

APPENDIX A

ADMINISTRATIVE TSAs

AUTHORIZED UNDER

**Tax Stabilization for Commercial and Residential Property
for Property Under the Authority of the
I-195 Redevelopment District Commission
Chapter 2015-28**

Address	Plat/Lot	Property Owners	Date Approved
39 & 45 Pike St.	18/19 & 354	Royal Oaks Realty, LLC	4/28/2016
80 Smith St.	4/262	226, LLC	6/10/2016
5 Exchange St.	19/120	Exchange Street Hotel, LLC	1/10/2017
225 Dyer Street	20/395 & 396	Providence Innovation District Phase I Owner, LLC	9/14/2017

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CHAPTER 2015-28

No. 400 AN ORDINANCE AMENDING CHAPTER 21, "REVENUE AND FINANCE," TO ADD ARTICLE XVI, "TAX STABILIZATION FOR COMMERCIAL AND RESIDENTIAL PROPERTY" FOR PROPERTY WITHIN THE I-195 REDEVELOPMENT DISTRICT COMMISSION AND THE CAPITAL CENTER REDEVELOPMENT DISTRICT

Approved July 23, 2015

Be it ordained by the City of Providence:

SECTION 1. Chapter 21, "Revenue and Finance," is hereby amended to add Article XVI, "Tax Predictability for Commercial and Multi-Family Residential Property" as follows:

Sec. 21-260. Authorization and Purpose.

- (a) *Authorization.* The city council has the authority, under Section 44-3-9 of the General Laws of the State of Rhode Island, as amended, to exempt from tax payment, in whole or in part, real and personal property which has undergone environmental remediation, is historically preserved, or is used for affordable housing, manufacturing, commercial, or residential purposes, or to determine a stabilized amount of taxes to be paid on account of the property, notwithstanding the valuation of the property or the rate of tax.
- (b) *Purpose.* In order to increase the pace of economic development, and thereby increase the city's tax base, it is vital that city provide property developers, entrepreneurs and investors with a predictable tax phase-in plan that will encourage investment in Providence. It is therefore in the public interest to develop a set of clear criteria for eligibility for tax stabilization, as well as a defined long-term plan to bring a project to full taxation.

Sec. 21-261. Eligible Properties.

Eligible properties shall:

- (a) Be located on land as defined in RIGL 37-5-8 and 42-64.14-4 ("I-195 redevelopment district") and may include properties that directly abut and are contiguous with I-195 redevelopment land, as defined in RIGL 42-64.14-15; or
- (b) Be located on undeveloped land within the Capital Center Special Development District, as defined in Chapter 2, Article XXIII, Sec. 2-362 of the Code of Ordinances of the City of Providence; and
- (c) Include new construction (excluding land acquisition costs) with a construction valuation of at least \$10,000,000; or the rehabilitation of commercial or multi-family residential property with a cost of construction of at least \$10,000,000.

Sec. 21-262. Criteria

The director of department of inspections and standards shall make the determination whether the subject property or project meets the minimum requirements in accordance with Section 21-261. Owners of eligible properties and projects are required to begin construction within twelve (12) months and complete construction within three (3) years of the effective date of the subject stabilization. For the purposes of the foregoing sentence, a temporary certificate of occupancy shall be sufficient. Owners of properties and projects that fail to meet any of these deadlines will be required retroactively to pay the difference between their actual stabilized tax payments and what they would have paid if ineligible for the specified tax considerations. The owner may, twelve (12) months prior to the applicable deadline, submit a request to the city council for approval of an extension to such applicable deadline.

Sec. 21-263. Tax Considerations and Stabilization Period.

- (a) Commercial and Residential Projects-Standard. The tax assessor shall determine the land valuation at project site, prior to commencement of the stabilization period. The tax assessor will then establish the "base land tax" based on the valuation. Should a project or portion of a project site be subject to property taxes prior to the commencement of the stabilization period, that tax amount shall be considered as the "base tax." Assessed tax payments upon enactment of the base land tax will begin in year 2 of the stabilization period and be frozen for 3 (three) years. The assessor shall issue a bill beginning in the fifth tax year after the commencement date, based upon the property's valuation at that time. Tax payments will be calculated as a percentage of the total tax at the annual tax rate, with a phased-in schedule, as shown below. Projects described in this subsection shall require a signed agreement, between the applicant and the city. Upon issuance of a certificate of occupancy by the department of inspection and standards, the city assessor shall assess the project, and the project shall be reassessed according to the city's regular revaluation cycle. In order to allow sufficient time for construction and project stabilization, following approval of an eligible property for tax stabilization in accordance with this ordinance, the stabilization shall last for a period of fifteen (15) years from the date the subject stabilization agreement is executed. Stabilized annual property tax payments on properties defined in Sec. 21-261 (a) that are outside the I-195 redevelopment district shall be calculated by the tax assessor and may not be less than the annual real property taxes paid in any of the three years prior to the commencement of the stabilization period.

Year	Schedule
1	\$0/Base Tax (if applicable)
2	Base Tax and/or Base Land Tax
3	Base Tax and/or Base Land Tax
4	Base Tax and/or Base Land Tax
5	Base Tax and/or Base Land Tax + 5% of increase to assessed valuation
6	Base Tax and/or Base Land Tax + 10% of increase to assessed valuation
7	Base Tax and/or Base Land Tax + 20% of increase to assessed valuation
8	Base Tax and/or Base Land Tax + 30% of increase to assessed valuation
9	Base Tax and/or Base Land Tax + 40% of increase to assessed valuation
10	Base Tax and/or Base Land Tax + 50% of increase to assessed valuation
11	Base Tax and/or Base Land Tax + 60% of increase to assessed valuation
12	Base Tax and/or Base Land Tax + 70% of increase to assessed valuation
13	Base Tax and/or Base Land Tax + 80% of increase to assessed valuation
14	Base Tax and/or Base Land Tax + 90% of increase to assessed valuation
15	Full Taxation

- (b) Commercial Projects-Job Creation. New construction of commercial property on land in the I-195 redevelopment district with a cost of construction of at least \$50,000,000, may be eligible for a tax stabilization period of twenty (20) years under the following criteria:

- (1) The first five projects authorized by the I-195 Redevelopment District Commission with a construction cost of \$50,000,000 or greater shall be eligible for a tax stabilization period of twenty (20) years through an application process that requires no approvals by the city council or mayor.
- (2) Subsequent projects after the initial five may be eligible for up to twenty (20) years, the terms of which shall be subject to approval by ordinance by the city council and mayor. Projects with an estimated creation of 150 or more permanent jobs, will be preferred.
- (3) The tax assessor shall determine the land valuation at project site, prior to commencement of the stabilization period, for the purpose of establishing a base tax or base land tax, whichever is greater. Upon issuance of a certificate of occupancy by the department of inspection and standards, the tax assessor shall assess the project, and the project shall be reassessed according to the city's regular revaluation cycle.

Tax payments will be calculated as a percentage of the total tax at the annual tax rate, with a phased-in schedule, as shown below.

Year	Schedule
1	\$0/Base Tax (if applicable)
2	\$0/Base Tax (if applicable)
3	\$0/Base Tax (if applicable)
4	Base and/or Base Land Tax
5	Base and/or Base Land Tax
6	Base and/or Base Land Tax + 6.5%
7	Base and/or Base Land Tax + 13.0%
8	Base and/or Base Land Tax + 19.5%
9	Base and/or Base Land Tax + 26.0%
10	Base and/or Base Land Tax + 32.5%
11	Base and/or Base Land Tax + 39.0%
12	Base and/or Base Land Tax + 45.5%
13	Base and/or Base Land Tax + 52.0%
14	Base and/or Base Land Tax + 58.5%
15	Base and/or Base Land Tax + 65.0%
16	Base and/or Base Land Tax + 71.5%
17	Base and/or Base Land Tax + 78.0%
18	Base and/or Base Land Tax + 84.5%
19	Base and/or Base Land Tax + 91.0%
20	Full Taxation

Sec. 21-264. Transfer of exempt or stabilized property.

Tax benefits for eligible properties shall be transferable to new owners or tenants, but the duration of the tax consideration period shall not be extended (unless otherwise approved by the city council). In the event that the tax stabilized property becomes exempt from real estate taxes during the term of tax stabilization through conveyance, or otherwise, to a real estate tax exempt entity, the tax stabilization agreement shall be void ab initio with owners of tax stabilized properties being liable for full taxes retroactively to the execution date of the tax stabilization agreement.

In the event that a project owner transfers a project site to a tax exempt entity within the five-year period immediately following the expiration of the agreement, the project owner agrees to pay a percentage of the sale price to the city as follows: five percent (5%) of the sale price if the project site is sold to a tax exempt entity in the first year following expiration; four percent (4%) of the sale price if sold to a tax exempt entity in the second year; three percent (3%) of the sale price if sold to a tax exempt entity in the third year; two percent of the sale price if sold to a tax exempt entity in the fourth year; one percent (1%) of the sale price if sold to a tax exempt entity in the fifth year.

Sec. 21-265. Forms and procedures.

The city assessor, together with the director of the department of planning and development, shall develop standardized forms and additional procedures consistent with this ordinance, as they deem necessary and proper to effectuate the terms and provisions of this ordinance. The executive director of the I-195 Redevelopment District Commission, or his or her designee, shall participate in the formulation of and periodic review over the implementation of the conditions set forth in Sec. 21-266. Further, on-going compliance and monitoring shall be the responsibility of the city, but any ongoing reporting shall be shared with the I-195 Redevelopment District Commission at regular intervals.

The procedure for eligible properties under this section shall be as follows:

- (a) No person shall be entitled to any exemption herein authorized without first filing an application for tax stabilization with the office of the city assessor. The application shall include the program of building, alterations and/or improvements to be made. The applicant shall include a statement outlining measures to comply with the code of ordinances, and a statement regarding the hiring of minority and women business enterprises (MBE/WBE) pursuant to Section 21-52 of the Code of Ordinances. No application shall be considered unless:
 - (1) The application is filed prior to the issuance of the certificate of occupancy;
 - (2) The applicant certifies that the investment of new construction (excluding land acquisition costs) meets the minimum required value of \$10,000,000 or that the rehabilitation of commercial or multi-family residential meets the minimum cost of construction of \$10,000,000;
 - (3) The application includes a compliance plan demonstrating how the applicant will fulfill each of its community benefit responsibilities as outlined in Sec. 21-266.
 - (4) A fiscal note prepared by the department of finance or the internal auditor is attached to the application, comparing the proposed project's "true tax" and the estimated tax to be paid under the terms of the tax stabilization agreement.
 - (5) A nonrefundable application fee in the amount of 0.1 percent of the estimated cost of the project is to be paid to the city; and
 - (6) For projects applying for a stabilization under 21-263 (b), a detailed business plan, including revenue projections and estimated number of permanent employees at project site.
- (b) Within fifteen (15) days of receipt of a completed application (together with the application fee), the city assessor shall forward a copy of such application to the director of department of inspections and standards, city collector, and director of the department of planning and development for their respective review, as follows:

(1) The director of department of inspection and standards shall review the application to determine whether any violations of the provisions of the building code of the city exist with respect to the subject property of the applicant and any other property in the city owned by the applicant. If no violations exist, he or she shall certify the fact to the city assessor within fifteen (15) days. If violations do exist, within said fifteen (15) days, he or she shall forward a statement to the city assessor and the applicant specifying the nature and extent of the violations. No exemptions granted hereunder shall be effective unless and until any and all such violations have been cured. Within the same fifteen (15)-day period, the director of department of inspections and standards shall issue a letter to the city assessor (with a copy to the applicant) stating whether the project will involve the substantial rehabilitation of an eligible property.

The applicant shall have thirty (30) days from its receipt of written notice (or copy of notice to the city assessor) to cure any outstanding violations or other matters which serve as a valid basis (in accordance with this subsection (b) for the building official not approving the subject application. Failure by the applicant to effectuate such cure(s) within said thirty (30) day period shall result in the city assessor removing the subject application from the assessor's list as an incomplete application. Nothing shall prohibit the subject property owner from re-applying for tax consideration.

(2) The city collector shall review the city tax records to determine whether all taxes (together with interest and penalties) which are due and owed to the city with respect to the property to which the exemption may apply, and all other property in the city owned by the applicant, have been paid. If no deficiency exists, the city collector shall certify that fact to the city assessor within fifteen (15) days. If deficiencies do exist, within said fifteen (15) days, he or she shall forward a statement of the amounts due and the properties involved to the city assessor and the applicant. No exemption granted hereunder shall be effective unless and until any and all taxes together with interest and penalties remaining unpaid and due and owed to the city assessed on such property have been paid in full to the city, or the applicant enters into a written payment agreement with the city.

The applicant shall have thirty (30) days from its receipt of written notice (of copy of notice to the city assessor) of a deficiency or deficiencies to pay any and all amounts due to the city. Failure by the applicant to make such payment(s) within said thirty (30) day period shall result in the city assessor removing the subject application from the assessor's list as an incomplete application. Nothing shall prohibit the subject property owner from re-applying for tax consideration.

Should, during the duration of the tax consideration period, tax payments established by the terms of this agreement become delinquent, the city collector shall--if the property owner is eligible--to secure a tax payment plan with the property owner that will bring all taxes and interest current within twelve (12) months in duration. Should the property owner not agree to said payment plan or adhere to the schedule and requirements of the payment plan, the tax stabilization agreement will be suspended and the property will revert to full taxation for the period in which the taxes are delinquent.

The applicant shall be current with all taxes and fees due to the state of Rhode Island. No exemption granted hereunder shall be effective unless and until any and all taxes and fees together with interest and penalties remaining unpaid and due and owed to the state have been paid in full or the applicant enters into a written payment agreement with the state.

(3) The director of the department of planning and development shall review the application to determine whether:

- i. it satisfactorily addresses the requirements in Section 21-266; and
- ii. the applicant is the recipient of other forms of financial assistance from the city, and if so, whether the applicant is current with loan payments and/or other financial obligations to the city as a result of such assistance.

If no material deficiency exists, the director of the department of planning and development shall certify that fact to the city assessor within fifteen (15) days. If a material deficiency exists, the director of the department of planning and development, within said fifteen (15) days, shall forward a statement to the city assessor and the applicant specifying the nature and extent of the material deficiency. The director of the department of planning and development shall confirm that the applicant is not the recipient of other forms of financial assistance from the city.

The applicant shall have thirty (30) days from its receipt of written notice (or copy of notice to the city assessor) to cure any material deficiency noted by the director of the department of planning and development. Failure by the applicant to resolve such material deficiency within said thirty (30) day period shall result in the city assessor removing the subject application from the assessor's list as an incomplete application. Nothing shall prohibit the subject property owner from re-applying for tax consideration.

NOTE: Steps (1), (2) and (3) may be performed concurrently.

(c) Within fifteen (15) days following the receipt of the statements from the director of department of inspections and standards, city collector, and director of department of planning and development, the assessor will review the application and, if the foregoing requirements set forth in Section 21-265 (a-b) have been met (as evidenced by the required certifications and determinations of the assessor, director of department of inspections and standards, city collector, and director of department of planning and development, as more particularly set forth above), the assessor shall forward documentation to the city solicitor.

(d) The city solicitor shall prepare a tax stabilization agreement with the applicant pursuant to, and upon the terms set forth in this ordinance. Within fifteen (15) days following the receipt of documentation from the assessor, the city solicitor shall submit the stabilization agreement and application, along with all documents, forms, and statements required in (a), (b), and (c) of this subsection, to the city council, for review as to form only. Review and official receipt by the city council shall be completed within thirty (30) days of city solicitor's transmittal to the city council, unless the city council finds a material deficiency in the application or associated documents.

In the case of a project applying for a tax stabilization under Sec. 21-263 (b) (2), the city solicitor shall prepare an ordinance outlining the provisions of the tax stabilization agreement with the applicant pursuant to, and upon the terms set forth in this ordinance. Said tax stabilization agreement ordinance shall be subject to approval of the city council.

(e) All tax stabilization agreements shall contain a provision providing that the receipt of the tax stabilization benefits shall be contingent upon the project receiving the necessary approvals from the Historic District Commission, the Downtown Design Review Committee, the Capital Center Commission, the City Plan Commission, the Zoning Board of Review, or the I-195 Redevelopment Commission acting as any or all of these boards or commissions (as applicable). The director of the department of planning and development shall provide to the city solicitor confirmation of approval, and any and all benefits shall be withheld under such approvals are granted.

- (f) All tax stabilization agreements shall include a monitoring/compliance fee in the amount of 0.01 percent of the cost of the project is to be paid annually for the term of the agreement to the city.

Sec. 21-266. Employment and Contracts.

(a) Construction.

(1) MBE/WBE. The project site owner shall make a good faith effort to award to minority business enterprises as defined in Rhode Island General Laws, Section 31-14.1 ("MBE Act") no less than 10% of the dollar value of the construction costs for the Project (as determined in accordance with the rules and regulations promulgated pursuant to MBE Act). The project site owner shall make a good faith effort to award to women business enterprises (WBEs) no less than 10% of the dollar value of the construction costs for the Project (as determined in accordance with Section 21-52 of the Code of Ordinances of the City of Providence). The project site owner will request the city's MBE/WBE office to establish a list of qualified MBE/WBE companies in order to satisfy its MBE/WBE construction goals. In this manner, the city will assist the project site owner in meeting said goals. The process of participating with the MBE/WBE office shall begin upon passage in order to develop a designated MBE/WBE subcontractor list which will encourage MBE/WBE participation and joint ventures with other members with the construction industry.

(2) Apprenticeship. The developer or project owner shall ensure that one-hundred percent (100%) of the hours worked on the project shall be performed by trade construction subcontractors who have or are affiliated with an apprenticeship program as defined in 29 C.F.R. § 29 et seq. Up to twenty percent (20%) of the hourly requirement may be waived if replaced with hours worked by qualified MBE/WBE companies registered in the State of Rhode Island. Certification of this waiver shall be reviewed and signed by the designated MBE/WBE coordinator within the department of purchasing.

The developer or project owner shall make a requirement in the contracts between its construction manager and general contractor and their subcontractors who have apprenticeship programs as defined in 29 C.F.R. § 29 that not less than ten percent (10%) of the total hours worked by the subcontractors' employees on the project are completed by apprentices registered in the aforementioned apprenticeship programs.

The developer or project owner shall as part of its contracts between its construction manager and general contractor and their subcontractors require that the subcontractors submit to the department of planning and development quarterly verification reports to ensure compliance with this section.

The developer or project owner, its construction manager or general contractor or other authorized person/entity may petition the city department of planning and development to adjust the apprenticeship work hour requirements to a lower percentage upon a showing that:

- a. compliance is not feasible because a trade or field does not have an apprenticeship program or cannot produce members from its program capable of performing the scope of work within the contract; or
- b. compliance is not feasible because it would involve a risk or danger to human health and safety or the public at large; or

- c. compliance is not feasible because it would create a significant economic hardship; or
- d. compliance is not feasible for any other reason which is justifiable and demonstrates good cause.

(3) Internal Revenue Service reporting. Except as provided under Rhode Island General Laws § 28-42-8, any person performing services at the project site shall annually receive either a W-2 statement or an IRS Form 1099.

(4) First Source List. Pursuant to Chapter 21-93 of the code of ordinances of the city, the project site owner shall enter into a First Source agreement covering the hiring of employees necessary to complete the proposed project and throughout the term of the tax stabilization agreement. The project site owner shall work in conjunction with the First Source director to develop the First Source agreement. The owner shall also make a good faith effort to employ Rhode Island and Providence residents for any and all positions not included in its First Source obligations, as well as ensure that any general contractor/construction manager and all subcontractors utilized also make good faith efforts to employ Rhode Island and Providence residents for any and all positions not included in their First Source obligations.

(5) "Buy Providence" Initiative. The project site owner will use good faith efforts to ensure that construction materials are purchased from economically competitive and qualified vendors located in the city of Providence. In furtherance of this effort, the project site owner will work with the city to develop a list of Providence vendors and subcontractors in order to create a preferred vendor list of qualified and economically competitive vendors for the construction of the project. Furthermore, once the project site owner constructs the development, the project site owner will use good faith efforts to conduct ongoing business with and provide preference to economically competitive and qualified Providence businesses.

(6) In the event that there shall be a failure to comply with this Section 21-266 (a), the department of planning and development shall have standing to seek enforcement of this provision of the ordinance in the Rhode Island Superior Court. The department shall also have the ability to impose a fine of \$500.00 per day for each day of non-compliance with this section.

- (b) Permanent Employment. In conjunction with its efforts pursuant to this section and its ongoing efforts to provide equal employment opportunity without regard to race, color, religion, natural origin, sex, age or handicap, the project site owner shall liaise with the city and with the director of First Source to assist in the recruitment of qualified minority, women, and handicap applicants as well as those on the First Source List for all of its employment positions.
- (c) Reporting. The project site owner, the director of planning and development, the director of First Source, and the a representative of the third party entity monitoring apprenticeship requirements shall annually report to the city council on progress in complying with the provisions of this ordinance, including but not limited to, Section 21-266.

Sec. 21-267. Revocation.

The city council shall terminate an exemption granted hereunder prior to the expiration thereof in the event of fraud or misrepresentation by an applicant regarding any statements or representations contained in the application.

Sec. 21-268.

The project site owner and the city agree that the project site owner retains the right to appeal the valuation or calculation of the taxes assessed from time to time.

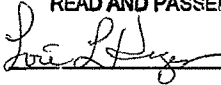
Section 21-269. Severability.

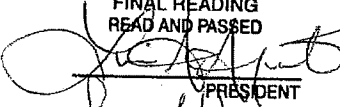

If any one section of this ordinance is found to be unenforceable, then the other provisions herein shall continue to have the same force and effect as if the unenforceable provision were not passed as part of this ordinance.

Section 21-270. Applicable Law.

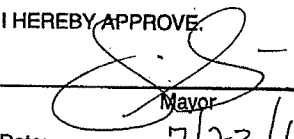
This agreement shall be construed under the laws of the State of Rhode Island.

SECTION 2. This Ordinance shall become effective immediately upon passage.

IN CITY COUNCIL
JUL 16 2015
FIRST READING
READ AND PASSED
 CLERK

IN CITY
COUNCIL
JUL 22 2015
FINAL READING
READ AND PASSED
 PRESIDENT
 CLERK

I HEREBY APPROVE.


Mayor
Date: 7/23/15

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Royal Oaks Realty, LLC

39 & 45 PIKE STREET

PLAT 18, LOTS 354 & 19

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TAX STABILIZATION AGREEMENT

This agreement ("Agreement") is made by and between the City of Providence, a Rhode Island municipal corporation ("City") and Royal Oaks Realty, LLC ("Royal Oaks") (collectively, "the parties").

WITNESSETH:

WHEREAS, Royal Oaks is the owner of certain real property located in the City of Providence at 39 & 45 Pike Street, also known as Assessor's Plat 18 Lots 354 & 19; and

WHEREAS, Royal Oaks has proposed and promised to construct new building structures and/or improvements on its property and return the property to productive commercial use in accordance with the construction plans already submitted to the City by Royal Oaks; and

WHEREAS, Under article 13, section 5 of the Rhode Island Constitution, the General Assembly retains exclusive power over matters relating to municipal taxation. Notwithstanding, and pursuant to Rhode Island General Laws § 44-3-9, the General Assembly has authorized the City of Providence, acting through its City Council and subject to certain enumerated conditions, to exempt or determine a stabilized amount of taxes to be paid on account of real and personal property for a period not to exceed twenty (20) years; and

WHEREAS, pursuant to Ordinance 2015-28, No. 400, the granting of the tax stabilization will inure to the benefit of the City of Providence and its residents by reason of:

- (A) The willingness of Royal Oaks to construct a new seven (7) story building, consisting of approximately 11,000 square feet of mixed use space including at least 47 residential apartment units, along with retail, office space and common areas; thereby improving the physical plant of the City which will result in a long-term economic benefit to the City and State; and
- (B) The willingness of Royal Oaks to expend \$11,975,000.00 in order to carry out the construction at 39 & 45 Pike Street to increase the pace of economic development within the City and State, and thereby increase the City's tax base.

NOW THEREFORE, in consideration of the mutual agreements and promises set forth in this document and other good and lawful consideration, of which the parties acknowledge receipt, the parties agree as follows:

SECTION 1. DEFINITIONS.

"Property" shall mean that certain real property together with any and all buildings, structures, and/or improvements now or in the future located in the City of Providence at 39 & 45 Pike Street also known as Assessor's Plat 18 Lots 354 & 19.

“Property Owner” shall mean Royal Oaks, or any entity with legal or equitable right and/or interest in and/or to the Property, including any and all successors and assigns.

SECTION 2. TAX STABILIZATION.

Section 2.1. Grant. The City, in accordance with R.I.G.L. § 44-3-9 and the City of Providence Code of Ordinances, does hereby grant a tax stabilization in favor of the Property Owner with respect to the Property.

Section 2.2. Term. The tax stabilization term shall be the period commencing on December 31, 2016 and terminating on December 31, 2029. (Tax Years 2017- 2030).

Section 2.3. Plan. During the tax stabilization term as defined in Section 2.2 above, the City has determined the stabilized amount of taxes to be paid by the Property Owner with respect to the Property, notwithstanding the valuation of the Property or the then-current rate of tax as follows: For tax years 2017, 2018, 2019, and 2020 the Property Owner shall make a tax payment equal to the taxes due and owing for an assessment value of \$918,800.00 multiplied by a tax rate of \$36.75 per \$1,000.00 in assessment value (hereinafter the “Base Assessment”). For each tax year thereafter, the Property Owner will pay the Base Assessment plus a percentage of the taxes due and owing on difference in assessment value between \$918,800.00 and the then-current assessed value of the property multiplied by the then-current tax rate. See “Tax Stabilization Plan” attached hereto and incorporated herein as Exhibit A.

Section 2.4. Payment Deadlines. During the tax stabilization term as defined in Section 2.2 above and in accordance with the tax stabilization plan outlined in Section 2.3 above, stabilized tax payments shall be made in either a lump sum during the first quarter of the applicable tax year or in equal quarterly installments at the discretion of the Property Owner. If the Property Owner elects to make quarterly installments, each quarterly installment shall be due on the same date that quarterly taxes are due for all other taxpayers in the City of Providence.

Section 2.5. Obligation of Property Owner to Make Payment. During the tax stabilization term as defined in Section 2.2 above and in accordance with the tax stabilization plan outlined in Section 2.3 above, stabilized tax payments shall be an obligation of the Property Owner.

Section 2.6. Non-Receipt of Stabilized Tax Bill. Failure by the City to send or failure by the Property Owner to receive a stabilized tax bill does not excuse the nonpayment of the stabilized tax nor affect its validity or any action or proceeding for the collection of the tax in accordance with this Agreement or otherwise.

Section 2.7. Recording of Agreement, Running with Land. Upon the execution of this Agreement, the Property Owner shall cause this Agreement to be recorded at its expense in the City’s official public land evidence records. This recording shall be construed to provide a complete additional alternative method under contract law for the securitization

of payments due and owing under this Agreement and shall be regarded as supplemental and in addition to the powers conferred by other state and local laws.

SECTION 3. PERFORMANCE OBLIGATIONS.

Section 3.1. Commencement of Performance.

Rehabilitation and/or construction shall commence within twelve (12) months of the effective date of this Agreement.

Section 3.2. Permits and Certificates of Occupancy.

Property Owner shall obtain all permits and certificates of occupancy as required by state and local law in connection with any and all intended construction or rehabilitation at the Property.

SECTION 4. TRANSFER OF THE PROPERTY.

Section 4.1. Transfer Generally. Stabilized tax payments shall be an obligation of the Property Owner during the tax stabilization term as defined in Section 2.2 above and in accordance with the tax stabilization plan outlined in Section 2.3 above, without regard to any transfer of the Property. Additionally, in accordance with Section 2.7, the burdens and benefits of this Agreement will run with the land, and as for payment of taxes shall run in favor of the City regardless of any transfer of ownership. The Property Owner further agrees to provide prior written notice to the City before any transfer of the Property so that the City may make a determination, in its sole discretion, as to whether or not stabilization under this Agreement will continue.

Section 4.2. Transfer to Tax Exempt Entities. In the event that the Property Owner transfers the Property to a tax-exempt entity, this Agreement shall be void ab initio and any entity holding an equitable or legal interest in the Property on or after the Effective Date of this Agreement shall be jointly and severally liable for the full taxes due and owing from the Effective Date of this Agreement and forward.

Section 4.3. Post-Expiration Transfers. In the event that any Property Owner transfers the Property to a tax-exempt entity within five years from the end of the tax stabilization term, as defined in Section 2.2 above, any and all Property Owners will pay the following: five percent (5%) of the sale price in said transfer if sold to a tax-exempt entity in the first year following the end of the Term; four percent (4%) of the sale price in said transfer if sold to a tax-exempt entity in the second year following the end of the Term; three percent (3%) of the sale price in said transfer if sold to a tax-exempt entity in the third year following the end of the Term; two percent (2%) of the sale price in said transfer if sold to a tax-exempt entity in the fourth year following the end of the Term; and one percent (1%) of the sale price in said transfer if sold to a tax-exempt entity in the fifth year following the end of the Term.

SECTION 5. FURTHER ASSURANCES.

Section 5.1. MBE/WBE. The Property Owner shall make a good faith effort to award to Minority Business Enterprises ("MBE") as defined in R.I.G.L. Sections 31-14.1 et seq. ("MBE Act") no less than 10% of the dollar value of the construction costs for the rehabilitation of the Property. The Property Owner shall make a good faith effort to award to Women Business Enterprises ("WBE") no less than 10% of the dollar value of the construction costs for the Property (as determined in accordance with Section 21-52 of the City of Providence Code of Ordinances). The Property Owner will request the City MBE/WBE office and its Supplier Diversity Director to establish a list of qualified MBE/WBE companies in order to satisfy its MBE/WBE construction goals. In this manner, the City will assist the Property Owner in meeting said goals. The process of participating with the MBE/WBE office and its Supplier Diversity Director shall begin upon the effective date of this Agreement in order to develop a designated MBE/WBE subcontractor list which will encourage MBE/WBE participation and joint ventures with other members with the construction industry.

Section 5.2. Apprenticeship. The Property Owner shall ensure that at least fifty percent (50%) of the hours worked on the Property shall be performed by trade construction subcontractors who have or are affiliated with an apprenticeship program as defined in 29 C.F.R. § 29 et seq.

The Property Owner shall make a requirement in the contracts between its Construction Manager and General Contractor and their subcontractors who have apprenticeship programs as defined in 29 C.F.R. § 29 that not less than ten percent (10%) of the total hours worked by the subcontractors' employees on the Property are completed by apprentices registered in the aforementioned apprenticeship programs.

The Property Owner shall as part of its contracts between its Construction Manager and General Contractor and their subcontractors require that the subcontractors submit to the Department of Planning and Development quarterly verification reports to ensure compliance with this section.

The Property Owner, its Construction Manager or General Contractor or other authorized person/entity may petition the Department of Planning and Development to adjust the apprenticeship work hour requirements to a lower percentage upon a showing that:

- a. compliance is not feasible because a trade or field does not have an apprenticeship program or cannot produce members from its program capable of performing the scope of work within the contract; or
- b. compliance is not feasible because it would involve a risk or danger to human health and safety or the public at large; or
- c. compliance is not feasible because it would create a significant economic hardship; or
- d. compliance is not feasible for any other reason which is justifiable and demonstrates good cause.

Section 5.3. Internal Revenue Service reporting. Except as provided under R.I.G.L. § 28-

42-8, any person performing services at the Property shall annually receive either a W-2 statement or an IRS Form 1099.

Section 5.4. First Source. Pursuant to the City of Providence First Source Ordinance, the Property Owner shall enter into a First Source Agreement covering the hiring of employees necessary to complete the proposed work and throughout the term of this Agreement. The Property Owner shall work in conjunction with the Director of First Source Providence to develop the First Source Agreement.

Section 5.5. "Buy Providence" Initiative. The Property Owner will use good faith efforts to ensure that construction materials for the Property are purchased from economically competitive and qualified vendors located in the City of Providence. In furtherance of this effort, the Property Owner will work with the City to develop a list of Providence vendors and subcontractors in order to create a preferred vendor list of qualified and economically competitive vendors for the construction on the Property. Furthermore, once the Property Owner constructs the development, the Property Owner will use good faith efforts to conduct ongoing business with and provide preference to economically competitive and qualified Providence businesses. In order to further that effort, the Property Owner will hold seminars upon ratification of this Agreement, with the Providence MBE/WBE office, the Supplier Diversity Director, the Director of First Source Providence and the Providence Chamber of Commerce to inform the local economy of the Property Owner's development plans in order to maximize the opportunities for Providence businesses to work with the Property Owner in providing on-going services, equipment and materials.

SECTION 6. DEFAULT.

The following events shall constitute an event of default hereunder:

- (A) Failure of the Property Owner to pay any amount due under or with respect to the tax stabilization in accordance with Section 2 above; or
- (B) Failure of the Property Owner to record this Agreement as required by and in accordance with Section 2 above; or
- (C) Failure of the Property Owner to meet any of the performance milestones set forth in Section 3 above; or
- (D) Failure of the Property Owner to annually report as required by Section 9 below; or
- (E) Failure of the Property Owner to notify the City in writing prior to the transfer of the Property; or
- (F) Transfer of the Property by the Property Owner outside of the terms of this Agreement; or
- (G) Failure of the Property Owner to comply with Section 5 above; or
- (H) Failure of the Property Owner to comply with any other obligation or promise contained within any section or subsection of this Agreement; or
- (I) Failure of the Property Owner to comply with all state and local law regarding building and property maintenance codes, zoning ordinances, and building and/or trade permits; or

- (J) Failure of the Property Owner to remain current on any and all other financial obligations to the City of Providence.

SECTION 7. NOTICE AND CURE.

Section 7.1. Notice and Cure Period. The City shall provide written notice to the Property Owner before exercising any of its rights and remedies under Section 8 below. The Property Owner shall have thirty (30) days to cure any alleged default under this Agreement, provided, however, that if the curing of such default cannot be accomplished with due diligence within thirty (30) days, then the Property Owner shall request an additional reasonable period of time from the City to cure such default as may be necessary provided that the Property Owner shall have commenced to cure such default within said period, such cure shall have been diligently pursued by the Project Owner and the City does not reasonably deem the taxes jeopardized by such further delay, all as determined by the City in its sole discretion.

Section 7.2. Agreed Upon Address for Purposes of Written Notice. All notices, requests, consents, approvals, and any other communication which may be or are required to be served or given (including changes of address for purposes of notice) shall be in writing and shall be sent registered or certified mail and addressed to the following parties set forth below:

If to: City of Providence
 Office of the City Clerk
 25 Dorrance St.
 Providence, RI 02903
 *Accompanied by 9 copies

If to: Royal Oaks Realty, LLC
 10 Greene Street
 Providence, RI 02903

SECTION 8. RIGHTS AND REMEDIES.

Section 8.1. Retroactive Revocation of Tax Stabilization. In the event of a default under this Agreement which remains uncured after the notice and cure period set forth in Section 7 above, the Property Owner shall pay to the City an amount equal to the difference between the stabilized tax payments made under this Agreement and the amount of Property taxes that would have been assessed and paid during the tax stabilization term as defined in Section 2.2 above, but for this Agreement. The entire retroactive tax obligation will become due and owing on the same date that the next quarterly taxes are due for all other taxpayers in the City.

Section 8.2. Collection of Taxes. At any time during the tax stabilization term as defined in Section 2.2 of this Agreement, the City of Providence may pursue any and all rights and remedies arising under any state or local law, including but not limited to Chapters 7-

9 of Title 44, and/or arising under this Agreement to collect stabilized taxes due and owing in accordance with the tax stabilization plan outlined in Section 2.3 above and/or to collect retroactive taxes pursuant to Section 8.1 above.

Section 8.3. City's Lien Remedies and Rights. Nothing herein contained shall restrict or limit the City's rights and/or remedies with respect to its first priority lien for taxes as provided under Title 44 of the Rhode Island General Laws. Rather, this Agreement shall be construed to provide a complete additional alternative method under contract law for the collection of taxes, and shall be regarded as supplemental and in addition to the powers conferred by other state and local laws.

Section 8.4. Property Owner's Rights. During the tax stabilization term as defined in Section 2.2, the Property Owner agrees to waive and forever forgo any and all of its rights and privileges under Title 44 of the Rhode Island General Laws, as they pertain to the Tax Payments due and owing pursuant to this Agreement. Nothing herein shall be construed to limit the right of the Property Owner to pursue its rights and remedies under the terms of this Agreement.

Section 8.5. Waiver. Failure or delay on the part of the City to exercise any rights or remedies, powers or privileges at any time under this Agreement or under any state or local law shall not constitute a waiver thereof, nor shall a single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, remedy, power of privilege thereunder.

SECTION 9. MISCELLANEOUS TERMS.

Section 9.1. Annual Progress Report. The Property Owner shall provide annual reports to the City on its progress in complying with the provisions of this Agreement. Specifically, its report shall include a performance report on rehabilitation and/or improvements with evidence of final construction costs, status of stabilized tax payments, evidence of employment compliance pursuant to Section 5 above, and overall financial well-being. Upon receipt and review, the City may require and request additional information.

Section 9.2. Monitoring Fee. The Property Owner shall remit a monitoring/compliance fee to the City in the amount of 0.01 percent of the cost of the project annually for the term of this Agreement.

Section 9.3. Severability. The sections of this Agreement are severable, and if any of its sections or subsections shall be held unenforceable by any court of competent jurisdiction, the decision of the court shall not affect or impair any of the remaining sections or subsections.

Section 9.4. Applicable Law. This Agreement shall be construed under the laws of the State of Rhode Island, the City of Providence Home Rule Charter, and the City of Providence Code of Ordinances, as amended.

Section 9.5. Modifications Amendments and/or Extensions. This Agreement shall not be modified, amended, extended or altered in any way by oral representations made before or after the execution of this Agreement. Any and all modifications, amendments, extensions or alterations must be in writing duly executed by all parties.

Section 9.6. Entire Agreement. This Agreement and all attachments, addenda, and/or exhibits attached hereto shall represent the entire agreement between City and the Property Owner and may not be amended or modified except as expressed in this document.

Section 9.7. Effective Date. This Agreement shall take effect upon execution by all parties.

IN WITNESS WHEREOF, Royal Oaks and the City have executed this Agreement.

ROYAL OAKS REALTY, LLC	CITY OF PROVIDENCE
By: <u>Richard Baccari II</u> Manager By: <u>Royal Oaks Realty LLC</u> By: <u>Richard Baccari II</u> Authorized Signature Print Name: <u>Richard Baccari II</u>	By: <u>[Signature]</u> Authorized Signature Print Name: <u>Jorge O. Elorza</u>
Title: <u>Manager</u>	Title: <u>Mayor of Providence</u>
Address: <u>Royal Oaks Realty, LLC</u> <u>10 Greene Street</u> <u>Providence, RI 02903</u>	Address: <u>City Hall</u> <u>25 Dorrance Street</u> <u>Providence, RI 02903</u>
Date: <u>4/28/16</u>	Date: _____
	Approved as to form and correctness: <u>[Signature]</u> Jeffrey Dana, City Solicitor

EXHIBIT A			
TAX STABILIZATION PLAN			
TAX YEAR	BASE ASSESSMENT TAX	PERCENTAGE OF FULL ASSESSMENT INCREASES	TAX PAYMENT UNDER STABILIZATION AGREEMENT
2017	\$33,766	\$0.00	\$33,766
2018	\$33,766	\$0.00	\$33,766
2019	\$33,766	\$0.00	\$33,766
2020	\$33,766	\$0.00	\$33,766
2021	\$33,766	5% of (2021 Assessment Value-\$918,800) * 2021 Commercial Tax Rate	\$33,766.00 plus 5% of (2021 Assessment Value-\$918,800) * 2021 Commercial Tax Rate
2022	\$33,766	10% of (2022 Assessment Value-\$918,800) * 2022 Commercial Tax Rate	\$33,766.00 plus 10% of (2022 Assessment Value-\$918,800) * 2022 Commercial Tax Rate
2023	\$33,766	20% of (2023 Assessment Value-\$918,800) * 2023 Commercial Tax Rate	\$33,766.00 plus 20% of (2023 Assessment Value-\$918,800) * 2023 Commercial Tax Rate
2024	\$33,766	30% of (2024 Assessment Value-\$918,800) * 2024 Commercial Tax Rate	\$33,766.00 plus 30% of (2024 Assessment Value-\$918,800) * 2024 Commercial Tax Rate
2025	\$33,766	40% of (2025 Assessment Value-\$918,800) * 2025 Commercial Tax Rate	\$33,766.00 plus 40% of (2025 Assessment Value-\$918,800) * 2025 Commercial Tax Rate
2026	\$33,766	50% of (2026 Assessment Value-\$918,800) * 2026 Commercial Tax Rate	\$33,766.00 plus 50% of (2026 Assessment Value-\$918,800) * 2026 Commercial Tax Rate
2027	\$33,766	60% of (2027 Assessment Value-\$918,800) * 2027 Commercial Tax Rate	\$33,766.00 plus 60% of (2027 Assessment Value-\$918,800) * 2027 Commercial Tax Rate
2028	\$33,766	70% of (2028 Assessment Value-\$918,800) * 2028 Commercial Tax Rate	\$33,766.00 plus 70% of (2028 Assessment Value-\$918,800) * 2028 Commercial Tax Rate
2029	\$33,766	80% of (2029 Assessment Value-\$918,800) * 2029 Commercial Tax Rate	\$33,766.00 plus 80% of (2029 Assessment Value-\$918,800) * 2029 Commercial Tax Rate
2030	\$33,766	90% of (2030 Assessment Value-\$918,800) * 2030 Commercial Tax Rate	\$33,766.00 plus 90% of (2030 Assessment Value-\$918,800) * 2030 Commercial Tax Rate
2031			
FULL TAXATION RESUMES			
* All Years refer to Tax Years.			

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262, LLC

80 SMITH STREET

PLAT 4, LOT 262

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TAX STABILIZATION AGREEMENT

This TAX STABILIZATION AGREEMENT ("Agreement") is made by and between the CITY OF PROVIDENCE, a Rhode Island municipal corporation (hereinafter "City") and 262 LLC, a Rhode Island limited liability company ("262 LLC" together with the City, collectively, the "parties").

WITNESSETH:

WHEREAS, 262 LLC is the Property Owner (as defined below) of certain real property located in the City of Providence at 80 Smith Street also known as Assessor's Plat 4 Lot 262; and

WHEREAS, 262 LLC has submitted an application for tax exemption and/or stabilization pursuant to state and local law, as set forth in Exhibit A attached hereto and incorporated fully herein by reference; and

WHEREAS, 262 LLC has proposed and promised to construct a new approximately 169 unit Class A residential rental development including four stories of residential above two levels of parking, residential, and amenity space with approximately 170 structured parking spaces in accordance with the construction plans previously submitted to the City by 262 LLC, (the "Project"); and

WHEREAS, under article 13, section 5 of the Rhode Island Constitution, the General Assembly retains exclusive power over matters relating to municipal taxation. Notwithstanding, and pursuant to § 44-3-9 of the Rhode Island General Laws, the General Assembly authorizes, subject to certain enumerated conditions, the City of Providence by and through its City Council, for a period not to exceed twenty (20) years, to exempt or determine a stabilized amount of taxes to be paid on account of real and personal property. Pursuant to §44-3-9, City Council enacted City of Providence Code of Ordinances §21-260 et seq.; and

WHEREAS, the granting of the tax stabilization will inure to the benefit of the City of Providence and its residents by reason of the willingness of 262 LLC to construct new buildings and facilities, resulting in an increase in residential housing and thereby increase the tax base in the city;

WHEREAS, the Project shall be located on undeveloped land within the Capital Center Special Development District, as defined in Chapter 2, Article XXIII, Sec. 2-362 of the Code of Ordinances of the City of Providence; and

WHEREAS, the Project shall include new construction (excluding land acquisition costs) with a construction valuation of at least \$10,000,000.

NOW THEREFORE, in consideration of the mutual agreements and promises set forth herein and other good and lawful consideration the receipt of which is hereby acknowledged, the parties agree as follows:

SECTION 1. DEFINITIONS.

“Property” shall mean that certain real property together with any and all buildings, structures, and/or improvements now or in the future located in the City of Providence at 80 Smith Street also known as Assessor’s Plat 4 Lot 262.

“Property Owner” shall mean 262 LLC as the holder of the leasehold interest in and to the Property, and/or any entity with legal or equitable right and/or interest (including fee simple or a leasehold interest) in and/or to the Property, including any and all successors and assigns.

SECTION 2. TAX STABILIZATION.

Section 2.1. Grant. The City of Providence, in accordance with Rhode Island General Laws § 44-3-9 and the City of Providence Code of Ordinances § 21-260 et seq, does hereby grant a fifteen (15) year tax stabilization in favor of the Property Owner with respect to the Property.

Section 2.2. Term. The tax stabilization term shall be the period commencing on December 31, 2015 and terminating on December 31, 2029. (Tax Years 2016- 2030).

Section 2.3. Plan. During the tax stabilization term as defined in Section 2.2 above, The City of Providence has determined the stabilized amount of taxes to be paid by the Property Owner with respect to the Property, notwithstanding the valuation of the Property or the rate of tax as follows: For tax year 2016 through and including tax year 2019 the Property Owner shall make a tax payment in the amount of One hundred fifteen thousand and five hundred and fifty-eight and 00/100 Dollars (\$115,558.00) per year. This figure represents a fixed land tax based on a fixed land assessment of \$3,144,441 and a fixed tax rate of \$36.75 per \$1,000.00 of assessed value. For each tax year thereafter, being tax years 2020 through and including 2030, the Property Owner shall make a tax payment in the amount of \$115,558.00 per year + a progressive % per year (as more particularly set forth in Exhibit B attached hereto) of the taxes which would be owed on the buildings, structures, and/or improvements notwithstanding this Agreement. For purposes of this Agreement, the buildings, structures, and/or improvements shall be valued by taking the then current assessed value as determined by the Providence Tax Assessor as it relates to the buildings, structures, and/or improvements and multiplying it by the then current year tax rate.

Section 2.4. Payment Deadlines. During the tax stabilization term as defined in Section 2.2 above and in accordance with the tax stabilization plan outlined in Section 2.3 above, stabilized tax payments shall be made in either

a lump sum during the first quarter of the applicable tax year or in equal quarterly installments at the discretion of the Property Owner. If the Property Owner elects to make quarterly installments, each quarterly installment shall be due on the same date that quarterly taxes are due for all other taxpayers in the City of Providence.

Section 2.5. Obligation of Property Owner to Make Payment. During the tax stabilization term as defined in Section 2.2 above and in accordance with the tax stabilization plan outlined in Section 2.3 above, stabilized tax payments shall be an obligation of the Property Owner.

Section 2.6. Non-Receipt of Stabilized Tax Bill. Failure by the City of Providence to send or failure by the Property Owner to receive a stabilized tax bill does not excuse the nonpayment of the stabilized tax or affect its validity or any action or proceeding for the collection of the tax in accordance with this Agreement or otherwise.

Section 2.7. Recording; Lien to Run with Land. Upon the execution of this Agreement, the Property Owner hereby acknowledges and confirms the lien on the Property that runs with the land pursuant to Rhode Island General Laws §44-9-1 and such other applicable statutes and ordinances. Additionally, the Property Owner shall cause this Agreement to be recorded at its expense in the official public land evidence records of the City of Providence simultaneous with its execution. This Agreement shall be construed to provide a complete additional alternative method under contract law for the collections of payments due and owing under this Agreement and shall be in addition to the powers conferred by other applicable state and local laws.

SECTION 3. PERFORMANCE OBLIGATIONS.

Section 3.1. Commencement of Performance. Construction shall commence within twelve (12) months and shall be complete within three (3) years of the Effective Date. The Property Owner may, twelve (12) months prior to expiration of the three (3) year deadline for completion of construction, submit a request to the City council for approval of an extension to such deadline, which approval shall not be unreasonably withheld.

Section 3.2. Permits. The Property Owner shall obtain all lawful permits required with regard to the Project.

SECTION 4. TRANSFER OF THE PROPERTY.

Stabilized tax payments shall be an obligation of the Property Owner during the tax stabilization term as defined in Section 2.2 above and in accordance with the tax stabilization plan outlined in Section 2.3 above unless or until the Property is transferred to a subsequent owner ("Subsequent Owner") and upon such transfer the obligations pursuant to this Agreement shall be that of the Subsequent Owner. Additionally, in accordance with Section 2.7 a lien for taxes will run with the land in favor of the City of Providence regardless of any transfer of ownership. The Property Owner agrees to provide written notice to the City of Providence prior to any transfer of the Property. Moreover, the Property Owner agrees not to transfer the Property to a tax exempt entity for a term no less than that which the Providence City Council is authorized to stabilize taxes.

Notwithstanding the foregoing, other than a Permitted Transfer (defined below), which shall not require the consent of the City, during the Construction Period (defined below), the Property Owner shall be required to obtain the prior written consent of the City (which shall not be unreasonably withheld or conditioned) should the Property Owner desire to transfer the Property to a Subsequent Owner and such Subsequent Owner will not be developing the Property in a manner that is reasonably similar to the Project. For purposes of this Agreement the term (i) "Construction Period" shall mean the period of time from the Effective Date until the Property Owner has obtained a certificate of occupancy from the City for the Project; and (ii) "Permitted Transfer" shall mean a transfer by the Property Owner to an entity which is controlling, controlled by or has common ownership with (directly or indirectly) the Property Owner.

SECTION 5. FURTHER ASSURANCES.

Section 5.1. MBE/WBE. The Property Owner shall make a good faith effort to award to Minority Business Enterprises as defined in Rhode Island General Laws, Section 31- 14.1 ("MBE Act") no less than 10% of the dollar value of the construction costs for the Project (as determined in accordance with the rules and regulations promulgated pursuant to MBE Act). The Property Owner shall make a good faith effort to award to Women Business Enterprises (WBE's) no less than 10% of the dollar value of the construction costs for the Project (as determined in accordance with Section 21-52 of the Code of Ordinances of the City of Providence). The Property Owner will request the City's MBE/WBE office to establish a list of qualified MBE/WBE companies in order to satisfy its MBE/WBE construction goals. In this manner, the City will assist the Property Owner in meeting said goals. The process of participating with the MBE/WBE office shall begin upon the Effective Date in order to develop a designated MBE/WBE subcontractor list which will encourage MBE/WBE participation and joint ventures with other members with the construction industry.

Section 5.2. Apprenticeship. The Property Owner shall ensure that one hundred percent (100%) of the hours worked on the Project shall be performed by trade construction subcontractors who have or are affiliated with an apprenticeship program as defined in 29 C.F.R. § 29 et seq. Up to twenty percent (20%) of the hourly requirement may be waived if replaced with hours worked by qualified MBE/WBE companies registered in the State of Rhode Island. Certification of this waiver shall be reviewed and signed by the designated MBE/WBE coordinator within the department of purchasing.

The Property Owner shall make a requirement in the contracts between its Construction Manager and General Contractor and their subcontractors who have apprenticeship programs as defined in 29 C.F.R. § 29 that not less than ten percent (10%) of the total hours worked by the subcontractors' employees on the Project are completed by apprentices registered in the aforementioned apprenticeship programs.

The Property Owner shall as part of its contracts between its Construction Manager and General Contractor and their subcontractors require that the subcontractors submit to the Department of Planning and Development quarterly verification reports to ensure compliance with this section.

The Property Owner, its Construction Manager or General Contractor or other authorized person/entity may petition the City of Providence Department of Planning and Development to adjust the apprenticeship work hour requirements to a lower percentage upon a showing that:

- a. compliance is not feasible because a trade or field does not have an apprenticeship program or cannot produce members from its program capable of performing the scope of work within the contract; or
- b. compliance is not feasible because it would involve a risk or danger to human health and safety or the public at large; or
- c. compliance is not feasible because it would create a significant economic hardship; or
- d. compliance is not feasible for any other reason which is justifiable and demonstrates good cause.

Section 5.3. Internal Revenue Service reporting. Except as provided under Rhode Island General Laws § 28-42-8, any person performing services at the Project shall annually receive either a W-2 statement or an IRS Form 1099.

Section 5.4. First Source. Pursuant to chapter 21-93 of the Code of

Ordinances of the City, the Property Owner shall enter into a First Source Agreement covering the hiring of employees necessary to complete the proposed work and throughout the term of this Agreement. The Property Owner shall work in conjunction with the Director of First Source Providence to develop the First Source Agreement. The Property Owner shall also make a good faith effort to employ Rhode Island and Providence residents for any and all positions not included in its First Source obligations, as well as ensure that any general contractor/construction manager and all subcontractors utilized also make good faith efforts to employ Rhode Island and Providence residents for any and all positions not included in their First Source obligations.

Section 5.5. "Buy Providence" Initiative. The Property Owner will use good faith efforts to ensure that construction materials for the Project are purchased from economically competitive and qualified vendors located in the City of Providence. In furtherance of this effort, the Property Owner will work with the City to develop a list of Providence vendors and subcontractors in order to create a preferred vendor list of qualified and economically competitive vendors for the construction of the Project. Furthermore, once the Property Owner constructs the development, the Property Owner will use good faith efforts to conduct ongoing business with and provide preference to economically competitive and qualified Providence businesses.

Section 5.6. "Permanent Employment." In conjunction with its efforts pursuant to this section and its ongoing efforts to provide equal employment opportunity without regard to race, color, religion, national origin, sex, age or handicap, the Property Owner shall liaise with the City and the Director of First Source Providence to assist in the recruitment of qualified minority, women, and handicap applicants as well as those on the First Source List for all of its employment positions.

SECTION 6. DEFAULT.

The following events shall constitute an event of default hereunder:

- (A) Failure of the Property Owner to pay any amount due under or with respect to the tax stabilization in accordance with Section 2 above; or
- (B) Failure of the Property Owner to record this Agreement or the Providence City Council's resolution ratifying this Agreement as required by and in accordance with Section 2 above; or
- (C) Failure of the Property Owner to meet any of the performance milestones set forth in Section 3 above; or
- (D) Failure of the Property Owner to annually report as required by Section 9 below; or
- (E) Failure of the Property Owner to notify the City of Providence prior to Property Transfer; or

- (F) Transfer of the Property from the Property Owner to a tax exempt entity;
or
- (G) Failure of the Property Owner to comply with Section 5 above; or
- (H) Failure of the Property Owner to comply with any other obligation or promise contained within any section or subsection of this Agreement; or
- (I) Failure of the Property Owner to comply with all state and local law regarding building and property maintenance codes, zoning ordinances, and building and trade permits; or
- (J) Failure of the Property Owner to remain current on any and all other financial obligations to the City of Providence.

SECTION 7. NOTICE AND CURE.

Section 7.1. Notice and Cure Period. The City of Providence shall provide written notice to the Property Owner before exercising any of its rights and remedies under Section 8 below. The Property Owner shall have thirty (30) days from the date that written notice is provided to cure any alleged default under this Agreement, provided, however, that if the curing of such default cannot be accomplished with due diligence within said period of thirty (30) days then the Property Owner shall request an additional reasonable period of time from the City of Providence to cure such default as may be necessary provided that the Property Owner shall have commenced to cure such default within said period, such cure shall have been diligently pursued by the Property Owner and the City of Providence does not reasonably deem the taxes jeopardized by such further delay, all as determined by the City of Providence in its reasonable discretion.

Section 7.2. Agreed Upon Address for Purposes of Written Notice. All notices, requests, consents, approvals, and any other communication which may or are required to be served or given (including changes of address for purposes of notice) shall be in writing and shall be sent registered or certified mail and addressed to the following parties set forth below:

Original to:

City of Providence
Office of the City Clerk
25 Dorrance St.
Providence, RI 02903

*Accompanied by 9 copies thereof

Original to:

262 LLC
c/o Robert Drew
45 Haverhill Street
Andover, MA 01810

Joshua Celeste, Esq.
Duffy & Sweeney, LTD
1800 Financial Plaza
Providence RI 02903

SECTION 8. RIGHTS AND REMEDIES.

Section 8.1. Retroactive Tax Obligation Upon Default. In the event of default under this Agreement which remains uncured after the notice and cure period set forth in Section 7 above, the Property Owner shall pay to the City of Providence an amount equal to the difference between the stabilized tax payments made under this Agreement and the amount of Property taxes that would have been assessed and paid during the tax stabilization term as defined in Section 2.2 above, but for this Agreement through the date of such default. The entire retroactive tax obligation will become due and owing on the same date that the next quarterly taxes are due for all other taxpayers in the City of Providence.

Section 8.2. Collection of Taxes. At any time during the tax stabilization term as defined in Section 2.2 of this Agreement the City of Providence may pursue any and all rights and remedies arising under any state or local law, including but not limited to Chapters 7-9 of Title 44, and/or arising under this Agreement to collect stabilized taxes due and owing in accordance with the tax stabilization plan outlined in Section 2.3 above and/or to collect retroactive taxes pursuant to Section 8.1 above.

Section 8.3. City's Lien Remedies and Rights. Nothing herein contained shall restrict or limit the City's rights and/or remedies with respect to its lien for taxes as provided under Title 44 of the Rhode Island General Laws.

Section 8.4. Property Owner's Rights. During the tax stabilization term as defined in Section 2.2 the Property Owner agrees to waive and forever forgo any and all of its rights and privileges with respect to a tax abatement or reduction under Title 44 of the Rhode Island General Laws. Nothing herein shall be construed to limit the right of the Property Owner to pursue its rights and remedies under the terms of this Agreement.

Section 8.5. Waiver. Failure or delay on the part of the City of Providence to exercise any rights or remedies, power or privilege at any time under this Agreement or under any state or local law shall not constitute a waiver thereof, nor shall a single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege thereunder.

SECTION 9. MISCELLANEOUS TERMS.

Section 9.1. Annual Progress Report. Prior to the end of each calendar year during the tax stabilization term, the Property Owner shall provide annual reports to the City of Providence on its progress in complying with the provisions of this Agreement. Specifically, said report shall include a performance report on improvements with evidence of final construction costs, status of stabilized tax payments, evidence of employment compliance pursuant to Section 5 above, and overall financial well-being. Upon receipt and review, the City of Providence may require and request additional information.

Section 9.2. The Property Owner shall remit a monitoring/compliance fee to the City in the amount of 0.01 percent of the cost of the project annually for the term of this Agreement. By way of example, if the project cost was \$10,000,000.00, the annual monitoring/compliance fee would be \$1,000.00.

Section 9.3. Severability. The sections of this Agreement are severable, and if any of its sections or subsections shall be held unenforceable by any court of competent jurisdiction, the decision of the court shall not affect or impair any of the remaining sections or subsections.

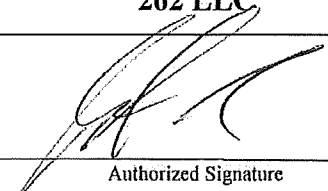
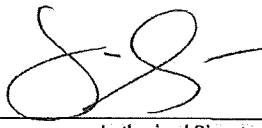
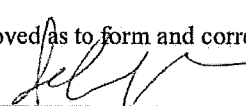
Section 9.4. Applicable Law. This Agreement shall be construed under the laws of the State of Rhode Island, the City of Providence Home Rule Charter, and the City of Providence Code of Ordinances, as amended.

Section 9.5. Modifications Amendments and/or Extensions. This Agreement shall not be modified, amended, extended or altered in any way by oral representations made before or after the execution of this Agreement. Any and all modifications, amendments, extensions or alterations must be in writing duly executed by all parties.

Section 9.6. Entire Agreement. This Agreement and all attachments, addendums, and/or exhibits attached hereto shall represent the entire agreement between City and the Property Owner and may not be amended or modified except as expressed in this document.

Section 9.7. Effective Date. This Agreement shall take effect upon execution by all parties. This Agreement is contingent upon the Project receiving the necessary approvals from the Historic District Commission, the Downtown Design Review Committee, the Capital Center Commission, the City Plan Commission, the Zoning Board of Review, or the I-195 Redevelopment Commission as applicable. This Agreement shall amend and supersede in part Chapter 2014-31 No. 382 of the City of Providence with respect to Plat 4 Lot 262 only.

IN WITNESS WHEREOF, 262 LLC and CITY have executed this Agreement.

262 LLC	CITY OF PROVIDENCE
By:  Authorized Signature	By:  Authorized Signature
Print Name: <u>Robert J. Drew</u>	Print Name: <u>Jorge O. Elorza</u>
Title: <u>Member</u>	Title: <u>Mayor of Providence</u>
Address: <u>45 Newchill Street</u> <u>Providence, MA 01810</u>	Address: <u>City Hall</u> <u>25 Dorrance Street</u> <u>Providence, RI 02903</u>
Date: _____	Date: <u>6/10/16</u>
	Approved as to form and correctness:  Jeffrey T. Dana, City Solicitor

Exchange Street Hotel, LLC

5 EXCHANGE STREET

PLAT 19, LOT 120

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TAX STABILIZATION AGREEMENT

This agreement ("Agreement") is made by and between the City of Providence, a Rhode Island municipal corporation ("City") and Exchange Street Hotel, LLC ("Exchange Street") (collectively, "the parties").

WITNESSETH:

WHEREAS, Exchange Street is the owner of certain real property located in the City at 5 Exchange Street, also known as Assessor's Plat 19 Lot 120; and

WHEREAS, Exchange Street has proposed and promised to construct new building structures and/or improvements on its property and return the property to productive commercial use in accordance with the construction plans already submitted to the City by Exchange Street; and

WHEREAS, Under article 13, section 5 of the Rhode Island Constitution, the General Assembly retains exclusive power over matters relating to municipal taxation. Notwithstanding, and pursuant to Rhode Island General Laws § 44-3-9, the General Assembly authorized the City by and through its City Council, subject to certain enumerated conditions, to exempt or determine a stabilized amount of taxes to be paid on account of real and personal property, for a period not to exceed twenty (20) years; and

WHEREAS, pursuant to Ordinance 2015-28 No. 400, the granting of the tax stabilization will inure to the benefit of the City of Providence and its residents by reason of:

- (A) The willingness of Exchange Street to construct a new eight (8) story, 120 room all suites hotel on 5 Exchange Street, including interior retail space and on-site parking, thereby improving the physical plant of the City which will result in a long-term economic benefit to the City and State; and
- (B) The willingness of Exchange Street to expend \$16,250,000.00 in order to carry out the construction at 5 Exchange Street to increase the pace of economic development within the City and State, and thereby increase the City's tax base.

NOW THEREFORE, in consideration of the mutual agreements and promises set forth herein and other good and lawful consideration the receipt of which is hereby acknowledged, the parties agree as follows:

SECTION 1. DEFINITIONS.

"Property" shall mean certain real property together with any and all buildings, structures, and/or improvements now or in the future located in the City at 5 Exchange Street, also known as Assessor's Plat 19 Lot 120.

"Property Owner" shall mean Exchange Street, or any entity with legal or equitable right and/or interest in and/or to the Property, including any and all successors and assigns.

SECTION 2. TAX STABILIZATION.

Section 2.1. Grant. The City, in accordance with R.I.G.L. § 44-3-9 and the City of Providence Code of Ordinances, does hereby grant a tax stabilization in favor of the Property Owner with respect to the Property.

Section 2.2. Term. The tax stabilization term shall be the period commencing on December 31, 2016 and terminating on December 31, 2029. (Tax Years 2017- 2030).

Section 2.3. Plan. During the tax stabilization term as defined in Section 2.2 above, the City has determined the stabilized amount of taxes to be paid by the Property Owner with respect to the Property, notwithstanding the valuation of the Property or the then-current rate of tax as follows: For tax years 2017, 2018, 2019, and 2020 the Property Owner shall make a tax payment equal to the taxes due and owing for an assessment value of \$1,770,300.00 multiplied by a tax rate of \$36.75 per \$1,000.00 in assessment value (hereinafter the "Base Assessment"). For each tax year thereafter, the Property Owner will pay the Base Assessment plus a percentage of the taxes due and owing on difference in assessment value between \$1,770,300.00 and the then-current assessed value of the property multiplied by the then-current tax rate. See "Tax Stabilization Plan" attached hereto and incorporated herein as Exhibit A.

Section 2.4. Payment Deadlines. During the tax stabilization term as defined in Section 2.2 above and in accordance with the tax stabilization plan outlined in Section 2.3 above, stabilized tax payments shall be made in either a lump sum during the first quarter of the applicable tax year or in equal quarterly installments at the discretion of the Property Owner. If the Property Owner elects to make quarterly installments, each quarterly installment shall be due on the same date that quarterly taxes are due for all other taxpayers in the City of Providence.

Section 2.5. Obligation of Property Owner to Make Payment. During the tax stabilization term as defined in Section 2.2 above and in accordance with the tax stabilization plan outlined in Section 2.3 above, stabilized tax payments shall be an obligation of the Property Owner.

Section 2.6. Non-Receipt of Stabilized Tax Bill. Failure by the City to send or failure by the Property Owner to receive a stabilized tax bill does not excuse the nonpayment of the stabilized tax nor affect its validity or any action or proceeding for the collection of the tax in accordance with this Agreement or otherwise.

Section 2.7. Recording of Agreement, Running with Land. Upon the execution of this Agreement, the Property Owner shall cause this Agreement to be recorded at its expense in the City's official public land evidence records. This recording shall be construed to provide a complete additional alternative method under contract law for the securitization

of payments due and owing under this Agreement and shall be regarded as supplemental and in addition to the powers conferred by other state and local laws.

SECTION 3. PERFORMANCE OBLIGATIONS.

Section 3.1. Commencement of Performance.

Rehabilitation and/or construction shall commence on or before June 1, 2016.

Section 3.2. Permits and Certificates of Occupancy.

Property Owner shall obtain all permits and certificates of occupancy as required by state and local law in connection with any and all intended construction or rehabilitation at the Property.

SECTION 4. TRANSFER OF THE PROPERTY.

Section 4.1. Transfer Generally. Stabilized tax payments shall be an obligation of the Property Owner during the tax stabilization term as defined in Section 2.2 above and in accordance with the tax stabilization plan outlined in Section 2.3 above, without regard to any transfer of the Property. Additionally, in accordance with Section 2.7, the burdens and benefits of this Agreement will run with the land, and as for payment of taxes shall run in favor of the City regardless of any transfer of ownership. The Property Owner further agrees to provide prior written notice to the City before any transfer of the Property so that the City may make a determination, in its sole discretion, as to whether or not stabilization under this Agreement will continue.

Section 4.2. Transfer to Tax Exempt Entities. In the event that the Property Owner transfers the Property to a tax-exempt entity, this Agreement shall be void ab initio and any entity holding an equitable or legal interest in the Property on or after the Effective Date of this Agreement shall be jointly and severally liable for the full taxes due and owing from the Effective Date of this Agreement and forward.

Section 4.3. Post-Expiration Transfers. In the event that any Property Owner transfers the Property to a tax-exempt entity within five years from the end of the tax stabilization term, as defined in Section 2.2 above, any and all Property Owners will pay the following: five percent (5%) of the sale price in said transfer if sold to a tax-exempt entity in the first year following the end of the Term; four percent (4%) of the sale price in said transfer if sold to a tax-exempt entity in the second year following the end of the Term; three percent (3%) of the sale price in said transfer if sold to a tax-exempt entity in the third year following the end of the Term; two percent (2%) of the sale price in said transfer if sold to a tax-exempt entity in the fourth year following the end of the Term; and one percent (1%) of the sale price in said transfer if sold to a tax-exempt entity in the fifth year following the end of the Term.

SECTION 5. FURTHER ASSURANCES.

Section 5.1. MBE/WBE. The Property Owner shall make a good faith effort to award to Minority Business Enterprises ("MBE") as defined in R.I.G.L. Sections 31-14.1 et seq. ("MBE Act") no less than 10% of the dollar value of the construction costs for the rehabilitation of the Property. The Property Owner shall make a good faith effort to award to Women Business Enterprises ("WBE") no less than 10% of the dollar value of the construction costs for the Property (as determined in accordance with Section 21-52 of the City of Providence Code of Ordinances). The Property Owner will request the City MBE/WBE office and its Supplier Diversity Director to establish a list of qualified MBE/WBE companies in order to satisfy its MBE/WBE construction goals. In this manner, the City will assist the Property Owner in meeting said goals. The process of participating with the MBE/WBE office and its Supplier Diversity Director shall begin upon the effective date of this Agreement in order to develop a designated MBE/WBE subcontractor list which will encourage MBE/WBE participation and joint ventures with other members with the construction industry.

Section 5.2. Apprenticeship. The Property Owner shall ensure that at least fifty percent (50%) of the hours worked on the Property shall be performed by trade construction subcontractors who have or are affiliated with an apprenticeship program as defined in 29 C.F.R. § 29 et seq.

The Property Owner shall make a requirement in the contracts between its Construction Manager and General Contractor and their subcontractors who have apprenticeship programs as defined in 29 C.F.R. § 29 that not less than ten percent (10%) of the total hours worked by the subcontractors' employees on the Property are completed by apprentices registered in the aforementioned apprenticeship programs.

The Property Owner shall as part of its contracts between its Construction Manager and General Contractor and their subcontractors require that the subcontractors submit to the Department of Planning and Development quarterly verification reports to ensure compliance with this section.

The Property Owner, its Construction Manager or General Contractor or other authorized person/entity may petition the Department of Planning and Development to adjust the apprenticeship work hour requirements to a lower percentage upon a showing that:

- a. compliance is not feasible because a trade or field does not have an apprenticeship program or cannot produce members from its program capable of performing the scope of work within the contract; or
- b. compliance is not feasible because it would involve a risk or danger to human health and safety or the public at large; or
- c. compliance is not feasible because it would create a significant economic hardship; or
- d. compliance is not feasible for any other reason which is justifiable and demonstrates good cause.

Section 5.3. Internal Revenue Service reporting. Except as provided under R.I.G.L. § 28-42-8, any person performing services at the Property shall annually receive either a W-2 statement or an IRS Form 1099.

Section 5.4. First Source. Pursuant to the City of Providence First Source Ordinance, the Property Owner shall enter into a First Source Agreement covering the hiring of employees necessary to complete the proposed work and throughout the term of this Agreement. The Property Owner shall work in conjunction with the Director of First Source Providence to develop the First Source Agreement.

Section 5.5. "Buy Providence" Initiative. The Property Owner will use good faith efforts to ensure that construction materials for the Property are purchased from economically competitive and qualified vendors located in the City of Providence. In furtherance of this effort, the Property Owner will work with the City to develop a list of Providence vendors and subcontractors in order to create a preferred vendor list of qualified and economically competitive vendors for the construction on the Property. Furthermore, once the Property Owner constructs the development, the Property Owner will use good faith efforts to conduct ongoing business with and provide preference to economically competitive and qualified Providence businesses. In order to further that effort, the Property Owner will hold seminars upon ratification of this Agreement, with the Providence MBE/WBE office, the Supplier Diversity Director, the Director of First Source Providence and the Providence Chamber of Commerce to inform the local economy of the Property Owner's development plans in order to maximize the opportunities for Providence businesses to work with the Property Owner in providing on-going services, equipment and materials.

SECTION 6. DEFAULT.

The following events shall constitute an event of default hereunder:

- (A) Failure of the Property Owner to pay any amount due under or with respect to the tax stabilization in accordance with Section 2 above; or
- (B) Failure of the Property Owner to record this Agreement as required by and in accordance with Section 2 above; or
- (C) Failure of the Property Owner to meet any of the performance milestones set forth in Section 3 above; or
- (D) Failure of the Property Owner to annually report as required by Section 9 below; or
- (E) Failure of the Property Owner to notify the City in writing prior to the transfer of the Property; or
- (F) Transfer of the Property by the Property Owner outside of the terms of this Agreement; or
- (G) Failure of the Property Owner to comply with Section 5 above; or
- (H) Failure of the Property Owner to comply with any other obligation or promise contained within any section or subsection of this Agreement; or

- (I) Failure of the Property Owner to comply with all state and local law regarding building and property maintenance codes, zoning ordinances, and building and/or trade permits; or
- (J) Failure of the Property Owner to remain current on any and all other financial obligations.

SECTION 7. NOTICE AND CURE.

Section 7.1. Notice and Cure Period. The City shall provide written notice to the Property Owner before exercising any of its rights and remedies under Section 8 below. The Property Owner shall have thirty (30) days to cure any alleged default under this Agreement, provided, however, that if the curing of such default cannot be accomplished with due diligence within thirty (30) days, then the Property Owner shall request an additional reasonable period of time from the City to cure such default as may be necessary provided that the Property Owner shall have commenced to cure such default within said period, such cure shall have been diligently pursued by the Project Owner and the City does not reasonably deem the taxes jeopardized by such further delay, all as determined by the City in its sole discretion.

Section 7.2. Agreed Upon Address for Purposes of Written Notice. All notices, requests, consents, approvals, and any other communication which may be or are required to be served or given (including changes of address for purposes of notice) shall be in writing and shall be sent registered or certified mail and addressed to the following parties set forth below:

If to: City of Providence
 Office of the City Clerk
 25 Dorrance St.
 Providence, RI 02903
 *Accompanied by 9 copies

If to: Exchange Street Hotel, LLC
 c/o James Karam, First Bristol Corporation
 P.O. Box 2516
 Fall River, MA 02722

SECTION 8. RIGHTS AND REMEDIES.

Section 8.1. Retroactive Revocation of Tax Stabilization. In the event of a default under this Agreement which remains uncured after the notice and cure period set forth in Section 7 above, the Property Owner shall pay to the City an amount equal to the difference between the stabilized tax payments made under this Agreement and the amount of Property taxes that would have been assessed and paid during the tax stabilization term as defined in Section 2.2 above, but for this Agreement. The entire retroactive tax obligation will become due and owing on the same date that the next quarterly taxes are due for all other taxpayers in the City.

Section 8.2. Collection of Taxes. At any time during the tax stabilization term as defined in Section 2.2 of this Agreement, the City of Providence may pursue any and all rights and remedies arising under any state or local law, including but not limited to Chapters 7-9 of Title 44, and/or arising under this Agreement to collect stabilized taxes due and owing in accordance with the tax stabilization plan outlined in Section 2.3 above and/or to collect retroactive taxes pursuant to Section 8.1 above.

Section 8.3. City's Lien Remedies and Rights. Nothing herein contained shall restrict or limit the City's rights and/or remedies with respect to its first priority lien for taxes as provided under Title 44 of the Rhode Island General Laws. Rather, this Agreement shall be construed to provide a complete additional alternative method under contract law for the collection of taxes, and shall be regarded as supplemental and in addition to the powers conferred by other state and local laws.

Section 8.4. Property Owner's Rights. During the tax stabilization term as defined in Section 2.2, the Property Owner agrees to waive and forever forgo any and all of its rights and privileges under Title 44 of the Rhode Island General Laws, as they pertain to the Tax Payments due and owing pursuant to this Agreement. Nothing herein shall be construed to limit the right of the Property Owner to pursue its rights and remedies under the terms of this Agreement.

Section 8.5. Waiver. Failure or delay on the part of the City to exercise any rights or remedies, powers or privileges at any time under this Agreement or under any state or local law shall not constitute a waiver thereof, nor shall a single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, remedy, power of privilege thereunder.

Section 8.6. Joint and Several Liability. In the event of default under this Agreement Exchange Street Hotel, LLC agrees to remain jointly and severally liable with any and all Property Owners.

SECTION 9. MISCELLANEOUS TERMS.

Section 9.1. Annual Progress Report. The Property Owner shall provide annual reports to the City on its progress in complying with the provisions of this Agreement. Specifically, its report shall include a performance report on rehabilitation and/or improvements with evidence of final construction costs, status of stabilized tax payments, evidence of employment compliance pursuant to Section 5 above, and overall financial well-being. Upon receipt and review, the City may require and request additional information.

Section 9.2. Monitoring Fee. The Property Owner shall remit a monitoring/compliance fee to the City in the amount of 0.01 percent of the cost of the project annually for the term of this Agreement.

Section 9.3. Severability. The sections of this Agreement are severable, and if any of its sections or subsections shall be held unenforceable by any court of competent jurisdiction, the decision of the court shall not affect or impair any of the remaining sections or subsections.

Section 9.4. Applicable Law. This Agreement shall be construed under the laws of the State of Rhode Island, the City of Providence Home Rule Charter, and the City of Providence Code of Ordinances, as amended.

Section 9.5. Modifications Amendments and/or Extensions. This Agreement shall not be modified, amended, extended or altered in any way by oral representations made before or after the execution of this Agreement. Any and all modifications, amendments, extensions or alterations must be in writing duly executed by all.

Section 9.6. Entire Agreement. This Agreement and all attachments, addenda, and/or exhibits attached hereto shall represent the entire agreement between City and the Property Owner and may not be amended or modified except as expressed in this document.

Section 9.7. Effective Date. This Agreement shall take effect upon execution by all parties.

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IN WITNESS WHEREOF, Exchange Street and the City have executed this Agreement.

EXCHANGE STREET HOTEL, LLC	CITY OF PROVIDENCE
By: <u>JAMES KARAM, Its Mg. of LLC</u>	By: <u>[Signature]</u> Authorized Signature
By: <u>[Signature]</u> Authorized Signature	Print Name: <u>Jorge O. Elorza</u>
Print Name: <u>JAMES KARAM</u>	Title: <u>Mayor of Providence</u>
Title: <u>MANAGER of LLC</u>	Address: <u>City Hall</u>
Address: <u>Exchange Street Hotel, LLC</u>	<u>25 Dorrance Street</u>
<u>c/o James Karam, First Bristol Corporation</u>	<u>Providence, RI 02903</u>
<u>P.O. Box 2516</u>	
<u>Fall River, MA 02722</u>	
Date: <u>12/21/16</u>	Date: <u>1/10/17</u>
	Approved as to form and correctness: <u>[Signature]</u> Jeffrey Dana, City Solicitor

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Providence Innovation District Phase I Owner, LLC

225 DYER STREET

LOT 400

ON

SUBDIVISION PLAN OF I-195

PARCELS 22 & 25

PLAT 20, LOT 395 & 396

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TAX STABILIZATION AGREEMENT

This agreement ("Agreement") is made by and between the CITY OF PROVIDENCE, a Rhode Island municipal corporation (hereinafter "City") and PROVIDENCE INNOVATION DISTRICT PHASE I OWNER, LLC, a Delaware limited liability company (hereinafter "Owner"), (collectively, "the parties").

WITNESSETH:

WHEREAS, Owner will be the owner of certain real property located in the City of Providence at 225 Dyer Street, also known as Lot 400 on the Subdivision Plan of I-195 Parcels 22 & 25 recorded as Document No. 1001223 among the Land Records of the City of Providence, Rhode Island; and

WHEREAS, Owner has proposed and committed to construct a new approximately 195,068 square foot mixed-used development on said property and return same to productive use in accordance with the construction plans already submitted to the City by Owner; and

WHEREAS, Under article 13, section 5 of the Rhode Island Constitution, the General Assembly retains exclusive power over matters relating to municipal taxation. Notwithstanding, and pursuant to § 44-3-9 of the Rhode Island General Laws, the General Assembly authorizes, subject to certain enumerated conditions, the City of Providence by and through its City Council, for a period not to exceed twenty (20) years, to exempt or determine a stabilized amount of taxes to be paid on account of real and personal property; and

WHEREAS, pursuant to Ordinance 2015-28 No. 400, the granting of the tax stabilization will inure to the benefit of the City of Providence and its residents by reason of:

- (A) The willingness of Owner to construct a new approximately 195,068 square foot mixed-used development featuring science-related research as well as commercial office space; thereby improving the physical plant of the city which will result in a long-term economic benefit to the city and state; and
- (B) The willingness of Owner to expend approximately \$52,949,803.00 for hard costs in order to carry out the construction at 225 Dyer Street to develop research space in addition to traditional and non-traditional office workplaces, designed to foster casual connections and promote innovation; also, the multipurpose facility will include a pedestrian plaza designed to serve as an activities and events space for the site, in order to increase the pace of economic development within the City and State of Rhode Island; and thereby increase the City's tax base.

NOW THEREFORE, in consideration of the mutual agreements and promises set forth herein and other good and lawful consideration the receipt of which is hereby acknowledged, the parties agree as follows:

SECTION 1. DEFINITIONS.

"Property" shall mean that certain real property together with any and all buildings, structures, and/or improvements now or in the future located in the City of Providence at 225 Dyer Street, also known as Lot 400 on the Subdivision Plan of I-195 Parcels 22 & 25 recorded as Document No. 1001223 among the Land Records of the City of Providence, Rhode Island.

"Property Owner" shall mean Owner, or any entity with a recorded legal or equitable right and/or interest in and/or to the Property, including any and all successors and assigns.

SECTION 2. TAX STABILIZATION.

Section 2.1. Grant. The City of Providence, in accordance with Rhode Island General Laws § 44-3-9 and the City of Providence Code of Ordinances, does hereby grant a tax stabilization in favor of the Property Owner with respect to the Property.

Section 2.2. Term. The tax stabilization term shall be the period commencing on December 31, 2017 and terminating on December 31, 2036 (Tax Years 2018- 2037).

Section 2.3. Plan. During the tax stabilization term as defined in Section 2.2 above, the City of Providence has determined the stabilized amount of taxes to be paid by the Property Owner with respect to the Property, notwithstanding the valuation of the Property or the then-current rate of tax as follows: For tax years 2018, 2019, 2020, 2021 and 2022 the Property Owner shall make a tax payment equal to the taxes due and owing for an assessment value of \$818,400.00 multiplied by a tax rate of \$36.70 per \$1,000.00 in assessment value (hereinafter the "Base Assessment"). For each tax year thereafter, the Property Owner will pay the Base Assessment plus a percentage of the taxes due and owing on the difference in assessment value between \$818,400.00 and the then-current assessed value of the property multiplied by the then-current tax rate. See "Tax Stabilization Plan" attached hereto and incorporated herein as Exhibit A.

Section 2.4. Payment Deadlines. During the tax stabilization term as defined in Section 2.2 above and in accordance with the tax stabilization plan outlined in Section 2.3 above, stabilized tax payments shall be made in either a lump sum during the first quarter of the applicable tax year or in equal quarterly installments at the discretion of the Property Owner. If the Property Owner elects to make quarterly installments, each quarterly installment shall be due on the same date that quarterly taxes are due for all other taxpayers in the City of Providence pursuant to the Annual Levy Ordinance of the City of Providence.

Section 2.5. Obligation of Property Owner to Make Payment. During the tax stabilization term as defined in Section 2.2 above and in accordance with the tax stabilization plan outlined in Section 2.3 above, stabilized tax payments shall be an obligation of the Property Owner.

Section 2.6. Non-Receipt of Stabilized Tax Bill. Failure by the City of Providence to send or failure by the Property Owner to receive a stabilized tax bill does not excuse the nonpayment of the stabilized tax or affect its validity or any action or proceeding for the collection of the tax in accordance with this Agreement or otherwise.

Section 2.7. Recording of Agreement, Running with Land. Upon execution and delivery of this Agreement, the Property Owner shall cause this Agreement to be recorded at its expense in the official public land evidence records of the City of Providence, within thirty (30) days of the execution and delivery of this Agreement. This recording shall be construed to provide a complete additional alternative method under contract law for the securitization of payments due and owing under this Agreement and shall be regarded as supplemental and in addition to the powers conferred by other state and local laws.

SECTION 3. PERFORMANCE OBLIGATIONS.

Section 3.1. Commencement of Performance.

Construction shall commence on or before January 1, 2018.

Section 3.2. Permits and Certificates of Occupancy.

Property Owner shall obtain all permits and certificates of occupancy as required by state and local law in connection with any and all intended construction or rehabilitation at the Property.

SECTION 4. TRANSFER OF THE PROPERTY.

Section 4.1. Transfer Generally. Stabilized tax payments shall be an obligation of the Property Owner during the tax stabilization term as defined in Section 2.2 above and in accordance with the tax stabilization plan outlined in Section 2.3 above unless or until the Property is transferred to a subsequent owner ("Subsequent Owner") and upon such transfer the obligations pursuant to this Agreement shall be that of the Subsequent Owner. Additionally, in accordance with Section 2.7 the burdens and benefits of this Agreement will run with the land, and as for payment of taxes shall run in favor of the City of Providence regardless of any transfer of ownership. The Property Owner further agrees to provide prior written notice to the City of Providence before any transfer of the Property. Notwithstanding the foregoing, other than a Permitted Transfer (defined below), which shall not require the consent of the

City, during the Construction Period (defined below), the Property Owner shall be required to obtain the prior written consent of the City (which shall not be unreasonably withheld or conditioned) should the Property Owner desire to transfer the Property to a Subsequent Owner and such Subsequent Owner will not be developing the Property in a manner that is reasonably similar to the Project. For purposes of this Agreement the term (i) "Construction Period" shall mean the period of time from the Effective Date until the Property Owner has obtained a certificate of occupancy from the City for the Project; and (ii) "Permitted Transfer" shall mean a transfer by the Property Owner to an entity which is controlling, controlled by or has common ownership with (directly or indirectly) the Property Owner.

Section 4.2. Transfer to Tax Exempt Entities. In the event that the Property Owner transfers the Property to a tax-exempt entity, this Agreement shall be void ab initio and the Property Owner shall be liable for the full taxes due and owing from the Effective Date of this Agreement and forward.

Section 4.3. Post-Expiration Transfers. In the event that any Property Owner transfers the Property to a tax-exempt entity within five years from the end of the tax stabilization Term, as defined in Section 2.2 above, any and all Property Owners will pay the following: five percent (5%) of the sale price in said transfer if sold to a tax-exempt entity in the first year following the end of the Term; four percent (4%) of the sale price in said transfer if sold to a tax-exempt entity in the second year following the end of the Term; three percent (3%) of the sale price in said transfer if sold to a tax-exempt entity in the third year following the end of the Term; two percent (2%) of the sale price in said transfer if sold to a tax-exempt entity in the fourth year following the end of the Term; and one percent (1%) of the sale price in said transfer if sold to a tax-exempt entity in the fifth year following the end of the Term.

SECTION 5. FURTHER ASSURANCES.

Section 5.1. MBE/WBE. Where found to be applicable and for the term of the stabilization period as defined in Section 2.2 above, the Property Owner afforded the stabilization of taxes as described herein shall use good faith efforts to comply with any and all requirements under Chapter 21 Article II Section 52 of the Providence Code of Ordinances as it pertains to Minority and Women Business Enterprises.

Section 5.2. Apprenticeship. The Property Owner shall use good faith efforts to ensure that one hundred (100) percent of the hours worked on the project shall be performed by trade construction subcontractors who have or are affiliated with an apprenticeship program as defined in 29 C.F.R. § 29 et seq. Up to twenty (20) percent of the hourly requirement may be waived if replaced with hours worked by qualified MBE/WBE companies registered in the State of Rhode Island. Certification of this waiver shall be reviewed and

signed by the designated MBE/WBE coordinator within the department of purchasing. The Property Owner shall make a requirement in the contracts between its construction manager and general contractor and their subcontractors who have apprenticeship programs as defined in 29 C.F.R. § 29 that not less than ten (10) percent of the total hours worked by the subcontractors' employees on the project are completed by apprentices registered in the aforementioned apprenticeship programs.

The Property Owner shall as part of its contracts between its construction manager and general contractor and their subcontractors require that the subcontractors submit to the department of planning and development quarterly verification reports to ensure compliance with this section.

The Property Owner, its construction manager or general contractor or other authorized person/entity may petition the city department of planning and development to adjust the apprenticeship work hour requirements to a lower percentage upon a showing that:

- a. Compliance is not feasible because a trade or field does not have an apprenticeship program or cannot produce members from its program capable of performing the scope of work within the contract; or
- b. Compliance is not feasible because it would involve a risk or danger to human health and safety or the public at large; or
- c. Compliance is not feasible because it would create a significant economic hardship; or
- d. Compliance is not feasible for any other reason which is justifiable and demonstrates good cause.

Section 5.3. Internal Revenue Service reporting. Except as provided under Rhode Island General Laws § 28-42-8, any person performing services at the Property shall annually receive either a W-2 statement or an IRS Form 1099.

Section 5.4. First Source. Where found to be applicable and for the term of the stabilization period as defined in Section 2.2 above, the Property Owner afforded the stabilization of taxes as described herein shall enter into a First Source Agreement with the Director of First Source Providence in accordance with Chapter 21 Article III1/2 of the Providence Code of Ordinances.

Section 5.5. "Buy Providence" Initiative. Where found to be applicable and for the term of the stabilization period as defined in Section 2.2 above, the Property Owner afforded the stabilization of taxes as described herein shall make a good faith effort to ensure that any and all materials necessary to carry out the projects afforded the stabilization found in Section 2.3 above are purchased from economically competitive and qualified vendors located in the City of Providence, to the extent such materials can be purchased in the City

of Providence.

Section 5.6. Tenants of the Property. The terms of this Section 5 shall apply to Property Owner and shall not be deemed to apply to the tenants of the Property and/or the businesses conducted thereon and/or the construction of tenant improvements at the Property.

SECTION 6. DEFAULT.

The following events shall constitute an event of default hereunder:

- (A) Failure of the Property Owner to pay any amount due under or with respect to the tax stabilization in accordance with Section 2 above; or
- (B) Failure of the Property Owner to record this Agreement in accordance with Section 2 above; or
- (C) Failure of the Property Owner to meet any of the performance milestones set forth in Section 3 above; or
- (D) Failure of the Property Owner to annually report as required by Section 9 below; or
- (E) Failure of the Property Owner to notify the City of Providence in writing prior to the transfer of the Property; or
- (F) Transfer of the Property by the Property Owner outside of the terms of this Agreement; or
- (G) Failure of the Property Owner to comply with Section 5 above; or
- (H) Failure of the Property Owner to comply with any other material obligation or promise contained within any section or subsection of this Agreement; or
- (I) Failure of the Property Owner to comply with all state and local law regarding building and property maintenance codes, zoning ordinances, and building and/or trade permits.
- (J) Failure of the Property Owner to remain current on any and all other financial obligations that will affect the priority of the lien of the taxes due under this Agreement.

SECTION 7. NOTICE AND CURE.

Section 7.1. Notice and Cure Period. The City Council shall provide written notice to the Property Owner before exercising any of its rights and remedies under Section 8 below. The Property Owner shall have ninety (90) days from the date that written notice is sent to cure any alleged default under this Agreement, provided, however, that if the curing of such default cannot be accomplished with due diligence within ninety (90) days, then the Property Owner shall request an additional reasonable period of time from the City Council to cure such default as may be necessary provided that the Property Owner shall have commenced to cure such default within said period, such cure shall have been diligently pursued by the Project Owner and the City Council does not reasonably deem the taxes jeopardized by such further delay,

all as determined by the City Council in its sole discretion which shall not be unreasonably withheld.

Section 7.2. Agreed Upon Address for Purposes of Written Notice. All notices, requests, consents, approvals, and any other communication which may or are required to be served or given (including changes of address for purposes of notice) shall be in writing and shall be sent registered or certified mail or nationally recognized overnight service and addressed to the following parties set forth below:

Original to:

City of Providence
Office of the City Clerk
25 Dorrance St.
Providence, RI 02903
*Accompanied by 9 copies thereof

Original to:

Providence Innovation District Phase I Owner, LLC
801 W. Baltimore Street
Baltimore, MD 21201
Attn: Senior Vice President, Asset Management
and
Attn: General Counsel

Copy to:

Providence Innovation District Phase I Owner, LLC
c/o Ventas, Inc.
353 North Clark Street, Suite 3300
Chicago, IL 60654
Attn: Asset Management (Life Sciences)

Providence Innovation District Phase I Owner, LLC
c/o Ventas, Inc.
353 North Clark Street, Suite 3300
Chicago, IL 60654
Attn: Legal Department

SECTION 8. RIGHTS AND REMEDIES.

Section 8.1. Retroactive Tax Obligation Upon Default. In the event of default under this Agreement which is not cured during the notice and cure period provided in Section 7 above, the Property Owner shall pay to the City of Providence an amount equal to the difference between the stabilized tax payments made under this Agreement and the amount of Property taxes that would have been assessed and paid during the tax stabilization term as defined

in Section 2.2 above, but for this Agreement through the date of such default. The entire retroactive tax obligation will become due and owing on the same date that the next quarterly taxes are due for all other taxpayers in the City of Providence.

Section 8.2. Collection of Taxes. At any time during the tax stabilization term as defined in Section 2.2 of this Agreement the City of Providence may pursue any and all rights and remedies arising under any state or local law, including but not limited to Chapters 7-9 of Title 44, and/or arising under this Agreement to collect stabilized taxes due and owing in accordance with the tax stabilization plan outlined in Section 2.3 above and/or to collect retroactive taxes pursuant to Section 8.1 above.

Section 8.3. City's Lien Remedies and Rights. Nothing herein contained shall restrict or limit the City's rights and/or remedies with respect to its first priority lien for taxes as provided under Title 44 of the Rhode Island General Laws. Rather, this Agreement shall be construed to provide a complete additional alternative method under contract law for the collection of taxes, and shall be regarded as supplemental and in addition to the powers conferred by other state and local laws.

Section 8.4. Property Owner's Rights. During the tax stabilization term as defined in Section 2.2 the Property Owner agrees to waive and forever forgo any and all of its rights and privileges with respect to a tax abatement or reduction under Title 44 of the Rhode Island General Laws, as they pertain to the Tax Payments due and owing pursuant to this Agreement. Nothing herein shall be construed to limit the right of the Property Owner to pursue its rights and remedies under the terms of this Agreement.

Section 8.5. Waiver. Failure or delay on the part of the City of Providence to exercise any rights or remedies, power or privilege at any time under this Agreement or under any state or local law shall not constitute a waiver thereof, nor shall a single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege thereunder.

Section 8.6. Joint and Several Liability. In the event of default under this Agreement, Owner agrees to remain jointly and severally liable with any and all Property Owners so long as Owner retains an ownership interest in the Property at the time of the event of default.

SECTION 9. MISCELLANEOUS TERMS.

Section 9.1. Annual Progress Report. Within sixty (60) days of the end of each calendar year, the Property Owner shall provide annual reports to the City of Providence on its progress in complying with the provisions of this

Agreement. Specifically, said report shall include a performance report on rehabilitation and/or improvements with evidence of final construction costs, status of stabilized tax payments, evidence of employment compliance pursuant to Section 6 above, and overall financial well-being. Upon receipt and review, the City of Providence may, in its reasonably discretion, require and request additional information.

Section 9.2. Monitoring Fee. Within thirty (30) days of receiving a statement from the Tax Assessor, the Property Owner shall remit a monitoring/compliance fee to the City in the amount of 0.01 percent of the cost of the project annually for the term of this Agreement.

Section 9.3. Severability. The sections of this Agreement are severable, and if any of its sections or subsections shall be held unenforceable by any court of competent jurisdiction, the decision of the court shall not affect or impair any of the remaining sections or subsections.

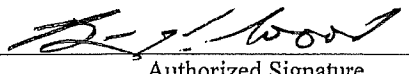
Section 9.4. Applicable Law. This Agreement shall be construed under the laws of the State of Rhode Island, the City of Providence Home Rule Charter, and the City of Providence Code of Ordinances, as amended.

Section 9.5. Modifications Amendments and/or Extensions. This Agreement shall not be modified, amended, extended or altered in any way by oral representations made before or after the execution and ratification by Providence City Council of this Agreement. Any and all modifications, amendments, extensions or alterations must be in writing duly executed by all parties and ratified by Providence City Council.

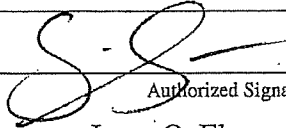
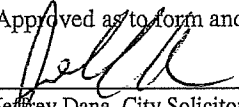
Section 9.6. Entire Agreement; Effect. This Agreement and all attachments, addendums, and/or exhibits attached hereto shall represent the entire agreement between City and the Property Owner and may not be amended or modified except as expressed in this document. This Agreement shall be effective upon the full execution and delivery of this Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, Owner and the City have executed this Agreement.

PROVIDENCE INNOVATION DISTRICT PHASE I OWNER, LLC	CITY OF PROVIDENCE
By: <u></u> Authorized Signature	By: _____ Authorized Signature
Print Name: <u>Brian K. Wood</u>	Print Name: <u>Jorge O. Elorza</u>
Title: <u>Vice President and Treasurer</u>	Title: Mayor of Providence
Address: <u>c/o Wexford Asset Management, LLC</u> 801 West Baltimore Street, Suite 505 Baltimore, Maryland 21201	Address: City Hall 25 Dorrance Street Providence, RI 02903
Date: _____	Date: _____
	Approved as to form and correctness: _____ Jeffrey Dana, City Solicitor

IN WITNESS WHEREOF, Owner and the City have executed this Agreement.

PROVIDENCE INNOVATION DISTRICT PHASE I OWNER, LLC	CITY OF PROVIDENCE
By: _____ Authorized Signature	By:  Authorized Signature
Print Name: _____	Print Name: <u>Jorge O. Elorza</u>
Title: _____	Title: Mayor of Providence
Address: c/o Wexford Asset Management, LLC 801 West Baltimore Street, Suite 505 Baltimore, Maryland 21201	Address: City Hall 25 Dorrance Street Providence, RI 02903
Date: _____	Date: <u>9/14/17</u>
	Approved as to form and correctness:  Jeffrey Dana, City Solicitor

RECEIVED:

Providence
Received for Record
Sep 25, 2017 at 12:39P
Document Num: 00181767
John A. Murphy
Recorder of Deeds

Wexford Science Technology LLC
Plat 20 Lot 395 396

(Fiscal Impact)

20 Year TSA Projection

Year	Value	Base Tax and/or Base Land Tax + % of Incr.	Tax Rate	Base Tax	Phased-In Tax	Proposed Total Tax	Payments at Full Taxation
1	818,400	Base Tax	36.70	\$30,035	\$0	\$30,035.28	\$ 30,035.28
2	818,400	Base Tax	36.70	\$30,035	\$0	\$30,035.28	\$ 30,035.28
3	818,400	Base Tax	36.70	\$30,035	\$0	\$30,035.28	\$ 30,035.28
4	818,400	Base Tax	36.70	\$30,035	\$0	\$30,035.28	\$ 30,035.28
5	818,400	Base Tax	36.70	\$30,035	\$0	\$30,035.28	\$ 30,035.28
6	53,768,203	Base + 6.5%	36.70	\$30,035	\$126,311.76	\$156,347.04	\$ 1,973,293.05
7	53,768,203	Base + 13.0%	36.70	\$30,035	\$252,623.51	\$282,658.79	\$ 1,973,293.05
8	54,843,567	Base + 19.5%	36.70	\$30,035	\$386,631.11	\$416,666.39	\$ 2,012,758.91
9	54,843,567	Base + 26.0%	36.70	\$30,035	\$515,508.14	\$545,543.42	\$ 2,012,758.91
10	54,843,567	Base + 32.5%	36.70	\$30,035	\$644,385.18	\$674,420.46	\$ 2,012,758.91
11	55,940,438	Base + 39.0%	36.70	\$30,035	\$788,961.73	\$818,997.01	\$ 2,053,014.07
12	55,940,438	Base + 45.5%	36.70	\$30,035	\$920,455.35	\$950,490.63	\$ 2,053,014.07
13	55,940,438	Base + 52.0%	36.70	\$30,035	\$1,051,948.97	\$1,081,984.25	\$ 2,053,014.07
14	57,059,247	Base + 58.5%	36.70	\$30,035	\$1,207,462.86	\$1,237,498.14	\$ 2,094,074.36
15	57,059,247	Base + 65.0%	36.70	\$30,035	\$1,341,625.41	\$2,096,927.33	\$ 2,094,074.36
16	57,059,247	Base + 71.5%	36.70	\$30,035	\$1,475,787.95	\$1,505,823.23	\$ 2,094,074.36
17	58,200,432	Base + 78.0%	36.70	\$30,035	\$1,642,618.05	\$1,672,653.33	\$ 2,135,955.85
18	58,200,432	Base + 84.5%	36.70	\$30,035	\$1,779,502.89	\$1,809,538.17	\$ 2,135,955.85
19	58,200,432	Base + 91.0%	36.70	\$30,035	\$1,916,387.72	\$1,946,423.00	\$ 2,135,955.85
20*	59,364,441	Full Tax	36.70	\$30,035	N/A	\$2,178,674.98	\$ 2,178,674.98
						\$17,524,822.57	\$ 31,162,847.09

Savings to applicant:

\$ 13,638,024.52

*Full taxation begins

EXHIBIT A			
TAX STABILIZATION PLAN			
TAX YEAR	BASE ASSESSMENT TAX	PERCENTAGE OF FULL ASSESSMENT INCREASES	TAX PAYMENT UNDER STABILIZATION AGREEMENT
2018	\$30,035	\$0.00	\$30,035
2019	\$30,035	\$0.00	\$30,035
2020	\$30,035	\$0.00	\$30,035
2021	\$30,035	\$0.00	\$30,035
2022	\$30,035	\$0.00	\$30,035
2023	\$30,035	6.5% of (2023 Assessment Value-\$818,400) * 2023 Commercial Tax Rate	\$30,035.00 plus 6.5% of (2023 Assessment Value-\$818,400) * 2023 Commercial Tax Rate
2024	\$30,035	13.0% of (2024 Assessment Value-\$818,400) * 2024 Commercial Tax Rate	\$30,035.00 plus 13.0% of (2024 Assessment Value-\$818,400) * 2024 Commercial Tax Rate
2025	\$30,035	19.5% of (2025 Assessment Value-\$818,400) * 2025 Commercial Tax Rate	\$30,035.00 plus 19.5% of (2025 Assessment Value-\$818,400) * 2025 Commercial Tax Rate
2026	\$30,035	26.0% of (2026 Assessment Value-\$818,400) * 2026 Commercial Tax Rate	\$30,035.00 plus 26.0% of (2026 Assessment Value-\$818,400) * 2026 Commercial Tax Rate
2027	\$30,035	32.5% of (2027 Assessment Value-\$818,400) * 2027 Commercial Tax Rate	\$30,035.00 plus 32.5% of (2027 Assessment Value-\$818,400) * 2027 Commercial Tax Rate
2028	\$30,035	39.0% of (2028 Assessment Value-\$818,400) * 2028 Commercial Tax Rate	\$30,035.00 plus 39.0% of (2028 Assessment Value-\$818,400) * 2028 Commercial Tax Rate
2029	\$30,035	45.5% of (2029 Assessment Value-\$818,400) * 2029 Commercial Tax Rate	\$30,035.00 plus 45.5% of (2029 Assessment Value-\$818,400) * 2029 Commercial Tax Rate
2030	\$30,035	52.0% of (2030 Assessment Value-\$818,400) * 2030 Commercial Tax Rate	\$30,035.00 plus 52.0% of (2030 Assessment Value-\$818,400) * 2030 Commercial Tax Rate
2031	\$30,035	58.5% of (2031 Assessment Value-\$818,400) * 2031 Commercial Tax Rate	\$30,035.00 plus 58.5% of (2031 Assessment Value-\$818,400) * 2031 Commercial Tax Rate
2032	\$30,035	65.0% of (2032 Assessment Value-\$818,400) * 2032 Commercial Tax Rate	\$30,035.00 plus 65.0% of (2032 Assessment Value-\$818,400) * 2032 Commercial Tax Rate
2033	\$30,035	71.5% of (2033 Assessment Value-\$818,400) * 2033 Commercial Tax Rate	\$30,035.00 plus 71.5% of (2033 Assessment Value-\$818,400) * 2033 Commercial Tax Rate
2034	\$30,035	78.0% of (2034 Assessment Value-\$818,400) * 2034 Commercial Tax Rate	\$30,035.00 plus 78.0% of (2034 Assessment Value-\$818,400) * 2034 Commercial Tax Rate
2035	\$30,035	84.5% of (2035 Assessment Value-\$818,400) * 2035 Commercial Tax Rate	\$30,035.00 plus 84.5% of (2035 Assessment Value-\$818,400) * 2035 Commercial Tax Rate
2036	\$30,035	91.0% of (2036 Assessment Value-\$818,400) * 2036 Commercial Tax Rate	\$30,035.00 plus 91.0% of (2036 Assessment Value-\$818,400) * 2036 Commercial Tax Rate
2037			
FULL TAXATION RESUMES			
			* All Years refer to Tax Years