

NORWALK DEVELOPMENT AGENCY

CHAIRMAN
Felix R. Serrano

COMMISSIONERS
Lisa M. Cooper
John E. Igneri
William R. Speirs
David G. Westmoreland

EXECUTIVE DIRECTOR
Brian T. Bidolli

TO: MEMBERS, NORWALK REDEVELOPMENT AGENCY

FROM: WILLIAM SPEIRS, VICE-CHAIRMAN

DATE: December 4, 2020

RE: MEETING NOTICE

The next Meeting of the Norwalk Redevelopment Agency will be held on Tuesday, December 8th, 2020 at 5:30 p.m. at 3 Belden Avenue, First Floor. Due to the ongoing public health situation the regular meeting will be held as a Zoom videoconference via the link provided below:

**December 8th, 2020
5:30 P.M.
REGULAR MEETING
A G E N D A**

ZOOM Link:

<https://zoom.us/j/97494681719?pwd=NUxldlNzR0hJOGRFc2VUSGZvMnBaQT09>

CALL TO ORDER

ROLL CALL

PUBLIC PARTICIPATION

I. ADMINISTRATION

1. APPROVAL OF MINUTES
 - i. Approve Minutes of the November 3rd, 2020 Special Meeting
2. FINANCE
 - i. Approve Norwalk Redevelopment Agency Audited Financial Statements for Fiscal Year Ended June 30, 2020.
 - ii. Approve Norwalk Redevelopment Agency Statement of Revenues and Expenditures for Operating Fund 100 for Year-to-Date October 31, 2020.

II. BUSINESS

1. CERTIFICATE OF COMPLETION – SONO COLLECTION
 - i. Approve issuance of Certificate of Completion for SONO Collection
2. ELECTION OF OFFICERS

III. NEW BUSINESS

IV. OLD BUSINESS

ADJOURNMENT

Norwalk Redevelopment Agency

ATTENDANCE: Felix Serrano, Chair; Lisa M. Cooper, John Igneri, William Speirs, David Westmoreland.

OTHERS: Brian Bidolli, Executive Director; Marc Grenier, Esq.; John Kydes, Common Council; Ms. E. Lupinski, Redevelopment Agency.

CALL TO ORDER

Mr. Serrano called the meeting to order at 5:33 p.m.

ROLL CALL

A quorum was present.

PUBLIC PARTICIPATION

Mr. Kydes said that he knew Mr. Bidolli having worked with him extensively over the past year, and felt he was a valuable asset to the Redevelopment Agency and City of Norwalk. Mr. Kydes mentioned he was on the Common Council Planning Committee and felt Mr. Bidolli's appointment would be a good thing. He encouraged everyone to support Mr. Bidolli. He said that the Redevelopment Agency's independence was a strong asset and thanked the Commissioners for their time.

I. ADMINISTRATION

APPROVAL OF MINUTES

i. Approve minutes of October 13, 2020 Regular Meeting.

Page 1, **HEADER**, please change "RESEVELOPMENT AGENCY" to "REDEVELOPMENT AGENCY"

Page 2, under **FINANCE**, Section ii, first line: please change "Ms. Cooper went through" to "Ms. Lupinski went through"

**** MR. IGNERI MOVED TO APPROVE THE MINUTES OF OCTOBER 13, 2020 REGULAR MEETING AS AMENDED.**

**** MS. COOPER SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

FINANCE

i. Approve Norwalk Redevelopment Agency Revenue and Expenditures Statements and Balance Sheets for all funds for quarter ending September 30, 2020.

Ms. Lupinski presented the financial report. She noted that CDBG funding this year had been decreased.

She then gave a brief overview of the funds and net assets to the Commissioners.

**** MR.IGNERI MOVED TO APPROVE THE NORWALK REDEVELOPMENT AGENCY REVENUE AND EXPENDITURES STATEMENTS AND BALANCE SHEETS FOR ALL FUNDS FOR QUARTER ENDING SEPTEMBER 30, 2020.**

**** MR. SPEIRS SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

BUSINESS

1. Agency Strategic Plan

**i. Discussion and approval of 2020-2025 Strategic Plan. Download at:
<https://drive.google.com/file/d/1WnV1PrzwdiJ6Hpj3DW4iG702e99mZTgc/view?usp=sharing>**

Mr. Bidolli said that the link and the information had been sent out before and that the item was on the agenda for discussion. Mr. Serrano said that if they had their regularly scheduled meeting, comments would have been received for consideration by the 6th of the month. However, he noted some members had not yet finished reviewing the plan. Atty. Grenier recommended that the item be tabled at this time.

**** MR.IGNERI MOVED TO TABLE THE APPROVAL OF 2020-2025 STRATEGIC PLAN.**

**** MS. COOPER SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

2. CDBG Economic Development & Job Retention Program

i. Approve CDBG Economic Development & Job Retention loan program guidelines.

Mr. Bidolli said that there was a tremendous need for business financial assistance due to COVID and suggested creating an Economic Development and Job Retention program with CDBG funds. He gave a brief overview of the program, which would be based on need and ability to pay back the loan.

Mr. Speirs noted that it was a 0% loan. Mr. Bidolli said the interest rate would be dependent on need and pay back term, and potentially structured as a forgivable loan, rather than a grant due to reporting requirements. He further indicated need for additional concurrence by the Planning Committee of the Common Council regarding the eligibility of projects and applicants. The Notice of Funding Availability (NOFA) and application for CARES Act (CDBG-CV Round 3) has been posted and funding is available.

Mr. Igneri asked if there was a system to administer this. Mr. Bidolli said that they do have a system in place, but there are some Federal requirements for job retention that need to be addressed to finalize the loan guidelines. The discussion then moved to the requirements to determine need.

Mr. Westmoreland said that he was fine with 0% and would support this.

Mr. Serrano said that this has to be reviewed by the Planning Committee. Mr. Bidolli said that he wanted to present the term sheet to the Agency first and could bring the Planning Committee determination back to the Agency as needed. He said that he was asking the Agency to approve the guidelines based on the terms sheet so that he could get the funding out to the community as soon as possible.

Mr. Westmoreland asked if this 0% rate would affect other programs. Mr. Bidolli said other programs would stay at their normal rate, with funds reallocated from Residential Rehab Program Income and the Walk Bridge Mitigation program to cover the loans, with repayment to replenish the fund for future projects.

**** MR. IGNERI MOVED TO APPROVE THE CDBG ECONOMIC DEVELOPMENT & JOB RETENTION LOAN PROGRAM GUIDELINES.**

**** MS. COOPER SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

3. EXECUTIVE SESSION

1. Personnel matter regarding Executive Director employment agreement Possible action related to III.1.

**** MS. COOPER MOVED TO ENTER INTO EXECUTIVE SESSION IN ORDER TO DISCUSS PERSONNEL MATTERS.**

**** MR. SPEIRS SECONDED.**

**** THE MOTION TO ENTER INTO EXECUTIVE SESSION PASSED UNANIMOUSLY.**

The Agency Board and Atty. Grenier entered into Executive Session to discuss personnel issues at 5:52 p.m. They returned to Public Session at 7:01 p.m. No actions or votes were taken during Executive Session.

**** MR. SPEIRS MOVED TO AUTHORIZE THE CHAIRMAN TO EXECUTE EXECUTIVE DIRECTOR EMPLOYMENT AGREEMENT.**

**** MS. COOPER SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

Mr. Speirs thanked Mr. Serrano for his years of service.

ADJOURNMENT

**** MR. IGNERI MOVED TO ADJOURN.**

**** MS. COOPER SECONDED.**

Mr. Serrano thanked everyone for all their hard work and said that he would look forward to see what the Agency would do in the future.

**** THE MOTION PASSED UNANIMOUSLY.**

The meeting adjourned at 7:04 p.m.

Respectfully submitted,

S. L. Soltes
Telesco Secretarial Services.

NORWALK  DEVELOPMENT AGENCY

Government-wide Financial Statements and Single Audit Reports

Year ended June 30, 2020

DRAFT

NORWALK REDEVELOPMENT AGENCY

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Independent Auditor's Report

To the Board of Commissioners
Norwalk Redevelopment Agency

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and major fund of *Norwalk Redevelopment Agency* as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of *Norwalk Redevelopment Agency*, as of June 30, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 1-6 and 21 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the *Governmental Accounting Standards Board*, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2020, on our consideration of *Norwalk Redevelopment Agency's* internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the *Norwalk Redevelopment Agency's* internal control over financial reporting and compliance.

Solution + Company, LLC

October 31, 2020

NORWALK REDEVELOPMENT AGENCY, INC.

Management's Discussion and Analysis

June 30, 2020

As management of the Norwalk Redevelopment Agency, Inc. (the "Agency"), we offer readers of the Agency's financial statements this narrative overview and analysis of the financial activities of the Agency for the fiscal year ended June 30, 2020. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the Agency's basic financial statements that follow this section.

Financial Highlights – Norwalk Redevelopment Agency

The assets of the Norwalk Redevelopment Agency exceeded its liabilities at the close of the most recent fiscal year by \$4,178,323 (net assets). There was a decrease in net position of \$153,331 for the fiscal year ended June 30, 2020 due to \$294,000 of legal expenditures for Wall Street Litigation.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Agency's basic financial statements. The Agency's financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to financial statements. As outlined in GASB 34, this report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Agency's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the Agency's assets and liabilities, with the difference between the two reported as net position. Over time increases or decreases in net position may serve as a useful indicator of whether the financial position of the Agency is trending up or down.

The statement of activities presents information showing how the Agency's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. Both of the government-wide financial statements distinguish functions of the Agency that are principally supported by Federal HUD Community Development Block Grant (CDBG), Connecticut (State) Department of Economic Community Development (DECD), Choice Neighborhood Initiatives (CNI), Agency and City of Norwalk (City) grants (governmental activities). Agency projects are essential to the City so that the City can maintain stable taxes, avoid stagnation, and preserve the City's AAA bond rating.

(Continued)

NORWALK REDEVELOPMENT AGENCY, INC.

Management's Discussion and Analysis

June 30, 2020

Government-Wide Financial Statements (continued)

The governmental activities of the Agency include Non-Revolving Loan Activities funded by the CDBG, Revolving Loan Activities funded by paid-off loans that are invested back into the Norwalk community as new loans, the DECD grants funded by the State, CNI, Agency and City grants which are used for Urban Renewal projects in Norwalk, and the Operating Activities which manage and perform the daily activities in the various programs and projects. In addition to the governmental funds containing special revenue, the government-wide financial statements can be found on pages 7 - 8 of this report.

Fund financial statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Agency, like other redevelopment agencies of local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Agency can be divided into two categories: governmental funds for special revenue, and account groups for general long-term obligations.

Governmental funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the Agency's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Agency's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The reconciliation usually centers on debt and fixed assets of which the Agency has none. The Agency maintains five (5) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the governmental fund and account group for general long-term obligations. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report. The basic governmental fund financial statements can be found on pages 9 - 10 of this report.

(Continued)

NORWALK REDEVELOPMENT AGENCY, INC.

Management's Discussion and Analysis

June 30, 2020

Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 11 - 20 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of an agency's financial position. In the case of the Agency, assets exceeded liabilities by \$4,178,323 at the close of the most recent fiscal year. The net position decreased \$153,331 for the fiscal year ended June 30, 2020 due to \$294,000 of legal expenditures for Wall Street Litigation.

The largest portion of the Agency's assets (79%) is made up of cash and investments. Interest earned on cash and investments generate a small portion of the revenue for the Agency's operating budget. The second largest portion of the Agency's assets (21%) is made up of accounts and loans receivable. Accounts receivable are due from government entities, and the loan portfolio consists of loans to qualified sub-prime borrowers priced in accordance with HUD guidelines. At the end of the current fiscal year, the Agency is able to report positive balances in net position.

	Net Position	
	June 30:	
	<u>2020</u>	<u>2019</u>
<i>Assets</i>		
Cash and investments	\$ 7,600,824	\$ 9,103,488
Grants and accounts receivable	620,551	786,122
Loans receivable, less allowance of \$2,446,045	1,374,413	723,346
Other assets	<u>71,184</u>	<u>23,176</u>
Total assets	<u>9,666,972</u>	<u>10,636,132</u>
<i>Liabilities and Net Position</i>		
Accounts payable and accrued expenses	668,140	1,026,940
Due to governmental agencies and third parties	1,919,709	2,065,037
Deferred revenues and other liabilities	<u>2,900,800</u>	<u>3,212,501</u>
Total liabilities	<u>5,488,649</u>	<u>6,304,478</u>
Net position:		
Restricted-urban redevelopment	<u>4,178,323</u>	<u>4,331,654</u>
Total net position	\$ <u>4,178,323</u>	\$ <u>4,331,654</u>

(Continued)

NORWALK REDEVELOPMENT AGENCY, INC.

Management's Discussion and Analysis

June 30, 2020

Governmental activities

Governmental activities had a decrease in net position of \$153,331 for the fiscal year ended June 30, 2020 due to \$294,000 of legal expenditures for Wall Street Litigation

	Change in Net Position Years Ended June 30:	
	<u>2020</u>	<u>2019</u>
Revenues:		
Other government grants for City projects	\$ 4,034,888	\$ 4,881,700
Federal grants	1,038,142	924,336
Program and other income	242,767	217,911
Investment income	<u>21,056</u>	<u>36,069</u>
Total revenues	5,336,853	6,059,016
Expenditures:		
Project outlays	<u>5,490,184</u>	<u>6,636,217</u>
Change in net position	(153,331)	(577,201)
Net position - beginning of year	<u>4,331,654</u>	<u>4,908,855</u>
Net position - end of year	\$ <u>4,178,323</u>	\$ <u>4,331,654</u>

(Continued)

NORWALK REDEVELOPMENT AGENCY, INC.

Management's Discussion and Analysis

June 30, 2020

Expenses and Program Revenues – Government-Wide Activities

Revenues and expenditures had a decrease in net position of \$153,331 for the fiscal year ended June 30, 2020 due to \$294,000 of legal expenditures for Wall Street Litigation.

Financial Analysis of the Government's Funds

As noted earlier, the Agency uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the Agency's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Agency's financing requirements. In particular, fund balances may serve as a useful measure of a government's net resources available. As of the end of the current fiscal year, the Agency's governmental funds reported combined ending fund balances of \$4,178,323. There was a decrease in net position of \$153,331 for the fiscal year ended June 30, 2020 due to \$294,000 of legal expenditures for Wall Street Litigation.

Governmental Fund Budgetary Highlights

There was no difference between the original budget and the final budget.

Factors Affecting CDBG Federal Funding

The Federal HUD Community Development Block Grant (CDBG) funding has substantially decreased over the years. In the year 2001, the CDBG entitlement grant shared with non-profits was \$1,209,000. In the year 2008, the grant had continued its yearly downward spiral to where the CDBG entitlement grant was only approximately \$935,100. Over the 7 year period, there was an actual decrease in CDBG dollar funding of approximately \$274,000, or 23%. In addition, a 3% Cost of Living increase in federal CDBG funding was never provided which resulted in an additional decrease in CDBG funding of approximately \$278,000, or 23%. This resulted in a significant 46% decrease in total real CDBG dollars received over seven years of approximately \$551,300. The CDBG entitlement grant of approximately \$845,023 shared with non-profits for the fiscal year ending June 30, 2020 is less than the CDBG entitlement grant received in 2008.

(Continued)

NORWALK REDEVELOPMENT AGENCY, INC.

Management's Discussion and Analysis

June 30, 2020

Subsequent Events Relating to COVID-19

On January 30, 2020, the World Health Organization (WHO) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the "COVID-19 outbreak") and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Agency's financial condition, liquidity, and future operations, and management is actively monitoring the global situation. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Agency is not able to estimate the effects of the outbreak on its results of operations, financial condition, or liquidity for fiscal year 2021.

Requests for Information

This financial report is designed to provide a general overview of the Agency's finances for all those with an interest in the finances of the Agency. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director at the Norwalk Redevelopment Agency, 3 Belden Avenue, Norwalk, CT 06850.

NORWALK REDEVELOPMENT AGENCY

Statement of Net Position

June 30, 2020

<i>Assets</i>	Governmental <u>Activities</u>
Cash	\$ 1,670,797
Investments	5,930,027
Grants and accounts receivable	620,551
Loans receivable, less allowance of \$2,446,045	1,374,413
Other assets	<u>71,184</u>
Total assets	\$ <u><u>9,666,972</u></u>
 <i>Liabilities and Net Position</i>	
Accounts payable and accrued expenses	668,140
Due to governmental agencies and other third parties	1,919,709
Deferred revenues	1,889,460
Other liabilities	<u>1,011,340</u>
Total liabilities	5,488,649
Restricted for Urban Redevelopment	<u>4,178,323</u>
Total liabilities and net position	\$ <u><u>9,666,972</u></u>

See accompanying notes to basic financial statements.

NORWALK REDEVELOPMENT AGENCY

Statement of Activities

Year ended June 30, 2020

Functions/Programs	<u>Expenses</u>	<u>Program Revenues</u>	<u>Capital Grants and Contributions</u>	<u>Net (Expense) Revenue and Changes in Net Assets</u> <u>Primary Governmental Total Governmental Activities</u>
Primary government-governmental activities:				
Operating	\$ 1,642,403	90,417	1,377,605	(174,381)
Brookfield development	119,471	119,471	-	-
Community Development Block Grant (CDBG)-Revolving Loan Fund (RLF)	28,670	28,670	-	-
CDBG-Non-RLF	1,042,353	4,209	1,038,142	(2)
Other programs and City projects	2,657,287	-	2,657,283	(4)
Total governmental activities	<u>\$ 5,490,184</u>	<u>242,767</u>	<u>5,073,030</u>	(174,387)
General revenues:				
				<u>21,056</u>
Unrestricted investment income				(153,331)
Change in net position				<u>4,331,654</u>
Net position-beginning of year				<u>\$ 4,178,323</u>
Net position-end of year				

See accompanying notes to basic financial statements.

NORWALK REDEVELOPMENT AGENCY

Balance Sheet-Governmental Funds

June 30, 2020

Assets

Cash	\$	1,670,797
Investments		5,930,027
Grants and accounts receivable		620,551
Loans receivable, less allowance of \$2,446,045		1,374,413
Other assets		<u>71,184</u>
Total assets	\$	<u><u>9,666,972</u></u>

Liabilities and Fund Balances

Accounts payable and accrued expenses	\$	668,140
Due to governmental agencies and third parties		1,919,709
Deferred revenues		1,889,460
Other liabilities		<u>1,011,340</u>
Total liabilities		5,488,649
Fund balances-restricted		<u>4,178,323</u>
Total liabilities and fund balances	\$	<u><u>9,666,972</u></u>

Reconciliation of governmental fund balances:

Total fund balances	\$	4,178,323
Reconciling items		<u>-</u>
Net assets of governmental activities	\$	<u><u>4,178,323</u></u>

See accompanying notes to basic financial statements.

NORWALK REDEVELOPMENT AGENCY

**Statement of Revenues, Expenditures
and Changes in Fund Balance-Governmental Funds**

Year ended June 30, 2020

Revenues:

Other government grants for City projects	\$	4,034,888
Federal grants		1,038,142
Program and other income		242,767
Investment income		21,056

Total revenues 5,336,853

Expenditures:

Project outlays		5,490,184
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Net changes in fund balances (153,331)

Fund balances - beginning of year 4,331,654

Fund balances - end of year \$ 4,178,323

Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balance:

Total net change in fund balances-governmental funds (153,331)

Reconciling items -

Change in net position of governmental activities \$ (153,331)

See accompanying notes to basic financial statements.

NORWALK REDEVELOPMENT AGENCY

Notes to Financial Statements

June 30, 2020

(1) Summary of Significant Accounting Policies

The Norwalk Redevelopment Agency (Agency), an agent of the City of Norwalk, Connecticut (City) and is defined by the City as an Administrative Department of the municipality. The Agency was established by state statute and City code to oversee the development of the City's six project areas. The Agency functions autonomously from the City and is managed by a board of five commissioners who are appointed by the Mayor and approved by the Common Council of the City.

The Agency prepares its basic financial statements in conformity with generally accepted accounting principles promulgated by the Governmental Accounting Standards Board (GASB) and other authoritative sources identified in *Statement on Auditing Standards No. 69*; has implemented the financial reporting model, as required by the provisions of GASB Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*; and it complies with the requirements of contracts and grants of agencies from which it receives funds.

Reporting Entity

The Board of Commissioners (Board) is appointed by the Mayor and it has the authority to make decisions, appoint administrators and managers, and significantly influence operations. It also has the primary accountability for fiscal matters. Therefore, the Agency is a financial reporting entity as defined by GASB in its Statement No. 14, *"The Financial Reporting Entity."* There are no component units included within the reporting entity.

Government-wide and Fund Financial Statements

The Statement of Net Position and the Statement of Activities are government-wide financial statements. They report information on all of the Agency's non-fiduciary activities. Governmental activities include programs supported primarily by grants and other intergovernmental revenues. Business-type activities include operations that rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates how other people or entities that participate in programs the Agency operates have shared in the payment of the direct costs. The "Capital grants and contributions" column includes amounts paid by organizations outside the Agency to help meet the operational or capital requirements of a given function. If revenue is not program revenue, it is general revenue used to support all of the Agency's functions.

All interfund transactions between governmental funds are eliminated on the government-wide statements. Interfund activities between governmental funds and fiduciary funds would remain on the government-wide Statement of Activities. The fund financial statements provide reports on the financial condition and results of operations for governmental funds.

(Continued)

NORWALK REDEVELOPMENT AGENCY

Notes to Financial Statements

(1) Summary of Significant Accounting Policies (continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements use the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements use the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets, current liabilities and fund balances are included on the balance sheet. Operating statements of these funds present net increases and decreases in current assets (i.e., revenues and other financing sources and expenditures and other financing uses).

The modified accrual basis of accounting recognizes revenues in the accounting period in which they become both measurable and available, and it recognizes expenditures in the accounting period in which the fund liability is incurred, if measurable. The expenditures related to certain compensated absences and claims and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources. The Agency considers all revenues available if they are collectible within 60 days after year end.

Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available.

Grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant. Accordingly, when such funds are received, they are recorded as deferred revenues until related and authorized expenditures have been made. If balances have not been expended by the end of the project period, grantors some times require the Agency to refund all or part of the unused amount.

Fund Equity and Net Position

The accounts of the Agency are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The fund financial statements in this report consist only of the General Fund due to the nature of the Agency's activities.

(Continued)

NORWALK REDEVELOPMENT AGENCY

Notes to Financial Statements

(1) Summary of Significant Accounting Policies (continued)

Fund Equity and Net Position (continued)

In the government-wide financial statements, net position is classified in the following categories:

- Restricted for Urban Redevelopment– This category represents the balance reported by the Agency which is constrained for specific purposes externally imposed by the U.S. Department of Housing and Urban Development provider for urban redevelopment.

When both restricted and unrestricted resources are available for certain expenses, the Agency expends restricted resources first and uses unrestricted resources when the restricted funds are depleted.

The Authority adopted the provisions of Governmental Accounting Standards Board Statement #54 (GASB 54) *Fund Balance Reporting and Governmental Fund Type* which defines the different types of fund balances that the Authority must use for its governmental funds. GASB 54 requires the fund balances to be properly reported within one of the following categories for fund financial reporting purposes:

- Nonspendable – fund balance amounts associated with inventories, prepaids, and long-term receivables and payables.
- Restricted – fund balance amounts that can be spent only for the specific purposes stipulated by external source providers or enabling legislation.
- Committed – fund balance amounts that can be used only for specific purposes determined by a formal action of the highest level of decision-making authority, the Board of Directors.
- Assigned – fund balance amounts intended to be used by the Authority for specific purposes but do not meet the criteria to be classified as restricted or committed fund balances.
- Unassigned – fund balance amounts remaining for the General Fund that are spendable.

The Authority's committed fund balance reporting is required when funds have been committed at an Authority board meeting. The Authority's assigned fund balance reporting is required when funds have been assigned by their nature (due to the FAA or for unidentified future capital projects). The Authority's general policy is to apply expenditures against the applicable fund balances in the following order: nonspendable, assigned, committed, restricted, and unassigned.

(Continued)

NORWALK REDEVELOPMENT AGENCY

Notes to Financial Statements

(1) Summary of Significant Accounting Policies (continued)

Cash Equivalents and Concentration of Risk

The Agency considers cash equivalents to be those investments with original maturities of three months or less. The Agency also maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Agency has not experienced any losses in such accounts, and does not believe it is exposed to any significant credit risk on cash and cash equivalents.

Investments

Investments, which consist of money market funds, are presented at fair value.

Grants and Accounts Receivable and Payable

All receivables and payables are reported at their gross value. Receivables are reduced by the estimated portion that is expected to be uncollectible. The Authority establishes an allowance for estimated uncollectible accounts when appropriate. There was no allowance for uncollectible accounts as of June 30, 2020.

Loans Receivable

Loans receivable, representing the outstanding balance of amounts advanced to individuals or businesses from federal community development grants, are recorded as assets when the advances are disbursed and are reflected net of any applicable uncollectible amounts.

Interfund Receivables and Payables

Outstanding balances between funds are presented as either due from or due to other funds and are not eliminated in the accompanying financial statements.

Program Funds

All funds received by the Agency are generally designated for use in the operation of its urban renewal and community development programs.

Compensated Absences and Post-Employment Benefits

Employees are permitted to accumulate a specified amount of earned but unused sick leave and vacation time, which will be paid to them upon separation from the Agency. These expenditures are recognized in the governmental funds in the current year to the extent they are paid during the year or the vested amount is expected to be paid with available resources. The liability for compensated absences at June 30, 2020 was approximately \$112,000.

The Agency does not provide any post-employment benefits.

(Continued)

NORWALK REDEVELOPMENT AGENCY

Notes to Financial Statements

(1) Summary of Significant Accounting Policies (continued)

Budgetary Information

Based upon the nature of the operation of the Agency, the Agency is not legally required to adopt a budget. Accordingly, comparative budget analysis has not been presented in these financial statements.

Date through Which Subsequent Events Have Been Evaluated

Subsequent events have been evaluated through October 31, 2020, which is the date the financial statements were available to be issued.

(2) Reconciliation of Government-wide and Fund Financial Statements

The Combined Balance Sheet-Governmental Fund Type provides the reconciliation between the fund balance for total governmental funds on the governmental fund balance sheet and the net assets for governmental activities as reported in the government-wide statement of net assets. There were no major reconciling items for 2020.

The Combined Statement of Revenues, Expenditures and Changes in Fund Balance-Governmental Funds provides a reconciliation between the net changes in fund balance as shown on the governmental fund statement of revenues, expenditures, and changes in fund balances and the changes in net assets of governmental activities as reported on the government-wide statement of activities. There were no major reconciling items for 2020.

(3) Deposits and Investments

At June 30, 2020, the carrying amount of the Agency's deposits was approximately \$1,671,000, and their bank balances totaled approximately \$2,449,000. The majority of the cash was on deposit with private financial institutions. As of June 30, 2020, the Agency's deposits with financial institutions were in excess of federal depository insurance limits by approximately \$1,949,000.

The Agency's cash consists of the following amounts at June 30, 2020:

Petty cash	\$ 150
Cash in bank	<u>1,670,647</u>
Total cash	\$ <u>1,670,797</u>

Custodial credit risk for deposits is the risk that in the event of a bank failure, the Agency's deposits may not be returned to it, or it will not be able to recover collateral securities that are in the possession of an outside party. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Agency will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Agency does not have a deposit policy for custodial credit risk.

(Continued)

NORWALK REDEVELOPMENT AGENCY

Notes to Financial Statements

(3) **Deposits and Investments (continued)**

The Agency's investments in money market accounts at June 30, 2020 totaled approximately \$5,930,000 (of which \$250,000 was insured).

In the event that a financial institution becomes insolvent and is placed under Federal Deposit Insurance Corporation (FDIC) receivership, this collateral is subject to the FDIC requirements for perfecting security interest under Federal law. In the opinion of the Connecticut State Attorney General, these requirements are met.

(4) **Receivables, Payables and Deferred Revenue**

Grants and accounts receivables consist of the following at June 30, 2020:

City and federal agencies	\$ 577,995
Other	<u>42,556</u>
Total grants and accounts receivable	\$ <u>620,551</u>

Due to governmental agencies and other third parties consists of the following at June 30, 2020:

Due to developer	\$ 488,554
Due to Community Development Block Grant (CDBG)	583,701
City and other projects	<u>847,454</u>
Total due to governmental agencies	\$ <u>1,919,709</u>

Deferred revenues totaled approximately \$1,889,500 as of June 30, 2020. Grant revenues are considered earned when expenditures are incurred and until then are considered deferred revenues.

(5) **City of Norwalk and Program Funding**

The Agency receives funding through the City of Norwalk as the City's administrator of the CDBG program. The City's operating budget also provides funding for salary and benefits of certain Agency staff that perform services directly for the City. The CDBG funding is distributed to Housing and Urban Development qualified programs and services within the City which are recognized as community needs within the City's Consolidated Plan and are awarded by the Common Council. For the year ended June 30, 2020, the Agency recognized the following revenue:

CDBG – Sub Grantee allocation	\$ 856,941
CDBG - Administration	181,201
Other Government Grants for City Projects	<u>4,034,888</u>
Total Non-Agency/CDBG/Sub Grantee Allocations	\$ <u>5,073,030</u>

(Continued)

NORWALK REDEVELOPMENT AGENCY

Notes to Financial Statements

(6) Employee Benefit Plan

The Agency sponsors a defined contribution pension plan covering substantially all of its employees. The benefits are based on years of service and the accumulation of employer's contribution during years of employment. Contributions and cost are determined at an average of 12 percent of each employee's salary and totaled approximately \$90,000 for the fiscal year ended June 30, 2020.

(7) Due to/from Related Parties

Other assets include net advances due to North Walke Housing Corporation (North Walke) in the amount of approximately \$3,900 as of June 30, 2020. North Walke is a separate nonprofit organization, but they are related parties since certain officers and directors of the Agency also serve in the same capacity with North Walke.

(8) Federal and State of CT Grants

The City awards a portion of its annual CDBG allocation as grants to local organizations through a competitive process and recommended applicants provide various matching funds. Organizations in receipt of these grants received support from an array of public and private sources to provide high quality and innovative programming in service of the community. The Agency worked strategically so that federal funds can attract additional funding and spur private development to meet the needs of the community. A total of approximately \$1,042,400 was expended by the Agency during the year ended June 30, 2020.

The Agency also received a CT Department of Economic and Community Development (DECD) Brownfields grant of \$2,000,000 in 2017 to assist in the remediation of Ryan Park, a community park adjacent to the Washington Village Choice Neighborhoods Initiative project. The environmental remediation has been completed and Ryan Park has been redesigned to be more responsive to the community's needs. Ryan Park reopened to the public in 2020.

(9) Risk Management

The Agency is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions for public officials; injuries to employees; and natural disasters. The Agency has obtained insurance coverage to guard against these events which will provide minimum exposure to the Agency should they occur.

The Agency continues to carry commercial insurance for all other risks of loss, including business liability coverage. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

(Continued)

NORWALK REDEVELOPMENT AGENCY

Notes to Financial Statements

(10) Commitments and Contingencies

Amounts received or receivable from grantor agencies are subject to audit and adjustment by the grantor agencies. Any disallowed costs or claims, including amounts already received by the Agency, could become a liability. In recognition of reasonable cost standards, the Board recently took action to limit the amount of funding and implement cost containment protocols for legal expenses for ongoing litigation matters.

The Agency and the City are Defendants in an action by John Dias (Plaintiff) pending in Connecticut Superior Court (*John Dias v. City of Norwalk*). On October 1, 2019, the City and the Agency filed a joint Motion for Summary Judgment (Motion), arguing that there is no genuine issue of material fact that the Defendants did not inversely condemn the Property and that the Defendants are entitled to judgment as a matter of law. The Plaintiff filed an opposition to the Motion, and based on the removal of the Property from the Land Disposition Agreement and the recent sale for \$1.5 million, an amended complaint was filed in October 2020. In response to this amended complaint, the Defendants drafted a new Motion which was submitted November 30, 2020. The Plaintiff's objection is due at the end of January 2021, and oral arguments will be scheduled prior to February 15, 2021.

Management and counsel cannot provide an evaluation of the likelihood of an unfavorable outcome or an estimate of the amount or range of potential loss at this point in the litigation. It is likely that the Court will decline to grant the Defendants' Motion on the basis that there are genuine issues of material fact. A court-side trial is scheduled to commence on July 14, 2021 should the Agency and City be unable to settle these claims through mediation.

The Agency is involved in various other litigation matters. Management and counsel are either unable to determine the effect on the financial statements of these matters as their outcomes are undeterminable as of this report, or the effects are not considered to be material.

(11) Implementation of Future GASB Pronouncements

The GASB has issued several pronouncements that have effective dates that may impact future financial presentations. Management has not currently determined what, if any, impact implementation of the following statements may have on the financial statements:

- **Statement No. 87, *Leases*.** The requirements of this statement are effective for fiscal years beginning after June 15, 2021, and all reporting periods thereafter.
- **Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*.** The requirements of this statement are effective for reporting periods beginning after December 15, 2020. Earlier application is encouraged.
- **Statement No. 90, *Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61*.** The requirements of this statement are effective for reporting periods beginning after December 15, 2019.
- **Statement No. 91, *Conduit Debt Obligations*.** The requirements of this Statement are effective for reporting periods beginning after December 15, 2021. Earlier application is encouraged.

(Continued)

Notes to Financial Statements

(11) Implementation of Future GASB Pronouncements (continued)

- **Statement No. 92, *Omnibus 2020*.** The requirements of this Statement are effective as follows:
 - The requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance.
 - The requirements related to intra-entity transfers of assets and those related to the applicability of Statements 73 and 74 are effective for fiscal years beginning after June 15, 2021.
 - The requirements related to application of Statement 84 to postemployment benefit arrangements and those related to nonrecurring fair value measurements of assets or liabilities are effective for reporting periods beginning after June 15, 2021.
 - The requirements related to the measurement of liabilities (and assets, if any) associated with asset retirement obligations in a government acquisition are effective for government acquisitions occurring in reporting periods beginning after June 15, 2021.

Earlier application is encouraged and is permitted by topic.

- **Statement No. 93, *Replacement of Interbank Offered Rates*.** The requirements of this Statement, except for paragraphs 11b, 13, and 14 are effective for reporting periods beginning after June 15, 2020. The requirement in paragraph 11b is effective for reporting periods ending after December 31, 2021. The requirements in paragraphs 13 and 14 are effective for fiscal years periods beginning after June 15, 2021, and all reporting periods thereafter. Earlier application is encouraged.
- **Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*.** The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.
- **Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*.** The requirements of this Statement are effective immediately.
- **Statement No. 96, *Subscription-Based Information Technology Arrangements*.** The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.
- **Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*.** The requirements of this Statement are effective as follows:
 - The requirements in (1) paragraph 4 of this Statement as it applies to defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans and (2) paragraph 5 of this Statement are effective immediately.

(Continued)

NORWALK REDEVELOPMENT AGENCY

Notes to Financial Statements

(11) Implementation of Future GASB Pronouncements (continued)

- The requirements in paragraphs 6–9 of this Statement are effective for fiscal years beginning after June 15, 2021.
- All other requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

Earlier application is encouraged and is permitted by specific requirement as follows:

Paragraph 4 of this Statement as it applies to arrangements other than defined contribution pension plans, defined contribution OPEB plans, or other employee benefit plans. Paragraphs 6–9 of this Statement and the supersession of the remaining requirements of Statement 32 (as detailed in paragraph 3 of this Statement).

Questions 4.3 and 4.5 of Implementation Guide 2019-2, as amended, are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged if Statement 84, as amended, has been implemented.

(12) Subsequent Events relating to COVID-19

On January 30, 2020, the World Health Organization (WHO) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the “COVID-19 outbreak”) and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Agency’s financial condition, liquidity, and future operations, and management is actively monitoring the global situation. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Agency is not able to estimate the effects of the outbreak on its results of operations, financial condition, or liquidity for fiscal year 2021.

The Agency’s operations are heavily dependent on the ability to access grants and contracts from federal, state and local governments, which may decrease or may not be available depending on appropriations. The outbreak may have a continued material adverse impact on economic and market conditions, triggering a period of global economic slowdown. This situation is expected to depress the tax bases and other areas in which the Agency received revenue during fiscal year 2020. As such, this may hinder its ability to meet the needs of its constituents. As such, the Agency’s financial condition and liquidity may be negatively impacted for the fiscal year 2021.



**Independent Auditor’s Report On Internal Control Over Financial Reporting
And On Compliance And Other Matters Based On An Audit Of Financial Statements
Performed In Accordance With *Government Auditing Standards***

To the Board of Commissioners
Norwalk Redevelopment Agency

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States the financial statements the governmental activities, each major fund, and the aggregate remaining fund information of Norwalk Redevelopment Agency (“Agency”) as of and for the year then ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Agency’s basic financial statements, and have issued our report thereon dated October 31, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Agency’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency’s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Agency’s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

(Continued)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Solution + Company, LLC

October 31, 2020

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NORWALK REDEVELOPMENT AGENCY

**Schedule of Revenues, Expenditures
and Changes in Fund Balance-Budgetary Comparison**

Year ended June 30, 2020

	<u>Actual-Budgetary Basis</u>			<u>Budgeted Amounts</u>	
	<u>CDBG</u>	<u>Improvement</u>	<u>Total</u>	<u>Original</u>	<u>Final</u>
Revenues:					
Other government grants for City projects	\$ -	4,034,888	4,034,888	4,034,888	4,034,888
Federal grants	1,038,142	-	1,038,142	1,038,142	1,038,142
Program income	32,879	209,888	242,767	242,767	242,767
Investment income	2	21,054	21,056	21,056	21,056
Total revenues	1,071,023	4,265,830	5,336,853	5,336,853	5,336,853
Expenditures:					
Project outlays	1,071,023	4,419,161	5,490,184	5,490,184	5,490,184
Revenues greater (less) than expenditures	-	(153,331)	(153,331)	(153,331)	(153,331)
Fund balance - beginning of year	669,877	3,661,777	4,331,654	4,331,654	4,331,654
Fund balances - end of year	\$ 669,877	3,508,446	4,178,323	4,178,323	4,178,323

See accompanying notes to basic financial statements.

**Independent Auditor’s Report On Compliance For Each Major Program
And On Internal Control Over Compliance Required By The Uniform Guidance**

To the Board of Commissioners
Norwalk Redevelopment Agency

Report on Compliance for Each Major Federal Program

We have audited Norwalk Redevelopment Agency’s (“Agency”) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Agency’s major federal programs for the year ended June 30, 2020. The Agency’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

Management’s Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of the Agency’s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Agency’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Agency’s compliance.

Opinion on Each Major Federal Program

In our opinion, the Agency complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

(Continued)

Report on Internal Control Over Compliance

Management of the Agency is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Agency's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Solakian + Company, LLC

October 31, 2020

NORWALK REDEVELOPMENT AGENCY

Schedule of Expenditures of Federal Awards

Year ended June 30, 2020

<u>Pass-Through Agency Program Title</u>	<u>CFDA Number</u>	<u>Expenditures</u>
U.S. Department of Housing and Urban Development (HUD):		
Community Development Block Grants- Passed through the City of Norwalk	14.218	\$ <u>1,100,786</u>
Total expenditures of federal awards		\$ <u>1,100,786</u>

Notes to the Schedule of Expenditures of Federal Awards

Note 1 – Basis of Accounting

This schedule is prepared on the same basis of accounting as Norwalk Redevelopment Agency's (Organization) financial statements. The Organization uses the accrual basis of accounting.

Note 2 – Program Costs

The amounts shown as current year expenditures represent only the federal grant portion of the program costs. Entire program costs, including the Organization's portion, may be more than shown. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Because the schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

Subrecipients

Of the federal expenditures presented in the schedule, Norwalk Redevelopment Agency provided federal awards to subrecipients as follows:

<u>Program Title</u>	<u>Catalog of Federal Domestic Assistance Number</u>	<u>Amount Provided to Subrecipients</u>
Public Facilities	14.218	\$ 197,576
Public Services	14.218	\$ 154,684
Housing	14.218	\$ 99,013

NORWALK REDEVELOPMENT AGENCY

Schedule of Findings and Questioned Costs - Federal Awards

Year ended June 30, 2020

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(ies) identified? _____ yes X none reported

Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(ies) identified? _____ yes X none reported

Type of auditor's report issued on compliance for major programs:

Any audit findings disclosed that are required to be reported in accordance with Section 200.516 of the Uniform Guidance? _____ yes X no

Identification of major programs:

CFDA Number(s): 14.218 - HUD Community Development Block Grant

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000

Auditee qualified as low-risk auditee? X yes _____ no

Section II – Financial Statement Findings

No findings or questioned costs are reported relating to financial statements audit.

Section III– Federal Award Findings and Questioned Costs

No findings or questioned costs are reported relating to Federal award programs.

Norwalk Redevelopment Agency
Explanation of Statement of Revenues & Expenditures
Year-To-Date October 31, 2020

- Operating Fund 100 had revenues of \$497,737 versus budgeted revenues of \$529,330 for an unfavorable variance of \$31,594 which is mainly due to lower actual CDBG grant revenue of \$27,461 which will be recouped over the remainder of the year.

- Total actual expenditures of \$536,556 versus budgeted total expenditures of \$540,254 resulted in a favorable variance of \$3,698. This is primarily due to an unfavorable variance in legal expenditures of \$77,796 resulting from the Wall Street litigation which was offset by favorable variances in personnel expenditures of \$68,332 and other administrative expenses of \$13,163.

- The actual operating deficit of \$38,819 versus a budgeted operating deficit of \$10,924 resulted in an unfavorable variance of \$27,895.

Norwalk Redevelopment Agency Inc.
Statement of Revenues and Expenditures - Board 2021 Rev&Exp Comparison-YTD,Budget,Prior YTD
100 - NRA Operating - Fund 100
From 7/1/2020 Through 10/31/2020
(In Whole Numbers)

	YTD Actual	YTD Budget	YTD Variance	Prior YTD Actual	Annual Budget	Annual Budget \$ Remaining
REVENUES						
Grant Revenues						
Grants - City Positions	47,518	47,518	0	48,100	142,553	95,035
Grants - NRA Project Funds	292,989	292,989	0	274,443	878,966	585,977
Grants - CDBG City Neighborhoods	46,542	77,863	(31,321)	62,932	233,590	187,048
Grants - CDBG Program Admin	64,537	66,182	(1,645)	64,382	198,547	134,010
Grants - CDBG CV Admin	24,951	19,446	5,505	0	58,337	33,386
Grants - Other	0	17,655	(17,655)	3,280	52,964	52,964
Total Grant Revenues	476,536	521,652	(45,116)	453,138	1,564,957	1,088,421
Other Revenues						
Interest Income from Notes	16,843	3,678	13,165	4,123	11,033	(5,810)
Interest Income - Other	682	4,000	(3,318)	10,827	12,000	11,318
Miscellaneous Revenues	3,676	0	3,676	459	0	(3,676)
Rental Income	0	0	0	11,976	0	0
Total Other Revenues	21,200	7,678	13,523	27,385	23,033	1,833
Total REVENUES	497,737	529,330	(31,594)	480,523	1,587,990	1,090,253
EXPENDITURES						
Personnel						
Salaries	250,946	294,937	43,991	250,233	852,041	601,095
Taxes & Benefits	94,956	119,296	24,341	99,213	357,889	262,933
Total Personnel	345,902	414,234	68,332	349,446	1,209,930	864,028
Administrative Expenses						
Professional Fees - Legal	119,463	41,667	(77,796)	67,153	125,000	5,537
Professional Fees - Other	4,500	5,000	500	4,167	15,000	10,500
Consultants/Contracted Svcs	11,700	11,667	(33)	5,000	35,000	23,300
Occupancy	37,226	37,756	530	31,080	113,267	76,041
Office Expenses	4,823	9,512	4,689	6,009	28,536	23,713
Insurance	0	4,421	4,421	340	13,264	13,264
I.T. Expense	5,177	3,876	(1,301)	3,861	11,627	6,450
Training	2,123	3,929	1,806	1,732	11,786	9,663
Agency Marketing	4,848	6,527	1,679	2,655	19,580	14,732
Miscellaneous	795	1,667	872	132	5,000	4,205
Total Administrative Expenses	190,654	126,020	(64,634)	122,129	378,060	187,406
Total EXPENDITURES	536,556	540,254	3,698	471,574	1,587,990	1,051,434
NET OPERATING SURPLUS/(DEFICIT)	(38,819)	(10,924)	(27,895)	8,949	0	38,819

Norwalk Redevelopment Agency Inc.
Statement of Revenues and Expenditures
100 - NRA Operating - Fund 100
From 10/1/2020 Through 10/31/2020
(In Whole Numbers)

	<u>Month Actual</u>	<u>Month Budget</u>	<u>Month Variance</u>	<u>Prior Year Month</u>
REVENUES				
Grant Revenues				
Grants - City Positions	11,879	11,879	0	12,025
Grants - NRA Project Funds	73,247	73,247	0	68,609
Grants - CDBG City Neighborhoods	10,108	19,466	(9,357)	17,966
Grants - CDBG Program Admin	14,755	16,546	(1,790)	19,516
Grants - CDBG CV Admin	12,440	4,861	7,578	0
Grants - Other	0	4,414	(4,414)	0
Total Grant Revenues	<u>122,430</u>	<u>130,413</u>	<u>(7,983)</u>	<u>118,116</u>
Other Revenues				
Interest Income from Notes	4,198	919	3,279	873
Interest Income - Other	122	1,000	(878)	2,473
Miscellaneous Revenues	244	0	244	0
Rental Income	0	0	0	2,856
Total Other Revenues	<u>4,564</u>	<u>1,919</u>	<u>2,645</u>	<u>6,202</u>
Total REVENUES	<u>126,994</u>	<u>132,333</u>	<u>(5,339)</u>	<u>124,318</u>
EXPENDITURES				
Personnel				
Salaries	69,590	81,927	12,337	71,010
Taxes & Benefits	25,003	29,824	4,821	28,902
Total Personnel	<u>94,593</u>	<u>111,751</u>	<u>17,158</u>	<u>99,912</u>
Administrative Expenses				
Professional Fees - Legal	15,576	10,417	(5,159)	13,456
Professional Fees - Other	1,125	1,250	125	1,042
Consultants/Contracted Svcs	2,135	2,917	782	0
Occupancy	8,566	9,439	873	8,854
Office Expenses	236	2,378	2,142	2,033
Insurance	0	1,105	1,105	0
I.T. Expense	318	969	651	196
Training	0	982	982	1,455
Agency Marketing	648	1,632	984	0
Miscellaneous	132	417	285	72
Total Administrative Expenses	<u>28,735</u>	<u>31,505</u>	<u>2,770</u>	<u>27,107</u>
Total EXPENDITURES	<u>123,328</u>	<u>143,256</u>	<u>19,928</u>	<u>127,019</u>
NET OPERATING SURPLUS/(DEFICIT)	<u>3,666</u>	<u>(10,924)</u>	<u>14,590</u>	<u>(2,701)</u>

Record and Return to:
Carmody Torrance Sandak & Hennessey LLP
707 Summer Street, Third Floor
Stamford, CT 06901
Attn: William J. Hennessey, Esq.

CERTIFICATE OF COMPLETION

THE NORWALK REDEVELOPMENT AGENCY, a redevelopment Agency created by the Common Council of the City of Norwalk, Connecticut pursuant to Chapter 130 of the General Statutes of the State of Connecticut (the “Agency”), hereby certifies as follows:

1. Pursuant to the terms of that certain Land Disposition & Development Agreement (“LDA”), executed May 7, 2001, and dated as of December 15, 2000, by and among the City of Norwalk, the Norwalk Redevelopment Agency and French Norwalk LLC, recorded on May 18, 2001, in Volume 4111 at Page 1, as amended by that certain Amendment #1 to Land Disposition & Development Agreement dated December 31, 2001 and recorded on September 9, 2005 in Volume 5958 at Page 175 of the Norwalk Land Records, as amended by that certain Amendment #2 to Land Disposition and Development Agreement dated October 6, 2005 and recorded in Volume 5992 at Page 4 of the Norwalk Land Records, as amended by that certain Amendment #3 to Land Disposition and Development Agreement dated October 11, 2007 and recorded in Volume 6662 at Page 96 of the Norwalk Land Records, as amended by that certain Amendment #4 to Land Disposition and Development Agreement by and between City of Norwalk, the Norwalk Redevelopment Agency, and Norwalk Land Development, LLC, as successor redeveloper (“Redeveloper”) dated February 11, 2016 and recorded in Volume 8302 at Page 61 of the Norwalk Land Records (“Amendment #4 to LDA”), as amended by that certain Amendment #5 to Land Disposition and Development Agreement by and between City of Norwalk, the Norwalk Redevelopment Agency, and Redeveloper” dated July 20, 2017 and recorded in Volume 8563 at Page 14 of the Norwalk Land Records (“Amendment #5 to LDA”) (collectively referred to herein as “LDA”), Redeveloper, or its authorized designee, as indicated, undertook construction of those certain improvements described in the following Building Permits:

- a. North Block Foundation Permit dated May 10, 2017;
- b. South Block Foundation Permit dated May 10, 2017;
- c. Permit No.: B17-0648 (Superstructure, North Parcel), dated June 30, 2017);
- d. Permit No.: B17-0649 (Superstructure, South Parcel), dated June 30, 2017);
- e. Permit No.: B17-1084 (Superstructure core & shell – less Nordstrom & Bloomingdales), dated October 20, 2017;
- f. Permit No.: B17-1083 (Shell only “Bloomingdales”), dated October 20, 2017;

- g. Permit No.: B18-0220 (Nordstrom Shell), dated March 14, 2018 (by Redeveloper's authorized designee);

all issued by the Norwalk Building Official comprising the Improvements, as defined in the LDA, as modified, to be constructed by the Redeveloper pursuant to the LDA.

2. As of October 9, 2019, the Redeveloper has completed construction of the Improvements, as such term is defined in Section 13.1 of the LDA for purposes of issuing this Certificate of Completion, and in accordance with the requirements of the LDA, which completion is evidenced by a Conditional Certificate of Occupancy ("CCO") issued by the Norwalk Chief Building Official on October 9, 2019 (Building Permit Number B17-1084) (which date is hereby acknowledged to be the "Improvements Completion Date" as defined in the LDA).

3. Except as otherwise set forth herein, this Certificate of Completion constitutes a conclusive determination by the Agency that the Redeveloper has satisfied all of its obligations under the LDA with respect to such Improvements.

4. All agreements and covenants of the Redeveloper set forth in the LDA with respect to the construction of the Improvements, including the dates for commencement and/or completion thereof, as well as any agreements or restrictions set forth in the LDA with respect to all or any portion of the real property on which the Improvements are erected, have been completed, except for "The SoNo Collection Remaining Site Work as of November 4, 2019", which work is secured to be completed via a Surety Bond to the City of Norwalk by The Norwalk Land Development, LLC.

5. The Building Official of the City of Norwalk hereby is authorized to rely upon this Certificate of Completion and, if all other conditions to the issuance of a final certificate of occupancy have been satisfied or waived, to issue said final certificate of occupancy with respect to the Improvements.

6. Notwithstanding the foregoing, the Redeveloper's obligations and/or rights pursuant to Sections 5, 8, and 9 of Amendment #5 to LDA and Sections 13, 23, and 24 of Amendment #4 to LDA not affected by this Certificate of Completion, shall survive this Certificate of Completion.

7. This Certificate of Completion may be recorded on the Land Records of the City of Norwalk.

[signature page follows]

IN WITNESS WHEREOF, the undersigned has hereunto set its hand and seal this _____ day of December, 2020.

WITNESSES:

The Norwalk Redevelopment Agency

Name:

By: Duly Authorized

Name:

STATE OF CONNECTICUT)
) ss. Norwalk
COUNTY OF FAIRFIELD)

On this the ___ day of December, 2020, before me, the undersigned officer, personally appeared _____, who acknowledged himself/herself to be the Chairperson of the Norwalk Redevelopment Agency, a municipal agency, and that he/she as such Chairperson, being authorized so to do, executed the foregoing instrument as his/her free act and deed for the purposes therein contained, by signing the name of the municipal agency by himself/herself as Chairperson thereof.

Commissioner of the Superior Court
Marc J. Grenier

Section 12.2 Financial Covenants.

Redeveloper agrees, for itself and its Affiliates, successors and/or assigns, that it is and will be and remain an entity having as its sole purpose the acquisition, ownership, development, operation and/or disposition of the Project and the Project Property. Redeveloper further agrees that, prior to completion of the Phase I Improvements, as evidenced by a Certificate of Completion, its assets (and those of its Affiliates owning any Project Property), will be utilized only for Project purposes and will not be transferred except for fair value received. Without limiting the generality of the foregoing, the net proceeds of any mortgage financing transaction made by Redeveloper in accordance with the provisions of this Agreement shall be utilized only for Project purposes in connection with payment of and/or reimbursement for Project Costs incurred. No transfer by Redeveloper of the Project, of any portion thereof or any interest therein, prior to the Completion of the Phase I Improvements, as evidenced by a Certificate of Completion, shall be deemed to release Redeveloper from, or diminish, its obligations and financial commitments under this Agreement, unless agreed to by the Agency and the City in writing (and no such transfer shall be made except as permitted by and/or in accordance with the terms of this Agreement, including particularly Article XIV).

ARTICLE XIII

CERTIFICATE OF COMPLETION

Section 13.1. Certificates of Completion.

A. Promptly after completion of construction of the Improvements in any Phase of the Project in accordance with this Agreement and the approved Construction Documents for such Phase, and within thirty (30) days after written request of Redeveloper, the Agency will furnish the Redeveloper with a Certificate of Completion with respect to such Phase duly executed in the form of Exhibit K annexed hereto, or in such other form as shall be mutually acceptable to the Agency and the Redeveloper (or in such modified form as may reasonably be requested by any Institutional Lender holding a mortgage on, or Institutional Investor owning an equity interest in, any portion of the Project). For purposes of this Section, "completion" shall mean that the Improvements, or the relevant portion thereof, have been sufficiently completed such that only minor details of construction finish and "punch list" type items, or exterior items of a decorative nature (e.g., landscaping, including, without limitation, planting, paving, site lighting, accessory structures, public art and other decorative elements), remain to be completed. If Redeveloper requests a Certificate of Completion, while such items remain unfinished, the Agency may require as a condition of issuance thereof that the Redeveloper deliver its undertaking to complete same as soon as reasonably practicable, weather permitting, with such security to assure performance as the Agency reasonably may determine to be appropriate under the circumstances. Such certification by the Agency (i) shall be (and it shall be so provided in the Certificate) a conclusive determination of satisfaction and termination of the agreements and covenants in this Agreement with respect to the obligations of the Redeveloper, and its successors and assigns, to construct the

Improvements on such Phase and the dates for the beginning and, except as noted below, completion thereof; and (ii) with respect to the lease or conveyance of any such completed Improvements and the portion of the Project Property upon which same are erected, shall mean and provide (1) that any party purchasing or leasing such completed Improvements and/or such individual part or parcel of the Project Property shall not (because of such purchase or lease) incur any obligation with respect to the construction of the Improvements relating to such part or parcel or to any other part or parcel of the Project Property; and (2) that neither the Agency nor any other party shall thereafter have or be entitled to exercise with respect to any such completed Improvements or such individual part or parcel so sold (or, in the case of lease, with respect to the leasehold interest) any rights or remedies or controls that it may otherwise have or be entitled to exercise with respect to the Project Property as a result of a default in or breach of any provisions of this Agreement by the Redeveloper or any successor in interest or assign.

Each Certificate of Completion provided for in this Article XIII shall be in such form as will enable it to be recorded in the proper office for the recordation of deeds and other instruments pertaining to the Project Property.

B. From time to time, at the request of the Redeveloper, the Agency shall furnish the Redeveloper with a partial Certificate of Completion for portions of the Improvements which have been completed in accordance with the approved Construction Documents and which otherwise satisfy the requirements for a Certificate of Occupancy or temporary Certificate of Occupancy. No such partial Certificate of Completion shall be issued with respect to any building unless the shell and core of such building have been substantially completed in accordance with the approved Construction Documents. In the event the Redeveloper requests a partial Certificate of Completion prior to the completion of tenant improvements and finish work, or prior to completion of all landscaping work (including, without limitation, planting, paving, site lighting, accessory structures, public art and other decorative elements) described in the approved Construction Documents, the Agency shall furnish such a partial Certificate of Completion upon the delivery to the Agency of the Redeveloper's written undertaking to complete such portion of the work as soon as reasonably practicable thereafter, weather permitting, with such security as the Agency reasonably may determine to be appropriate, under the circumstances, to assure performance.

C. If the Agency shall refuse or fail to provide such a Certificate of Completion in accordance with the provisions of this Section, the Agency shall, within said thirty (30) day period, provide the Redeveloper with a written statement, describing in detail the respects in which the Redeveloper has failed to complete the Improvements for which such certification is requested in accordance with the provisions of this Agreement, or is otherwise in default, and what measures or acts it will be necessary, in the opinion of the Agency, for the Redeveloper to take or perform in order to obtain such certification. If the Agency fails to provide such statement within such thirty (30) day period, the Redeveloper may institute the dispute resolution proceedings provided in this Agreement for such default by the Agency. Any such dispute will be submitted to mediation and arbitration pursuant to Article XVII.

D. Upon the earlier of the issuance of the Certificate of Completion for all the Improvements described in Article IX or the date of expiration of the Redevelopment Plan, provided all financial obligations of the Redeveloper hereunder to the Agency and City have been satisfied or secured by a bond in form and substance and issued by an entity approved by the Agency and City at the Redeveloper's expense, the Agency shall issue a certificate in recordable form stating that all the obligations of the Redeveloper under this Agreement have been satisfied.

ARTICLE XIV

ASSIGNMENT AND TRANSFER

Section 14.1. Representations as to Redevelopment.

The Redeveloper represents to the Agency and the City and agrees that the Acquisition Property to be purchased by the Redeveloper and the Redeveloper's other undertakings pursuant to this Agreement are, and will be used, for the purpose of the redevelopment of the Property and not for speculation in land holding. The Redeveloper further recognizes that, in view of:

- (i) the importance of the redevelopment of the Project Site to the general welfare of the Norwalk community; and
- (ii) the substantial efforts being made by the City and Agency for the purpose of making such redevelopment possible, including the exercise of the power of eminent domain, the transfer of City-owned assets and the appropriation of certain public funds,

the qualifications and identity of the Redeveloper are of particular concern to the City and the Agency. The Redeveloper further recognizes that it is in reliance on such qualifications and identity that the City and Agency are entering into this Agreement with the Redeveloper and, in so doing, are further willing to accept and rely on the obligations of the Redeveloper for the faithful performance of all undertakings and covenants hereby by it to be performed. Annexed hereto as Exhibit L and made a part hereof is a statement, certified as true and correct by an executive officer of Redeveloper, of the names and ownership percentages of those Persons who or which own an interest in the Redeveloper and/or the Affiliates of Redeveloper which own Redeveloper Property on the date of the execution of this Agreement.

Section 14.2. Transfer of Property and Assignment of Agreement.

A. For the reasons set forth in Section 14.1, the Redeveloper represents and agrees for itself, and its successors and assigns, that, prior to the completion of the Phase I Improvements, the Redeveloper (except as permitted pursuant to the terms of this Agreement) has not made or created, and that, without the prior written consent of the Agency (except as permitted by this Agreement) it will not, prior to the completion of the Phase I Improvements, make or create, or suffer to be made or created, any total or partial sale, assignment, conveyance, or lease or sublease, or any trust or power, or total or partial transfer in any other mode or form of

AMENDMENT #4 TO LAND DISPOSITION & DEVELOPMENT AGREEMENT

THIS Amendment #4 to Land Disposition & Development Agreement ("Amendment #4"), is made as of the 10th day of February, 2016 by and among the **Norwalk Redevelopment Agency** ("Agency"), **The City of Norwalk, Connecticut** ("City") and **Norwalk Land Development, LLC** ("Redeveloper").

WITNESSETH:

WHEREAS, the Agency, the City and French Norwalk LLC ("French") were parties to a certain Land Disposition & Development Agreement dated as of December 15, 2000, and executed on May 7, 2001 (the "LDA"), pertaining to real property designated as Disposition Parcels 1, 2 and 4 in the Reed Putnam Urban Renewal Area (the "Urban Renewal Area"), as shown and depicted in the "Urban Renewal Plan for the Reed-Putnam Area, Norwalk, Connecticut (Amended and Restated)" approved by the Agency on December 17, 1997 (further amendment approved March 24, 1999), and by the Common Council of the City on February 10, 1998 (further amendment approved April 13, 1999); and

WHEREAS, the foregoing Urban Renewal Plan as amended (the "Redevelopment Plan") was subsequently further amended in regard to lands not covered by the LDA, which further amendment is not relevant to the LDA or to this Amendment #4; and

WHEREAS, the LDA was amended by "Amendment #1 to Land Disposition & Development Agreement", dated December 31, 2001, among the Agency, the City and French, recorded on September 9, 2005, in Volume 5958 at Page 175 of the Norwalk Land Records; and

WHEREAS, pursuant to approval set forth in resolution adopted by the Agency on May 4, 2005, and pursuant to agreements between French and Redeveloper, French assigned its rights under the LDA to 95/7 Ventures, LLC, which assumed French's obligations under the LDA; and

WHEREAS, French and its affiliates conveyed their real property holdings in the Urban Renewal Area to 95/7 Ventures, LLC, by deed recorded on July 26, 2005, in Volume 5894 at Page 162 of the Norwalk Land Records; and

WHEREAS, to reflect the foregoing, the LDA was further amended by "Amendment #2 to Land Disposition & Development Agreement", dated October 6, 2005, and recorded on October 7, 2005, in Volume 5992 at Page 4 of the Norwalk Land Records; and

WHEREAS, the LDA was further amended by "Amendment #3 to Land Disposition & Development Agreement" by and between 95/7 Ventures, LLC, the City and the Agency, dated October 11, 2007 (the "Third Amendment"), and a notice of which was recorded in Volume 6662 at Page 96 of the Norwalk Land Records; and

WHEREAS, 95/7 Ventures, LLC subsequently acquired additional lands within the Urban Renewal Area as contemplated by the LDA; and

WHEREAS, by deed dated September 7, 2010, 95/7 Ventures, LLC fulfilled an obligation imposed on it by the LDA, by conveying to the City certain portions of the Redeveloper Property required by the City for the widening of West Avenue and the realignment of North Water Street (formerly, Reed Street); and

WHEREAS, by deed dated February 8, 2013, 95/7 Ventures, LLC conveyed all of its real property within the Project Site to 95/7 Enterprises LLC ("Enterprises") (Redeveloper's predecessor in title), an "Affiliate" of as such term is defined in the LDA, which transfer was accordingly a "Permitted Transfer" as described in the LDA; and

WHEREAS, by "Assignment and Assumption Agreement" dated as of February 8, 2013, 95/7 Ventures, LLC assigned to Enterprises all right, title and interest of 95/7 Ventures, LLC in and to the LDA, and Enterprises assumed and agreed to perform all of the obligations of 95/7 Ventures, LLC as Redeveloper pursuant to the LDA, and to be bound by all of the terms and conditions of the LDA that are binding upon the Redeveloper; and

WHEREAS, pursuant to "Contract for Conveyance of Remnant Parcels", dated October 24, 2013, between the City and Enterprises, the City, as required by the LDA, agreed to convey certain real property within the Project Site (the "Remnant Parcels") to Enterprises, and Enterprises as required by the LDA agreed to pay certain consideration for the Remnant Parcels, which are part of the Redeveloper Property; and

WHEREAS, pursuant to approval set forth in resolution adopted by the Agency on November 12, 2013, and pursuant to agreements between Enterprises and Redeveloper, Enterprises assigned its rights under the LDA to Redeveloper by Assignment and Assumption Agreement, dated November 21, 2013 and recorded November 26, 2013 in Volume 7931 at Page 127 of the Norwalk Land Records, whereby Redeveloper assumed all obligations under the LDA; and

WHEREAS, Enterprises conveyed the real property holdings in the Urban Renewal Area to Redeveloper, by deed dated November 20, 2013 and recorded on November 26, 2013, in Volume 7931 at Page 120 of the Norwalk Land Records; and

WHEREAS, the Redeveloper accordingly is the "Redeveloper" under the LDA; and

WHEREAS, the parties hereto have been in discussions regarding additional amendments to the LDA and this Amendment #4 is intended to set forth the additional amendments to the LDA which have been agreed to by the City, the Agency and the Redeveloper; and

WHEREAS, the Agency approved this Amendment #4 and the amendments contained herein by appropriate Resolution adopted on October 29, 2015; and

WHEREAS, the Common Council approved this Amendment #4 and the amendments contained herein by appropriate Resolution adopted on October 27, 2015.

NOW, THEREFORE, pursuant to Section 23.14 of the LDA, the parties hereto, for good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, intending legally to be bound, agree that the LDA hereby is further amended, effective as of the Effective Date, in the following respects:

1. **TERMINOLOGY.** Capitalized terms not otherwise defined in this Amendment #4 shall have the same meanings as defined in the LDA. References in the LDA or in this Amendment #4, to the "LDA" or the "Agreement", shall refer to the LDA as in effect prior to the Effective Date.

1.1 The terms "State Traffic Commission" or "STC" shall refer to the Connecticut Office of the State Traffic Administration ("OSTA"), a subdivision of the State Department of Transportation, which is the successor body to the Connecticut State Traffic Commission.

1.2 The terms "DEP" and "DEP Commissioner" shall refer to the Department of Environmental and Energy Protection of the State of Connecticut ("DEEP") and the Commissioner of DEEP, as successor to DEP.

1.3 The term "Land Use Approval" shall mean all those governmental permits and approvals required for the construction of the Improvements, including but not limited to such permits and approvals issued by any federal, state or municipal agency such as but not limited to the Zoning Commission, Planning Commission, OSTA, DEEP, or the State of Connecticut Department of Transportation, but shall not be deemed to include building or similar administrative permits issued by the City.

1.4 The term "Final Land Use Approval" shall refer to any Land Use Approval which has been approved as a final action of that Governmental Authority having jurisdiction over that matter and all periods in which to take any appeal have expired and which: (i) is not subject to any condition not acceptable to Redeveloper, in Redeveloper's sole and exclusive discretion, (ii) has not been appealed by a third party unrelated to Redeveloper, or (iii) if appealed, has been fully and finally resolved in favor of the Redeveloper, as determined by Redeveloper in its sole and exclusive discretion, with the expiration of any further appeal periods or rights to appeal.

1.5 The term "Effective Date" of this Amendment #4 shall mean that the Agency and the Common Council have approved this Amendment #4 and the Agency has approved the Plan Amendment, as the term "Plan Amendment" is defined in Section 6 below, to the Urban Renewal Plan; (a) any periods during which a legal challenge of this document or the Plan Amendment may be instituted have expired; (b) none of the approvals have been challenged by a third party unrelated to Redeveloper, or if challenged, all such challenges have been fully and finally resolved in favor of the Redeveloper, as determined by Redeveloper in its sole and exclusive discretion, with the expiration of any further appeal periods or rights to appeal. If no legal challenge has been commenced, the City and the Agency shall notify the Redeveloper of the Effective Date of this Amendment #4.

2. **EXHIBITS.** In addition to the changes referenced in this Amendment #4 below, the parties acknowledge that all property in Exhibit C has been acquired by the Redeveloper and Exhibit C hereby merged with and into Exhibit B. Exhibit B and Exhibit C to the LDA are hereby replaced by Revised Exhibit B attached to this Amendment #4. Exhibit L to the LDA is hereby replaced with the updated chart attached to this Amendment #4 as Revised Exhibit L.

3. **DISCONTINUANCE OF STREETS.** The City and Agency hereby confirm that all streets to be discontinued and/or abandoned pursuant to the provisions of the LDA, including without limitation Section 5.6, have been discontinued and/or abandoned.

4. **INFRASTRUCTURE.** Notwithstanding anything to the contrary in the LDA as in effect prior to Effective Date, including without limitation Exhibits E, F and G:

4.1 The term "Necessary Traffic Improvements" shall refer to those Infrastructure Improvements, and only those Infrastructure Improvements, that are necessitated by and/or required by the STC Overall Approval, as such STC Overall Approval may be modified to accommodate the revised CMSP (defined below) (the "Revised OSTA Overall Approval").

4.2 The Agency, the City and the Redeveloper hereby acknowledge and agree that the City has completed the Necessary Traffic Improvements (as defined in Section 4.1 above) necessitated by and/or required by the existing OSTA Overall Approval and agree that the City has constructed such Necessary Traffic Improvements.

4.3 The Redeveloper shall be responsible for the cost of designing and constructing all additional Necessary Traffic Improvements necessitated by and/or required by the Revised OSTA Overall Approval or the City directly attributable to the Project contemplated by this Amendment #4 including, without limitation, the costs of any below ground entrances from surrounding streets.

5. **CMSP.** Annexed hereto as Revised Exhibit I is a revision and replacement of the Conceptual Master Site Plan ("CMSP") that originally appeared in Exhibit I to the LDA. All references to Exhibit I in the LDA, or to Attachment Two in Amendment #3 to the Land Disposition Agreement & Development, shall refer to the CMSP attached as Revised Exhibit I. The CMSP, as revised, represents the Redeveloper's present conception of the proposed layout of the Project Site and design of the Improvements, and shall be subject to future modification in accordance with the terms of the LDA, in particular Article IV; provided, however, notwithstanding any provision of the LDA to the contrary, except as a result of event described in Section 18.13 (Force Majeure), the Redeveloper may not make more than two (2) "substantial changes," as defined in Section 4.4 of the LDA, to the CMSP.

6. **AMENDMENT OF REDEVELOPMENT PLAN.** The Redeveloper consents to Agency's processing and approval of an amendment of the Redevelopment Plan ("Plan Amendment") substantially in the form attached as Attachment One to this Amendment #4 and references in the LDA and this Amendment #4 to the Redevelopment Plan shall refer to the Redevelopment Plan as so adopted.

7. SINGLE PHASE; AGENCY APPROVAL OF CONSTRUCTION PLANS. Notwithstanding anything to the contrary in the LDA, as in effect prior to the Effective Date, the following provisions of this Section 7 and Section 10.2A of the LDA shall govern the approval of the Construction Plans by the Agency:

7.1 Notwithstanding anything to the contrary in the LDA, as in effect prior to the Effective Date, the parties acknowledge and agree that the Improvements and the Project are to be constructed in a single Phase. Any reference in the LDA as to the term "Phase I" shall be deleted and any section of the LDA in which the term "Phase I" is used shall be interpreted to reflect the fact that the Improvements and the Project are to be constructed in a single phase. References in the LDA, as in effect prior to the Effective Date, to "Phase I Improvement Plans" shall refer instead to the Improvements as defined in Section 7.2 below.

7.2 Any reference in the LDA, as in effect prior to the Effective Date, to the term "Phase I Improvements" shall be deleted and the term "Improvements" (as defined in the LDA) shall be substituted in lieu thereof.

7.3 The Redeveloper shall prepare, and before construction must secure approval by the Agency for, "Construction Plans" for each portion of the Improvements. The term Construction Plans shall not mean working drawings, but rather shall consist of site plan, floor plans for all levels, elevations in all directions, the uses and mix (including but not limited to square footage and parking spaces), exterior finish material, landscaping plan, pedestrian and traffic circulation plan, and progress schedule, in sufficient completeness and detail to show that such Improvements and construction thereof will be in accordance with the provisions of the Redevelopment Plan and the LDA.

7.4 As part of the site plan Zoning Approval process, the Redeveloper shall submit Construction Plans (as defined above) for the Improvements to be constructed on the Project Site, and a timetable for the construction of the Improvements, for approval by the Agency. At the time the Construction Plans are submitted to the Agency, they shall also be made available to the public in such manner as is reasonably required by the Agency, including without limitation, posting same on the City's website. The Construction Plans for the Improvements shall be prepared in conformance in all material respects with the approved CMSP, as revised, and shall be submitted to the Agency together with a statement jointly from, and jointly certified by, the Redeveloper and Architect that the Construction Plans for the Improvements conform in all material respects to the approved CMSP, as revised, or a statement specifying the deviations between the Construction Plans for the Improvements and the approved CMSP, as revised. To the extent that the Construction Plans for the Improvements would be deemed to "substantially change" the CMSP, as revised, the Construction Plans for the Improvements shall also be subject to the approval of the Common Council. For purposes of the immediately preceding sentence, as it relates to the term "substantial change," the parties agree that a "**substantial change**" shall be limited to the following: (i) material change in any of the approximate building locations identified in the CMSP, as revised (provided that the building footprints may be relocated provided the structure is not materially altered and otherwise complies with this Agreement), or any material change in the uses proposed at any such approximate building locations (other than

elimination of retail or restaurant use from any building that is not principally devoted to retail use); (ii) introduction of above-ground parking with significant visibility from West Avenue; or (iii) any dimensional changes which (either individually, or cumulatively) would increase by more than ten (10%) percent either the highest maximum building height or greatest maximum floor area ratio presently permitted in the Project Site pursuant to the Redevelopment Plan and the Zoning Regulations. The Agency (and, where required, the Common Council) shall each have three (3) Business Days after its next regularly scheduled meeting (or if the Construction Plans for the Improvements are not submitted at least forty-five (45) days prior to the next regularly scheduled meeting, then three (3) Business Days after the next succeeding regularly scheduled meeting) to provide written approval or disapproval of the proposed Construction Plans for the Improvements, or a written request for further information, or further time for review, if necessary. If the Common Council (where required) and/or the Agency disapprove in whole or in part the proposed Construction Plans for the Improvements, the Common Council and/or the Agency shall state in writing the reasons for such disapproval, and the Redeveloper may submit new or revised Construction Plans for the Improvements for approval by the Common Council (where required) and the Agency within ninety (90) days after receipt of notice of disapproval of the proposed Construction Plans for the Improvements by the Common Council and/or the Agency. The foregoing submission and response proceeding (except that the Agency shall only have fifteen (15) days after receipt of the new or revised Construction Plans for the Improvements to approve or disapprove same, or to provide a written request for further information, or further time for review) will be followed until such time as the Redeveloper's proposed Construction Plans for the Improvements are approved by the Agency and (where required) by the Common Council. The Agency will act in good faith and exercise its discretion in a reasonable manner in considering whether to approve or disapprove the Construction Plans for the Improvements. The approval of such Construction Plans for the Improvements by the Agency and (where required) by the Common Council is not intended in any way to imply that same complies in all respects with the Zoning Regulations, the Plan Requirements or other Legal Requirements applicable to the Project Site. The foregoing is not intended to bind the Zoning Commission, nor shall it be interpreted or construed in a manner so as to limit the Agency's design review jurisdiction under the Redevelopment Plan with respect to the Construction Plans for the Improvements. The Redeveloper shall be obligated to obtain all approvals required from Governmental Authorities having jurisdiction for the Project.

7.5 The Redeveloper shall submit any proposed modifications to the Construction Plans for the Improvements for approval by the Agency. At the time the modifications to the Construction Plans for the Improvements are submitted to the Agency, they shall also be made available to the public in such manner as is reasonably required by the Agency, including without limitation, posting same on the City's website. The Agency agrees to act in good faith and exercise its discretion in a reasonable manner in considering whether to approve any such modifications. To the extent that any such modifications would be deemed to "substantially change" the Construction Plans for the Improvements, such modifications shall also be subject to the approval of the Common Council. For purposes of the immediately preceding sentence, as it relates to the term "substantial change," the parties agree that a "**substantial change**" shall be limited to the following: (i) material change in any of the approximate building locations (provided that the building footprints may be relocated provided the structure is not materially altered and otherwise complies with this Agreement) identified in the Summary of Program

Areas contained in the CMSP, as revised, or any material change in the uses proposed at any such approximate building locations (other than elimination of retail or restaurant use from any building that is not principally devoted to retail use); (ii) introduction of above-ground parking with significant visibility from West Avenue; or (iii) any dimensional changes which (either individually, or cumulatively) would increase by more than ten (10%) percent either the highest maximum building height or greatest maximum floor area ratio presently permitted in the Project Site pursuant to the Redevelopment Plan and the Zoning Regulations. With respect to any requests by the Redeveloper for Agency (or, where required, Common Council) approval of any modifications to the Construction Plans for the Phase I Improvements, the Agency (and, where required, the Common Council) shall each have three (3) Business Days after its next regularly scheduled meeting (or if said modifications are not submitted at least forty-five (45) days prior to the next regularly scheduled meeting, then three (3) Business Days after the next succeeding regularly scheduled meeting) to provide written approval or disapproval of the proposed modifications to the Construction Plans for the Improvements, or a written request for further information, or further time for review, if necessary. If the Common Council (where required) and/or the Agency disapprove in whole or in part the proposed modifications to the Construction Plans for the Improvements, the Common Council and/or the Agency shall state in writing the reasons for such disapproval, and the Redeveloper may submit new or revised modifications to the Construction Plans for the Improvements for approval (where required) by the Common Council and the Agency within ninety (90) days after receipt of notice of disapproval of the proposed modifications by the Common Council and/or the Agency. The foregoing submission and response proceeding (except that the Agency shall only have fifteen (15) days after receipt of the modifications of the Construction Plans for the Improvements to approve or disapprove same, or to provide a written request for further information, or further time for review) will be followed until such time as the Redeveloper's proposed modifications to the Construction Plans for the Improvements are approved by the Agency and (where required) by the Common Council. The approval of such Modification to the Construction Plans for the Improvements by the Agency and (where required) by the Common Council is not intended in any way to imply that same complies in all respects with the Zoning Regulations, the Plan Requirements or other Legal Requirements applicable to the Project Site. The foregoing is not intended to bind the Zoning Commission, nor shall it be interpreted or construed in a manner so as to limit the Agency's design review jurisdiction under the Redevelopment Plan with respect to the Construction Plans for the Improvements. The Redeveloper shall be obligated to obtain all approvals required from Governmental Authorities having jurisdiction for the Project.

7.6 Section 7.3 of the LDA which addresses additional Improvements following the completion of the initial Phase of Improvements, is hereby deleted in its entirety, to reflect the agreement of the parties that the LDA shall only be applicable to one Phase of development and shall not thereafter govern future development on the Project Site.

7.7 For avoidance of doubt, the amendments to the LDA that were made pursuant to Section 5.10 of the Third Amendment, which reference a "Phase II" of the Project, are hereby deleted and deemed to be of no further force and effect.

7.8 For avoidance of doubt, the amendments to the LDA that were made pursuant to Section 5 of the Third Amendment addressing "Plans and Timing" are expressly modified by this

Amendment #4, and to the extent that any provision of the Third Amendment conflicts with any term of this Amendment #4 with respect to the matters discussed herein, such conflicting provisions shall be deemed to be of no further force and effect.

8. **APPROVALS AND TIMING.** Notwithstanding anything to the contrary in the LDA, the following provisions of this Section 8 shall govern the process with respect to approvals for the Project other than the approval of the Construction Plans by the Agency addressed in Section 7 above:

8.1 Within four (4) months after the Effective Date, the Redeveloper shall file with the Zoning Commission a complete application for the Zoning Approvals specifically applicable to the Improvements, including any approvals from Governmental Authorities having jurisdiction over the Project, including but not limited to the Agency, that are prerequisite to final action by the Zoning Commission. Such application or applications may be appropriately divided and appropriately sequenced. A complete application shall be defined as those items described on Attachment Two to this Amendment #4.

8.2 Within six (6) months after the issuance of all Final Land Use Approvals required to construct the Improvements, the Redeveloper shall submit to the affected Governmental Authorities the Construction Documents for the Improvements as provided in Section 10.2A of the LDA, and shall pursue approval thereof with commercially reasonable diligence as described in Section 10.2 of the LDA. The Redeveloper may, but need not, seek approval of Construction Documents for a portion of the Improvements, rather than the whole, in which event the Redeveloper must prepare and secure approval for Construction Documents covering the remaining Improvements so as to comply with the timetable set forth herein. Without regard to whether or not the Redeveloper shall have submitted proposed modifications to the Construction Plan as provided in Section 7.5 above, the Redeveloper agrees that it shall obtain a building permit or permits within three (3) months after the Agency has approved the Redeveloper's stamped Construction Plans for the Improvements.

8.3 The Improvements Commencement Date shall be the date a building permit or permits for the Improvements (or so much thereof as are covered by the building permits initially sought by the Redeveloper) is or are issued, including issuance of approvals by any Governmental Authorities that are prerequisite to issuance of such building permit or permits. The Redeveloper may sequence the construction of the Improvements as it deems appropriate, provided that, once it commences construction of the Improvements, it must pursue the same with commercially reasonable diligence. Any reference in the LDA as presently in effect, to the "Phase I Commencement Date" shall be deleted and the term "Improvements Commencement Date" shall be inserted in lieu thereof.

8.4 Redeveloper shall complete the Improvements by the "Improvements Completion Date" which shall be thirty eight (38) months after the Improvements Commencement Date. The Improvements shall be deemed complete for purposes of the Improvements Completion Date upon issuance of a temporary certificate of occupancy with respect to the mall depicted on the CMSP, as revised, and substantial completion of the hotel shell depicted on the CMSP, as revised. Thereafter, the Redeveloper shall obtain a temporary certificate of occupancy with

respect to the hotel portion of the Project within nine (9) months following Improvements Completion Date, provided, however, that the Redeveloper may request an extension of up to three (3) months for the temporary certificate of occupancy for the hotel portion from the Agency. Any reference in the LDA to the term "Phase I Completion Date" shall be deleted and the term "Improvements Completion Date" shall be inserted in lieu thereof.

8.5 Beginning thirty (30) days after the Effective Date and continuing until the Improvements have been completed, the Redeveloper shall provide the City and Agency staff with written reports every thirty (30) days detailing the progress of completion of application materials or construction activities, all as relevant to any particular point in time. The purpose of these reports is to ensure that the City and the Agency are appraised of all activities undertaken by the Redeveloper in connection with furtherance of the Project, in general, and the likelihood that the Improvements Completion Date will be met. Such reports shall be substantially in the form attached hereto as Attachment Three to this Amendment #4.

8.6 Not later than twenty (20) months following the Improvements Commencement Date, the Redeveloper shall provide the Agency and the Common Council with written verification that a hotel operator agreement is in full force and effect. Notwithstanding the foregoing, the Redeveloper shall promptly notify the Agency and the Common Council within thirty (30) days of entering into an agreement with a hotel operator. The Redeveloper shall promptly notify the Agency and the Common Council if such hotel operator agreement is in default or terminated subsequent to that date but prior to the proposed opening of the hotel.

9. **EXACTIONS.** The parties acknowledge that the revised CMSP, and the changes to the Redevelopment Plan insofar as they relate to "Preferred Development Volumes" and "Proposed Zoning Changes", call for development on the Project Site of certain improvements that are considered to meet community-wide needs, not uniquely related to the Project Site, but the Project shall be considered, labeled and identified as a "priority project" by the City and Agency. These may include public/cultural uses and/or educational uses. The parties acknowledge and agree, in an effort to complete the Project in a cooperative effort, the City and the Agency will provide assistance for development of such public/cultural uses and/or educational uses, improvements related thereto and such other improvements on the Project Site with tax-advantaged financing, allocation of new market tax credits and similar resources available to the City including without limitation assistance (including letters of support, as may be required) with financing applications to applicable State and Federal Agencies, as the Redeveloper deems necessary in Redeveloper's reasonable discretion (e.g., brownfields, state and federal transportation, energy programs, new market tax credits, etc.). The City and the Agency, will also attempt to provide assistance through such resources for parking facilities on the Project Site. In providing such assistance, neither the City nor Agency shall be required to incur third-party out-of-pocket expenses, unless reimbursed by Redeveloper.

10. **ZONING.** The Zoning Approvals described in Section 4.6 of the LDA shall include, without limitation, adoption of the proposed zoning changes for the Project Site set forth in Attachment One to this Amendment #4, provided, however, that any additional zoning changes proposed by the Redeveloper and/or the City of Norwalk Zoning Commission shall be subject to

the approval of the Agency, the Agency agreeing to act in good faith in determining whether or not to approve such additional change(s).

11. **PERMITTED TRANSFERS.** Notwithstanding the provisions of Section 14.2 of the LDA, the Redeveloper shall have the right to assign its interest in the Project and the LDA, as amended by this Amendment #4, to General Growth Properties Inc. ("GGP") or an entity controlling or under common control with GGP, or a direct or indirect controlled subsidiary of GGP. Except as permitted herein, and notwithstanding the provisions of Section 14.2 of the LDA, as in effect prior to the Effective Date, prior to the Improvements Completion Date the Redeveloper shall not be permitted to assign or transfer its interests in the Project and the LDA, without the prior written approval of the Agency and the City in their sole but reasonable discretion.

12. **EASEMENTS.** Notwithstanding Article XX of the LDA, the parties acknowledge and agree that the City and Agency shall not require any further easements in the Project Area. The City and Agency, pursuant to all necessary and appropriate internal approvals of Department of Public Works, Zoning Commission, and/or the Planning Commission, shall grant Redeveloper: (i) an easement for the construction, use and maintenance of improvements over North Water Street as shown on the CMSP, as revised, (ii) an easement under West Avenue to the extent reasonably necessary to permit the construction, use and maintenance of a subsurface entrance to the parking facility proposed to be constructed as part of the Project and shown on the CMSP, as revised, and (iii) a surface easement to allow for widening, paving and use by vehicles and pedestrians over and across Crescent Street or the formerly abandoned portion of Crescent Street. The easements shall be located generally as depicted on Revised Exhibit I to this Amendment #4 and shall include without limitation the right to reasonably close portions of North Water Street, West Avenue and Crescent Street and surrounding City property during a temporary construction period and a permanent easement to use, maintain, repair and operate such easements in perpetuity provided they remain consistent with the uses permitted by the LDA as amended by this Amendment #4 and consistent with the CMSP, as revised. Further, Redeveloper shall make reasonable improvements to the portion of North Water Street under the above mentioned easement to ensure it remains accessible for pedestrian foot and bike traffic, provided the Redeveloper obtains all appropriate approvals from the appropriate Government Authorities and such improvements shall be maintained at Redeveloper's sole cost and expense. The Redeveloper shall pay the City \$1,022,500.00 in consideration for said easements within thirty (30) days of Redeveloper receiving all Final Land Use Approvals.

13. **TAX INCENTIVES.** The City, the Agency, and the Redeveloper hereby agree that notwithstanding anything to the contrary in the LDA, Section 32-71(a) of the Connecticut General Statutes and Chapter 36 of the Norwalk Municipal Ordinances or any other applicable municipal ordinances of the City, the portion of the Project Property's assessed value that is subject to tax deferrals, abatements and/or incentives under Section 32-71(a) of the Connecticut General Statutes shall begin on the first full assessment year following the Improvements Completion Date and continue for seven (7) years and shall be determined as follows:

Year Deferred amount

- 1 The greater of (i) 100% of the amount of the assessed value that is less than or equal to \$80,000,000 or (ii) 50% of the total assessed value
- 2 The greater of (i) 100% of the amount of the assessed value that is less than or equal to \$80,000,000 or (ii) 50% of the total assessed value
- 3 The greater of (i) 50% of the amount of the assessed value that is less than or equal to \$80,000,000 or (ii) 50% of the total assessed value
- 4 The greater of (i) 40% of the amount of the assessed value that is less than or equal to \$80,000,000 or (ii) 50% of the total assessed value
- 5 The greater of (i) 30% of the amount of the assessed value that is less than or equal to \$80,000,000 or (ii) 50% of the total assessed value
- 6 The greater of (i) 20% of the amount of the assessed value that is less than or equal to \$80,000,000 or (ii) 50% of the total assessed value
- 7 The greater of (i) 10% of the amount of the assessed value that is less than or equal to \$80,000,000 or (ii) 50% of the total assessed value

The Improvements shall be aggregated for purposes of determining the overall tax assessment.

The Redeveloper hereby waives its rights to challenge the tax deferrals referenced above and/or request property tax deferrals in excess of those referenced above. For the avoidance of doubt, the intent of this Section 13 is to ensure that the Redeveloper receives a tax incentive of paying fifty percent (50%) of the property taxes otherwise due for the first seven (7) years following the Improvements Completion Date. Furthermore, in consideration of the City agreeing to the aforementioned Tax Incentives, the Redeveloper, its successors and/or assigns, hereby agree that for real property assessment purposes, they shall not dispute the City's (or any of its agents) classification of the Project as a Class A Mall (as that term is defined in Section 16 below) for a period of ten (10) years following the Improvements Completion Date. The aforementioned acknowledgement by the Redeveloper shall be a binding admission in any real property assessment appeal taken within ten (10) years of the obtaining a final certificate of occupancy by the Redeveloper and its successors and/or assigns. Furthermore, the Redeveloper shall give the Common Council and the Agency at least thirty (30) days prior written notice prior to seeking any "sales tax" tax incentive financing for the Project

14. **CIRCULATOR.** The Redeveloper shall participate in the community circulator program that is being proposed as a result of the Project and surrounding projects by making a one time lump sum contribution. The Redeveloper's required up-front contribution to the circulator program shall be limited to a single up-front payment in the amount of \$550,000.00 to be applied only toward transportation improvements in the area of the Project and shall be held in the Project Operating Account. The contribution shall be made by the Redeveloper upon

receipt of Final Land Use Approval. The community connectivity plan for the Project is attached hereto as Attachment Four to this Amendment #4.

15. **PERMITTED PROJECT USES.** Notwithstanding anything to the contrary set forth in the LDA, an aggregate of no more than six percent (6%) of the Gross Leasable Area of the Project may be operated as one or more restaurants during the period beginning on the Effective Date and ending on the date that is ten (10) years following the Improvements Completion Date. For purposes of this provision, "Gross Leasable Area" shall mean the total floor area designed for tenant occupancy and exclusive use, including any basements, mezzanines, or upper floors, but does not include common space, seasonable outdoor space or the hotel. For the purposes of this provision, "restaurant" shall be defined as any tenant within the Project that sells, as its primary business, any type of food and beverage to be consumed within the Project and which has a liquor permit or otherwise serves liquor, wine and beer to customers, excluding, however, the hotel.

16. **MALL CLASSIFICATION.** It is the understanding of the parties that the Redeveloper shall maintain anchors of high quality (i.e., Bloomingdales, Nordstrom's, Saks Fifth Avenue, Neiman Marcus, Lord & Taylor, Macys and Von Maur) for a minimum of fifteen (15) years. The Redeveloper agrees that for a period of ten (10) years after issuance of a final certificate of occupancy, it shall not dispute the City tax assessor from considering the Project at a minimum as a Class A Mall for assessment purposes. A "Class A Mall" shall be defined as the dominant retail property in a metropolitan market, with two or more major anchors, and at least \$425 per square foot in retail sales.

17. **REDEVELOPER ACQUISITION OF PROPERTY.** The following amendments are made to the LDA in recognition of the fact that the Redeveloper has acquired all of the real property that was identified in the LDA as in effect prior to the Effective Date as "Acquisition Property":

17.1 The definition of "Acquisition Expenses" set forth in Section 1.1 of the LDA is hereby deleted and replaced with the following:

"Acquisition Expenses shall mean all direct expenses reasonably incurred by the City and/or Agency after November 20, 2013 in connection with the Project including, but not limited to, the following costs: costs and fees for environmental assessments, studies, reports and tests; costs and fees for appraisals and review of appraisals; costs and fees for surveys; fees for architectural and engineering services and review; costs of judicial awards, court costs, sheriff's fees, and legal fees of outside counsel (but not legal fees for in-house counsel) made or incurred in connection with the Project; costs of outside consultants reasonably retained to oversee the implementation of the Project who shall be overseen by the City and/or Agency staff, such as a project manager to oversee the Improvements and report back to the City's building department staff."

17.2 The definition of "Acquisition Property" set forth in Section 1.3 of the LDA is hereby deleted and replaced with the following:

“Acquisition Property shall mean all real property within the Project Site, if any, which is not Redeveloper Property and is not owned by the Agency or the City. Between the date that the LDA was originally executed and the date of Amendment #4, the Redeveloper acquired all of the real property described on Exhibit C, and thus the real property described on Exhibit C is no longer considered Acquisition Property.”

17.3 The definition of “Redeveloper Property” set forth in Section 1.87 of the LDA is hereby deleted and replaced with the following:

“Redeveloper Property shall mean all of the real property in the Project Site owned by the Redeveloper, or by Affiliates of Redeveloper, on the date of this Agreement, as shown on Revised Exhibit B.”

17.4 The final sentence of Section 8.1 of the LDA is hereby deleted and replaced with the following, to acknowledge that the Redeveloper is still responsible for certain Acquisition Expenses through the entitlement period, despite the fact that the Redeveloper has acquired all of the real property now described on Revised Exhibit B:

“In no event shall Redeveloper be responsible for, or be obligated to indemnify or reimburse the City and/or the Agency for, cost related to any real property which is not described on Revised Exhibit B.”

18. **ENVIRONMENTAL MATTERS.** Notwithstanding any provision of the LDA as presently in effect to the contrary, including but not limited to any provision of Article VI of the LDA, the City and the Agency shall have no obligations with respect to the matters described in Article VI of the LDA or any other provision of the LDA addressing environmental matters, and the performance of any actions or the incurrence of any costs relating to environmental matters relating to the Project shall be the sole responsibility of the Redeveloper. Redeveloper shall investigate and remediate the Project Site such that an LEP can render a written opinion (i.e., “Verification”) that such work has been performed in accordance with the Connecticut Transfer Act (Sections 22a-134 through 22a-134e of the Regulations of Connecticut Agencies) and the Remediation Standards Regulations (Sections 22a-133k-1 through 22a-133k-3 of the Regulations of Connecticut State Agencies). As provided in the Transfer Act, the LEP’s Verification will be based on the risk-based numerical standards for Hazardous Substances specified in the Remediation Standards Regulations used to determine whether remediation of polluted soil, surface water or groundwater is necessary to protect human health and the environment, and as the technical criteria (i.e., “clean-up targets”) for any resulting remediation.

19. **LIENS AND ENCUMBRANCES.** Notwithstanding any provision of the LDA to the contrary, including without limitation any provision of Article XII or Article XV of the LDA, the Redeveloper shall not engage in any financing or any other transaction creating any mortgage or

other encumbrance or lien on the Project Property, whether by express agreement or operation of law, or suffer any encumbrance or lien to be made on or attach to the Project Property, except in connection with construction financing exclusively for this Project, until such time as a permanent certificate of occupancy has been issued for the Project. The intent of this provision is to ensure that the Project Property is not being mortgaged or otherwise encumbered as security for any financing except the construction financing, if any, associated with the development of the Project Property pursuant to this LDA. Thereafter, the Redeveloper may engage in financing or other transactions which create a mortgage or other encumbrance or lien on the Project Property without the consent of the City or the Agency.

20. **MODIFICATION OF INFEASIBILITY PROVISION.** Except in the event of a substantial and material finance crisis, the City, the Agency and the Redeveloper hereby agree that notwithstanding the provisions of Article XVI of the LDA, the Redeveloper may not be relieved of any obligation to perform under the LDA due to the retail portion of the Project becoming Infeasible. In the event the Redeveloper determines on or before twenty (20) months after the Improvements Commencement Date that the hotel portion of the Project is Infeasible, it may seek to amend the CMSP to substitute one or more of the other permitted uses for the hotel, provided, however, that the Project shall at all times remain a mixed use project. The provisions of this Section 20 shall be subject to Section 18.13 (Force Majeure) of the LDA.

21. **LOCAL BUSINESS ENTERPRISES.** Article XXIV of the LDA is hereby amended to further provide that the Redeveloper will prioritize Norwalk-based and other lower Fairfield County based DBEs for bidding on and performing work during the construction of the Project and will use best efforts to have at least ten (10) percent of the total value of the cost of the Project performed by Norwalk-based businesses. For purposes of this provision only, the term "best efforts" shall include, but not be limited to, providing employment opportunities to DBE's during the construction of the Project which employ Socially and Economically Disadvantaged Individuals in the following priorities: A) those who reside in the three highest poverty rate index zip codes in the City, B) those who reside in the City in general; C) those who reside in Fairfield County and D) those who reside in the State of Connecticut. Further, job opportunities shall be publicized through established minority-related outreach websites and organizations.

22. **ADDITIONAL AMENDMENTS.**

22.1 The parties acknowledge and agree that as of the date of this Amendment #4, the balance of the Project Operating Account is **\$18,815.26** and the balance of the Security Account is \$0.00.

22.2 The definition of "LEP" or "Licensed Environmental Professional" set forth in Section 1.53 of the LDA is hereby deleted and replaced with the following, to specify the name of the LEP has been selected by the parties:

"LEP or Licensed Environmental Professional shall mean Mitchell A. Wiest, LEP #409 or any other person who is approved by the parties hereto and is licensed by the State Board of Examiners of

Environmental Professionals pursuant to Section 22a-133v of the Statutes, as same may be amended from time to time.”

22.3 The progress report that is referenced in Section 11.3 of the LDA shall be provided in the form attached hereto as Attachment Three.

23. **PUBLIC REALM.** The Redeveloper shall incorporate no less than five percent (5%) of the total Project as depicted on the CMSP, as revised, (excluding however, for purposes of computing the square footage of the total Project, areas devoted to parking) or approximately 51,499 square feet, as “Public Realm” as that term is defined in the attached Attachment Five. It is agreed and acknowledged by the City, the Redevelopment Agency and the Redeveloper that all areas of the Public Realm are and will be privately owned by and under the exclusive dominion and control of the Redeveloper; use of the Public Realm shall be subject to rules and regulations promulgated by the Redeveloper, which rules and regulations may be amended from time to time by the Redeveloper but which shall at all times generally conform to the standards and provisions contained in Attachment Five. If the Redeveloper alters any of its proposed Public Realm uses, it shall be required to report such alteration to the City and the Agency to ensure compliance with this provision.

24. **CAREER TRAINING COMPONENT.** The Redeveloper shall implement a career training program consistent with the proposal attached hereto as Attachment Six. Furthermore, to the extent permitted by applicable law, the Redeveloper shall use good faith efforts to make tenants aware of those individuals who complete the career training program and are available for employment within the Project.

25. **MISCELLANEOUS.** The LDA is further modified as follows:

25.1 The Agency and the City represent to Redeveloper that to the best of their knowledge, this Amendment #4 and the Redevelopment Plan modification adopted in connection with this Amendment #4 have been duly and validly reviewed, approved and adopted by all requisite action on the part of the Agency and the Common Council and by any and all other local Governmental Authorities having jurisdiction thereof. The only effect of a breach of this representation of the Agency and the City will be that the Agency and the City will be required, at the City's sole cost, to defend against any Legal Challenges to the approval and/or validity and/or execution of this Amendment #4 and/or to the approval and/or validity of the Redevelopment Plan modification adopted in connection with this Amendment #4, and otherwise to use reasonable efforts and their reasonable judgment to establish and/or to uphold or re-establish the validity of this Amendment #4 and/or the Redevelopment Plan modification adopted in connection with this Amendment #4 (and the Redeveloper shall have no action for damages as a result of such a breach). To the extent not prohibited by law, the Agency and the City agree to allow the Redeveloper's legal counsel to have Meaningful Participation in the City's and the Agency's defenses of such Legal Challenges.

25.2 Each party hereto by its execution of this document represents to the other that there are, as and of the date hereof, no defaults by either party under the terms, covenants or provisions of the LDA modified hereby and each party acknowledges that the other party relies upon such

statement and that each party in making such statement is estopped from asserting any preexisting defaults (i.e., defaults existing prior to the date hereof) including, but not limited to, any allegations of continuing defaults. The parties, by their execution hereof, waive any and all existing and claimed prior defaults.

25.3 This Amendment #4 is executed within the jurisdiction of the State of Connecticut and the parties agree that the laws of the State of Connecticut shall be applicable to its interpretation and enforcement and each party by its execution hereof does hereby submit to the jurisdiction of the courts in the State of Connecticut or the United States District Court sited within the State of Connecticut for the resolution of any and all disputes hereunder.

25.4 Section 23.3 of the LDA is hereby amended with respect to Notices to Redeveloper as follows:

- (i) To delete therefrom the following:

<i>95/7 Ventures LLC</i>	<i>95/7 Ventures LLC</i>
<i>c/o Spinnaker Real Estate Partners</i>	<i>c/o Greenfield Partners, LLC</i>
<i>20 Marshall Street, Suite 106</i>	<i>50 North Water Street</i>
<i>South Norwalk, CT 06854</i>	<i>South Norwalk, CT 06854</i>
<i>Attention: Clayton H. Fowler</i>	<i>Attn: Eugene A. Gorab & Barry P. Marcus</i>
<i>Telecopier No.: (203)354-1551</i>	<i>Telecopier No.: (203)354-5060</i>

and to insert in place and stead thereof the following:

Norwalk Land Development, LLC
c/o General Growth Properties, Inc.
110 N. Wacker Drive
Chicago, IL 60606
Attn: Chief Legal Officer
Facsimile: (312) 960-5993

- (ii) And to delete therefrom the following:

With copies to:
Andrew A. Glickson, Esq.
One Marshall Street
South Norwalk, CT 06854
Telecopier No.: (203)831-8250

and to insert in place and stead thereof the following:

*With copies to:
William J. Hennessey, Jr., Esq.
Carmody Torrance Sandak & Hennessey LLP
707 Summer Street
Stamford, CT 06901
Facsimile: (203)325-8608*

25.5 Each party executing this Amendment #4 does represent to the other that the parties executing on behalf of the City, the Agency and/or the Redeveloper is duly authorized to enter into and execute this Amendment #4.

25.6 This Amendment #4 may be executed in one or more counterparts or copies, each of which when so executed shall be deemed to be an original hereof.


25.7 The Project shall always be required to be in conformity with the recommended Scale and Density of Development (2015) and the Recommended Approved Land Uses and Volumes (2015) for Parcels 1, 2 and 4 of the Reed Putnam Urban Renewal Plan consistent with Attachment Seven hereto.

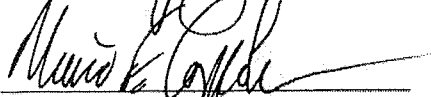
**[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK]
[SIGNATURES AND ACKNOWLEDGMENTS ON FOLLOWING PAGE]**

IN WITNESS WHEREOF, the parties have executed this Agreement on the date set forth next to the name of each, intending it to be legally effective and binding as of the date set forth at the beginning of this Agreement.

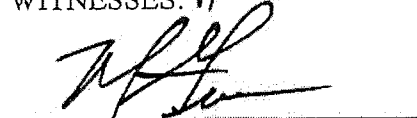
Signed, Sealed & Delivered in the presence of:

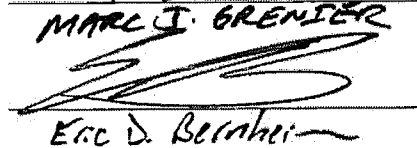
WITNESSES:





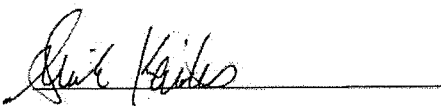
WITNESSES:

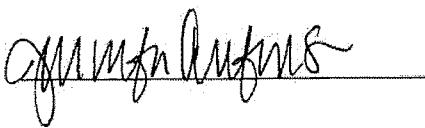


MARC J. GRENIER


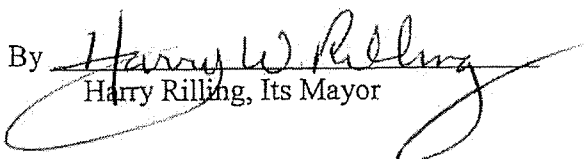
Eric D. Bernier

WITNESSES:

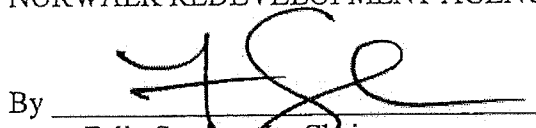




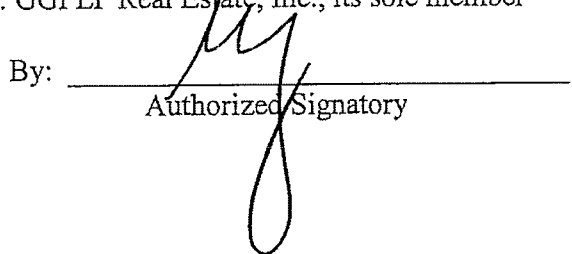
CITY OF NORWALK, CONNECTICUT

By 
Harry Rilling, Its Mayor

NORWALK REDEVELOPMENT AGENCY

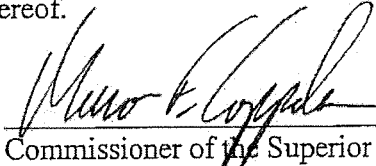
By 
Felix Serrano, Its Chairperson

NORWALK LAND DEVELOPMENT, LLC
By: GGPLP Real Estate, Inc., its sole member

By: 
Authorized Signatory

STATE OF CONNECTICUT)
) ss. Norwalk
COUNTY OF FAIRFIELD)

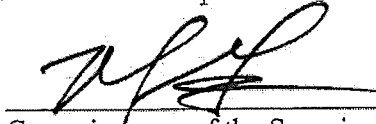
On this the 9th day of February, 2016, before me, the undersigned officer, personally appeared Harry Rilling, who acknowledged himself to be the Mayor of the City of Norwalk, Connecticut, a municipal corporation, and that he as such Mayor, being authorized so to do, executed the foregoing instrument as his free act and deed for the purposes therein contained, by signing the name of the corporation by himself as Mayor thereof.



Commissioner of the Superior Court

STATE OF CONNECTICUT)
) ss. Norwalk
COUNTY OF FAIRFIELD)

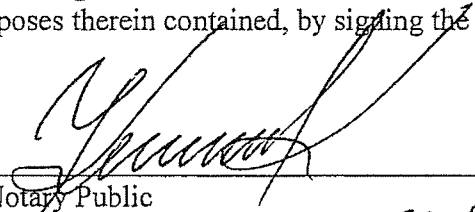
On this the 10th day of February, 2016, before me, the undersigned officer, personally appeared Felix Serrano, who acknowledged himself to be the Chairperson of the Norwalk Redevelopment Agency, a municipal agency, and that he as such Chairperson, being authorized so to do, executed the foregoing instrument as his free act and deed for the purposes therein contained, by signing the name of the municipal agency by himself as Chairperson thereof.



Commissioner of the Superior Court
MARC J. GRENECK

STATE OF Illinois)
) ss. CHICAGO
COUNTY OF Cook)

On this the 26th day of January 2016, before me, the undersigned officer, personally appeared Marvin J. Lewandowski who acknowledged himself/herself to be the Authorized Signatory of GGPLP Real Estate, Inc., which is the sole member of Norwalk Land Development LLC, a limited liability company, and that he as such Manager being authorized so to do, executed the foregoing instrument as his free act and deed for the purposes therein contained, by signing the name of the company by himself as Manager thereof.



Notary Public

My Commission Expires: 10-30-2016

OFFICIAL SEAL
KATYA R LEWANDOWSKA
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES: 10/30/16



Record and Return:
Office of Corporation Counsel
City of Norwalk

INSTR ÷ 2017008499
VOL 8563 PG 14
RECORDED 07/28/2017 11:22:34 AM
RICHARD A. MCQUAID
TOWN CLERK NORWALK CT

AMENDMENT #5 TO LAND DISPOSITION & DEVELOPMENT AGREEMENT

THIS Amendment #5 to Land Disposition & Development Agreement ("Amendment #5"), is made as of the ~~20th~~^{July} day of ~~June~~^{July}, 2017 ("Effective Date") by and among the Norwalk Redevelopment Agency ("Agency"), The City of Norwalk, Connecticut ("City") and Norwalk Land Development, LLC ("Redeveloper").

WITNESSETH:

WHEREAS, the Agency, the City and French Norwalk LLC ("French") were parties to a certain Land Disposition & Development Agreement dated as of December 15, 2000, and executed on May 7, 2001 (the "LDA"), pertaining to real property designated as Disposition Parcels 1, 2 and 4 in the Reed Putnam Urban Renewal Area (the "Urban Renewal Area"), as shown and depicted in the "Urban Renewal Plan for the Reed-Putnam Area, Norwalk, Connecticut (Amended and Restated)" ("Urban Renewal Plan" or "Redevelopment Plan") approved by the Agency on December 17, 1997 (further amendment approved March 24, 1999 and October 29, 2015), and by the Common Council of the City on February 10, 1998 (further amendment approved April 13, 1999 and October 27, 2015); and

WHEREAS, the LDA was amended by "Amendment #1 to Land Disposition & Development Agreement", dated December 31, 2001, among the Agency, the City and French, recorded on September 9, 2005, in Volume 5958 at Page 175 of the Norwalk Land Records; and

WHEREAS, the LDA was amended by "Amendment #2 to Land Disposition & Development Agreement", dated October 6, 2005, and recorded on October 7, 2005, in Volume 5992 at Page 4 of the Norwalk Land Records, whereby French assigned its rights under the LDA to 95/7 Ventures, LLC; and

WHEREAS, the LDA was further amended by "Amendment #3 to Land Disposition & Development Agreement" by and between 95/7 Ventures, LLC, the City and the Agency, dated October 11, 2007 (the "Third Amendment"), and a notice of which was recorded in Volume 6662 at Page 96 of the Norwalk Land Records; and

WHEREAS, 95/7 Ventures, LLC assigned its rights under the LDA to 95/7 Enterprises LLC ("Enterprises") by "Assignment and Assumption Agreement" dated as of February 8, 2013; and

WHEREAS, Enterprises assigned its rights under the LDA to Redeveloper by Assignment and Assumption Agreement, dated November 21, 2013 and recorded November 26, 2013 in Volume 7931 at Page 127 of the Norwalk Land Records, whereby Redeveloper assumed all obligations under the LDA, and conveyed the real property holdings in the Urban Renewal Area to Redeveloper, by deed dated November 20, 2013 and recorded on November 26, 2013, in Volume 7931 at Page 120 of the Norwalk Land Records; and

WHEREAS, the LDA was further amended by "Amendment #4 to Land Disposition & Development Agreement" ("Amendment #4"), dated February 10, 2016, and recorded on

{S7074049}

February 17, 2016, in Volume 8302 at Page 61 of the Norwalk Land Records; and

WHEREAS, The Urban Renewal Plan was amended in connection with Amendment #4;

WHEREAS, The Redeveloper had requested modifications to the LDA, as amended, and this Amendment #5 is intended to set forth the additional amendments to the LDA which have been agreed to by the City, the Agency and the Redeveloper; and

WHEREAS, the Agency approved this Amendment #5 and the amendments contained herein by appropriate Resolution adopted on May 31, 2017; and

WHEREAS, the Common Council approved this Amendment #5 and the amendments contained herein by appropriate Resolution adopted on May 23, 2017; and

WHEREAS, the Common Council desires that the \$3,500,000.00 Exaction Funds will be used for improvements to neighborhoods surrounding the Project.

NOW, THEREFORE, pursuant to Section 23.14 of the LDA, the parties hereto, for good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, intending legally to be bound, agree that the LDA hereby is further amended, effective as of the Effective Date, in the following respects:

1. TERMINOLOGY.

1.1 Capitalized terms not otherwise defined in this Amendment #5 shall have the same meanings as defined in the LDA or Amendment #4, as applicable. References in the LDA or in this Amendment #5, to "the LDA" or the "Agreement", shall refer to the LDA as in effect prior to the Effective Date.

1.2 The term "Effective Date" of Amendment #5 shall mean that the Agency and the Common Council have approved this Amendment #5 and the Agency has approved the Plan Amendment, as the term "Plan Amendment" is defined in Section 6 below, to the Urban Renewal Plan; (a) any periods during which a legal challenge of this documents or the Plan Amendment may be instituted have expired; (b) none of the approvals have been challenged by a third party unrelated to Redeveloper, or if challenged, all such challenges have been fully and finally resolved in favor of Redeveloper, as determined by Redeveloper in its sole and exclusive discretion, with the expiration of any further appeal periods or rights of appeal. If no legal challenge has been commenced, the City and the Agency shall notify the Redeveloper of the Effective Date of this Amendment #5.

2. INFEASIBILITY. Paragraph 20 of Amendment #4 is hereby deleted in its entirety and replaced as follows:

Except in the event of a substantial and material finance crisis, the City, the Agency and the Redeveloper hereby agree that notwithstanding the provisions of Article XVI of the LDA, the Redeveloper may not be relieved of any obligation to perform under the LDA

as modified by this Amendment #5. The Project shall at all times remain Mixed Use, which term shall have the same meaning set forth in the Urban Renewal Plan, which for the avoidance of doubt, means a project that incorporates a Public Realm component, as set forth in the Urban Renewal Plan, and one other use of either retail, hotel, office, or residential. The provisions of this Section 20 shall be subject to Section 18.13 (Force Majeure) of the LDA.

3. SUBSTITUTION OF USE/REVISED CMSP. Annexed hereto as Schedule A is a revision and replacement of the Conceptual Master Site Plan ("CMSP") that originally appeared in Exhibit I to the LDA, which reflects elimination of the hotel and uses in accordance with revised Attachment Seven to Amendment #4 as set forth in Section 5 below. All references to Exhibit I in the LDA, to Attachment Two in Amendment #3 to the Land Disposition & Development Agreement, and to Revised Exhibit I in Amendment #4 shall refer to the CMSP attached as Schedule A hereto.

4. REVISED ATTACHEMENT 4. Annexed hereto as Schedule B is a revision to Attachment 4 to Amendment #4, "Connectivity Plan," in which the "Connectivity Plan" therein is hereby deleted and replaced with a revised Connectivity Plan.

5. REVISED CHART OF APPROVED LAND USES. Annexed hereto as Schedule C is a revision to Attachment 7 to Amendment #4, which deletes the requirement that "A Minimum of Two Land Uses in Addition to Public Realm Are Required In Any Development" and defines Mixed Use as Public Realm and one other additional use of either retail, hotel, or office, or residential.

6. AMENDMENT OF URBAN RENEWAL PLAN. The Redeveloper consents to amendment of the Urban Renewal Plan ("Plan Amendment") attached as Schedule D to this Amendment #5 and references in the LDA and this Amendment #5 to the Urban Renewal Plan shall refer to the Urban Renewal Plan as so amended.

7. APPROVALS AND TIMING.

7.1 Paragraph 8.1 of Amendment #4 is deleted in its entirety and replaced as follows:

"As of the Effective Date, the Redeveloper has filed with the Zoning Commission complete applications and/or requests for the Zoning Approvals specifically applicable to the Improvements as revised, including any approvals from Governmental Authorities having jurisdiction over the Project, including but not limited to the Agency, that are prerequisite to final action by the Zoning Commission. Such application or applications may be appropriately divided and appropriately sequenced. A complete application shall be defined as those items required by the Norwalk Planning & Zoning Department."

7.2 Paragraph 8.4 of Amendment #4 is hereby is deleted in its entirety and replaced as follows:

"Redeveloper shall complete the Improvements by the 'Improvements Completion Date' which shall be thirty eight (38) months from May 10, 2017, the Improvements

Commencement Date. The Improvements shall be deemed complete for purposes of the Improvements Completion Date upon issuance of a temporary certificate of occupancy with respect to the mall depicted on the CMSP, as revised. Any reference in the LDA to the term "Phase I Completion Date" shall be deleted and the term "Improvements Completion Date" shall be inserted in lieu thereof.

7.3 Paragraph 8.6 of Amendment #4 is hereby deleted in its entirety.

8. **PERMITTED PROJECT USES.** Paragraph 15 of Amendment #4 is hereby deleted in its entirety and replaced as follows:

Notwithstanding anything to the contrary set forth in the LDA, an aggregate of no more than six percent (6%) of the Gross Leasable Area of the Project may be operated as one or more restaurants during the period beginning on the Effective Date and ending on the date that is ten (10) years following the Improvements Completion Date. For purposes of this provision, "Gross Leasable Area" shall mean the total floor area designed for tenant occupancy and exclusive use, including any basements, mezzanines, or upper floors, but does not include common space or seasonable outdoor space. For the purposes of this provision, "restaurant" shall be defined as any tenant within the Project that sells, as its primary business, any type of food and beverage to be consumed within the Project and which has a liquor permit or otherwise serves liquor, wine and beer to customers.

9. **MALL CLASSIFICATION.** Paragraph 16 of Amendment #4 is hereby deleted in its entirety and replaced as follows:

"It is the understanding of the parties that the Redeveloper shall maintain major anchors of high quality, which includes high quality anchor tenants located in regional shopping centers as further defined as Class A Malls herein, including but not limited to high-end department stores, high-end entertainment concepts, high-end fitness centers, high-end or specialty grocers and high-end furniture stores, for a minimum of fifteen (15) years. The Redeveloper agrees that for a period of ten (10) years after issuance of a final certificate of occupancy, it shall not dispute the City tax assessor from considering the Project at a minimum as a Class A Mall for assessment purposes. A "Class A Mall" shall be defined as the dominant retail property in a metropolitan market, with two or more major anchors, and at least \$425 per square foot in retail sales. The Redeveloper hereby acknowledges that as of the date of this Amendment #5, it anticipates that the anchors of high quality are expected to be Nordstrom's and Bloomingdales."

10. **EXACTIONS.** There is hereby added a new subparagraph to Section 9 of Amendment #4 that shall read as follows:

"In furtherance of providing a Mixed Use project as defined herein, the Redeveloper shall make a one-time payment to the City of Three Million Five Hundred Thousand and 00/100 (\$3,500,000.00). The payment shall be made by the Redeveloper within the (10) days of the Final Land Use Approval."

11. MISCELLANEOUS.

11.1 The Agency and the City represent to Redeveloper that to the best of their knowledge, this Amendment #5 and the Urban Renewal Plan modification adopted in connection with this Amendment #5 have been duly and validly reviewed, approved and adopted by all requisite action on the part of the Agency and the Common Council and by any and all other local Governmental Authorities having jurisdiction thereof.

11.2 Nothing in this Amendment #5 shall modify the fact that the payment due from the Redeveloper to the City as set forth in Amendment #4 Section 12 (\$1,022,500.00 Easement consideration) is currently due and any reference in Amendment #4 indicating that said payment is due upon the Final Land Use Approval is hereby deleted. The Agency acknowledges that the Circulator payment in the amount of \$550,000.00 as set forth in Amendment #4 Section 14 has been deposited into the Project Operating Account. The Easement consideration remains due and outstanding. The City will agree to postpone collection of the \$1,022,500 Easement consideration until the earlier of: (a) September 1, 2017; or (b) the date that is five (5) business days prior to the issuance of the building permit for the Project.

11.3 Each party hereto by its execution of this document represents to the others that there are, as and of the date hereof, no defaults by either party under the terms, covenants or provisions of the LDA modified hereby and each party acknowledges that the other party relies upon such statement and that each party in making such statement is estopped from asserting any preexisting defaults (i.e., defaults existing prior to the date hereof) including, but not limited to, any allegations of continuing defaults. The parties, by their execution hereof, waive any and all existing and claimed prior defaults. This provision shall not relieve the Redeveloper from making the Easement consideration payment called for in Section 11.2.

11.4 This Amendment #5 is executed within the jurisdiction of the State of Connecticut and the parties agree that the laws of the State of Connecticut shall be applicable to its interpretation and enforcement and each party by its execution hereof does hereby submit to the jurisdiction of the courts in the State of Connecticut or the United States District Court sited within the State of Connecticut for the resolution of any and all disputes hereunder.

11.5 Each party executing this Amendment #5 does represent to the others that the parties executing on behalf of the City, the Agency and/or the Redeveloper is duly authorized to enter into and execute this Amendment #5.

11.6 This Amendment #5 may be executed in one or more counterparts or copies, each of which when so executed shall be deemed to be an original hereof.

11.7 In the event of a conflict between the terms of the LDA and the terms of this Amendment #5, the terms hereof shall control.

11.8 The covenants, agreements, terms, provisions and conditions contained in this Amendment #5 shall bind and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

11.9 The parties hereby ratify and confirm all the terms, covenants and conditions of the LDA, as previously amended, that are not expressly modified by this Amendment #5, and that all the terms, covenants and conditions not modified herein remain unchanged and in full force and effect.

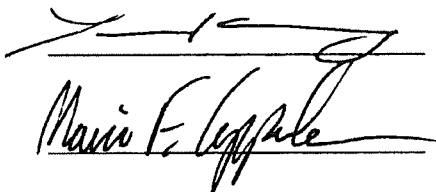
**[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK]
[SIGNATURES AND ACKNOWLEDGMENTS ON FOLLOWING PAGE]**

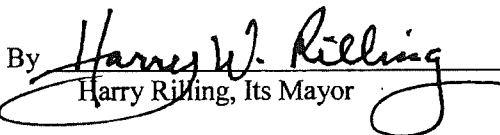
IN WITNESS WHEREOF, the parties have executed this Agreement on the date set forth next to the name of each, intending it to be legally effective and binding as of the date set forth at the beginning of this Agreement.

Signed, Sealed & Delivered
in the presence of:

WITNESSES:

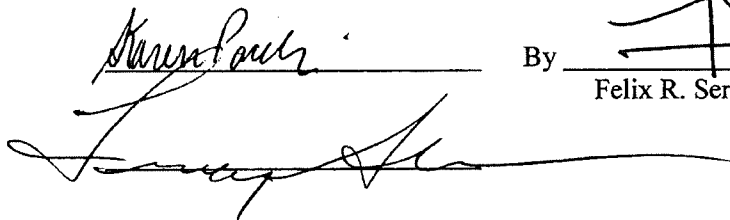
CITY OF NORWALK, CONNECTICUT


Mario F. Lepore

By 
Harry Rilling, Its Mayor

WITNESSES:

NORWALK REDEVELOPMENT AGENCY

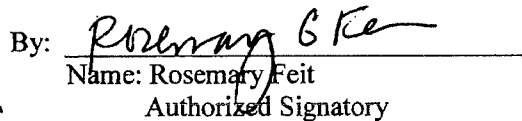

Karen Pouch

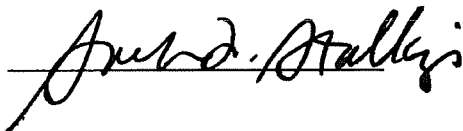
By 
Felix R. Serrano, Its Chairperson

WITNESSES:

NORWALK LAND DEVELOPMENT, LLC
By: GGPLP Real Estate, Inc., its sole member


Shile C. Kaitas

By: 
Name: Rosemary Feit
Authorized Signatory


Andrew Stalleggi

STATE OF CONNECTICUT)
) ss. Norwalk
COUNTY OF FAIRFIELD)

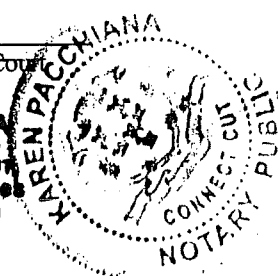
On this the 19th day of July, 2017, before me, the undersigned officer, personally appeared **Harry Rilling**, who acknowledged himself to be the Mayor of the City of Norwalk, Connecticut, a municipal corporation, and that he as such Mayor, being authorized so to do, executed the foregoing instrument as his free act and deed for the purposes therein contained, by signing the name of the corporation by himself as Mayor thereof.

Melvin F. Longale
Commissioner of the Superior Court
Or Notary Public

STATE OF CONNECTICUT)
) ss. Norwalk
COUNTY OF FAIRFIELD)

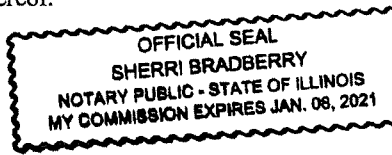
On this the 19th day of July, 2017, before me, the undersigned officer, personally appeared **Felix R. Serrano**, who acknowledged himself to be the Chairperson of the Norwalk Redevelopment Agency, a municipal agency, and that he as such Chairperson, being authorized so to do, executed the foregoing instrument as his free act and deed for the purposes therein contained, by signing the name of the municipal agency by himself as Chairperson thereof.

Karen Pacchiana
Commissioner of the Superior Court
Or Notary Public
KAREN PACCHIANA
NOTARY PUBLIC
STATE OF CONNECTICUT
My Commission Expires
November 30, 2019



STATE OF Illinois)
) ss. Chicago
COUNTY OF Cook)

On this the 20th day of June, 2017, before me, the undersigned officer, personally appeared **Rosemary Feit**, who acknowledged himself/herself to be the Authorized Signatory of GGPLP Real Estate, Inc., which is the sole member of Norwalk Land Development LLC, a limited liability company, and that she as such Authorized Signatory being authorized so to do, executed the foregoing instrument as his free act and deed for the purposes therein contained, by signing the name of the company by himself as Authorized Signatory thereof.


Sherril Bradberry
Commissioner of the Superior Court
Or Notary Public

Schedule A
Replaced Exhibit I to LDA (CMSP)