

## TAX INCREMENT FINANCING AGREEMENT

This Tax Increment Financing Agreement (the "Agreement") is made as of the First day of June 2014, by and between the **City of Lawrence**, a public body politic and corporate (the "City"), having an office at 200 Common Street, Lawrence, Massachusetts 01840, and **Asahi/America, Inc.**, a Massachusetts Corporation, having its corporate office at 35 Green Street, Malden, MA 02148.

### WITNESSETH

**WHEREAS**, Asahi/America, Inc., and its affiliates, a Massachusetts Corporation that purchased a 9.1 acre parcel and building located at 655 Andover Street to be used for commercial use; and

**WHEREAS**, Asahi/America, Inc., and its affiliates, will maintain the building at 655 Andover Street at total cost of more than **\$17,500,000**, while construction and improvements will be approximately **\$2,935,000** while equipment purchases will total **\$1,550,000**; and

**WHEREAS**, Asahi/America, Inc. will relocate 94 jobs by December 2014 and will create an additional 25 jobs during the term of this TIF Agreement *of which the City of Lawrence requests that Asahi/America make every reasonable effort to hire residents of Lawrence to fill approximately 30% of those new jobs*; and

**WHEREAS**, Asahi/America, Inc. is seeking a Tax Increment Financing Exemption (the "TIF Exemption") from the City, in accordance with M.G.L. c. 40, §59, and M.G.L. c.59, §5, cl. 51; and

**WHEREAS**, the proposed project is located within the boundaries of the ETA and as the Location is being designated as an Economic Opportunity Area (the "EOA") by the Economic Assistance Coordinating Council (the "EACC") as the 655 Andover Street EOA; and

**WHEREAS**, the City and Asahi/America, Inc., and its affiliates, expect that the Project will be certified by the EACC for a period beginning on 1 July 2014 and ending on 30 June 30 2024; and

**WHEREAS**, the City strongly supports increased economic development as a means to expand the commercial and industrial tax base, provide additional employment opportunities for residents of the ETA/EOA, and develop a healthy, balanced economy and stronger tax base; and

**WHEREAS**, the Project furthers the economic development goals established for the ETA and EOA; and

**NOW, THEREFORE**, it is hereby agreed that:

1. The City, as authorized by the City Council on 20 May 2014, hereby enters into this Agreement with respect to the project, encompassing the property located at 655 Andover Street and property subject to the TIF Exemption, is hereby attached as Exhibit A. The TIF Exemption shall apply to all improvements made by Asahi/America Exchange LLC at the Site as of 1 July 2014.
2. The term of this Agreement is TEN (10) years, commencing on 1 July 2014 and terminating on 30 June 2024.
3. The TIF Exemption formula for the Site will be calculated as proscribed by the Massachusetts General Laws, Acts of 1993 and in 751 CMR 11.00 and 402 CMR 2.00 (the "TIF Regulations") and regulated by the Department of Revenue. The TIF Exemption formula will apply to: (i) the incremental difference between the Base Valuation (as hereinafter defined) and the assessed valuation of the Site in each of the years during the term of this Agreement; and (ii) any special assessment or other betterments applicable to the Site during the term of this Agreement.
  - (a) The "Base Valuation" is the assessed value of the Site in the fiscal year immediately prior to the fiscal year in which the Site becomes eligible for the TIF Exemption. The parties agree that the Base Valuation of the Site is **\$7,641,500.00**.
  - (b) The Base Valuation will be adjusted annually by an adjustment factor that reflects increased commercial and industrial properties within the community as such term is used in the TIF Regulations.
  - (c) The positive difference between the Base Valuation and the assessed valuation created by the Project at the Site and its construction (the "Increment") is the amount eligible for exemption from taxation.
  - (d) For solely planning purposes, the estimated assessed valuation, as determined by the Lawrence Board of Assessors, has been established as **\$7,641,500.00** for the purposes of this TIF Agreement. The actual assessed valuation will be completed on an annual basis and the exemption shall apply to the Increment.

4. The exemption from taxation shall be as follows:

Year 1	July 1, 2014 – June 30, 2015	100% of the increment
Year 2	July 1, 2015 – June 30, 2016	90% of the increment
Year 3	July 1, 2016 – June 30, 2017	80% of the increment
Year 4	July 1, 2017 – June 30, 2018	70% of the increment
Year 5	July 1, 2018 – June 30, 2019	60% of the increment
Year 6	July 1, 2019 – June 30, 2020	50% of the increment
Year 7	July 1, 2020 – June 30, 2021	40% of the increment
Year 8	July 1, 2021 – June 30, 2022	30% of the increment
Year 9	July 1, 2022 – June 30, 2023	20% of the increment
Year 10	July 1, 2023 – June 30, 2024	10% of the increment

5. The City is granting the TIF Exemption in consideration of the Asahi/America, Inc., commitment to:

- (a) Create 25 new permanent full-time jobs during the period of the Agreement in addition to the retained jobs at 655 Andover Street.
- (b) Invest approximately **\$4,485,000** in capital improvements at the Site, in the form of new construction and improvements, to be completed by the end of the term of this Agreement.

6. Asahi/America, Inc. agrees to submit annual reports on job creation, retention and new investment to the Commonwealth of Massachusetts and City of Lawrence, Community Development Department by July 31<sup>st</sup> of each year, beginning in 2014 and for each year during the term of this Agreement. The Annual Report shall include;

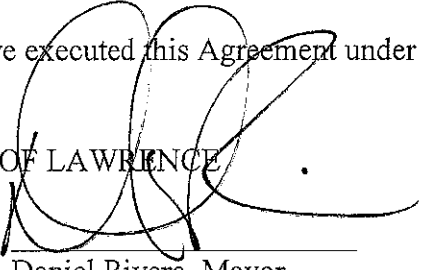
- (a) The number of new permanent full-time jobs created and the number of residents hired from the ETA for the annual reporting period and on a cumulative basis: and
- (b) The number of jobs created and the number of residents hired from the ETA for the annual reporting period and on a cumulative basis; and
- (c) The value of capital improvements invested in the Program by Asahi/America, Inc., and for the annual reporting period and on a cumulative basis.

7. If Asahi/America, Inc. fails to meet the job creation and investment commitments specified in Paragraph 5 herein, the City, acting through its Mayor and City Council, may take action to request decertification of the Project by the EACC. Upon decertification, the City shall discontinue the TIF Exemption benefits described in Paragraphs 3 and 4 herein, commencing with the fiscal year following such year in which Asahi/America, Inc., did not meet the commitments.
8. If Asahi/America, Inc. ceases to be operating entities during the term of this Agreement, the City may request decertification of the Project.
9. *If Asahi/America, Inc. were to have this project decertified by the Commonwealth of Massachusetts for failure to comply with any part of the agreement, Asahi/America, Inc. will pay 100% of the exempt annual property taxes of the TIF Agreement to the City of Lawrence within 90 days of decertification.*
10. This Agreement shall be binding on subsequent owners of the Site.

**IN WITNESS WHEREOF**, the parties have executed this Agreement under seal as of the day and year first above written.

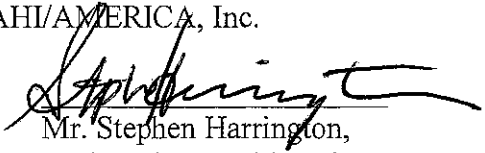
CITY OF LAWRENCE

By:

  
Daniel Rivera, Mayor

ASAHI/AMERICA, Inc.

By:

  
Mr. Stephen Harrington,  
Senior Vice President &  
Chief Financial Officer