CITY OF BURLINGTON AND UNIVERSITY OF VERMONT

LETTER OF AGREEMENT

This Letter of Agreement ("Agreement") is executed by and between Daniel M. Fogel, as President and on behalf of the University of Vermont and State Agricultural College ("UVM") and Bob Kiss, as Mayor and on behalf of the City of Burlington, Vermont ("the City") (collectively, "the parties").

WHEREAS, the City expressly recognizes that UVM greatly benefits the City in its contribution to the intellectual life, cultural vitality, and economic welfare of the overall community, as well as other enhancements, both direct and indirect; and

WHEREAS, UVM expressly recognizes that the City provides an array of public health, safety, and welfare services necessary for the operation and well-being of the University as well as the larger community; and

WHEREAS, this Agreement is in no way intended to disregard or diminish the quality or extent of UVM's positive contributions to the City but rather establishes a voluntary payment for services rubric to ameliorate the impact of UVM's real property tax exemptions on the City;

THEREFORE, it is provided:

1. **Scope and Purpose of the Agreement.** This Agreement sets forth UVM's financial commitment to the City in consideration of its impact upon the City, in exchange for the City's provision to UVM of customary municipal services for the benefit and general welfare of UVM as well as City residents and visitors. The parties recognize that such payments are intended to address the impact UVM and its community members have on the City, its services, and resources, and thus to benefit the general welfare of such persons as well as City residents and visitors.

This Agreement supplements the master agreement into which the parties entered through their respective duly authorized representatives on November 6, 2000, the master agreement relating to matters including student housing, student conduct, parking, and traffic.

Except as set forth in paragraph 3 herein, this Agreement wholly supersedes all other prior or contemporaneous financial agreements and arrangements between the parties, written or otherwise, regarding or relating to its subject matter, including without limitation the parties’ Letter of Intent dated September 8, 2003.
Beginning City FY10, the base amount will be adjusted annually with reference to the “U.S., State, and Local Government NIPA Chain Weighted Deflator Index” as posted annually by the Vermont Joint Fiscal Office. During FY10 and no later than January 31, 2010, UVM shall report to the City the percentage increase or decrease in UVM building square footage relative to the July 1, 2007, figure of 4,803,921 square feet and, if the percentage increase or decrease is 3% or more, the parties shall engage in good faith negotiations regarding possible retroactive adjustment to the base amount for Year Four of this Agreement independent of the adjustment made with reference to the “U.S., State, and Local Government NIPA Chain Weighted Deflator Index” as posted annually by the Vermont Joint Fiscal Office.

The parties acknowledge that the base amounts set forth in this paragraph 4.a. reflect a credit from the City to UVM in the amount of $110,000, in consideration of the UVM Fire Marshal function, which mitigates the impact of UVM on City fire services. If, during the period of this Agreement, there is a substantial change in the nature or extent of UVM fire marshals services, including staffing, the parties agree to meet and discuss any appropriate adjustment to the credit and the base.

(ii) Fire Services Personnel. The parties recognize that UVM Fire Services staff provide a valuable service in terms of enhancing public safety and mitigating the impact of UVM upon City fire services. The parties thus agree, through the Burlington Fire Chief and the UVM Fire Marshal, to develop fire safety response protocols; consult actively regarding the implementation and effectiveness of such arrangements, including non-emergency assistance such as inspections and certifications; and to meet and discuss, reasonably in advance of proposed changes, any substantial permanent diminution in their respective department personnel or services.

b. Omnibus Payment. Recognizing that the impact of UVM on City services is apparent and yet difficult to quantify, UVM shall make, in addition to the payments for which paragraph 4(a) provides, an annual payment to the City intended by the parties to cover any and all impact UVM personnel, students, and operations may have upon the City and for any associated services or resources the City or its agents render to UVM and its community. The payment amount shall be made on a City Fiscal Year basis (payable in full as of the 1st day of the start of the fiscal year unless an alternative schedule of payments is agreed upon in writing by the duly authorized representatives of each party). The base for such annual payment shall be $180,040, effective City FY08. The base payment amount will be annually adjusted effective with City FY09 with reference to the “U.S., State, and Local Government NIPA Chain Weighted Deflator Index” referenced above.
7. **Termination of UVM Obligations.** The parties respectively and mutually agree that UVM's obligations for any payment(s) for which this Agreement provides are expressly contingent upon its tax-exempt status. UVM's payment obligations under this Agreement shall thus cease automatically, without further notice, act, or recourse in the event that the tax-exempt status of UVM and/or its real property materially changes during the term of the Agreement and the City thereby becomes legally entitled to payments from UVM relative to property currently tax-exempt as a matter of law. In such instance, any amount(s) otherwise due and owing from UVM to the City under this Agreement shall be prorated, with further obligation(s) ceasing effective as of the date of the imposition of tax liability. The City shall reimburse UVM for any payments made prospectively, prorated with reference to the date on which tax liability becomes effective.

8. **Forbearance; Exceptions.** The City hereby acknowledges and agrees that the UVM payments for which the Agreement provides are intended to be all-inclusive during the term of this Agreement except as otherwise provided herein. The City accordingly agrees to forebear from any, and shall make no request, claim, and/or demand against UVM for any additional payment(s) in dollars or services for the duration of the Agreement, provided that each party and both parties hereby agree to enter into negotiations in good faith regarding any proposed amendment to the Agreement designed to cover impact or services that are not reasonably foreseeable at the time of execution of this Agreement, and which will materially and substantially affect the extent of UVM's impact on City services or resources or the cost to the City of providing existing or new services. Except as otherwise provided herein, routine cost inflation increases shall not be considered a material and substantial effect under this provision.

9. **Effective Date.** This Agreement shall be effective as of the date of its execution by the second party.

10. **Notice.** A copy of notices given under this Agreement shall be delivered as follows:

    To the City:  City of Burlington  
            City Attorney  
            City Hall, 149 Church St., Suite 11  
            Burlington, Vt. 05401  

    To UVM:  University of Vermont  
            General Counsel  
            Office of the General Counsel  
            351 Waterman Bldg.  
            Burlington, Vt. 05405