

TAX INCREMENT FINANCING
AGREEMENT BY AND BETWEEN
THE CITY OF AMESBURY, ATLANTIC
SPORTS VENTURES, LLC, AND MUNTERS
CORPORATION

This agreement is made this 16th day of March 2023 by and between the CITY OF AMESBURY, a municipal corporation duly organized under the laws of the Commonwealth of Massachusetts, with a principal place of business at 62 Friend Street, Amesbury, Massachusetts 01913 (the "CITY"), acting by and through its Mayor; MUNTERS CORPORATION, a corporation organized under the laws of the State of New York, and existing, and authorized to do business in the Commonwealth of Massachusetts, with a principal place of business at 79 Monroe Street, Amesbury, MA 01913 (the "COMPANY"); and ATLANTIC SPORTS VENTURES, LLC, a limited liability corporation organized, existing, and authorized to do business in the Commonwealth of Massachusetts, with a principal place of business at 80 First Street, Bridgewater, MA 02324 (the "PROPERTY OWNER").

WITNESSETH

WHEREAS, the COMPANY intends to relocate and expand its existing business into the City of Amesbury, Massachusetts through the lease and renovation of property located at 24 South Hunt Road, Amesbury, Massachusetts, also identified as Parcel ID 95-5B (the "PROPERTY"), which is owned by the PROPERTY OWNER; and

WHEREAS, the COMPANY further intends to invest in renovations and equipment to establish a 424,000 square foot, state of the art facility providing climate solutions for mission-critical processes, offering innovative, efficient and sustainable solutions for customers in industries where controlling temperature and humidity is an essential part of their production processes (hereinafter referred to as the "PROJECT"); and

WHEREAS, the new facility will include 376,000 square feet of production space and 48,000 square feet (office on 2 stories) of office space and serve as the COMPANY's North American headquarters for its AirTech business area, and as such will be a world class manufacturing site, where international visitors and customers will be hosted; and

WHEREAS, the PROJECT will result in approximately Forty Million (\$40,000,000) Dollars of construction related activity; and

WHEREAS, the COMPANY is expected to create at least seventy (70) new permanent full-time jobs in Amesbury; and

WHEREAS, the COMPANY intends to apply for qualifying status as a Certified Project under the Massachusetts Economic Development Incentive Program ("EDIP") and is seeking a Tax Increment Financing Exemption ("TIF") from the CITY, in accordance with said EDIP and Chapter 23A of the Massachusetts General Laws; and

WHEREAS, the current assessed valuation of the PROJECT's property for fiscal year 2023 is Four Hundred Fifty-Six Thousand Three Hundred Dollars (\$456,300), which generates Seven

Thousand Four Hundred Fifty-Six Dollars (\$7,456) in annual property tax revenue for the CITY, and under the triple net lease between the COMPANY and the PROPERTY OWNER, the obligation to pay real estate taxes accruing on the PROPERTY passes from the PROPERTY OWNER to the COMPANY; and

WHEREAS, the CITY strongly supports increased economic development to expand commercial and industrial activity within the CITY, and to develop a healthy economy and stronger tax base; and

WHEREAS, the CITY finds that, consistent with Chapter 23A, Section 3E(b), of the Massachusetts General Laws, there is a strong likelihood that approval and effectuation of the PROJECT and this AGREEMENT will, within a specific and reasonable proximity of time, create a significant influx or growth in business activity; create a significant number of new jobs; or contribute significantly to the resiliency of the local economy; and

WHEREAS, the CITY reasonably believes, based upon representations of the COMPANY, that under Chapter 23A, Section 3E(c), of the Massachusetts General Laws, the COMPANY could relocate its business expansion outside of the City of Amesbury if this AGREEMENT is not approved.

NOW, THEREFORE, in consideration of the mutual promises contained herein, the parties do mutually agree as follows:

1. The CITY, acting through its Mayor, as approved and authorized by vote of City Council on March 14, 2023 hereby enters into this AGREEMENT with the COMPANY for the PROJECT. Should this AGREEMENT fail to be approved by the Massachusetts Economic Assistance Coordinating Council ("EACC"), it will not be binding on any of the parties hereto.
2. This AGREEMENT provides a **Fifteen (15)** Year Tax Increment Financing Exemption (the "EXEMPTION"), to commence in the first fiscal year following the year in which a Certificate of Occupancy is issued to the COMPANY for the PROPERTY, and which shall apply to the new incremental value of real property associated with the PROJECT.
3. The EXEMPTION formula for the PROJECT shall be calculated as prescribed in Chapter 23A, Section 3E; Chapter 40, Section 59 and Chapter 59, Section 5, Clause 51 of the Massachusetts General Laws. The EXEMPTION formula shall apply to the incremental increase in the assessed valuation of the PROPERTY due to the construction-as compared against the base assessed value of the PROPERTY as set forth herein (the "REAL ESTATE INCREMENT"), during the term of the Tax Increment Financing Exemption.
 - a. The base valuation of the PROPERTY shall be the assessed value of the PROPERTY for fiscal year 2023, which is \$456,300.
 - b. The base valuation shall be adjusted annually by an adjustment factor, which reflects increased commercial and industrial property values within the City, as provided in Chapter 40, Section 59 of General Laws.

- c. The estimated amount of real estate property tax on the incremental assessed value created by the PROJECT and to which the applicable percentage exemption from real estate taxation will apply pursuant to this AGREEMENT, is Six Hundred Fifty-three Thousand Six Hundred Dollars (\$653,600) in the first year, based on the estimated tax rate in the first year, as shown on the value spreadsheet attached hereto as Exhibit 1 and incorporated herein by reference.
- d. The COMPANY's Personal Property and any replacement personal property shall also be exempted from taxation under this AGREEMENT as outlined in Chapter 59, Section 5, Clause 16(3) of General Laws, which states that corporations classified as manufacturing are entitled to the broadest exemptions and are not taxable on any machinery.
- e. This AGREEMENT provides exemptions from real estate taxation on only the real estate increment located at the PROJECT site, subject to the requirements described below, commencing in the first fiscal year following the year in which a Certificate of Occupancy is issued to the COMPANY, according to the following TIF Schedule:

Fiscal Year	Exemption Percentage
1	100%
2	80%
3	80%
4	80%
5	80%
6	50%
7	50%
8	50%
9	50%
10	50%
11	15%
12	15%
13	15%
14	15%
15	15%

- f. The EXEMPTION provided shall be contingent upon continued occupancy of the PROJECT by the COMPANY or its successors(s) in interest.
4. The parties hereto acknowledge that calculations employed during the negotiations resulting in this Agreement are estimates only based upon the current rate of inflation, property values, and other factors set forth in Exhibit 1, and, further that such calculations are not an accurate prediction of the actual market factors that may occur to derive the actual total exemption sought by the COMPANY. Notwithstanding the above, in the event the accrued benefits to the COMPANY through the tax increment

financing incentive and exemption provided pursuant to this Agreement amount to \$4.9 million or more, this Agreement and the incentive and exemption provided herein shall cease upon commencement of the following taxable period.

5. The CITY is granting the EXEMPTION in consideration of, and commitment by the COMPANY to, the following:
 - a. The COMPANY shall create a minimum of 70 new jobs. The new jobs will be created over a three (3) year period. Such three (3) year period will commence up to one (1) year prior to the commencement date described in Section 2 above and will continue for up to two (2) years after the commencement date described in Section 2 above. For the purposes of this AGREEMENT, a new job shall be defined to include only permanent, full-time jobs newly created in or transferred to the City of Amesbury.
 - b. The COMPANY shall retain jobs as necessary to maintain a total number of employees at the PROJECT or other locations within the City of Amesbury equal to at least the number of new jobs created in the prior calendar years.
 - c. The COMPANY shall invest approximately Twenty-Eight Million Dollars (\$28,000,000) in capital equipment and Eight Million Six Hundred Thousand Dollars (\$8,600,000) in solar and battery storage.
 - d. The COMPANY shall make a good faith effort to explore opportunities, subject to applicable law and assuming equal qualification, to give priority to hiring qualified local contractors, vendors, and suppliers in connection with the construction and operation of the PROJECT. The COMPANY, however, will retain all authority regarding the hiring of contractors, vendors, and suppliers, subject to applicable law.

6. The COMPANY's job retention and creation plans are outlined in the Employment and Job Creation section of the Certified Project application submitted to the Commonwealth by the COMPANY in connection with its request for a TIF exemption. The COMPANY agrees to submit annual reports pursuant to Massachusetts General Laws Chapter 23A, Section 3F for the prior calendar year on job creation, retention and new investment to the EACC and CITY Board of Assessors on or before February 28 of each year, with the first report due to the CITY and to the Commonwealth on February 28 immediately following the completion of Year 1 as described herein, and annually on the same date thereafter for the duration of the Tax Increment Financing Exemption. These reports shall include the number of new jobs created at the PROJECT, the number of jobs retained at the PROJECT, the number of people hired from the Economic Target Area, and the value of the PROJECT investments, as defined above for the annual time period ending December 31 of the prior year and on a cumulative basis. The submitted value of PROJECT investments

shall inform the CITY in its valuation of those investments, with the CITY retaining all rights to reach an independent assessment in due course.

7. With respect to permanent full-time jobs, the COMPANY shall use good faith efforts to cooperate with the Workforce Board, the Department of Employment and Training, and other agencies to fill new jobs with Amesbury residents and to meet 100% of the requirements of Section 5 of the EDIP Preliminary Application submitted to the EACC.
8. Should the COMPANY breach this AGREEMENT, the CITY, acting through its Mayor, may, at its sole discretion, after providing written notice to the COMPANY, together with providing the opportunity to cure as described in this section, notify the EACC and/or take action to request decertification of the project by the EACC. Prior to any decertification proceeding, however, the COMPANY shall have the opportunity to cure, correct or remedy its breach. Upon receiving written notice of such a breach from the CITY, the COMPANY shall have 30 days to respond to the CITY regarding any alleged breach, and shall complete any necessary cure, correction or remedy within 120 days of the receipt of such written notice, or, with respect to breaches that cannot be remedied within such 120-day period, within such additional period of time as is required to reasonably remedy such breach, provided that the COMPANY exercises due diligence in remedying such breach. Should the COMPANY opt not to cure the breach, the COMPANY agrees that it will not oppose any request for decertification prospectively, commencing with the first fiscal year in which the project is decertified, or if such benefits have already been received by the COMPANY for the fiscal year in which the project is decertified, commencing as of the fiscal year immediately following that fiscal year. Nothing in this Section shall preclude the CITY from also seeking recoupment from the COMPANY of the value of prior economic benefits granted by the CITY under this AGREEMENT, but only in the event that the COMPANY relocates the PROJECT outside the City of Amesbury prior to the event of breach.
9. If and to the extent that either the COMPANY and/or the PROPERTY OWNER is prevented from performing its obligations hereunder by an event of force majeure, such party shall be excused from performing hereunder and shall not be liable in damages or otherwise, and the parties instead shall negotiate in good faith with respect to appropriate modifications to the terms hereof. For purposes of this AGREEMENT, the term force majeure shall mean the supervening causes described here, each of which is beyond reasonable control of the affected party: acts of God, fire, earthquake, floods, explosion, actions of the elements, war, terrorism, riots, mob violence, a general shortage of labor or unavailability of required skilled labor in the Amesbury area, shortages of equipment, facilitates, materials or supplies in the open market, failure of transportation, strikes, lockouts, actions of labor unions, condemnation, laws or orders of governmental or military authorities, pandemic as defined by the World Health Organization, or any other cause similar to the foregoing, not within the reasonable control of the COMPANY and/or the PROPERTY OWNER and which prevent performance by the COMPANY and/or the PROPERTY OWNER.

It is agreed, however, that since performance of this AGREEMENT is essential to the implementation of its terms, continued failure to perform for periods aggregating sixty

(60) or more days, even for causes beyond the reasonable control of the COMPANY and/or the PROPERTY OWNER, shall be deemed to render performance impossible, and the CITY shall thereafter have the right to terminate this AGREEMENT in accordance with its terms.

10. The COMPANY shall give written notice to the CITY at least 30 days prior to any relocation of operations from the PROPERTY, or of any transfer of its leasehold on the PROPERTY or its business to any other entity; provided, however, if the COMPANY determines in good faith that such notice cannot be given 30 days in advance because of the requirements of securities laws or related regulations, or any contractual, regulatory, or other similar types of obligations or prohibitions, such notice shall be given promptly after such prohibitions no longer apply. Such notice shall not operate to terminate any other obligation set forth in this AGREEMENT. If the COMPANY's operation at the PROPERTY is terminated for any reason during the term of this AGREEMENT, the CITY shall be entitled to revert to 100% assessment of the PROPERTY for the period commencing as of the date of the termination of the PROJECT and continuing for the period thereafter.
11. Notwithstanding any general or special law to the contrary, the CITY may recapture the value of the tax not paid by making a special assessment on the controlling business COMPANY in the tax year that follows the EACC's decision to revoke project certification due to failure to achieve or meet stated goals and benchmarks, included but not limited to job creation goals set forth in their tax exemption program, as provided for in Section 5 above.
12. Nothing herein precludes the CITY from seeking remedy against the PROPERTY OWNER from any failure, by either the COMPANY or the PROPERTY OWNER, to pay any real estate taxes assessed on the PROPERTY, including recapture from the PROPERTY OWNER of the value of the tax not paid pursuant to this AGREEMENT.
13. Pursuant to Section 59(v)(d) of Chapter 40 of the General Laws, this AGREEMENT shall be binding upon the COMPANY and the PROPERTY OWNER, their successors, assigns, and subsequent owners of the PROJECT and the PROPERTY, provided the PROJECT has not been decertified. Should this AGREEMENT be assigned, the COMPANY shall provide notice to the CITY in accordance with the provisions of this AGREEMENT.
14. If any provision of this AGREEMENT shall be found invalid for any reason, such invalidity shall be construed as narrowly as possible, and the balance of the contract shall be deemed to be amended to the minimum extent necessary to provide to the parties substantially the benefits as set forth in this AGREEMENT.
15. All notices permitted or required under the provisions of the AGREEMENT shall be in writing, and shall be sent by registered or certified mail, postage prepaid, or shall be delivered by private express carrier to the addresses listed below or at such other address as may be specified by a party in writing and served upon the other in accordance with this section. All such notices shall be addressed as follows:

If to the **CITY**:

Mayor
Amesbury City Hall
62 Friend Street
Amesbury, MA 01913

If to the **COMPANY**:

Munters Corporation
79 Monroe Street
Amesbury, MA 01913
Attn: Brian Frost

If to the **PROPERTY OWNER**:

ATLANTIC SPORTS VENTURES, LLC
80 First Street
Bridgewater, MA 02324
Attn: Steve Callahan

16. This AGREEMENT contains the entire agreement of the parties and supersedes all prior understandings, agreements, or representations by or among the parties hereto, whether such prior understandings, agreements, or representations were written or oral, with respect to the subject matter of this AGREEMENT.
17. This AGREEMENT may be amended or modified only by a written instrument signed by a duly authorized agent of each party.
18. The COMPANY acknowledges that the Massachusetts Public Records Law, G.L. c.66, §10, G.L. c.4, §7, clause 26th, and 950 CMR 32.00 et seq., governs the retention of this Agreement and all other related materials fitting the description of public records in accordance with G.L. c.4, §7, clause 26th, and therefore that this Agreement and such related materials may constitute public records subject to disclosure under the law.
19. Executed, as a sealed instrument on the day and year first above written.

Accepted by CITY OF AMESBURY:

Kassandra Gove

3/16/2023

Kassandra Gove

Date

Mayor

City of Amesbury

Approved as to form:

Date

KP Law, P.C.

City Solicitor

City of Amesbury

Frank R. Reich

March 15, 2023

Date

Accepted by MUNTERS CORPORATION

[Signature]

3/16/23

Date

Accepted by ATLANTIC SPORTS VENTURES,
LLC

[Signature]

3/16/23

Date

Exhibit 1: Estimated Local Incentive Valuation for 24 South Hunt Road

Fiscal Year	Municipal Tax Rate Per Thousand	Future Estimated Assessed Value	Projected Annual RE Property Tax Bill for Estimated Assessed Value	TIF Yearly Exemption %	Estimated Exempted Annual RE Property Taxes	Estimated Taxes Owed to City
2025	\$16.34	\$40,000,000	\$653,600	100%	\$653,600	\$0
2026	\$16.34	\$40,000,000	\$653,600	80%	\$522,880	\$130,720
2027	\$16.34	\$40,000,000	\$653,600	80%	\$522,880	\$130,720
2028	\$16.34	\$40,000,000	\$653,600	80%	\$522,880	\$130,720
2029	\$16.34	\$40,000,000	\$653,600	80%	\$522,880	\$130,720
2030	\$16.34	\$40,000,000	\$653,600	50%	\$326,800	\$326,800
2031	\$16.34	\$40,000,000	\$653,600	50%	\$326,800	\$326,800
2032	\$16.34	\$40,000,000	\$653,600	50%	\$326,800	\$326,800
2033	\$16.34	\$40,000,000	\$653,600	50%	\$326,800	\$326,800
2034	\$16.34	\$40,000,000	\$653,600	50%	\$326,800	\$326,800
2035	\$16.34	\$40,000,000	\$653,600	15%	\$98,040	\$555,560
2036	\$16.34	\$40,000,000	\$653,600	15%	\$98,040	\$555,560
2037	\$16.34	\$40,000,000	\$653,600	15%	\$98,040	\$555,560
2038	\$16.34	\$40,000,000	\$653,600	15%	\$98,040	\$555,560
2039	\$16.34	\$40,000,000	\$653,600	15%	\$98,040	\$555,560
2040	\$16.34	\$40,000,000	\$707,600	0%	\$0	\$707,600
				TOTALS	\$4,869,320	\$4,934,680

Note: In Massachusetts, Proposition 2 ½ operates at the level of a municipality's total tax levy. Due to Proposition 2½, it is impossible to make reliable projections for individual parcels whose taxes may increase much more or much less than the municipality's total taxes. As a result, this spreadsheet does not include an assumed increase in either the tax rate or the assessed value. This spreadsheet is intended to provide an *estimate* of the total value of property tax exemption because of the yearly TIF exemption percentage negotiated between a company and a municipality.