

After each Phase of the Project Improvements has been fully completed in accordance with the Plans, the Architect shall promptly furnish the Parties with a Certificate of Completion for such applicable Phase. A Certificate of Completion shall be conclusive determination of the satisfaction of Renaissance's construction obligation for each Phase of the Project.

If the Architect shall refuse or fail to provide certification in accordance with the provisions of this Section 16.17, the Architect shall, within thirty (30) days after written request by any of the Parties, provide the Parties with a written statement indicating in adequate detail what work Renaissance has to complete for the Project Improvements for a particular Phase to be substantially in accordance with the Plans, and for the Architect to issue the Certificate of Completion. Following receipt of the Architect's written statement listing the work that Renaissance needs to complete the Project Improvements for a particular Phase substantially in accordance with the Plans, Renaissance shall promptly complete the work necessary to obtain the Certificate of Completion. In the event of any dispute between the Naugatuck Parties and Renaissance with respect to the issuance of a Certificate of Completion, such dispute shall be resolved in the manner set forth in Section 14.04 of this Agreement.

Section 16.18 Additional Development Property.

In addition to the Development District Area, the Parties have identified the Additional Development Property, and the Parties acknowledge that the Additional Development Property may be necessary for and beneficial to the development of the Development District Area. The Naugatuck Parties agree to consider the incorporation of the Additional Development Property into the Development District Area, the possible designation of Renaissance as the "exclusive developer" of the Additional Development Property and the conditions governing the incorporation of such property. In the event the Naugatuck Parties approve the incorporation of the Additional Development Property into the Development District Area, they shall cooperate with Renaissance with respect to the

acquisition of such property provided that the underlying obligation to acquire such property shall be that of Renaissance.

Section 16.19 Strict Performance.

No failure by the Naugatuck Parties or Renaissance to insist upon the other party's strict performance of any covenant, agreement, term or condition of this Agreement, or to exercise any right or remedy available to such party, and no payment or acceptance of full or partial performance during the continuance of any default, shall constitute a waiver of any such event of default. No covenant, agreement, term or condition of this Agreement to be performed or complied with by either Party, and no default by either Party, shall be waived, altered or modified, except by a written instrument executed by the other Party. No waiver of any default shall affect or alter this Agreement, but each and every covenant, agreement, term or condition of this Agreement shall continue in full force and effect with respect to any other then existing or subsequent default.

Section 16.20 Successive Phases.

(a) This Agreement shall govern the development of Phase I of the Project and all Successive Phases subject to the terms of this Section 16.20. Except as to Renaissance's obligation to present Successive Phases in accordance with Section 5.01 hereof and the good faith obligation of both Parties to review the specific components of each Successive Phase, the Parties shall have no obligations under this Agreement as to any Successive Phase unless and until the specific components of that Successive Phase have been approved by the Parties in accordance with Section 5.01 hereof and provided this Agreement has not been otherwise terminated. The Parties agree to act in good faith and to proceed with reasonable diligence in their consideration and approval of the specific components of each Successive Phase. Successive Phases and the Project Improvements relating thereto will be presented, approved, designed and constructed pursuant to the terms of this Agreement. Prior to the approval of any Successive Phase by the Parties, the

specific components of the applicable Successive Phase shall be agreed upon in detail by the Parties in good faith in accordance with Section 5.01 hereof and all procedures, requirements and obligations relating to the preparation and adoption of a municipal development plan to the extent the then current MDP does not adequately describe the applicable Successive Phase under the Development Act, the preparation and approval of a project schedule, project budget and design and construction documents, the procurement of Governmental Permits, the sources and commitments of financing for the applicable Successive Phase Project Improvements, including any site acquisition, site preparation and site remediation related thereto, the conduct of site acquisition, site preparation and site remediation activities and the construction of the Successive Phase Project Improvements related to each Successive Phase shall be based upon the terms and conditions contained herein. The approval of the Parties as to the specific components of each Successive Phase shall be memorialized in writing. The specific components of each Successive Phase and the description of such components as reflected on exhibits similar to those exhibits provided for Phase I attached hereto shall be presented to the Parties for their approval.

(b) The Naugatuck Parties shall consider in good faith the elements of any Successive Phase presented by Renaissance for its approval and which approval shall be subject to the following conditions precedent:

- (i) The satisfaction of the requirements contained in Section 16.20(a) hereof;
- (ii) No Renaissance Default shall have occurred and be continuing;
- (iii) Renaissance shall have performed its obligations hereunder and under the other Operative Agreements, as such may be amended, in accordance with the terms thereof; and

- (iv) The completion of an economic/market feasibility study, similar in form to the report prepared by HMA, and other reports of consultants reasonably required by, and reasonably satisfactory to, the Naugatuck Parties supporting the development of such Successive Phase.

Section 16.21 Further Approvals.

Renaissance recognizes that during the course of the development of the Project Improvements it shall be necessary to seek and obtain Governmental Permits and other approvals from various local, state and federal boards, commissions, agencies and other Governmental Authorities, including, without limitation, boards, commissions and agencies of the Borough. Nothing herein, including, without limitation, any commitment by the Naugatuck Parties to use their best or good faith efforts or to cooperate and/or assist in the procurement of such Governmental Permits and other governmental approvals shall be construed as guaranteeing the procurement of such Governmental Permits or approvals or any other specific action of the boards, commissions, agencies or other Governmental Authority responsible for the issuance of the Governmental Permits or approvals sought or requested.

[The signature page follows]

IN WITNESS WHEREOF, Renaissance, the Corporation and the Borough have caused this Development Agreement to be signed by their duly authorized representatives, as such and not individually, as of the day and year first written above.

RENAISSANCE PLACE, LLC

By: _____
Name:
Title:

THE BOROUGH OF NAUGATUCK

By: _____
Name: Ron San Angelo
Title: Mayor

NAUGATUCK ECONOMIC
DEVELOPMENT CORPORATION

By: _____
Name:
Title: Chairman of the Board of
Directors

EXHIBIT A

[RENAISSANCE PARCELS]

EXHIBIT B

[DEVELOPMENT DISTRICT AREA]

EXHIBIT C

[GDC SITE]

EXHIBIT D

[BOROUGH PARCELS]

EXHIBIT E

[ADDITIONAL DEVELOPMENT PROPERTY]

EXHIBIT F

[MASTER CONCEPT PLAN]

EXHIBIT G

[GARAGE PARCELS]

EXHIBIT H

[PHASE I INFRASTRUCTURE IMPROVEMENTS]

EXHIBIT I

[PHASE I IMPROVEMENTS]

EXHIBIT J

[PUBLIC PARKING FACILITIES]

EXHIBIT K

[RESIDENTIAL IMPROVEMENTS PLANS]

EXHIBIT L

[RETAIL IMPROVEMENTS PLANS]

EXHIBIT M

[COMMERCIAL IMPROVEMENTS PLANS]

EXHIBIT N

[PRELIMINARY PROJECT BUDGET]

EXHIBIT O

[PHASING PLAN]