



CITY OF PROVIDENCE

Jorge O. Elorza, Mayor

March 10, 2022

The Honorable John J. Igliazzi
President, Providence City Council
25 Dorrance Street
Providence, RI 02903

Re: Administrative Tax Stabilization Agreements

Dear Council President Igliazzi:

In response to Council Resolution No. 423, and in further consultation with the Auditor's office, I am hereby transmitting to you all currently-active tax stabilization agreements entered by the City under Ordinances 2015-28 and 2016-1.

Truly yours,

A handwritten signature in blue ink, appearing to read "Kenneth B. Chiavarini", written over a horizontal line.

Kenneth B. Chiavarini
Deputy City Solicitor

Enclosure

IN CITY COUNCIL
MAR 17 2022

READ
WHEREUPON IT IS ORDERED THAT
THE SAME BE RECEIVED.

A handwritten signature in blue ink, appearing to read "Tina L. Mastrosimone", written over a horizontal line.
CLERK

ACTING

CITY SOLICITOR'S OFFICE

444 Westminster Street, Suite 220, Providence, Rhode Island 02903

401 680 5333 ph | 401 680 5520 fax

www.providenceri.com

$\frac{d}{dt} \left(\frac{\partial L}{\partial \dot{x}} \right) = \frac{\partial L}{\partial x}$

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.

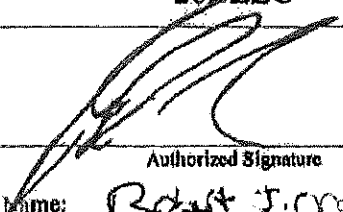


Section 9.4. Applicable Law. This Agreement shall be construed under the laws of the State of Rhode Island, the City of Providence Home Rule Charter, and the City of Providence Code of Ordinances, as amended.

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.

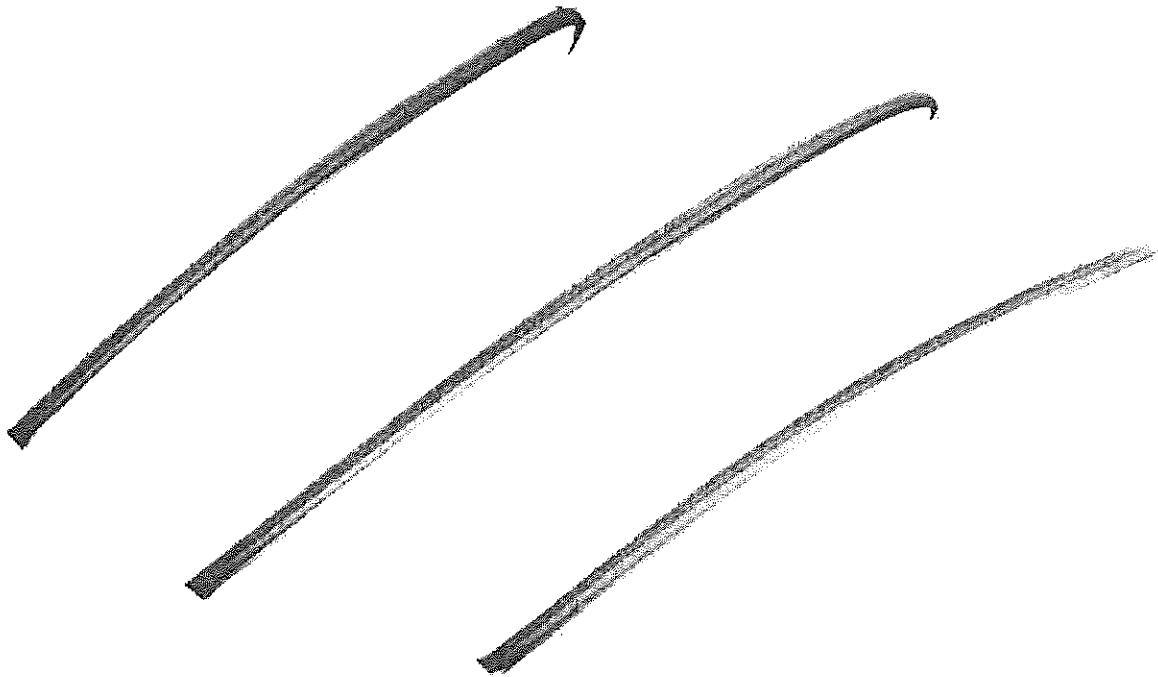
Section 9.7. Effective Date. This Agreement shall take effect upon execution by all parties. This Agreement is contingent upon the Project receiving the necessary approvals from the Historic District Commission, the Downtown Design Review Committee, the Capital Center Commission, the City Plan Commission, 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: 	By: 
Authorized Signature	Authorized Signature
Print Name: <u>Robert J. Crow</u>	Print Name: <u>Jorge O. Elorza</u>
Title: <u>Manager</u>	Title: <u>Mayor of Providence</u>
Address: <u>45 New-Will Street</u>	Address: <u>City Hall</u>
<u>Providence, RI 02903</u>	<u>25 Dorrance Street</u>
	<u>Providence, RI 02903</u>
Date: <u>5-25-16</u>	Date: <u>6/10/16</u>
	Approved as to form and correctness:
	
	Jeffrey T. Dana, City Solicitor

THE UNITED STATES OF AMERICA
DEPARTMENT OF JUSTICE

EXHIBIT A



Application received on _____

by _____

**City of Providence Tax Assessor
Application for Tax Stabilization**

Check the applicable box:

☒ I-195 District/Capital Center

☐ Neighborhood Revitalization Act

1. General Information

A. Assessor's Plat(s): 4 Lot(s): 262

B. Street Address Intersection of Smith St and Canal St, Providence, RI 02903

C. Applicant's Name, Address, Telephone No:

262 LLC

45 Haverhill Street, Andover, MA 01810

(978) 749-0464

D. Owner's Name, Address, Telephone No: (Include all owners of subject property):

262 LLC

45 Haverhill Street, Andover, MA 01810

(978) 749-0464

2. Value of New Construction or Rehabilitation (attach construction estimate)

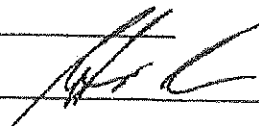
See attached letter.

3. Proposed Construction Schedule

Date of Commencement: July 2016

Date of Completion: July 2018

4. Owner/Applicant Signature(s) and date

 4/22/16

5. Attach Required Submissions (see next page)

CITY OF PROVIDENCE
PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT

Required Submissions for Tax Stabilization Applications

- ☒ Completed application form
- ☒ Applicant's certification of value of new construction or rehabilitation
- ☒ Program of building, alterations, and/or improvements
- ☒ Statement outlining measures to conform to the Code of Ordinances, including Zoning
- ☒ Statement regarding the hiring of minority and women business enterprises
- ☒ Compliance plan demonstrating compliance with community benefits requirements of Sec. 21-266 or 21-278, as applicable
- ☒ Application fee (0.1% x estimated cost of the project)
- ☒ List of other properties in Providence owned by the applicant
- ☒ Letter of good standing from the State of Rhode Island evidencing that all taxes and fees due to the state have been paid *(Sent under separate cover.)*
- ☐ Detailed business plan (only for 20-year stabilization application under Sec. 21-263.b)
(Not applicable.)



**CUSHMAN &
WAKEFIELD**

HAYES & SHERRY
Real Estate Services

Hayes & Sherry Real Estate Services

146 Westminister Street

2nd floor

Providence, RI 02903

(401) 273,1980

www.hayesherry.com

May 3, 2016

**RE: The Commons at Providence Station
Assessor's Plat 4, Lot 262**

To Whom It May Concern:

Having worked in Providence as a commercial real estate broker since 1987, and on this project since 2013, I have been asked by the developers of The Commons at Providence Station to confirm that the construction costs will exceed \$10,000,000.

The Commons at Providence Station will consist of:

- 169 residential apartments in a six-story structure with the first two levels being parking and building amenities, and floors three through six all residential
- The building will be 265,000 gross square feet, including a 170 car parking garage
- The site is approximately 2.8 acres
- Costs increased due to soil conditions and adjacency to railroad tracks

At this point, the preliminary estimates for the construction costs are over \$20,000,000. The final projected costs will not be available until later this year.

Best regards,

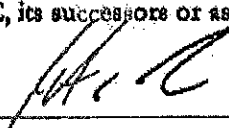
Pete Hayes

PCH/map

Minimum Required Value Certification

This is to certify that the investment of new construction (excluding land acquisition costs) in the project known as The Commons at Providence Station, located at the intersection of Canal Street and Smith Street in Providence, RI, meets the minimum required value of \$10,000,000.

262 LLC, its successors or assignees

By: 

Name: Robert Dror

Title: Member

Date: 10/24/15

Program of Building Summary

The Commons at Providence Station is a proposed 169-unit residential development located at the intersection of Canal Street and Smith Street, adjacent to the Providence Amtrak and MBTA Commuter Rail Station. Situated on 2.85 acres, the Class A rental project will consist of approximately 250,000 gross square feet in four stories of residential above two levels of parking, residential, and amenity space with approximately 170 structured parking spaces.

Typical unit finishes will include luxury vinyl plank flooring in kitchens and living areas, carpeting in bedrooms, and tile in bathrooms. The kitchens will include granite countertops, a full stainless steel appliance package, wood cabinets, and externally-vented exhaust fans. Each unit will include a washer and dryer and select units will have private patios and balconies.

The project incorporates a mix of unit types aimed at meeting the demand of young professionals, graduate students, and empty nesters looking for new housing options in Providence. Studios will range from 550 to 600 SF, one-bedroom units will be 680 to 700 SF, two-bedroom units will have 1025 to 1050 SF, and three-bedroom units will be 1,217 to 1,240 SF. All 169 apartments will make efficient use of space and provide a comfortable and convenient layout for residents.

The amenity package is intended to separate the project from competitors and will include a fitness room with cardio equipment and a separate yoga studio, a community room with a wifi cafe and catering kitchen, a patio entertaining area with grills, a roof deck lounge with views of the city, bike storage, and garage parking.

Statement Regarding the Hiring of WBE and MBE

The project known as The Commons at Providence Station, located at the intersection of Canal Street and Smith Street in Providence, RI, will comply with the Code of Ordinances Section 21-52 pertaining to the hiring of minority and women business enterprises. Measures to ensure compliance and fulfillment of the Applicant's community benefit responsibilities regarding the hiring of minority and women business enterprises are further detailed in the Compliance Plan.

Compliance Plan

The Commons at Providence Station

City of Providence Tax Stabilization for Commercial and Residential Property

October 20, 2015

MBE/WBE PARTICIPATION

The Project Owner will direct its General Contractor to make a good faith effort to award no less than 10%, each, of the dollar value of the construction costs of the Project to Rhode Island MBE and WBE firms. Project Owner along with its General Contractor, will work with the City's MBE/WBE office to develop a list of qualified MBE/WBE subcontractors and will direct the General Contractor to:

1. Identify Certified Rhode Island MBE/WBE
 - a) Coordinate with the Project Owner to develop and submit subcontractor requirements to the City of Providence MBE/WBE Department for its use in developing and providing the General Contractor with a list of qualified MBE/WBE.
 - b) Search the Rhode Island Minority Business Enterprise database for potentially qualified subcontractors.
 - c) Identify any Rhode Island MBE/WBE already included in its database.
2. Send Pre-Bid Opportunity Notices to Rhode Island MBE/WBE
 - a) Send a letter announcing the project opportunity to identified Rhode Island MBE/WBE to encourage bid participation.
 - b) Include the General Contractor's Qualification Package in letters to MBE/WBE that are not on its current Qualified Subcontractors List to assure qualification prior to bid (capacity; reputation; safety record).
3. Create Project Awareness in the MBE/WBE Community
 - a) Network through minority and women-focused trade organizations in Rhode Island to create interest in project participation.
 - National Association of Women in Construction
 - Rhode Island Black Business Association
 - Hispanic American Chamber of Commerce of Rhode Island

▪ Rhode Island Small Business Development Center

4. Split or right-size scopes, where feasible, to facilitate smaller MBE/WBE participation where otherwise no MBE/WBE participation would be possible.
5. Place one-time encouragement calls
 - a) Where MBE/WBE are not immediately responsive to either a pre-Bid Qualification Request or the Bid Solicitation, place a one-time call to assess any issues and encourage participation.

APPRENTICESHIP

The Project Owner will direct its General Contractor to ensure that 100% of the hours worked on the project are performed by trade subcontractors who have or are affiliated with 29 C.F.R. § 29 Federal DOL-compliant Apprenticeship Program and that at least 10% of the total hours worked by the subcontractors' employees are completed by apprentices registered in such apprenticeship programs.

Specifically, the Project Owner will direct the General Contractor to make every effort to award 100% of the project work to Apprenticeship Program or Apprenticeship Program-affiliated trade subcontractors by instructing the General Contractor to:

1. Stipulate Apprenticeship Program Requirements in Bid Invitations and Work Scopes.
2. Verify Rhode Island Recognition of Subcontractor Apprenticeship Programs by cross-checking through the Rhode Island Department of Labor and Training.

In order to ensure that not less than 10% of the total hours worked are by subcontractors who have or are affiliated with apprenticeship programs that meet state requirements and are completed by apprentices registered in such programs, the Project Owner will require the General Contractor to:

1. Include the Requirement in Subcontracts.
2. Institute a Payroll Reporting Program to verify on-going compliance.

In accordance with Sec. 21-266(a)(2) the Project Owner or General Contractor may, in certain instances, petition the City to adjust these work hour requirements.

INTERNAL REVENUE SERVICE REPORTING

The Project Owner, through its contract with the General Contractor, will ensure all persons performing services at the project site will annually receive a W-2 or an IRS Form 1099 except as provided under Rhode Island General Laws § 28-42-8. The Project Owner will direct the General Contractor to ensure the same for all construction-related services by stipulating legal employment and contractor practices in all subcontracts and requiring continuous verification of legal practices through monthly payment application affidavits.

FIRST SOURCE PROGRAM

The Project Owner, through its General Contractor (where applicable,) will:

1. Work with the First Source director to develop and enter into a First Source agreement covering the hiring of employees necessary to complete the project and throughout the term of the tax stabilization agreement.
2. Liaise with the City and First Source director to assist in the recruitment of qualified minority, women, and handicap applicants as well as those on the First Source List for all its employment positions.
3. Make a good faith effort to employ Rhode Island and Providence Residents for positions not included in its First Source obligations and ensure the General Contractor and its subcontractors do the same.

The Project Owner will direct the General Contractor to:

1. Meet with representatives of the First Source program to discuss potential construction job opportunities.
2. Develop a list of potential and qualified Providence-based job applicants based on First Source input that will be made available to subcontractors for their reference if openings occur where other prequalification requirements don't apply.
3. Include a Local Hiring "Good Faith" Clause in Subcontracts.

BUY PROVIDENCE

The Project Owner will, through its contract, direct the General Contractor to:

1. Coordinate with the City to develop a preferred list of economically competitive and qualified Providence vendors and use good faith efforts to ensure that construction materials are purchased from such vendors.
2. Use good faith efforts to conduct ongoing business with and provide preference to economically competitive and qualified Providence businesses after construction of the project.

The Project Owner will also instruct the General Contractor to:

1. Coordinate with the Project Owner to develop and submit material and equipment requirements to the City of Providence for its use in developing and providing the General Contractor with a list of City-based vendors and subcontractors that may be qualified and competitive suppliers of building materials and equipment.
2. Provide the City vendor list to subcontractors for their use in bidding and awarding purchase orders.

3. Include a Local Business "Good Faith" Clause in Subcontracts.

REPORTING

The Project Owner and General Contractor will coordinate with the Director of Planning and Development, the First Source Director, and a representative monitoring the apprenticeship requirements and report annually to the City Council on compliance with the Tax Stabilization for Commercial and Multi-Family Residential Property ordinance.

The Project Owner will instruct the General Contractor and its subcontractors to support the Project Owner in fulfilling its quarterly verification and annual compliance reporting requirements as they relate to the General Contractor's obligations under Sec. 21-266 Employment and Contracts.

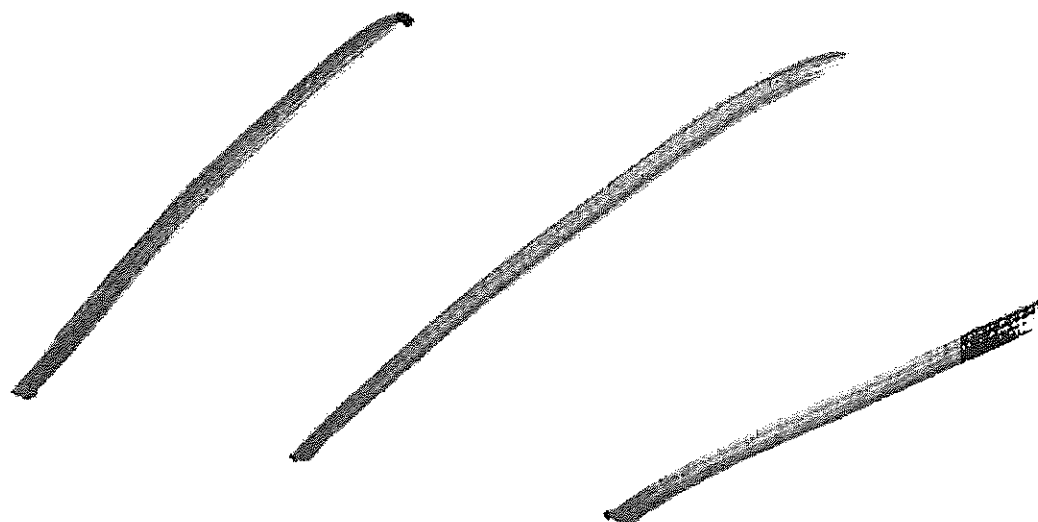
List of Providence Properties Owned By Applicant

262 LLC owns the land shown as Assessor's Plat 4, Lot 262, located at the intersection of Canal Street and Smith Street in Providence, RI, on which The Commons at Providence Station will be built.

Related entities to 262 LLC also own Assessor's Plat 4, Lot 261 and Assessor's Plat 4, Lot 263.

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED

EXHIBIT B



261 LLC
80 Smith Street
(169 Residential Units w/170 structured parking spaces)

Year	Assessed Valuation (estimated)	Base Tax +% of Incr.	Tax Rate	Base Tax	Phased-In Tax	Proposed Total Tax	Payments at full Taxation
1	3,144,441	Base Tax	36.75	\$115,558	\$0	\$115,558	\$ 115,558
2	3,144,441	Base Tax	36.75	\$115,558	\$0	\$115,558	\$ 115,558
3	3,144,441	Base Tax	36.75	\$115,558	\$0	\$115,558	\$ 115,558
4	3,144,441	Base Tax	36.75	\$115,558	\$0	\$115,558	\$ 115,558
5*	25,000,000	Base + 5%	36.75	\$115,558	\$45,938	\$161,496	\$ 918,750
6	25,000,000	Base + 10%	36.75	\$115,558	\$80,319	\$195,877	\$ 918,750
7	25,000,000	Base + 20%	36.75	\$115,558	\$160,638	\$276,197	\$ 918,750
8*	25,750,000	Base + 30%	36.75	\$115,558	\$249,226	\$364,784	\$ 946,313
9	25,750,000	Base + 40%	36.75	\$115,558	\$332,302	\$447,860	\$ 946,313
10	25,750,000	Base + 50%	36.75	\$115,558	\$415,377	\$530,935	\$ 946,313
11*	26,522,500	Base + 60%	36.75	\$115,558	\$515,486	\$631,044	\$ 974,702
12	26,522,500	Base + 70%	36.75	\$115,558	\$601,401	\$716,959	\$ 974,702
13	26,522,500	Base + 80%	36.75	\$115,558	\$687,315	\$802,873	\$ 974,702
14*	27,318,175	Base + 90%	36.75	\$115,558	\$799,546	\$915,104	\$ 1,003,943
15	27,318,175	100.0%	36.75	\$0	\$0	\$0	\$ 1,003,943
Totals				\$1,617,815	\$3,887,548	\$5,505,363	\$ 9,985,469

Savings to applicant:

4,480,106

These are estimated values. The intention of the TSA is full valuation & full Tax Rate at the end of the agreement.

* For projections only the tax rate remains constant, and the value has been increased 3% during reval years.

1/25/2016

TAX STABILIZATION AGREEMENT

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

WITNESSETH:

WHEREAS, Meow Mix is the owner of certain real property located in the City at 400 Hope Street, also known as Assessor's Plat 9 Lot 610; and

WHEREAS, Meow Mix has proposed and promised to construct a new mixed-use building structure and/or improvement on its property consisting of approximately 1,500sq. ft. commercial rental, 2,500sq. ft. veterinary practice and three (3) residential units, thus returning the property to productive commercial use in accordance with the construction plans already submitted to the City by Meow Mix; 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 2015-29 No. 401, as amended by Ordinance 2016-1 No.1, 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 Meow Mix to construct a new mixed-use building, 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 Meow Mix to construct a new mixed-use building and return vacant and/or underutilized property in the Mount Hope neighborhood to productive use.

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 400 Hope Street, also known as Assessor's Plat 9 Lot 610.

“Property Owner” shall mean Meow Mix, 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, 2021. (Tax Years 2017- 2022).

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 year 2017, the Property Owner shall make a tax payment equal to the taxes due and owing for an assessment value of \$361,800.00 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 \$361,800.00 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 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. 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 5.3. 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 5.4. "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: Meow Mix, LLC
225 Adelaide Avenue
Providence, RI 02907

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 Meow Mix, 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 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, Meow Mix and the City have executed this Agreement.

MEOW MIX, LLC	CITY OF PROVIDENCE
By: <u>Cathy Lund</u> , Its <u>vice president</u>	By: <u>[Signature]</u> Authorized Signature
By: <u>Cathy Lund</u> Authorized Signature	
Print Name: <u>Cathy Lund</u>	Print Name: <u>Jorge O. Elorza</u>
Title: <u>vice-president</u>	Title: <u>Mayor of Providence</u>
Address: <u>Meow Mix, LLC</u>	Address: <u>City Hall</u>
<u>225 Adelaide Avenue</u>	<u>25 Dorrance Street</u>
<u>Providence, RI 02907</u>	<u>Providence, RI 02903</u>
Date: <u>5/12/16</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	\$13,296.00	0	\$13,296.00
2018	\$13,296.00	20% of (2018 Assessment Value-\$361,800) * 2018 Commercial Tax Rate	\$13,296.00 plus 20% of (2018 Assessment Value-\$361,800) * 2018 Commercial Tax Rate
2019	\$13,296.00	40% of (2019 Assessment Value-\$361,800) * 2019 Commercial Tax Rate	\$13,296.00 plus 40% of (2019 Assessment Value-\$361,800) * 2019 Commercial Tax Rate
2020	\$13,296.00	60% of (2020 Assessment Value-\$361,800) * 2020 Commercial Tax Rate	\$13,296.00 plus 60% of (2020 Assessment Value-\$361,800) * 2020 Commercial Tax Rate
2021	\$13,296.00	80% of (2021 Assessment Value-\$361,800) * 2021 Commercial Tax Rate	\$13,296.00 plus 80% of (2021 Assessment Value-\$361,800) * 2021 Commercial Tax Rate
2022			
FULL TAXATION RESUMES			
* All years refer to Tax Years.			

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.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

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

EXCHANGE STREET HOTEL, LLC	CITY OF PROVIDENCE
By: <u>JAMES KARAM</u> Its <u>Mgr 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

EXHIBIT A			
TAX STABILIZATION PLAN			
TAX YEAR	BASE ASSESSMENT TAX	PERCENTAGE OF FULL ASSESSMENT INCREASES	TAX PAYMENT UNDER STABILIZATION AGREEMENT
2017	\$65,059	\$0.00	\$65,059
2018	\$65,059	\$0.00	\$65,059
2019	\$65,059	\$0.00	\$65,059
2020	\$65,059	\$0.00	\$65,059
2021	\$65,059	5% of (2021 Assessment Value-\$1,770,300) * 2021 Commercial Tax Rate	\$65,059.00 plus 5% of (2021 Assessment Value-\$1,770,300) * 2021 Commercial Tax Rate
2022	\$65,059	10% of (2022 Assessment Value-\$1,770,300) * 2022 Commercial Tax Rate	\$65,059.00 plus 10% of (2022 Assessment Value-\$1,770,300) * 2022 Commercial Tax Rate
2023	\$65,059	20% of (2023 Assessment Value-\$1,770,300) * 2023 Commercial Tax Rate	\$65,059.00 plus 20% of (2023 Assessment Value-\$1,770,300) * 2023 Commercial Tax Rate
2024	\$65,059	30% of (2024 Assessment Value-\$1,770,300) * 2024 Commercial Tax Rate	\$65,059.00 plus 30% of (2024 Assessment Value-\$1,770,300) * 2024 Commercial Tax Rate
2025	\$65,059	40% of (2025 Assessment Value-\$1,770,300) * 2025 Commercial Tax Rate	\$65,059.00 plus 40% of (2025 Assessment Value-\$1,770,300) * 2025 Commercial Tax Rate
2026	\$65,059	50% of (2026 Assessment Value-\$1,770,300) * 2026 Commercial Tax Rate	\$65,059.00 plus 50% of (2026 Assessment Value-\$1,770,300) * 2026 Commercial Tax Rate
2027	\$65,059	60% of (2027 Assessment Value-\$1,770,300) * 2027 Commercial Tax Rate	\$65,059.00 plus 60% of (2027 Assessment Value-\$1,770,300) * 2027 Commercial Tax Rate
2028	\$65,059	70% of (2028 Assessment Value-\$1,770,300) * 2028 Commercial Tax Rate	\$65,059.00 plus 70% of (2028 Assessment Value-\$1,770,300) * 2028 Commercial Tax Rate
2029	\$65,059	80% of (2029 Assessment Value-\$1,770,300) * 2029 Commercial Tax Rate	\$65,059.00 plus 80% of (2029 Assessment Value-\$1,770,300) * 2029 Commercial Tax Rate
2030	\$65,059	90% of (2030 Assessment Value-\$1,770,300) * 2030 Commercial Tax Rate	\$65,059.00 plus 90% of (2030 Assessment Value-\$1,770,300) * 2030 Commercial Tax Rate
2031			
FULL TAXATION RESUMES			

* All Years refer to Tax Years.

TAX STABILIZATION AGREEMENT

This agreement ("Agreement") is made by and between the City of Providence, a Rhode Island municipal corporation ("City") and 1039 Chalkstone Realty Associates, LLC ("1039 Chalkstone") (collectively, "the parties").

WITNESSETH:

WHEREAS, 1039 Chalkstone is the owner of certain real property located in the City at 1037 Chalkstone Avenue, also known as Assessor's Plat 84, Lot 162; and

WHEREAS, 1039 Chalkstone has proposed and promised to rehabilitate a structure and/or improvement on its property consisting of approximately 11,000 sq. ft. commercial building, thus returning the property to productive commercial use in accordance with the construction plans already submitted to the City by 1039 Chalkstone; 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 2015-29 No. 401, as amended by Ordinance 2016-1 No.1, 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 1039 Chalkstone to rehabilitate a building, 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 1039 Chalkstone to rehabilitate a building and return underutilized property in the Elmhurst neighborhood to productive use.

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 1037 Chalkstone Avenue, also known as Assessor's Plat 84, Lot 162.

"Property Owner" shall mean 1039 Chalkstone, 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 six (6) 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, 2016 and terminating on December 31, 2021. (Tax Years 2017- 2022).

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 year 2017, the Property Owner shall make a tax payment equal to the taxes due and owing for an assessment value of \$165,000.00 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 \$165,000.00 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 and shall complete within twenty-four (24) 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. 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 5.3. 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 5.4. "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: 1039 Chalkstone Realty Associates, LLC
1039 Chalkstone Avenue
Providence, RI 02908

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 or privilege thereunder.

Section 8.6. Joint and Several Liability. In the event of default under this Agreement 1039 Chalkstone 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 6 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.

[THE REMAINDER OF THIS PAGE WAS INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, 1039 Chalkstone and the City have executed this Agreement.

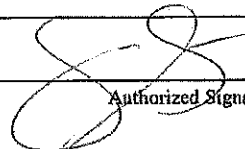
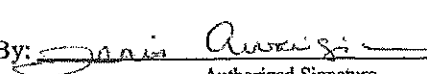
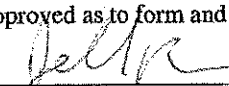
1039 CHALKSTONE REALTY ASSOCIATES, LLC	CITY OF PROVIDENCE
By: _____, Its _____	By:  _____ Authorized Signature
By:  _____ Authorized Signature	
Print Name: <u>Janis Arvanigian</u>	Print Name: <u>Jorge O. Elorza</u>
Title: <u>owner</u>	Title: <u>Mayor of Providence</u>
Address: <u>1039 Chalkstone Realty Associates, LLC</u>	Address: <u>City Hall</u>
<u>1039 Chalkstone Avenue</u>	<u>25 Dorrance Street</u>
<u>Providence, RI 02908</u>	<u>Providence, RI 02903</u>
Date: <u>5/31/16</u>	Date: <u>6/15/16</u>
	Approved as to form and correctness:  _____ Jeffrey Dana, City Solicitor

EXHIBIT A		
TAX STABILIZATION PLAN		
TAX YEAR	BASE ASSESSMENT TAX	TAX PAYMENT UNDER STABILIZATION AGREEMENT
2017	\$6,064	\$0.00
2018	\$6,064	20% of (2018 Assessment Value-\$165,000) * 2018 Commercial Tax Rate
2019	\$6,064	40% of (2019 Assessment Value-\$165,000) * 2019 Commercial Tax Rate
2020	\$6,064	60% of (2020 Assessment Value-\$165,000) * 2020 Commercial Tax Rate
2021	\$6,064	80% of (2021 Assessment Value-\$165,000) * 2021 Commercial Tax Rate
2022		
FULL TAXATION RESUMES		
		* All Years refer to Tax Years.

TAX STABILIZATION PLAN		
TAX YEAR	BASE ASSESSMENT TAX	TAX PAYMENT UNDER STABILIZATION AGREEMENT
2017	\$6,064	\$0.00
2018	\$6,064	\$6,064.00 plus 20% of (2018 Assessment Value-\$165,000) * 2018 Commercial Tax Rate
2019	\$6,064	\$6,064.00 plus 40% of (2019 Assessment Value-\$165,000) * 2019 Commercial Tax Rate
2020	\$6,064	\$6,064.00 plus 60% of (2020 Assessment Value-\$165,000) * 2020 Commercial Tax Rate
2021	\$6,064	\$6,064.00 plus 80% of (2021 Assessment Value-\$165,000) * 2021 Commercial Tax Rate
2022		
FULL TAXATION RESUMES		
		* All Years refer to Tax Years.

TAX STABILIZATION AGREEMENT

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

WITNESSETH:

WHEREAS, Pilgrim is the owner of certain real property located in the City at 19 Harrison Street, also known as Assessor's Plat 32, Lot 234; and

WHEREAS, Pilgrim has proposed and promised to rehabilitate a structure and/or improvement on its property, thus returning the property to productive commercial use in accordance with the construction plans already submitted to the City by Pilgrim; 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 2015-29 No. 401, as amended by Ordinance 2016-1 No.1, 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 Pilgrim to rehabilitate a building, 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 Pilgrim to rehabilitate a building and return underutilized property in the West End neighborhood to productive use.

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 19 Harrison Street, also known as Assessor's Plat 32, Lot 234.

"Property Owner" shall mean Pilgrim, 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 six (6) 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, 2016 and terminating on December 31, 2021. (Tax Years 2017- 2022).

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 year 2017, the Property Owner shall make a tax payment equal to the taxes due and owing for an assessment value of \$248,100.00 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 \$248,100.00 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 and shall complete within twenty-four (24) 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. 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 5.3. 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 5.4. "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 Property 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: Pilgrim Lofts, LLC
c/o Knight & Swan, LLC
234 5th Avenue, Suite 319
New York, NY 10001

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 or privilege thereunder.

Section 8.6. Joint and Several Liability. In the event of default under this Agreement Pilgrim Lofts, 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 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, Pilgrim and the City have executed this Agreement.

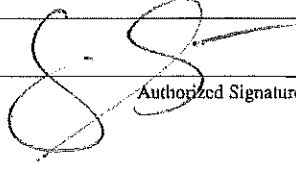
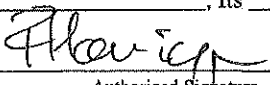

PILGRIM LOFTS, LLC	CITY OF PROVIDENCE
By: _____, Its _____	By:  _____ Authorized Signature
By:  _____ Authorized Signature	Print Name: <u>Jorge O. Elorza</u>
Print Name: <u>FEDERICO MANIACO</u>	Title: <u>Mayor of Providence</u>
Title: <u>MANAGER</u>	Address: <u>City Hall</u>
Address: <u>Pilgrim Lofts, LLC</u>	<u>25 Dorrance Street</u>
<u>c/o Knight & Swan, LLC</u>	<u>Providence, RI 02903</u>
<u>234 5th Avenue, Suite 319</u>	
<u>New York, NY 10001</u>	
Date: <u>7/18/2016</u>	Date: _____
	Approved as to form and correctness:  _____ 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	\$9,118	\$0.00	\$9,118
2018	\$9,118	20% of (2018 Assessment Value-\$248,100) * 2018 Commercial Tax Rate	\$9,118.00 plus 20% of (2018 Assessment Value-\$248,100) * 2018 Commercial Tax Rate
2019	\$9,118	40% of (2019 Assessment Value-\$248,100) * 2019 Commercial Tax Rate	\$9,118.00 plus 40% of (2019 Assessment Value-\$248,100) * 2019 Commercial Tax Rate
2020	\$9,118	60% of (2020 Assessment Value-\$248,100) * 2020 Commercial Tax Rate	\$9,118.00 plus 60% of (2020 Assessment Value-\$248,100) * 2020 Commercial Tax Rate
2021	\$9,118	80% of (2021 Assessment Value-\$248,100) * 2021 Commercial Tax Rate	\$9,118.00 plus 80% of (2021 Assessment Value-\$248,100) * 2021 Commercial Tax Rate
2022		FULL TAXATION RESUMES	
		* All Years refer to Tax Years.	

TAX STABILIZATION AGREEMENT

Law Department
FEB -1 2017

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

WITNESSETH:

WHEREAS, Grasso is the owner of certain real property located in the City at 80 Manton Avenue, also known as Assessor's Plat 62, Lot 545; and

WHEREAS, Grasso has proposed and promised to rehabilitate a structure and/or improvement on its property creating five (5) new retail spaces in the commercial building, thus returning the property to productive commercial use in accordance with the construction plans already submitted to the City by Grasso; 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 2015-29 No. 401, as amended by Ordinance 2016-1 No.1, 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 Grasso to rehabilitate a building, 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 Grasso to rehabilitate a building and return underutilized property in the Olneyville neighborhood to productive use.

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 80 Manton Avenue, also known as Assessor's Plat 62, Lot 545.

"Property Owner" shall mean Grasso, 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 five (5) 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, 2016 and terminating on December 31, 2020. (Tax Years 2017- 2021).

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 year 2017, the Property Owner shall make a tax payment equal to the taxes due and owing for an assessment value of \$1,771,500.00 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 \$1,771,500.00 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 and shall complete within twenty-four (24) 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. 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 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. 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 5.3. 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 5.4. "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 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 obligations 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: Grasso Management, LLC
 1051 Chalkstone Avenue
 Providence, RI 02908

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 Grasso 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 6 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, Grasso and the City have executed this Agreement.

GRASSO MANAGEMENT, LLC	CITY OF PROVIDENCE
By: <u>Richard R. Grasso</u> Authorized Signature	By: <u>Jorge O. Elorza</u> Authorized Signature
Print Name: <u>Richard R. Grasso</u>	Print Name: <u>Jorge O. Elorza</u>
Title: <u>Member</u>	Title: <u>Mayor of Providence</u>
Address: <u>Grasso Management, LLC</u>	Address: <u>City Hall</u>
<u>1051 Chalkstone Avenue</u>	<u>25 Dorrance Street</u>
<u>Providence, RI 02908</u>	<u>Providence, RI 02903</u>
Date: <u>01/31/2017</u>	Date: <u>2/10/17</u>
	Approved as to form and correctness: <u>Jeffrey Dana</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	\$65,014		\$0.00
2018	\$65,014	20% of (2018 Assessment Value-\$1,771,500) * 2018 Commercial Tax Rate	\$65,014.00 plus 20% of (2018 Assessment Value-\$1,771,500) * 2018 Commercial Tax Rate
2019	\$65,014	40% of (2019 Assessment Value-\$1,771,500) * 2019 Commercial Tax Rate	\$65,014.00 plus 40% of (2019 Assessment Value-\$1,771,500) * 2019 Commercial Tax Rate
2020	\$65,014	60% of (2020 Assessment Value-\$1,771,500) * 2020 Commercial Tax Rate	\$65,014.00 plus 60% of (2020 Assessment Value-\$1,771,500) * 2020 Commercial Tax Rate
2021	\$65,014	80% of (2021 Assessment Value-\$1,771,500) * 2021 Commercial Tax Rate	\$65,014.00 plus 80% of (2021 Assessment Value-\$1,771,500) * 2021 Commercial Tax Rate
2022			
FULL TAXATION RESUMES			
			* All Years refer to Tax Years.

TAX STABILIZATION AGREEMENT

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

WITNESSETH:

WHEREAS, Wide Plank is the owner of certain real property located in the City at 11 Aleppo Street, also known as Assessor's Plat 63, Lot 5~~7~~7; and

WHEREAS, Wide Plank has proposed and committed to a complete rehabilitation of a structure and/or improvements on its property, thus returning the property to productive commercial use in accordance with the construction plans already submitted to the City by Wide Plank; 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 2015-29 No. 401, as amended by Ordinance 2016-1 No.1, 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 Wide Plank to rehabilitate an existing structure, 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 Wide Plank to rehabilitate a building and return underutilized property in the Olneyville neighborhood to productive use.

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 11 Aleppo Street, also known as Assessor's Plat 63, Lot 5~~7~~7.

"Property Owner" shall mean Wide Plank, 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 five (5) 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, 2017 and terminating on December 31, 2022. (Tax Years 2018- 2023).

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 year 2018, the Property Owner shall make a tax payment equal to the taxes due and owing for an assessment value of \$155,000.00 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 difference in assessment value between \$155,000.00 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 and shall complete within twenty-four (24) 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. 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 5.3. 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 5.4. "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: Wide Plank, LLC
Attn: Eric Army
11 Aleppo Street
Providence, RI 02909

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 or privilege thereunder.

Section 8.6. Joint and Several Liability. In the event of default under this Agreement Wide Plank 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 6 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.

[THE REMAINDER OF THIS PAGE WAS INTENTIONALLY LEFT BLANK]

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

WIDE PLANK, LLC	CITY OF PROVIDENCE
By: <u>ERIC ARMY</u> , Its <u>member</u>	By: <u>[Signature]</u> Authorized Signature
By: <u>[Signature]</u> Authorized Signature	Print Name: <u>Jorge O. Elorza</u>
Print Name: <u>ERIC ARMY</u>	Title: <u>Mayor of Providence</u>
Title: <u>MEMBER</u>	Address: <u>City Hall</u>
Address: <u>Wide Plank, LLC</u>	<u>25 Dorrance Street</u>
<u>11 Aleppo Street</u>	<u>Providence, RI 02903</u>
<u>Providence, RI 02909</u>	Date: <u>2/23/17</u>
Date: <u>FEB. 2. 2017</u>	Approved as to form and correctness: <u>[Signature]</u> Jeffrey Dana, City Solicitor

TAX STABILIZATION PLAN			
TAX YEAR	BASE ASSESSMENT TAX	PERCENTAGE OF FULL ASSESSMENT INCREASES	TAX PAYMENT UNDER STABILIZATION AGREEMENT
2018	\$5,689		\$0.00
2019	\$5,689	20% of (2019 Assessment Value-\$155,000) * 2019 Commercial Tax Rate	\$5,689.00 plus 20% of (2019 Assessment Value-\$155,000) * 2019 Commercial Tax Rate
2020	\$5,689	40% of (2020 Assessment Value-\$155,000) * 2020 Commercial Tax Rate	\$5,689.00 plus 40% of (2020 Assessment Value-\$155,000) * 2020 Commercial Tax Rate
2021	\$5,689	60% of (2021 Assessment Value-\$155,000) * 2021 Commercial Tax Rate	\$5,689.00 plus 60% of (2021 Assessment Value-\$155,000) * 2021 Commercial Tax Rate
2022	\$5,689	80% of (2022 Assessment Value-\$155,000) * 2022 Commercial Tax Rate	\$5,689.00 plus 80% of (2022 Assessment Value-\$155,000) * 2022 Commercial Tax Rate
2023			
<u>FULL TAXATION RESUMES</u>			
			* All Years refer to Tax Years.

TAX STABILIZATION PLAN			
TAX YEAR	BASE ASSESSMENT TAX	PERCENTAGE OF FULL ASSESSMENT INCREASES	TAX PAYMENT UNDER STABILIZATION AGREEMENT
2018	\$5,689		\$0.00
2019	\$5,689	20% of (2019 Assessment Value-\$155,000) * 2019 Commercial Tax Rate	\$5,689.00 plus 20% of (2019 Assessment Value-\$155,000) * 2019 Commercial Tax Rate
2020	\$5,689	40% of (2020 Assessment Value-\$155,000) * 2020 Commercial Tax Rate	\$5,689.00 plus 40% of (2020 Assessment Value-\$155,000) * 2020 Commercial Tax Rate
2021	\$5,689	60% of (2021 Assessment Value-\$155,000) * 2021 Commercial Tax Rate	\$5,689.00 plus 60% of (2021 Assessment Value-\$155,000) * 2021 Commercial Tax Rate
2022	\$5,689	80% of (2022 Assessment Value-\$155,000) * 2022 Commercial Tax Rate	\$5,689.00 plus 80% of (2022 Assessment Value-\$155,000) * 2022 Commercial Tax Rate
2023			
<u>FULL TAXATION RESUMES</u>			
			* All Years refer to Tax Years.

TAX STABILIZATION AGREEMENT

This agreement ("Agreement") is made by and between the CITY OF PROVIDENCE, a Rhode Island municipal corporation (hereinafter "City") and CC WCM-MP PO, LLC (hereinafter "WCM"), (collectively, "the parties").

WITNESSETH:

WHEREAS, WCM is the owner of certain real property located in the City of Providence at 180 Friendship Street, also known as Assessor's Plat 24 Lot 664; and

WHEREAS, WCM has proposed and committed to construct a new 109,000 square foot mixed-used development on said property and return same to productive mixed use in accordance with the construction plans already submitted to the City by WCM; 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 WCM to construct a new 109,000 square foot mixed-used development featuring residential and retail spaces; 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 WCM to expend \$25,998,000.00 in order to carry out the construction at 180 Friendship Street to develop 91 urban style residential apartments, approximately 5,900 square feet of street-level commercial space, and thirty (30) covered parking spaces, in order to increase the pace of economic development within the City of Providence and the 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 180 Friendship Street also known as Assessor's Plat 24 Lot 664.

"Property Owner" shall mean any entity with the right and interest in and to the Property, or portions thereof, including successors to units and/or sub-units of the Property. The initial Property Owner is WCM.

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, 2018 and terminating on December 31, 2032. (Tax Years 2019- 2033).

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 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 \$375,000 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 difference in assessment value between \$375,000 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. It is understood that the stabilized tax payments made hereunder are deemed by the City to be tax

payments, and the Property Owner shall be entitled to all of the rights and privileges of a taxpayer in the City, including, without limitation, the right to challenge and appeal any assessment and/or reassessment.

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 and after ratification of this Agreement by City Council by resolution, the Property Owner shall cause a Notice of 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 aforementioned notice. To be clear, the stabilization of taxes provided by this Agreement shall be transferrable to new owners or tenants.

SECTION 3. PERFORMANCE OBLIGATIONS.

Section 3.1. Commencement of Performance.

Construction shall commence within twelve (12) months of the effective date of this Agreement. Commencement of construction may include site work, as well as undertaking environmental remediation activities.

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. 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 written notice to the City of Providence within thirty (30) days of any transfer of title to the real estate.

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 existing legal right or legal interest in

and to the Property at the time of the transfer 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 the 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, the then existing Property Owner at the time of the sale 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 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 rehabilitation of the Property. 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 Property (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 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 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 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 meetings upon ratification of this Agreement, with and as reasonably requested by the Providence MBE/WBE office, the Supplier Diversity Director, and the Director of First Source Providence, 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 a Notice of this Agreement as well as the City Council resolution ratifying the same 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 in writing within thirty (30) days of 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 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 ninety (90) 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 said period of ninety (90) days then the Property Owner shall have such additional period of time 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.

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 by nationally recognized overnight courier (such as Federal Express or UPS) 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:

CC WCM-MP PO, LLC
c/o Zachary G. Darrow, Esq., Manager
One Turks Head Place, Suite 1310
Providence, RI 02903

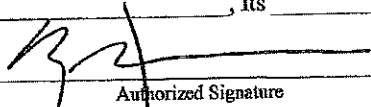
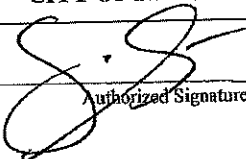
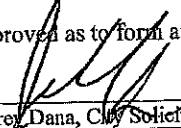
SECTION 8. RIGHTS AND REMEDIES.

Section 8.1. [Reserved]

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.

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.

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

CC WCM-MP PO, LLC	CITY OF PROVIDENCE
By: _____, Its _____ By:  Authorized Signature	By:  Authorized Signature
Print Name: <u>Zachary Darrow</u>	Print Name: <u>Jorge O. Elorza</u>
Title: <u>Authorized Signatory</u>	Title: <u>Mayor of Providence</u>
Address: <u>CC WCM-MP PO, LLC</u> <u>c/o Zachary G. Darrow, Esq., Manager</u> <u>One Turks Head Place, Suite 1310</u> <u>Providence, RI 02903</u>	Address: <u>City Hall</u> <u>25 Dorrance Street</u> <u>Providence, RI 02903</u>
Date: <u>8-7-18</u>	Date: <u>08/13/2018</u>
	Approved as to form and correctness:  Jeffrey Dana, City Solicitor

TAX STABILIZATION AGREEMENT

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

WITNESSETH:

WHEREAS, Omni Jones is the owner of certain real property located in the City at 37 Jones Street and 40 Jones Street, also known as Assessor's Plat 26 Lots 384 and 381 (respectively); and

WHEREAS, Omni Jones has proposed and committed to construct a new twelve (12) unit multi-family apartment building and accompanying parking, thus returning the property to productive residential use in accordance with the construction plans already submitted to the City by Omni Jones; 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 2015-29 No. 401, as amended by Ordinance 2016-1 No.1, 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 Omni Jones to construct a new twelve (12) unit multi-family apartment building and accompanying 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 Omni Jones to construct a new twelve (12) unit multi-family apartment building and accompanying parking, thereby return underutilized property in the Federal Hill neighborhood to productive use.

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 37 Jones Street and 40 Jones Street, also known as Assessor's Plat 26 Lots 384 and 381 (respectively).

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 and shall complete within twenty-four (24) 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, they 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, as to whether or not stabilization under this Agreement will continue; the City's consent to transfer the tax stabilization agreement will not be unreasonably withheld.

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, now or then 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. 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 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. 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 5.3. 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 5.4. "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 therein 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. Furthermore, once the Property Owner completes said project, 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 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 obligations 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 which would affect the priority of the City lien for taxes due and owing or which would jeopardize the City's ability to collect taxes under this Agreement or under generally applicable state and local taxation laws.

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: Omni Omni Jones, LLC
 P.O. Box 856
 East Greenwich, RI 02818

Copy to: David Campanella, Esq.
 272 West Exchange 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 8.6. Joint and Several Liability. In the event of default under this Agreement Omni Jones 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 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, Terminations, and/or Extensions. This Agreement shall not be modified, amended, extended, terminated, or altered in any way by oral representations made before or after the execution of this Agreement. Any and all modifications, amendments, extensions, terminations, or alterations must be in writing duly executed by all parties. As for termination of this Agreement, neither party shall unreasonably withhold its consent to terminate the Agreement.

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, Omni Jones and the City have executed this Agreement.

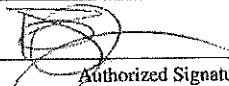
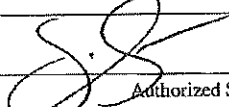
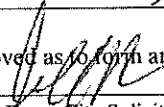
OMNI JONES, LLC	CITY OF PROVIDENCE
By:  Authorized Signature	By:  Authorized Signature
Print Name: <u>William L. DiStefano JD</u>	Print Name: <u>Jorge O. Elorza</u>
Title: <u>MANAGER</u>	Title: <u>Mayor of Providence</u>
Address: <u>Omni Jones, LLC</u>	Address: <u>City Hall</u>
<u>P.O. Box 856</u>	<u>25 Dorrance Street</u>
<u>East Greenwich, RI 02818</u>	<u>Providence, RI 02903</u>
Date: <u>5/2/17</u>	Date: <u>5/11/17</u>
	Approved as to form and correctness:  Jeffrey Dana, City Solicitor

EXHIBIT A				
TAX STABILIZATION PLAN				
TAX YEAR	BASE ASSESSMENT TAX	PERCENTAGE OF FULL ASSESSMENT INCREASES	TAX PAYMENT UNDER STABILIZATION AGREEMENT	
2018	\$3,131		\$0.00	\$3,131
2019	\$3,131	20% of (2019 Assessment Value-\$85,300) * 2019 Commercial Tax Rate		\$3,131.00 plus 20% of (2019 Assessment Value-\$85,300) * 2019 Commercial Tax Rate
2020	\$3,131	40% of (2020 Assessment Value-\$85,300) * 2020 Commercial Tax Rate		\$3,131.00 plus 40% of (2020 Assessment Value-\$85,300) * 2020 Commercial Tax Rate
2021	\$3,131	60% of (2021 Assessment Value-\$85,300) * 2021 Commercial Tax Rate		\$3,131.00 plus 60% of (2021 Assessment Value-\$85,300) * 2021 Commercial Tax Rate
2022	\$3,131	80% of (2022 Assessment Value-\$85,300) * 2022 Commercial Tax Rate		\$3,131.00 plus 80% of (2022 Assessment Value-\$85,300) * 2022 Commercial Tax Rate
2023				
FULL TAXATION RESUMES				

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.

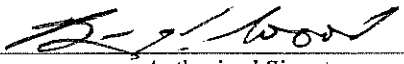
Section 9.4. Applicable Law. This Agreement shall be construed under the laws of the State of Rhode Island, the City of Providence Home Rule Charter, and the City of Providence Code of Ordinances, as amended.

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.

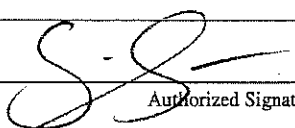
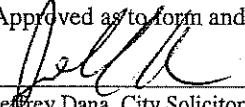
[Signature Page Follows]

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: 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: _____
	Approved as to form and correctness: _____ Jeffrey Dana, City Solicitor

Doc No: 00181767
Book: 11835 Page: 27

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

TAX STABILIZATION AGREEMENT

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

WITNESSETH:

WHEREAS, Pearl is the owner of certain real property located in the City at 304 Pearl Street, also known as Assessor's Plat 30, Lot 22; and

WHEREAS, Pearl has proposed and promised to rehabilitate structures and/or improvements on its property contributing to the overall improvement of the mixed-use multi-structure site, thus returning the property to productive mixed-use in accordance with the plans already submitted to the City by Pearl; 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 2015-29 No. 401, as amended by Ordinance 2016-1 No.1, 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 Pearl to rehabilitate a building, 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 Pearl to rehabilitate a building and return underutilized property in the Olneyville neighborhood to productive use.

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 304 Pearl Street, also known as Assessor's Plat 30, Lot 22.

"Property Owner" shall mean Pearl, 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 five (5) 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, 2019 and terminating on December 31, 2023. (Tax Years 2020- 2024).

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 year 2020, the Property Owner shall make a tax payment equal to the taxes due and owing for an assessment value of \$2,900,000.00 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 \$2,900,000.00 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 Notice of 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 and shall complete within twenty-four (24) 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.

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. 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 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. 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 5.3. 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 5.4. "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 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 obligations 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 which would affect the priority of the lien created by 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 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 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 and reasonable 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

If to: Pearl Street, LLC
334 Broadway
Providence, RI 02909

Copy to: Nicholas Hemond, Esq.
DarrowEverett LLP
One Turks Head Place, Suite 1200
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, unless the assessment value of the Property increases by more than ten percent (10%) between any two City-wide revaluations (as referenced in R.I. Gen. Laws § 44-5-11.6) which occur during the term of this stabilization or if there is a substantial change in circumstances regarding the value of the Property. A substantial change in circumstances shall include a vacancy or partial vacancy at the Property, loss of use of the Property as a result of fire, flood or other force majeure, loss of revenue generated by the Property or decline in the real estate market such that it negatively impacts the value of the Property. 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 or privilege thereunder.

Section 8.6. Joint and Several Liability. In the event of default under this Agreement Pearl 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 Council 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 6 above, and overall financial well-being. Upon receipt and review, the City Council 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 0.001 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 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, Pearl and the City have executed this Agreement.

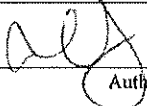
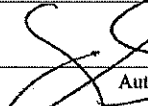
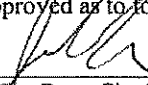
PEARL STREET, LLC	CITY OF PROVIDENCE
By:  Authorized Signature	By:  Authorized Signature
Print Name: <u>Mark Van Noppen</u>	Print Name: <u>Jorge O. Elorza</u>
Title: <u>Member</u>	Title: <u>Mayor of Providence</u>
Address: <u>Pearl Street, LLC</u>	Address: <u>City Hall</u>
<u>334 Broadway</u>	<u>25 Dorrance Street</u>
<u>Providence, RI 02909</u>	<u>Providence, RI 02903</u>
Date: <u>9/23/19</u>	Date: <u>10/9/19</u>
	Approved as to form and correctness:  Jeffery Dana, City Solicitor

EXHIBIT A			
TAX STABILIZATION PLAN			
TAX YEAR	BASE ASSESSMENT TAX	PERCENTAGE OF FULL ASSESSMENT INCREASES	TAX PAYMENT UNDER STABILIZATION AGREEMENT
1	BA TAX	\$0.00	BA TAX
2	BA TAX	20.00% of (Year 2 Assessment Value-Base Assessment) * Year 2 Commercial Tax Rate	BA TAX plus 20.00% of (Year 2 Assessment Value-Base Assessment) * Year 2 Commercial Tax Rate
3	BA TAX	40.00% of (Year 3 Assessment Value-Base Assessment) * Year 3 Commercial Tax Rate	BA TAX plus 40.00% of (Year 3 Assessment Value-Base Assessment) * Year 3 Commercial Tax Rate
4	BA TAX	60.00% of (Year 4 Assessment Value-Base Assessment) * Year 4 Commercial Tax Rate	BA TAX plus 60.00% of (Year 4 Assessment Value-Base Assessment) * Year 4 Commercial Tax Rate
5	BA TAX	80.00% of (Year 5 Assessment Value-Base Assessment) * Year 5 Commercial Tax Rate	BA TAX plus 80.00% of (Year 5 Assessment Value-Base Assessment) * Year 5 Commercial Tax Rate
6			
FULL TAXATION RESUMES			
* All years refer to Tax Years			

TAX STABILIZATION AGREEMENT

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

WITNESSETH:

WHEREAS, Wide Plank is the owner of certain real property located in the City at 41-43 Harrison Street and 14 Groton Street, also known as Assessor's Plat 32, Lot 583; and

WHEREAS, Wide Plank has proposed and committed to a complete rehabilitation of a structure and/or improvements on its property, thus returning the property to productive residential use in accordance with the construction plans already submitted to the City by Wide Plank; 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 2015-29 No. 401, as amended by Ordinance 2016-1 No.1, 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 Wide Plank to rehabilitate an existing structure, 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 Wide Plank to rehabilitate a building and return underutilized property in the West End neighborhood to productive use.

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 43 Harrison Street and 14 Groton Street, also known as Assessor's Plat 32, Lot 583.

"Property Owner" shall mean Wide Plank, 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, in accordance with R.I.G.L. § 44-3-9 and the City of Providence Code of Ordinances, does hereby grant a five (5) 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, 2018 and terminating on December 31, 2022. (Tax Years 2019- 2023).

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 year 2018, the Property Owner shall make a tax payment equal to the taxes due and owing for an assessment value of \$320,400.00 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 difference in assessment value between \$320,400.00 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.

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 and shall complete within twenty-four (24) 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. 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 5.3. 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 5.4. "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 which would jeopardize the status of lien created hereunder.

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

If to: Wide Plank, LLC
Attn: Eric Army
11 Aleppo Street
Providence, RI 02909

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 or privilege thereunder.

Section 8.6. Joint and Several Liability. In the event of default under this Agreement Wide Plank 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 Council 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 Council 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.

[THE REMAINDER OF THIS PAGE WAS INTENTIONALLY LEFT BLANK]

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

WIDE PLANK, LLC	CITY OF PROVIDENCE
By: <u>ERIC ARMY</u> , Its <u>Member</u>	By: <u>[Signature]</u> Authorized Signature
By: <u>[Signature]</u> Authorized Signature	
Print Name: <u>ERIC ARMY</u>	Print Name: <u>Jorge O. Elorza</u>
Title: <u>Member</u>	Title: <u>Mayor of Providence</u>
Address: <u>Wide Plank, LLC</u>	Address: <u>City Hall</u>
<u>11 Aleppo Street</u>	<u>25 Dorrance Street</u>
<u>Providence, RI 02909</u>	<u>Providence, RI 02903</u>
Date: <u>5-21-18</u>	Date: <u>5-24-18</u>
	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
2019	\$11,759	\$0.00	\$11,759
2020	\$11,759	20% of (2020 Assessment Value-\$320,400) * 2020 Commercial Tax Rate	\$11,759.00 plus 20% of (2020 Assessment Value-\$320,400) * 2020 Commercial Tax Rate
2021	\$11,759	40% of (2021 Assessment Value-\$320,400) * 2021 Commercial Tax Rate	\$11,759.00 plus 40% of (2021 Assessment Value-\$320,400) * 2021 Commercial Tax Rate
2022	\$11,759	60% of (2022 Assessment Value-\$320,400) * 2022 Commercial Tax Rate	\$11,759.00 plus 60% of (2022 Assessment Value-\$320,400) * 2022 Commercial Tax Rate
2023	\$11,759	80% of (2023 Assessment Value-\$320,400) * 2023 Commercial Tax Rate	\$11,759.00 plus 80% of (2023 Assessment Value-\$320,400) * 2023 Commercial Tax Rate
2024			
FULL TAXATION RESUMES			
-All Years refer to Tax Years.			

TAX STABILIZATION AGREEMENT

This agreement ("Agreement") is made by and between the CITY OF PROVIDENCE, a Rhode Island municipal corporation (hereinafter "City") and BAC CVP PROVIDENCE HOTEL LLC, a Massachusetts limited liability company (hereinafter "Owner") (collectively, "the parties") and executed on the dates set forth on the signature page with an effective date of December 31, 2019 (the "Effective Date").

WITNESSETH:

WHEREAS, Owner is the owner of certain real property located in the City of Providence at 191 Dorrance Street, also known as Lot 401 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 107,762 square foot hotel 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 107,762 square foot hotel development featuring hotel space as well as restaurant space (the "Project"); 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 \$57,940,137.00 for total costs in order to carry out the construction at 191 Dorrance Street to develop said hotel and restaurant, 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 191 Dorrance Street, also known as Lot 401 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, 2019 and terminating on December 31, 2038 (Tax Years 2020 - 2039).

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 2020, 2021, 2022, 2023 and 2024 the Property Owner shall make a tax payment equal to the taxes due and owing for an assessment value of \$250,000.00 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 \$250,000.00 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 within six (6) months of the Effective Date of this Agreement. Commencement of construction shall include site work.

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 tax benefits provided by this Agreement shall transfer to a Subsequent Owner. 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, solely 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. The Property Owner shall not be required to obtain consent from the City for any transfer of the Property occurring after the Construction Period; however, the Property Owner and all Subsequent Owners shall remain obligated to provide prior written notice to the City of all transfers during the Term defined in Sections 2.2 and 4.3.

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 ensure that one hundred (100) percent of the hours worked on the construction of 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. The

Property Owner shall request that Marriott Corporation post its non-management hourly level job postings on the First Source portal.

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 Project afforded the stabilization found in Section 2.3 above that are purchased by the Property Owner 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 the Property Owner and shall not be deemed to apply to the tenants of the Property, the businesses conducted thereon 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) Transfer of the Property by the Property Owner outside of the terms of this Agreement; or
- (F) Failure of the Property Owner to comply in all material respects with Section 5 above; or
- (G) Failure of the Property Owner to comply in all material respects with any other material obligation or promise contained within any section or subsection of this Agreement; or
- (H) Failure of the Property Owner to comply in all material respects with all state and local law regarding building and property maintenance codes, zoning ordinances, and building and/or trade permits; or
- (I) 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 Property 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

Originals to: BAC CVP PROVIDENCE HOTEL LLC
c/o CV Properties, LLC
451 D Street, Suite 101
Boston, MA 02210
Attn: Richard Galvin

BAC CVP PROVIDENCE HOTEL LLC
c/o Boston Andes Capital LLC
10 High Street, Suite 903
Boston, MA 02210
Attn: James Hughes

Copies to: Partridge Snow & Hahn LLP
40 Westminster Street, Suite 1100
Providence, RI 02903
Attn: Amy Oakley

Arent Fox LLP
800 Boylston Street, 32nd Floor
Boston, MA 02199
Attn: Sam Webb

Hinckley Allen & Snyder LLP
100 Westminster Street, Suite 1500
Providence, RI
Attn: Matthew Marcello, III

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 unless the assessment value of the Property increases by more than ten percent (10%)

between any two City-wide revaluations (as referenced in R.I.G.L. § 44-5-11.6) which occur during the term of this stabilization or if there is a substantial change in circumstances regarding the value of the Property in either case the Property Owner and the City of Providence agree that the Property Owner retains the right to appeal the valuation or calculation of the taxes assessed from time to time. A substantial change in circumstances shall include a vacancy or partial vacancy at the Property, loss of use of the Property as a result of fire, flood or other force majeure, loss of revenue generated by the Property or decline in the real estate market such that it negatively impacts the value of the Property. For illustrative purposes, the Property Owner retains the right to appeal the initial 2021 assessment value of the Property. 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 5 above, and overall financial well-being. Upon receipt and review, the City of Providence may, in its reasonable 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.

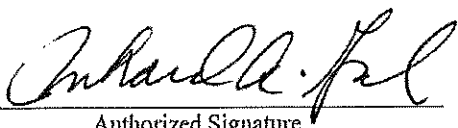
Section 9.4. Applicable Law. This Agreement shall be construed under the laws of the State of Rhode Island, the City of Providence Home Rule Charter, and the City of Providence Code of Ordinances, as amended.

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 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.

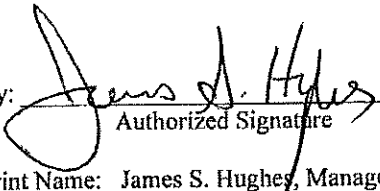
Section 9.6. Entire Agreement; Effect. This Agreement and all attachments, addendums, and/or exhibits attached hereto shall represent the entire agreement between City and the Property Owner and may not be amended or modified except as expressed in this document. This Agreement shall be effective upon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

[Signature Page Follows]

IN WITNESS WHEREOF, Owner and the City have executed this Agreement on the dates set forth below.

BAC CVP PROVIDENCE HOTEL LLC	CITY OF PROVIDENCE
By: CV Properties, LLC, Its Manager By:  Authorized Signature Print Name: Richard A. Galvin, Manager By: Boston Andes Capital, LLC, Its Manager By: _____ Authorized Signature Print Name: James S. Hughes, Manager Address: c/o CV Properties, LLC 451 D Street, Suite 100 Boston, MA 02210 Date: <u>2/19/20</u>	By: _____ Authorized Signature Print Name: Jorge O. Elorza, Mayor Address: City Hall 25 Dorrance Street Providence, RI 02903 Date: _____ Approved as to form and correctness: _____ Jeffrey Dana, City Solicitor

IN WITNESS WHEREOF, Owner and the City have executed this Agreement on the dates set forth below.

BAC CVP PROVIDENCE HOTEL LLC	CITY OF PROVIDENCE
By: CV Properties, LLC, Its Manager	
By: _____ Authorized Signature	By: _____ Authorized Signature
Print Name: Richard A. Galvin, Manager	Print Name: Jorge O. Elorza, Mayor
By: Boston Andes Capital, LLC, Its Manager	
By:  Authorized Signature	
Print Name: James S. Hughes, Manager	
Address: c/o CV Properties, LLC 451 D Street, Suite 100 Boston, MA 02210	Address: City Hall 25 Dorrance Street Providence, RI 02903
Date: <u>2/19/20</u>	Date: _____
	Approved as to form and correctness: _____ Jeffrey Dana, City Solicitor

IN WITNESS WHEREOF, Owner and the City have executed this Agreement on the dates set forth below.

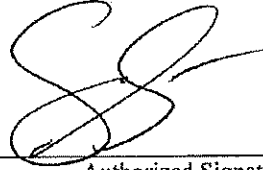
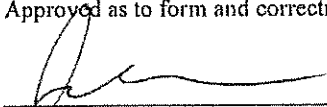
BAC CVP PROVIDENCE HOTEL LLC	CITY OF PROVIDENCE
By: CV Properties, LLC, Its Manager	
By: _____ Authorized Signature	By: _____ Authorized Signature
Print Name: Richard A. Galvin, Manager	Print Name: Jorge O. Elorza, Mayor
By: Boston Andes Capital, LLC, Its Manager	
By: _____ Authorized Signature	
Print Name: James S. Hughes, Manager	
Address: c/o CV Properties, LLC 451 D Street, Suite 100 Boston, MA 02210	Address: City Hall 25 Dorrance Street Providence, RI 02903
Date: _____	Date: <u>2/26/20</u>
	Approved as to form and correctness:  Jeffrey Dana, City Solicitor

EXHIBIT A				
TAX STABILIZATION PLAN				
TAX YEAR	BASE ASSESSMENT TAX	PERCENTAGE OF FULL ASSESSMENT INCREASES	TAX PAYMENT UNDER STABILIZATION AGREEMENT	
2020	\$9,175	\$0.00		\$9,175
2021	\$9,175	\$0.00		\$9,175
2022	\$9,175	\$0.00		\$9,175
2023	\$9,175	\$0.00		\$9,175
2024	\$9,175	\$0.00		\$9,175
2025	\$9,175	6.5% of (2025 Assessment Value-\$250,000) * 2025 Commercial Tax Rate	\$9,175.00 plus 6.5% of (2025 Assessment Value-\$250,000) * 2025 Commercial Tax Rate	\$9,175
2026	\$9,175	13.0% of (2026 Assessment Value-\$250,000) * 2026 Commercial Tax Rate	\$9,175.00 plus 13.0% of (2026 Assessment Value-\$250,000) * 2026 Commercial Tax Rate	\$9,175
2027	\$9,175	19.5% of (2027 Assessment Value-\$250,000) * 2027 Commercial Tax Rate	\$9,175.00 plus 19.5% of (2027 Assessment Value-\$250,000) * 2027 Commercial Tax Rate	\$9,175
2028	\$9,175	26.0% of (2028 Assessment Value-\$250,000) * 2028 Commercial Tax Rate	\$9,175.00 plus 26.0% of (2028 Assessment Value-\$250,000) * 2028 Commercial Tax Rate	\$9,175
2029	\$9,175	32.5% of (2029 Assessment Value-\$250,000) * 2029 Commercial Tax Rate	\$9,175.00 plus 32.5% of (2029 Assessment Value-\$250,000) * 2029 Commercial Tax Rate	\$9,175
2030	\$9,175	39.0% of (2030 Assessment Value-\$250,000) * 2030 Commercial Tax Rate	\$9,175.00 plus 39.0% of (2030 Assessment Value-\$250,000) * 2030 Commercial Tax Rate	\$9,175
2031	\$9,175	45.5% of (2031 Assessment Value-\$250,000) * 2031 Commercial Tax Rate	\$9,175.00 plus 45.5% of (2031 Assessment Value-\$250,000) * 2031 Commercial Tax Rate	\$9,175
2032	\$9,175	52.0% of (2032 Assessment Value-\$250,000) * 2032 Commercial Tax Rate	\$9,175.00 plus 52.0% of (2032 Assessment Value-\$250,000) * 2032 Commercial Tax Rate	\$9,175
2033	\$9,175	58.5% of (2033 Assessment Value-\$250,000) * 2033 Commercial Tax Rate	\$9,175.00 plus 58.5% of (2033 Assessment Value-\$250,000) * 2033 Commercial Tax Rate	\$9,175
2034	\$9,175	65.0% of (2034 Assessment Value-\$250,000) * 2034 Commercial Tax Rate	\$9,175.00 plus 65.0% of (2034 Assessment Value-\$250,000) * 2034 Commercial Tax Rate	\$9,175
2035	\$9,175	71.5% of (2035 Assessment Value-\$250,000) * 2035 Commercial Tax Rate	\$9,175.00 plus 71.5% of (2035 Assessment Value-\$250,000) * 2035 Commercial Tax Rate	\$9,175
2036	\$9,175	78.0% of (2036 Assessment Value-\$250,000) * 2036 Commercial Tax Rate	\$9,175.00 plus 78.0% of (2036 Assessment Value-\$250,000) * 2036 Commercial Tax Rate	\$9,175
2037	\$9,175	84.5% of (2037 Assessment Value-\$250,000) * 2037 Commercial Tax Rate	\$9,175.00 plus 84.5% of (2037 Assessment Value-\$250,000) * 2037 Commercial Tax Rate	\$9,175
2038	\$9,175	91.0% of (2038 Assessment Value-\$250,000) * 2038 Commercial Tax Rate	\$9,175.00 plus 91.0% of (2038 Assessment Value-\$250,000) * 2038 Commercial Tax Rate	\$9,175
2039				
FULL TAXATION RESUMES				

* All Years refer to Tax Years.

TAX STABILIZATION AGREEMENT

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

WITNESSETH:

WHEREAS, Tavares is the owner of certain real property located in the City at 1017 Broad Street and 17 Warrington Street, also known as Assessor's Plat 53, Lots 582 and 619; and

WHEREAS, Tavares has proposed and committed to rehabilitate a structure and/or improvement on its property thereby redeveloping approximately 13,800 square feet of mixed-use space to be used as retail stores, offices, and a reception facility within the existing building, thus returning the property to productive mixed use in accordance with the construction plans already submitted to the City by Tavares; 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 2015-29 No. 401, as amended by Ordinance 2016-1 No.1, 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 Tavares to rehabilitate and redevelop a building into commercial, retail, and event spaces, 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 Tavares to commit to make a significant investment in the above-referenced property, allowing the first level, comprised of 9,300 square feet, to operate as a reception facility and retail space and convert the upper level, comprised of 4,500 square feet, into commercial office space. This will enhance the tax base of the surrounding area, and generate significant tax revenues for the City of Providence.

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 1017 Broad Street and 17 Warrington Street, also known as Assessor's Plat 53, Lots 582 and 619.

“Property Owner” shall mean Tavares, 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 five (5) 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, 2019 and terminating on December 31, 2023. (Tax Years 2020- 2024).

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 year 2020, the Property Owner shall make a tax payment equal to the taxes due and owing for an assessment value of \$250,000.00 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 difference in assessment value between \$250,000.00 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 and shall complete within twenty-four (24) 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. 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 5.3. 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 5.4. "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

If to: Tavares, LLC
 Attn: Fernando Tavares
 124 Webster Street
 Providence, RI 02909

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 or privilege thereunder.

Section 8.6. Joint and Several Liability. In the event of default under this Agreement Tavares 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 6 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.

[THE REMAINDER OF THIS PAGE WAS INTENTIONALLY LEFT BLANK]

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

TAVARES, LLC	CITY OF PROVIDENCE
By: <u>Fernando Tavares</u> , Its <u>Member</u>	By: <u>[Signature]</u> Authorized Signature
By: <u>[Signature]</u> Authorized Signature	
Print Name: <u>Fernando Tavares</u>	Print Name: <u>Jorge O. Elorza</u>
Title: <u>Member</u>	Title: <u>Mayor of Providence</u>
Address: <u>Tavares, LLC</u>	Address: <u>City Hall</u>
<u>124 Webster Street</u>	<u>25 Dorrance Street</u>
<u>Providence, RI 02909</u>	<u>Providence, RI 02903</u>
Date: <u>06/10/2019</u>	Date: <u>6/17/19</u>
	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		
2020	\$9,175		\$0.00	\$9,175	
2021	\$9,175	20.00% of (2021 Assessment Value-Base Assessment) * 2021 Commercial Tax Rate		\$9,175 plus 20.00% of (2021 Assessment Value-Base Assessment) * 2021 Commercial Tax Rate	
2022	\$9,175	40.00% of (2022 Assessment Value-Base Assessment) * 2022 Commercial Tax Rate		\$9,175 plus 40.00% of (2022 Assessment Value-Base Assessment) * 2022 Commercial Tax Rate	
2023	\$9,175	60.00% of (2023 Assessment Value-Base Assessment) * 2023 Commercial Tax Rate		\$9,175 plus 60.00% of (2023 Assessment Value-Base Assessment) * 2023 Commercial Tax Rate	
2024	\$9,175	80.00% of (2024 Assessment Value-Base Assessment) * 2024 Commercial Tax Rate		\$9,175 plus 80.00% of (2024 Assessment Value-Base Assessment) * 2024 Commercial Tax Rate	
2025					
FULL TAXATION RESUMES					
					* All years refer to Tax Years

TAX STABILIZATION AGREEMENT

This agreement ("Agreement") is made by and between the CITY OF PROVIDENCE, a Rhode Island municipal corporation (hereinafter "City") and EM 28 Providence, L.P., a Delaware limited partnership authorized to transact business in and doing business in Rhode Island as EM 28 Providence Owner, L.P. (hereinafter "Owner") (collectively, "the parties") and executed on the dates set forth on the signature page with an effective date as of March 24, 2020 (the "Effective Date").

WITNESSETH:

WHEREAS, Owner is under contract to purchase that certain real property located in the City of Providence with a street address of 125 Clifford Street, also known as Lot 676 on the Subdivision Plan of I-195 Parcel 28 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 building with approximately 249 residential units and 19,593 square-feet of retail space on said real 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 building with approximately 249 residential units and 19,593 square-feet of retail space (the "Project"); 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 \$80,396,000.00 for total costs in order to carry out the construction of the Project, 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 with a street address of 125 Clifford Street, also known as Lot 676 on the Subdivision Plan of I-195 Parcel 28 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, 2020 and terminating on December 31, 2039 (Tax Years 2021 - 2040).

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 2021, 2022, 2023, 2024 and 2025, the Property Owner shall make a tax payment equal to the taxes due and owing for an assessment value of \$100,000.00 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 \$100,000.00 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. 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 date that the Property is conveyed to the Property Owner. 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 within six (6) months of the Effective Date of this Agreement. Commencement of construction shall include site work.

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 tax benefits provided by this Agreement shall transfer to a Subsequent Owner. 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, solely 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. The Property Owner shall not be required to obtain consent from the City for any transfer of the Property occurring after the Construction Period; however, the Property Owner and all Subsequent Owners shall remain obligated to provide prior written notice to the City of all transfers during the Term defined in Sections 2.2 and 4.3.

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 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 Project purchased by the Property Owner 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 the Property Owner and shall not be deemed to apply to the tenants of the Property, 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) Transfer of the Property by the Property Owner outside of the terms of this Agreement; or
- (F) Failure of the Property Owner to comply in all material respects with Section 5 above; or
- (G) Failure of the Property Owner to comply in all material respects with any other material obligation or promise contained within any section or subsection of this Agreement; or
- (H) Failure of the Property Owner to comply in all material respects with all state and local law regarding building and property maintenance codes, zoning ordinances, and building and/or trade permits; or
- (I) 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 Property 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

Originals to: EM 28 Providence, L.P.
101 West Elm Street, Suite 600
Conshohocken, PA 19428
Attn: Bryan Lamb & Diana Liu

Copies to: Partridge Snow & Hahn LLP
40 Westminster Street, 11th Floor
Providence, RI 02903
Attn: Amy T. M. Oakley, Esq.

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 forego 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 unless the assessment value of the Property increases by more than ten percent (10%) between any two City-wide revaluations (as referenced in R.I.G.L. § 44-5-11.6) which occur during the term of this stabilization or if there is a substantial change in circumstances regarding the value of the Property in either case the Property Owner and the City of Providence agree that the Property Owner retains the right to appeal the valuation or calculation of the taxes assessed from time to time. A substantial change in circumstances shall include a vacancy or partial vacancy at the Property, loss of use of the Property as a result of fire, flood or other force majeure, loss of revenue generated by the Property or decline in the real estate market such that it negatively impacts the value of the Property. For illustrative purposes, the Property Owner retains the right to appeal the initial 2021 assessment value of the Property. 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 5 above, and overall financial well-being. Upon receipt and review, the City of Providence may, in its reasonable 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 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. Notwithstanding the foregoing, the city department of planning and development may act upon a petition from the Property Owner and grant relief to the Property Owner to adjust the apprenticeship work hour requirements

without the necessity of a writing duly executed by all parties or ratification by the 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, which may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument, and delivery of this Agreement.

Section 9.7. Property Conveyance. This Agreement shall be considered automatically null and void and of no further force and effect without any further action on the part of either party in the event that the Property is not conveyed to the Owner in calendar year 2020.

[Signature Page Follows]

IN WITNESS WHEREOF, Owner and the City have executed this Agreement on the dates set forth below with an Effective Date as set forth on page one hereof.

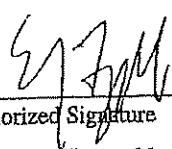
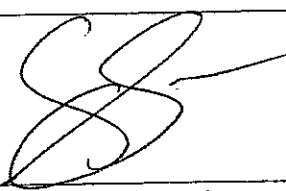
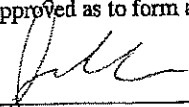
EM 28 PROVIDENCE L.P.	CITY OF PROVIDENCE
By: EM 28 Providence, LLC, its sole general partner	
By:  Authorized Signature	By:  Authorized Signature
Print Name: Edward J. Fitzgerald	Print Name: Jorge O. Elorza, Mayor
Title: Authorized Signatory	
Address: EM 28 Providence, L.P. 101 West Elm Street, Suite 600 Conshohocken, PA 19428	Address: City Hall 25 Dorrance Street Providence, RI 02903
Date: 3/18/2020	Date: 3/26/20
	Approved as to form and correctness:  Jeffrey Dana, City Solicitor

EXHIBIT A		
TAX STABILIZATION PLAN		
TAX YEAR	BASE ASSESSMENT TAX	PERCENTAGE OF FULL ASSESSMENT INCREASES
2020	\$3,670	\$0.00
2021	\$3,670	\$0.00
2022	\$3,670	\$0.00
2023	\$3,670	\$0.00
2024	\$3,670	\$0.00
2025	\$3,670	6.5% of (2025 Assessment Value-\$100,000) * 2025 Commercial Tax Rate
2026	\$3,670	13.0% of (2026 Assessment Value-\$100,000) * 2026 Commercial Tax Rate
2027	\$3,670	19.5% of (2027 Assessment Value-\$100,000) * 2027 Commercial Tax Rate
2028	\$3,670	26.0% of (2028 Assessment Value-\$100,000) * 2028 Commercial Tax Rate
2029	\$3,670	32.5% of (2029 Assessment Value-\$100,000) * 2029 Commercial Tax Rate
2030	\$3,670	39.0% of (2030 Assessment Value-\$100,000) * 2030 Commercial Tax Rate
2031	\$3,670	45.5% of (2031 Assessment Value-\$100,000) * 2031 Commercial Tax Rate
2032	\$3,670	52.0% of (2032 Assessment Value-\$100,000) * 2032 Commercial Tax Rate
2033	\$3,670	58.5% of (2033 Assessment Value-\$100,000) * 2033 Commercial Tax Rate
2034	\$3,670	65.0% of (2034 Assessment Value-\$100,000) * 2034 Commercial Tax Rate
2035	\$3,670	71.5% of (2035 Assessment Value-\$100,000) * 2035 Commercial Tax Rate
2036	\$3,670	78.0% of (2036 Assessment Value-\$100,000) * 2036 Commercial Tax Rate
2037	\$3,670	84.5% of (2037 Assessment Value-\$100,000) * 2037 Commercial Tax Rate
2038	\$3,670	91.0% of (2038 Assessment Value-\$100,000) * 2038 Commercial Tax Rate
2039		
FULL TAXATION RESUMES		
* All Years refer to Tax Years.		

TAX STABILIZATION AGREEMENT

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

WITNESSETH:

WHEREAS, FILI is the owner of certain real property located in the City at 225 Waterman Street, also known as Assessor's Plat 14, Lot 508; and

WHEREAS, FILI has proposed and committed to a complete rehabilitation of a structure and/or improvements on its property, thus returning the property to productive residential use in accordance with the construction plans already submitted to the City by FILI; 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 2015-29 No. 401, as amended by Ordinance 2016-1 No.1, 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 FILI to rehabilitate an existing structure, 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 FILI to rehabilitate a building and return underutilized property in a Commercial Corridor contiguous to the Fox Point neighborhood to productive use.

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 225 Waterman Street, also known as Assessor's Plat 14, Lot 508.

"Property Owner" shall mean FILI, 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 five (5) 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, 2020 and terminating on December 31, 2024. (Tax Years 2021- 2025).

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 year 2021, the Property Owner shall make a tax payment equal to the taxes due and owing for an assessment value of \$425,500.00 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 difference in assessment value between \$425,500.00 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 Notice of this Agreement to be recorded at its expense in the City's official public land evidence records.

SECTION 3. PERFORMANCE OBLIGATIONS.

Section 3.1. Commencement of Performance.

Rehabilitation and/or construction shall commence within twelve (12) months and shall complete within twenty-four (24) months of the effective date of this Agreement. For purposes of this section, a temporary certificate of occupancy issued by the department of inspections and standards shall be sufficient for providing evidence that the rehabilitation and/or construction is complete.

Section 3.2. Permits and Certificates of Occupancy.

Property Owner shall obtain all permits, approvals, 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. During the term of this Agreement, the Property Owner further agrees to provide prior written notice to the City at least 30 days prior to any transfer of title to the Property so that the City may make a determination, in its reasonable 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 during the term of this Agreement, 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 rehabilitation of 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. Internal Revenue Service reporting. Except as provided under R.I.G.L. § 28-42-8, during the term of this Agreement, any person performing services at the Property shall annually receive either a W-2 statement or an IRS Form 1099.

Section 5.3. 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 5.4. "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 at their request 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 Notice of 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 as set forth in Section 4 above; 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 which would affect the Priority of the lien created herein.

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:	City of Providence Office of the City Clerk 25 Dorrance St. Providence, RI 02903
If to FILI:	FILI Investment, LLC 441 Angell Street Providence, RI 02906
With a Copy to:	Moses Ryan Ltd. 160 Westminster Street, Suite 400 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.

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, unless the assessment value of the Property increases by more than ten percent (10%) between any two City-wide revaluations (as referenced in R.I.G.L. § 44-5-11.6) which occur during the term of this stabilization or if there is a substantial change in circumstances regarding the value of the Property in either case the Property Owner and the City of Providence agree that the Project Site Owner retains the right to appeal the valuation or calculation of the taxes assessed from time to time. A substantial change in circumstances shall include a vacancy or partial vacancy at the Property, loss of use of the Property as a result of fire, flood or other force majeure, loss of revenue generated by the Property or decline in the real estate market such that it negatively impacts the value of the Property. 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 or privilege thereunder.

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

SECTION 9. MISCELLANEOUS TERMS.

Section 9.1. Annual Progress Report. During the Term of this Agreement, 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 6 above, and overall financial well-being. Upon receipt and review, the City may require and request reasonable additional non-confidential or proprietary 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 total project cost as presented in the Property Owner's Application for each tax year 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, FILI and the City have executed this Agreement.

FILI INVESTMENT, LLC	CITY OF PROVIDENCE
----------------------	--------------------

By: [Signature] Its
By: [Signature] Authorized Signature

Print Name: GEORGE POTRUIS

Title: MEMBER

Address: FILL Investment, LLC

441 Angell Street

Providence, RI 02906

Date: 10/21/19

By: [Signature] Authorized Signature

Print Name: Jorge O. Elorza

Title: Mayor of Providence

Address: City Hall

25 Dorrance Street

Providence, RI 02903

Date: 10/31/19

Approved as to form and correctness:

[Signature]

Jeffrey Dana, City Solicitor

EXHIBIT A				
TAX STABILIZATION PLAN				
TAX YEAR	BASE ASSESSMENT TAX	PERCENTAGE OF FULL ASSESSMENT INCREASES		TAX PAYMENT UNDER STABILIZATION AGREEMENT
2021	\$15,616		\$0.00	\$15,616
2022	\$15,616	20% of (2022 Assessment Value-\$425,500) * 2022 Commercial Tax Rate	\$15,616.00 plus 20% of (2022 Assessment Value-\$425,500) * 2022 Commercial Tax Rate	
2023	\$15,616	40% of (2023 Assessment Value-\$425,500) * 2023 Commercial Tax Rate	\$15,616.00 plus 40% of (2023 Assessment Value-\$425,500) * 2023 Commercial Tax Rate	
2024	\$15,616	60% of (2024 Assessment Value-\$425,500) * 2024 Commercial Tax Rate	\$15,616.00 plus 60% of (2024 Assessment Value-\$425,500) * 2024 Commercial Tax Rate	
2025	\$15,616	80% of (2025 Assessment Value-\$425,500) * 2025 Commercial Tax Rate	\$15,616.00 plus 80% of (2025 Assessment Value-\$425,500) * 2025 Commercial Tax Rate	
2026		FULL TAXATION RESUMES		
		All Years refer to Tax Years.		

TAX STABILIZATION AGREEMENT

This agreement ("Agreement") is made by and between the City of Providence, a Rhode Island municipal corporation ("City") and 530 Broadway, LLC ("530 Broadway") (collectively, "the parties").

WITNESSETH:

WHEREAS, 530 Broadway is the owner of certain real property located in the City at 530 Broadway, also known as Assessor's Plat 36, Lot 51; and

WHEREAS, 530 Broadway has proposed and committed to rehabilitate a structure and/or improvement on its property thereby redeveloping approximately 16,121 square feet of commercial space to be converted into thirty-two (32) residential units within the existing building, thus returning the property to productive residential use in accordance with the construction plans already submitted to the City by 530 Broadway; 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 2015-29 No. 401, as amended by Ordinance 2016-1 No.1, 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 530 Broadway to rehabilitate and redevelop a building into thirty-two (32) residential units, 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 530 Broadway to commit to make a significant investment of at least \$1,269,000.00 in the above-referenced property to complete the rehabilitation of the property referenced herein. This will enhance the tax base of the surrounding area, and generate significant tax revenues for the City of Providence.

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 530 Broadway, also known as Assessor's Plat 36, Lot 51.

"Property Owner" shall mean 530 Broadway, 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 five (5) 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, 2020 and terminating on December 31, 2024. (Tax Years 2021- 2025).

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 year 2021, the Property Owner shall make a tax payment equal to the taxes due and owing for an assessment value of \$1,500,000.00 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 difference in assessment value between \$1,500,000.00 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 a Notice of 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 and shall complete within twenty-four (24) 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. 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 5.3. 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 5.4. "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 which would diminish the priority of the lien created by 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 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 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.

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

If to: 530 Broadway, LLC
Attn: Micahel Lemoi
334 Carpenter 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 or privilege thereunder.

Section 8.6. Joint and Several Liability. In the event of default under this Agreement 530 Broadway 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 6 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.

[THE REMAINDER OF THIS PAGE WAS INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, 530 Broadway and the City have executed this Agreement.

530 BROADWAY, LLC	CITY OF PROVIDENCE
By: <u>530 Broadway LLC, Its</u>	By: <u>[Signature]</u> Authorized Signature
By: <u>[Signature]</u> Authorized Signature	Print Name: <u>Jorge O. Elorza</u>
Print Name: <u>Michael Lemoi</u>	Title: <u>Mayor of Providence</u>
Title: <u>Member</u>	Address: <u>City Hall</u>
Address: <u>530 Broadway, LLC</u>	<u>25 Dorrance Street</u>
<u>334 Carpenter Street</u>	<u>Providence, RI 02903</u>
<u>Providence, RI 02903</u>	Date: <u>5/13/20</u>
Date: <u>4/14/2020</u>	Approved as to form and correctness: <u>[Signature]</u> Jeffrey Dana, City Solicitor

<u>EXHIBIT A</u>			
<u>TAX STABILIZATION PLAN</u>			
<u>TAX YEAR</u>	<u>BASE ASSESSMENT TAX</u>	<u>PERCENTAGE OF FULL ASSESSMENT INCREASES</u>	<u>TAX PAYMENT UNDER STABILIZATION AGREEMENT</u>
2021	\$55,050	\$0.00	\$55,050
2022	\$55,050	20.00% of (2022 Assessment Value-Base Assessment) * 2022 Commercial Tax Rate	\$55,050 plus 20.00% of (2022 Assessment Value-Base Assessment) * 2022 Commercial Tax Rate
2023	\$55,050	40.00% of (2023 Assessment Value-Base Assessment) * 2023 Commercial Tax Rate	\$55,050 plus 40.00% of (2023 Assessment Value-Base Assessment) * 2023 Commercial Tax Rate
2024	\$55,050	60.00% of (2024 Assessment Value-Base Assessment) * 2024 Commercial Tax Rate	\$55,050 plus 60.00% of (2024 Assessment Value-Base Assessment) * 2024 Commercial Tax Rate
2025	\$55,050	80.00% of (2025 Assessment Value-Base Assessment) * 2025 Commercial Tax Rate	\$55,050 plus 80.00% of (2025 Assessment Value-Base Assessment) * 2025 Commercial Tax Rate
2026		<u>FULL TAXATION RESUMES</u>	
* All years refer to Tax Years			

TAX STABILIZATION AGREEMENT

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

WITNESSETH:

WHEREAS, FTC is the owner of certain real property located in the City at 292 Academy Avenue, also known as Assessor's Plat 84, Lot 215; and

WHEREAS, FTC has proposed and committed to rehabilitate a structure and/or improvement on its property thereby redeveloping approximately 6,000 square feet of commercial space to be used as retail, commercial, and office facilities within the existing building, thus returning the property to productive commercial use in accordance with the construction plans already submitted to the City by FTC; 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 2015-29 No. 401, as amended by Ordinance 2016-1 No.1, 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 FTC to rehabilitate and redevelop a building into commercial, retail, and office spaces, 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 FTC to commit to make a significant investment of at least \$264,716.20 in the above-referenced property to complete the rehabilitation of the property referenced herein. This will enhance the tax base of the surrounding area, and generate significant tax revenues for the City of Providence.

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 292 Academy Avenue, also known as Assessor's Plat 84, Lot 215.

“Property Owner” shall mean FTC, 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 five (5) 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, 2019 and terminating on December 31, 2023. (Tax Years 2020- 2024).

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 year 2020, the Property Owner shall make a tax payment equal to the taxes due and owing for an assessment value of \$236,200.00 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 difference in assessment value between \$236,200.00 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 a Notice of 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 and shall complete within twenty-four (24) 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. 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 5.3. 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 5.4. "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 which would diminish the priority of the lien created by 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 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 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.

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

If to: FTC Realty, LLC
 Attn: Giuseppe Pagnani
 2 Millard Avenue
 North Providence, RI 02911

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 or privilege thereunder.

Section 8.6. Joint and Several Liability. In the event of default under this Agreement FTC 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 6 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.

[THE REMAINDER OF THIS PAGE WAS INTENTIONALLY LEFT BLANK]

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

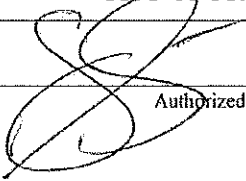
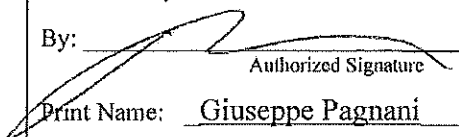
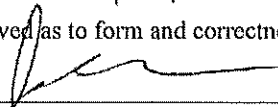
FTC REALTY, LLC	CITY OF PROVIDENCE
By: <u>Giuseppe Pagnani</u> , Its <u>Member</u>	By:  Authorized Signature
By:  Authorized Signature	
Print Name: <u>Giuseppe Pagnani</u>	Print Name: <u>Jorge O. Elorza</u>
Title: <u>Member</u>	Title: <u>Mayor of Providence</u>
Address: <u>FTC Realty, LLC</u>	Address: <u>City Hall</u>
<u>2 Millard Avenue</u>	<u>25 Dorrance Street</u>
<u>North Providence, RI 02911</u>	<u>Providence, RI 02903</u>
Date: <u>4-27-20</u>	Date: <u>5/13/20</u>
	Approved as to form and correctness:  Jeffrey Dana, City Solicitor

EXHIBIT A

EXHIBIT A				
TAX STABILIZATION PLAN		TAX PAYMENT UNDER STABILIZATION AGREEMENT		
TAX YEAR	BASE ASSESSMENT TAX	PERCENTAGE OF FULL ASSESSMENT INCREASES		
2020	\$8,669		\$0.00	\$8,669
2021	\$8,669	20.00% of (2021 Assessment Value-Base Assessment) * 2021 Commercial Tax Rate		\$8,669 plus 20.00% of (2021 Assessment Value-Base Assessment) * 2021 Commercial Tax Rate
2022	\$8,669	40.00% of (2022 Assessment Value-Base Assessment) * 2022 Commercial Tax Rate		\$8,669 plus 40.00% of (2022 Assessment Value-Base Assessment) * 2022 Commercial Tax Rate
2023	\$8,669	60.00% of (2023 Assessment Value-Base Assessment) * 2023 Commercial Tax Rate		\$8,669 plus 60.00% of (2023 Assessment Value-Base Assessment) * 2023 Commercial Tax Rate
2024	\$8,669	80.00% of (2024 Assessment Value-Base Assessment) * 2024 Commercial Tax Rate		\$8,669 plus 80.00% of (2024 Assessment Value-Base Assessment) * 2024 Commercial Tax Rate
2025				
FULL TAXATION RESUMES				

* All years refer to Tax Years

TAX STABILIZATION AGREEMENT

This agreement ("Agreement") is made by and between the City of Providence, a Rhode Island municipal corporation ("City") and 8th Investment, LLC ("8th Investment") (collectively, "the parties").

WITNESSETH:

WHEREAS, 8th Investment is the owner of certain real property located in the City at 18 Eighth Street, also known as Assessor's Plat 91, Lots 162 and 153; and

WHEREAS, 8th Investment has proposed and committed to rehabilitate a structure and/or improvement on its property thereby redeveloping approximately 14,000 square feet to be used as fourteen (14) residential units within the existing building, thus returning the property to productive residential use in accordance with the construction plans already submitted to the City by 8th Investment; 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 2015-29 No. 401, as amended by Ordinance 2016-1 No. 1, 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 8th Investment to rehabilitate and redevelop a building into residential spaces, 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 8th Investment to commit to make a significant investment of at least \$1,852,800.00 in the above-referenced property to complete the rehabilitation of the property referenced herein. This will enhance the tax base of the surrounding area, and generate significant tax revenues for the City of Providence.

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 18 Eighth Street, also known as Assessor's Plat 91, Lots 162 & 153.

"Property Owner" shall mean 8th Investment, 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 five (5) 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, 2020 and terminating on December 31, 2024. (Tax Years 2021- 2025).

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 year 2021, the Property Owner shall make a tax payment equal to the taxes due and owing for an assessment value of \$814,000.00 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 difference in assessment value between \$814,000.00 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 a Notice of 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 and shall complete within twenty-four (24) 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. 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.

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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 which would diminish the priority of the lien created by 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 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 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.

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

If to: 8th Investment, LLC
9 Wayland Square
Providence, RI 02906

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.

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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 or privilege thereunder.

Section 8.6. Joint and Several Liability. In the event of default under this Agreement 8th Investment 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 6 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.

[THE REMAINDER OF THIS PAGE WAS INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, 8th Investment and the City have executed this Agreement.

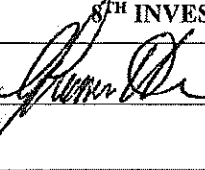
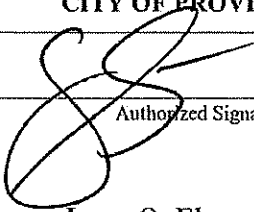
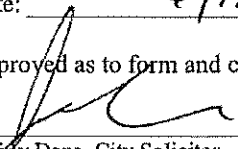
8 th INVESTMENT, LLC	CITY OF PROVIDENCE
By:  its member	By:  Authorized Signature
Print Name: <u>Chasson Dzo</u>	Print Name: <u>Jorge O. Elorza</u>
Title: <u>2nd member</u>	Title: <u>Mayor of Providence</u>
Address: <u>8th Investment, LLC</u>	Address: <u>City Hall</u>
<u>9 Wayland Square</u>	<u>25 Dorrance Street</u>
<u>Providence, RI 02906</u>	<u>Providence, RI 02903</u>
Date: <u>5/29/20</u>	Date: <u>6/12/20</u>
	Approved as to form and correctness:
	
	Jeffrey Dana, City Solicitor

EXHIBIT A		
TAX STABILIZATION PLAN		
TAX YEAR	BASE ASSESSMENT TAX	PERCENTAGE OF FULL ASSESSMENT INCREASES
2021	\$29,874	
2022	\$29,874	20.00% of (2022 Assessment Value-Base Assessment) * 2022 Commercial Tax Rate
2023	\$29,874	40.00% of (2023 Assessment Value-Base Assessment) * 2023 Commercial Tax Rate
2024	\$29,874	60.00% of (2024 Assessment Value-Base Assessment) * 2024 Commercial Tax Rate
2025	\$29,874	80.00% of (2025 Assessment Value-Base Assessment) * 2025 Commercial Tax Rate
2026		
TAX PAYMENT UNDER STABILIZATION AGREEMENT		
	\$39,874	\$29,874 plus 20.00% of (2022 Assessment Value-Base Assessment) * 2022 Commercial Tax Rate
		\$29,874 plus 40.00% of (2023 Assessment Value-Base Assessment) * 2023 Commercial Tax Rate
		\$29,874 plus 60.00% of (2024 Assessment Value-Base Assessment) * 2024 Commercial Tax Rate
		\$29,874 plus 80.00% of (2025 Assessment Value-Base Assessment) * 2025 Commercial Tax Rate
FULL TAXATION RESUMES		
		* All years refer to Tax Years

TAX STABILIZATION AGREEMENT

This agreement ("Agreement") is made by and between the City of Providence, a Rhode Island municipal corporation ("City") and 271 Tockwotten Partners, LLC ("Tockwotten") (collectively, "the parties").

WITNESSETH:

WHEREAS, Tockwotten is the owner of certain real property located in the City at 271 Tockwotten Street and 230 India Street, also known as Assessor's Plat 17, Lot 658; and

WHEREAS, Tockwotten has proposed and committed to rehabilitate a structure and/or improvement on its property thereby redeveloping approximately 18,500 square feet to be used as a brewery and restaurant/brewpub/event space within the existing building, thus returning the property to productive commercial use in accordance with the construction plans already submitted to the City by Tockwotten; 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 2015-29 No. 401, as amended by Ordinance 2016-1 No.1, 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 Tockwotten to rehabilitate and redevelop a building into a brewery and restaurant/brewpub/event space within phases, 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 Tockwotten to commit to make a significant investment of at least \$2,925,000.00 in the above-referenced property to complete the rehabilitation of the property referenced herein. This will enhance the tax base of the surrounding area, and generate significant tax revenues for the City of Providence.

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 271 Tockwotton Street and 230 India Street, also known as Assessor's Plat 17, Lot 658.

"Property Owner" shall mean Tockwotton, 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 five (5) 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, 2020 and terminating on December 31, 2024. (Tax Years 2021- 2025).

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 year 2021, the Property Owner shall make a tax payment equal to the taxes due and owing for an assessment value of \$1,267,000.00 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 difference in assessment value between \$1,267,000.00 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 a Notice of 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.

Significant rehabilitation and/or construction shall commence within twelve (12) months and shall complete within twenty-four (24) 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. 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 5.3. 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 5.4. "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 contained in Section 4 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 which would diminish the priority of the lien created by 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 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 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.

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,

or by electronic mail, and if in writing, it 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

If to: 271 Tockwotten Partners, LLC
271 Tockwotten 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, unless the assessment value of the Property increases by more than ten percent (10%) between any two City-wide revaluations (as referenced in R.I.G.L. § 44-5-11.6) which occur during the term of this stabilization or if there is a substantial change in circumstances regarding the value of the Property. A substantial change in circumstances shall include a vacancy or partial vacancy at the Property, loss of use of the Property as a result of fire, flood or other force majeure, loss of

revenue generated by the Property or decline in the real estate market such that it negatively impacts the value of the Property. 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 or privilege thereunder.

Section 8.6. Joint and Several Liability. In the event of default under this Agreement Tockwotten 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 6 above, and overall financial well-being. Upon receipt and review, the City may 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, Tockwotten and the City have executed this Agreement.

271 TOCKWOTTEN PARTNERS, LLC	CITY OF PROVIDENCE
By: <u>Mark Hellendrung</u> , Its <u>President</u>	By: <u>[Signature]</u>
By: <u>[Signature]</u> Authorized Signature	Authorized Signature: _____
Print Name: <u>Mark Hellendrung</u>	Print Name: <u>Jorge O. Elorza</u>
Title: <u>President</u>	Title: <u>Mayor of Providence</u>
Address: <u>271 Tockwotten Partners, LLC</u>	Address: <u>City Hall</u>
<u>271 Tockwotten Street</u>	<u>25 Dorrance Street</u>
<u>Providence, RI 02903</u>	<u>Providence, RI 02903</u>
Date: <u>July 20, 2020</u>	Date: <u>July 31, 2020</u>
	Approved as to form and correctness: <u>[Signature]</u> Jeffrey Dana, City Solicitor

TAX STABILIZATION AGREEMENT

This agreement ("Agreement") is made by and between the City of Providence, a Rhode Island municipal corporation ("City") and Presidio 156, LLC ("Presidio") (collectively, "the parties").

WITNESSETH:

WHEREAS, Presidio is the owner of certain real property located in the City at 156 Westminster Street, also known as Assessor's Plat 20, Lot 156; and

WHEREAS, Presidio has proposed and committed to rehabilitate a structure and/or improvement on its property thereby redeveloping approximately 13,200 square feet to be used as twelve (12) dwelling units within the existing building, thus returning the property to productive residential use in accordance with the construction plans already submitted to the City by Presidio; 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 2015-29 No. 401, as amended by Ordinance 2016-1 No.1, 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 Presidio to rehabilitate and redevelop a building into twelve (12) dwelling units, 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 Presidio to commit to make a significant investment of at least \$1,006,000.00 in the above-referenced property to complete the rehabilitation of the property referenced herein. This will enhance the tax base of the surrounding area, and generate significant tax revenues for the City of Providence.

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 156 Westminster Street, also known as Assessor's Plat 20, Lot 156.

"Property Owner" shall mean Presidio, 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 five (5) 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, 2020 and terminating on December 31, 2024. (Tax Years 2021- 2025).

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 year 2021, the Property Owner shall make a tax payment equal to the taxes due and owing for an assessment value of \$1,311,900.00 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 difference in assessment value between \$1,311,900.00 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 a Notice of 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.

Significant rehabilitation and/or construction shall commence within twelve (12) months and shall complete within twenty-four (24) 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. 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 5.3. 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 5.4. "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 contained in Section 4 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 which would diminish the priority of the lien created by 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 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 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.

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, or by electronic mail, and if in writing, it 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

If to: 156 Presidio, LLC
10 Presidential Way
Lincoln, RI 02865

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, unless the assessment value of the Property increases by more than ten percent (10%) between any two City-wide revaluations (as referenced in R.I.G.L. § 44-5-11.6) which occur during the term of this stabilization or if there is a substantial change in circumstances regarding the value of the Property. A substantial change in circumstances shall include a vacancy or partial vacancy at the Property, loss of use of the Property as a result of fire, flood or other force majeure, loss of revenue generated by the Property or decline in the real estate market such that it negatively impacts the value of the Property. 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 or privilege thereunder.

Section 8.6. Joint and Several Liability. In the event of default under this Agreement Presidio 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 6 above, and overall financial well-being. Upon receipt and review, the City may 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, Presidio and the City have executed this Agreement.

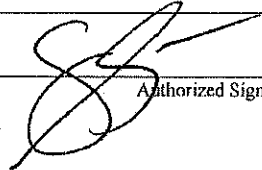
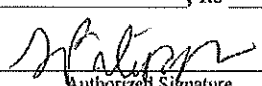
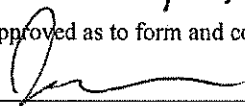
PRESIDIO 156, LLC	CITY OF PROVIDENCE
By: _____, Its _____	By:  _____ Authorized Signature
By:  _____ Authorized Signature	
Print Name: <u>Steven Filipp</u>	Print Name: <u>Jorge O. Elorza</u>
Title: <u>President</u>	Title: <u>Mayor of Providence</u>
Address: <u>Presidio 156, LLC</u>	Address: <u>City Hall</u>
<u>10 Presidential Way</u>	<u>25 Dorrance Street</u>
<u>Lincoln, RI 02865</u>	<u>Providence, RI 02903</u>
Date: <u>9/3/2020</u>	Date: <u>10/16/20</u>
	Approved as to form and correctness:  _____ Jeffrey Dana, City Solicitor <u>116-96-3</u>

EXHIBIT A				
TAX STABILIZATION PLAN				
TAX YEAR	BASE ASSESSMENT TAX	PERCENTAGE OF FULL ASSESSMENT INCREASES	TAX PAYMENT UNDER STABILIZATION AGREEMENT	
2021	\$48,147			\$48,147
2022	\$48,147	20.00% of (2022 Assessment Value-Base Assessment) * 2022 Commercial Tax Rate	\$48,147 plus 20.00% of (2022 Assessment Value-Base Assessment) * 2022 Commercial Tax Rate	
2023	\$48,147	40.00% of (2023 Assessment Value-Base Assessment) * 2023 Commercial Tax Rate	\$48,147 plus 40.00% of (2023 Assessment Value-Base Assessment) * 2023 Commercial Tax Rate	
2024	\$48,147	60.00% of (2024 Assessment Value-Base Assessment) * 2024 Commercial Tax Rate	\$48,147 plus 60.00% of (2024 Assessment Value-Base Assessment) * 2024 Commercial Tax Rate	
2025	\$48,147	80.00% of (2025 Assessment Value-Base Assessment) * 2025 Commercial Tax Rate	\$48,147 plus 80.00% of (2025 Assessment Value-Base Assessment) * 2025 Commercial Tax Rate	
2026				
FULL TAXATION RESUMES				
* All years refer to Tax Years				

TAX STABILIZATION AGREEMENT

This agreement ("Agreement") is made by and between the City of Providence, a Rhode Island municipal corporation ("City") and 46 Dike Street Holdings, LLC ("DSH").

WITNESSETH:

WHEREAS, DSH is the owner of certain real property located in the City at 46 Dike Street, also known as Assessor's Plat 35, Lot 334; and

WHEREAS, DSH has proposed and committed to rehabilitate an existing building into a mixed-use hotel and commercial space community venue, thus returning the property to a productive mixed use in accordance with the construction plans already submitted to the City by DSH; 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 2015-29 No. 401, as amended by Ordinance 2016-1 No.1, 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 DSH to rehabilitate an existing commercial building into a mixed-use hotel and commercial space community venue, 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 DSH to commit to make a significant investment of at least \$390,554.04 in the above-referenced property to complete the rehabilitation of the property referenced herein. This will enhance the tax base of the surrounding area, and generate significant tax revenues for the City of Providence.

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 46 Dike Street, also known as Assessor's Plat 35, Lot 334.

"Property Owner" shall mean DSH, 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 five (5) 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, 2019 and terminating on December 31, 2023. (Tax Years 2020- 2024).

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 year 2020, the Property Owner shall make a tax payment equal to the taxes due and owing for an assessment value of \$268,000.00 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 difference in assessment value between \$268,000.00 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 a Notice of 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.

Significant rehabilitation and/or construction shall commence within twelve (12) months and shall complete within twenty-four (24) 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. 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 5.3. 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 5.4. "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 contained in Section 4 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 which would diminish the priority of the lien created by 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 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 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.

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, or by electronic mail, and if in writing, it 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

If to: 46 Dike Street Holdings, LLC
46 Dike Street
Providence, RI 02909

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, unless the assessment value of the Property increases by more than ten percent (10%) between any two City-wide revaluations (as referenced in R.I.G.L. § 44-5-11.6) which occur during the term of this stabilization or if there is a substantial change in circumstances regarding the value of the Property. A substantial change in circumstances shall include a vacancy or partial vacancy at the Property, loss of use of the Property as a result of fire, flood or other force majeure, loss of revenue generated by the Property or decline in the real estate market such that it negatively impacts the value of the Property. 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 DSH 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 6 above, and overall financial well-being. Upon receipt and review, the City may 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.

[Signature Page Follows]

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

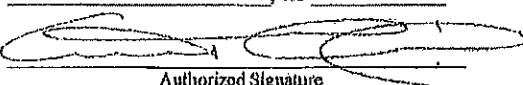
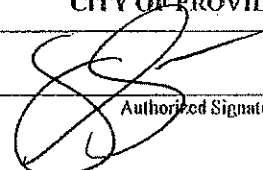
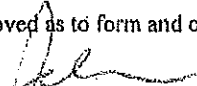
46 DIKE STREET HOLDINGS, LLC	CITY OF PROVIDENCE
By: _____, Its _____ By:  Authorized Signature	By:  Authorized Signature
Print Name: <u>Everett M. April 1601</u>	Print Name: <u>Jorge O. Elorza</u>
Title: <u>Managing Partner</u>	Title: <u>Mayor of Providence</u>
Address: <u>46 Dike Street Holdings, LLC</u> <u>46 Dike Street</u> <u>Providence, RI 02909</u>	Address: <u>City Hall</u> <u>25 Dorrance Street</u> <u>Providence, RI 02903</u>
Date: <u>January 20th 2021</u>	Date: <u>1/28/21</u>
	Approved as to form and correctness;  Jeffrey Dana, City Solicitor

EXHIBIT A

TAX STABILIZATION PLAN

TAX YEAR	BASE ASSESSMENT TAX	PERCENTAGE OF FULL ASSESSMENT INCREASES	TAX PAYMENT UNDER STABILIZATION AGREEMENT
2021	\$23,429	\$0.00	\$23,429
2022	\$23,429	20.00% of (2022 Assessment Value-Base Assessment) * 2022 Commercial Tax Rate	\$23,429 plus 20.00% of (2022 Assessment Value-Base Assessment) * 2022 Commercial Tax Rate
2023	\$23,429	40.00% of (2023 Assessment Value-Base Assessment) * 2023 Commercial Tax Rate	\$23,429 plus 40.00% of (2023 Assessment Value-Base Assessment) * 2023 Commercial Tax Rate
2024	\$23,429	60.00% of (2024 Assessment Value-Base Assessment) * 2024 Commercial Tax Rate	\$23,429 plus 60.00% of (2024 Assessment Value-Base Assessment) * 2024 Commercial Tax Rate
2025	\$23,429	80.00% of (2025 Assessment Value-Base Assessment) * 2025 Commercial Tax Rate	\$23,429 plus 80.00% of (2025 Assessment Value-Base Assessment) * 2025 Commercial Tax Rate
2026			

FULL TAXATION RESUMES

* All years refer to Tax Years

TAX STABILIZATION AGREEMENT

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

WITNESSETH:

WHEREAS, Wide Plank is the owner of certain real property located in the City at 193 Vinton Street, also known as Assessor's Plat 28, Lot 932; and

WHEREAS, Wide Plank has proposed and committed to a complete rehabilitation of a structure and/or improvements on its property, thus returning the property to productive residential use in accordance with the construction plans already submitted to the City by Wide Plank; 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 2015-29 No. 401, as amended by Ordinance 2016-1 No.1, 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 Wide Plank to rehabilitate an existing structure, 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 Wide Plank to rehabilitate a building and return underutilized property in the Federal Hill neighborhood to productive use.

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 193 Vinton Street, also known as Assessor's Plat 28, Lot 932.

"Property Owner" shall mean Wide Plank, 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, in accordance with R.I.G.L. § 44-3-9 and the City of Providence Code of Ordinances, does hereby grant a five (5) 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, 2020 and terminating on December 31, 2024. (Tax Years 2021- 2025).

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 year 2021, the Property Owner shall make a tax payment equal to the taxes due and owing for an assessment value of \$309,400.00 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 difference in assessment value between \$309,400.00 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.

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 and shall complete within twenty-four (24) 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. 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 5.3. 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 5.4. "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 which would jeopardize the status of lien created hereunder.

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

If to: Wide Plank, LLC
Attn: Eric Army
11 Aleppo Street
Providence, RI 02909

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 or privilege thereunder.

Section 8.6. Joint and Several Liability. In the event of default under this Agreement Wide Plank 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 Council 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 Council 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.

[THE REMAINDER OF THIS PAGE WAS INTENTIONALLY LEFT BLANK]

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

WIDE PLANK, LLC	CITY OF PROVIDENCE
By: <u>ERIC ARMY</u> , Its <u>Member</u>	By: <u>[Signature]</u> Authorized Signature
By: <u>[Signature]</u> Authorized Signature	Print Name: <u>Jorge O. Elorza</u>
Print Name: <u>ERIC ARMY</u>	Title: <u>Mayor of Providence</u>
Title: <u>Member</u>	Address: <u>City Hall</u>
Address: <u>Wide Plank, LLC</u>	<u>25 Dorrance Street</u>
<u>11 Aleppo Street</u>	<u>Providence, RI 02903</u>
<u>Providence, RI 02909</u>	Date: <u>2/3/21</u>
Date: <u>1-26-21</u>	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
2021	\$11,355	\$0.00	\$11,355
2022	\$11,355	20.00% of (2022 Assessment Value-Base Assessment) * 2022 Commercial Tax Rate	\$11,355 plus 20.00% of (2022 Assessment Value-Base Assessment) * 2022 Commercial Tax Rate
2023	\$11,355	40.00% of (2023 Assessment Value-Base Assessment) * 2023 Commercial Tax Rate	\$11,355 plus 40.00% of (2023 Assessment Value-Base Assessment) * 2023 Commercial Tax Rate
2024	\$11,355	60.00% of (2024 Assessment Value-Base Assessment) * 2024 Commercial Tax Rate	\$11,355 plus 60.00% of (2024 Assessment Value-Base Assessment) * 2024 Commercial Tax Rate
2025	\$11,355	80.00% of (2025 Assessment Value-Base Assessment) * 2025 Commercial Tax Rate	\$11,355 plus 80.00% of (2025 Assessment Value-Base Assessment) * 2025 Commercial Tax Rate
2026			

FULL TAXATION RESUMES

* All years refer to Tax Years

TAX STABILIZATION AGREEMENT

This agreement ("Agreement") is made by and between the City of Providence, a Rhode Island municipal corporation ("City") and Federal Hill Partners, LLC ("FHP").

WITNESSETH:

WHEREAS, FHP is the owner of certain real property located in the City at 14 Piedmont Street, also known as Assessor's Plat 28, Lot 1079; and

WHEREAS, FHP has proposed and committed to construct a four-story 20-unit residential building, thus returning the property to productive residential use in accordance with the construction plans already submitted to the City by FHP; 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 2015-29 No. 401, as amended by Ordinance 2016-1 No.1, 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 FHP to construct a new 20-unit residential building, 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 FHP to commit to make a significant investment of at least \$2,945,182.50 in the above-referenced property to complete the construction of the property referenced herein. This will enhance the tax base of the surrounding area, and generate significant tax revenues for the City of Providence.

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 14 Piedmont Street, also known as Assessor's Plat 28, Lot 1079.

"Property Owner" shall mean FHP, 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 five (5) 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, 2020 and terminating on December 31, 2024. (Tax Years 2021- 2025).

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 year 2021, the Property Owner shall make a tax payment equal to the taxes due and owing for an assessment value of \$350,300.00 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 difference in assessment value between \$350,300.00 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 a Notice of 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.

Significant rehabilitation and/or construction shall commence within twelve (12) months and shall complete within twenty-four (24) 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. 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 5.3. 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.

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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 contained in Section 4 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 which would diminish the priority of the lien created by 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 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 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.

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, or by electronic mail, and if in writing, it 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

If to: Federal Hill Partners, LLC
536 Atwells Avenue
Providence, RI 02909

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, unless the assessment value of the Property increases by more than ten percent (10%) between any two City-wide revaluations (as referenced in R.I.G.L. § 44-5-11.6) which occur during the term of this stabilization or if there is a substantial change in circumstances regarding the value of the Property. A substantial change in circumstances shall include a vacancy or partial vacancy at the Property, loss of use of the Property as a result of fire, flood or other force majeure, loss of revenue generated by the Property or decline in the real estate market such that it negatively impacts the value of the Property. 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 FHP 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 6 above, and overall financial well-being. Upon receipt and review, the City may 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.

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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.

[Signature Page Follows]

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

FEDERAL HILL PARTNERS, LLC	CITY OF PROVIDENCE
By: <u>Robert A D'Amico II</u> , Its <u>Member</u>	By: <u>[Signature]</u> Authorized Signature
By: _____ Authorized Signature	Print Name: <u>Jorge O. Elorza</u>
Print Name: <u>ROBERT A D'AMICO II</u>	Title: <u>Mayor of Providence</u>
Title: <u>AUTHORIZED MEMBER</u>	Address: <u>City Hall</u>
Address: <u>Federal Hill Partners, LLC</u>	<u>25 Dorrance Street</u>
<u>536 Atwells Avenue</u>	<u>Providence, RI 02903</u>
<u>Providence, RI 02909</u>	Date: <u>12/11/20</u>
Date: <u>10/21/2020</u>	Approved as to form and correctness: <u>[Signature]</u> Jeffrey Dana, City Solicitor

<u>EXHIBIT A</u>					
<u>TAX STABILIZATION PLAN</u>					
<u>TAX YEAR</u>	<u>BASE ASSESSMENT TAX</u>	<u>PERCENTAGE OF FULL ASSESSMENT INCREASES</u>			
2021	\$12,856			\$0.00	
2022	\$12,856	20.00% of (2022 Assessment Value-Base Assessment) * 2022 Commercial Tax Rate	\$12,856 plus 20.00% of (2022 Assessment Value-Base Assessment) *	2022 Commercial Tax Rate	
2023	\$12,856	40.00% of (2023 Assessment Value-Base Assessment) * 2023 Commercial Tax Rate	\$12,856 plus 40.00% of (2023 Assessment Value-Base Assessment) *	2023 Commercial Tax Rate	
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2026					
<u>FULL TAXATION RESUMES</u>					
					* All years refer to Tax Years

TAX STABILIZATION AGREEMENT

This agreement ("Agreement") is made by and between the City of Providence, a Rhode Island municipal corporation ("City") and 468 West Fountain, LLC ("West Fountain").

WITNESSETH:

WHEREAS, West Fountain is the owner of certain real property located in the City at 466-468 West Fountain Street, also known as Assessor's Plat 29, Lot 554; and

WHEREAS, West Fountain has proposed and committed to construct a 34-unit residential building, thus returning the property to productive residential use in accordance with the construction plans already submitted to the City by West Fountain; 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 2015-29 No. 401, as amended by Ordinance 2016-1 No.1, 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 West Fountain to construct a new 34-unit residential building, 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 West Fountain to commit to make a significant investment of at least \$2,934,258.00 in the above-referenced property to complete the construction of the property referenced herein. This will enhance the tax base of the surrounding area and generate significant tax revenues for the City of Providence.

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 466-468 West Fountain Street, also known as Assessor's Plat 29, Lot 554.

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

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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 five (5) 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, 2021 and terminating on December 31, 2025. (Tax Years 2022- 2026).

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 year 2021, the Property Owner shall make a tax payment equal to the taxes due and owing for an assessment value of \$89,200.00 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 difference in assessment value between \$350,300.00 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 a Notice of 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.

Significant rehabilitation and/or construction shall commence within twelve (12) months and shall complete within twenty-four (24) 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. 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 5.3. 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 5.4. "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 contained in Section 4 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 which would diminish the priority of the lien created by 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 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 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 Property 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.

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, or by electronic mail, and if in writing, it 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

If to: 468 West Fountain, LLC
36 Exchange 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, unless the assessment value of the Property increases by more than ten percent (10%) between any two City-wide revaluations (as referenced in R.I.G.L. § 44-5-11.6) which occur during the term of this stabilization or if there is a substantial change in circumstances regarding the value of the Property. A substantial change in circumstances shall include a vacancy or partial vacancy at the Property, loss of use of the Property as a result of fire, flood or other force majeure, loss of revenue generated by the Property or decline in the real estate market such that it negatively impacts the value of the Property. 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 or privilege thereunder.

Section 8.6. Joint and Several Liability. In the event of default under this Agreement West Fountain 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 6 above, and overall financial well-being. Upon receipt and review, the City may 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.

[Signature Page Follows]

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

468 WEST FOUNTAIN, LLC	CITY OF PROVIDENCE
By: <u>468 WEST FOUNTAIN, LLC</u> Its _____	By: <u>[Signature]</u> _____ Authorized Signature
By: <u>[Signature]</u> _____ Authorized Signature	Print Name: <u>Jorge O. Elorza</u>
Print Name: <u>Michael Lemoine</u>	Title: <u>Mayor of Providence</u>
Title: <u>Member</u>	Address: <u>City Hall</u>
Address: <u>468 West Fountain, LLC</u>	<u>25 Dorrance Street</u>
<u>36 Exchange Street</u>	<u>Providence, RI 02903</u>
<u>Providence, RI 02903</u>	Date: <u>3/11/2021</u>
Date: <u>2/15/15</u>	Approved as to form and correctness: <u>[Signature]</u> Jeffrey Dana, City Solicitor

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