

HOUSING DEVELOPMENT INCENTIVE PROGRAM

TAX INCREMENT EXEMPTION (TIE) AGREEMENT

between

CITY OF NEW BEDFORD

and

COUTO RESIDENCES LLC

This AGREEMENT is made this 24th day of July, 2025 by and between the City of New Bedford, ("Municipality") and Couto Residences LLC, a Massachusetts Corporation with an address at 24 Ernest Street, New Bedford, MA 02745.

Section 1 – Agreement

The Municipality and the Sponsor, for good and valuable consideration and in consideration of the covenants and agreements herein contained, hereby make this agreement regarding a tax increment exemption pursuant to the Housing Development (HD) Incentive Program, M.G.L. c. 40V and the regulations promulgated thereunder at 760 CMR 66.00 (HD TIE), with respect to the Property as herein defined.

Section 2 – Definitions

Each reference in this Agreement to the following terms shall be deemed to have the following meanings:

Act:	M.G.L. c. 40V as may be amended from time to time.
Completion:	Certificates of occupancy have been issued for the entire Project.
EOHLC:	Executive Office of Housing and Livable Communities
DHCD:	Department of Housing and Community Development
Event of Default:	An "Event of Default" as defined in Section 5 below.
Final Certification:	Determination by EOHLC that the Sponsor has completed the new construction or substantial rehabilitation of the Property, consistent with the New Construction or Rehabilitation Plans, including the creation of MRRUs, as set forth in the Act and the Regulations.
Fiscal Year:	An annual period of July 1 through June 30.
HD Project:	A Certified Housing Development Project as defined in the Act and the Regulations.
HD Zone:	The Housing Development Zone adopted by <u>the New Bedford City Council on March 7, 2014</u> and approved by EOHLC (formerly DHCD) as evidenced by a

pursuant to G.L. c.59 according to the following terms.

- A. Base Value. Consistent with 760 CMR 66.06(c), the Base Value is \$5,070,000 and equal to the assessed value (or aggregate thereof) of the parcel(s) that comprise the property as of the fiscal year in which a HD Tax Increment Exemption Agreement is executed by the Sponsor and the Municipality with respect to the parcel or parcels, as the case may be, and prior to the start of any new construction or Substantial Rehabilitation activities, including demolition, minus the assessed value attributable to any portion of the property that was assessed as other than residential in the applicable fiscal year and remains non-residential after completion of new construction or Substantial Rehabilitation.
- B. MRRU Percentage. 100 percent, with an allowance for a minimum of 80 percent if necessary for funding purposes. The MRRU Percentage shall be confirmed as required in paragraph F, below.
- C. Exemption Percentage. Commencing on the Effective Date which shall be:
- | | | | |
|----------------|-----|-----------------|-----|
| Fiscal Year :1 | 90% | Fiscal Year :6 | 75% |
| Fiscal Year :2 | 80% | Fiscal Year :7 | 60% |
| Fiscal Year :3 | 80% | Fiscal Year :8 | 40% |
| Fiscal Year :4 | 80% | Fiscal Year :9 | 20% |
| Fiscal Year :5 | 80% | Fiscal Year :10 | 10% |
- D. The Increment. As defined at 760 CMR 66.06(1)(b)(1).
- E. Calculation. For each Fiscal Year during the term of this Agreement, the HD TIE shall be determined by applying the Exemption Percentage to the property tax on the Increment.
- F. Confirmation or Amendment of Calculation. Upon Completion, and prior to applying for Final Certification of the Project, the Sponsor and Municipality shall file a "Tax Increment Exemption – Confirmation of Calculation" in the form attached as Exhibit 4 ("TIE Confirmation"). To the extent that the dates or figures in the TIE Confirmation differ from those set forth in this Agreement, the contents of the TIE Confirmation shall control and shall be deemed to have amended this Agreement.

Section 5 – Default

A. Event of Default. An "Event of Default" shall arise under this Agreement upon the occurrence of any one or more of the following events:

- 1) Breach of Covenant Prior to Final Certification. Subject to the limitations set forth in the Regulations at section 66.05(4)(b), Sponsor defaults in the observance or performance of any material covenant, condition or agreement to be observed or performed by Sponsor pursuant to the terms of this Agreement, and the continuance of such default for thirty (30) days after written notice thereof from the Municipality; provided, however, that if the curing of such default cannot be accomplished with due diligence within said period of thirty (30) days, then Sponsor shall have such additional reasonable period of time, not to exceed thirty (30) days, to cure such default provided the Sponsor shall have commenced to cure such default within the initial thirty (30) day period, such cure shall have been diligently prosecuted by the Sponsor thereafter to completion.
- 2) Breach of Covenant Subsequent to Final Certification. Sponsor's conduct is materially at

- 1) Until Completion, the status of construction in relation to the schedule contained in the New Construction or Rehabilitation Plan;
- 2) Until Completion, the status of marketing in relation to the New Construction or Rehabilitation Plans; and
- 3) For each MRRU, the number of bedrooms in the unit, whether it was leased as of the end of the most recent fiscal year and the monthly rent charged.

D. Assignment. The Sponsor shall not assign any interest in this Agreement, and shall not transfer any interest in the same, without the prior written consent of the Municipality, which approval shall not be unreasonably withheld. The foregoing notwithstanding, the rights and obligations of this Agreement shall inure to the benefit of any entity succeeding to the interests of the Sponsor by merger.

E. Notices. In conjunction with concurrent electronic submission as provided for below or, if reasonable efforts can determine that such information is no longer current, otherwise reasonably obtainable and verifiable electronic contact information, any notice, request, instruction or other document to be given hereunder to either party by the other shall be in writing and delivered personally or sent by recognized overnight courier, receipt confirmed or sent by certified or registered mail, postage prepaid, as follows, and, unless general measures for electronic receipt as a substitute are in place at such time or can otherwise be reasonably assumed due to publicized or immediately foreseeable remote working conditions, shall be conclusively deemed to have been received and be effective on the day on which personally delivered or, if sent by certified or registered mail, three (3) days after the day on which mailed or, if sent by overnight courier, on the day after delivered to such courier.

1) Municipality: City of New Bedford attn: Mayor's Office
133 William Street
New Bedford, MA 02740
Email: Joshua.amaral@newbedford-ma.gov

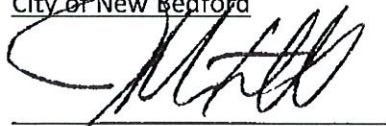
2) Sponsor: Couto Residences LLC
24 Ernest Street
New Bedford, MA 02745
Email: j@coutoconstruction.com

3) Copy to EOHLC: All such notices shall be copied to EOHLC at:

HDIP Program Coordinator
Department of Housing & Community Development
100 Cambridge Street, Suite 300
Boston, MA 02114
eohlchdip@mass.gov

4) Change of Address. Either party may change the address to which notices are to be sent to it by

City of New Bedford



By: Mayor Jon Mitchell

Couto Residences LLC



By: Jason Couto
President

EXHIBIT 2

DESCRIPTION OF PROPERTY

The land at 4586 Acushnet Avenue with the buildings and improvements thereon, located in New Bedford, Bristol County, Commonwealth of Massachusetts, partly located in Acushnet bounded and described as follows:

Beginning at the southwest corner of the land herein described at a point in the easterly line of Acushnet Avenue and at the northwest corner of Parcel "B" as shown on said Plan; thence

NORTH 27° 20' 38" East in line of said Acushnet Avenue, eighty-six and 48/100 (86.48) feet to a stone bound; thence

NORTH 18° 23' 08" East in line of said Acushnet Avenue, four hundred thirteen and 52/100 (413.52) feet to land now or formerly of Joseph Jr. and Rossie Jacintho as shown on said plan; thence

SOUTH 71° 36' 22" East in line of last named land and land now or formerly of Norman and Fabienne LaBelle as shown on said plan, four hundred fifty-one and 78/100 (451.78) feet to land now or formerly of Betsey W. Taber, as shown on said plan; thence

SOUTH 14° 43' 30" West line of last named land, two hundred eight and 90/100 (208.90) feet to land now or formerly of D.W. White Construction Co., as shown on said plan; thence

NORTH 87° 26' 05" West in line of last named land, one hundred sixty-seven and 03/100 (167.03) feet to a stake for a corner; thence

SOUTH 1° 54' 45" East in line of last named land, three hundred thirty-three and 98/100 (333.98) feet to said Parcel "B"; and

NORTH 62° 39' 22" West in line of last named lot, four hundred thirty-nine and 10/100 (439.10) feet to the said line of Acushnet Avenue and the point of beginning.