

**TAX INCREMENT FINANCING AGREEMENT
(Alternatively, the “Agreement”)
BETWEEN**

**THE TOWN OF LEXINGTON,
(Alternatively, the “Town” or “Lexington”)**

**VISTAPRINT USA, INCORPORATED
(Alternatively, the “Company”)**

AND

**TWO LEDGEMONT LLC
(Alternatively, the “Property Owner”)**

This **AGREEMENT** is made as of this [REDACTED] day of [REDACTED], 2012 by and between the Town, the Company and the Property Owner.

WHEREAS the Company is a Massachusetts corporation having its principal office at 95 Hayden Avenue, Lexington, MA 02421 and is authorized to do business in Massachusetts; and

WHEREAS the Property Owner is a Delaware limited liability company, authorized to do business in Massachusetts and with an office at 225 Wyman Street, Waltham, MA 02451; and

WHEREAS the Town is a Massachusetts municipal corporation, acting through its Board of Selectmen, having its principal office at 1625 Massachusetts Avenue, Lexington, MA 02420; and

WHEREAS the Property Owner intends to lease property to the Company in connection with the Project as defined below; and

WHEREAS the project (the "Project") is expected to result in an estimated capital investment of \$57 million, including \$45 million for construction costs by the Property Owner, \$7 million for leasehold improvements and \$5 million for new personal property by the Company; and

WHEREAS the Project consists of constructing an estimated 150,000 square foot on-site expansion of net leasable floor area to an existing 219,505 square foot facility to be constructed on property located at 95 Hayden Avenue in Lexington, Massachusetts, which parcel is shown on Lexington’s Town Assessors Map 17, Parcel 22 (hereinafter the “Property”); and

WHEREAS the Company currently leases the existing 219,505 square feet of space at the Property and plans to lease an estimated 100,000 square feet of additional net leasable floor area to be constructed, with an option to lease the remainder of the new space; and

WHEREAS the Company expects to retain 880 full-time jobs and create 300 new net permanent full-time jobs, which will be open to qualified residents of Lexington and other locations in the Commonwealth of Massachusetts; and

WHEREAS the Property is located within the boundaries of the Lexington Economic Target Area (ETA) (as that term is used in Massachusetts General Laws, Chapter 23A, Section 3D, and referred to below as the “ETA”); and

WHEREAS the Company intends to apply for status as a Certified Project under Massachusetts General Laws, Chapter 23A, Section 3F; and

WHEREAS the Property is located within the 95 Hayden Avenue Economic Opportunity Area (EOA) (as that term is used in Massachusetts General Law, Chapter 23A, Section 3E, and referred to below as the “EOA”); and

WHEREAS the Town strongly supports increased economic development to provide additional jobs, expand business within the Town, and to develop a healthy economy and stronger tax base; and

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

WHEREAS, on November 13, 2012, the Board of Selectmen recommended approval of the TIF Plan and Agreement to Town Meeting; and

WHEREAS, on November 19, 2012, Lexington Town Meeting approved the TIF Plan and Agreement.

Now, THEREFORE, in consideration of the mutual promises of the parties contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

THE TOWN'S OBLIGATIONS

1. A Tax Increment Financing (“TIF”) exemption (the “Exemption”) is hereby granted to the Company by the Town in accordance with Chapter 23A, Section 3E; Chapter 40, Section 59, and Chapter 59, Section 5 of the Massachusetts General Laws. The Exemption shall be for a period of thirteen (13) years (the “Exemption Term”), commencing in the fiscal year following the date that the Project is placed into service (i.e., pursuant to a certificate of occupancy whether permanent or temporary; hereinafter referred to as the "Start Date"), and shall provide an exemption from taxation on a portion of the new incremental value of the Property resulting from the project, in accordance with the following schedule of Exemption Percentages applied to the new incremental value, as determined by the Board of Assessors, of that portion of the expansion up to 100,000 square feet of net leasable floor area that will be occupied by Vistaprint (for clarity, an illustration of the calculation of the exemption is provided in Footnote 1).ⁱ Within 90 days of the Start Date, the Property Owner or the Company shall provide to the Town a copy of the Company’s lease with the Property Owner, or other evidence satisfactory to the Board of Assessors of the net leasable square feet leased to the Company, the lease term and the rent.

Year	Exemption Percentage
Year 1	45%
Year 2	40%
Year 3	35%
Year 4	31%
Year 5	28%
Year 6	26%
Year 7	24%
Year 8	19%
Year 9	14%
Year 10	9%
Year 11	2%
Year 12	2%
Year 13	2%

2. The base valuation shall be the assessed value of the Property in the fiscal year prior to the fiscal year beginning July 1st in which the Property first becomes eligible under 760 CMR 22.05(4) for exemption pursuant to this Agreement.
3. The base valuation shall be adjusted annually by an adjustment factor, which reflects increased commercial and industrial property values within the community, as provided in Chapter 40, Section 59 of the Massachusetts General Laws. The increased value (above the base valuation) or "increment" created by improvements to the Property will be the amount eligible for exemption from taxation, in accordance with the Exemption Percentage applicable to each Year in the schedule in paragraph 1 above of the Town's Obligations.
4. The Company acknowledges that estimates of future assessed value used during negotiations between the Town and Company are only estimates of value and do not constitute a representation by the Town of actual assessed value. Assessed values will be established annually by the Lexington Board of Assessors in accordance with applicable Massachusetts General Laws and regulations.

THE COMPANY'S AND THE PROPERTY OWNER'S OBLIGATIONS

The Town grants the Exemption to the Company in consideration of and commitment and performance by the Company and the Property Owner of the following:

1. The Company shall retain 880 full-time jobs in the Commonwealth and create 300 new net permanent full-time jobs within five (5) years following the Start Date. The jobs will be open to qualified residents of Lexington and other locations in the Commonwealth of Massachusetts.
2. The Company's job creation plans are outlined in the Job Creation and Workforce Analysis Plan section of the EDIP Supplemental Application submitted to the Town by the Company in connection with the Company's request for a TIF exemption (the "Application").
3. The Property Owner shall construct no less than 150,000 square foot of new net leasable floor area (over the amount of existing leasable floor area), and the Company plans to lease an estimated 100,000 square feet of that new space.
4. The Project consists of \$57 million investment. The Property Owner shall invest no less than \$45 million in construction costs, and the Company shall invest approximately \$7 million for leasehold improvements and \$5 million for personal property.

5. The Company shall submit annual reports on job creation, job retention, and new investments at the Property to the Town Clerk and to the Massachusetts Economic Assistance Coordinating Council (“EACC”) for each year in the Certified Project application designation. The annual report shall include the number of permanent full-time jobs created and the number of people hired from within the ETA annually and on a cumulative basis and the value of capital investments made by the Company with respect to the Property annually and on a cumulative basis. The Company, in consultation with the Property Owner, shall also submit an annual report to the Town Clerk, describing the status of construction of the Project, until a certificate of occupancy is issued and construction is complete.
6. If the Company or the Property Owner fails to meet the obligations specified in Section 1 through 5 above, the Town, acting through its Board of Selectmen, may take action to request decertification of the Project by the EACC in accordance with Massachusetts General Law Chapter 23A, Section 3F. Upon decertification, the Town shall discontinue the Tax Increment Financing Exemption benefits provided to the Company prospectively as set forth in said statute, 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 has been decertified, commencing as of the fiscal year immediately following that fiscal year.
7. If the Company plans to move from the Property, the Town shall be given thirty (30) days’ advance written notice.

OTHER CONSIDERATIONS

1. Pursuant to 760 C.M.R. 22.05(8) (d), this Agreement shall be binding upon the Company, their successors, assigns and subsequent owners of the Property.
2. The Property Owner shall pass all real estate property tax savings resulting from this Agreement to the Company.
3. The matters described above as obligations of the Company and Property Owner are only conditions to the eligibility for tax exemptions under this Agreement, and do not create any enforceable obligations or covenants of the Company or Property Owner. The Town’s sole remedy for failure by the Company or the Property Owner to satisfy any of its respective obligations and conditions is set forth in Paragraph 6 of the Company’s and Property Owner’s Obligations section of this Agreement.
4. This Agreement is subject to Massachusetts General Laws Chapter 23A, Section 3A-3F inclusive, Chapter 40, Section 59 and Chapter 59, Section 5, cl. 51 and applicable regulations.
5. Should any provision of the Agreement be declared or be determined by a Court of competent jurisdiction to be illegal or invalid, the validity of the remaining parts, terms, and provisions shall not be affected thereby and said illegal or invalid part, term of provision shall be deemed not to be a part of the Agreement.
6. The time within which the Company and Property Owner shall be required to perform any their respective obligations under this Agreement shall be extended to the extent that the performance of such obligations shall be delayed by a Force Majeure Event. A Force Majeure Event means acts of God, earthquakes, fire, acts of terrorism, war, labor disputes, delays or restrictions by government bodies, or any other cause beyond the reasonable control of the Company or Property Owner.

¹ The new expansion is comprised of 150,000 square feet of leasable space. Vistaprint occupies 100,000 square feet, which is classified as Class A office as determined by the Lexington Board of Assessors, and valued for the purpose of real property taxation at \$150 per square foot. Another tenant occupies the remaining 50,000 square feet, which is classified as Lab Office as determined by the Lexington Board of Assessors, and valued for the purpose of real property taxation at \$225 per square foot. The total valuation of the property is shown in the table below as \$26,250,000 with an average assessed value per square foot of \$175. Notwithstanding the average assessed value per square foot, for the purposes of the TIF agreement, that portion of the property subject to this agreement would be valued at \$150 per square foot, not the average value of \$175 per square foot, for an assessed valuation of the 100,000 square feet occupied by Vistaprint of \$15,000,000.

	Square Footage	Assessed Value per Square foot	Total Value
Class A Office	100,000	\$ 150	\$ 15,000,000
Lab Office	50,000	\$ 225	\$ 11,250,000
	150,000		\$ 26,250,000
Average Value per Square Foot		\$ 175	

WITNESSETH the execution and delivery of this Agreement by the Town, the Company and the Property Owner as an instrument under seal as of the date first above written.

AGREED TO:

Vistaprint USA, Incorporated

Town of Lexington

By: _____

Chair

Name: _____

Title: _____

Member

Date of Signature

Member

Member

Member

Date of Signature

Two Ledgemont LLC

By: _____

Name: _____

Title: _____

Date of Signature