

**CONTRACT FOR PAYMENT IN LIEU OF TAXES ENTERED INTO BY THE
CITY OF BOSTON, THE BOSTON REDEVELOPMENT AUTHORITY
AND AP CV BOSTON HOTEL LLC**

This Payment in Lieu of Taxes Agreement (this "PILOT Agreement") is made as of the 30th day of October, 2013, but effective as of the Effective Date (as herein defined), by and among the CITY OF BOSTON, acting by and through its Assessing Department (the "City"), the BOSTON REDEVELOPMENT AUTHORITY, a body politic and corporate created pursuant to Chapter 121B of the Massachusetts General Laws, as amended (the "BRA") and AP CV BOSTON HOTEL LLC, a Delaware limited liability company (together with its successors and assigns hereunder, the "Tenant"). The MASSACHUSETTS CONVENTION CENTER AUTHORITY, a body politic and corporate created pursuant to Section 33 of Chapter 190 of the Acts of 1982 (the "MCCA"), is joining in this PILOT Agreement solely to acknowledge the provisions of Sections 6, 7, 8, 9, 10, and 16 hereof.

RECITALS

WHEREAS, the MCCA, pursuant to and in accordance with Chapter 190 of the Acts of 1982, as amended, Chapter 152 of the Acts of 1997, as amended, and Sections 211 and 212 of Chapter 139 of the Acts of 2012 (the "Enabling Act"), has the mission of promoting economic development in the City of Boston through the development of convention and exhibition centers and related facilities, and is dedicated to making the City of Boston one of the primary locations for national conventions and meetings as well as a significant player in the international conventions marketplace; and

WHEREAS, in furtherance of such mission and purpose, the MCCA acquired by means of an Order of Taking dated as of September 20, 2012 and recorded with the Suffolk County Registry of Deeds (the "Registry") at Book 50262, Page 86, an approximately 5.6 acre parcel of land (the "D Street Parcel") in the South Boston neighborhood of Boston, located at 371-401 D Street, across D Street from the Boston Convention & Exhibition Center (the "BCEC") known to the City as Ward 06, Parcel 02839/010; and

WHEREAS, the MCCA will facilitate the development by Tenant of two buildings (each a "Building" and together, the "Buildings"), each of which will contain a hotel (each a "Hotel" and together, the "Hotels") and retail and/or restaurant space (the "Retail/Restaurant Space"), on the northerly, 3.18± acre portion of the D Street Parcel (such land, the "Hotel Parcel" and such Buildings and related landscape and site improvements, the "Project"); and

WHEREAS, the MCCA intends to develop or cause the development of the remainder of the D Street Parcel (such remainder land, the "MCCA Parcel"), initially as a surface parking facility to serve the Project and the BCEC, and later a structured parking facility for the same purposes, which structure may also contain restaurant, retail, and/or other commercial uses and which MCCA land and proposed structure are not included in the Project or governed by this PILOT Agreement; and

WHEREAS, the Project is intended to complement the planned expansion of the BCEC and therefore, the Hotels will be mid-priced hotels containing a total of approximately 510

rooms/suites and other hotel services and facilities, as well as publicly-accessible ground-level lobby areas, and other ancillary uses and associated outdoor seating; and

WHEREAS, in order to develop the Project, the MCCA has leased to Tenant the Hotel Parcel, as more particularly described in Exhibit A attached hereto, pursuant to that certain Ground Lease (“Ground Lease”) dated as of or about the 30th day of May, 2014 (the “Effective Date”), notice of which is being recorded with the Registry; and

WHEREAS, the Hotel Parcel comprises a single lot as reflected on that certain “Subdivision Plan of Land, 471-401 D Street, South Boston” dated _____, 2013 and being recorded with the Registry on or about the Effective Date, a copy of which is attached hereto as Exhibit B; and

WHEREAS, the Hotel Parcel may ultimately be comprised of two separate tax parcels such that each Building is located on a separate tax parcel, and/or the Hotel Parcel may be subdivided to create separate lots coextensive with such tax parcels (each such parcel and/or lot, a “Hotel Sub-parcel”); and

WHEREAS, acting pursuant to the Enabling Act, M.G.L. Ch. 121B, as amended, and Chapter 652 of the Acts of 1960, as amended, the BRA intends to make a temporary taking of an estate for years in the Hotel Parcel, subject to the Ground Lease and other rights and interests of the Tenant and the MCCA, pursuant to an Order of Taking contemplated by vote of the BRA Board on May 16, 2013, which Order of Taking will be recorded with the Registry on or about the Effective Date (the “Temporary Taking”); and

WHEREAS, the Tenant, the City and the BRA agree that the Tenant, for the term specified in this PILOT Agreement, shall pay to the City a payment in lieu of taxes (“PILOT Payment”) pursuant to M.G.L. c. 121B, §16 in place of M.G.L. Ch. 59 real estate taxes on the Hotel Parcel.

NOW THEREFORE, in consideration of the tax considerations granted by the City herein, the City, the BRA and the Tenant agree as follows:

1. **Payment In Lieu of Taxes:**

- A. PILOT Payments. Notwithstanding the provisions of M.G.L. Ch. 59 or any successor statute thereto, during the term of this PILOT Agreement, the Tenant shall make PILOT Payments to the City, as set forth in Section 4 below, pursuant to the provisions of M.G.L. Ch. 121B, §16. During the term of this PILOT Agreement, the City shall not assess a real estate tax pursuant to M.G.L. Ch. 59 against the Hotel Parcel, any improvements thereon, or on Tenant’s leasehold interest therein.
- B. Payment Dates. The PILOT Payments shall be made on November 1st and May 1st (the “Payment Dates”) of each Fiscal Year (as defined in Section 14).
- C. Payments and Evidence Thereof. The PILOT Payments shall be made directly to the City’s Collector-Treasurer. In addition, Tenant shall, within ten (10) business

days of payment to the Collector-Treasurer, and in any event promptly upon any request from the City, deliver to the City copies or duplicate receipts showing timely payment.

- D. Late PILOT Payment(s): Tenant's failure to pay in full each PILOT Payment on or before the Payment Date shall result in Tenant being liable for interest, fines, penalties and related costs, including legal costs and disbursements, in accordance with M.G.L. Ch. 60, as amended from time to time.

2. **Term**: Notwithstanding the date of the Effective Date, the PILOT Payments due under this PILOT Agreement shall be payable commencing in respect of the Fiscal Year that began on July 1, 2013 and the term of this PILOT Agreement shall end on the earlier of (i) June 30, 2020; (ii) the effective date of any termination of the Ground Lease; or (iii) such earlier date of termination as may occur in accordance with the terms of this PILOT Agreement (such period, the "Term"; such termination date, the "Termination Date"). Beginning July 1, 2020 or such earlier date of termination, real estate taxes on the Hotel Parcel will be assessed to the Tenant in accordance with M.G.L. Ch. 59.

3. **End of Term; Gap Amounts:**

- A. From and after the end of the Term, (i) the City and the BRA agree that the Temporary Taking shall immediately terminate, and the City and the BRA agree to promptly execute, acknowledge and record with the Registry, any and all such documents as may reasonably be required to effectuate such termination of the Temporary Taking, and (ii) the PILOT Payments shall thereafter be calculated as if the Hotel Parcel were assessed pursuant to M.G.L. Ch. 59, such that the Tenant shall be liable for an amount equal to the real property taxes for the Fiscal Year which contains the Termination Date less any PILOT Payments allocable to such period that have previously been made by the Tenant (the "Full Gap Amount"). The Tenant agrees that upon the termination of this PILOT Agreement, the Tenant shall pay, or cause to be paid, to the City a payment equal to the Full GAP Amount to cover the time period between the Termination Date and the date on which the Hotel Parcel becomes taxable pursuant to M.G.L. Ch. 59. The Tenant shall make such payment to the City within three (3) months following the month in which the Termination Date occurs.
- B. In the event of any termination of this PILOT Agreement with respect to some but not all of the Hotel Parcel, (i) the City and the BRA agree that the Temporary Taking with respect to such portion shall immediately terminate as of the effective date of such partial termination, and the City and the BRA agree to promptly execute, acknowledge and record with the Registry, any and all such documents as may reasonably be required to effectuate such partial termination of the Temporary Taking, and (ii) the PILOT Payments with respect to such portion shall thereafter be calculated as if such portion were assessed pursuant to M.G.L. Ch. 59, such that the Tenant shall be liable for an amount equal to the real property taxes for the Fiscal Year which contains the effective date of such partial termination less any PILOT Payments allocable to such period and such portion

that have previously been made by the Tenant (a “Partial Gap Amount” and together with the Full Gap Amount, each a “Gap Amount”). The Tenant agrees that upon any such partial termination of this PILOT Agreement, the Tenant shall pay, or cause to be paid, to the City a payment equal to the applicable Partial GAP Amount to cover the time period between the effective date of such partial termination and the date on which such terminated portion of the Hotel Parcel becomes taxable pursuant to M.G.L. Ch. 59. The Tenant shall make such payment to the City within three (3) months following the month in which the Termination Date occurs.

4. **PILOT Payments**: The Tenant shall make the following annual PILOT Payments in two (2) installments per year on the Payment Dates:

A. Fiscal Years 2014 through 2016:

- (i) The amount of the PILOT Payment for Fiscal Year 2014 shall be \$100,000, prorated to the Effective Date.
- (ii) The PILOT Payment for Fiscal Year 2015 shall be \$100,000.
- (iii) The PILOT Payment for Fiscal Year 2016 shall be the greater of (x) 1% of Gross Operating Revenue, or (y) \$250,000.

B. Fiscal Years 2017 through 2020: For Fiscal Years 2017 through 2020, the amount of the PILOT Payment for each such Fiscal Year will be calculated by multiplying the Gross Operating Revenue by the Tax Percentage for such Fiscal Year as shown on the following table:

<u>FISCAL YEAR</u>	<u>TAX PERCENTAGE</u>
FY 2017	2%
FY 2018	3%
FY 2019	4%
FY 2020	5%

The Gross Operating Revenue upon which PILOT Payments are calculated for Fiscal Years 2016 through 2020 shall be, for each Building, the Gross Operating Revenue of such Building for the calendar year as shown on Exhibit C attached hereto and incorporated herein.

5. **Audited Financials**: On March 1st of each year during the Term occurring from and after the date that either Hotel is open for business to the public (such date, the “Opening Date”), the City will be deemed to have requested from the Tenant, pursuant to M.G.L. Ch. 59, §38D, a written return under oath that contains the Audited Financials for the Buildings for the preceding calendar year. The Tenant shall be obligated to provide said Audited Financials to the City on or before April 30th of each such year. This Section 5 shall be deemed to be a M.G.L. Ch. 59, §38D request for each calendar year during the portion of the Term occurring after the Opening Date, and the City shall have no obligation hereunder to send a separate request for the Audited

Financials for any such calendar year. The Tenant and the City acknowledge that the Audited Financials are reasonably required in order for the City to determine the actual fair cash valuation of the Project. The Audited Financials shall provide a calculation of Gross Operating Revenue and shall be prepared at Tenant's sole cost and expense by an independent certified public accountant in accordance with the Accounting Principles (as defined in Section 14). In addition to the City's internal review, the City shall have the right to choose PricewaterhouseCoopers LLP or another comparable firm not then serving as an auditor for or advisor to the City or MCCA, to review the Audited Financials. The City's selection of such independent reviewer shall be subject to the Tenant's approval, which approval shall not be unreasonably denied.

6. **Amendments /Modifications:** The Tenant, the City and the BRA agree that any amendment of this PILOT Agreement shall be in writing and signed by duly authorized representatives of all parties hereto.

7. **Default by Tenant:** If Tenant defaults in its obligation to make any PILOT Payment as required by this PILOT Agreement, then upon the City's provision of notice of such default to the Tenant, the MCCA, and any leasehold mortgagee of Tenant of which Tenant has previously provided the City notice ("Mortgagee"), and the failure of Tenant to have cured such default within a thirty (30) day period after delivery or deemed delivery thereof pursuant to Section 8 hereof, then the City shall have the right to sue the Tenant for breach of contract and/or to terminate this PILOT Agreement by notice provided to Tenant, the MCCA and any Mortgagee in accordance with Section 8; provided, however, that (i) the MCCA and any such Mortgagee shall have the right, but not the obligation, to cure any such default by Tenant hereunder during an additional period of thirty (30) days after the expiration of the Tenant's thirty (30) day cure period; and (ii) the City shall not initiate any such suit or terminate this PILOT Agreement unless it has timely provided such notice to the MCCA and such Mortgagee, and the MCCA or such Mortgagee has not cured such default within such additional thirty (30) day period. If the Tenant has not provided the City with notice of any Mortgagee, then the MCCA alone shall have an additional cure period of thirty (30) days after the expiration of Tenant's thirty (30) day cure period to cure such default of Tenant, and if no such cure is timely effected by the MCCA, then the City may thereafter initiate any such suit or terminate this PILOT Agreement upon notice to the Tenant and the MCCA in accordance with Section 8. Upon any termination of this PILOT Agreement in accordance with the terms of this Section 7, Tenant shall be responsible for a GAP Amount in accordance with Section 3, the Hotel Parcel shall be assessed pursuant to M.G.L. Ch. 59, and Tenant, as the ground lessee under the Ground Lease, shall thereafter be liable for taxes that accrue accordingly on the Hotel Parcel. In consideration of the agreement by the Tenant to the City's remedies hereunder, the City agrees that (x) neither the BRA, the MCCA nor any Mortgagee shall have any liability whatsoever for Tenant's obligation to make PILOT Payments hereunder, and (y) there shall be no recourse against, or any personal liability on the part of, any general or limited partner, member, manager, officer, director, employee or agent of the Tenant, the BRA, the MCCA or any Mortgagee with respect to any payments due or any obligations to be performed hereunder.

8. **Notice:** Any notice or other communication required or permitted under this PILOT Agreement shall be in writing and (i) delivered by hand; (ii) sent by registered or certified mail,

return receipt requested; or (iii) sent by recognized overnight delivery service, addressed as follows:

If to the City: City of Boston Assessing Department
City Hall, Room 301
Boston, Massachusetts 02201
Attention: Commissioner of Assessing

If to the BRA: Boston Redevelopment Authority
One City Hall Square
Boston, Massachusetts 02201-1007
Attention: Director

With a copy to: Boston Redevelopment Authority
One City Hall Square
Boston, Massachusetts 02201-1007
Attention: General Counsel

If to the Tenant: AP CV Boston Hotel LLC
c/o Ares Management, LLC
60 Columbus Circle, 20th Floor
New York, New York 10023
Attention: Brian Earle

With copies to: Ares Management, LLC
2 Manhattanville Road, Suite 203
Purchase, New York 10577
Attention: General Counsel

and

CV Properties, LLC
30 Jelliff Lane
Southport, Connecticut 06890
Attention: Richard A. Galvin

and

Edwards Wildman Palmer LLP
111 Huntington Avenue
Boston, Massachusetts 02199
Attention: Rebecca A. Lee, Esq.

If to the MCCA: Massachusetts Convention Center Authority
415 Summer Street
Boston, Massachusetts 02210
Attention: Howard W. Davis

With a copy to:

Goulston & Storrs, P.C.
400 Atlantic Avenue
Boston, Massachusetts 02110
Attention: Matthew J. Kiefer, Esq.

or to such other address as the addressee shall have indicated by prior notice to the other parties. Notices or other communication hereunder shall be deemed given (i) when delivered by hand or by recognized overnight delivery service; or (ii) three (3) days after the date sent if sent via registered or certified mail. Notice under this PILOT Agreement may be waived in writing prospectively or retroactively by the party entitled to the notice. Notice from counsel to a party shall constitute effective notice.

9. **Successors /Assigns:**

- A. The Tenant's rights and obligations hereunder may be assigned or transferred during the Term in connection with the sale or assignment of the Project, or any portion thereof, only with the prior consent of the City or the BRA, except as otherwise provided in Section 9.F below, which will not be unreasonably withheld, provided that the Tenant complies with the provisions of this Section 9.
- B. At least twenty (20) days in advance of any contemplated transfer or assignment of the Project (or either Building), Tenant shall provide notice of such contemplated transaction to the City, the BRA and the MCCA, which notice shall provide the following information (the "Required Transfer Information"): (i) the legal name of the proposed transferee ("Transferee") together with such other information as is reasonably necessary to determine the identity of the proposed Transferee and its controlling entity; (ii) a description of the proposed transfer or assignment, in sufficient detail to provide an understanding of the nature and terms of such contemplated transaction; (iii) the aggregate gross amount of consideration (whether cash or cash equivalent of non-cash proceeds) paid to or for the account of Tenant; and (iv) such other supplemental information as may be reasonably requested by the City, the BRA or the MCCA in order to evaluate (1) the consideration to be paid to or for the account of Tenant, and/or (2) the identity of the Transferee and/or its controlling entity; provided, however, that any such request for supplemental information shall be delivered to Tenant not later than ten (10) days after notice from the Tenant of such contemplated transfer or assignment of the Project.
- C. In connection with a transfer or assignment of the Project (or either Building therein) other than as set forth in Section 9.F hereof, Tenant shall pay to the City the applicable Transfer Payment (as hereinafter defined) . The applicable Transfer Payment shall be due immediately upon the applicable transfer or assignment that triggers such Transfer Payment. For the purposes of this Section 9, the "Transfer Payment" shall mean a sum equal to the greater of (a) \$100,000, or (b) one half of one percent (0.5%) of the Gross Operating Revenues of the Project (or the applicable Building, if only a portion of the Project is being

transferred or assigned) for the preceding calendar year, as such Gross Operating Revenues are set forth in the Audited Financials (as defined in Section 14) for such calendar year. If Audited Financials for the relevant calendar year are not available for the purposes of calculating the Transfer Payment, then the Gross Operating Revenues for such calendar year shall be deemed to be the amount thereof as set forth in a certification to the City by an officer of Tenant. Tenant shall provide such certification with the Transfer Payment, together with the notice address for the Transferee. Tenant shall be liable for all PILOT Payments due hereunder until any such transfer or assignment of the Project (or either Building therein, if applicable), and such Transferee shall assume all of Tenant's obligations hereunder with respect to the same as of the date of such transfer or assignment. Failure to timely pay in full any Transfer Payment shall result in Tenant being liable for interest, fines, penalties and related costs, including legal costs and disbursements, in accordance with M.G.L. Ch. 60, as amended from time to time.

- D. Within ten (10) business days following the City's receipt of any such Transfer Payment, the City shall have the right to provide written notice to the Transferee, the BRA and the MCCA that the City is terminating this PILOT Agreement with respect to the Project (or the Building which is the subject of the transfer or assignment), which termination shall be effective as of the first day of the calendar month following the date of such termination notice. If such notice is not timely given, then this PILOT Agreement shall continue in full force and effect for the remainder of the Term. Any Transferee shall be liable for all PILOT Payments due hereunder up to such date of termination.
- E. Upon any termination of this PILOT Agreement in accordance with the terms of this Section 9, Transferee shall be responsible for a GAP Amount in accordance with Section 3, the Hotel Parcel shall be assessed pursuant to M.G.L. Ch. 59, and Transferee, as the ground lessee under the Ground Lease, shall thereafter be liable for taxes that accrue accordingly on the Hotel Parcel.
- F. No consent of the City or the BRA shall be required and no Transfer Payment shall be payable to the City in connection with any of the following: (i) any grant by Tenant of a mortgage or pledge or assignment of all or any part of the Hotel Parcel (including, without limitation, Tenant's leasehold estate therein) in connection with a financing of the Hotel Parcel and/or the Project or any part thereof; (ii) any foreclosure or deed or assignment in lieu of foreclosure for all or any part of the Hotel Parcel and/or the Project; (iii) any subdivision of the Hotel Parcel as contemplated in Section 10 below; or (iv) any sale or assignment of the Hotel Parcel (including, without limitation, Tenant's leasehold estate therein) to any Affiliate of Tenant. For the purposes of this PILOT Agreement, an "Affiliate" is a party that directly or indirectly, through one or more intermediaries, controls or is controlled by, or is under common control with, Tenant.

10. **Subdivision:** The parties acknowledge and agree that the Hotel Parcel may be subdivided to create two (2) or more tax parcels so that each Building is located on a separate tax

parcel. Such subdivision shall be effectuated by the recording of a subdivision plan with the Registry. In the event the Hotel Parcel is so subdivided, the City, the MCCA and the BRA agree to enter into separate PILOT agreements with the ground lessee of each of the Hotel Sub-parcels (*i.e.*, the leasehold owners of the new tax parcels), which new agreements shall contain the equivalent financial and other terms and conditions as set forth herein. Such new PILOT agreements shall be effectuated within thirty (30) days of a request therefor by the Tenant or its successors or assigns. Such new agreements shall become effective on the date such subdivision plan is so recorded with the Registry.

11. **Counterparts**: This PILOT Agreement may be executed in counterparts, each of which when so executed and delivered shall be deemed an original, but such counterparts shall together constitute but one and the same instrument.

12. **Governing Law**: Notwithstanding anything to the contrary set forth herein, this PILOT Agreement shall be governed by the laws of the Commonwealth of Massachusetts, without regard to principles of conflicts of laws, and any suit, claim or action arising hereunder shall be brought in Suffolk County, Massachusetts.

13. **Severability**: If any provision of this PILOT Agreement or the application thereof to any person or circumstance shall be invalid or unenforceable to any extent, the remainder of this PILOT Agreement and the application of such provisions to other persons and circumstances shall not be affected thereby, and shall be enforced to the greatest extent permitted by law. The City reserves the right to assess the Tenant's real and personal property pursuant to M.G.L. Ch. 59, as amended, if the provision held to be invalid or unenforceable relates to the validity or enforceability of a PILOT Payment, but only with respect to and in lieu of such PILOT Payment.

14. **Definitions**: Capitalized terms defined elsewhere in this PILOT Agreement shall have the meanings ascribed to them therein. In addition, the terms defined below shall have the meanings ascribed to them wherever such terms shall appear in this PILOT Agreement, unless the context requires otherwise.

- A. **Accounting Principles**: shall mean: (i) for the Hotels, standardized formats and account classifications determined in accordance with the tenth (10th) edition of the Uniform System of Accounts for the Lodging Industry published by the Hotel Association of New York City, Inc., or such subsequent editions of such publication as may be adopted during the term of this PILOT Agreement, as the same may be amended from time to time in accordance with the provisions hereof; and (ii) for the Retail/Restaurant Space, generally accepted accounting principles.
- B. **Audited Financials**: shall include Gross Operating Revenue as defined in Section 14.E below, and shall be broken down to a categorical level including by way of example: (i) rooms; (ii) food and beverage; (iii) garage (if any), (iv) other operating departments; and (v) other income.
- C. **Effective Date**: shall be as defined in the Recitals.

- D. Fiscal Year or FY: shall mean, with respect to any designated year, the twelve-month period beginning on July 1 of the year immediately preceding such year and ending on June 30 of such year.
- E. Gross Operating Revenue: All revenue (whether in cash or on credit or in-kind) from (i) the operation of the Hotels and all facilities operated in connection therewith; and (ii) the Retail/Restaurant Space, including without limitation (but without duplication):
- (i) All revenue from the rental of any room or suite of rooms, whether to transients, short-term renters or semi-permanent renters, including any amounts added to any bill for any other item, including without limitation, any and all food or beverage charges, telephone charges, internet, valet or laundry service charges or service for which a separate charge is made;
 - (ii) Revenue from parking services and/or valet services that is not remitted to the MCCA or its parking operator, telephone or other data or telecommunications revenues, and revenues from health clubs and fitness centers; and
 - (iii) Revenues received from any rentals or other income received with respect to any sublease of the Buildings or of the Hotels (including, without limitation, for use by retail and/or restaurant subtenants), license or occupancy agreement, vending machines and kiosks revenue, and receipts from any other sales and services made in, upon, from, or in connection with the Hotels and the Hotel Parcel, in every department operating in the Hotels, as well as any receipts paid on account of business or rental interruption insurance maintained by Tenant;

excluding, however, (1) receipts of retail, restaurant and other subtenants and concessionaries operating in either Building, if any (as distinguished from the amounts paid to Tenant by subtenants and concessionaires for rent or use and occupancy of portions of the Buildings); (2) excise, sales, occupancy, use or and/or hotel taxes, or similar governmental or quasi-governmental taxes, duties, levies or charges collected directly from guests or patrons or included as part of the price of any goods or services; (3) gratuities collected for Tenant's or the Hotel operator's employees or the employees of any restaurant subtenant; (4) proceeds of any insurance, other than business interruption insurance; (5) interest paid on any reserve accounts and amounts.

Gross Operating Revenue shall be determined in accordance with the Accounting Principles.

- F. Hotel: Each of the two hotels to be located on the Hotel Parcel, consisting of the following: guest rooms (keys) and related site work and improvements including,

but not limited to, food and beverage outlets; meeting rooms; banquet and ballroom space; fitness areas; and other amenities.

15. **Headings**: The headings and captions of the paragraphs and sections of this PILOT Agreement are not to be considered a part of it and shall not be used to interpret, define, or limit the provisions hereof.

16. **Certificates of Compliance**: Upon at least fifteen (15) business days' notice from the MCCA or Tenant, the City shall provide written confirmation to the requesting party that, to the extent then true, this PILOT Agreement remains in full force and effect, is unamended, and there are no defaults by Tenant hereunder. Such confirmation may be relied upon by the Tenant, the MCCA, and/or any lender or investor providing financing in connection with the Project, and each such confirmation shall state the same.

[Remainder of page intentionally left blank]

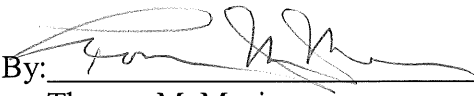
IN WITNESS WHEREOF, each of the parties hereto has executed this PILOT Agreement as an instrument under seal as of the date first written above.

Approved as to form:

THE CITY OF BOSTON



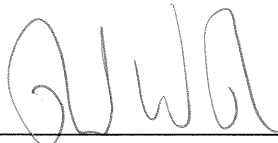
City of Boston Corporation Counsel *AMC*

By: 

Thomas M. Menino
Mayor

CITY OF BOSTON ASSESSING
DEPARTMENT

BOSTON REDEVELOPMENT
AUTHORITY

By: 

Ronald W. Rakow
Commissioner of Assessing

By: _____
Peter Meade
Director

Approved as to form:

Kevin J. Morrison, General Counsel

AP CV BOSTON HOTEL LLC

By: _____
Brian Earle
Vice President

IN WITNESS WHEREOF, each of the parties hereto has executed this PILOT Agreement as an instrument under seal as of the date first written above.

Approved as to form:

THE CITY OF BOSTON

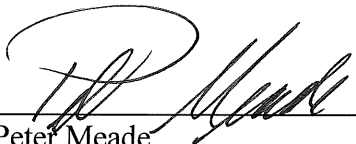
City of Boston Corporation Counsel

By: _____
Thomas M. Menino
Mayor


CITY OF BOSTON ASSESSING
DEPARTMENT

BOSTON REDEVELOPMENT
AUTHORITY

By: _____
Ronald W. Rakow
Commissioner of Assessing

By:  _____
Peter Meade
Director

Approved as to form:



Kevin J. Morrison, General Counsel *93*

AP CV BOSTON HOTEL LLC

By: _____
Brian Earle
Vice President

IN WITNESS WHEREOF, each of the parties hereto has executed this PILOT Agreement as an instrument under seal as of the date first written above.

Approved as to form:

THE CITY OF BOSTON

City of Boston Corporation Counsel

By: _____
Thomas M. Menino
Mayor

CITY OF BOSTON ASSESSING
DEPARTMENT

BOSTON REDEVELOPMENT
AUTHORITY

By: _____
Ronald W. Rakow
Commissioner of Assessing

By: _____
Peter Meade
Director

Approved as to form:

Kevin J. Morrison, General Counsel

AP CV BOSTON HOTEL LLC

By: 

Brian Earle
Vice President

JOINDER

(For the purposes of Sections 6, 7, 8, 9, 10, and 16 only)

MASSACHUSETTS CONVENTION
CENTER AUTHORITY

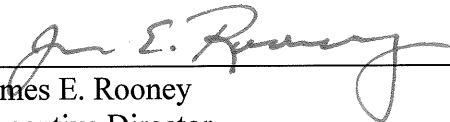
By: 
James E. Rooney
Executive Director

EXHIBIT A

LEGAL DESCRIPTION OF THE HOTEL PARCEL

A parcel of land owned by Massachusetts Convention Center Authority, a Massachusetts body politic and corporate established under Section 33 of Chapter 190 of the Acts of 1982 (the "MCCA"), by virtue of that certain Order of Taking dated as of September 20, 2012 and recorded with the Suffolk County Registry of Deeds (the "Registry") in Book 50262, Page 86, which parcel is situated on the southeasterly side of D Street and is shown as "Lot A" on the plan entitled "Subdivision Plan of Land, 371-401 D Street, Boston, MA" prepared by SMC dated _____ and to be recorded with the Registry on or about the Effective Date.

[Remainder of legal description to be provided when subdivision plan is finalized]

EXHIBIT B
SUBDIVISION PLAN

[See attached]

EXHIBIT C

PAYMENT DATES

Fiscal Year	Payment Date	Applicable Gross Operating Revenue Period	Payment Amount
2014	5/1/14	N/A	\$100,000, prorated as applicable if the Effective Date is after July 1, 2013
2015	11/1/14	N/A	\$50,000
2015	5/1/15	N/A	\$50,000
2016	11/1/15	N/A	\$0 ¹
2016	5/1/16	1/1/2015 – 12/31/2015	Greater of (x) 1% of Gross Operating Revenue, or (y) \$250,000
2017	11/1/16	N/A	50% of Fiscal Year 2016 Payments
2017	5/1/17	1/1/2016 – 12/31/2016	100% of 2% of Gross Operating Revenue Minus 11/1/16 Payment
2018	11/1/17	N/A	50% of Fiscal Year 2017 Payments
2018	5/1/18	1/1/2017 – 12/31/2017	100% of 3% of Gross Operating Revenue Minus 11/1/17 Payment
2019	11/1/18	N/A	50% of Fiscal Year 2018 Payments
2019	5/1/19	1/1/2018 – 12/31/2018	100% of 4% of Gross Operating Revenue Minus 11/1/18 Payment
2020	11/1/19	N/A	50% of Fiscal Year 2019 Payments
2020	5/1/20	1/1/2019 – 12/31/2019	100% of 5% of Gross Operating Revenue Minus 11/1/19 Payment

¹ The Hotels are currently anticipated to open in 2016; therefore, there are not anticipated to be any Gross Operating Revenues from the Project for calendar year 2015.