

**CONTRACT FOR PAYMENT IN LIEU OF TAXES  
ENTERED INTO BY AND AMONG THE CITY OF BOSTON,  
BOSTON HOUSING AUTHORITY,  
AND BC CAMDEN LIMITED PARTNERSHIP**

This Contract for a Payment in Lieu of Taxes Agreement (this “PILOT Agreement”) dated as of December 19, 2018, is between the CITY OF BOSTON, acting by and through its Assessing Department, (the “City”), the BOSTON HOUSING AUTHORITY, a body politic and corporate created pursuant to Chapter 121B of the Massachusetts General Laws and Chapter 88 of the Acts of 1989, as amended, (the “BHA”), and BC CAMDEN LIMITED PARTNERSHIP, a Massachusetts limited partnership (the “Tenant”).

**RECITALS**

WHEREAS, Camden Apartments (the “Project”) is an affordable housing redevelopment project which will rehabilitate a 72-unit apartment complex located at 50-60 Camden Street, Boston, Massachusetts, which consists of the approximately 55,350 square foot parcel with improvements located thereon, designated Parcel ID 0901233000 (the “Project Site”), which is owned by the BHA and is currently tax exempt under M.G.L. Chapter 121B, Section 16;

WHEREAS, the BHA has entered, or will enter, into a ground lease dated on or about the date hereof (the “Ground Lease”) with the Tenant for a period of 99 years for the Project Site so that the Tenant can rehabilitate the Project Site and continue to operate it as an affordable housing development;

WHEREAS, during the Term (as hereinafter defined), the Project Site will be exempt under M.G.L. c. 121B, § 16 from taxation in accordance with the provisions of M.G.L. c. 59;

WHEREAS, in lieu thereof and in accordance with the terms set forth herein, including the satisfaction of certain obligations of Tenant as set forth herein, the Tenant shall make PILOT Payments (as hereinafter defined) as set forth in further detail herein.

NOW THEREFORE, in consideration of the foregoing and the covenants and agreements set forth herein:

**1. Payment In Lieu of Taxes (“PILOT”):**

- a. Notwithstanding the provisions of M.G.L. c. 59, during the Term, as defined in this PILOT Agreement, in lieu of real estate taxes with respect to the Project Site which would otherwise be assessed and payable under M.G.L. c. 59, the Tenant shall make PILOT Payments, as set forth in Section 3 below, pursuant to the provisions of M.G.L. c. 121B, § 16.
- b. An installment of the PILOT Payment shall be made by Tenant on each of November 1st and May 1st (the “Payment Dates”) of each Fiscal Year (as hereinafter defined) during the Term. The first installment shall be an estimate based on fifty percent (50%) of the projected PILOT Payment (defined below). The first installment represents approximately half of the PILOT Payment for the

Fiscal Year. The second installment shall be based on the estimated PILOT Payment for the Fiscal Year adjusted by subtracting the first installment paid. Any over payment or under payment after the calculation in the Tenant's audited financial statement of the actual PILOT Payment due in any Fiscal Year shall be adjusted in the first installment of the following Fiscal Year.

- c. PILOT Payments shall be made directly to the City's Collector-Treasurer.
- d. 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. c. 60, as amended from time to time.

2. **Term:** This PILOT Agreement shall be for a term (the "Term") commencing on July 1, 2019 (the "Effective Date") and shall remain in effect for a period of forty (40) years after the Effective Date, unless sooner terminated. At the expiration of such Term, the Project Site will be subject to taxation as permitted in accordance with Massachusetts General Laws.

3. **PILOT Payments:** For each Fiscal Year during the Term, the "PILOT Payment" shall be an amount equal to 10% of the aggregate rental income received by the Tenant from tenants of the Project during the calendar year ending on December 31 within each Fiscal Year, exclusive of the amounts described in clauses (i) – (ii) in the next sentence hereof. The "aggregate rental income received by the Tenant from tenants of the Project" shall exclude (i) any operating subsidies payable by the BHA to the Tenant pursuant to that certain Contract for Financial Assistance among the Tenant, the Commonwealth of Massachusetts acting by and through the Department of Housing and Community Development ("DHCD") and the BHA (the "CFA") for those units occupied by public housing eligible households; and (ii) any Section 8 rental subsidies or Massachusetts Rental Voucher Program subsidies, provided to the Tenant or the tenants of the Project. The above formula for determining the PILOT Payment is expressly contingent on the Project being used exclusively for multifamily residential rental housing and associated common areas and amenities, and the Tenant acknowledges that any change in use which would involve any uses other than the foregoing would require approval by the City and the BHA, which will not be unreasonably withheld, and without said approval will result in the termination of this agreement and the Project Site will be assessed pursuant to M.G.L. c. 59, and the Tenant hereof shall be liable for taxes that accrued or would have accrued from and after such usage change but for the existence of this PILOT Agreement.

4. **Gap Payments:** Upon the termination of this PILOT Agreement the Tenant shall pay or cause to be paid a gap payment to cover the time period between the termination date and the date the Project becomes taxable pursuant to General Laws, Chapter 59. The gap payment shall be equal to the taxes that accrued or would have accrued from and after such termination date but for the existence of this PILOT Agreement. The gap payment shall be paid within six (6) months following the month in which this PILOT Agreement terminates.

5. **Delivery and Examination of Financial Statements:** The Tenant will provide the Commissioner of Assessing, with a copy of all PILOT Payments delivered to the Collector-Treasurer. On March 1st of each year during the Term 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 Report, defined as follows, for the Project Site for the preceding calendar year. For the purposes of this PILOT Agreement “Audited Report” shall be defined as an audited report, prepared by a Certified Public Accountant, consisting of a statement of all rental and other income, operating costs, a statement of profit and loss, a balance sheet, and a statement of disposition of funds for the preceding year. The Tenant shall be obligated to provide said Audited Report to the City on or before May 1st of each such year in conjunction with a copy of the second installment PILOT Payment. This Section 5 shall be deemed to be a M.G.L. Ch. 59, §38D request for each calendar year during the Term, and the City shall have no obligation hereunder to send a separate request for the Audited Report for any such calendar year. The Tenant and the City acknowledge that the Audited Report is reasonably required in order for the City to determine the actual fair cash valuation of the Project Site.

6. **Obligations of Tenant:** As noted above, Tenant intends to renovate the Project and to make the Project available to residents of the Project eligible to occupy state public housing as further specified in the Ground Lease and other project documents.

7. **Collection and Enforcement:** In addition to the City’s rights under Sections 7 of this PILOT Agreement, the City shall have the right to sue the Tenant for breach of contract if the PILOT Payments and any interest and costs assessed are not paid as agreed. In consideration of the agreement by the Tenant to such collection remedies, the City agrees that (i) the BHA shall have no liability whatsoever for any PILOT Payments hereunder, and (ii) there shall be no other 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 with respect to any payments due or any obligations to be performed hereunder.

8. **Amendments/Modifications:** The Tenant, the City and the BHA agree that any amendment subsequent to the delivery of this PILOT Agreement that affects any term or conditions of this PILOT Agreement shall have no effect unless it is in writing and signed by duly authorized representatives of all parties hereto.

9. **Default by Tenant:** If the Tenant defaults in its obligation to make a PILOT Payment as required by this PILOT Agreement, the City shall have the right to terminate this PILOT Agreement upon thirty (30) days’ notice to Tenant and the failure of Tenant to have cured such default within such thirty (30) day period. In the event that the City exercises the right to terminate this PILOT Agreement, then, from and after such termination, the Project Site shall be assessed pursuant to M.G.L. c. 59, and the Tenant hereof shall be liable for taxes that accrued or would have accrued from and after such default but for the existence of this PILOT Agreement.

10. **Notice:** Any notice or other communication required or permitted under this PILOT Agreement shall be in writing and shall be deemed given when sent, if (i) delivered by hand, (ii) sent by registered or certified mail, return receipt requested, or (iii) sent by a recognized overnight delivery service, addressed as follows:

If to the City:

City of Boston Assessing Department  
City Hall, Room 301  
Boston, MA 02201-1007

Attention: Commissioner of Assessing

with a copy to

City of Boston Office of Corporation Counsel  
City Hall, Room 615  
Boston, MA 02201-1007  
Attention: Corporation Counsel

If to the BHA:

Boston Housing Authority  
52 Chauncy Street  
Boston, MA 02111  
Attention: Administrator

with a copy to

Boston Housing Authority  
52 Chauncy Street  
Boston, MA 02111  
Attention: General Counsel

If to the Tenant:

c/o Beacon Communities  
Two Center Plaza, Suite 700  
Boston, MA 02108  
Attn: Dara Kovel  
Email: [dkovel@BeaconCommunitiesLLC.com](mailto:dkovel@BeaconCommunitiesLLC.com)

with a copy to

Nixon Peabody LLP  
100 Summer Street  
Boston, MA 02110  
Attn: Paul E. Bouton, PC  
Email: [pbouton@nixonpeabody.com](mailto:pbouton@nixonpeabody.com)

or to such other address as the addressee shall have indicated by prior notice to the other parties. Notice under this PILOT Agreement may be waived in writing prospectively or retroactively by the person entitled to the notice. Notice from counsel to a party shall be effective notice.

**11. Successors/Assigns:**

This PILOT Agreement may be assigned or transferred during the Term of this PILOT Agreement, provided that (X) the Tenant complies with the sale or transfer provision in Section \_\_\_ of the Ground Lease and (Y) provides written notice of such assignment or transfer to the BHA and to the City in accordance with the terms of Section 8..

12. **Counterparts**: This PILOT Agreement may be executed in multiple 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.

13. **Governing Law**: Notwithstanding anything herein to the contrary, this PILOT Agreement shall be governed by the laws of the Commonwealth of Massachusetts and any suit, claim or action shall be brought in Suffolk County.

14. **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 Project Site pursuant to M.G.L. c. 59, as amended, if the provision held to be invalid or unenforceable relates to a PILOT Payment, and the Tenant shall retain the ability to contest the taxes as so assessed pursuant to the terms of M.G.L. c. 59, as amended.

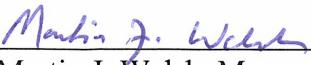
15. **Definitions**: Terms defined elsewhere in this PILOT Agreement shall have the meanings ascribed to them. In addition, the term Fiscal Year shall mean the twelve (12) month period from July 1 to June 30.

16. **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.


[Signature Pages to Follow]

IN WITNESS WHEREOF, the CITY OF BOSTON has caused these presents to be signed in its name and behalf by Martin J. Walsh, Mayor, and Gayle Willett, Commissioner of Assessing, the BOSTON HOUSING AUTHORITY has caused these presents to be signed in its name and behalf by William E. McGonagle, its Administrator, and BC CAMDEN LIMITED PARTNERSHIP, has caused these presents to be signed in its name and behalf.

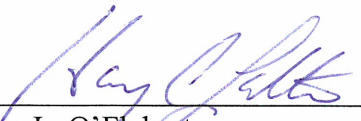
CITY OF BOSTON

  
\_\_\_\_\_  
Martin J. Walsh, Mayor *Eng*

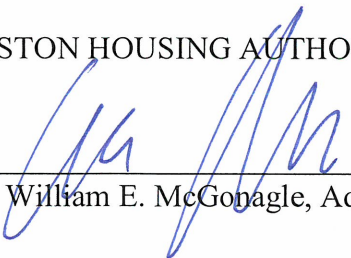
CITY OF BOSTON ASSESSING  
DEPARTMENT

  
\_\_\_\_\_  
Gayle Willett  
Commissioner of Assessing

Approved as to form:

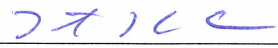
*b*   
\_\_\_\_\_  
Eugene L. O'Flaherty  
Corporation Counsel

BOSTON HOUSING AUTHORITY

  
\_\_\_\_\_  
By: William E. McGonagle, Administrator

BC CAMDEN LIMITED PARTNERSHIP

By: Beacon Camden LLC, its General Partner  
By: Beacon Communities Corp., its Sole Member

By:   
\_\_\_\_\_  
Name: Timothy J. Cowles  
Title: Vice President