

**NEGOTIATED PAYMENTS IN LIEU OF TAXES AGREEMENT**  
**BETWEEN**  
**8100 15<sup>TH</sup> AVE OWNER, LLC**  
**AND**  
**PRINCE GEORGE’S COUNTY, MARYLAND**

THIS NEGOTIATED PAYMENTS IN LIEU OF TAXES (“**PILOT**”) AGREEMENT (“**Agreement**”) is made this \_\_\_\_ day of \_\_\_\_\_, 2022, by and between **8100 15<sup>TH</sup> AVE OWNER, LLC**, a limited liability company organized under the laws of the State of Delaware (“**Owner**”), and **PRINCE GEORGE’S COUNTY, MARYLAND**, a body corporate and politic (“**County**”).

**WHEREAS**, the Owner acquired a certain parcel of developed property located at 8100 15<sup>th</sup> Avenue, Hyattsville, Prince George’s County, Maryland, as more particularly described as Exhibit A and more particularly identified by parcel account number 17- 3952900 by the Maryland Department of Assessments and Taxation, and, as more particularly described in Exhibit A that is attached hereto and herein incorporated by reference (“**Property**”), which Property is improved by five hundred ninety (590) multifamily residential apartment units (“**Improvements**”) and related facilities, a portion of which will be dedicated to providing housing for low to moderate income residents (the Property and the Improvements collectively referred to herein as the “**Project**”)

**WHEREAS**, the acquisition of the Property was financed from the assumption of an existing mortgage loan (“**First Loan**”) and the investment of investor member equity (the “**Equity Investment**”); and

**WHEREAS**, the Owner proposes to make a series of capital improvements and energy efficiency improvements to the Project (the “**Renovations**”) that will be financed in part by the Equity Investment and a loan from the Prince George’s County Housing Investment Trust Fund (the “**HITF Loan**”);

**WHEREAS** the Owner will operate two hundred ninety-five (295) of the Project’s units, fifty percent (50%) of the total number of housing units, as rental housing in accordance with that certain HITF Regulatory Agreement, Declaration of Covenants and Deed of Trust between the Owner and the County, as the same may be amended and/or restated from time to time (the “**HITF Regulatory Agreement**”); and

In general

**WHEREAS**, the Owner as requested that the County permit the Owner to make payments in lieu of County real property taxes pursuant to Section 7-506.3 of the Tax-Property Article of the

Annotated Code of Maryland (the "Act"). The Act provides, among other things, in Prince George's County, real property may be exempt from county property tax if:

(i) the real property is owned by a person engaged in constructing or operating housing structures or projects;

(ii) the real property is used for a housing structure or project that is acquired, constructed, or rehabilitated under a federal, State, or local government program that funds construction or rehabilitation or insures the financing of construction or rehabilitation in whole or in part, including a housing investment trust; OR provides interest subsidy, rent subsidy, or rent supplements; OR is acquired under the Right of First Refusal program under Subtitle 13, Division 14 of the Prince George's County Code;

(iii) the owner and the governing body of Prince George's County agree that the owner shall pay a negotiated amount in lieu of the applicable county property tax; and

(iv) the owner of the real property agrees to commence or continue to maintain the real property as rental housing for lower income persons under the requirements of the government programs described in paragraph (ii) and agrees to renew any annual contributions contract or other agreement for rental subsidy or supplement; OR enters into an agreement with the governing body of Prince George's County to allow the entire property or the portion of the property that was maintained for lower income persons to remain as housing for lower income persons for a term of at least 5 years.

**WHEREAS**, the Owner hereby represents that, as of the date hereof, pursuant to the Owner's anticipated borrowing of the HITF Loan and anticipated execution and delivery of the HITF Affordable Dwelling Unit Covenant, the Project will qualify under the provisions of said Section 7-506.3 for an agreement for negotiated payments in lieu of the payment of Prince George's County real property taxes for the Project; and

**WHEREAS**, pursuant to Resolution No. CR-\_\_\_\_\_, adopted on \_\_\_\_\_, the County Council of Prince George's County, Maryland, approved an agreement for negotiated payments in lieu of taxes for the Property and the Project and authorized the County to enter into this Agreement; and

**WHEREAS**, the County agrees to enter into this Agreement for payments in lieu of taxes provided that the Owner conducts and operates the Project in accordance with the criteria and controls set forth in said Section 7-506.3, supra, and as governed by all applicable federal, state, and local laws; and

**WHEREAS**, pursuant to Section 7-506.3, the Prince George's County Department of Housing and Community Development ("**DHCD**") analyzed and determined the amount payable by the Owner to the County in lieu of the payments of Prince George's County real property taxes for the Property and Project.

**NOW, THEREFORE, THIS AGREEMENT WITNESSETH:**

In consideration of the mutual covenants, terms and agreements hereof and pursuant to the power and authority of said Section 7-506.3, it is agreed as follows:

(1) This Agreement shall become effective on the date of the Execution of this Agreement ("**Effective Date**") and the obligation to pay negotiated payments in lieu of taxes shall commence as of the Commencement Date and shall remain effective until the Termination Date (both defined below in paragraph 4). The payments to be made by the Owner to the County, provided for herein with respect to the Project, shall be in lieu of the payments of Prince George's County taxes on real property under the Tax-Property Article of the Annotated Code of Maryland (2012 Replacement Volume, as amended). Such payments shall be made by the Owner in accordance with this Agreement and shall be accepted by the County only as long as: (i) the Project shall be owned and used for the provision of rental housing pursuant to the Covenant; and (ii) the Owner shall in all other respects comply with the conditions of Section 7-506.3, which authorizes the County to enter into this Agreement, and all of its obligations under this Agreement.

(2) The intention of this Agreement is that the payments in lieu of taxes shall at no time exceed the amount of taxes otherwise payable based on the annual assessment for Prince George's County real property taxes. The Owner expressly agrees and understands that any taxes, fees and or fines assessed by other agencies such as the State of Maryland, the Maryland-National Capital Park and Planning Commission, the Washington Suburban Sanitation Commission, the Washington Suburban Transit Commission, and solid waste charges and applicable fees for Bay Restoration and Clean Water (collectively, "**Other Real Estate Taxes and Fees**") are not being deferred and are not covered under the scope of this Agreement. The Owner shall, therefore, pay all Other Real Estate Taxes and Fees and the County's real property taxes in accordance with the applicable assessment and payment requirements.

(3) All taxes based on the Prince George's County assessment as described in clause 5(a) are due to be paid in full on September 30<sup>th</sup> of each year.

(4) Beginning with the first full tax year from the Effective Date of the Agreement ("**Commencement Date**"), the Project shall be exempt from paying full Prince George's County real property taxes for a period of ten (10) years, ending on the earlier of ten (10) years from the Effective

Date, or upon an occurrence of any of the events set forth in paragraph (5)(e) below (“**Termination Date**”). The intent of this Agreement is that the Owner shall receive the benefit of the payments in lieu of taxes commencing for a ten (10) full tax years from the Commencement Date of the Agreement in return for complying with the affordability restrictions of the HITF Regulatory Agreement (the “**Affordability Period**”).

(5) (a) For the period from the Commencement Date of this Agreement and continuing until the Termination Date, in addition to the annual payment of Other Real Estate Taxes and Fees payable September 30<sup>th</sup> of each year, the Owner shall make annual payments to the County for each tax year of fifty percent (50%) of the amount annually payable for Prince George’s County real property taxes based on the Maryland State Department of Assessments and Taxation’s annual assessment. The negotiated payment in lieu of tax described in this clause (5)(a) will remain fixed at fifty percent (50%) of the amount that would otherwise be payable for Prince George’s County real property taxes in each successive tax year until the Termination Date. Each annual payment shall be paid by September 30th of each tax year.

(b) Beginning on the Termination Date, the Project shall no longer be exempt from County real property taxes and the Owner shall commence paying the regular County real property taxes.

(c) The difference between the Project amounts paid under (5)(a) above and the amounts which would otherwise have been due prior to the Termination Date, but which are being deferred under the terms of this Agreement is referred to as the “**Deferred Amount.**” Prior to the Termination Date<sup>1</sup>, the Deferred Amount shall be due and payable on the refinance, (other than (x) an interest rate adjustment refinancing, where there is no ownership change and there is no “cash out” to the Owner or (y) a supplemental loan to the First Loan), or a sale or transfer of the Property if the Project ceases to be used in whole or part for the purpose set forth in this Agreement prior to the Termination Date, unless prior written consent of the County is obtained.

(d) Upon transfer or conveyance due to a foreclosure or a deed in lieu of foreclosure, the Project shall no longer be exempt from the County real property taxes and as applicable, all real property taxes, including the Deferred Amount, shall be due and immediately payable to the County. Notwithstanding the foregoing, so long as the HITF Regulatory Agreement containing therein affordability restrictions that form the basis of this Agreement survive foreclosure or conveyance by deed in lieu of foreclosure, this Agreement shall survive and the real property taxes and the Deferred Amount referenced in the prior sentence will not be due. The provisions set forth in this paragraph shall survive termination or expiration of this Agreement.

(d) This Agreement shall terminate upon the occurrence and continuance of any of the events set forth in (d)(i) through (d)(iv) below, and upon termination, all payments then due under this Agreement shall be paid to the County within sixty (60) days thereof:

(i) The Property shall cease to be owned by the Owner (or a County-approved successor-in-interest to the Owner) or an event of default, as defined within the HITF Regulatory Agreement, has been declared by the County and remained uncured by the Owner beyond all applicable notice and cure periods set forth therein;

(ii) The Owner, the Property or the Project shall cease to comply with the conditions of Section 7-506.3;

(iii) The Owner shall fail to make any payment hereby required as and when due, which failure continues for ten (10) business days following Owner's receipt from the County of a Notice of Default; and

(iv) The Owner shall elect to terminate this Agreement by providing written notice to the County.

(e) Documents submitted to the County and notices provided hereunder should be addressed as follows:

Prince George County Government  
Office of Finance, Treasury Division  
1301 McCormick Dr. Ste 1100  
Largo, MD 20774

Director  
Department of Housing and Community Development  
9200 Basil Court, Suite 500  
Largo, MD 20774

(6) (a) All taxes (as applicable) shall be due and payable by September 30th of each year. All payments under this Agreement shall be subject to the same interest rate, collection and tax sale provisions of the Prince George's County Code as for the collection of County property taxes except as otherwise expressly set forth in this Agreement.

(b) If the Owner has not paid the amount due under this Agreement within one

hundred and eighty (180) days after such payment is due, the County may, at its option, declare a default by providing notice of such default (a "Notice of Default") to the Owner and to the holders of all mortgages or deeds of trust ("Lenders"). If within ten (10) business days of receipt by Owner and the Lenders of such notice, any payments that are owed have not been brought current by the Owner or any of the lenders, then the County may declare all taxes, including the Deferred Amount due as follows: the amount equal to the total Prince George's County real property taxes which would have been due from the Owner on account of the assessed value of the Renovations in the absence of this Agreement plus all interest, if any, which shall have been charged pursuant to this Agreement, less all amounts actually paid under this Agreement. In order to enforce its rights under this paragraph after the Owner and/or Lenders has failed to bring its payments current within thirty (30) days of Owner and Lenders receiving its Notice of Default, the County may renegotiate this Agreement, foreclose or seek any other remedy available at law or in equity, including proceeding to Tax Sale. Payments due under this paragraph shall be considered a lien against the Property subordinate to the lien of the mortgages or deeds of trust held by the Lenders. The County's delay and/or failure to provide notice within the time and manner stated herein shall not limit or be a waiver of any of its rights and remedies in law and equity.

(7) Any document or agreement referenced hereinabove or amendments thereto, shall be provided with appropriate recording reference by the Owner when executed and shall be attached to this Agreement by a subsequent addendum identifying such documents and agreements for purposes of this Agreement.

(8) The recitals set forth above are herein incorporated as operative provisions.

(9) This Agreement shall be governed and construed in accordance with the laws of the State of Maryland, and any action for enforcement shall be brought in the Circuit Court for Prince George's County.

(10) If any clause, covenant, paragraph or provision herein shall be declared fully or partially invalid or unenforceable, the remaining clauses, covenants, paragraphs and provisions shall remain enforceable and valid to the fullest extent permitted by law.

(11) All understandings and agreements, oral or written, previously made between the parties are merged into this Agreement and this Agreement fully and completely expresses the agreement between the parties as to the PILOT. This Agreement cannot be amended, modified or terminated except by a written instrument executed by both parties hereto.

(12) This Agreement may be executed in several counterparts, each of which shall be deemed to be an original copy and all of which together shall constitute one agreement binding on all parties

hereto, notwithstanding that all the parties shall not have signed the same counterpart.

*[Signature Pages Follow.]*

IN WITNESS WHEREOF, between **8100 15<sup>TH</sup> AVE OWNER, LLC**, a Delaware limited liability company, has caused this Agreement to be signed in its name by its member, and PRINCE GEORGE'S COUNTY, MARYLAND has caused its name to be signed by the County Executive, or his designee representative, duly attested on this Agreement, on the day and year first hereinabove written.

**8100 15<sup>TH</sup> AVE OWNER, LLC,  
a Delaware limited liability company**

By: 8100 15<sup>TH</sup> AVE PJV, LLC, a Delaware limited liability company, its sole member

By: LDP 8100 15<sup>TH</sup> AVE INVESTOR, LLC, a Delaware limited liability company, its operating member

By: LDP INVESTMENT HOLDINGS, LLC, a Delaware limited liability company, its sole member

By: LDP HOLDINGS, LLC, a Delaware limited liability company, its sole member

By: \_\_\_\_\_  
Name: Jair K. Lynch  
Title: CEO and President

**PRINCE GEORGE'S COUNTY, MARYLAND**

By: \_\_\_\_\_  
Angie Rodgers  
Deputy Chief Administrative Officer  
for Economic Development

STATE OF MARYLAND, CITY/COUNTY OF \_\_\_\_\_

TO WIT:

I HEREBY CERTIFY that on this \_\_\_\_ day of \_\_\_\_\_, 2022 , before me a Notary Public of said State of Maryland the undersigned officer, personally appeared

\_\_\_\_\_ and stated that as an officer being authorized to do so, has executed the foregoing instrument for the purposes herein contained by signing the name of 8100 15<sup>TH</sup> AVE OWNER, LLC.

AS WITNESS my hand and Notarial Seal.

\_\_\_\_\_  
Notary Public  
My Commission Expires:

STATE OF MARYLAND, COUNTY OF PRINCE GEORGE’S, TO WIT:

I HEREBY CERTIFY that on this \_\_\_\_ day of \_\_\_\_\_, 2022, before me, the Subscriber, a Notary Public of said State of Maryland, in and for Prince George’s County aforesaid, personally appeared Angie Rodgers, Deputy Chief Administrative Officer for Economic Development of Prince George’s County, and she acknowledged the foregoing Agreement to be the corporate act and deed of the Deputy Chief Administrative Officer for Budget, Finance, Economic Development and Administration on behalf of Prince George’s County, Maryland.

AS WITNESS my hand and Notarial Seal.

\_\_\_\_\_  
Notary Public  
My Commission Expires:

