CONTRACT FOR PAYMENT *IN LIEU* OF TAXES ENTERED INTO BY AND AMONG THE CITY OF BOSTON, BOSTON REDEVELOPMENT AUTHORITY AND 11 AVENUE DE LAFAYETTE LLC

This Contract for a Payment *in lieu* of Taxes Agreement (this "**PILOT Agreement**" or this "**Agreement**") is executed and made effective as of July 1, 2026 (the "**Effective Date**"), 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, d/b/a the Boston Planning and Development Agency (the "**BRA**"), and **11 AVENUE DE LAFAYETTE LLC**, a Massachusetts limited liability company, having an address of c/o Thibeault Development LLC, One Montvale Avenue, Suite 211, Stoneham, Massachusetts 02180 (the "**Owner**").

RECITALS

WHEREAS, on October 12, 2023, the BRA Board of Directors authorized a "Downtown Office to Residential Conversion Incentive Pilot Program" (the "**Program**"), on July 18, 2024, and December 11, 2025, the BRA Board of Directors authorized extensions of the Program as further defined in the Board Memorandums (collectively the "**Office Conversion Program Memos**"), attached as **Exhibit B-1**, **Exhibit B-2**, and **Exhibit B-3** respectively.

WHEREAS, based on current and projected trends in the commercial real estate market and the lack of housing stock in the Downtown Boston area, the BRA is seeking to provide tax abatement under this Agreement in order to incentivize property owners of Class B and C office space to consider converting existing office space to multi-family residential housing.

WHEREAS, the Owner desires to convert the office building located on the Project Site (as hereinafter defined) into multi-family residential rental apartment housing with first-floor commercial space on Essex Street (the "**Project**") in accordance with the Program and that certain BPDA Project Approval Memo, Document No. ____, dated June __, 2026 (the "**BPDA Project Approval Memo**"), attached hereto and incorporated herein as **Exhibit C**;

WHEREAS, the Owner is the owner of that certain parcel of land with the buildings and improvements thereon known and numbered as 11 Avenue de Lafayette, 15-17 Avenue de Lafayette and 76-78 Essex Street (commonly known as "**11 Avenue de Lafayette**"), Boston, Massachusetts, as more particularly described in a quitclaim deed to the Owner dated December 15, 2025, and recorded on February 9, 2026, with the Suffolk County Registry of Deeds at Book 72399, Page 26 (excluding the approximately 3,545 square-foot lot designated on said deed as "PARCEL III," the "**Project Site**").

WHEREAS, acting pursuant to and in accordance with Chapter 121B of the Massachusetts General Laws, and pursuant to an authorizing vote by the BRA on March 19, 2026, as described in the BPDA Project Approval Memo, and to be recorded with the Suffolk Registry of Deeds as the same may be hereafter amended, the Owner will execute a Quitclaim Deed (the "**Deed**") conveying to the BRA a limited, temporary real property interest (the

"**Temporary Interest**") in the Project Site as described in Annex A to such Deed (the "**PILOT Parcel**"), attached and incorporated hereto as **Exhibit D**, subject to and specifically excluding certain matters as set forth therein.

WHEREAS, the BRA has accepted the Deed conveying the Temporary Interest in the PILOT Parcel, so as to stabilize the taxes due and owing for the PILOT Parcel, to enable the Owner to convert the current office space at the Project Site to housing and maintain the first floor on Essex Street as commercial space, the creation of that housing will remedy a blighted and decadent area, as defined by the BRA's Demonstration Project Plan Area approved by the Office Conversion Program Memos.

WHEREAS, the Owner, the City and the BRA agree that during the Term (as hereinafter defined), the PILOT Parcel will be exempt from taxation in accordance with the provisions of M.G.L. c. 121B § 16 and M.G.L. c. 59; however, *in lieu* thereof and in accordance with the terms set forth herein, including the satisfaction of certain obligations of the Owner as set forth herein, the Owner shall make PILOT Payments (as hereinafter defined) as set forth in further detail herein.

WHEREAS, the PILOT Parcel comprises two physical components: those portions of the PILOT Parcel dedicated to multifamily dwelling use (the "**Residential Component**"), and those portions of the PILOT Parcel dedicated to principal uses other than multifamily dwelling use (the "**Commercial Component**").

WHEREAS, the Owner may obtain financing from a to-be-determined lender or lenders (collectively, the "**Lender**") and such Lender would require a first-priority security interest in the PILOT Parcel. The transfer of the PILOT Parcel to the BRA shall be subject to any mortgage and any collateral assignment by Owner in favor of Lender covering the PILOT Parcel that is recorded prior to recordation of the Deed.

WHEREAS, as set forth in greater detail below, the Owner and the City have agreed to an abatement equal to an amount no greater than a Seventy-Five percent (75%) reduction in the taxes which would otherwise be owed on the Residential Component of the PILOT Parcel but for the existence of this Agreement, averaged over the Term.

NOW THEREFORE, in consideration of the foregoing and the covenants and agreements set forth herein, the City, the BRA and the Owner hereby agree as follows:

1. Payment *In lieu* of Taxes:

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 PILOT Parcel which would otherwise be assessed and payable under M.G.L. c. 59, the Owner shall make PILOT Payments, as set forth in Section 3 below, pursuant to the provisions of M.G.L. c. 121B, § 16 and the terms and conditions of this Agreement.

b. An installment of the PILOT Payment shall be made by Owner 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 PILOT Payment in the previous Fiscal Year. The second installment shall be the full PILOT Payment for the said Fiscal Year minus any sum paid for the first installment.

c. PILOT Payments shall be made directly to the City's Collector-Treasurer.

d. Owner's failure to pay in full each PILOT Payment installment on or before the Payment Date shall result in Owner 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 is effective on the Effective Date and will provide no more than Twenty-Nine (29) years of tax abatement consistent with the provisions of Section 1 of this Agreement. This PILOT Agreement shall terminate no later than 12:00 a.m. on July 1, 2055 (the "**Expiration Date**"); the period of time from the Effective Date to the Expiration Date shall be the "**Term**". Upon the expiration of the Term, Project Site, which includes the PILOT Parcel, will be fully assessed and taxable to the Owner in accordance with M.G.L. c. 59, the Temporary Interest as described in the Deed shall likewise terminate and title shall revert to the Owner or its successor in interest, and the Owner, or its successor in interest, may record with the Suffolk County Registry of Deeds an affidavit executed under the pains and penalties of perjury confirming the occurrence of the Termination Date and the termination of the rights grants in the Deed, consistent with those terms in the Deed as attached in **Exhibit D**.

3. **PILOT Payments**: The "**PILOT Payment**" shall comprise a payment for the Residential Component (the "**Residential Component Payment**") and for the Commercial Component (the "**Commercial Component Payment**"). The Residential Component Payment shall be in an amount equal to: (i) that amount which equals the tax payment which would otherwise be due, using the residential tax rate, to the City for the property taxes which would have been assessed against the Residential Component had this PILOT Agreement never been in force and effect and had the BRA never acquired the Temporary Interest in the PILOT; less (ii) the Applicable Reduction Amount (as herein defined). As used herein, the phrase "**Applicable Reduction Amount**" shall mean the percentage, for the relevant Fiscal Year, as shown in **Exhibit A** of this Agreement. The Commercial Component Payment shall be in an amount equal to the property taxes for the Commercial Component which would have otherwise been assessed, using the commercial tax rate, and paid by the Owner to the City had the BRA never acquired the Temporary Interest in the PILOT Parcel.

The assessed values for the PILOT Payment for each Fiscal Year during the Term shall be calculated by the City in accordance with M.G.L. c. 59, in the same manner as taxable assessed values are derived. Upon determination of the assessed value of the Project Site for each Fiscal Year during the Term, the City shall notify the Owner thereof (the "**Payment Amount Notice**").

4. **Collection and Enforcement**: Upon the occurrence of a default under this PILOT Agreement, and in addition to the City's rights under Sections 1, 7 and 8 of this PILOT Agreement, the City shall have the right to sue the Owner for breach of contract if the PILOT Payments and Gap Payment (defined below) and any interest and costs assessed are not paid as agreed following any applicable notice and cure period set forth in this Agreement. In consideration of the agreement by the Owner to such collection remedies, the City agrees that (i) the BRA 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 of Owner's general or limited partner, member, manager, officer, director, employee or agent thereof with respect to any payments due or any obligations to be performed hereunder.

5. **Amendments /Modifications**: The Owner, the City, and the BRA agree that any amendment subsequent to the mutual execution and 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.

6. **Default by Owner**:

   a. Default on PILOT Payment: If the Owner 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 Owner and the failure of Owner to have cured such default within such thirty (30) day period.

   b. Default by Non-Compliance with Program Requirements: This Agreement is conditioned on the Project's adhering to the following requirements of the Program. If the Owner defaults in its obligation to adhere to the requirements of the Program as required under this Subsection 6.b, the City shall have the right to terminate this PILOT Agreement upon thirty (30) days' notice to Owner and the failure of Owner to have cured such default within such thirty (30) day period. The Owner shall comply with the following provisions or such non-compliance shall result in default under this Agreement:

      i. Compliance with the Boston Zoning Code Article 79 - Inclusionary Zoning (the "**IZ**") will be met by the Owner's providing eleven (11) units, or approximately seventeen percent (17%) of Usable Square Footage, as defined under Boston Zoning Code Section 2-1, at the Project Site, made affordable to households with incomes of not more than 60% of Area Median Income ("**AMI**"), as based upon data from HUD the United States Department of Housing and Urban Development ("**HUD**") and published by the Mayor's Office of Housing as annual income and rent limits, all as further defined in **Exhibit C**.

      ii. Owner must comply with all requirements as determined through proper review with Boston's Inspectional Services Department ("**ISD**") and with all mitigation and community benefits required in connection with the Project, as further defined in **Exhibit C**.

c. Project Transitions to Homeownership: This Agreement may not be transferred or assigned to a Homeowner's Association, individual property owners in a condominium regime, or similar structure. Any such transfer or assignment shall constitute a default by the Owner and the City or the BRA may terminate this Agreement.

7. **Effect of Default**: In the event of default and in the event the City exercises the right to terminate this PILOT Agreement following any applicable notice and cure period, by serving the Owner and any Lender with a written notice of termination, then, from and after service of such termination notice, the PILOT Parcel shall be assessed pursuant to M.G.L. c. 59, and the Owner 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, the Temporary Interest in the PILOT Parcel in accordance with the Deed shall likewise terminate and title shall revert to the Owner or its successor in interest, and the Owner, or its successor in interest, may record with the Suffolk County Registry of Deeds an affidavit executed under the pains and penalties of perjury confirming the occurrence of the Termination Date and the termination of the rights grants in the Deed, consistent with those terms in the Deed as attached in **Exhibit D**.

8. **Termination: Failure to Commence/Diligently Pursue Construction**: The Owner shall obtain a Certification of Compliance from the BRA certifying the Owner's completion of requirements pursuant to Article 80 of the Boston Zoning Code, obtain a building permit from the City of Boston's Inspectional Services Department ("**ISD**"), and commence construction on the Project Site no later than December 31, 2026. Upon commencement of construction and subject to delays due to Force Majeure Events, as defined in Section 15(g) this Agreement, the Owner shall diligently and continuously prosecute construction to completion and the Owner shall obtain a Certificate of Occupancy from ISD (the "**Certificate of Occupancy**") for the Residential Component no later than Twenty-Four (24) Months from the date a building permit was issued from ISD for the Residential Component. If, at any point prior to issuance of the Certificate of Occupancy, the Owner is found, in the reasonable discretion of the BRA or the City, to not be diligently pursuing construction, then the BRA or the City may terminate this Agreement pursuant to the terms of this Section, subject to delays due to Force Majeure Events.

Notwithstanding any provision to the contrary in this Agreement, the Owner shall not be obligated under this Agreement to commence, continue or complete the Project, but should the Owner not obtain a building permit and commence construction, prior to December 31, 2026, subject to delays due to Force Majeure Events, the BRA or the City may terminate this Agreement.

Upon termination of this Agreement pursuant to this Section, the Owner shall owe to the City the total property taxes that would have been assessed under M.G.L. c. 59 against the PILOT Parcel, had this PILOT Agreement not been in full force and effect less the amount of any PILOT Payments made by the Owner during such period, the

PILOT Parcel will be fully assessed and taxable to the Owner in accordance with M.G.L. c. 59, the Temporary Interest as described in the Deed shall terminate and title shall revert to the Owner or its successor in interest, and the Owner, or its successor in interest, may record with the Suffolk County Registry of Deeds an affidavit executed under the pains and penalties of perjury confirming the occurrence of the Termination Date and the termination of the rights grants in the Deed, consistent with those terms in the Deed as attached in **Exhibit D**.

9. **Gap Payment**: The Owner agrees that upon the termination of this PILOT Agreement, the Owner shall pay, or cause to be paid, a gap payment (the "**Gap Payment**") to cover the time period between the termination date and the date on which the PILOT Parcel becomes taxable pursuant to M.G.L. c. 59 (the "**Gap Period**"). The Gap Payment shall be equal to the M.G.L. c. 59 property taxes, which would otherwise be due to the City for the property taxes which would have been assessed against the PILOT Parcel during the Gap Period had this PILOT Agreement never been in force and effect. The Gap Payment shall be paid within six (6) months following the month in which this PILOT Agreement terminates. The provisions of this Section 9 shall survive the termination 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 BRA:

Boston Redevelopment Authority
One City Hall Square
Boston, MA 02201-1007
Attention: Director

with a copy to

Boston Redevelopment Authority
One City Hall Square
Boston, MA 02201-1007
Attention: General Counsel

If to the Owner: 11 Avenue de Lafayette LLC
c/o Thibeault Development LLC
One Montvale Avenue, Suite 211
Stoneham, MA 02180
Attention: William J. Thibeault

with a copy to

Nutter, McClennen & Fish LLP
155 Seaport Boulevard
Boston, MA 02201
Attention: Jared Eigerman, Esq.

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:

a. Assignment: This PILOT Agreement may be assigned or transferred during the Term of this PILOT Agreement only with prior approval of the City and the BRA, not to be unreasonably withheld, and pursuant to the terms of a Bona Fide Sale/Transfer as defined below.

b. Approval. Prior to the consummation of any Bona Fide Sale/Transfer of the Project Site, during the Term, the Owner shall provide the City and the BRA information on the Owner's total development costs, transaction costs, and the terms of the Sale/Transfer of the PILOT Parcel and, if requested by the City or by the BRA, the Owner agrees to provide supporting documentation reasonably satisfactory to the City and to the BRA of such total development costs, transaction costs, and terms of the Sale/Transfer.

c. Sale/Transfer by Current Owner. Notwithstanding anything to the contrary in this Agreement, the City and the BRA agree to approve said Sale/Transfer by the current Owner upon said current Owner's having agreed to make said payment in accordance with the terms and conditions as set forth above, and upon the City's and the BRA's reasonable determination, which shall not be unduly conditioned or delayed, that the Owner has satisfied the following conditions: (i) if such Sale/Transfer occurs before the receipt of a Certificate of Occupancy for the Project, the Owner has demonstrated that the proposed Transferee has the economic resources, including equity or financing commitments or other resources to complete the Project; (ii) the Transferee assumes in writing all of the obligations hereunder; (iii) the Transferee has provided the BRA with a form of Disclosure of Beneficial Interests in form and substance similar to that on file from the Owner reasonably acceptable to the BRA; (iv) the Transferee meets the requisite Office of Foreign Asset Control disclosure requirement; and (v) the

Transferee, including its principals, is not in default of any City of Boston real estate tax obligations or is not in default of any City of Boston Fair Housing practices.

d. Financing Transactions. In any and all events, the Owner, its Affiliates, successors and assigns, shall be permitted under this Agreement to obtain one or more loans, debts, contributions or other financings related to the Project and/or the Project Site, secured by one or more mortgages or other instruments creating a security interest in all or any portion of the Owner's interest in the Project Site, so long as such instrument creating an interest does not effectuate a change in Control, including the Owner's interest in the PILOT Parcel, subject to the Deed and the BRA's Temporary Interest in the PILOT Parcel (each, a "**Financing Transaction**"), provided that said Financing Transaction is by an unrelated third party not affiliated with the Owner who qualifies as an institutional lender. No Financing Transaction, nor any foreclosure, deed *in lieu* of foreclosure or any subsequent sale by a foreclosing lender (or its affiliate) thereof, shall be considered a Sale/Transfer under the terms of this Agreement.

e. Transfer to an Affiliate. Any transfer of the Project Site and an assignment of this Agreement to an Affiliate or Affiliated Entity of the Owner shall be effective upon the filing of written notice of such transfer with the BRA and with the City, such notice to include a disclosure of those having beneficial interests in the Affiliate or Affiliated Entity in form and substance reasonably satisfactory to the BRA.

f. Benefits and Burdens. The Owner's successor or assign shall be subject to the burdens and receive the benefits of M.G.L. c. 121B, § 16 and this PILOT Agreement. The successors or assigns shall derive the benefits only for the remainder of the Term of this PILOT Agreement.

g. Notice. The Owner, which term may include said successors and assigns as detailed above, shall have the burden of notifying the BRA and the City of the intended Sale/Transfer.

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 Owner's real property 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 Owner shall retain the ability to contest the taxes as so assessed pursuant to the terms of M.G.L. c. 59, as amended, and the event of such invalidity or unenforceability, the Owner may terminate this Agreement by written notice thereof to the City and the BRA, and upon such termination this Agreement and the grant of the Temporary Interest of the PILOT Parcel shall terminate and title shall revert to the Owner or its successor in interest.

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

a. Fiscal Year: shall mean the twelve (12) month period from July 1 to June 30.

b. Sale/Transfer: and its correlates "sale" and "transfer" as used in this Agreement shall mean: any sale, transfer or assignment including, without limitation, sales, assignments and transfers by operation of law, by merger, or consolidation, or otherwise, including (i) a change in beneficial interests in the Owner, which results in a change of Control (as defined below) in the Owner; (ii) the sale or transfer of all or substantially all of the assets of the Owner in one or more transactions into one or more entities that is not an Affiliate or Affiliated Entity (as defined below), other than a transfer to a lender in exercise of its remedies; and (iii) the merger or consolidation of the Owner, into or with another entity that is not an Affiliated Entity; provided that none of the following shall be deemed to be a "Sale/Transfer", "sale" or "transfer" as such terms are used in this Agreement nor require the approval of the BRA or the City: (1) a foreclosure or deed *in lieu* of foreclosure and any subsequent sale by a foreclosing lender (or its affiliate) to a third party that is not an Affiliate of the Owner; (2) any sale, transfer or assignment to an Affiliate of the Owner; (3) any financing of all or any portion of the Owner's interest in the Project Site provided by a third party that is not an Affiliate of the Owner; (4) transfers of direct or indirect interests in the Owner to an Affiliated Entity of such Owner; and (5) in the case of a publicly traded company, transfers shall not include transfer of shares through a stock exchange.

c. Affiliate or Affiliated Entity: shall mean: (1) any real estate investment fund, limited partnership, limited liability company or other form of real estate investment vehicle Controlled by the with respect to the Project and this PILOT Agreement, and/or (2) any entity which directly or indirectly Controls, is under the Control of, or is under common Control with, the Owner with respect to the Project and this PILOT Agreement.

d. Control: shall mean: when used with respect to any entity, the power to direct the management and policies of such entity, directly or indirectly, whether through the ownership of voting securities or other beneficial interest, by contract, or otherwise (and the terms "Control," "Controls," "Controlling" and "Controlled" shall have the meanings correlative to the foregoing).

e. Bona Fide Sale/Transfer: shall mean: an arm's length Sale/Transfer by Owner and an unrelated or unaffiliated party whereby all or a portion of the Project Site is sold for consideration based on fair market value.

f. Gross Sale Proceeds: shall mean the amount determined by the product of (i) the gross consideration actually paid to the Owner for the Sale/Transfer of all or the applicable portion of or interest in the Project Site per usable square foot subject to an applicable Sale/Transfer, and (ii) the usable square footage of all or the applicable portion of the residential component(s) of the Project Site subject to such Sale/Transfer.

g. Force Majeure Event: shall mean:

i. A delay which results from any of (a) the City's or the BRA's failure to perform their respective obligations under this Agreement, or the negligence or willful misconduct of the City or the BRA or of its employees, agents, or others for whom either the City or the BRA is legally responsible; (b) acts of God, fire or other casualty, war, terrorist acts, public disturbance and/or strikes or other labor disturbances not attributable to the failure of the Owner to perform its obligations under any applicable labor contract or law and directly and adversely affecting the Owner, unusual or extraordinary weather events, general unavailability of labor or materials affecting the construction industry in the greater Boston area; or (c) other causes beyond the Owner's reasonable control including epidemics, pandemics and pandemic-related or other public health emergency or governmental regulations relating to same, such as government-ordered shutdowns, distancing requirements, and supply-chain disruptions which prevent or materially adversely affect the ability to perform in a timely manner. The following shall, in no event, be deemed to be Force Majeure Events: inability to obtain financing; Owner's financial condition; inability to obtain Approvals; delays due to soil conditions which are known or foreseeable with the exercise of reasonable diligence; or delays of, or changes in, or cancellation of construction of roadways, transportation infrastructure and related improvements. Owner agrees to use commercially reasonable efforts to minimize the delay and other adverse effects of any Force Majeure Event.

ii. Notice of Force Majeure Event. Owner shall provide prompt written notice in accordance with the notice provisions of this Agreement of any Force Majeure Event causing delay after Owner first becomes aware of such condition or event. Owner shall keep the City and the BRA reasonably informed of any development pertaining to such Force Majeure Event.

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.

17. **Acknowledgement:** The BRA and Owner hereby acknowledge and agree that the Deed is intended to convey bare legal title only, and the Owner is intended to remain the owner of the PILOT Parcel for all federal and state tax purposes, entitled to all federal and state tax attributes of ownership, including, without limitation, depreciation or cost recovery deductions, federal historic rehabilitation tax credits described in Section 47 of the Internal Revenue Code, Massachusetts historic rehabilitation credits described in M.G.L. c.63, Sec. 38R and any other federal or state tax benefits attributable to the Property. The BRA and Owner shall maintain all books and records consistent with the foregoing, and agree to execute any further documents or instruments necessary to evidence the foregoing.

18. **Termination of Temporary Interest**: At any time from and after the expiration of the Term or earlier termination of this Agreement (a "**Termination**"), the Owner may record with the Suffolk Registry of Deeds an affidavit executed under the pains and penalties of perjury confirming the Termination and the termination of the rights granted to the BRA under the Deed, without the necessity of any action by the BRA or the City. Upon the recording of such an affidavit, the interest of the BRA in the Project Site shall be confirmed as having automatically terminated, without the requirement for any payment of consideration to the BRA or the City by the Owner or any other party, and any and all interests conveyed to the BRA by the Order of Taking shall be confirmed as having reverted automatically to the Owner with no further action required. Such an affidavit shall be conclusive evidence of the facts stated therein in favor of any party holding an interest in the Project Site. As used herein, the term "Owner" shall mean the Owner and its successors and assigns as owner of the Project Site.

[*The remainder of this page is left blank intentionally. Signatures appear on the following page.*]

IN WITNESS WHEREOF, the CITY OF BOSTON has caused these presents to be signed in its name and behalf by Michelle Wu, Mayor, and ~~Nicholas Ariniello~~ Hinlan Wong, Commissioner of Assessing, the BOSTON REDEVELOPMENT AUTHORITY has caused these presents to be signed in its name and behalf by Kairos Shen, its Director, and OWNER has caused these presents to be signed in its name and behalf by William J. Thibeault, Manager, hereunto duly authorized.

CITY OF BOSTON

Michelle Wu, Mayor

CITY OF BOSTON ASSESSING DEPARTMENT

Hinlan Wong (TJB)
Commissioner of Assessing

Approved as to form:

Corporation Counsel
Michael Firestone TJB

BOSTON REDEVELOPMENT AUTHORITY

Kairos Shen
Director

Approved as to form:

for
General Counsel
Lisa E. Herrington, Esq.

OWNER:

11 AVENUE DE LAFAYETTE LLC,
a Massachusetts limited liability company

By: William J. Thibeault, Manager

EXHIBIT A

Schedule of Payments; Applicable Reduction Amount

Fiscal Year	Pre-Abatement Taxes Due (example)	**Applicable Reduction Percentage**	PILOT Payment (example)
1	$100,000	**100%**	$0.00
2	$100,000	**100%**	$0.00
3	$100,000	**100%**	$0.00
4	$100,000	**75%**	$25,000.00
5	$100,000	**75%**	$25,000.00
6	$100,000	**75%**	$25,000.00
7	$100,000	**75%**	$25,000.00
8	$100,000	**75%**	$25,000.00
9	$100,000	**75%**	$25,000.00
10	$100,000	**75%**	$25,000.00
11	$100,000	**75%**	$25,000.00
12	$100,000	**75%**	$25,000.00
13	$100,000	**75%**	$25,000.00
14	$100,000	**75%**	$25,000.00
15	$100,000	**75%**	$25,000.00
16	$100,000	**75%**	$25,000.00
17	$100,000	**75%**	$25,000.00
18	$100,000	**75%**	$25,000.00
19	$100,000	**75%**	$25,000.00
20	$100,000	**75%**	$25,000.00
21	$100,000	**75%**	$25,000.00
22	$100,000	**75%**	$25,000.00
23	$100,000	**75%**	$25,000.00
24	$100,000	**75%**	$25,000.00
25	$100,000	**75%**	$25,000.00
26	$100,000	**75%**	$25,000.00
27	$100,000	**75%**	$25,000.00
28	$100,000	**50%**	$50,000.00
29	$100,000	**25%**	$75,000.00
Average		**75%**	

EXHIBIT B

Office Conversion Program Memo

[*Inserted behind.*]

BOARD APPROVED **32**

DOC 8080

MEMORANDUM **October 12, 2023**

TO: **BOSTON REDEVELOPMENT AUTHORITY**
D/B/A BOSTON PLANNING & DEVELOPMENT AGENCY
AND JAMES ARTHUR JEMISON II, DIRECTOR

FROM: PRATAAP PATROSE, SENIOR ADVISOR TO THE DIRECTOR
REUBEN KANTOR, SENIOR ADVISOR FOR STRATEGY AND OPERATIONS
JOHN WEIL, SENIOR PROJECT MANAGER FOR DOWNTOWN CONVERSIONS

SUBJECT: REQUEST AUTHORIZATION (A) TO APPROVE THE DOWNTOWN OFFICE TO RESIDENTIAL CONVERSION INCENTVE PILOT PROGRAM AND (B) TO ESTABLISH A DEMONSTRATION PROJECT PLAN AREA IN THE DOWNTOWN AREA TO FACILITATE OFFICE TO RESIDENTIAL CONVERSIONS.

SUMMARY: This Memorandum requests that the Boston Redevelopment Authority ("BRA"), d/b/a the Boston Planning & Development Agency ("BPDA") (i) approve the Downtown Residential Conversion Incentive Pilot Program and related procedures, and (ii) authorize a Demonstration Project Plan Area in the Downtown area to streamline the process and facilitate office to residential conversions.

Background

On July 10, 2023, Mayor Wu and the BPDA announced the proposed Downtown Residential Conversion Incentive Pilot Program (the "Residential Conversion Program") for downtown office buildings. The goal of the Residential Conversion Program is to encourage and support owners of underutilized commercial office building space in converting such office buildings to residential uses.

In October 2022, the City of Boston (the "City") released "Revive and Reimagine: A Strategy to Revitalize Boston's Downtown" (the "Report"), prepared with assistance from the Boston Consulting Group, among others. The Report showed that Downtown office space vacancy rates were at approximately twenty percent (20%), and office occupancy rates hovered at under thirty percent (30%). There has also been a decrease in foot traffic in the area. Meanwhile, the Report cited residential real estate as a "potential bright spot" for Downtown, with demand nearing pre-pandemic levels, and recommended that the City consider supporting the conversion of Class B and C office space into residential uses.

Following the release of the Report, Downtown neighborhood planners facilitated several conversations with developers to gather information on interest in residential conversions and possible pathways to achieve more housing Downtown. The BPDA also retained HR&A Advisors Inc. to produce a report on the feasibility of office conversion in Downtown and the Financial District. This research suggests that partnership from the City, in the form of tax abatement, could be a financially feasible path forward for private development to complete residential conversions due to the current high interest rates and construction costs.

Conversion to residential uses of downtown offices spaces is an important response to post-pandemic economic and workforce shifts that appear to be long lasting. The Residential Conversion Program recognizes the benefits to increasing economic activity in Downtown Boston by increasing residential property use and takes an active step toward providing new options to owners of high-vacancy office space. Moreover, the Residential Conversion Program is intended to incentivize the creation of much-needed residential units.

The Residential Conversion Program

The Residential Conversion Program will offer successful applicants who wish to convert an existing commercial office building within the Plan Area[1] (defined below) to a residential use an average abatement of up to seventy-five percent (75%) of

[1] Proposed residential conversions outside of the Plan Area will be considered on a case-by-case basis.

assessed residential value for up to twenty-nine (29) years. It will also include fast-tracked processes for both Article 80 (including, only one public meeting for Large Projects that do not require a ZBA approval, and assistance with approvals from other city departments) and permitting (with the assistance of the Ombudsperson). The program will require adherence to the new Inclusionary Zoning standards as approved by the BPDA Board in July 2023 and to the recently adopted state energy Stretch Energy Code. It is anticipated that the BPDA will begin accepting applications on October 16, 2023. Applicants to the Residential Conversion Program must commit to pulling a full building permit and starting construction by October 31, 2025.[2]

Demonstration Project Plan and PILOT Agreements

In order to effectuate the Residential Conversion Program, the BPDA will use its "demonstration plan" powers under M.G.L. Ch. 121B, section 46(f), which allow the BPDA to "develop, test and report methods and techniques and carry out demonstrations for the prevention and elimination of slums and urban blight." The BPDA recommends establishing a Demonstration Project Plan Area as described in greater detail below (the "Plan Area"). Upon identification of viable and appropriate office-to-residential conversion projects within the Plan Area, the BPDA will seek Board authorization to (a) take a limited, temporary interest in the subject property, and (b) using its authority under M.G.L. 121B, section 16, negotiate and execute a contract for payment in lieu of taxes ("PILOT Agreement") with the proponent and the City of Boston that will memorialize the tax abatement for the property.

The Plan Area, as shown on Exhibit A and attached hereto, encompasses the Downtown/Financial District, Chinatown, the Bulfinch Triangle Historic District, the Leather District, and the Fort Point Channel Historic District. In light of high office vacancy rates and the resulting reduction in foot traffic within the Plan Area, the BPDA believes that it is necessary to use its demonstration plan powers as set forth herein to prevent urban blight. Incentives for office to residential conversions anywhere in the city outside of the Plan Area will be considered on a case-by-case

[2] The Residential Conversion Program is intended to support the renovation and conversion of existing buildings, not demolition and new ground-up construction.

basis. Residential uses are considered as-of-right in most of the proposed geography.

Solely for purposes of carrying out the Residential Conversion Program for proposed projects located within the Plan Area, the BPDA recommends that the following procedures be adopted:

1. All Demonstration Project applications submitted under the Residential Conversion Program must include: (1) a full description of the proposed office to residential conversion, including, without limitation, intended program use, detailed program information, financial narrative, and other relevant information; (2) a property description; (3) a zoning analysis; and (4) any other information relevant to the proposed Demonstration Project that meet the goals of the Boston Downtown to Residential Conversion Incentive Program;

2. Upon submittal of a Demonstration Project application that meets the requirements set forth in the preceding paragraph, BPDA shall review the project for appropriateness to the goals of the program, project feasibility, and ability to meet timeline requirements prior to proceeding forward. Once it has been determined that the project is feasible and meets the program goals, the applicant and the BPDA will enter into a 121B agreement. Projects that trigger Large Project review will follow the Article 80 process, including a minimum of one public meeting;

3. Once a project has received permitting from ISD to begin construction, direct abutters will be notified by the proponent 30 days prior to commencement of construction.

RECOMMENDATION

BPDA staff recommends that the Boston Redevelopment Authority (i) authorize and approve the Downtown Residential Conversion Incentive Pilot Program, including the procedures for authorizing and approving future demonstration projects in connection therewith, (ii) authorize the establishment of the Demonstration Project Plan Area, generally encompassing the following neighborhoods: Downtown, Financial District, Chinatown, Leather District, Bullfinch Triangle, and a portion of Fort Point Channel, as consistent with the materials presented in this memorandum.

Appropriate votes follow:

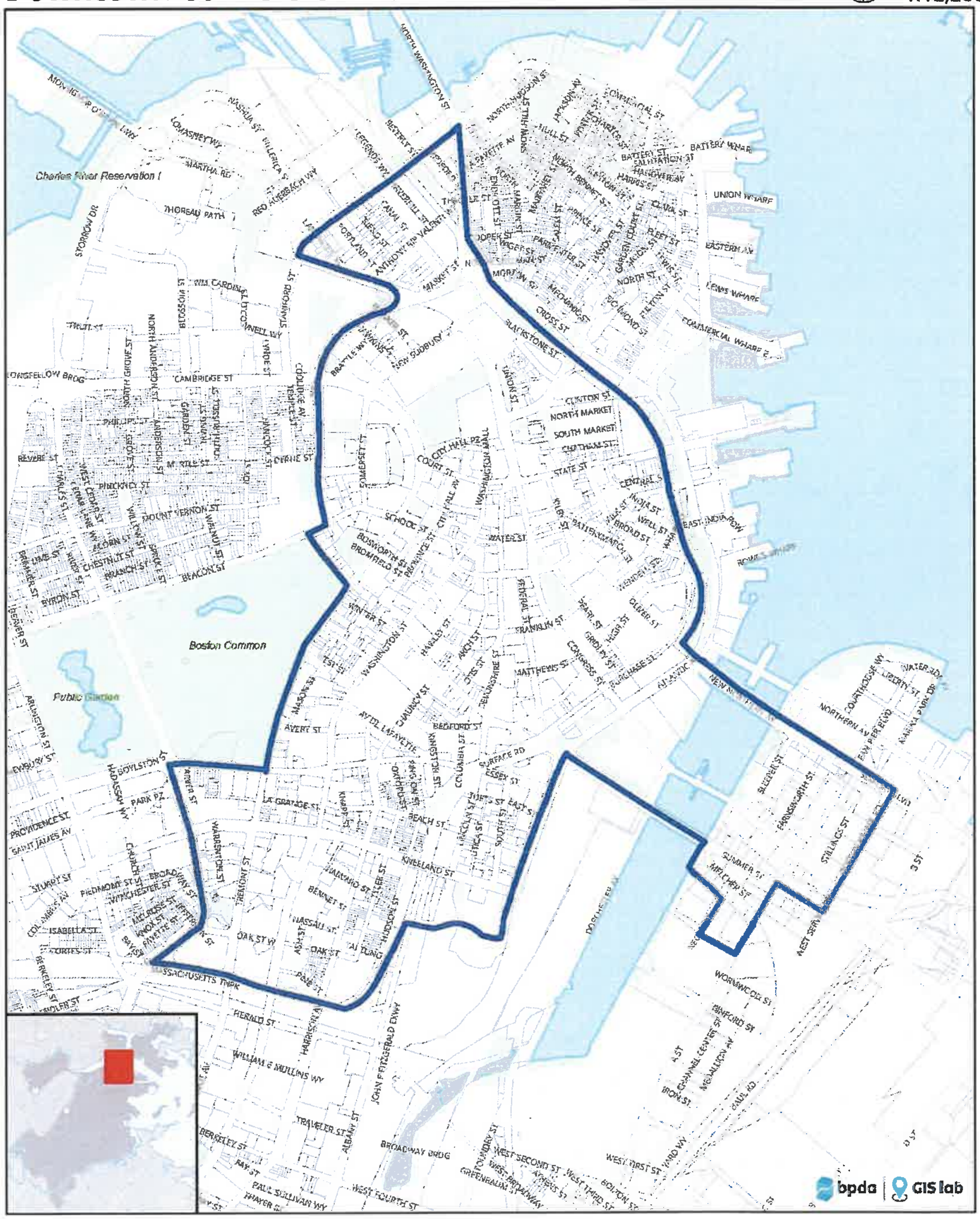
VOTED: That, in order to prevent blight and urban decay due to high office vacancy rates in the Downtown neighborhoods, the Boston Redevelopment Authority is authorized to adopt the Downtown Residential Conversion Incentive Pilot Program, including related procedures for implementing such program, as presented to the Board at its October 12, 2023 meeting;

VOTED: That, in order to prevent blight and urban decay due to high office vacancy rates in the Downtown neighborhoods, the Boston Redevelopment Authority is authorized to establish the Downtown Conversion Demonstration Project Plan Area as shown on Exhibit A attached hereto and presented to the Board at its October 12, 2023 meeting.

Exhibit A

Downtown Conversion Demonstration Plan Area

1:12,200



BOARD APPROVED **19**

DOCUMENT NO. 8153

MEMORANDUM **July 18, 2024**

TO: **BOSTON REDEVELOPMENT AUTHORITY**
D/B/A BOSTON PLANNING & DEVELOPMENT AGENCY
AND JAMES ARTHUR JEMISON II, DIRECTOR

FROM: PRATAAP PATRO SE, SENIOR ADVISOR TO THE DIRECTOR
REUBEN KANTOR, SENIOR ADVISOR FOR STRATEGY AND OPERATIONS
JOHN WEIL, SENIOR PROJECT MANAGER FOR DOWNTOWN CONVERSIONS

SUBJECT: REQUEST AUTHORIZATION TO (I) EXTEND THE DOWNTOWN OFFICE TO RESIDENTIAL CONVERSION INCENTIVE PILOT PROGRAM AND (II) ADOPT THE DEMONSTRATION PROJECT POLICY FOR SUCCESSFUL APPLICANTS

SUMMARY: This Memorandum requests that the Boston Redevelopment Authority ("BRA"), d/b/a Boston Planning & Development Agency ("BPDA") (i) extend the Downtown Office to Residential Conversion Incentive Pilot Program and (ii) adopt the Demonstration Project Policy for successful applicants.

Background

On July 10, 2023, Mayor Wu and City of Boston Planning Department Staff announced the proposed Downtown Office to Residential Conversion Incentive Pilot Program (the "Program") for downtown office buildings. The goal of the Program is to encourage and support owners of underutilized commercial office building space in converting such office buildings to residential uses.

In October 2022, the City of Boston (the "City") released "Revive and Reimagine: A Strategy to Revitalize Boston's Downtown" (the "Report"), prepared with assistance from the Boston Consulting Group, among others. The Report showed that Downtown office space vacancy rates were at approximately twenty percent (20%), and office occupancy rates hovered at under thirty percent (30%). There had also been a decrease in foot traffic in the area. Meanwhile, the Report cited residential real estate as a "potential bright spot" for Downtown, with demand nearing pre-pandemic levels, and recommended that the City consider supporting the conversion of Class B and C office space into residential uses.

Following the release of the Report, staff facilitated several conversations with developers to gather information on interest in residential conversions and possible pathways to achieve more housing Downtown. Staff also retained HR&A Advisors Inc. to produce a report on the feasibility of office conversion in Downtown and the Financial District. This research suggested that tax abatement could create financially feasible conditions for private development to complete office to residential conversions.

Conversion to residential uses of downtown office spaces is an important response to post-pandemic economic and workforce shifts that appear to be long lasting. The Program recognizes the benefits to increasing economic activity in Downtown Boston by increasing residential property use and takes an active step toward providing new options to owners of high-vacancy office space. Moreover, the Program is intended to incentivize the creation of much-needed residential units.

The First Iteration of the Downtown Office to Residential Conversion Incentive Pilot Program

On October 12, 2023 the BPDA Board approved the creation of the Program. The first iteration of the Program offered an average abatement of up to seventy-five percent (75%) of the assessed residential value of a building for up to twenty-nine (29) years. Applicants had to meet the future Inclusionary Zoning (as approved by the BPDA Board at the meeting held in July of 2023) and applicants must meet the Commonwealth's Stretch Energy Code.

Staff began accepting applications for potential conversion projects on a rolling basis on October 12, 2023 with the application window originally set to close on June 30, 2024. In total, Staff received ten (10) applications to create 489 new units of housing, including 20% affordable units, by converting 456,000 square feet of older, underutilized office space, exceeding initial city goals. Two of those properties and their development teams have successfully gone through City review, receiving BPDA Board approval and negotiating a PILOT Agreement. Staff anticipates that more project teams will present to the BPDA Board for individual project approvals over the next several months.

Demonstration Project Policy

To effectuate the Residential Conversion Program, the BPDA Board used its "demonstration" powers under M.G.L. Ch. 121B, section 46(f), which allowed the BPDA Board, in coordination with Staff, to "develop, test and report methods and techniques and carry out demonstrations for the prevention and elimination of slums and urban blight." Once an application was approved, Staff received BPDA Board approval to (a) take a limited, temporary interest in the subject property by Deed, and (b) using its authority under M.G.L. 121B, section 16, negotiate and execute a contract for payment in lieu of taxes ("PILOT Agreement") among the proponent and the City of Boston (acting through the City of Boston Assessing Department).

As approved on October 12, 2023, the BPDA Board authorized Staff to administer the Residential Conversion Program within the Plan Area (as described in the Memorandum presented to the BPDA Board at the October 2023 meeting). At the October 12, 2023 BPDA Board meeting, the BPDA Board also approved the policy for administering Demonstration Projects in the Plan Area (the "Demonstration Project Policy"). The Demonstration Project Policy is as follows:

1. All Demonstration Project applications submitted under the Residential Conversion must include: (1) a full description of the proposed office to residential conversion, including, without limitation, intended program use, detailed program information, financial narrative, and other relevant information; (2) a property description; (3) a zoning analysis; and (4) any other information relevant to the proposed Demonstration Project that meet the goals of the Boston Downtown to Residential Conversion Incentive Program;

2. Upon submittal of a Demonstration Project application that meets the requirements set forth in the preceding paragraph, staff shall review the project for appropriateness to the goals of the program, project feasibility, and ability to meet timeline requirements prior to proceeding forward. Once it has been determined that the project is feasible and meets the program

goals, the applicant and the BPDA will enter into a 121B agreement. Projects that trigger Large Project review will follow the Article 80 process, including a minimum of one public meeting;

3. Once a Project has received permitting from ISD to begin construction, direct abutters will be notified by the proponent 30 days prior to commencement of construction.

Program Extension

Based on the success of the Downtown Office to Residential Conversion Incentive Pilot Program to date, Staff recommends that the BPDA Board extend the application deadline until December 31, 2025. That extension will provide more time and certainty for project teams to develop proposals for submission. Staff also recommends that for Applicants entering the Program after July 1, 2024, the Program shall remain the same, except for the following programmatic changes:

- The transfer fee (2 percent of Gross Sale Proceeds) will be waived after the first five fiscal years of the Pilot Agreement.
- The BPDA Board and the City shall approve all transfers or assignments of the Pilot Agreements.
- All applicants who apply to the Program after July 1, 2024, and prior to the December 31, 2025 deadline, must have pulled a full building permit and commenced construction prior to December 31, 2026.
- The Demonstration Project Policy shall apply to applicants to the Downtown Office to Residential Conversion Incentive Pilot Program, not just the previous Plan Area and the Demonstration Project Policy for the Program shall be as follows:
    1. All Demonstration Project applications submitted under the Residential Conversion must include: (1) a full description of the proposed office to residential conversion, including, without limitation, intended program use, detailed program information, financial narrative, and other relevant information; (2) a property description; (3) a zoning analysis; and (4) any other information relevant to the proposed Demonstration Project that meet the goals of the Boston Downtown to Residential Conversion Incentive Program;

2. Upon submittal of a Demonstration Project application that meets the requirements set forth in the preceding paragraph, Planning Department staff shall review the project for appropriateness to the goals of the program, project feasibility, and ability to meet timeline requirements prior to proceeding forward. Once it has been determined that the project is feasible and meets the program goals, the applicant and the BPDA will enter into a 121B agreement. Projects that trigger Large Project review will follow the Article 80 process, including a minimum of one public meeting;

RECOMMENDATION

Planning Department Staff recommends that the Boston Redevelopment Authority (i) approve the extension of the application period for Downtown Office to Residential Conversion Incentive Pilot Program until December 31, 2025, on terms substantially similar to those presented in this Memorandum; and (ii) approve the Demonstration Project Policy for successful applicants to the Downtown Office to Residential Conversion Incentive Pilot Program.

Appropriate votes follow:

VOTED: To Extend the Downtown Office to Residential Conversion Incentive Pilot Program on substantially similar terms as those presented to the Board at its October 12, 2023 meeting of the Boston Redevelopment Authority Board of Directors and as updated by this Memorandum;

Further Voted: To adopt the Demonstration Project Policy, as presented in this Memorandum, for all successful applicants to the Downtown Office to Residential Conversion Incentive Pilot Program.

EXHIBIT C

BPDA Project Approval Memo

[*Inserted behind.*]

BOARD APPROVED 20
DOCUMENT NO. 8317

MEMORANDUM **JUNE 18, 2026**

TO: **BOSTON REDEVELOPMENT AUTHORITY**
D/B/A BOSTON PLANNING & DEVELOPMENT AGENCY (BPDA)
AND KAIROS SHEN, DIRECTOR

FROM: CASEY HINES, CO-DIRECTOR FOR DEVELOPMENT REVIEW
NUPOOR MONANI, CO-DIRECTOR FOR DEVELOPMENT REVIEW
DYLAN NORRIS, PROJECT MANAGEMENT

SUBJECT: 11 AVENUE DE LAFAYETTE, DOWNTOWN

SUMMARY: This Memorandum requests that the Boston Redevelopment Authority d/b/a Boston Planning & Development Agency ("BPDA") authorize the Director to: (1) issue a Certification of Approval for the proposed development located at 11 Avenue De Lafayette (as defined below, the "Proposed Project"), in accordance with Article 80E, Small Project Review of the Boston Zoning Code (the "Code"); (2) accept a Quitclaim Deed for a certain temporary, limited property interest in the Project Site; and (3) enter into a PILOT Agreement for the Proposed Project, and to take any other actions, and to execute any other agreements and documents that the Director deems appropriate and necessary in connection with the Proposed Project.

BACKGROUND ON PILOT PROGRAM

On March 12, 2026, Thibeault Property Development (the "Proponent") applied to Mayor Wu's and the Planning Departments' Downtown Residential Conversion Incentive PILOT Program (the "PILOT Program"). The PILOT Program was authorized by the BPDA Board on October 12, 2023 ("October Board Vote") and offers approved applicants a tax abatement in exchange for converting their underutilized office building into multi-family residential rental units. The October Board Vote authorized the creation of a Demonstration Project Plan Area in Downtown Boston (the "Plan Area") and the Plan Area establishes an area where the BPDA is able to act pursuant to Massachusetts General Law Chapter 121B ("Chapter 121B") and provide a contract for payment in lieu of taxes ("PILOT Agreement") pursuant to

Chapter 121B. In order to qualify for the PILOT program, the Proponent must meet Inclusionary Zoning standards. Applicants must also comply with current Green Energy Stretch Goals, where applicable.

PROJECT SITE

The Project Site is comprised of a contiguous, five-story-plus-basement office / commercial building ("Building") located at 11 Avenue de Lafayette in the Downtown / Midtown neighborhood of Boston located on an approximately 10,821 square-foot ("SF") site bound Chauncy Street to the West, Avenue De Lafayette to the North and Essex Street to the South. The building is configured and has Certificates of Occupancy from the Boston Inspectional Services Department ("ISD") for general office use, and approximately 1,700 square feet of ground-floor retail (street address 76-78 Essex Street), which is currently leased and operating as "Le Gala." Originally built as more than one building, today's consolidated Building is a structurally sound, masonry-bearing-wall structure dating from the early twentieth century with cast iron architectural elements at the first, fourth, and fifth floors. The upper floors have been substantially vacated and are currently underutilized

DEVELOPMENT TEAM

The development team includes:

Proponent:	Thibeault Property Development William J. (Billy) Thibeault, Principal, 11 Avenue de Lafayette Boston, MA 02111Wjt@tdev1.net
Legal Counsel:	Nutter, McClennen & Fish LLP Jared Eigerman, Esq, Partner Seaport West, 155 Seaport Boulevard Boston, MA 02210 617.439.2201
Architect:	D Duhahn Choi, AIA DCA Architects, LLC 867 Boylston Street 5th Floor, No. 1349

Boston, MA 02210
Davidchoiarchitect@gmail.com

Engineering Consultant: WSP USA Inc.
88 Black Falcon Avenue, Suite 210 Boston, MA 02210
(617) 960-4883

Permitting & Community Relations: Nauset Strategies/Wharf Partners
Christine McMahon cmcmahon@wharfpartners.com
Michael Vaughan –
mvaughan@nausetstrategies.com
21 Drydock, Suite 350E Boston, MA 02210
617.270.8640

Sustainability Consultant: Zade Engineering LLC
1 Billings Rd. Suite 306
Quincy, MA 02171

Civil Engineer: Engineering Alliance, Inc.
Richard A. Salvo, P.E.
194 Central Street
Saugus, MA 01906

Code Consultant: RW Sullivan Engineering
Donald Contois III, PE
The Schrafft's City Center
529 Main Street, Suite 203
Boston, MA 02129
dec@rwsullivan.com

PROPOSED PROJECT

Thibeault Property Development (the "Proponent") proposes to convert the existing office floors of the building to residential use, creating approximately 70 rental apartment units on Levels 1 through 5 (the "Proposed Project"). The conversion is contemplated as an interior renovation of an existing structure: the building footprint, height, and massing will remain unchanged, and no enlargement or extension of floor area is proposed. Existing ground-floor retail fronting on Essex Street will be preserved and remain in operation in accordance with the Office-to-Residential Conversion Program's requirement to maintain ground-floor retail and other public uses. The basement will continue to house building services (electric, mechanical, fire pump, boiler, information technology) and will be reconfigured to accommodate residential support functions including bicycle storage, tenant storage, and amenity space. Levels 2 through 5 will provide 15 residential units per floor (predominantly studio apartments with select one- and two-bedroom units), and Level 1 will provide 10 residential units alongside the retained retail and a residential lobby. The residential rental units include approximately fifty-five (55) studio units, ten (10) one-bedroom units, and five (5) two-bedroom units.

PLANNING CONTEXT

Launched in October 2023, the Downtown Residential Conversion Incentive PILOT Program "Downtown Conversion Program" aims to support owners and developers of older commercial office building space in converting to residential units. The PILOT Program was informed by both 1) the City of Boston's October 2022 Downtown Revitalization Report, which analyzed and made recommendations for downtown economic revitalization, as well as 2) the PLAN: Downtown planning process, which recommended a downtown office conversion program as a key strategy for achieving the PLAN goals. In order to encourage new use of underutilized office space, the Downtown Conversion Program offers a tax abatement and a streamlined approval process to applicants who meet affordability and sustainability requirements. Accordingly, the Proposed Project would advance key recommendations of both the 2022 Downtown Revitalization Report and PLAN: Downtown.

ARTICLE 80 REVIEW PROCESS

On May 5, 2026, the Proponent filed an Application for Small Project Review (Design Component) with the BPDA for the Proposed Project, pursuant to Article 80E of the Boston Zoning Code (the "Code"). The Planning Department sponsored and held a virtual public meeting on May 26, 2026, via Zoom for the Proposed Project. The meeting was posted on the Planning Department website, and a notification was emailed to all subscribers of the Planning Department's Downtown neighborhood update list. The public comment period ended on June 4, 2026.

ZONING:

The majority of the Project Site is located within the SKY zoning district (Boston Zoning Code art. 31), and the small portion known as 76-78 Essex Street is located within the pending *SKY-LOW-CT* zoning district. The entire Project Site is located within the *Restricted Parking District* and the *Midtown Shadow Overlay* zoning districts.

The proposed conversion of the existing office floors to multifamily residential use is allowed by right within both the *SKY* zoning district and the pending *SKY-LOW-CT* zoning district. Because the Proposed Project does not propose any addition, enlargement, or extension of floor area, no new building footprint, no change in building height, and no parking, the *Restricted Parking District* and the *Midtown Shadow Overlay* district are irrelevant. Importantly, there is no usable open space or ground floor outdoor amenity space required for the Proposed Project. However, there are approximately eight (8) dwelling units proposed on the ground level, within the *SKY* zoning district, which requires a variance from the Board of Appeal.

Board of Appeals relief is anticipated solely if the Proponent chooses to proceed with ground-floor dwelling units within the SKY zoning district. To the extent any non-conformity exists at the Project Site, it is pre-existing and will not be increased or extended by the Project.

MITIGATION AND COMMUNITY BENEFITS

The Proposed Project will include mitigation measures and community benefits to the neighborhood and the City of Boston (the "City"), including:

- Revitalizing the downtown neighborhood by converting underutilized office space to on-site housing, bringing foot traffic back to the neighborhood, generating a new customer base for restaurants and shops, and creating a more vibrant urban core.
- Creating eleven (11) on-site income-restricted Inclusionary Zoning units at 60% of AMI

- Meeting, where applicable, C.O.B Green Energy "Stretch Goals"; as required by the BPDA office to residential conversion program.
- The re-use of a vast majority of existing building components in order to minimize demolition waste and promote construction sustainability.
- Conserving, reusing, and retrofitting this historic building can help address the urgent need to reduce CO_2 emissions from the building sector. Reusing this existing building rather than replacing it avoids the carbon emissions that occur during new construction. As such, this building may approach Net Zero Carbon and Passive House standards.
- Creation of approximately three to four new jobs in the management of the building.
- Reconstructing the existing asphalt curb cut along Essex Street in the abutting parking lot, in its existing alignment using concrete paving. This improvement will help provide a more seamless and consistent right-of-way condition along the project site frontage.

The design of the building, site and associated public realm are subject to continuing design review with Planning Department Urban Design staff, Public Works and Public Improvement Commission staff.

INCLUSIONARY ZONING

The Proposed Project is subject to Zoning Code Article 79 Inclusionary Zoning, dated October 1, 2024 ("IZ"), and is located within Zone A, as defined by IZ. IZ requires that 17% of the total number of units or residential leasable square footage within Article 80E Small Project developments be designated as IZ units. In this case, eleven (11) units or 15.71% of the total number of units, or approximately 17.07% of residential leasable square footage, within the conversion project will be designated as income-restricted units (the "IZ Units"), and will be made available to households with incomes not more than 60% of the Area Median Income ("AMI"), as based upon data from the United States Department of Housing and Urban Development ("HUD") and published by MOH as annual income and rent limits.

The proposed locations, sizes, and income restrictions for the IZ Units are as follows:

Unit Number	Number of Bedrooms	Percent of AMI	Group-2
102	Two-Bedroom	60%	
104	One-Bedroom	60%	Group-2A
105	One-Bedroom	60%	
108	Studio	60%	
201	Studio	60%	
211	Studio	60%	
311	Studio	60%	
314	Studio	60%	
408	Studio	60%	
410	Studio	60%	
509	Studio	60%	

The location of the IZ Units will be finalized in conjunction with BPDA and Mayor's Office of Housing ("MOH") staff and outlined in the Affordable Rental Housing Agreement and Restriction ("ARHAR"), and rents and income limits will be adjusted according to MOH published maximum rents and income limits, as based on HUD AMIs, available at the time of the initial rental of the IZ Units. IZ Units must be comparable in size, design, and quality to the market-rate units in the Proposed Project, cannot be stacked or concentrated on the same floors, and must be consistent in bedroom count with the entire Proposed Project.

The ARHAR must be executed along with, or prior to, the issuance of the Certification of Approval for the Proposed Project. The Proponent must also register the Proposed Project with the Boston Fair Housing Commission ("BFHC") upon issuance of the building permit. The IZ Units will not be marketed prior to the submission and approval of an Affirmative Marketing Plan to the BFHC and MOH. Preference will be given to applicants who meet the following criteria, weighted in the order below:

(1) Boston resident;
(2) Household size (a minimum of one (1) person per bedroom); and
(3) Households who are directly displaced or severely rent-burdened (to be marketed for two (2) income-restricted units).

Where a unit is built out for a specific disability (e.g., mobility or sensory), a preference will also be available to households with a person whose need matches the build out of the unit. The City of Boston Disabilities Commission may assist MOH in determining eligibility for such a preference.

An affordability covenant will be placed on the IZ Units to maintain affordability for a total period of fifty (50) years (this includes thirty (30) years with a MOH option to extend for an additional period of twenty (20) years). The household income of the renter and rent of any subsequent rental of the IZ Units during this fifty (50) year period must fall within the applicable income and rent limits for each IZ Unit. IZ Units may not be rented out by the developer prior to rental to an income eligible household, and MOH or its assigns or successors will monitor the ongoing affordability of the IZ Units.

TERMS OF PILOT AGREEMENT

Based on BPDA staff review under Article 80 and review under the PILOT Program, the Proponent has been selected to receive a Payment *in lieu* of Taxes ("PILOT") Agreement, based on the PILOT Program criteria. The Proponent will, upon approval by the BPDA Board, enter into a PILOT Agreement among the City and the BPDA. If approved today, the City and the BPDA will provide the Proposed Project an average tax abatement of up-to seventy-five percent (75%) of the assessed residential value for a term of twenty-nine (29) years, terms which are consistent with the October Board Vote.

DEED CONVEYANCE

In order to comply with the rules and regulations under Massachusetts General Law Chapter 121B, Section 16, the BPDA must take a property interest in the Project Site. To effectuate that, the BPDA and the fee owner of the Project Site, 11 Avenue de Lafayette, LLC (the "Owner") will enter into a Deed agreement which conveys limited rights in the 11 Avenue De Lafayette property for a period coterminous with the 29-year PILOT Agreement. Additionally, the Owner and the BPDA will enter into an indemnification agreement to ensure the BPDA does not have liability on the property during the Term of the PILOT Agreement

RECOMMENDATIONS

The Proposed Project complies with the requirements set forth in Section 80E of the Code for Small Project Review. Therefore, BPDA staff recommend that: (1) the Director be authorized to issue a Certification of Approval for the Proposed Project; and (2) the Director be authorized to enter into a PILOT Agreement for the Proposed Project; and (3) the Director be, and hereby is, authorized to take any other actions, and to execute any other agreements and documents that the Director deems appropriate and necessary in connection with the Proposed Project.

VOTED: That the Director be, and hereby is, authorized to issue a Certification of Approval pursuant to Section 80E-6 of the Boston Zoning Code (the "Code"), approving the development at 11 Avenue De Lafayette, proposed by Thibeault Property Development (the "Proponent") on behalf of 11 Avenue de Lafayette, LLC (the "Owner"), to convert the existing office floors of the building to residential use, creating approximately 70 rental apartment units on Levels 1 through 5; and

FURTHER VOTED: That the Director be, and hereby ism authorized to accept a Quitclaim Deed for a certain temporary and limited property interest in the Proposed Project site; and

FURTHER VOTED: That the Director Be, and hereby is, authorized to enter into a PILOT Agreement in connection with the Proposed Project subject to the terms and continues consistent with this Board Memorandum and as the Director deems to be appropriate and necessary; and

FURTHER VOTED: That the Director be, and hereby is, authorized to take any other actions and to execute any other agreements and documents that the Director deems appropriate and necessary in connection with the Proposed Project.

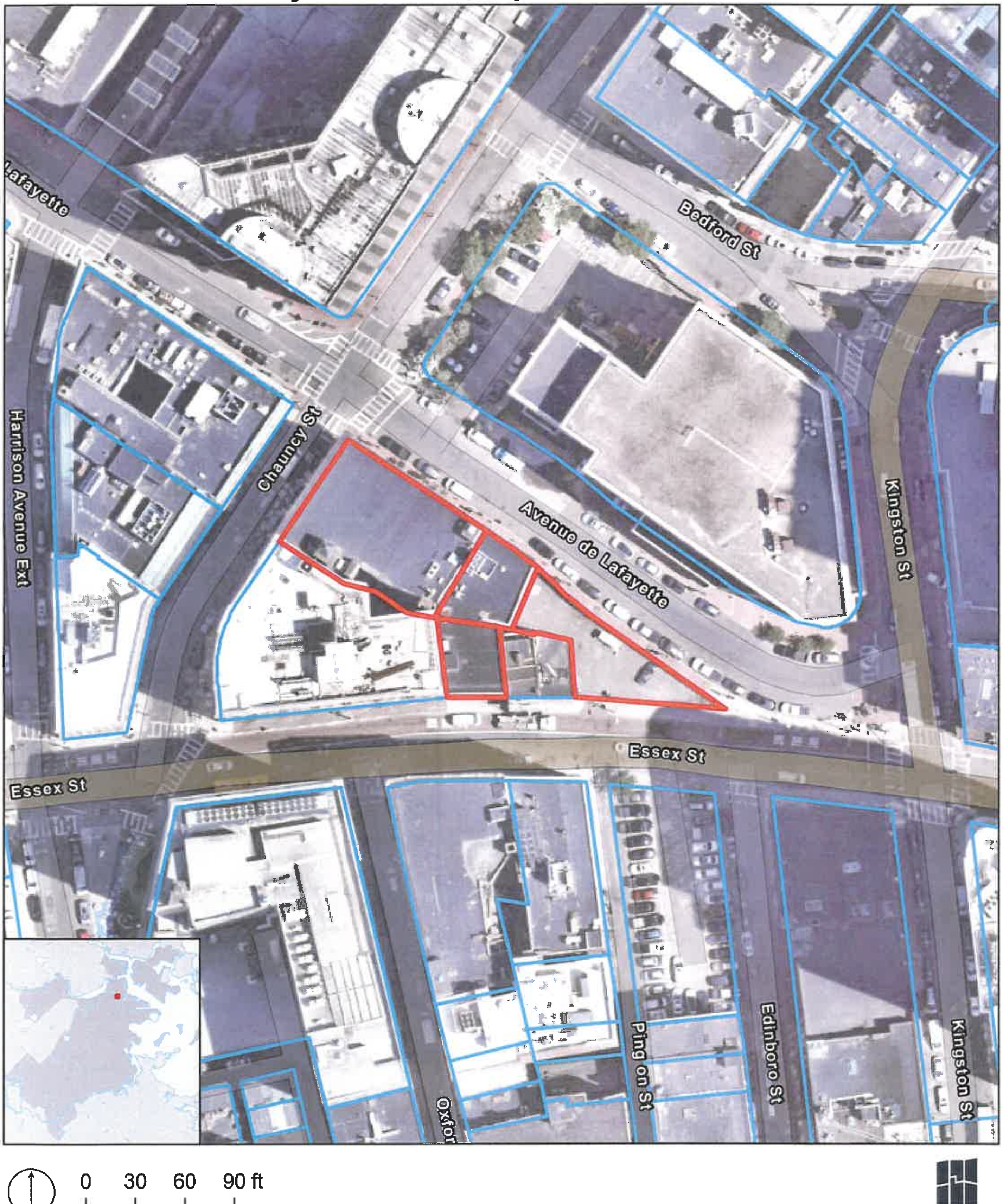
APPENDIX A
Exhibit A "Project Metric Table"

Estimated Project Metrics	**Proposed Plan**
Gross Square Footage	65,180
Gross Floor Area	56,174
Residential	38,500
Office	0
Retail	1,700
Lab	0
Medical Clinical	0
Education	0
Hotel	0
Industrial	0
Recreational	0
Cultural	0
Parking	
Development Cost Estimate	$7,400,000
Residential Units	70
Rental Units	70
Ownership Units	0
IZ/Affordable Units	11
Maximum Bike Parking Spaces	
Long-term Bicycle Parking	70
Short-term Bicycle Parking	0
Location of Bike Room	Sub-grade Basement

11 Avenue De Lafayette Topographical Map

0 30 60 90 ft

11 Avenue De Lafayette Aerial Map



0 30 60 90 ft

EXHIBIT D

Deed

[*Inserted behind.*]

Property Location: 11 Avenue de Lafayette, Boston, Massachusetts

Quitclaim Deed

11 AVENUE DE LAFAYETTE LLC, a Massachusetts limited liability company, having an address of c/o Thibeault Development LLC, One Montvale Avenue, Suite 211, Stoneham, Massachusetts 02180 (the "Grantor"), hereby grants to the **BOSTON REDEVELOPMENT AUTHORITY**, a body corporate and politic existing under Massachusetts General Laws Chapter 121B, as amended, doing business as the Boston Planning & Development Agency, with a principal office at One City Hall Plaza, 9th Floor, Boston, Massachusetts 02201-1007 (the "Grantee"), for and in consideration of Ten and 00/100 Dollars paid, with QUITCLAIM COVENANTS, the real property commonly known as 11 Avenue de Lafayette, 15-17 Avenue de Lafayette and 76-78 Essex Street (together, commonly known as "11 Avenue de Lafayette") in the City of Boston, Suffolk County, Commonwealth of Massachusetts, as more particularly described on Exhibit A attached hereto and incorporated herein (the "Property"), which grant by the Grantor to the Grantee shall be subject to the Reserved Rights (as defined on Exhibit A). Such grant shall terminate on the Termination Date (as defined below).

This conveyance is made subject to and with the benefit of those easements, conditions, agreements, and restrictions of record at Suffolk County Registry of Deeds (the "Registry") insofar as the same are in force and applicable.

This is a conveyance for a term of years and shall commence on the date hereof and terminate on the date upon which that certain "Contract for Payment in Lieu of Taxes Entered Into by the City of Boston, the Boston Redevelopment Authority and 11 Avenue de Lafayette LLC" (the "PILOT Agreement") dated on or about the date hereof is terminated on June 30, 2055 (the "Termination Date"). At the end of the term of this estate, the interest of the Grantee in the Property hereby granted shall automatically terminate without the requirement for any payment of consideration to the Grantee by the Grantor or any other party, and any and all interests conveyed to the Grantee by this Quitclaim Deed shall revert automatically to the Grantor, its successors and assigns, with no further action required by any party.

Notwithstanding the foregoing, at any time from and after the Termination Date, or upon other termination of the term of the PILOT Agreement, the Grantor may record with the Registry (as defined below) an affidavit executed under the pains and penalties of perjury confirming the occurrence of the Termination Date or the termination of the term of the PILOT Agreement and the termination of the rights granted herein to the Grantee, without the necessity of any action by the Grantee. Upon the recording of such an affidavit, the interest of the Grantee in the Property shall be confirmed as having automatically terminated, without the requirement for any payment of consideration to the Grantee by the Grantor or any other party, and any and all interests conveyed to the Grantee by this Quitclaim Deed shall be confirmed as having reverted automatically to the Grantor with no further action required. Such an affidavit shall be conclusive evidence of the facts stated therein in favor of any party now or hereinafter holding an interest in the Property. As used herein, the term "Grantor" shall mean the Grantor and its successors and assigns as owner of the Property.

The consideration for this conveyance being Ten Dollars ($10.00), no deed stamps are affixed hereto.

Meaning and intending to convey Parcel I and II only as described in the Quitclaim Deed to the Grantor dated December 15, 2025, and recorded on February 9, 2026, with the Suffolk County Registry of Deeds at Book 72399, Page 26.

This conveyance does not constitute the sale or transfer of all or substantially all of the Grantor's assets within the Commonwealth of Massachusetts.

[Balance of page intentionally left blank; signature page follows]

EXECUTED under seal as of the 5th day of June, 2026.

11 Avenue de Lafayette LLC,
a Massachusetts limited liability company

By: ______________________
Name: William J. Thibeault
Title: Manager

COMMONWEALTH OF MASSACHUSETTS)
) ss.
County of Essex)

On June 5, 2026, before me, Michelle Christine Perry a Notary Public, personally appeared William J. Thibeault, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity as the Manager of 11 Avenue de Lafayette LLC, a Massachusetts limited liability company, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument voluntarily and for its stated purpose, as the voluntary act and deed of 11 Avenue de Lafayette LLC, a Massachusetts limited liability company.

WITNESS my hand and official seal.

Signature Michelle Christine Perry

(Seal)

My Commission Expires:

MICHELLE CHRISTINE PERRY
NOTARY PUBLIC
COMMONWEALTH OF MASSACHUSETTS
MY COMMISSION EXPIRES 09/21/2029

AGREED AND ASSENTED TO:

BOSTON REDEVELOPMENT AUTHORITY
d/b/a Boston Planning & Development Agency

____
Kairos Shen, Director

8091542.1

EXHIBIT A
To Quitclaim Deed
from 11 Avenue de Lafayette LLC
to the Boston Redevelopment Authority

The Property

Two (2) certain parcels of land with the buildings thereon situated in Boston, Suffolk County, Massachusetts, bounded and described as follows:

Parcel I
A parcel bounded:
NORTHWESTERLY on Chauncy Street, seventy-three and 34/100 (73.34) feet;
NORTHEASTERLY on Rowe Place, one hundred thirty-seven and 50/100 (137.50) feet;
SOUTHEASTERLY on land now or late of Frank M. Frost and Albert G. Frost by a line through a brick party wall, forty-one and 13/100 (41.13) feet;
SOUTHWESTERLY by four lines as follows: sixty-five and 77/100 (65.77) feet on lots 5, 4, 3, 2 on Alex Wadsworth's plan recorded in Book 544, Page 70 (the "Plan"); twenty and 57/100 (20.57) feet, one and 54/100 (1.54) feet and seventeen and 80/17.80) feet on land now or late of Hemenway et al, Trustees; and
SOUTHWESTERLY on said land now or late of said Hemenway et al, Trustees by a line through the middle of a brick partition wall about forty-six and 33/100 (46.33) feet.

For Informational purposes only: Assessor's Parcel ID 0304511000 and 0304512000

PARCEL II
A parcel bounded:
SOUTHERLY on Essex Street, thirty-seven and 78/100 (37.78) feet;
WESTERLY on land now or late of Briggs, shown as Lot 2 on said Plan by a line drawn through the middle of a brick party wall, fifty and 29/100 (50.29) feet;
NORTHERLY on land above described, thirty-nine and 66/100 (39.66) feet; and
EASTERLY on lot 5 on said Plan by a line through the middle of a brick party wall, forty-two (42.00) feet.

For Informational purposes only: Assessor's Parcel ID 0304516000

The Reserved Rights

Grantor and Grantee agree that this Deed is intended to transfer bare legal title only; accordingly, notwithstanding anything herein to the contrary, all rights and obligations necessary to establish tax ownership (for state and federal purposes) are excluded from the Property and the rights conveyed by this Quitclaim Deed, including the following:

1. All rights and obligations regarding the right of the Grantor to possess, alter, improve, maintain, and operate the Property;

2. All rights and obligations of the Grantor to lease, license or otherwise grant possessory rights in and to the Property or portions thereof, and the rights and interests of any person or entity acting or claiming under, by, or through such lease, license, or other possessory agreement;

3. All rights of the Grantor and any lessee of the Property to incur mortgage financing as now or hereafter may be desired, including, without limitation, the rights of the Grantor and any such lessee to grant mortgages and other security interests in and on any of their respective interests in the Property. Such reserved right to incur mortgage financing includes, without limitation, the right from time to time to amend, restate, increase, extend and otherwise modify such mortgage financing, whether now existing or hereinafter incurred, and all instruments and other documents in connection therewith. The right to incur such mortgage financing shall be retained only by the Grantor, and any successor or assign thereof, and the Grantee shall have no right to approve, allow or consent to such financing;

4. All rights of the Grantor to sell all or any part of its ownership interest in the Property (subject to the rights of the Grantee under the PILOT Agreement) and the right of the Grantor to retain the proceeds of such sale and to otherwise receive all revenue from the Property, from whatever source;

5. All rights of the Grantor to grant easements and other rights in and to the Property to facilitate the improvement, operation and/or maintenance of the Property or of property in the area of the Property;

7. The right of any owner of any interest in the Property to receive insurance or other proceeds due to casualty and/or condemnation; and

8. All rights of the Grantor under any permits or entitlements affecting the Property, including without limitation, the right to modify, amend or terminate any permit or entitlement, or to apply as applicant for any new permit or entitlement.

9. All rights of the Grantor to construct, repair, and maintain subsurface improvements, including without limitation utilities.

10. All obligations to pay any taxes (excluding income taxes), assessments, water and sewer rates and charges, and all occupancy taxes, leasing taxes, rent taxes or similar taxes and all other governmental charges, general and special, ordinary and extraordinary, unforeseen as well as foreseen, of any kind and nature whatsoever, including but not limited to assessments for public improvements or benefit.

11. All rights to federal and state tax attributes of ownership, including, without limitation, depreciation or cost recovery deductions, federal historic rehabilitation tax credits described in Section 47 of the Internal Revenue Code, Massachusetts historic rehabilitation credits described in M.G.L. c.63, Sec. 38R and any other federal or state tax benefits attributable to the Property.