

TAX INCREMENT FINANCING AGREEMENT  
BY AND BETWEEN  
THE CITY OF BOSTON  
AND  
THE MANUFACTURERS LIFE INSURANCE COMPANY USA

AGREEMENT is made this <sup>June</sup> 18<sup>th</sup> day of ~~May~~, 2003 by and between the CITY OF BOSTON, a municipal corporation duly organized under the laws of the Commonwealth of Massachusetts, having a principal place of business at City Hall, One City Hall Plaza, Boston, Massachusetts 02201 (hereinafter referred to as the "CITY") and THE MANUFACTURERS LIFE INSURANCE COMPANY USA (hereinafter referred to as "the COMPANY"), a corporation with its principal place of business at 73 Tremont Street, Boston, Massachusetts 02108-3911. Hereinafter, collectively the City and the Company are referred to as the "Parties."

WITNESSETH

WHEREAS the Property (as hereinafter defined) is located within the boundaries of the Boston Economic Target Area ("ETA") and the 601 Congress Street Economic Opportunity Area ("EOA"), which have been designated as such by the Massachusetts Economic Assistance Coordinating Council; and

WHEREAS the COMPANY has entered into an agreement with the fee owner of the land, Massachusetts Port Authority, to construct and occupy a 600,000 square foot, office building located at 601 Congress Street, Boston, (hereinafter the "Property"); and

WHEREAS, the 600,000 square foot building located at the Property, together with all improvements shall be known as the "Project"; and

WHEREAS the Project will retain approximately 750 existing jobs and create no less than 200 new, permanent full-time, or equivalent, jobs, which the Company will use its best efforts, as described in the Certified Project Application, to fill with residents of the ETA, and will result in an investment of approximately \$135 million in new construction and in new equipment; and

WHEREAS the COMPANY is seeking a Tax Increment Financing Exemption from the CITY for all real estate development on the Property, in accordance with the so-called Massachusetts Economic Development Incentive Program and Chapter 23A of the Massachusetts General Laws, as amended and applicable; and

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

WHEREAS the parcel of land currently included in the Property are listed as Ward 06, Parcel 02678/701 with the City of Boston Assessing Department; and

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

WHEREAS this Project will further the economic development goals and criteria established for the ETA and the EOA; and

WHEREAS by vote of the CITY Council on May \_\_, 2003 ("the City Council vote"), the CITY was authorized to enter into a Tax Increment Financing Agreement with the COMPANY in the form hereof;

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

1. Pursuant to the authority of the City Council vote, the CITY, hereby enters into this Tax Increment Financing Agreement ("TIF Agreement") with the COMPANY for the Project. The land that is the subject of the TIF Agreement shall be the Property.
2. A Tax Increment Financing Exemption (the "Exemption") is hereby granted to the COMPANY by the CITY in accordance with Chapter 23A, Section 3E; Chapter 40, Section 59; and Chapter 59, Section 5, all as amended and applicable, of the Massachusetts General Laws. The Exemption shall be for a period of twenty years (the "Exemption Period"), commencing on July 1, 2003 and ending on June 30, 2022, and shall provide an exemption from taxation on a percentage of the incremental difference in assessed valuation of improvements on the Site. The Exemption shall be calculated as follows: one percent (1%) of the increase in value above the base value, as adjusted by the municipal inflation factor.
3. The Tax Increment Financing Exemption formula for the Project will be calculated as prescribed by the Massachusetts Code of Regulations Chapter 760 Section 22.05 and the Commonwealth of Massachusetts Department of Revenue Division of Local Services Informational Guideline Release No. 94-201.
4. The Exemption granted to the COMPANY by the CITY hereby is in consideration of the COMPANY'S commitment to:
  - a. Retain and maintain 750 permanent, full-time, jobs and create and maintain 200 new, permanent, full-time, or equivalent, jobs as outlined in the Certified Project Application, and hiring residents of the ETA as outlined in the WORK FORCE ANALYSIS AND JOB CREATION PLANS section of the CERTIFIED PROJECT

APPLICATION submitted to the CITY by the COMPANY in connection with the COMPANY'S request for the Exemption. Job creation targets are as follows: by year 2009 of the TIF Exemption Period, 75 new jobs shall be created and maintained, and by year 2014, an additional 125 new jobs shall be created and maintained; and

- b. Invest \$135 million for capital improvements to the Property and capital equipment to be located on the Property, which improvements and equipment shall be in use by Spring 2004.
5. The COMPANY shall submit annual reports, specifically, a copy of its Annual Reporting Form, on job creation, job retention, and new investments at the Property filed with the EACC to the CITY and to the Boston Redevelopment Authority ("BRA") by August 31 of each year of the Certified Project designation. The annual report shall include the number of permanent full-time jobs created, the number of people hired from within the ETA annually and on a cumulative basis, a description of advertising and recruiting efforts within the ETA, and the value of capital investments made by the COMPANY with respect to the Property annually and on a cumulative basis.
6. The COMPANY shall submit to the CITY an annual Form of List, pursuant to Massachusetts General Laws, Chapter 59, Section 5, by March 31<sup>st</sup> of each year during the Exemption Period. Such Form of List shall include all personal property located within the Project or any other portion of the Property, which would otherwise be taxable but for Chapter 59, Section 5, clause 51st.
7. The COMPANY agrees to pay 1% of the real estate tax due, per Exemption, to the CITY. Such payment shall be made annually to the CITY by February 1<sup>st</sup> during the Exemption Period.
8. The COMPANY agrees to pay the CITY all personal property taxes, if any, regarding the Project or Property that would otherwise be taxable but for the personal property tax exemption pursuant to Chapter 59, Section 5, clause 51<sup>st</sup>.
9. The CITY shall have the right to monitor and enforce this TIF AGREEMENT.
10. If the COMPANY fails to meet, and maintain where applicable, the job creation and investment commitments specified in 4(a) and 4(b) above, the CITY, acting through its Mayor, upon City Council approval, may take action to request decertification of the Project by the Massachusetts Economic Assistance Coordination Council. Upon decertification, the CITY shall discontinue the Exemption benefits provided to the COMPANY as set forth herein, commencing with the first fiscal year in which the COMPANY failed to meet such commitments.

11. The CITY acknowledges that the COMPANY has the right to transfer ownership of the Property to a related entity that is controlled, managed or owned by COMPANY, or any affiliate of the COMPANY under common control. Prior to any such transfer, COMPANY shall notify the CITY in writing. If COMPANY transfers ownership of the Property or any portion thereto, to an unrelated entity, COMPANY's rights hereunder shall not be transferable and this TIF Agreement shall become null and void and the CITY may take action to request decertification of the Project by the Massachusetts Economic Assistance Coordinating Council.
12. If the COMPANY plans to move from the Site, the CITY shall be given six (6) months notice prior to the move.
13. All notices, reports and other communications required or permitted under this TIF Agreement must be in writing, signed by a duly authorized representative of the CITY, COMPANY or BRA, as the case may be, and shall be (i) hand delivered, (ii) delivered by nationally recognized overnight delivery service, or (iii) mailed by certified or registered mail, return receipt requested, postage prepaid, to the parties at the following addresses or such other address as each may have specified to the other by such a notice:

CITY: City of Boston Assessing Department  
City Hall, Room 301  
Boston, MA 02201  
Attn: Commissioner

BRA: Boston Redevelopment Authority  
One City Hall Square, 9<sup>th</sup> Floor  
Boston, MA 02201  
Attn: Director of Economic Development

COMPANY: Manufacturer's Life Insurance Company USA  
73 Tremont Street, Suite 1300  
Boston, MA 02108  
Attn: James D. Gallagher, Executive Vice President, Secretary and  
General Counsel

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WITNESSETH the execution and delivery of this Agreement by the CITY OF BOSTON and THE MANUFACTURERS LIFE INSURANCE COMPANY USA as an instrument under seal as of the date first above written.

Attachments:

Exhibit A: Description of Property (Map)  
Exhibit B: Plan of Property

THE MANUFACTURERS LIFE  
INSURANCE COMPANY USA

By *James D. Gallagher*  
James D. Gallagher, Executive Vice President,  
Secretary and General Counsel

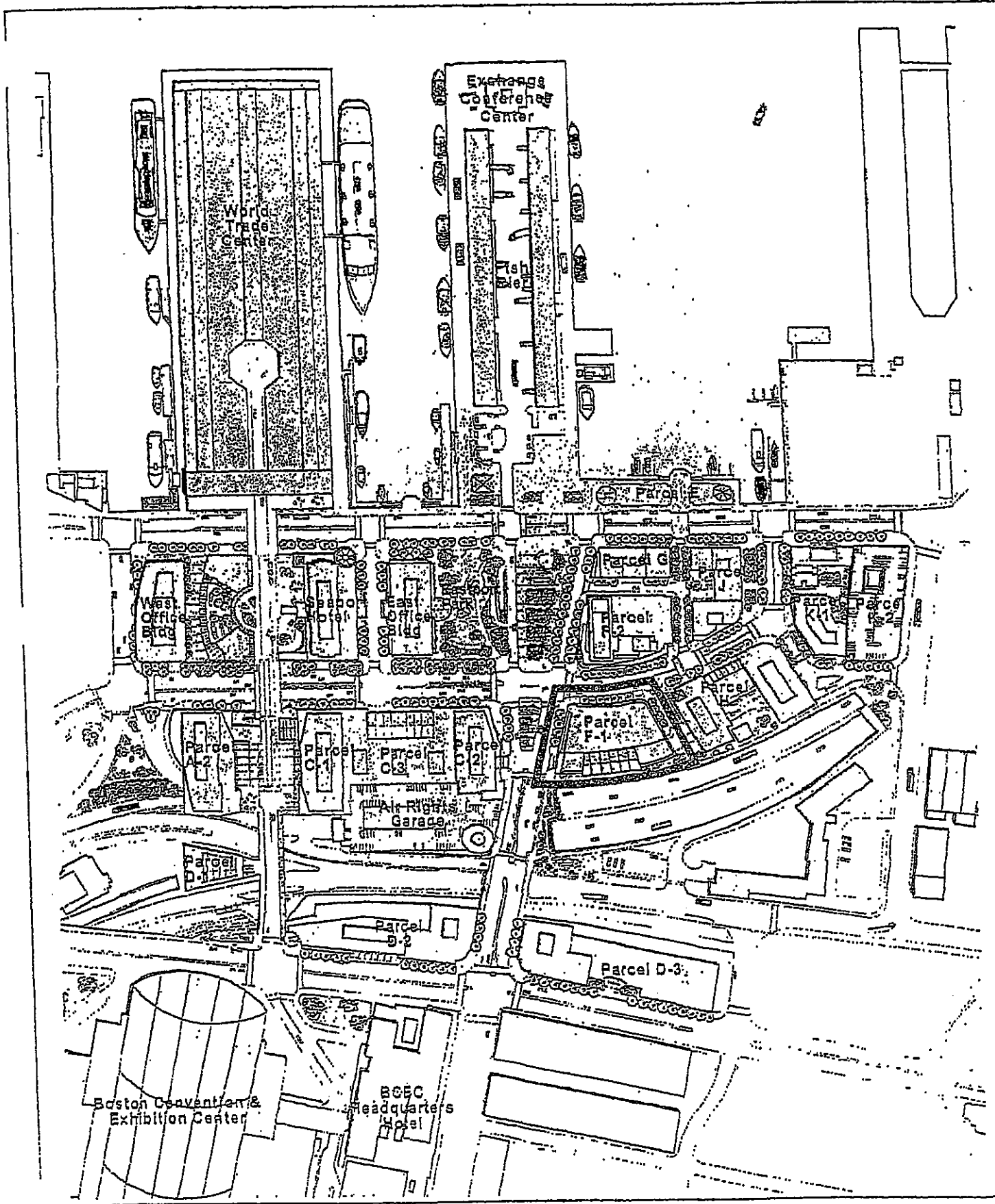
CITY OF BOSTON

*Thomas M. Menino*  
Thomas M. Menino, Mayor

Approved as to form:

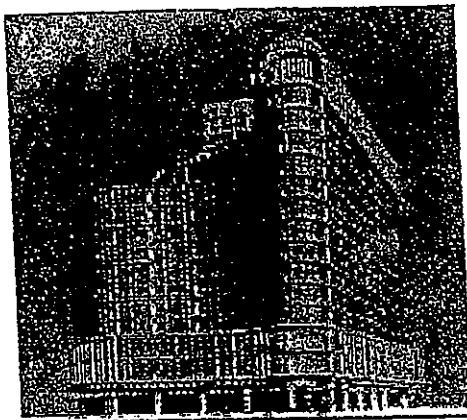
*Mark Sweeney*  
for Merita A. Hopkins, Corporation Council  
City of Boston



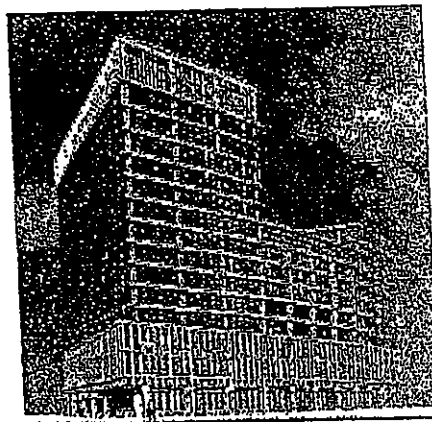


CONTEXT PLAN (CFDA)

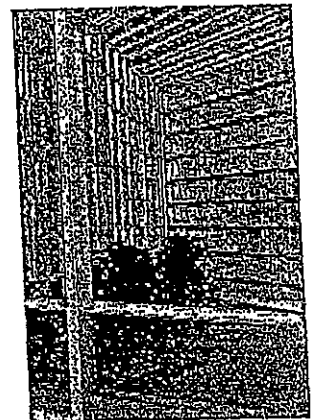
**Manulife Financial US Operations Headquarters**  
601 Congress Street – Boston, Massachusetts



Northwest view from Congress Street



Southwest view from Connector Road



Six-story Atrium

**Building Specifications**

420,000 square feet (rentable)  
14 stories

**Building Features**

State-of-the-art Double-skin Curtainwall Façade  
Ground Floor Retail Space (7,000 square feet)  
Six-story Atrium  
12<sup>th</sup> Floor Roof-top Garden  
Conference Center  
Fitness Center  
Staff Dining Facility  
Located in the heart of the emerging Seaport District  
Underground Parking (177 cars)  
Public Transportation service via new MBTA Silverline

**Developer/Owner/Manager**

Manulife Financial (Real Estate Division)

**Architects**

Skidmore, Owings & Merrill LLP  
Stull and Lee, Inc.

**General Contractor**

Clark/Suffolk, a Joint Venture

**Construction Dates**

October 2001 start with completion scheduled for Fall 2003