

**TAX INCREMENT FINANCING AGREEMENT
BY AND AMONG
THE CITY OF BOSTON
AND
JPMORGAN CHASE BANK
AND
RP BEAL ONE OWNER LLC**

This AGREEMENT is made this 10th day of June, 2008 by and among the City of Boston, a municipal corporation duly organized under the laws of the Commonwealth of Massachusetts, having a principal place of business at City Hall, One City Hall Plaza, Boston, Massachusetts 02201 (hereinafter referred to as the "City"), JP Morgan Chase Bank, National Association, organized under the laws of the United States of America, having a place of business at 1111 Polaris Parkway, Mail Code OH1-0241, Columbus, Ohio 43240, Attn: Lease Administration Manager (hereinafter referred to as "JPMorgan") and RP Beal One Owner, LLC, a Delaware limited liability company, having a place of business c/o The Beal Companies, LLP, 155 Milk Street, Suite 700, Boston, Massachusetts 02109 (hereinafter referred to as "Owner"), its successors and assigns.

WITNESSETH

WHEREAS, the City of Boston (the "City") has been designated by the Massachusetts Economic Assistance Coordinating Council ("EACC") as an Economic Target Area ("ETA"); and

WHEREAS, the Owner is the owner of property located at 451 D Street (a/k/a 70 Fargo Street), South Boston (the "Property"), that is within the boundaries of the Crosstown/South Boston Economic Opportunity Area (EOA), which has been designated as such by the EACC; and

WHEREAS, the Owner has entered into a rental lease agreement with JPMorgan to lease approximately 103,607 square feet of office and related space, with options available for JPMorgan to lease an additional approximately 50,000 square feet (consisting of two (2) lease options each for approximately 25,000 square feet) (the "Lease") within a portion of the Property for 15 years and JPMorgan as the tenant will seek certain real estate tax incentives from the City and investment tax credits from the Commonwealth of Massachusetts under the Massachusetts Economic Development Incentive Program; and

WHEREAS, the space under the Lease, that being 103,607 square feet, and, upon the exercise of the options, up to an additional approximately 50,000 square feet of leased space making up a portion of the Property, shall constitute the "Site" for purposes of this Agreement; and

WHEREAS, the relocation of JPMorgan under the Lease with the Owner, the redevelopment of the Site by an investment by JPMorgan of \$32 million in new infrastructure and technology at the Site, and an investment by JPMorgan of an additional approximately \$6 million if and when JPMorgan exercises its first lease option, and the retention of

approximately 725 jobs (667 permanent full-time and 58 temporary full-time) within the City and the creation of approximately 373 new jobs (343 permanent full-time and 30 temporary full-time) within the City, all by JP Morgan, shall collectively be known as the "Project;" and

WHEREAS, JPMorgan, with the approval and consent of the Owner, is seeking Certified Project status from the EACC for the Site and Project and a Tax Increment Financing Exemption from the City for all development at the Site in accordance with the Massachusetts Economic Development Incentive Program and Chapter 23A of the Massachusetts General Laws; and

WHEREAS, a description of the Property is attached as Exhibit A hereto, and a description of the Site to be the subject of the Tax Increment Financing Exemption is attached hereto as Exhibit B; and

WHEREAS the Property is within the parcel of land identified as City of Boston Assessing Department Ward 06, Parcel 02825/000 and the City Commissioner of Assessing will create a sub-parcel identification number for the Site (the "Sub-parcel"); and

WHEREAS, the assessed valuation of the Property for fiscal year 2008 is \$45,013,000 and the Site constitutes 22.64% (103,607 square feet of 457,543 total square feet in the Property) of the assessed Property; Fiscal Year 2008 shall be the base year for purposes of calculating the Exemption, defined below, subject to JPMorgan exercising its options for additional leased space, whereby at such time(s) the base will be adjusted by the new percentage of the assessed Property multiplied by the Fiscal Year 2008 assessment as adjusted by the inflation factor pursuant to the Code of Massachusetts Regulations; and

WHEREAS, the City supports increased economic development to provide additional jobs for residents of the ETA, to expand commercial and industrial activity within the City, and develop a healthy economy and stronger tax base; and

WHEREAS, the Project will further the economic development goals and criteria established for the ETA and the BOA; and

WHEREAS, by vote of the City Council on June 4, 2008 ("the City Council vote"), the City was authorized to enter into a Tax Increment Financing Agreement for the Site in the form hereof;

NOW, THEREFORE, in consideration of the mutual promises of the parties contained herein and other good and valuable consideration each to the other paid, receipt of which is hereby acknowledged, the parties hereby agree as follows:

1. Pursuant to the authority of the City Council vote, the City hereby enters into a Tax Increment Financing Agreement (this "Agreement") with JPMorgan and the Owner for the Site. The property that is the subject of the Agreement shall be the Site, as defined in the preamble.

2. A Tax Increment Financing Exemption (the "Exemption") is hereby granted to the Owner, to accrue exclusively to JPMorgan, by the City in accordance with

Massachusetts General Laws Chapter 23A, Section 3E; Chapter 40, Section 59; and Chapter 59, Section 5, clause 51. The Exemption shall be for a period of fourteen years (the "Exemption Period"), commencing on July 1, 2008 and ending on June 30, 2022. The Exemption shall apply to the incremental value, as defined in paragraph 3, only. The Exemption shall be calculated as follows:

Fiscal Year	Exemption on Increment
2008	base year
2009	50%
2010	50%
2011	50%
2012	50%
2013	50%
2014	50%
2015	50%
2016	50%
2017	50%
2018	50%
2019	40%
2020	30%
2021	20%
2022	10%

In addition to the Exemption, all personal property situated on the Site shall be exempt pursuant to Massachusetts General Laws Chapter 59, section 5, clause fifty-first.

3. The Tax Increment Financing Exemption formula for the Project will be calculated as prescribed by the Massachusetts General Laws, Acts of 1993 and in 751 CMR 11.00 and 402 CMR 2.00 and regulated by the Department of Revenue. The Tax Increment Financing Exemption formula shall apply to the difference between the base valuation of the Site and the assessed valuation of the Site, which shall be reflected on the Sub-parcel.

4. Under the Lease, JPMorgan may exercise two (2) options to lease an additional approximately 25,000 square feet under each option. The City approves the additional approximately 50,000 square feet of leased space as part of the Site, but such approval shall not become effective, and the space will not be added to the Sub-parcel, until JPMorgan exercises such option(s) and occupies the additional leased space.

5. The base valuation for the Site shall be 22.64% percent of the assessed value of the Property in the fiscal year immediately prior to the fiscal year in which the Site becomes eligible for the Tax Increment Exemption, which base fiscal year shall be fiscal year 2008. Upon the exercise of additional lease options by JPMorgan and occupancy of such additional space, each for an additional approximately 25,000 square feet, the percentage of assessed value shall increase based upon the additional space added to the Site. The base will be adjusted to reflect the new percentage of the assessed Property multiplied by the Fiscal

Year 2008 assessment as adjusted by the inflation factor pursuant to the Code of Massachusetts Regulations. The adjustment to the percentage of assessed value of the Property and base valuation shall occur in the next fiscal year so long as the option is exercised and the leased space is occupied by July 1st for such fiscal year.

6. The base valuation shall be adjusted annually by an adjustment factor that reflects increased commercial and industrial property values within the community, as defined in the above referenced sections of the Code of Massachusetts Regulations. The increased value or "increment" created by the improvements to the Site will be the amount eligible for exemption from taxation. The value of the improvements for the Site shall be included in the increased value or the "increment" and shall be eligible for exemption from taxation in the remaining years of the Exemption Period.

7. The Tax Increment Financing Exemption granted to the Owner and benefiting JPMorgan by the City hereby is in consideration of the following commitments:

a. JPMorgan's commitment to retain 725 jobs at the Site (667 permanent full time and 58 temporary full time) and create 373 new jobs over the next five years (343 permanent full time and 30 temporary full time employees) after the commencement of the Exemption Period as outlined in the Certified Project Application dated ~~May 10~~^{June}, 2008 and filed with the EACC, making efforts to hire residents of the ETA and the City of Boston as outlined in the Local Employment and Job Creation sections of the Certified Project Application, by JPMorgan in connection with JPMorgan's request for a Tax Increment Financing Exemption;

b. JPMorgan's commitment to invest \$32 million in infrastructure and new technology improvements in the Site during the term of this Agreement, and an additional approximately \$6 million if and when JPMorgan exercises its first lease option; and

c. The Owner and JP Morgan's commitment to enter into a Lease for the Site whereby the real estate taxes for the leased space are net out and all of the real estate tax benefits described in this Agreement are passed by the Owner to JPMorgan and to no other tenant or the Owner and such real estate tax benefits are used to reduce the real estate tax liability of JPMorgan under the Lease.

8. JPMorgan shall submit annual reports on job creation, job retention, and new investments at the Site to the City and Boston Redevelopment Authority (with copies simultaneously to Owner) by August 31 of each year of the Certified Project designation. The annual report shall include the number of permanent full-time jobs created (excluding temporary full-time jobs created) and the number of people hired from within the ETA annually and on a cumulative basis and the value of capital investments made by the JPMorgan with respect to the Site annually and on a cumulative basis.

9. If JPMorgan fails to meet the job creation and investment commitments specified in paragraph 7 above, the City, acting through its Mayor, upon City Council approval, may take action to request decertification of the Project and Site by the Massachusetts Economic Assistance Coordination Council in accordance with 760 CMR 22.

Upon decertification, the City shall discontinue the Tax Increment Financing Exemption benefits provided to as set forth herein, commencing with the first fiscal year in which JPMorgan fails to meet such commitments. If JPMorgan accelerates its planned hiring or investments, thereby meeting its total commitment prior to the time projected in the Job Creation section of the Certified Project Application, and invests at least \$32 million in capital improvements in the Site, and an additional \$6 million if and when JPMorgan exercises its first lease option, then the City's right to request decertification of the Project will not be operative.

10. JPMorgan may not assign its rights and interest in this Agreement without the prior written approval of the City.

11. If JPMorgan moves from the Site, such events shall constitute grounds for the City to take action to request decertification of the Project and Site as described in paragraph 9 above.

12. All notices or other communications required or permitted to be give under this Agreement shall be in writing, signed by a duly authorized officer or representative of the City, Owner of JPMorgan, as the case may be, and shall be either hand delivered or mailed postage prepaid, by registered or certified mail, return receipt requested and shall be deemed given when delivered, if by hand, recognized national overnight carrier, or when deposited with the U.S. Postal Service, if mailed to the principal office of the party to which it is directed, which is as follows unless otherwise designated by written notice to the other party:

City: City of Boston Assessing Department
One City Hall Square
Boston, Massachusetts 02201
Attn: Commissioner of Assessing

with a copy to:

City of Boston Assessing Department
One City Hall Square
Boston, Massachusetts 02201
Attn: Counsel

JPMorgan: JPMorgan Chase Bank, National Association
1111 Polaris Parkway, Suite 1J
Columbus, Ohio 43240
Mail Code OH1-0241
Attn: Lease Administration Manager

with a copy to:

JPMorgan Chase Bank, National Association
270 Park Avenue, 10th Floor
New York, New York 10017

Attn: Director of Real Estate

and a copy to: JPMorgan Chase Bank, National Association
245 Park Avenue, 12th Floor
New York, New York 10017
Attn: Real Estate Counsel

Owner: RP Beal One Owner, LLC
c/o The Beal Companies, LLP
177 Milk Street
Boston, Massachusetts 02109
Attn: Senior Vice President Asset Management

with a copy to: RP Beal One Owner, LLC
c/o The Beal Companies, LLP
177 Milk Street
Boston, Massachusetts 02109
Attn: Senior Vice President and General Counsel

The parties shall promptly notify each other of any changes of their respective addresses set forth above.

13. It is the intention of JPMorgan and the Owner that nothing in the implementation of this Agreement or the Exemption will in any other way affect the tax payments to be made by the Owner to the City or any tax obligations of any other tenants of the Property.

[Signatures on following page.]


WITNESSETH the execution and delivery of this Agreement by the City of Boston, JPMorgan and the Owner as an instrument under seal as of the date first above written.

AGREED TO:

CITY OF BOSTON

JP MORGAN CHASE BANK, NA

Thomas M. Menino, Mayor

By 
Name: *Greg Weissen*
Title: *Vice President*

Approved as to form:

RP BEAL ONE OWNER LLC

Corporation Counsel

By: Beal Ventures XX, LLC, its
authorized signatory

By _____
Name: Robert L. Beal
Title: Manager

Attachments:

- Exhibit A: Description of Property
- Exhibit B: Description of Site

WITNESSETH the execution and delivery of this Agreement by the City of Boston, JPMorgan and the Owner as an instrument under seal as of the date first above written.

AGREED TO:

CITY OF BOSTON

JP MORGAN CHASE BANK, NA

Thomas M. Menino, Mayor

By _____

Name:

Title:

Approved as to form:

RP BEAL ONE OWNER LLC

Corporation Counsel

By: Beal Ventures XX, LLC, its
authorized signatory

By _____

Name: Robert L. Beal

Title: Manager

Attachments:

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Exhibit B: Description of Site

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CITY OF BOSTON

JP MORGAN CHASE BANK, NA



Thomas M. Menino, Mayor

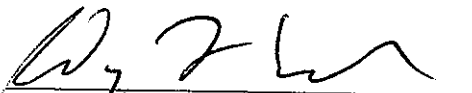
By _____

Name:

Title:

Approved as to form:

RP BEAL ONE OWNER LLC



Corporation Counsel MHC

By: Beal Ventures XX, LLC, its
authorized signatory

By _____


Name: Robert L. Beal

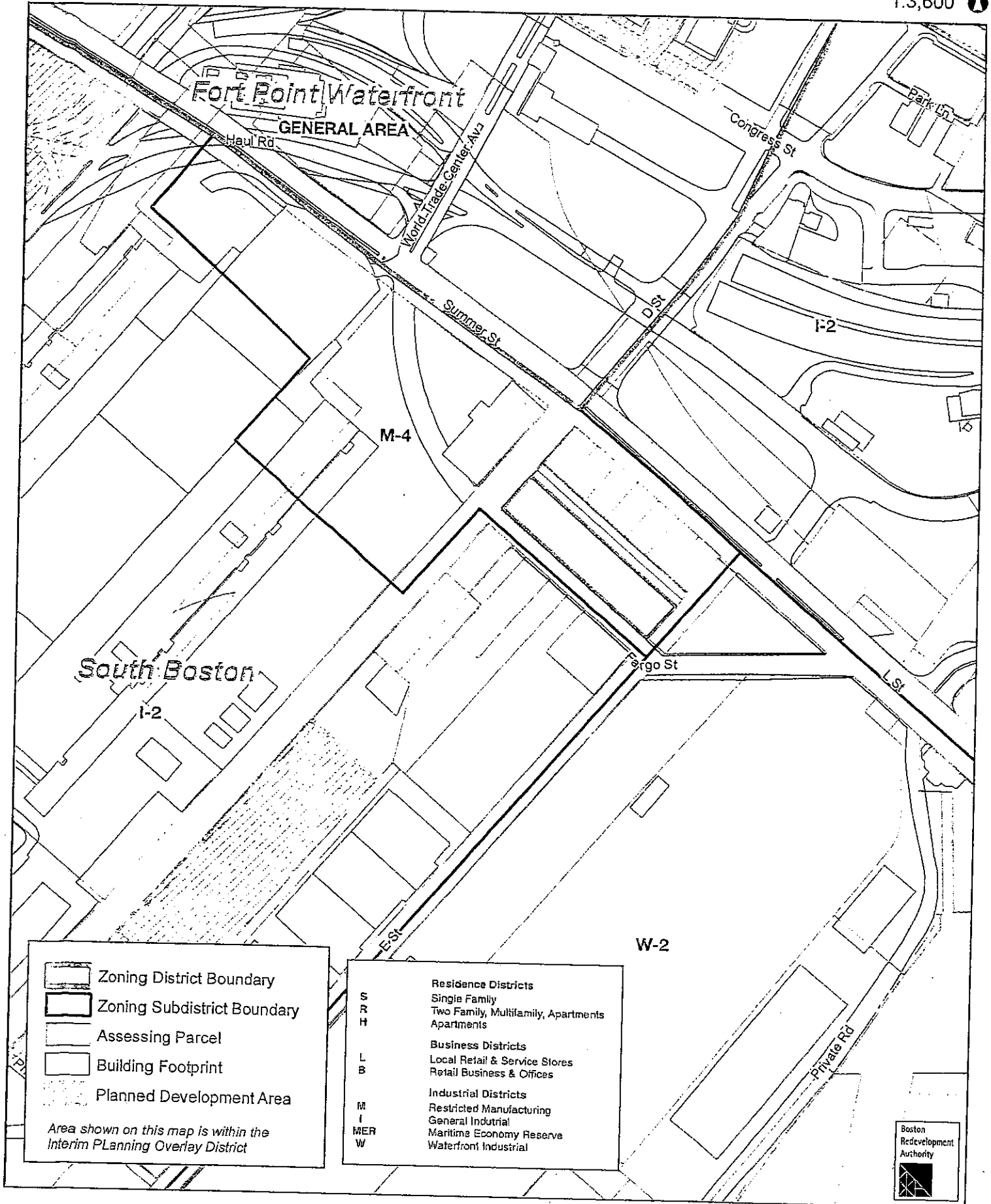
Title: Manager






Attachments:

Exhibit A:	Description of Property
Exhibit B:	Description of Site

451 D Street

1:3,600 

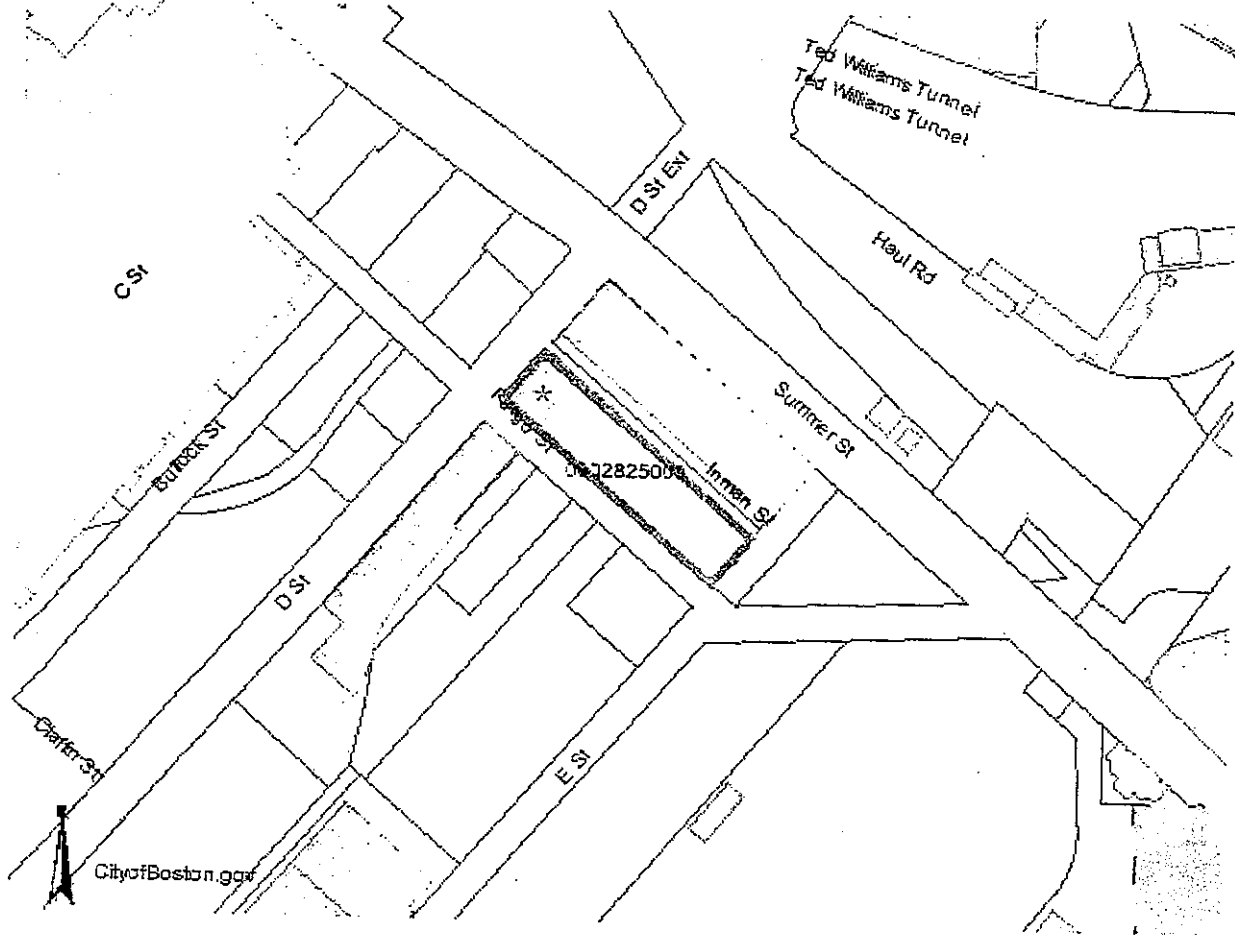


 Zoning District Boundary
 Zoning Subdistrict Boundary
 Assessing Parcel
 Building Footprint
 Planned Development Area
 Area shown on this map is within the Interim PLanning Overlay District

	Residence Districts
S	Single Family
R	Two Family, Multifamily, Apartments
H	Apartments
	Business Districts
L	Local Retail & Service Stores
B	Retail Business & Offices
	Industrial Districts
M	Restricted Manufacturing
I	General Industrial
MER	Maritime Economy Reserve
W	Waterfront Industrial



Exhibit B Description of the Site



* The Site shall consist of initially approximately 103,607 square feet of the building and up to approximately 153,607 square feet if and when JPMorgan exercises two options to lease additional space each for approximately 25,00 square feet. A Sub-Parcel shall be created for the Site.