AMENDED AND RESTATED
DEVELOPMENT AGREEMENT

This Amended and Restated Development Agreement ("**Agreement**") entered into as of ____________________, 2025, by and between Hale Resources, LLC, a Vermont limited liability company ("**HR**"), and the Town of Bennington, Vermont (the "**Town**") shall modify, amend and restate that certain Development Agreement entered into as of September 12, 2023, by and between HR and the Town. HR and the Town are sometimes referred to herein individually as a "**Party**" and collectively as the "**Parties**."

Background

A. Bennington High, LLC, a Vermont limited liability company ("**Benn High**") owns the real property measuring ±2.29 acres numbered 650 Main Street, Bennington, Vermont (the "**Property**") which is improved with the former Bennington High/Middle School building measuring ±100,000 sq. ft. (the "**Building**").

B. The Town and Benn High are parties to that certain Lease & Purchase Agreement, dated as of March 30, 2022 (as amended by that certain First Amendment to Lease & Purchase Agreement dated as of August 29, 2022, that certain Second Amendment to Lease & Purchase Agreement dated as of August 19, 2023, that certain Third Amendment to Lease & Purchase Agreement dated as of November 28, 2023, that certain Fourth Amendment to Lease & Purchase Agreement dated as of February 21, 2024, that certain Fifth Amendment to Lease & Purchase Agreement dated as of August 22, 2024, and Sixth Amendment to Lease Purchase Agreement dated November 16, 2024, the "**Purchase Agreement**") which is attached hereto as **Exhibit A** and pursuant to which the Town has the right to lease and purchase the Property as described therein.

C. The Purchase Agreement provides, among other terms, that (1) the Town is obligated to pay a fee to continue the effectiveness of the Purchase Agreement beginning April 1, 2022, and (2) if the Town fails to terminate the Purchase Agreement on or before March 31, 2025, unless extended by amendment to Purchase Agreement (the "**Termination Deadline**"), the Town is obligated to convey to Benn High certain property located at 124 Pleasant Street, Bennington, Vermont (the "**Pleasant Street Property**") no later than December 31, 2026 (the "**Transfer Deadline**") regardless whether the Town acquires the Property.

D. The Town and HR desire to acquire the Property and redevelop the Building as a mixed-use project as depicted and described on the plans attached as **Exhibit B** hereto and made a part hereof with the following characteristics (the "**Project**"):

- Municipal Space: ±27,000 sq. ft. leased to the Town comprised of ±14,000 sq. ft. that is initially anticipated to be subleased to and/or occupied by the Bennington Senior Center and other subtenants, and a ±13,000 sq. ft. fitness center including gymnasium space, exercise/activity rooms, and locker rooms/changing rooms that is initially anticipated to be operated by the YMCA (the foregoing, collectively, the "**Municipal Space**").
- Residential Space: ±70,000 sq. ft. comprised of a mix of market rate and affordable rental housing and a childcare facility that is initially anticipated to be leased to and operated by the YMCA.
- Office Space: ±2,246 sq. ft. that is initially anticipated to be leased to UVM Extension and to other tenants.

E. The Town and HR are parties to that certain Memorandum of Understanding, dated as of August 22, 2022 (the "**MOU**") which sets forth certain preliminary understandings between the Town and HR regarding the Project. This Agreement replaces and supersedes the MOU in its entirety.

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

1. Background Section; Continued Efforts. The Background section of this Agreement is incorporated herein by reference. HR and the Town agree to continue to use cooperative, diligent, good faith efforts to design and construct the Project, and HR agrees to continue to use diligent, good faith efforts to secure and commit the financing and funding sources necessary to develop and construct the Project, and to procure payment, performance and completion bonds for the construction of the Project. Upon procuring such bonds and securing the financing and funding sources necessary to develop and construct the Project, HR will provide the Town with written notification that it is prepared to purchase the Property and construct the Project.

2. Transaction Structure. Once HR shall have satisfied the requirements established in Section 1 and notified the Town that it is prepared to purchase the Property and construct the Project, the Town will assign the Purchase Agreement to HR (or to one or more entities created by HR or its principals to acquire and develop the Property with the Project, referred to herein as "**HR Designees**") by an assignment and assumption agreement that will include the following terms: (a) HR will be required to purchase the Property and pay Benn High the cash purchase price for the Property or otherwise satisfy its obligation to pay for its purchase of the Property to the satisfaction of Benn High (such as through seller financing if agreed to by Benn High); (b) HR will be required to close on the purchase of the Property and commence construction of the Municipal Space on or before the Termination Deadline; (c) the Town will provide and assign its title work with respect to the Property; and (d) HR agrees to indemnify and hold the Town harmless from and against any damages, expenses or liabilities associated with or arising from HR's failure to complete the Project prior to the Transfer Deadline. If HR fails to notify the Town that it is prepared to purchase the Property prior to the Termination Deadline (as such date may be extended as contemplated below), the Town may terminate the Purchase Agreement and this Agreement in its discretion.

3. Lease Obligations. As stated above, the Town is obligated to pay a fee to continue the effectiveness of the Purchase Agreement beginning April 1, 2022. At the closing of the purchase of the Property, if any, HR shall reimburse the Town for such payments to Benn High for the period commencing on January 15, 2024.

4. Project Financing. Contingent upon HR's performance of the items described in Section 2 and HR's procurement of all other funds necessary to complete the Project, including without limitation, all sources of funding to the Town described below, at or before the time of the financial closing and acquisition of the Property:

  a. The Town shall contribute, loan and direct the following grants and other funds to pay a portion of Project expenses:

    i. Reimburse HR or pay vendors directly $150,000 of Department of Housing and Community Development Community Partnership for Neighborhood Development

Grant funds for pre-development work on the Project which includes inclusive, smart-growth neighborhood planning.

ii. In addition to the municipal funds described immediately below, reimburse HR or pay vendors directly $189,526 for pre-development work on the Project.

iii. Subject to Section 2(b), above, grant $2,500,000 of municipal funds to Benn High Cornerstone, Inc. ("**BHC**") or to another designee, on the following conditions: (1) BHC or the other designee invests the funds in the Project, (2) BHC covenants and agrees, on a nonrecourse basis, to repay these funds to the Town if the Municipal Space Lease (defined below) is not extended for at least an additional 40 years beyond its initial term, (3) HR guaranties BHC's agreement to repay the Town, in form and content reasonably acceptable to the Town, to include the right for BHC to assign such guaranty to the Town, (4) BHC assigns such guaranty to the Town in form and content reasonably acceptable to the Town, and (5) upon BHC's assignment of such guaranty to the Town, the Town shall look solely to HR to fulfill the covenant and agreement to repay the Town. Documentation memorializing this provision must be executed to the Town's reasonable satisfaction before the Town makes the grant of municipal funds to or to another designee.

iv. Convey the Pleasant Street Property to Benn High either directly or indirectly in a manner that allows HR to receive New Markets Tax Credits on the value of the Pleasant Street Property for the benefit of the Project, including without limitation, possibly providing one-day financing that will be repaid through a development fee to the Town.

v. Loan $175,000 to 650 Main Street, LLC, an affiliate of HR ("**650 Main**"), which shall be transferred to HR for repayment of a loan that financed pre-development work on the Project. On the day of financial closing, if 650 Main Street, LLC or its designee repays the Town the $175,000 loan amount, the Town agrees that it will immediately, on the day of financial closing, grant such amount to BHC or to another designee.

vi. Depending on the final Project structure, either (a) Subgrant $975,000 of Northern Borders Regional Commission ("**NBRC**") funds, if the corresponding grant to the Town is approved by NBRC, to BHC or to another designee, on the condition that BHC or the other designee invests the funds in the Project, or (b) spend $975,000 on Project expenses and seek reimbursement from NBRC.

vii. Subgrant $1,250,000 of Community Development Block Grant ("**CDBG**") funds, if the corresponding grant to the Town is approved by the Agency of Commerce and Community Development ("**ACCD**"), to BHC or to another designee, on the condition that BHC or the other designee invests the funds in the Project.

viii. Self-fund one day loan to maximize the New Markets Tax Credits on the value of the Pleasant Street Property for the benefit of the Project.

ix. Grant $1,000,000 of Congressionally Directed Spending funds to BHC or to another designee, on the condition that BHC or the other designee invests the funds in the Project.

x. Loan $250,000 from the revolving loan fund to BHC or to another designee, on the following terms: 20 year term, 40 year amortization, 1.0% annual interest with (i) interest and (ii) monthly payments of principal and interest each commencing upon the seventh anniversary of the loan.

xi. Loan $875,000 from general fund to BHC or to another designee, on the following terms: 3 year term, 2.0% annual interest with monthly interest only payments during the term.

b. It is possible that at financial closing, for purposes of tax-credit leverage, 650 Main Street, LLC or an affiliate or designee may pay the Town an amount equal to the amount of the above-described funds spent by the Town prior to Closing on pre-development work. Any such funds paid to the Town at financial closing will be, on the day of financial closing, granted by the Town to BHC so that BHC can use those funds to cause the one-day tax-credit equity bridge lender to be repaid.

c. HR shall contribute all other funding sources necessary to pay for all Project expenses including, without limitation, architectural, engineering, design, development, permitting, construction, furnishing, equipping, management, accounting and legal expenses except as otherwise set forth below.

5. Other Project Responsibilities. The following obligations shall commence at the time of the financial closing and acquisition of the Property:

a. HR will construct, equip and fit-up the Project, including the Childcare Space, in accordance with a design and specifications approved in advance by the Town. If the NBRC funds are to be expended in accordance with Section 4(a)(vi)(b), then, in addition to HR's equipping and fitting up, the Town will spend $975,000 on equipping and fitting up the Childcare Space and seek reimbursement for such expenditures from NBRC.

b. The Town may, in its sole and absolute discretion, furnish the Municipal Space at its expense and may, in its sole and absolute discretion, purchase and install telephone and data equipment in the Municipal Space and all desired computer and security system equipment in the Municipal Space.

c. Upon completion of the Project, HR will be responsible for the overall management, maintenance and repair of the Property, subject to the terms of a lease between HR and the Town for the use of the Municipal Space (the "**Municipal Space Lease**").

d. HR recognizes that the Town intends for the services which are currently operated from the Pleasant Street Property to be operated from the Municipal Space upon completion of the Project, and that once HR shall have assumed the Town's purchase obligations under the Purchase Agreement, the Town will be obligated to convey the Pleasant Street Property to

Benn High prior to the Transfer Deadline. Accordingly, time is of the essence to complete the Project prior to the Transfer Deadline in order to avoid an interruption of such services.

6. Lease Agreement. Upon acquisition of the Property by HR or by an HR Designee controlled by HR, the Town and HR, or an HR Designee controlled by HR, shall enter into the Municipal Space Lease, which shall include the following terms:

a. The initial term will be 10 years.

b. The Municipal Space Lease will comprehensively address (i) shared use of interior common spaces within the Building; (ii) the shared use of exterior facilities including access driveways, walkways, and parking lots; and (iii) the shared use of building systems or utility services or infrastructure, including fire alarm and suppression systems. The Town shall lease the Municipal Space and shall be free to sublease the Municipal Space to other nonprofit entities and organizations on terms to be reviewed and approved by HR, including compliance with Sec. 4.02(2)(c) of Rev. Proc. 2014-12.

c. HR will construct, equip and fit-up the Municipal Space in accordance with a design and specifications approved in advance by the Town. If the NBRC funds are to be expended in accordance with Section 4(a)(vi)(b), then, in addition to HR's equipping and fitting up, the Town will spend $975,000 on equipping and fitting up the Municipal Space and seek reimbursement for such expenditures from NBRC.

d. The Town may, in its sole and absolute discretion, furnish the Municipal Space at its expense and may, in its sole and absolute discretion, purchase and install telephone and data equipment in the Municipal Space and all desired computer and security system equipment in the Municipal Space.

e. The Town shall pay an annual rent of $14.50 per sq. ft. triple-net, it being understood that HR shall receive the rent payment set forth above free and clear of any and all expenses for which the Town is responsible. During the term of the Municipal Space Lease all of such charges, costs and expenses when due, including charges for electricity without offset for any net-metering credit (unless the Town's meters are receiving credits based on the Town's direct participation in a net metering agreement) shall constitute additional rent hereunder. The annual rent amount shall increase 3.5% annually following lease commencement.

f. The Town shall maintain the parking areas and other outdoor spaces on the Property in good condition (i.e., snow plowing and lawn mowing/landscaping), provided that the landlord will be required to pay for all necessary capital improvements to the outdoor spaces and for all re-paving or other capital repairs to or replacements of the parking areas when required.

g. Landlord will be responsible for all capital repairs and replacements to the Building and Property, for the maintenance, repair and replacement of all building systems (including HVAC, electrical, plumbing, fire alarm, and fire suppression systems) and structural elements including the roof, and for the maintenance, repair and replacement of all exterior Building elements.

h. The Town shall agree to all reasonable terms to conform the Municipal Space Lease to the Net Lease requirements of the Federal Historic Tax Credit and New Markets Tax Credit financing of the Project.

7. Additional Project Support. The Town and HR agree to enter into a tax stabilization agreement with the following terms: that portion of the Project financed in part by Low Income Housing Tax Credits shall be assessed at $47,000 for the initial three (3) years after the financial closing and acquisition of the Property and $500,000 for the subsequent seven (7) years, and that portion of the Project financed in part by New Markets Tax Credits shall be assessed at $100,000 for the initial three (3) years after the financial closing and acquisition of the Property and $1,000,000 for the subsequent seven (7) years. HR understands that the State of Vermont may choose to assign a different assessment value to the Project. HR is responsible for paying the State Education Tax as assessed. On the effective date of this Agreement, the Town shall loan $250,000 to 650 Main, which funds shall be used for pre-development work on the Project and shall be paid back to the Town at closing..

8. Funding of Respective Development Obligations. Until such time that HR informs the Town in writing that it is no longer pursuing the Project, or the last date that the Town can terminate the Purchase Agreement without incurring the obligation to transfer the Pleasant Street Property, (a) each of the Town and HR shall continue to fund all of their respective development obligations and (b) the Town shall continue to pay the applicable fee under the Purchase Agreement, subject to Section 3, and shall not terminate the Purchase Agreement.

9. Termination. HR shall have the right to terminate this Agreement at any time prior to the date on which it provides the Town with written notice that it is prepared to purchase the Property and construct the Project. The Town shall have the right to terminate this Agreement on the Termination Deadline, as it may be extended, if HR shall have failed to satisfy the requirements established in Section 1, and/or shall not yet have notified the Town that it is prepared to purchase the Property and construct the Project, and/or if an amended Purchase Agreement is not executed prior to the Termination Deadline which obligates Bennington High, LLC to accept assignment of the Bennington County Meals Program (Meals on Wheels) lease.

10. Assignment. This Agreement shall bind and inure to the benefit of the Parties and their respective successors and assigns, provided that HR may only assign its rights under this Agreement to an HR Designee, and any other assignment or purported assignment shall be null and void.

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

12. Severability. If any term, covenant or condition contained in this Agreement is held to be invalid by any court of competent jurisdiction, such invalidity shall not affect any other term, covenant or condition herein contained, provided that such invalidity does not materially prejudice any Party in their respective rights and obligations contained in the valid terms, covenants or conditions hereof, and the Parties shall

cooperate to modify the Agreement to cause it to conform to the original language of the Agreement to the extent consistent with the finding of the court.

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

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

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

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

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

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

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

If to the Town: Daniel Monks
Assistant Town Manager
Town of Bennington
205 South Street
Bennington, VT 05201
dmonks@benningtonvt.org

With a copy to:	Merrill E. Bent, Esq. Woolmington, Campbell, Bent & Stasny, P.C. P.O. Box 2748 (4900 Main Street) Manchester Center, VT 05255 Merrill@greenmtlaw.com
If to Owner:	Hale Resources, LLC 111 South St., Suite 203 Bennington, VT, 05201 Attention: Zachary Hale Email: zak@haleresources.com
With a copy to:	Craig Miskovich, Esq. Downs Rachlin Martin PLLC 199 Main Street PO Box 190 Burlington, VT 05402-0190 Telephone: 802-846-8617 Email: cmiskovich@drm.com

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

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

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

Signature Page to Follow

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

HALE RESOURCES, LLC

By: ______________________________
Name:
Title:

TOWN OF BENNINGTON

By: ____________________________
Name:
Title:

EXHIBIT A

Purchase Agreement

EXHIBIT B

Floor Plans and Site Plan

Attached