

**CONTRACT BETWEEN THE CITY OF BOSTON AND
SOUTH BOSTON WATERFRONT HOTEL, LLP
PURSUANT TO SECTION 6A OF CHAPTER 121A OF THE
MASSACHUSETTS GENERAL LAWS**

This Contract executed as of the 24 day of June, 2002, under Sections 6A, 10, and 15 of Chapter 121A of the General Laws of the Commonwealth of Massachusetts, is by and between SOUTH BOSTON WATERFRONT HOTEL, LLP, a Massachusetts registered limited liability partnership (hereinafter called the "Owner") and the CITY OF BOSTON, a municipal corporation of the Commonwealth of Massachusetts (hereinafter called the "City").

WITNESSETH THAT:

WHEREAS, the Owner has caused to be filed with the Boston Redevelopment Authority (the "Authority") an application dated January 29, 2002 (the "Application") for Authorization and Approval by the Authority of a Project Under Chapter 121A of the General Laws of the Commonwealth of Massachusetts and Chapter 652 of the Acts of 1960, each as amended, with respect to Parcel F-2, comprising approximately 56,410 square feet, located at D Street in the South Boston District of Boston, Massachusetts, shown on the plan annexed hereto as Exhibit A (the "Project Area") on which the Owner proposes to undertake an approximately 331,550 square-foot, 440-room, high quality, full service hotel and related improvements including, but not limited to, food and beverage outlets, a ground floor restaurant/bar, meeting rooms and ballroom space, a health facility, indoor pool and other amenities (the "Project"); and

WHEREAS, the Project is the hotel portion of a mixed use development (the "Development") consisting of an approximately 440-room hotel, two apartment buildings containing, in the aggregate, approximately 460 apartments (the "Apartments"), an underground parking garage to accommodate approximately 520 vehicles (the "Garage"), and related improvements to be located on certain premises owned by the Massachusetts Port Authority ("Massport") bounded on the north by Northern Avenue, on the west by D Street Extension, on the south and east by planned New Congress Street, containing approximately 3.4 acres, a part of the 30-acre Commonwealth Flats Development Area, Boston, Massachusetts;

WHEREAS, the Applicant will acquire a leasehold interest in the Project Area pursuant to a Hotel Ground Lease for Parcel F-2 with Massport (the "Ground Lease");

WHEREAS, pursuant to the terms of the Ground Lease and a Reciprocal Easement Agreement contemplated therein, the off-street parking for the Project will be in the Garage which is not a part of the Project;

WHEREAS, simultaneously with such acquisition of a leasehold interest in the Project Area pursuant to the Ground Lease, the Owner will enter into a sublease of the Project Area (the "Sublease") with South Boston Waterfront Hotel, LLC, an affiliate of the Applicant (the "Sub-

Tenant”);

WHEREAS, such Application was approved by the Authority by vote on February 14, 2002, adopting a certain Report and Decision (the “Report and Decision”); and

WHEREAS, the Mayor of the City approved the Authority's approval on February 25, 2002; and

WHEREAS, the vote of the Authority and the approval of the Mayor of the City were filed with the office of the City Clerk on February 27, 2002 (the “Approval Date”); and

WHEREAS, the City and the Owner desire to enter into this contract (this “Contract”).

NOW, THEREFORE, the Owner and the City agree, effective as of the date on which the Owner acquires a leasehold interest in the Project Area pursuant to the Ground Lease and enters into the Sublease with the Sub-Tenant for the Project Area (the “Effective Date”), as follows:

1. The Owner hereby agrees with the City that, subject to paragraph 8 hereof, all activities of the Owner will be undertaken in accordance with the Application, the provisions of Chapter 121A of the General Laws of the Commonwealth of Massachusetts (“Chapter 121A”) as now in effect, and the Report and Decision, including without limitation the Minimum Standards for the Financing, Construction, Maintenance and Management of the Project referenced therein (collectively, the “Approval”), which are incorporated herein by reference. Such activities of the Owner will include acquisition of the Project Area and causing the Project to be constructed, maintained and managed.

2. Subject to the provisions and limitations of this Contract, the Owner will pay to the Department of Revenue of the Commonwealth of Massachusetts or any successor agency or department performing similar functions (“DOR”), for each calendar year during which the Owner is subject to Chapter 121A and has the benefit of the tax exemption provided thereunder, the urban redevelopment excise required under Section 10 of Chapter 121A (the “Excise Tax”).

3. Subject to the provisions and limitations of this Contract, the Owner will pay to the City with respect to each calendar year or portion thereof during which the Owner is subject to Chapter 121A and has the benefit of the tax exemption provided thereunder, commencing on the Effective Date and ending on the date on which the Project is no longer subject to Chapter 121A, the amount (the “Differential”), if any, by which the following amounts (the “Contract Amount”) exceed the Excise Tax for such calendar year:

a. Construction Period. During the period (the “Construction Period”) commencing on the Effective Date and ending on the earlier to occur of (i) the last day of the calendar month in which “Construction Completion,” as hereinafter defined, occurs or (ii) twenty-four (24) months after the issuance of a building permit for the Project, the Contract Amount payable by the Owner for each calendar year shall be One Hundred Ten Thousand and 00/100 Dollars (\$110,000.00). For purposes hereof, “Construction Completion” shall be deemed

to have occurred when both of the following events shall have occurred: (i) a Certificate of Completion has been issued by the Authority for the Project, and (ii) certificate(s) of occupancy (temporary or permanent) have been issued for all portions of the Project.

b. Operating Period. During the period (the "Operating Period") commencing on the first day following the expiration of the Construction Period and ending on the date on which the Project is no longer subject to Chapter 121A of the General Laws, the Contract Amount payable by the Owner for each calendar year (or portion thereof) shall be the percentage of Hotel Operating Revenue, as hereinafter defined, specified below in the column designated "Base Percentage;" provided, however, that (i) if the First Revenue Trigger, as hereinafter defined, with respect to any such year shall be exceeded (a "First Excess Profit Year"), then in any such First Excess Profit Year the applicable percentage of Hotel Operating Revenue shall be the percentage of Hotel Operating Revenue specified for such calendar year below as "First Increased Percentage;" and (ii) if the Second Revenue Trigger, as hereinafter defined, with respect to any such year shall be exceeded (a "Second Excess Profit Year"), then in any such Second Excess Profit Year the applicable percentage of Hotel Operating Revenue shall be the percentage of Hotel Operating Revenue specified for such calendar year below as "Second Increased Percentage:"

Operating Year	Base Percentage	First Increased Percentage	Second Increased Percentage
First full calendar year of the Operating Period and any partial calendar year at the commencement of the Operating Period	1.5%	1.5%	1.5%
Second calendar year of Operating Period	1.5%	1.5%	2.0%
Third calendar year of Operating Period	2%	2.0%	2.5%
Fourth calendar year of Operating Period	2%	2.0%	3.0%
Fifth calendar year of Operating Period	2.5%	3.5%	4.0%
Sixth calendar year of Operating Period	2.5%	4.0%	4.0%
Seventh calendar year of Operating Period	3.0%	4.0%	4.5%
Eighth calendar year of Operating Period	3.0%	4.25%	4.5%
Ninth calendar year of Operating Period	4.0%	4.5%	5.0%

Tenth calendar year of Operating Period	4.0%	4.75%	5.0%
Eleventh calendar year of Operating Period	4.0%	5.0%	5.5%
Twelfth calendar year of Operating Period	5.0%	5.0%	5.5%
Thirteenth calendar year or portion thereof of Operating Period	5.0%	6.0%	6.0%

For the purposes hereof:

A. the term "Hotel Operating Revenue" shall mean collectively, without duplication, the following: (i) revenues actually received by the Sub-Tenant from the rental of any room or suite of rooms in the Project primarily designed and equipped to provide sleeping accommodations to transients (a "Guest Room"), including the stated charge for any Guest Room and any amounts added to any bill for any other item, including without limitation, any and all food or beverage charges, telephone charges, valet or laundry service charges, or service for which a separate charge is made other than parking (which is governed by clause (iv) below); (ii) revenues actually received by Sub-Tenant from the sale of food or beverages in the Project, whether in any restaurant, lounge, cafe or function room, or Guest Room, except for any charges included under (i); (iii) all revenues actually received by Sub-Tenant from the use or rental of any facilities in the Project, including without limitation function rooms, ballrooms, meeting rooms, and health facilities, except for any charges included under (I) and (ii); and (iv) all Net Parking Revenues, as hereinafter defined.

B. the term Net Parking Revenues shall mean all parking revenues actually received by the Sub-Tenant for the Project, including without limitation any parking charges added to the charges for a Guest Room and any parking charges to visitor or guests using any restaurant, lounge, café, function room, ballrooms, meeting rooms, or health facilities, less any payments made by the Owner or the Sub-Tenant to the owner or operator of the Garage, whether pursuant to the Reciprocal Easement Agreement or other written agreement, for the right to use and occupy spaces in the Garage for the Project.

C. the term "First Revenue Trigger" shall mean with respect to any full calendar years of the Operating Period (and any partial calendar year at the commencement or end of the Operating Period), that the Hotel Operating Revenue for any such year exceeds the projected Hotel Operating Revenue for such year shown on Exhibit B annexed hereto and incorporated herein by this reference by ten percent (10%) or more but less than fifteen percent (15%) (with appropriate proration for any partial operating year); and

D. the term "Second Revenue Trigger" shall mean with respect to any full calendar years of the Operating Period (and any partial calendar year at the commencement or end of the Operating Period), that the Hotel Operating Revenue for any such year exceeds the projected

Hotel Operating Revenue for such year shown on Exhibit B annexed hereto and incorporated herein by this reference by fifteen percent (15%) or more (with appropriate proration for any partial operating year).

c. Re-negotiation in Case of Delay. Notwithstanding the provisions of paragraphs a and b above, if the Effective Date and commencement of construction of the Project has not occurred by December 15, 2003, the Contract Amount shall be subject to re-negotiation by the parties to reflect the deferred commencement of construction of the Project.

Payments of amounts due hereunder shall be equitably pro rated for any partial year during the periods set forth in this Section 3. Payments to the City, by and through its Collector-Treasurer, of any Differential shall be made by no later than April 1st following the end of each calendar year for which such a payment is due. Late payments shall bear interest at the rate equal to the rate charged for delinquent real estate accounts by the City.

The obligation of the Owner to pay the Differential with respect to any such calendar shall be reduced by the amount of real estate taxes assessed upon the fee to the Project Area with respect to any such calendar year pursuant to General Laws, Chapter 59 §2B, §17 of Chapter 465 of the Acts of 1956, as amended, or any successor statutes, or amounts paid with respect to the Project Area as a different or additional tax resulting from the replacement of the current method of assessment of real estate taxes, in whole or in part, by a different method or type of tax or the imposition of an additional type of tax to supplement the current method of assessing real estate taxes (the "2B Tax Payment"), payable after the Effective Date. Such reduction shall not be taken with respect to the excise imposed by M.G.L. Chapter 64G, or any different or additional tax which does not result in the actual reduction of the City's real estate tax levy. If the 2B Tax Payment in any such calendar year is greater than the Differential for such year, such excess 2B Tax Payment shall be treated as an 2B Tax Payment in the next succeeding calendar years until fully recovered. and

4. The Owner shall file with the Assessing Department by February 10th of each calendar year during which this Contract is in effect a computation for such calendar year under the applicable formula set forth in Section 3 above, including without limitation the Contract Amount, the Differential and the 2B Tax Payment certified by an authorized representative of the Owner. Further, the Owner shall file with the Assessing Department and the Collector-Treasurer of the City by April 1st of each calendar year during which this Contract is in effect (i) a certified copy of the Owner's urban redevelopment excise tax return for the preceding calendar year as filed with the DOR; and (ii) a statement of profit and loss, a balance sheet and a statement of receipts and disbursements for the Project for the preceding calendar year.

5. The Owner hereby authorizes the Commissioner of Assessing, or a representative of the Commissioner designated in writing, to examine from time to time all urban redevelopment excise tax returns and attachments thereto filed by the Owner with the DOR by the Owner. No further evidence of this authorization shall be required.

6. Any Overpayment (as defined below) by the Owner with respect to any calendar year with respect to the Project shall be refunded by the City to the Owner as soon as practicable after the sending of a written notice to the City by the Owner of the discovery of such overpayment. In the event that the amount of any Overpayment is not refunded prior to the date on which the next payment by the Owner becomes due under this Contract, the Owner shall, notwithstanding anything else herein to the contrary, be entitled to offset the amount of such Overpayment against such next payment. For purposes of this Contract, an Overpayment by the Owner with respect to any calendar year shall include the following, but only to the extent that the following exceed collectively the Contract Amount for that calendar year: (A)(x) amounts paid by the Owner to the Commonwealth of Massachusetts, the City or the Authority with respect to the Project pursuant to Sections 10, 15 and 18C of Chapter 121A, (y) any amounts paid by the Owner to the City of Boston as real estate or personal property taxes pursuant to Massachusetts General Laws, Chapter 59, §17 of Chapter 465 of the Acts of 1956, as amended, or any successor statutes, with respect to the Project or the Project Area for any period during which this Contract is in effect, whether assessed to the Owner or to any predecessor lessee of Massport of all or any portion of the Project Area, other than the 2B Tax Payment; or (B) amounts paid with respect to the Project or the Project Area as a different or additional tax resulting from the replacement of the current method of assessment of real estate taxes, provided, however, that such Overpayment shall not include the excise imposed by M.G.L. Chapter 64G, or any different or additional tax which does not result in the actual reduction of the City's real estate tax levy; or (C) any amounts paid by the Owner to the City of Boston with respect to the Project in excess of amounts actually due under this Contract due to calculation error, inaccurate information or other inadvertent mistake.

7. The Assessing Department hereby determines, in accordance with the seventh paragraph of Section 10 of Chapter 121A, that the fair cash value of the real and personal property constituting the Project, as of January 1, 2003, and for each succeeding January 1st through and including January 1st of the year next following the year in which the Owner's property tax exemption under Chapter 121A shall terminate, shall be an amount which, when used in the computation of the Excise Tax for or with respect to the previous calendar year, would not result in an Excise Tax greater than the Contract Amount due for such prior calendar year, provided that the statements required by the first sentence of Section 4 of this Contract are filed.

The Assessing Department agrees to certify as to each of the foregoing fair cash value dates and amounts to the Department of Revenue and the Owner on or before March 1 of each year during such periods, pursuant to the second paragraph of Section 10 of Chapter 121A. The Assessing Department acknowledges that the Project constitutes all the real and personal property of the Owner for which it is required to establish a fair cash value under the provisions of Section 10 of Chapter 121A.

8. The obligations of the Owner under this Contract and the Report and Decision are conditioned in all respects upon (i) the acquisition of a leasehold interest in the Project Area by the Owner; (ii) the issuance of all permissions, variances, permits and licenses which may be required with respect to the construction, maintenance and management of the Project, whether

or not the same were specified in the Application; and (iii) the Project being exempt from taxation under Section 10 of Chapter 121A. The Owner shall not be held in any way liable for delays which may occur in the construction, repair and maintenance of the Project, or otherwise, by reason of scarcity of materials or labor, labor difficulties, damage by fire or other casualty or any other cause beyond the Owner's reasonable control. The Owner agrees to use reasonable efforts to cause all such permissions, variances, permits and licenses to be secured and all such delays to be overcome.

9. This Contract shall continue for a term commencing on Effective Date and terminating on the date on which the property tax exemption provided to the Owner under Chapter 121A terminates. Notwithstanding the foregoing, upon the termination of this Contract as to the Project, the Owner shall pay or cause to be paid a pro-forma tax to cover the time period between such termination of this Contract and the period under which the Project becomes taxable pursuant to General Laws Chapter 59, which pro-forma tax shall be equal to the Contract Amount for such period if the Project or portion thereof had remained subject to this Contract. Such amount for the balance of the calendar year during which this Contract terminates shall be payable on or before March 15th of the year following the year in which this Contract terminates. Such amount for the first six months of the year following the year in which this Contract terminates shall be payable on or before June 30th of the year following the year in which this Contract terminates. Neither the Project nor the Owner shall thereafter be subject to the obligations of Chapter 121A, enjoy the rights and privileges thereunder, or be subject to the terms, conditions, and obligations of this Contract as provided in Chapter 121A (provided, however, as set forth in Section 10(e) and 10(f) of the Application, the deviations and permissions granted by the Authority pursuant to the Approval shall survive and remain in effect).

10. The Owner and the City agree that, without mutual consent, any amendment subsequent to the delivery of this Contract of any of the provisions of Chapter 121A or of Chapter 652 of the Acts of the 1960 or of the Rules, Regulations and Standards now applicable to the Project shall not affect this Contract.

11. All notices required or permitted pursuant to this Agreement shall be in writing, signed by a duly authorized officer or representative of the Authority or the Owner, as the case may be, and shall be either hand delivered or mailed postage pre-paid, by registered or certified mail, return receipt requested and shall be deemed given when delivered, if by hand, or when deposited with the U.S. Postal Service, if mailed to the principal office of the party to which it is directed, which is as follows unless otherwise designated by written notice to the other party:

the Owner: South Boston Waterfront Hotel, LLP
 280 Northern Avenue
 Boston, Massachusetts 02210
 Attention: Mr. Joseph Fallon

with a copy to:

Rubin & Rudman, LLP
50 Rowes Wharf
Boston, Massachusetts 02110
Attention: Myrna Putziger, Esq.

the City

Assessing Department
Room 301
One City Hall Square
Boston, Massachusetts 02201-1007
Attention: Commissioner

12. The provisions of this Contract shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Each and every obligation and condition contained in this Contract, in the Approval or in any agreement or undertaking relating to the Approval is and shall be construed to apply separately to the owner of any separate portion of the Project and a default by the owner of any separate portion of the Project, under the Approval or under any such agreement or undertaking shall not constitute a default by the owner of another portion or by the Owner. The liability of the undersigned shall be limited solely to its interest in the Project, and no partner, venturer, trustee, beneficiary, shareholder, officer, director or the like of the Owner or its successors or assigns (including, without limitation, mortgagees), or any person or entity directly or indirectly holding any interests in any of the foregoing from time to time, shall have or be subject to any personal liability hereunder. After any termination under Chapter 121A as to the Project, or transfer of the Project and the Project Area to another party, or termination or transfer of any portion thereof, each in accordance with the Approval by the Authority or as otherwise approved by the Authority, the Owner shall no longer be subject to the obligations hereof and shall have no further liability hereunder with respect to the Project or such portion of the Project, as the case may be, the City agreeing to look solely to such transferee.

13. If any provision of this Contract or the application thereof to any person or circumstance shall be invalid or unenforceable to any extent, the remainder of this Contract and the application of such provisions to other persons and circumstances shall not be affected thereby and shall be enforced to the greatest extent permitted by law.

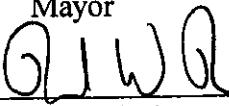
14. The City acknowledges and agrees that neither the Approval nor the terms and provisions of this Contract shall give rise to any claim for additional in lieu of tax payments with respect to the Project or the Project Area against Massport by the City under that certain Amended and Restated Payment in Lieu of Taxes Agreement dated March 14, 1995, as a tax concession or otherwise.

EXECUTED as a sealed instrument the day and year first above written.

CITY OF BOSTON

By: _____

Mayor

By: 

Commissioner of Assessing

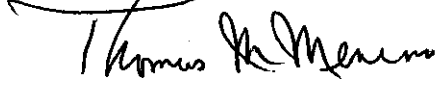
SOUTH BOSTON WATERFRONT HOTEL, LLP,
a Massachusetts registered limited liability
partnership

By: South Boston Waterfront Hotel, LLC, Partner

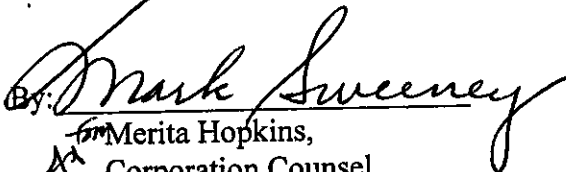
By: Fallon Waterfront Hotel, LLC,
Manager

By: 

Joseph F. Fallon



APPROVED AS TO FORM:

By: 

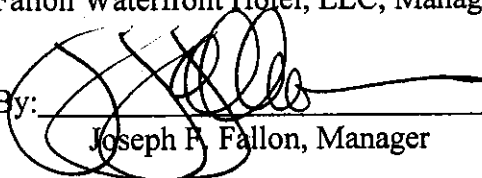
Merita Hopkins,
Corporation Counsel
City of Boston

Limited Joinder

The undersigned South Boston Waterfront Hotel, LLC, being the Sub-Tenant, joins in the foregoing Contract solely for the purpose of agreeing to submit to the Owner and to the Commissioner of Assessing the information required by Sections 3, 4 and 5 of the foregoing Contract, as and when required by said Sections 3, 4, and 5. By the execution of this Contract the City acknowledges and agrees that neither such joinder, nor the performance of the undertaking made herein, shall subject the undersigned to the provisions of Chapter 121A, including without limitation the Regulatory Agreement, and that only the Owner is an entity subject to said Chapter 121A with respect to the Project.

This Limited Joinder shall be binding upon and inure to the benefit of the City and Sub-Tenant and their respective successors and assigns.

SOUTH BOSTON WATERFRONT HOTEL, LLC
By: Fallon Waterfront Hotel, LLC, Manager

By:  _____
Joseph F. Fallon, Manager

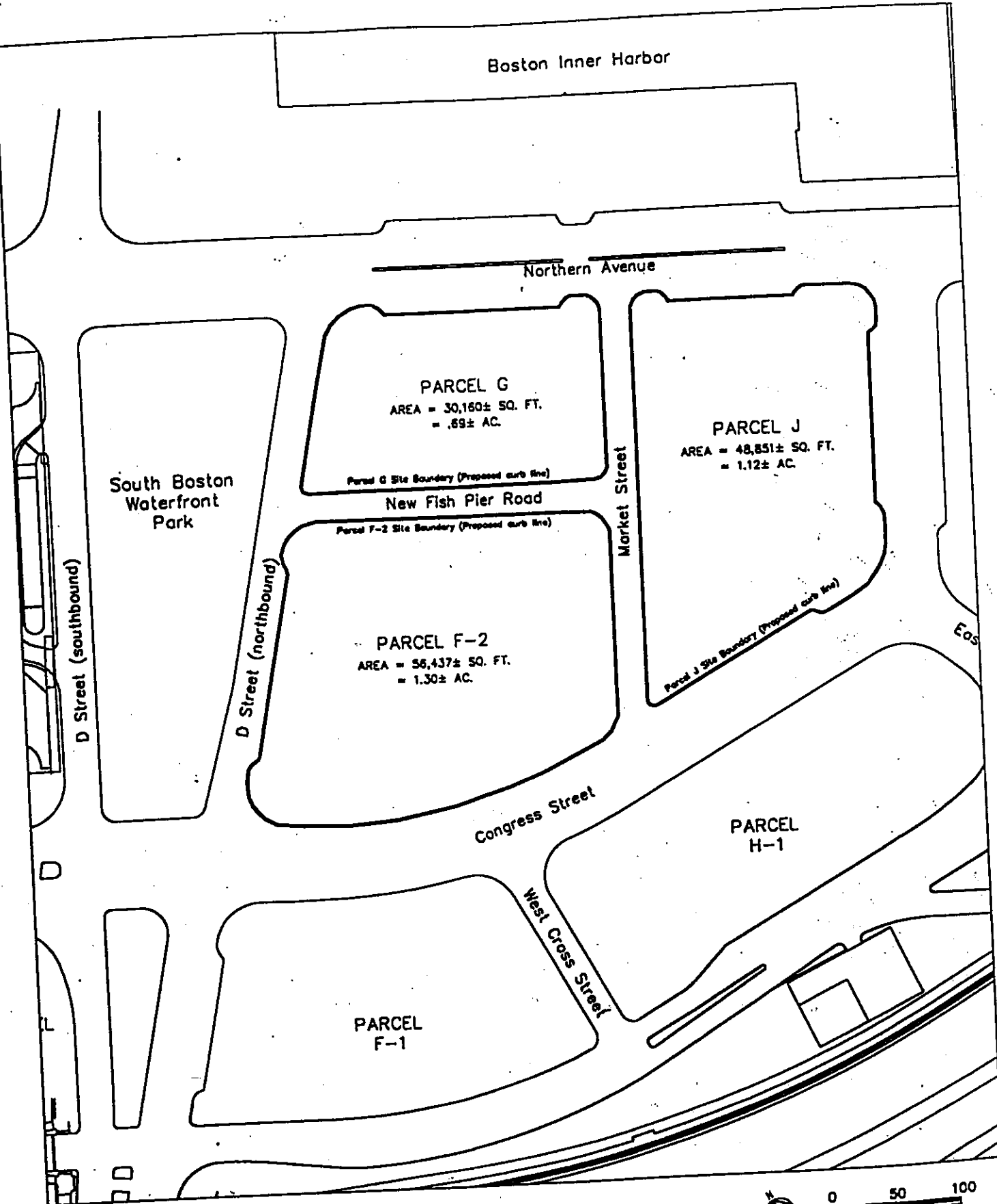


Exhibit A - Parcels F2, G and J



Massachusetts Port Authority
Business Development Department
January 2002

Notes:
This drawing is intended for informational purposes only and no use may be made of the same without the express written permission of the Massachusetts Port Authority ("Massport"). Massport does not certify the accuracy, information or title to the properties contained in this plan nor make any warranties of any kind, express or implied, in fact or by law, with respect to any boundaries, easements, restrictions, claims, overlaps or other encumbrances affecting such properties.

EXHIBIT "B"

**Projected Hotel
Operating Revenue** **Operating Year**

35,835,000	1
39,206,000	2
42,995,000	3
45,902,000	4
47,493,000	5
48,892,000	6
50,358,000	7
51,868,000	8
53,424,000	9
55,027,000	10
56,678,000	11
58,378,000	12
60,130,000	13

**AMENDED AND RESTATED CONTRACT BETWEEN THE CITY OF BOSTON AND
LPR BOSTON HOTEL LP
PURSUANT TO SECTION 6A OF CHAPTER 121A OF THE
MASSACHUSETTS GENERAL LAWS**

This Contract executed as of 28th day of December, 2007, under Sections 6A, 10, and 15 of Chapter 121A of the General Laws of the Commonwealth of Massachusetts, is by and between LPR BOSTON HOTEL LP, a Delaware limited partnership, as successor in interest to REN Boston LP, a Delaware limited partnership whose predecessor in interest was South Boston Waterfront Hotel, LLP, a Massachusetts registered limited liability partnership (hereinafter called the "Owner") and the CITY OF BOSTON, a municipal corporation of the Commonwealth of Massachusetts (hereinafter called the "City").

WITNESSETH THAT:

WHEREAS, South Boston Waterfront Hotel, LLP ("Original Applicant") filed with the Boston Redevelopment Authority (the "Authority") an application dated January 29, 2002 (the "Application") for Authorization and Approval by the Authority of a Project Under Chapter 121A of the General Laws of the Commonwealth of Massachusetts and Chapter 652 of the Acts of 1960, each as amended, with respect to Parcel F-2 located at D Street in the South Boston District of Boston, Massachusetts, shown on the plan annexed hereto as Exhibit A (the "Project Area") for the development of a high quality, full service hotel and related improvements including, but not limited to, food and beverage outlets, a ground floor restaurant/bar, meeting rooms and ballroom space, a health facility, indoor pool and other amenities (the "Project," as more particularly described below); and

WHEREAS, on February 14, 2002, the Authority by vote adopted a Report and Decision (the "Report and Decision") on the Project; such vote was approved by the Mayor of the City of Boston (the "Mayor") on February 25, 2002 and the vote as so approved was filed with the Clerk of the City of Boston (the "City Clerk") on February 27, 2002 (the "Approval Date"); and

WHEREAS, on January 16, 2003, the Authority, by vote adopted a First Report and Decision Amendment (the "First Amendment") on the Project, which in part approved the transfer of the Project from the Original Applicant to REN Boston LP. Such vote was approved by the Mayor on January 21, 2003 and the vote as so approved was filed with the City Clerk on January 22, 2003; and

WHEREAS, on January 20, 2005, the Authority by vote, adopted a Second Report and Decision Amendment on the Project (the "Second Amendment"), which approved certain design revisions to the Project, which now has an area of approximately 56,669 square feet of land and approximately 470 rooms. Such vote was approved by the Mayor on January 25, 2005 and the vote as so approved was filed with the City Clerk on January 31, 2005; and

WHEREAS, on November 15, 2007 the Authority by vote adopted a Third Report and Decision Amendment on the Project, (the "Third Amendment") which approved the transfer of

the Project from REN Boston LP to Owner, and required the Owner to enter in to an Assignment and Assumption Agreement regarding the 6A Contract, or an Amended and Restated 6A Agreement with the City of Boston Assessing Department; and

WHEREAS, the Report and Decision, as amended by the First Amendment, Second Amendment and Third Amendment, shall hereinafter be referred to as the "Amended Report and Decision;" and

WHEREAS, the Project Area, defined in the Amended Report and Decision, is owned by the Massachusetts Port Authority ("Massport"); and

WHEREAS, REN Boston LP acquired a leasehold interest in the Project Area pursuant to a Hotel Ground Lease dated February 16, 2006 for Parcel F-2 with Massport, which has been assigned to and assumed by the Owner (the "Ground Lease");

WHEREAS, simultaneously with such acquisition of a leasehold interest in the Project Area pursuant to the Ground Lease, REN Boston LP entered into a sublease of the Project Area (the "Sublease") with REN Boston Waterfront Hotel, LLC, a Delaware limited liability company, which Sublease has been assigned to LPR Boston Hotel Tenant LLC ("Sub-Tenant");

WHEREAS, the Owner and the City are now entering into an Amended and Restated 6A Contract as required by the Third Amendment pursuant to the provisions of Chapter 121A, the Authority is requiring the Owner to enter into a new Regulatory Agreement with the Authority.

WHEREAS, the Project consists of the development of an approximately 351,155 square foot, 471 room, high quality, full service hotel and related improvements including, but not limited to, food and beverage outlets, a ground floor restaurant/bar, meeting rooms and ballroom space, a health facility, indoor pool and other amenities which is now under construction but expected to be completed in the first quarter of 2008 as described in greater detail below; and

WHEREAS, the Project is the hotel portion of a mixed use development (the "Development") consisting of the Project together with two apartment buildings containing, in the aggregate, approximately 460 apartments (the "Apartments"), an underground parking garage to accommodate approximately 520 vehicles (the "Garage"), and related improvements to be located on certain premises owned by the Massachusetts Port Authority ("Massport") bounded on the north by Northern Avenue, on the west by D Street Extension, on the south and east by planned New Congress Street, containing approximately 3.4 acres, a part of the 30-acre Commonwealth Flats Development Area, Boston, Massachusetts;

WHEREAS, pursuant to the terms of the Ground Lease and a Reciprocal Easement Agreement contemplated therein, the off-street parking for the Project is provided in the Garage which is not a part of the Project and;

WHEREAS, the City and the Owner desire to enter into this contract (this "Contract") and the City acknowledges that it will receive on the Effective Date the sum equal to One Million Four Hundred and Sixty Thousand (\$1,460,000.00) Dollars from REN Boston LP, predecessor in interest to the Owner, in consideration of authorizing the transfer to the Owner and the execution of the Amended and Restated 6A Contract contemplated herein.

NOW, THEREFORE, the Owner and the City agree, effective as of the date on which the Owner acquires a leasehold interest in the Project Area pursuant to the assignment of the Ground Lease and enters into the Sublease with the Sub-Tenant for the Project Area (the "Effective Date"), as follows:

1. The Owner hereby agrees with the City that, subject to paragraph 8 hereof, all activities of the Owner will be undertaken in accordance with the Application as amended, the provisions of Chapter 121A of the General Laws of the Commonwealth of Massachusetts ("Chapter 121A") as now in effect, and the Report and Decision, including without limitation the Minimum Standards for the Financing, Construction, Maintenance and Management of the Project referenced therein (collectively, the "Approval"), which are incorporated herein by reference. Such activities of the Owner will include acquisition of the Project Area and causing the Project to be constructed, maintained and managed.

2. Subject to the provisions and limitations of this Contract, the Owner will pay to the Department of Revenue of the Commonwealth of Massachusetts or any successor agency or department performing similar functions ("DOR"), for each calendar year during which the Owner is subject to Chapter 121A and has the benefit of the tax exemption provided thereunder, the urban redevelopment excise required under Section 10 of Chapter 121A (the "Excise Tax").

3. Subject to the provisions and limitations of this Contract, the Owner will pay to the City with respect to each calendar year or portion thereof during which the Owner is subject to Chapter 121A and has the benefit of the tax exemption provided thereunder, commencing on the Effective Date and ending on February 26, 2017, the amount (the "Differential"), if any, by which the following amounts (the "Contract Amount") exceed the Excise Tax for such calendar year:

a. Construction Period. During the period (the "Construction Period") commencing on the Effective Date and ending on the earlier to occur of (i) the last day of the calendar month in which "Construction Completion," as hereinafter defined, occurs or (ii) twenty-four (24) months after the issuance of a building permit for the Project, the Contract Amount payable by the Owner for each calendar year shall be One Hundred Ten Thousand and 00/100 Dollars (\$110,000.00). For purposes hereof, "Construction Completion" shall be deemed to have occurred when both of the following events shall have occurred: (i) a Certificate of Completion has been issued by the Authority for the Project, and (ii) certificate(s) of occupancy (temporary or permanent) have been issued for all portions of the Project. The City acknowledges that it has received from REN Boston LP, predecessor in interest to the Owner 5 payments totaling Five Hundred Fifty Thousand and 00/100 (\$550,000.00) representing the required payments under this contract during the Construction Period. The Owner expects that a Certification of Completion will be issued by the Authority and a Certificate of Occupancy will be issued for all portions of the Project in the first quarter of 2008.

b. Operating Period. During the period (the "Operating Period") commencing on the first day following the expiration of the Construction Period and ending on the date on which the Project is no longer subject to Chapter 121A of the General Laws, the Contract Amount payable by the Owner for each calendar year (or portion thereof) shall be the

percentage of Hotel Operating Revenue, as hereinafter defined, specified below in the column designated "Base Percentage".

Operating Year	Base Percentage	
First full or partial calendar year of the Operating Period or and any partial calendar year at the commencement of the Operating Period	2.5%	0408
Second calendar year of Operating Period	3.0%	0409
Third calendar year of Operating Period	2.5%	0410
Fourth calendar year of Operating Period	3.0%	0411
Fifth calendar year of Operating Period	4.0%	0412
Sixth calendar year of Operating Period	4.0%	0413
Seventh calendar year of Operating Period	4.5%	0414
Eighth calendar year of Operating Period	4.5%	0415
Ninth calendar year of Operating Period	5.0%	0416
Tenth calendar year of Operating Period	5.0%	0417

For the purposes hereof:

A. the term "Hotel Operating Revenue" shall mean collectively, without duplication, the following: (i) revenues actually received by the Sub-Tenant from the rental of any room or suite of rooms in the Project primarily designed and equipped to provide sleeping accommodations to transients (a "Guest Room"), including the stated charge for any Guest Room and any amounts added to any bill for any other item, including without limitation, any and all food or beverage charges, telephone charges, valet or laundry service charges, or service for which a separate charge is made other than parking (which is governed by clause (iv) below); (ii) revenues actually received by Sub-Tenant from the sale of food or beverages in the Project, whether in any restaurant, lounge, cafe or function room, or Guest Room, except for any charges included under (i); (iii) all revenues actually received by Sub-Tenant from the use or rental of any facilities in the Project, including without limitation function rooms, ballrooms, meeting

rooms, and health facilities, except for any charges included under (I) and (ii); and (iv) all Net Parking Revenues, as hereinafter defined.

B. the term Net Parking Revenues shall mean all parking revenues actually received by the Sub-Tenant for the Project, including without limitation any parking charges added to the charges for a Guest Room and any parking charges to visitor or guests using any restaurant, lounge, cafe, function room, ballrooms, meeting rooms, or health facilities, less any payments made by the Owner or the Sub-Tenant to the owner or operator of the Garage, whether pursuant to the Reciprocal Easement Agreement or other written agreement, for the right to use and occupy spaces in the Garage for the Project.

C. Pro-ration.

Payments of amounts due hereunder shall be equitably pro rated for any partial year during the periods set forth in this Section 3. Payments to the City, by and through its Collector-Treasurer, of any Differential shall be made by no later than April 1st following the end of each calendar year for which such a payment is due. Late payments shall bear interest at the rate equal to the rate charged for delinquent real estate accounts by the City.

The obligation of the Owner to pay the Differential with respect to any such calendar shall be reduced by the amount of real estate taxes assessed upon the fee to the Project Area with respect to any such calendar year pursuant to General Laws, Chapter 59 §2B, §17 of Chapter 465 of the Acts of 1956, as amended, or any successor statutes, or amounts paid with respect to the Project Area as a different or additional tax resulting from the replacement of the current method of assessment of real estate taxes, in whole or in part, by a different method or type of tax or the imposition of an additional type of tax to supplement the current method of assessing real estate taxes (the "2B Tax Payment"), payable after the Effective Date. Such reduction shall not be taken with respect to the excise imposed by M.G.L. Chapter 64G, or any different or additional tax which does not result in the actual reduction of the City's real estate tax levy. If the 2B Tax Payment in any such calendar year is greater than the Differential for such year, such excess 2B Tax Payment shall be treated as an 2B Tax Payment in the next succeeding calendar years until fully recovered. and

4. The Owner shall file with the Assessing Department by February 10th of each calendar year during which this Contract is in effect a computation for such calendar year under the applicable formula set forth in Section 3 above, including without limitation the Contract Amount, the Differential and the 2B Tax Payment certified by an authorized representative of the Owner. Further, the Owner shall file with the Assessing Department and the Collector-Treasurer of the City by April 1st of each calendar year during which this Contract is in effect (i) a certified copy of the Owner's urban redevelopment excise tax return for the preceding calendar year as filed with the DOR; and (ii) a statement of profit and loss, a balance sheet and a statement of receipts and disbursements for the Project for the preceding calendar year.

5. The Owner hereby authorizes the Commissioner of Assessing, or a representative of the Commissioner designated in writing, to examine from time to time all urban redevelopment excise tax returns and attachments thereto filed by the Owner with the DOR by the Owner. No further evidence of this authorization shall be required.

6. Any Overpayment (as defined below) by the Owner with respect to any calendar year with respect to the Project shall be refunded by the City to the Owner as soon as practicable after the sending of a written notice to the City by the Owner of the discovery of such overpayment. Provided notice is received as herein stated, in the event that the amount of any Overpayment is not refunded prior to the date on which the next payment by the Owner becomes due under this Contract, the Owner shall be entitled to offset the amount of such Overpayment against such next payment. For purposes of this Contract, an Overpayment by the Owner with respect to any calendar year shall include the following, but only to the extent that the following exceed collectively the Contract Amount for that calendar year: (A)(x) amounts paid by the Owner to the Commonwealth of Massachusetts, the City or the Authority with respect to the Project pursuant to Sections 10, 15 and 18C of Chapter 121A, (y) any amounts paid by the Owner to the City of Boston as real estate or personal property taxes pursuant to Massachusetts General Laws, Chapter 59, §17 of Chapter 465 of the Acts of 1956, as amended, or any successor statutes, with respect to the Project or the Project Area for any period during which this Contract is in effect, whether assessed to the Owner or to any predecessor lessee of Massport of all or any portion of the Project Area, other than the 2B Tax Payment; or (B) amounts paid with respect to the Project or the Project Area as a different or additional tax resulting from the replacement of the current method of assessment of real estate taxes, provided, however, that such Overpayment shall not include the excise imposed by M.G.L. Chapter 64G, or any different or additional tax which does not result in the actual reduction of the City's real estate tax levy; or (C) any amounts paid by the Owner to the City of Boston with respect to the Project in excess of amounts actually due under this Contract due to calculation error, inaccurate information or other inadvertent mistake.

7. The Assessing Department hereby determines, in accordance with the seventh paragraph of Section 10 of Chapter 121A, that the fair cash value of the real and personal property constituting the Project, as of January 1, 2003, and for each succeeding January 1st through and including January 1st of the year next following the year in which the Owner's property tax exemption under Chapter 121A shall terminate, shall be an amount which, when used in the computation of the Excise Tax for or with respect to the previous calendar year, would not result in an Excise Tax greater than the Contract Amount due for such prior calendar year, provided that the statements required by the first sentence of Section 4 of this Contract are filed.

The Assessing Department agrees to certify as to each of the foregoing fair cash value dates and amounts to the Department of Revenue and the Owner on or before March 1 of each year during such periods, pursuant to the second paragraph of Section 10 of Chapter 121A. The Assessing Department acknowledges that the Project constitutes all the real and personal property of the Owner for which it is required to establish a fair cash value under the provisions of Section 10 of Chapter 121A.

8. The obligations of the Owner under this Contract and the Report and Decision are conditioned in all respects upon (i) the acquisition of a leasehold interest in the Project Area by the Owner; (ii) the issuance of all permissions, variances, permits and licenses which may be required with respect to the construction, maintenance and management of the Project, whether or not the same were specified in the Application; and (iii) the Project being exempt from taxation under Section 10 of Chapter 121A. The Owner shall not be held in any way liable for

delays which may occur in the construction, repair and maintenance of the Project, or otherwise, by reason of scarcity of materials or labor, labor difficulties, damage by fire or other casualty or any other cause beyond the Owner's reasonable control. The Owner agrees to use reasonable efforts to cause all such permissions, variances, permits and licenses to be secured and all such delays to be overcome.

9. This Contract shall continue for a term commencing on Effective Date and terminating on February 26, 2017, the date on which the property tax exemption provided to the Owner under Chapter 121A terminates. Notwithstanding the foregoing, upon the termination of this Contract as to the Project, the Owner shall pay or cause to be paid a pro-forma tax to cover the time period between such termination of this Contract and the period under which the Project becomes taxable pursuant to General Laws Chapter 59, which pro-forma tax shall be equal to the Contract Amount for such period if the Project or portion thereof had remained subject to this Contract. Such amount for the balance of the calendar year during which this Contract terminates shall be payable on or before March 15th of the year following the year in which this Contract terminates. Such amount for the first six months of the year following the year in which this Contract terminates shall be payable on or before June 30th of the year following the year in which this Contract terminates. Neither the Project nor the Owner shall thereafter be subject to the obligations of Chapter 121A, enjoy the rights and privileges thereunder, or be subject to the terms, conditions, and obligations of this Contract as provided in Chapter 121A (provided, however, as set forth in Section 10(e) and 10(f) of the Application, the deviations and permissions granted by the Authority pursuant to the Approval shall survive and remain in effect).

10. The Owner and the City agree that, without mutual consent, any amendment subsequent to the delivery of this Contract of any of the provisions of Chapter 121A or of Chapter 652 of the Acts of the 1960 or of the Rules, Regulations and Standards now applicable to the Project shall not affect this Contract.

11. All notices required or permitted pursuant to this Agreement shall be in writing, signed by a duly authorized officer or representative of the Authority or the Owner, as the case may be, and shall be either hand delivered or mailed postage pre-paid, by registered or certified mail, return receipt requested and shall be deemed given when delivered, if by hand, or when deposited with the U.S. Postal Service, if mailed to the principal office of the party to which it is directed, which is as follows unless otherwise designated by written notice to the other party:

the Owner: LPR Boston Hotel Owner LP
c/o Loeb Partners Realty LLC
521 Fifth Avenue, Suite 2300
New York, New York, 10175
Attention: Joseph S. Lesser

with a copy to: Michael K. Federman, Esq.
Federman Steifman LLP
370 Lexington Avenue
Twenty Fourth Floor
New York, New York 10017

and

Mary T. Marshall, Esq.
Ropes & Gray, LLP
One International Place
Boston, Massachusetts 02110

the City

Assessing Department
Room 301
One City Hall Square
Boston, Massachusetts 02201-1007
Attention: Commissioner


12. The provisions of this Contract shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Each and every obligation and condition contained in this Contract, in the Approval or in any agreement or undertaking relating to the Approval is and shall be construed to apply separately to the owner of any separate portion of the Project and a default by the owner of any separate portion of the Project, under the Approval or under any such agreement or undertaking shall not constitute a default by the owner of another portion or by the Owner. The liability of the undersigned shall be limited solely to its interest in the Project, and no partner, venturer, trustee, beneficiary, shareholder, officer, director or the like of the Owner or its successors or assigns (including, without limitation, mortgagees), or any person or entity directly or indirectly holding any interests in any of the foregoing from time to time, shall have or be subject to any personal liability hereunder. After any termination under Chapter 121A as to the Project, or transfer of the Project and the Project Area to another party, or termination or transfer of any portion thereof, each in accordance with the Approval by the Authority or as otherwise approved by the Authority, the Owner shall no longer be subject to the obligations hereof and shall have no further liability hereunder with respect to the Project or such portion of the Project, as the case may be, the City agreeing to look solely to such transferee.


13. If any provision of this Contract or the application thereof to any person or circumstance shall be invalid or unenforceable to any extent, the remainder of this Contract and the application of such provisions to other persons and circumstances shall not be affected thereby and shall be enforced to the greatest extent permitted by law.

14. The City acknowledges and agrees that neither the Approval nor the terms and provisions of this Contract shall give rise to any claim for additional in lieu of tax payments with respect to the Project or the Project Area against Massport by the City under that certain Amended and Restated Payment in Lieu of Taxes Agreement dated March 14, 1995, as a tax concession or otherwise.

EXECUTED as a sealed instrument the day and year first above written.

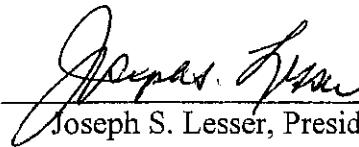
CITY OF BOSTON

By: 
Thomas M. Menino, Mayor


By: 
Commissioner of Assessing

LPR BOSTON HOTEL OWNER LP,
a Delaware limited partnership

By: LPR Boston Hotel GP LLC, a Delaware
limited liability company, its general partner

By: 
Joseph S. Lesser, President

APPROVED AS TO FORM
LAW DEPARTMENT

BY 
WILLIAM F. SINNOTT
CORPORATION COUNSEL *ANC*

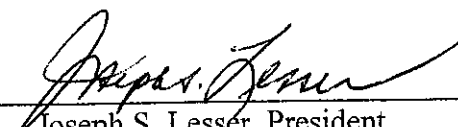
Limited Joinder

The undersigned LPR Boston Hotel Tenant LLC, being the Sub-Tenant, joins in the foregoing Contract solely for the purpose of agreeing to submit to the Owner and to the Commissioner of Assessing the information required by Sections 3, 4 and 5 of the foregoing Contract, as and when required by said Sections 3, 4, and 5. By the execution of this Contract the City acknowledges and agrees that neither such joinder, nor the performance of the undertaking made herein, shall subject the undersigned to the provisions of Chapter 121A, including without limitation the Regulatory Agreement, and that only the Owner is an entity subject to said Chapter 121A with respect to the Project.

This Limited Joinder shall be binding upon and inure to the benefit of the City and Sub-Tenant and their respective successors and assigns.

LPR BOSTON HOTEL TENANT LLC

By: LPR Boston Hotel Tier I LLC, its sole member

By: 
Joseph S. Lesser, President

[Exhibit A – Parcels F2, G and J]

Parcel F2-G-J-Cahill/0211C

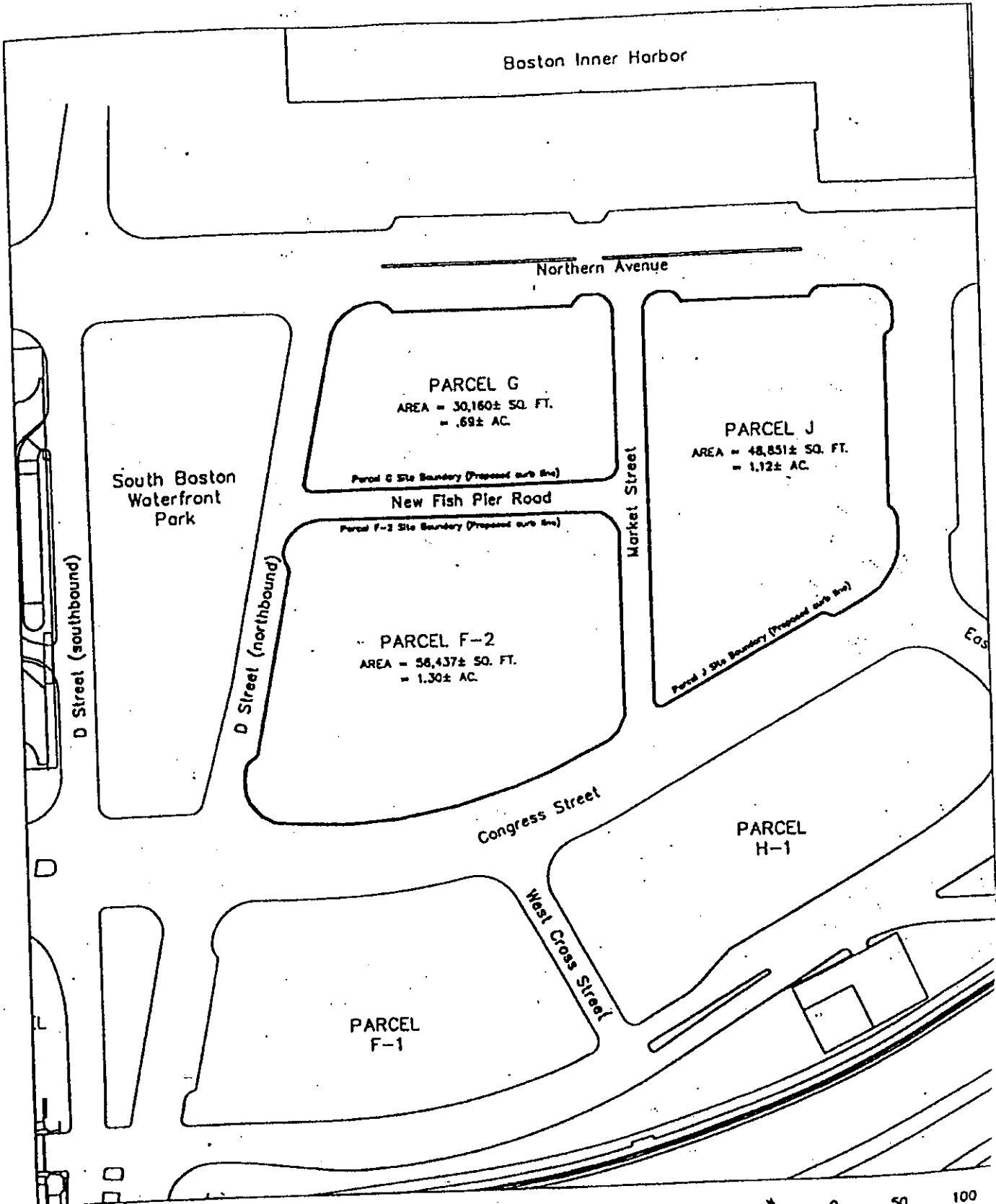


Exhibit A - Parcels F2, G and J



Massachusetts Port Authority
Business Development Department
January 2002

Notes:
This drawing is intended for informational purposes only and no use may be made of the same without the express written permission of the Massachusetts Port Authority ("Massport"). Massport does not warrant the accuracy, information or title to the properties contained in this plan nor make any warranties of any kind, express or implied, in fact or by law, with respect to any boundaries, easements, restrictions, claims, overlaps or other encumbrances affecting such properties.