

## MANAGEMENT AGREEMENT

This Management Agreement (the "Agreement") is entered into effective as of August \_\_\_, 2025, by and between the **Town of Rochester**, Vermont, a Vermont municipality having its principal place of business at 67 School Street, Rochester, Vermont, and **Valley Hub, Inc.**, a Vermont nonprofit corporation having its principal place of business at 121 Wheatfield Drive, Rochester, Vermont.

### RECITALS

A. The Town of Rochester, Vermont (the "Town") owns certain real property located at 222 Route 100, Rochester, Vermont, formerly known as Rochester High School, together with all buildings, improvements, and appurtenances (the "Property"). The Property is shown as "Lot 2, 4.19 ± Acres, 0.27 Acres Removed" on a survey plat entitled, "Rochester Stockbridge Unified District, Rochester, Vermont, Boundary Line Adjustment Plat, Rochester School," dated February 10, 2023, and recorded at Map Slide 4 at Page 74 of the Town of Rochester Land Records.

B. Valley Hub, Inc. ("VHI") is a Vermont nonprofit corporation and is not a department, agency, or instrumentality of the Town. VHI operates under its own 501(c)(3) federal tax-exempt status, IRS Employer Identification Number, and independent board of directors. It files annual Form 990 returns and raises its own donations, grants, and program revenues to support its mission. VHI's broader mission includes community development, economic resilience, and related programs for the greater Rochester region, many of which extend beyond the Property and are independent of the Town's municipal functions. The Town has no rights or control over VHI's funds or activities outside the scope of this Agreement.

C. The Town desires to engage VHI to manage the Property, subject to the terms and conditions set forth in this Agreement, and VHI desires to accept such engagement.

**NOW, THEREFORE**, in consideration of the mutual promises, covenants, and agreements contained herein, the parties agree as follows:

#### 1. Engagement of VHI.

a. The Town hereby engages VHI as the exclusive managing agent of the Property and VHI hereby accepts said appointment and undertakes to perform all of the responsibilities and functions set forth herein in such capacity and to comply with all provisions of this Agreement. For avoidance of doubt, VHI enters this Agreement solely in its capacity as an independent Vermont nonprofit corporation and not as a Town department or contracted Town department. Nothing herein shall be construed to create a joint venture, partnership, or agency relationship between the Town and VHI other than as expressly provided for the limited purpose of day-to-day management of the Property.

b. VHI shall perform only those duties specifically delegated in this Agreement, and shall not enter into any contract, incur any obligation, or make any expenditure binding the Town without the Town's prior written approval, except as expressly authorized herein.

c. All policy decisions, strategic planning matters, capital improvements, budget approval, and other major decisions regarding the Property shall remain under the sole control of the Town, and VHI shall take no action in such matters without the Town's prior written approval.

## **2. Duties of VHI.**

As managing agent under this Agreement, VHI shall:

a. Prepare and submit to the Town Selectboard, no later than ninety (90) days after the effective date of this Agreement and thereafter no later than December 1 each year, a proposed annual operating budget for the Property, including detailed estimates of anticipated revenues and expenses, for review and approval by the Selectboard.

b. Recruit and negotiate with prospective tenants to occupy leasable space at the Property and use best efforts, in good faith, to achieve and maintain 100% occupancy of leasable space. Such negotiations shall specify the precise location(s) within the Property to be leased and the rent to be charged. All prospective tenants, lease terms, and final leases shall be subject to the Town's written approval.

c. Manage the day-to-day operations of the Property, including oversight of maintenance, repairs, and services, and administration of all tenant relations. VHI shall collect all rents, fees, and other payments due from tenants on behalf of the Town, with all such amounts payable directly to the Town. VHI shall also coordinate and schedule all non-tenant uses of the Property in accordance with Town-approved policies, ensuring such uses do not interfere with tenant operations or the Town's interests.

d. Serve as the primary point of contact for all utilities and vendors providing goods or services for the Property. VHI shall review each vendor invoice for accuracy, completeness, and compliance with the Town-approved budget, verify that the goods or services were received in satisfactory condition, and forward the verified invoices to the Town for payment, together with any supporting documentation reasonably requested by the Town.

e. Operate strictly within the Selectboard-approved annual operating budget for the Property. If at any time VHI anticipates that actual expenses will exceed the approved budget, VHI shall provide notice to the Town promptly upon making such determination, including an explanation of the cause and an estimate of the overage. VHI shall have no authority to incur or commit to any expenditure beyond the approved budget without the Selectboard's prior written approval.

f. Comply with all applicable laws, ordinances, regulations, and Town policies in connection with the management and operation of the Property.

## **3. Duties of the Town.**

As owner of the Property, the Town shall:

a. Work in good faith and in a timely manner with VHI to develop each annual operating budget for the Property. This process shall include exchanging relevant financial and operational information,

reviewing anticipated revenues and expenses, and considering the operational needs of the Property and the Town's fiscal constraints.

(i) The goal of this collaboration shall be to produce a proposed annual budget that supports the effective management and operation of the Property while remaining consistent with the Town's overall financial policies and priorities.

(ii) If the approved annual operating budget for the Property includes funding to be provided through a Town appropriation requiring voter authorization, the Town shall take all actions necessary to place the appropriation request on the warning for the applicable Town meeting in accordance with Vermont law. Nothing in this Agreement shall be construed to require or guarantee voter approval of such appropriation.

b. Pay all budgeted and approved operating expenses of the Property, including but not limited to utilities, maintenance, repair services, insurance premiums, and other costs necessary for operation of the Property. Such expenses shall be paid by the Town in accordance with invoices that have been reviewed and approved by VHI for accuracy, completeness, and budget compliance, subject to verification of supporting documentation if reasonably requested by the Town.

#### **4. Mutual Duty of Good Faith and Cooperation.**

a. The Town and VHI shall cooperate fully and work together in good faith to carry out the purposes and intent of this Agreement and shall endeavor to resolve any differences through open communication and collaboration. Each party shall promptly provide the other with such information, documents, and assistance as may be reasonably necessary to perform their respective obligations hereunder. Neither party shall unreasonably withhold, delay, or condition any approval, consent, or action required under this Agreement.

b. The Town and VHI shall meet at least once each calendar month, or at such other intervals as they may mutually agree in writing, to review operational matters, address any issues affecting the Property, and discuss upcoming events or decisions. Either party may request additional meetings as reasonably necessary to address urgent or significant matters.

#### **5. Term and Termination.**

a. The term of this Agreement shall commence on July 1, 2025 (the "Commencement Date") and shall continue in full force and effect until June 30, 2030, unless earlier terminated in accordance with Section 3 of this Agreement (the "Initial Term").

b. Following the Initial Term, this Agreement may be renewed for successive periods of three (3) years each (each, a "Renewal Term") only upon: (i) satisfactory performance by VHI as determined by a performance review conducted by the Town Selectboard; and (b) written approval of the Selectboard. Unless renewed in accordance with this Section 5.b, this Agreement shall terminate at the end of the Initial Term or the then-current Renewal Term.

c. The Town may terminate this Agreement for cause upon written notice to VHI if VHI: (i) commits any act of gross negligence, willful misconduct, or ordinary negligence materially affecting the Property; (ii) fails to meet performance standards established by mutual written agreement; (iii) becomes insolvent, files for bankruptcy, or makes an assignment for the benefit of creditors; or (iv) breaches any material provision of this Agreement and fails to cure such breach within thirty (30) days after written notice from the Town specifying the nature of the breach.

d. The Town or VHI may terminate this Agreement for any reason upon one hundred twenty (120) days' prior written notice to the other party, without penalty or further obligation.

e. Upon the expiration or earlier termination of this Agreement, VHI shall: (i) promptly deliver to the Town all keys, books, records, contracts, correspondence, funds, and any other property of the Town in VHI's possession or control; and (ii) cooperate fully with the Town to ensure the smooth transition of management responsibilities.

## **6. Mutual Indemnification.**

a. VHI's Indemnity to the Town. VHI shall indemnify, defend, and hold harmless the Town, its officers, employees, volunteers, and agents from and against any and all claims, demands, causes of action, losses, liabilities, damages, judgments, penalties, fines, costs, and expenses (including, without limitation, reasonable attorney's fees and expert witness fees) of any kind or nature whatsoever, whether direct, indirect, incidental, consequential, or otherwise, arising out of or in any way related to: (i) any act or omission of VHI, its officers, employees, contractors, agents, invitees, or volunteers in connection with the performance of this Agreement; (ii) any breach by VHI of its obligations, representations, or warranties under this Agreement; (iii) any violation of applicable law by VHI; or (iv) any injury to persons (including death) or damage to property occurring on or about the Property that is attributable in whole or in part to VHI's operations.

This obligation to indemnify shall apply to matters arising from ordinary negligence, gross negligence, or willful misconduct of VHI, and shall survive the expiration or termination of this Agreement. The Town shall have the right to participate in the defense of any claim with counsel of its choosing at VHI's expense, and no settlement shall be entered into by VHI without the Town's prior written consent.

b. Town's Indemnity to VHI. The Town, to the extent permitted by law, shall indemnify, defend, and hold harmless VHI, its officers, employees, volunteers, and agents from and against any and all claims, demands, causes of action, losses, liabilities, damages, judgments, penalties, fines, costs, and expenses (including, without limitation, reasonable attorney's fees and expert witness fees) of any kind or nature whatsoever, whether direct, indirect, incidental, consequential, or otherwise, arising out of or in any way related to: (i) any act or omission of the Town, its officers, employees, contractors, agents, invitees, or volunteers in connection with the performance of this Agreement; (ii) any breach by the Town of its obligations, representations, or warranties under this Agreement; (iii) any violation of applicable law by the Town; or (iv) any injury to persons (including death) or damage to property occurring on or about the Property that is attributable in whole or in part to the Town's actions or omissions.

This obligation to indemnify shall apply to matters arising from ordinary negligence, gross negligence, or willful misconduct of the Town, and shall survive the expiration or termination of this Agreement. VHI shall have the right to participate in the defense of any claim with counsel of its choosing at the Town's expense, and no settlement shall be entered into by the Town without VHI's prior written consent.

## **7. Insurance.**

a. The Town shall, at its sole cost and expense, obtain and maintain in full force and effect throughout the term of this Agreement liability insurance and property insurance covering the buildings, structures, and other improvements located on the Property against loss or damage by fire, vandalism, theft, and such other risks of direct physical loss. The Town shall also maintain insurance coverage for all Town-owned personal property and equipment located on the Property against risks of loss or damage customarily covered under a standard property insurance policy.

b. VHI shall, at its sole cost and expense, obtain and maintain in full force and effect during the term of this Agreement the following insurance coverages, issued by insurers authorized to do business in the State of Vermont. All such policies shall name the Town of Rochester as an additional insured (except for Workers' Compensation) and shall not be canceled, non-renewed, or materially altered without at least thirty (30) days' prior written notice to the Town. VHI shall furnish the Town with certificates of insurance evidencing such coverages prior to commencement of operations under this Agreement and annually thereafter upon renewal.

(i) Commercial General Liability Insurance with limits of not less than One Million Dollars (\$1,000,000) per occurrence and Two Million Dollars (\$2,000,000) aggregate, covering bodily injury, personal injury, and property damage.

(ii) Property Insurance covering all VHI-owned personal property and equipment located on or in the Property against loss or damage by fire, theft, vandalism, and other risks of direct physical loss.

(iii) Workers' Compensation Insurance in compliance with all applicable Vermont statutory requirements.

(iv) Automobile Liability Insurance for all owned, non-owned, and hired vehicles used in connection with the Property, with a combined single limit of not less than One Million Dollars (\$1,000,000) per accident.

## **8. Dispute Resolution.**

a. In the event of any dispute, controversy, or claim arising out of or relating to this Agreement or the breach, termination, or validity thereof (a "Dispute"), the parties agree to first attempt in good faith to resolve the Dispute promptly through direct negotiations between senior representatives of each party.

b. If the Dispute cannot be resolved through direct negotiations within thirty (30) days after written notice of the Dispute is given by one party to the other, the parties agree to submit the Dispute to non-binding mediation before initiating any legal action. The mediation shall be conducted in

Vermont before a mutually agreed-upon mediator. The costs of the mediation, including mediator fees, shall be shared equally by the parties, provided that each party shall bear its own attorneys' fees and expenses. If the Dispute is not resolved through mediation within sixty (60) days after appointment of the mediator (or such longer period as the parties may agree in writing), either party may then initiate litigation.

c. Any litigation arising out of or relating to this Agreement shall be brought exclusively in the Vermont state courts located in Windsor County, and each party irrevocably submits to the jurisdiction of such courts. This Agreement shall be governed by and construed in accordance with the laws of the State of Vermont, without regard to conflict of laws principles.

## 9. Miscellaneous.

a. This Agreement represents the entire understanding between the parties. Any amendments to this Agreement must be in writing and signed by both parties.

b. The expiration or termination of this Agreement shall not affect any rights, obligations, or liabilities of either party that accrued prior to such expiration or termination. Without limitation, the provisions relating to indemnification, insurance, records and audit, payment of amounts due, delivery of Town property and records, and cooperation in transition shall survive the expiration or termination of this Agreement and remain in full force and effect.

c. All notices, requests, demands, and other communications required or permitted under this Agreement shall be in writing and delivered (i) in person, (ii) by certified mail, return receipt requested, postage prepaid, (iii) by nationally recognized overnight courier service, or (iv) by electronic mail ("email") addressed as follows (or to such other address as either party may designate by written notice in accordance with this section):

(i) If to the Town: Town of Rochester Selectboard, PO Box 238, Rochester, VT 05767  
townclerk@rochestervermont.org

(ii) If to VHI: President, Valley Hub, Inc., PO Box 27, Rochester, VT 05767 \_\_\_\_\_

Notices shall be deemed given upon delivery if personally delivered, three (3) business days after deposit in the U.S. mail, or one (1) business day after deposit with an overnight courier service.

d. VHI shall not assign, delegate, transfer, or subcontract any of its rights or obligations under this Agreement without the prior written consent of the Town, which consent may be withheld in the Town's sole discretion. Any purported assignment without such consent shall be null and void.

e. No failure or delay by either party in exercising any right, power, or privilege under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of such right, power, or privilege preclude any other or further exercise thereof or the exercise of any other right, power, or privilege.

f. If any provision of this Agreement is held to be invalid, illegal, or unenforceable in any respect, the remaining provisions shall remain in full force and effect, and such invalid, illegal, or unenforceable provision shall be replaced by a valid, legal, and enforceable provision that most closely reflects the parties' original intent.

g. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument. Signatures transmitted electronically (including via PDF or other electronic signature service) shall be deemed original signatures for all purposes.

h. Neither party shall be liable for any delay or failure to perform its obligations under this Agreement if such delay or failure is caused by events beyond its reasonable control, including but not limited to acts of God, natural disasters, acts of government, labor disputes, or power outages; provided, however, that the affected party gives prompt written notice to the other party and uses diligent efforts to resume performance as soon as practicable.

i. VHI is and shall remain an independent contractor in the performance of its duties under this Agreement. Nothing in this Agreement shall be construed to create a partnership, joint venture, employment, or agency relationship between the Town and VHI, except to the limited extent that VHI is expressly authorized to act as the Town's agent in connection with day-to-day management duties as described in this Agreement.

j. This Agreement is entered into solely for the benefit of the Town and VHI, and no provision of this Agreement is intended to confer any rights, benefits, or remedies upon any person or entity other than the parties hereto and their respective permitted successors and assigns.

k. VHI shall keep and maintain all books, accounts, records, correspondence, documents, and other materials, regardless of format, created, received, or maintained in connection with the performance of this Agreement ("Records") in an organized and accessible manner and shall provide copies to the Town upon request. VHI acknowledges that such Records may be subject to inspection and disclosure under the Vermont Public Records Act, 1 V.S.A. §§ 315–320, and shall cooperate fully with the Town in responding to any public records request.

l. VHI acknowledges that, in the course of performing its duties under this Agreement, it may have access to information that is exempt from public disclosure under the Vermont Public Records Act or other applicable law, including but not limited to personally identifiable information, proprietary business information, or security-related information ("Confidential Information"). VHI shall not disclose any Confidential Information to any third party without the Town's prior written consent, except as required by law, court order, or valid subpoena, and shall use such information solely for purposes of performing its obligations under this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

TOWN OF ROCHESTER, VERMONT

By: Pat Harvey

Name: PAT HARVEY

Title: Sel. Bd Chair

VALLEY HUB, INC.

By: Vic Ribaudo

Name: VICAR RIBAUDO

Title: President

## **RENOVATION RIDER**

This Renovation Rider supplements the Management Agreement between the Town of Rochester, Vermont (“Town”) and Valley Hub, Inc. (“VHI”) and shall be read in conjunction with that Agreement. This Rider is effective only upon separate execution by both parties.

Unless otherwise expressly stated herein, all terms, conditions, rights, and obligations set forth in the Management Agreement apply under this Rider.

### **1. Definitions**

Renovation Period – The period beginning with the commencement of pre-construction planning for Phase 1 renovations, as defined by the Town’s architect, Wiemann Lamphere Architects (WLA), and continuing through the completion of Phase 1, as determined in writing by WLA and formally accepted by the Town Selectboard.

Approved Renovation Budget – A detailed renovation budget formally reviewed and approved in writing by the Town Selectboard prior to commencement of renovation work.

### **2. Scope of VHI’s Role**

a. VHI’s duties under this Rider are limited to coordination, communication, and oversight support functions expressly described herein. VHI shall not have authority to bind the Town to any financial obligation, contract, or change order without prior written approval from the Town Selectboard. The exclusivity granted to VHI under this Rider applies solely to the day-to-day renovation coordination duties expressly described herein and does not limit the Town’s retained authority over all policy decisions, strategic matters, and major actions relating to the renovation. The Town acknowledges that VHI’s role in the Phase 1 renovation is advisory only. VHI is not the construction manager, contractor, architect, engineer, or owner’s representative for the project. VHI shall not direct, supervise, or control construction work or make technical or construction-related decisions.

### **3. Duties of the Town**

As owner of the Property, the Town shall:

a. Furnish VHI with copies of all documents relevant to the renovation, including contracts, plans, specifications, permits, grant agreements, notices, rules, regulations, and other written instruments executed by or on behalf of the Town that may assist VHI in performing its duties.

b. Provide VHI with timely notice of any material developments or issues related to the renovation that are known to the Town but not to VHI.

c. Retain final authority and decision-making power over all renovation policies, contracts, budgets, and material changes in scope, schedule, or cost.

d. Have the right to require that any consultant, contractor, or vendor performing work during the Renovation Period contract directly with the Town.

#### **4. Duties of VHI**

As managing agent, VHI shall:

a. Act as the Town's representative solely for day-to-day coordination of renovation-related activities, subject to the Town's retained policy control and final decision-making authority.

b. Coordinate with the Town Selectboard, Town staff, architects, project managers, construction managers, and grant administrators to facilitate communication and scheduling.

c. Promptly report to the Town any proposed changes in project scope, design, budget, or schedule, and refrain from implementing any such change without the Town Selectboard's prior written approval.

d. Endeavor in good faith to assist in securing government grants and private donations to support the renovation, in coordination with the Town. All grant applications, funding agreements, and donor commitments shall be subject to the Town's review and approval, and all funds received shall be Town property and deposited in a Town-controlled account.

The Town acknowledges that VHI receives donations, grants, program revenues, and other funds in support of its own nonprofit mission. Donations, grants, contributions, or revenues that are solicited or received by VHI for its own organizational purposes, programs, operations, or general mission and that are not restricted by the donor or grantor for use on the Town's renovation project or improvements to the Property are VHI's independent funds and shall not be deposited in Town accounts. VHI shall submit a quarterly report listing all funds received during the quarter and classifying each as either (a) Town renovation project funds or (b) VHI independent funds, together with the use or disposition of any Town funds.

The Town further acknowledges that some donors to the Town's renovation project may wish to remain anonymous. To the extent permitted by the Vermont Public Records Act and other applicable law, the Town shall take reasonable measures to protect the identity of any donor who has requested anonymity and shall not disclose the donor's identity except as required by law, court order, or valid subpoena. If disclosure is legally required, the Town shall provide VHI with prompt written notice before releasing any such information, unless prohibited by law.

e. Verify that all contractors engaged in renovation work maintain insurance in accordance with Section 7 of the Management Agreement and name the Town as an additional insured and maintain current copies of such insurance certificates in the project file for inspection by the Town at any time

f. Monitor contractor compliance with workplace safety requirements and immediately report any safety concerns to the Town.

g. VHI acknowledges that the Town has separately contracted with Opus Corporation for pre-construction services and plans to use Opus Corporation (or another qualified construction management

firm chosen by the Town) for construction-phase management services. VHI shall coordinate communication and scheduling only as requested by the Town and shall defer to Opus Corporation and other Town-engaged professionals on technical and construction matters. VHI has no authority to give instructions to Opus Corporation contractors, subcontractors, architects, or engineers, or to approve or change plans, schedules, or costs.

## **5. Rights and Duties of Both Parties**

a. The parties shall meet at least once every thirty (30) days, or more frequently as mutually agreed, during the Renovation Period to review progress. VHI shall provide written progress reports in advance of each meeting, summarizing work completed, schedule status, budget status, pending decisions, and any identified issues or risks.

b. Both parties shall cooperate in good faith and provide timely information and approvals necessary to avoid undue delay or cost overruns.

c. The parties shall work together to address and resolve renovation-related disputes promptly, following the venue and governing law provisions in the Management Agreement.

## **6. Records**

a. VHI shall maintain complete and accurate records of all renovation-related correspondence, schedules, budgets, reports, and other materials, which shall be Town property and available for inspection at any time.

b. All renovation-related records are subject to the Vermont Public Records Act, and VHI shall assist the Town in responding to any public records requests.

c. VHI shall retain renovation-related records for at least ten (10) years after the end of the Renovation Period, or longer if required by law, by any grant agreement, or as otherwise directed in writing by the Town.

## **7. Renovation Budget Control**

a. All renovation work shall be conducted strictly in accordance with the Approved Renovation Budget. VHI shall have no authority to incur or commit the Town to any renovation-related expense, contract, change order, or financial obligation that exceeds any line item in the Approved Renovation Budget, or the overall Approved Renovation Budget total, without the Town Selectboard's prior written approval.

b. Change Orders. Any proposed change in project scope, materials, design, or schedule that will or may result in additional cost shall be presented to the Town Selectboard in writing with supporting documentation, including revised budget figures and justification, for review and written approval before such change is implemented.

c. Regular Financial Reporting. VHI shall provide the Town with monthly written financial reports during the Renovation Period showing actual expenditures to date, remaining budget, and any anticipated variances.

d. All Funds Town-Controlled. All renovation funds, whether from Town appropriations, grants, or private donations, shall be deposited into and disbursed from a Town-controlled account. VHI shall have no independent spending authority over renovation funds.

**8. Closeout and Transition**

a. At the conclusion of the Renovation Period, VHI shall deliver to the Town all project records, warranties, permits, as-built drawings, and a written summary of the work completed.

b. VHI shall provide reasonable assistance to the Town for a smooth transition from the renovation phase to ongoing operations, including participation in a closeout meeting and responding to follow-up questions for a period of sixty (60) days after project completion.

TOWN OF ROCHESTER, VERMONT

By: Pat Harney

Name: Pat Harney

Title: Sel Bd Chair

VALLEY HUB, INC.

By: Victor Ribicco

Name: VICTOR RIBICCO

Title: President