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TAX ABATEMENT AGREEMENT

THIS TAX ABATEMENT AGREEMENT (this "Agreement") is made as of the ____ day of September 2026 (the "Effective Date") by and between **33 Elizabeth Street, LLC,** a Connecticut limited liability company existing under the laws of the State of Connecticut (hereinafter referred to as "Elizabeth Street") and the **CITY OF DERBY,** a municipal corporation situated in the County of New Haven and State of Connecticut (hereinafter referred to as the "City").

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W I T N E S S ETH:

WHEREAS, Elizabeth Street owns a parcel of land situated within the City of Derby known as 33 Elizabeth Street and more particularly described on Exhibit A attached hereto (hereinafter referred to as the "Real Estate"); and

WHEREAS, Elizabeth Street renovated the Real Estate and repurposed it from its prior use to an apartment housing facility with 32 apartment units and retail space for the tenants, which was vacant and unimproved immediately prior to Elizabeth Street's adaptive reuse of the Real Estate (collectively, the "Improvements") located in the City of Derby; and

WHEREAS, the Tax and Business Incentive Ordinance (the "Ordinance") offered by the City of Derby provides tax abatement on the real estate taxes on improvements associated with the adaptive reuse for a period of not more than five years, provided that such party is constructing improvements thereon that increase the gross taxable assessment of its real property on account of such improvements by an amount equal to or greater than Three Million, Six Hundred Thousand Dollars ($3,600,000.00); and

WHEREAS, the Improvements increased the gross taxable assessment of the Real Estate by an amount equal to or greater than One Million, Five Hundred Thousand Dollars

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($1,500,000.00); and

WHEREAS, pursuant to the Ordinance, the tax abatement shall be for five (5) years, with the percentage abatement set forth in the Ordinance; and

WHEREAS, the City has concluded that it should enter into this Agreement with Elizabeth Street because Elizabeth Street's Improvements are anticipated to result in an increase in the City's municipal real estate tax base, an increase in municipal income, and certain other benefits to the City; and

WHEREAS, the Board of Aldermen/ Alderwomen of the City, being the legislative body thereof, has approved this Agreement and authorized its execution and delivery by the City, as evidenced by a resolution dated July 17, 2024, and on September ___, 2026; and

WHEREAS, the Ordinance requires the City to enter into an Agreement to effectuate the Board of Alderman/Alderwoman's approval of the Tax Abatement

NOW, THEREFORE, the parties agree as follows:

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1. **Amount of Fixed Assessment; Tax Abatement.**

(i) The City shall fix the assessment for all of the Improvements on the Real Estate (the "Fixed Assessment of Improvements") each year during the Fixed Assessment Period (as defined below) and abate and adjust the same by the applicable graduated percentile in accordance with the Policy, all as more particularly set forth below:

Grand List	Fixed Assessment of Improvements	Graduated Percentile	Abatement Amount	New Abated Assessment
	1078910			
2025	1078910	50%	539455	539455
2026	1078910	40%	431564	647346
2027	1078910	30%	323673	755237

Grand List	Fixed Assessment of Improvements	Graduated Percentile	Abatement Amount	New Abated Assessment
2028	1078910	20%	215782	863128
2029	1078910	10%	107891	971019

(ii) For each assessment date from and subsequent to the October 1, 2030 grand list, the assessment of the Improvements shall be determined by the City in the normal course pursuant to and in accordance with the Connecticut General Statutes.

(iii) The Fixed Assessment of Improvements does not include any assessment for the land portion of the Real Estate and the parties hereto acknowledge and agree that their mutual intention is (i) to fix and abate the assessed value of the Improvements as set forth above and (ii) that this Agreement shall not affect the assessed value of the land component of the Real Estate, nor Elizabeth Street's rights (all of which are expressly reserved) to challenge any changes in the assessed value of such land component of the Real Estate in accordance with applicable law.

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2. **Fixed Assessment Period.** The "Fixed Assessment Period" shall mean the period commencing with grand list year 2025 and continuing through and including grand list year 2030.

3. **Construction.** After approval of any such tax agreement, construction shall commence within twelve (12) months and shall be completed within twenty-four (24) months said approval. In the event that construction is not commenced and/or completed within the specified time frame, then any agreement entered into pursuant to this policy shall immediately terminate and the full amount of the tax (including accrued interest) that would otherwise be due

shall immediately become due and payable, unless alternative arrangements are authorized by the Board of Aldermen/Alderwomen.

4. **Taxes.** If an applicant fails to comply with the payment of taxes upon the due date required, then any agreement entered into pursuant to this program may be terminated by action of the Board of Alderman/Alderwomen and, in such event, the full amount of the tax including accrued interest that would otherwise be due shall immediately become due and payable.

5. **Rebate if Elizabeth Street Substantially Reduces its Operations in Derby.** In the event that, Elizabeth Street (i) substantially reduces its operations on the Real Estate; (ii) attempts to assign its rights under this Agreement in violation of the terms of Paragraph 4 below; or (iii) sells or otherwise transfers the Real Estate to a party other than a party referred to in Paragraph 4 below, Elizabeth Street shall rebate to the City, promptly upon the occurrence of any such event (each a "Rebate Trigger Event"), a portion of the tax savings then actually realized by Elizabeth Street under this Agreement (the "Tax Savings"), in accordance with the following schedule:

If a Rebate Trigger Event Occurs	**Percentage of the Tax Savings to be Rebated to the City**
On or before the first anniversary	100%
After the first anniversary but on or before the second anniversary	90%
After the second anniversary	80%

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6. **Non-Assignability.** Elizabeth Street may not assign its interest in this Agreement or the benefits to be derived by Elizabeth Street hereunder to any other person, firm, corporation or other entity without the approval of the Board of Alderman/Alderwoman. Any attempted assignment of this Agreement by Elizabeth Street shall automatically terminate the obligations and duties of the City hereunder and shall subject Elizabeth Street to the rebate provisions if and as set forth in Paragraph 3 hereof.

Notwithstanding the foregoing or anything to the contrary herein, the provisions of this Paragraph 4 shall not prohibit or otherwise apply with respect to the granting of easements, leases or similar occupancy agreements in the ordinary course of business.

7. **CONDEMNATION.** In the event the Facility, or any part thereof, or any estate therein, is taken by condemnation or eminent domain during the Fixed Assessment Period, the applicable fixed assessment specified in Section1 shall be adjusted to reflect the diminution of value arising out of said taking in the manner provided by state and local laws.

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8. **Fire or Other Casualty.** In the event the Facility, or any part thereof, or any estate therein, is damaged or destroyed by fire or other casualty during said Fixed Assessment Period, the applicable fixed assessment shall be adjusted to reflect the diminution of value arising out of said fire or other casualty in the manner provided by state and local laws and ordinances.

9. **Appeal Rights.** Elizabeth Street expressly agrees that, subject to the City's faithful and proper performance of its obligations and duties hereunder, Elizabeth Street is waiving its appeal rights pursuant to Section 12-117a and Section 12-119 of the Connecticut

General Statutes as, and only as, those rights apply to the assessment of the Improvements during the Fixed Assessment Period. For the avoidance of doubt, this waiver does not affect in any respect Elizabeth Street's appeal rights as to the land component of the Real Estate nor does it waive or affect any rights or remedies of Elizabeth Street other than those expressly waived in the foregoing sentence.

10. **Notices.** All notices required or permitted by this Agreement shall be in writing, shall be sent by hand or courier delivery or by registered or certified mail, return receipt requested, and shall be addressed as follows:

in the case of the City to:

City of Derby City Hall
1 Elizabeth Street
Derby, CT 06418
Attn: Mayor

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and in the case of Elizabeth Street to:

33 Elizabeth Street, LLC

or to such other address as shall from time to time be designated in writing by either party to the other.

11. **Entire Agreement.** This Agreement sets forth all, and is intended by the parties hereto to be an integration of all, of the promises, agreements, conditions, understandings, warranties and representations between the parties hereto with respect to the assessment of the Improvements during the Fixed Assessment Period, and the imposition of real property taxes on account thereof, and there are no promises, agreements, conditions, understandings, warranties or representations, oral or written, express of implied, between them with respect to the subject hereof other than as set forth herein.

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12. **Amendments.** This Agreement may not be modified or amended except by a writing signed by both parties.

13. **Paragraph Headings.** The paragraph headings in this Agreement are for convenience and for reference only and in no way define or limit the scope or content of this Agreement or in any way affect its provisions.

14. **Severability.** A final ruling by a court of competent jurisdiction that a portion of this Agreement is invalid or unconstitutional shall have no effect on the other terms hereof, which shall remain in full force and effect and binding on the parties hereto and shall be construed, by limiting and/or reforming it, so as to be enforceable to the extent compatible with the applicable law as it shall then appear.

15. **Applicable Law.** This Agreement shall be interpreted and enforced in accordance with the internal laws of the State of Connecticut.

16. **Counterparts.** This Agreement may be executed in counterparts, each of which shall constitute an original but all of which, when taken together, shall constitute a single instrument.

17. **Binding Effect.** This Agreement is and will be binding upon the parties hereto and, subject to the terms of Paragraph 4, the parties' respective successors and assigns.

18. **Cost of Enforcement.** If either party seeks to enforce any provision of this Agreement, the prevailing party in such enforcement action shall be entitled to, in addition to any damages, either compensatory or punitive, which may be awarded, reasonable attorneys' fees, and costs incurred to enforce the terms of this Agreement.

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IN WITNESS WHEREOF, the parties have executed this Agreement and affixed their seals hereto, as of the Effective Date.

Signed, sealed and delivered in the presence of:

_____

_____

_____

_____

33 ELIZABETH STREET, LLC

By:_____
Name:
Hereunto Duly Authorized

CITY OF DERBY

By:_____
Name: Its: Mayor
Hereunto Duly Authorized

[Remainder of page intentionally left blank; acknowledgments to follow.]

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STATE OF CONNECTICUT)
)
COUNTY OF NEW HAVEN)

September ___ 2026

Personally appeared, _____ of 33 Elizabeth Street, LLC, signer and sealer of the foregoing instrument and acknowledged the same to be his free act and deed as such officer and the free act and deed of The Connecticut International Academy, LLC, before me.

_____
Commissioner of the Superior Court/Notary Public
My Commission Expires:

STATE OF CONNECTICUT)
)
COUNTY OF NEW HAVEN)

September ___ 2026

Personally appeared, Joseph DiMartino, Mayor of the City of Derby, signer and sealer of the foregoing instrument and acknowledged the same to be his free act and deed as such Mayor and the free act and deed of the City of Derby, before me.

_____
Commissioner of the Superior Court/ Notary Public
My Commission Expire

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