

City of Providence

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

CHAPTER 1994-32

No. 612 AN ORDINANCE

ESTABLISHING A TAX STABILIZATION PLAN

Approved September 23, 1994

Be it ordained by the City of Providence:

WHEREAS, Providence Place Group ("PPG"), the State of Rhode Island (the "State") and the Rhode Island Port Authority and Economic Development Corporation ("Port Authority") have entered into a Development Agreement dated February 24, 1994, as amended, and as it may be amended subsequent to the date hereof (the "Agreement") relating to the development and construction of the Providence Place super regional shopping center (the "Shopping Mall") and a publicly owned garage to be constructed beneath the Shopping Mall (the "Garage"); and

WHEREAS, pursuant to Section 33.2 of Title 45 of the Rhode Island General Laws (the "Act"), the City of Providence (the "City") has adopted the Providence Place Tax Incremental Project Plan (the "Project Plan"); and

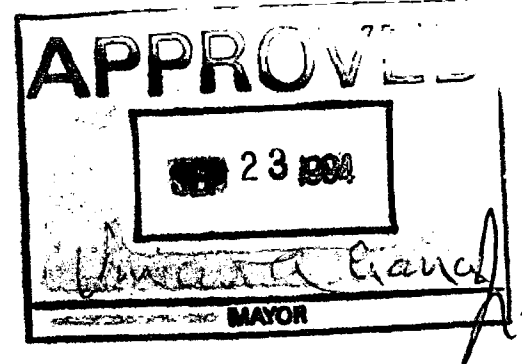
WHEREAS, pursuant to the Act, the City has designated the tax increment from the development of the Shopping Mall and certain associated improvements for the benefit of the Garage as described in the Project Plan; and

WHEREAS, PPG and the Port Authority have requested that the City fix and stabilize the level of taxes on the Shopping Mall built by PPG, the Port Authority and/or others under the Project Plan; and

WHEREAS, the City, the Port Authority and PPG wish to enter into an Agreement for Payments in Lieu of Taxes under Sections 42-64-13(e) and 42-64-20 of the Rhode Island General Laws with respect to fixing and stabilizing the property taxes on the Shopping Mall, a copy of which is attached hereto as Exhibit A (the "Tax Agreement"); and

No.

CHAPTER
AN ORDINANCE



IN CITY COUNCIL
JUN 16 1994
FIRST READING
REFERRED TO COMMITTEE ON
FINANCE

CLERK

THE COMMITTEE ON
FINANCE

Recommends Be Continued

Claire E. Brooke-Stewart
-Clerk-

July 13, 1994
July 15, 1994
July 20, 1994
July 27, 1994 P.H.
Aug. 1, 1994
Aug. 11, 1994

THE COMMITTEE ON

FINANCE

Approves Passage of
The Within Ordinance, as amended

Claire E. Brooke-Stewart
Sept. 15, 1994
Chairman

Council President Retraumatized (By Request)

WHEREAS, the Tax Agreement sets forth the terms and conditions of such tax stabilization ; and

WHEREAS, the City has made and hereby reaffirms the following findings with respect to the tax stabilization plan set forth under the Tax Agreement:

1. The Tax Agreement is in the public interest; and
2. Section 42-64-20 of the Rhode Island General Laws provides that the Port Authority shall make payments in lieu of real property taxes and assessments to municipalities during such time as the Port Authority derives revenue from the lease or operation of facilities on its property, such as the Shopping Mall; and
3. The Port Authority and PPG are or will be deriving revenue from the lease or operation of the Shopping Mall, including, without limitation, lease payments made to the Port Authority by PPG under a certain Air Rights Agreement providing for the conveyance of the air rights over the site of the Garage by the Port Authority to PPG; and
4. The payments made pursuant to the Tax Agreement are in an aggregate amount which will enable the City to stabilize the amount of taxes that would be paid on account of property used for retail and commercial purposes and located in the City and are reasonable and in the public interest.

NOW THEREFORE BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF PROVIDENCE, RHODE ISLAND AS FOLLOWS:

Section 1. That the findings set forth in the preceding WHEREAS Clauses are hereby made and confirmed.

Section 2. That the City, in accordance with Section 42-64-13(e) and 42-64-20 of the Rhode Island General Laws and upon satisfaction of the conditions set forth in Exhibit B hereto, is authorized to enter into the Tax Agreement with the Port Authority and PPG.

Section 3. That the scheduled time frames and payments under the Tax Agreement may be adjusted or amended on behalf of the City by the Finance Director and Finance Director shall provide written notice of such adjustments or amendments to the City Council.

Section 4. If this Ordinance or any part of this Ordinance conflicts or is inconsistent with any existing Ordinance then the provisions of this Ordinance shall govern..

Section 5. This ordinance shall take effect immediately upon its passage.

IN CITY COUNCIL
SEP 20 1994
FIRST READING
READ AND PASSED
Michael R. Clement CLERK

IN CITY
COUNCIL
SEP 22 1994
FINAL READING
READ AND PASSED
James H. Hensley PRESIDENT
Michael R. Clement CLERK

9/15/94

EXHIBIT A TO ORDINANCE
ESTABLISHING A TAX STABILIZATION AGREEMENT

AN AGREEMENT FOR PAYMENTS
IN LIEU OF TAXES FOR THE PROVIDENCE PLACE SHOPPING MALL

THIS AGREEMENT made and entered into as of the ____ day of _____, 1994 by and among the City of Providence, Rhode Island (the "City"), the Rhode Island Port Authority and Economic Development Corporation (the "Authority") and Providence Place Group, a general partnership to be reorganized as a limited partnership under the laws of the State of New York ("PPG").

WITNESSETH:

WHEREAS, the Providence City Council is authorized by Sections 42-64-13(e) and 42-64-20 of the Rhode Island General Laws to accept, and the Authority is authorized to make, payments in lieu of taxes during such times as the Authority derives revenue from the lease or operation of projects located in the City including lease payments made to the Authority by PPG under a certain Air Rights Agreement providing for the conveyance of the air rights over the site of the Garage (as defined below) by the Authority to PPG;

WHEREAS, the State of Rhode Island (the "State"), PPG and the Authority have entered into a Development Agreement dated February 24, 1994, as amended and as it may be amended subsequent to the date hereof (the "Development Agreement"), with respect to the development and construction of the Providence Place super regional shopping mall and a publicly owned approximately 5,000 space parking garage to be located on property owned by the Authority in the City of Providence;

WHEREAS, the City adopted An Ordinance to Adopt the Providence Place Tax Increment Project Plan on _____, 1994 (the "Project Plan"), which Project Plan calls for the issuance of certain special obligation tax increment revenue bonds (the "TIF Bonds") to finance the construction of and ownership interest of the City in the Garage (as hereinafter defined) to be constructed beneath the Shopping Mall (as hereinafter defined);

WHEREAS, representatives of the City, PPG and the Authority have met and discussed proposed terms of an agreement for payments in lieu of taxes related to the Shopping Mall;

WHEREAS, PPG, the Authority and the City desire to fix and stabilize the level of payments in lieu of taxes to be made with respect to the Shopping Mall;

WHEREAS, this Agreement contains all the terms and conditions of such agreement relating to payments in lieu of taxes to be made with respect to the Shopping Mall.

NOW, THEREFORE, in consideration of the mutual agreements, understandings and obligations set forth herein, the City, the Authority and PPG hereby agree as follows:

1. Providence Place.

(a) PPG intends to develop and construct the Shopping Mall above the Garage on property located in the City and identified in the records of the Tax Assessor of the City as of December 31, 1993, as Plats 4 and 19 and further described on the attached Schedule A (the "Real Property").

(b) The improvements ("Improvements") to the Real Property shall include: (i) an enclosed shopping mall consisting of no less than 900,000 square feet and no more than 1,300,000 square feet of space together with personal property constituting leasehold improvements and inventory ("Personal Property") to be owned and/or leased by individuals and business entities for commercial, retail and restaurant purposes to be developed and caused to be constructed by PPG on the Real Property (excluding any office building or other commercial property described as additional property in Section (9)), (collectively the "Shopping Mall"), (ii) a partially enclosed parking garage with approximately 5,000 spaces (the "Garage") to be publicly owned jointly by the City and [the State or the Authority] commensurate with the funds provided by them respectively for its development and construction, and operation as a public parking garage and (iii) certain common improvements with respect to the Shopping Mall including, without limitation, landscaping, walkways, utilities, sidewalks, a service road (if necessary) and street lighting (the "Common Improvements").

(c) The Authority, PPG and the State also propose to construct certain transportation facilities and structures not located on the Real Property, but ancillary to the Improvements, including, without limitation, access ramps, roadway extensions and intermodal transportation facilities with respect to the Shopping Mall (collectively, the "Ancillary Facilities").

2. Consideration.

(a) As consideration for and to induce the City to enter into this Agreement and to accept tax payments hereunder, PPG shall pay Nine Hundred Thousand Dollars (\$900,000) to the City no later than June 30, 1995 or the date of purchase of the AmTrak parcel of Real Property, provided, however, if this Agreement or the Development Agreement is terminated prior to the purchase of the AmTrak parcel, such payment shall not be required.. The City agrees that such payment shall represent fees or expenses that can or would be charged to PPG or the Anchor Tenants by the City's and State's fire and building officials in connection with the construction of the Shopping Mall and the Anchor Tenant stores provided, however, such payment shall not include any fees or expenses payable by other tenants for construction of

individual stores. Notwithstanding anything herein to the contrary, the \$900,000 payment to the City shall be reduced to the extent of any similar payments which PPG must make to the State in connection with the construction of the Shopping Mall.

(b) As additional consideration for and inducement to the City entering into this Agreement and pursuant to the terms of the Development Agreement, PPG hereby agrees during the term of this Agreement to subsidize the operations of the Garage (exclusive of management fees) to the extent the revenues derived from the operation of the Garage are insufficient to pay the operating, maintenance and repair expenses of the Garage so long as PPG is the manager of the Garage or the City offers at its sole discretion (subject to applicable federal tax rules and regulations) to appoint PPG as manager of the Garage under substantially similar terms of the original management agreement.

In the event any surplus revenues are derived from the operation of the City's portion of the Garage, such revenues will be used to fund capital repair and replacement costs, future operating costs of the Garage and, if available, reimburse PPG for amounts paid on account of operating deficits for the Garage.

3. Payments. On behalf of the Authority, and of all the owners, tenants and users of all or any portion of the Shopping Mall, PPG shall pay to the City or its designee, or deposit into the debt service fund for the City's TIF Bonds, the City's general fund, a replacement/reserve fund for the Garage, a debt service reserve fund for the TIF Bonds and/or a debt service fund for construction financing debt of PPG used to finance certain access/support costs of the Garage benefiting the Shopping Mall, as such deposits shall be directed pursuant to the terms of the indenture of trust and other security documents for the City's TIF Bonds, semiannual payments in lieu of taxes upon or in respect of the Shopping Mall as provided by law and in this Section 3. Such semiannual payments shall be made on February 1 and August 1 of each year, commencing August 1, 1998 and ending February 1, 2028. Each semiannual payment shall equal (i) an amount sufficient to ensure payment of all debt service on the City's TIF Bonds for the fiscal year in which such semiannual payment is made, (ii) an amount equal to 10% of the amount required in (i) above, such 10% amount to be deposited in the City's general fund to be used to pay debt service on the general obligation debt of the City, and (iii) any coverage requirement or reserve amount or amount for payment to a debt service fund for construction financing provided by PPG to finance certain access/structural support costs of the Garage benefiting the Shopping Mall required to be included in such semiannual payments pursuant to the indenture of trust or other security documents for the TIF Bonds, including, without limitation, any agreement with a provider of credit enhancement therefor; provided, however, that the annual amounts received pursuant to this Section 3 shall not be less than the annual amounts set forth on Schedule B attached hereto for such fiscal year, subject to adjustment as set forth in Section (4) below. Any funds remaining after the application of PPG's semi-annual payment as set forth in subsections 3(i), (ii) and (iii) above, shall be returned to PPG. Such minimum annual payments shall be for the payment periods set forth in Schedule B. The liability for all payments due and owing under this Agreement shall constitute a full faith and credit obligation of PPG, (but shall not include recourse to any individual partners thereof, so long as and to the extent the TIF Bonds shall be

secured by credit enhancement supplied by PPG and are structured in a manner whereby the City will have no risk, liability or obligation with respect to such debt other than to apply the payments actually received by or on behalf of the City under subparagraph (i) and (iii) above to debt service thereon or to fund a debt service reserve fund thereon) and the City shall be granted by PPG and the Authority a first lien on the real property constituting the Shopping Mall, Common Improvements and any air rights related thereto (but, excluding the Authority's interest in that certain Air Rights Agreement with PPG), and a lien on the Personal Property, which liens shall be provided to insure that the City's right and priority to foreclosure on such property is no less than those rights and priority of foreclosure provided under applicable laws and ordinances if taxes were being paid to the City thereon; provided, however, that the City shall assign to and/or share its liens on such property with the provider or providers of credit enhancement for the TIF Bonds to the extent the TIF Bonds are credit enhanced and structured in a manner whereby the City shall have no risk, liability or obligation with respect to such debt other than to apply payments actually received under this Agreement to cover debt service on the TIF Bonds or to fund a supplemental debt service reserve fund therefor to such purposes.

It is understood by the parties that payments made under this Section are deemed by the City to be tax payments, and PPG shall be entitled to the rights and privileges of a taxpayer in the City. It is further understood and agreed that the City's recourse to the Authority for the payments hereunder are limited to the City's first lien on the property described above, and to the extent the Authority holds title to such property, the Authority shall, upon termination of this Agreement, for any reason, transfer its interests in such property to PPG (or its assignee or transferee as provided in Section 10 hereof), so that taxes payable to the City under applicable laws and ordinances shall not be exempted. Neither the State nor the Authority shall be obligated to make the payments hereunder or under any TIF Bonds except from payments made by PPG (or an Anchor Tenant or other transferee of PPG as provided in Section 10 hereof) to the Authority under this Agreement or the mortgage securing this Agreement. Neither the faith and credit of the State or of any political subdivision thereof is pledged to the payment of the obligations hereunder or under the TIF Bonds.

(4) Payment Adjustments.

(a) Notwithstanding any other provision of this Agreement, each payment required by Section (3) above shall be reduced to the extent of any tax, levy or assessment of any kind, direct or indirect, imposed by the City upon any real or personal property or inventory owned by PPG or any tenant, user, owner of space within the Shopping Mall.

(b) Each annual amount set forth in Schedule B as the base payment for payments in lieu of taxes ("Base Payment") scheduled for the fiscal years 2019 through 2028 shall be adjusted higher to reflect any increase experienced in the Consumer Price Index ("CPI") for the immediately preceding calendar year. For example, the payment due for the fiscal year beginning July 1, 2021 shall be increased by an amount calculated by multiplying the Base Payment for such fiscal year by the percentage increase in the CPI for the period from January 1, 2020 through December 31, 2020. For purposes of this Agreement, the CPI shall mean the

Consumer Index All Items (1982-1984=100) as published by the Bureau of Labor Statistics of the United States Department of Labor. In the event such index ceases to be published, such comparable index shall be agreed upon between the City and PPG.

5. Total Payments. Except as specifically provided herein, the Real Property and Personal Property constituting the Shopping Mall and owned by PPG or any tenant, user or any owner of space within the Shopping Mall (and substitutions therefor or replacements thereof), shall not, during the period covered by Section 3 above, be liable to taxation, levy or assessment of any kind, direct or indirect, by the City (except for any uniform assessment for the planned Downtown Management District). It is understood by the parties that although the payments made under Section 3 above are payments in lieu of taxes, PPG (and all tenants and owner of space within the Shopping Mall) shall be entitled to all the rights and privileges of a taxpayer in the City.

6. Covenants of PPG and the Authority.

(a) The Authority and PPG agree to meet their respective obligations under the Development Agreement and related Agreements described in the Development Agreement and to amend the relevant documents as necessary to enable the City to issue the TIF Bonds with an approving opinion of bond counsel.

(b) The Authority or the State and the City shall enter into an ownership agreement setting forth (i) the ownership interests of the respective partners in the Garage and (ii) the procedure for the expenditure of the City's bond proceeds toward the construction of the Garage.

(c) PPG and the Authority agree that the City shall have no obligation to expend more than \$47,250,000 for the development and construction of the Garage, in accordance with the Development Agreement exclusive of borrowing costs, capitalized interest and costs of issuance.

(d) PPG agrees that the Shopping Mall shall consist of a first-class regional shopping mall of not less than 900,000 square feet of space and containing not less than three Anchor Stores. In addition to the Shopping Mall, the Private Components shall include at street level along Francis Street other retail shops and restaurants ("Street Level Retail") and may, at PPG's option, also include a multi screen cinema unless, on or before June 30, 1995, PPG, with the participation and assistance of other business concerns located in the City, is successful in arranging an agreement, reasonably satisfactory to the State, for a reasonable third party to commence construction and development of a multi screen cinema in any other location suitable to the parties in the Down City area, so-called, of the City.

(e) The PPG and the Authority shall be jointly responsible for determining the applicability of and complying, at all times, with any equal opportunity, minority or handicapped requirements applicable to the Project. It shall be the goal of the parties hereto to award to

Minority Business Enterprises as defined in Rhode Island General Laws, Section 37-14.1 ("MBE Act") no less than 10% of the dollar value of the construction costs for the public and private components of the Improvements (as determined in accordance with the rules and regulations promulgated pursuant to the MBE Act). It shall be a further goal to award to women business enterprises (WBE's) no less than 10% of the dollar value of the construction costs for the public and private components of the Improvements (as determined in accordance with Section 21-52 of the Code of Ordinances of the City of Providence). It shall be a further goal of the parties to achieve a minimum level of 10% for minority and 10% for female employment as measured by gross accumulated hours for trades people.

(f) The State and City, in conjunction with PPG, shall develop a retail sales and management training program for prospective employees at the Shopping Mall, such program to provide that residents in the City shall be given a preference in participating in the program and hiring at the Shopping Mall in accordance with all applicable federal, state and local laws.

(g) PPG will explore with the Providence Foundation, the Greater Providence Chamber of Commerce and the City the possibility of PPG taking a lead role in the establishment and operation of a Downtown Management District and use its best efforts to cause the establishment and operation thereof.

(h) For a five-year period beginning in calendar 1995, PPG shall contribute 50 percent of the cost of a downtown advertising campaign, with an annual series of ads that strengthen the image of downtown as an employment, education, arts & entertainment center. PPG shall be required to provide the funds only if (i) the budget for such downtown advertising campaign is acceptable to PPG and the City and (ii) such funds are matched by the City from contributions from various parties and sources.

(i) PPG, RIPTA, and the City shall develop and implement plans for the operation of a free shuttle bus linking Providence Place and historic downtown Providence, beginning at the time when the Shopping Mall opens. Upon review and acceptance of a budget of the shuttle service by PPG, RIPTA and the City, then PPG shall be required to contribute to the cost of this shuttle service in a manner and in an amount to be agreed upon by the parties. Routes, time of operation, and frequency of service will be worked out in the future. The intent is to provide this service for as many hours of the Shopping Mall's operation as economically feasible. The shuttle is intended to move downtown employees, users of the Garage and visitors to and from the Garage, and to transport such people from the Shopping Mall to shopping, entertainment and other opportunities elsewhere in downtown Providence.

(j) PPG shall work with the Providence City Planner to design and to implement improvements to pedestrian access between the Garage area and the historic downtown by aerial walkway, and/or street level access.

(k) PPG hereby agrees to indemnify, defend and save the City, its employees, agents and representatives harmless from any and all loss, costs, damages, expenses and attorneys fees resulting from personal injury or property damage which the City or any third person may suffer or incur as a result of activities under the Development Agreement or operation of the Garage, or PPG shall maintain or cause to be maintained liability insurance naming the State and the City as the additional insureds, which insurance shall comply with the requirements of the Development Agreement. Notwithstanding anything in the Development Agreement to the contrary, the Authority and PPG acknowledge that the City shall not be responsible for conditions, losses, costs, damages, expenses and attorneys fees which may be incurred by the City, its employees, agents or representatives as a result of the discovery or presence of any hazardous substance or any other contaminant on or from the Project Site (as defined in the Development Agreement) under Federal, State or local laws, statutes, regulations, codes or ordinances.

(l) All material modifications or amendments to the Development Agreement shall be approved by the City acting through the Finance Director or his designee within 30 days of submission, provided, however, that the agreement of PPG and the State or Authority to extend any deadline for the satisfaction of any condition set forth in the Development Agreement shall not be regarded as a material modification or amendment. All conditions subject to review and approval by the Authority pursuant to the Development Agreement must also be approved by the City.

(m) PPG and the Authority shall execute and deliver any additional documents necessary including, but not limited to, promissory notes, mortgages or tax compliance and other certificates, (i) to evidence or secure its obligations hereunder, or (ii) to comply with the provisions of the law of the State of Rhode Island.

(n) PPG covenants and agrees that it shall pay all costs of the Garage to the extent that such costs are attributable to access and/or support benefiting the Shopping Mall, as determined by reference to the plans and specifications for the Garage and the Shopping Mall.

7. Effectiveness of this Agreement. This Agreement shall not become effective until the issuance of the TIF Bonds.

8. Termination of Agreement.

(a) PPG may terminate this Agreement by giving the City written notice of termination only under the following circumstances:

(i) if after completion of the Shopping Mall, PPG permanently shuts down or abandons the use of the Shopping Mall as a retail shopping mall as the result of an act of God, civil or military authority, civil disturbance, war, fire, actions of regulatory authorities or other catastrophe or similar occurrence beyond PPG's reasonable control.

(b) The City may terminate this Agreement upon delivery of written notice to PPG and the Authority only under the following circumstances:

(i) the occurrence of an "Event of Default" under Section 9.1 of the Development Agreement subject, however, to the provisions of Section 9.3 of the Development Agreement; or

(ii) the Development Agreement is terminated for any reason, by any party thereto; or

(iii) the failure of PPG to pay to the City or its designee any sum required to be paid by PPG hereunder when the same shall be due and payable and such failure shall continue for twenty (20) days after written notice from the City to the Authority and PPG.

(iv) if PPG shall fail to observe or perform one or more of the non-payment terms, conditions, covenants or agreements contained in this Agreement or any other agreement entered into between the City and PPG in connection with any of the Improvements and such failure shall continue for a period of sixty (60) days after written notice thereof by the City to the Authority and PPG specifying such failure (unless such failure requires work to be performed, acts to be done, or conditions to be removed which cannot by their nature or because of Unavoidable Delays (as defined in the Development Agreement) reasonably be performed, done or removed as the case may be, within such sixty (60) day period, in which case no fault shall be determined to exist as long as PPG shall have commenced curing the same within such sixty (60) day period and shall, subject to Unavoidable Delays, diligently and continuously prosecute the same to completion).

Notwithstanding the foregoing, any mortgagee or Anchor Tenant of the Shopping Mall shall have the right to cure any default giving rise to a right of termination under this Agreement in the manner provided in Section 9.3 of the Development Agreement; or

(c) In the event of termination with respect to all or any part of the property covered hereunder, PPG shall make the payments provided in Section 3 for the then current fiscal year, prorated as of the date of termination, but shall have no further obligations hereunder. The City shall, after such termination, assess taxes on the property subject to such termination under then applicable laws and ordinances.

9. Additional Taxes or Payments. If PPG develops or constructs a commercial office building or any other commercial facility in addition to the Shopping Mall, the Personal Property, the Common Improvements and the Ancillary Facilities as defined in Section 1 hereof

on the Real Property, PPG will be liable for additional taxes or payments on such additional facilities, improvements or equipment on a regular tax basis, apart from this Agreement.

10. Assignment.

(a) If the Shopping Mall is sold or transferred or any interest in PPG is sold or transferred in accordance with provisions of the Development Agreement or approvals of PPG's financial lenders for the Project, PPG shall provide written notice to the Mayor of the City thirty (30) days prior to such sale. If the Shopping Mall is transferred or sold, the agreements contained herein shall run with the Shopping Mall and benefit the transferee who shall be bound by the provisions hereof. In each such case, PPG shall have no further obligations hereunder; provided, however, such transferee is acceptable to each provider of credit enhancement for the TIF Bonds and such transferee has agreed in writing to be bound by the terms of this Agreement.

(b) In the event a portion of the Shopping Mall is sold to an Anchor Tenant as defined in the Development Agreement and such Anchor Tenant applies for a separate tax lot designation from the City's Tax Assessor, and such Anchor Tenant agrees under an agreement in writing to be bound by the terms of this Agreement with respect to such separate tax lot, then, notwithstanding anything herein to the contrary, the provisions hereof including, but not limited to, payments and default provisions, shall apply to such Anchor Tenant with respect to its separate tax lot and payments in lieu of taxes thereon (determined, with respect to total payments owed under Section 3 hereof, on a pro rata basis or on any other basis mutually acceptable to the City, PPG and such Anchor Tenant). A default incurred by the Developer under this Agreement shall not constitute a default hereunder with respect to an Anchor Tenant who is a party to this Agreement and is not in default of its payment obligations hereunder with respect to its separate tax lot. Any agreement entered into with an Anchor Tenant in accordance with the provisions herein shall include the right of the Developer to cure a default by an Anchor Tenant under such agreement. Notwithstanding anything herein to the contrary, PPG shall remain liable, as set forth in such Section 3, regardless of whether one or more Anchor Tenants with separate tax lots have also become independently bound by the provisions of this Agreement; provided, however, that the liability of PPG under such Section 3 shall be limited to the difference between the amount due pursuant to such Section 3 and any amount paid by an Anchor Tenant pursuant to an agreement entered into as provided in this Section 10(b).

11. Severability. In the event that any of the agreements, terms or provisions contained herein shall be deemed invalid, illegal or unenforceable in any respect, the validity of the remaining agreements, terms or provisions contained herein shall be in no way affected, prejudiced or disturbed thereby.

12. Validity and Enforceability. The validity and enforceability of this Agreement is expressly conditioned upon and subject to the approval of this Agreement by the City Council and execution by the Mayor on behalf of the City prior to _____, 1994.

14. Amendment. The terms of this Agreement may be amended in writing, to the extent acceptable to all parties hereto, at the request of any credit enhancer or such other party securing the City's TIF Bonds.

IN WITNESS WHEREOF, the parties hereto by their duly authorized officials have executed this Agreement as of the day and year first above written.

CITY OF PROVIDENCE

PROVIDENCE PLACE GROUP

**RHODE ISLAND PORT AUTHORITY
AND ECONOMIC DEVELOPMENT
CORPORATION**

By: _____
Name: _____
Title: _____

10

COUNTY OF PROVIDENCE)

In the City of Providence in said County on this ____ day of _____, 1994, before me appeared Vincent A. Cianci, Jr., to me personally known, who, being by me duly sworn, did say that he is the Mayor of the City of Providence, a municipality in the State of Rhode Island, and that this Agreement was signed by him on behalf of the City of Providence, and he acknowledged that said Agreement was the free act and deed of said City of Providence and his free act and deed in his capacity as said Mayor.

Notary Public
My Commission Expires:

STATE OF RHODE ISLAND)

) ss.

COUNTY OF PROVIDENCE)

In the City of Providence in said County on this ____ day of _____, 1994, before me appeared Robert J. Congel, to me personally known, who, being by me duly sworn, did say that he is the Managing Partner of Providence Place Group, and that this Agreement was signed by him on behalf of Providence Place Group, and he acknowledged that said Agreement was the free act and deed of said Providence Place Group and his free act and deed in his capacity as said Managing Partner.

Notary Public
My Commission Expires:

STATE OF RHODE ISLAND)
) ss.
COUNTY OF PROVIDENCE)

In the City of Providence in said County on this ____ day of _____, 1994,
before me appeared _____, to me personally known, who,
being by me duly sworn, did say that he is the _____ of the Rhode Island
Port Authority and Economic Development Corporation and that this Agreement was signed by
him on behalf of the Rhode Island Port Authority and Economic Development Corporation, and
he acknowledged that said Agreement was the free act and deed of said Rhode Island Port
Authority and Economic Development Corporation and his free act and deed in his capacity as
said _____.

Notary Public
My Commission Expires:

Order No: 896103575

SCHEDULE A
AMTRAK PARCEL
DESCRIPTION

PARCEL 1:

That certain lot or parcel of land, with all the buildings and improvements thereon, situated in the City of Providence, County of Providence, State of Rhode Island, bound and described as follows:

Beginning at the northwesterly corner of Parcel No. 10, as shown on plan entitled, "Plat No. 1 Land in Providence, R.I., surveyed for the Capital Center, surveyed and drawn by CE Mag Inc. Scale 1"=40', May, 1982, Revised Dec, 1982", said corner being the intersection of easterly Freeway line of the proposed Civic Center Interchange, as shown on Plat No. 3 and a line fifteen (15.00) feet southerly and parallel to the proposed centerline of a proposed Track No. 2 of the National Railroad Passenger Corporation;

Thence N 83°37'37" E, along the northerly line of said Parcel No. 10, a distance of one hundred seventy and 43/100 (170.43) feet to a point, the last described line being fifteen (15.00) feet southerly and parallel to said proposed centerline of the proposed Track No. 2;

Thence N 83°37'37" E, along the northerly line of said Parcel No. 10, a distance of sixty and 01/100 (67.01) feet to an angle;

Thence N 81°04'34" E, along the northerly line of said Parcel No. 10, a distance of thirty-three and 67/100 (33.67) feet to a point of curvature;

Thence easterly, bearing northeasterly along the arc of a curve having a radius of one thousand one hundred thirty-eight and 03/100 (1,138.03) feet, a distance along said arc to the northerly line of Parcel No. 10 of one hundred eighty and 66/100 (180.66) feet to an angle, the last described line being fifteen and 00/100 (15.00) feet southerly and parallel to said proposed centerline of the proposed Track No. 2;

Thence S 69°44'26" E, along the northerly line of Parcel No. 10, a distance of seventy and 90/100 (74.90) feet to an angle;

Thence S 82°37'58" E, along the northerly line of Parcel No. 10, a distance of seventy and 33/100 (72.33) feet to a corner;

Thence S 3°41'29" W, along the westerly line of the relocated Francis Street, a distance of thirty and 01/100 (30.01) feet to a corner;

Thence S 82°37'58" E, along the westerly line of said relocated Francis Street, a distance of twenty and 01/100 (20.01) feet to a corner;

Thence S 3°41'29" W, along the westerly line of said relocated Francis Street, a distance of seventy-five and 13/100 (75.13) feet to a point of curvature;

Thence southerly, bearing southeasterly along the arc of a curve having a radius of one hundred fifty-five and 00/100 (155.00) feet, a distance along said arc and the westerly line of said relocated Francis Street of two hundred sixty-one and 37/100 (261.37) feet to a point of reverse curve;

Thence southwesterly, bearing westerly along the arc of a curve having a radius of thirty-six and 00/100 (36.00) feet, a distance along said arc of fifty-six and 30/100

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SCHEDULE A
(Continued)
DESCRIPTION

(36.50) feet to a point of compound curve;

Thence southwesterly, bearing westerly along the arc of a curve having a radius of two hundred seventy-one and 00/100 (471.00) feet, a distance along said arc and the northern Freeway line of the proposed Civic Center Interchange of two hundred seventy and 25/100 (270.25) feet to a point of compound curve;

Thence westerly, bearing northwesterly along the arc of a curve having a radius of two hundred seven and 15/100 (207.15) feet, a distance along said arc and the northeastern Freeway line of said proposed Civic Center Interchange of ninety-three and 66/100 (93.66) feet to a point of tangency;

Thence N 43°26'41" W, along the easterly Freeway line of said proposed Civic Center Interchange, a distance of one hundred thirty-one and 57/100 (136.57) feet to a point of curvature;

Thence northwesterly, bearing northerly along the arc of a curve having a radius of two hundred forty-five and 00/100 (445.00) feet, a distance along said arc and the easterly Freeway line of said proposed Civic Center Interchange of forty-three and 51/100 (43.51) feet to a point of compound curve;

Thence northwesterly, bearing northerly along the arc of a curve having a radius of two hundred forty-five and 00/100 (445.00) feet, a distance along said arc and the easterly Freeway line of said proposed Civic Center Interchange of sixty-five and 85/100 (65.85) feet to a corner;

Thence S 59°49'27" W, along the easterly Freeway line of said proposed Civic Center Interchange, a distance of twenty-seven and 00/100 (27.00) feet to a corner;

Thence northwesterly, bearing northerly along the arc of a curve having a radius of two hundred seventy-two and 00/100 (572.00) feet, a distance along said arc and the easterly Freeway line of said proposed Civic Center Interchange of one hundred fifty-four and (154.61) feet to the point and place of beginning.

PARCEL II:

An easement in Air Rights, so-called, above the National Railroad Passenger Corporation railroad tracks immediately adjacent to said Parcel 10.

SCHEDULE A
(Continued)
URI PARCEL

That certain lot or parcel of land, with all the buildings and improvements thereon, situated in the City of Providence, County of Providence, State of Rhode Island, bounded and described as follows:

NORTHERLY: By Hayes Street

EASTERLY: by relocated Francis Street

SOUTHERLY: by the present and former line of Promenade Street

WESTERLY: Park Street

Together with Parcel S-6 and Parcel S-9 as shown on plan entitled, "Plan of Land in Providence, R.I., surveyed for the Capital Center, surveyed and drawn by CH Maguire, Inc. Scale 1"=40', May, 1982, Revised Dec, 1982".

SCHEDULE B

<u>TAXES ASSESSED</u> <u>DECEMBER 31</u>	<u>FOR FISCAL YEAR</u>	<u>BASE ANNUAL</u> <u>PAYMENT IN</u> <u>LIEU OF TAX</u>
1993	July 1, 1994 - June 30, 1995	\$ - 0 - *
1994	July 1, 1995 - June 30, 1996	\$ - 0 - *
1995	July 1, 1996 - June 30, 1997	\$ - 0 - *
1996	July 1, 1997 - June 30, 1998	\$ - 0 - *
1997	July 1, 1998 - June 30, 1999	\$3,500,000.00
1998	July 1, 1999 - June 30, 2000	\$3,500,000.00
1999	July 1, 2000 - June 30, 2001	\$3,500,000.00
2000	July 1, 2001 - June 30, 2002	\$3,500,000.00
2001	July 1, 2002 - June 30, 2003	\$3,500,000.00
2002	July 1, 2003 - June 30, 2004	\$4,700,000.00
2003	July 1, 2004 - June 30, 2005	\$4,700,000.00
2004	July 1, 2005 - June 30, 2006	\$4,700,000.00
2005	July 1, 2006 - June 30, 2007	\$4,700,000.00
2006	July 1, 2007 - June 30, 2008	\$4,700,000.00
2007	July 1, 2008 - June 30, 2009	\$4,700,000.00
2008	July 1, 2009 - June 30, 2010	\$4,700,000.00
2009	July 1, 2010 - June 30, 2011	\$4,700,000.00
2010	July 1, 2011 - June 30, 2012	\$4,700,000.00
2011	July 1, 2012 - June 30, 2013	\$4,700,000.00
2012	July 1, 2013 - June 30, 2014	\$4,700,000.00
2013	July 1, 2014 - June 30, 2015	\$4,700,000.00
2014	July 1, 2015 - June 30, 2016	\$4,700,000.00
2015	July 1, 2016 - June 30, 2017	\$4,700,000.00
2016	July 1, 2017 - June 30, 2018	\$4,700,000.00
2017**	July 1, 2018 - June 30, 2019	\$4,700,000.00
2018**	July 1, 2019 - June 30, 2020	\$4,700,000.00
2019**	July 1, 2020 - June 30, 2021	\$4,700,000.00
2020**	July 1, 2021 - June 30, 2022	\$4,700,000.00
2021**	July 1, 2022 - June 30, 2023	\$4,700,000.00
2022**	July 1, 2023 - June 30, 2024	\$5,900,000.00
2023**	July 1, 2024 - June 30, 2025	\$5,900,000.00
2024**	July 1, 2025 - June 30, 2026	\$5,900,000.00
2025**	July 1, 2026 - June 30, 2027	\$5,900,000.00
2026**	July 1, 2027 - June 30, 2028	\$5,900,000.00

Total

\$141,000,000.00

(Avg \$4.5 million per year)

* Construction period, no payments made.

** To be adjusted for CPI increase.

EXHIBIT B TO ORDINANCE
ESTABLISHING A TAX STABILIZATION AGREEMENT

CONDITIONS FOR EXECUTION OF THE TAX AGREEMENT

1. Issuance of the TIF Bonds is authorized by the City Council under separate Ordinance.
2. The TIF Bonds shall be marketable in accordance with standards acceptable to the City's underwriters and secured by credit enhancement or other security arrangements supplied by PPG and structured in a manner whereby the City will have no risk, liability or obligation with respect to such debt other than to apply Tax Agreement payments actually received by or on behalf of the City to debt service thereon, to fund a supplemental debt service reserve fund therefor or for other purposes set forth in Section 3 of the Tax Agreement.
3. PPG shall provide the City within fifteen (15) days prior to the effective date of the Tax Agreement, a schedule of all proposed initial equity owners or participants in the Shopping Mall and the extent of their respective interests, all of whom shall be subject to the approval of the Mayor and City Treasurer and the Authority.
4. PPG shall provide the City a resolution of the Executive Committee of PPG acceptable to the City's Bond Counsel, approving the construction, management and operation of the Shopping Mall and execution of the Tax Agreement together with an approving legal opinion of PPG's counsel satisfactory to the City's Bond Counsel.
5. Upon execution of the Tax Agreement and upon conveyance of the Shopping Mall and air rights thereto, PPG and the Authority shall grant a first mortgage on the real property constituting the Shopping Mall and a landlord's lien on all equipment and other tangible property thereon, (but excluding the Authority's interest in the certain Air Rights Agreement) to secure the payments due to the City under the Tax Agreement.