

## Lawrence, Sharon

---

**Subject:** FW: [EXTERNAL]: PILOT Sherman Hills  
**Attachments:** Signed PILOT need County 11 22 2021.pdf

---

**From:** Frank Hoegen [<mailto:fhoegen@hoegenlaw.com>]  
**Sent:** Monday, November 22, 2021 10:08 AM  
**To:** Shannon Crake Lapsansky <[crakelapsansky@pfslawyer.com](mailto:crakelapsansky@pfslawyer.com)>; Crocamo, Romilda <[Romilda.Crocamo@luzernecounty.org](mailto:Romilda.Crocamo@luzernecounty.org)>; McGinley, Tim <[Tim.McGinley@luzernecounty.org](mailto:Tim.McGinley@luzernecounty.org)>  
**Cc:** Eliot Reid <[eliot@ledgcapital.com](mailto:eliot@ledgcapital.com)>; Luyang Liu <[luyang@ledgcapital.com](mailto:luyang@ledgcapital.com)>  
**Subject:** [EXTERNAL]: PILOT Sherman Hills

---

**WARNING:** This message is from an external email address. Do not click any links or open any attachments unless you recognize the sender **AND** you know that the contents of the email are safe to open.

---

Hello,

Good Morning.

Attached please find the PILOT Agreement signed by all parties except the County.

Please advise as to the protocols to obtain the signature of the County officials.

Time is of the essence.

Regards,

Frank



Francis J. Hoegen, Esquire  
Hoegen & Associates, P.C.  
152 South Franklin Street  
P.O. Box 346  
Wilkes-Barre, PA 18703-0346  
Phone: (570) 820-3332  
Fax: (570) 820-3262

You are receiving this email from the law offices of Hoegen & Associates, P.C. This email is intended only for the individual to whom it is addressed and may contain confidential information. If you have received this email in error, please contact this office at [fhoegen@hoegenlaw.com](mailto:fhoegen@hoegenlaw.com). Thank you.

**If you have concerns about the validity of this message,** contact the sender directly, or the Luzerne County IT Department at [Cybersecurity@LuzerneCounty.org](mailto:Cybersecurity@LuzerneCounty.org)

**PAYMENT IN LIEU OF TAXES (“PILOT”) AGREEMENT**

THIS AGREEMENT (“Agreement”), dated as of the \_\_\_\_\_ day of October 2021, is by and among Indelible Housing, Inc. (“Indelible”) with a place of business at 8270 Greensboro Dr. Ste 810, McLean VA 22102 and LIH Wilkes-Barre, LP (“LIH Wilkes-Barre”) with a place of business at 300 Parkview Circle, Wilkes-Barre, PA, the COUNTY OF LUZERNE, with offices situate at Luzerne County Courthouse, 200 North River Street, Wilkes-Barre City, Luzerne County, Pennsylvania 18711 (collectively “County”), the WILKES-BARRE AREA SCHOOL DISTRICT, with offices situate at 730 South Main Street, Wilkes-Barre, Pennsylvania 18702 (“School District”) and WILKES-BARRE CITY, with offices situate at 40 East Market Street, Wilkes-Barre, Pennsylvania 18711 (“Municipality”);

WITNESSETH:

WHEREAS, Indelible is the owner of those certain parcels located in Wilkes-Barre by virtue of a deed dated \_\_\_\_\_ and recorded on \_\_\_\_\_ and recorded in Luzerne County Deed Book \_\_\_\_\_ at page \_\_\_\_\_, corresponding with Property Identification Numbers 73-H10-00A-14E-000, 73-H10-00A-14F-000, 73-H10-00A-14G-000, improved with an apartment complex consisting of \_\_\_\_\_ units (“Property”); and

WHEREAS, Indelible intends to lease the Property to LIH Wilkes-Barre pursuant to a lease (“Lease”), which Lease shall have an annual consideration of One (\$1.00) Dollar. Irrespective of the terms and conditions of the Lease, Indelible will have certain control over the Property. LIH Wilkes-Barre will operate the Property as a low cost and subsidized residential rental property providing housing to those individuals needing low cost and subsidized housing, and

WHEREAS, Indelible, LIH Wilkes-Barre, the County, the School District and the Municipality agree that (i) the Property shall remain exempt; (ii) no payment of real estate taxes and real estate tax assessments shall be imposed upon the Property; (iii) Indelible or LIH Wilkes-Barre qualify as purely public charities under the Purely Public Charity Act, 72 P.S. § 5020-2004, and the Constitution of the Commonwealth of Pennsylvania; and

WHEREAS, Indelible and LIH Wilkes-Barre are desirous of voluntarily committing to the annual payments set forth below to the County, the School District and the Municipality in exchange for the recognition and acknowledgment that the Property shall remain exempt from the obligation to pay real estate taxes as long as (i) the Lease shall remain in full force and effect and (ii) ownership and operation of the Property shall not change from a low cost and subsidized residential rental property providing housing to those individuals needing low cost and subsidized housing.

NOW, upon the mutual covenants and agreements contained in this Agreement, the parties agree as follows:

1. Consideration for PILOT Agreement and Annual Adjustments. In consideration for the commitment that the Property shall remain exempt from the obligation to pay real estate taxes or related charges as long (i) the Lease shall remain in full force and effect and (ii) ownership and operation of the Property shall not change from a low cost and subsidized residential rental property providing housing to those individuals needing low cost and subsidized housing, Indelible and LIH Wilkes-Barre agree to pay an annual PILOT payment (“PILOT Payment”) to the School District, the County and the Municipality as follows:

(i)	Wilkes-Barre Area School District	\$256,188.30
(ii)	Luzerne County	\$85,746.33
(iii)	Wilkes-Barre City	\$83,867.03

Annually on January 1, the PILOT Payment shall be adjusted in accordance with the Consumer Price Index. The last Consumer Price Index for any calendar year means the last Consumer Price Index for all-urban consumers published by the Department of Labor for such year. The index tracks the price of goods and services purchased by the average consumer and is published monthly by the U.S. Bureau of Labor Statistics.

2. Effective Date and Term of Agreement. The effective date (“Effective Date”) of this Agreement shall be the date that a memorandum of lease for the Lease is recorded in the Luzerne County Recorder of Deeds Office. The term (“Term”) of this Agreement shall begin on the Effective Date of this Agreement and shall continue automatically on a year-to-year basis upon the same terms and conditions unless any party to this Agreement shall provide the other party with one (1) year prior written notice of its intention to terminate this Agreement **which termination event shall be limited to** a specific change in Exempt Status as addressed in paragraph 4 of this Agreement.

3. Discharge of Assessments. It is understood and agreed that, by entering into this Agreement and timely paying the PILOT Payments under this Agreement, Indelible and LIH Wilkes-Barre shall fully satisfy and be discharged from all real estate tax assessments, including the obligation to pay real estate taxes and similar charges, if any, for taxes imposed upon LIH Wilkes-Barre by the County, the School District and/or the Municipality. A timely payment of the PILOT Payment called for herein shall be on June 30<sup>th</sup> of each year during the term of this Agreement.

4. Tax Exempt Status. The County, the School District and the Municipality agree that, because Indelible and LIH Wilkes-Barre shall continue the charitable purposes of the Property and, because Indelible shall be the sole owner of the Property, the Property shall not be subject to real estate taxes and the Property is exempt from real property taxes and the County, the School District and the Municipality agree that they shall take no action to place the Property or any improvements on the tax rolls absent a material change in the ownership of the Property, or absent a material change from the current use of the Property as low income, government subsidized housing project under any and all programs of the United States Department of Housing and Urban Development such that the Property would be considered taxable real estate, in which case this Agreement shall terminate at the end of the fiscal year in which such change becomes effective.

Notwithstanding the foregoing or anything to the contrary contained herein, changes in the limited partners and/or general partner of LIH Wilkes-Barre in accordance with the terms and conditions of its Amended and Restated Limited Partnership Agreement shall not be considered a material change in the ownership of the Property provided all other requirements set forth in this Agreement continued to be satisfied after any such change.

5. Change in Use. In the event of a change in use as defined in paragraph 4 of this Agreement, nothing (including, without limitation, the anti-spot assessment provisions of Pennsylvania statutory law) shall preclude the Wilkes-Barre City Assessor or the Board of Assessment of Luzerne County from reassessing the Property on the basis of such a change in use. Upon a change in use, Indelible and LIH Wilkes-Barre hereby waive the right to assert any claim of spot assessment in such event. Any countywide reassessment shall not change the terms of this Agreement.

6. Prior Precedent. This Agreement shall not be utilized as precedent for other assessment appeal cases. This Agreement shall be binding upon, inure to the benefit of the parties to this Agreement and their respective successors and/or assigns.

7. Severability. In the event that any term or provision of this Agreement is held to be invalid, void, illegal or unenforceable in any respect, the Agreement shall be enforced in accordance with its terms and shall not in any way be affected or impaired thereby. In the event that any term or provision of this Agreement is held to be unreasonable, the same shall not fail, but shall be deemed amended only to the extent necessary to render it reasonable, and the Parties agree in writing to be bound by the same as thus amended.

8. Notices. The investor limited partner of LIH Wilkes-Barre shall be provided a copy of any notices sent to LIH Wilkes-Barre at the following address:

PNC Bank, National Association  
c/o PNC Real Estate  
121 S.W. Morrison Street, Suite 1300  
Portland, Oregon 97204-3143  
Attn: Asset Manager

with a copy to:

Kutak Rock, LLP  
1650 Farnam Street  
Omaha, Nebraska 68102  
Attn: Shane Deaver, Esq.

IN WITNESS WHEREOF, the parties to this Agreement, intending to be legally bound, have caused this Agreement to be duly executed the date set forth above.

ATTEST:

INDELIBLE HOUSING, INC.

By:   
Name: Richard Knapp  
Title: President

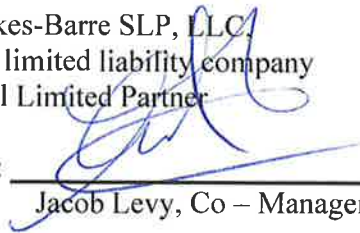
ATTEST:

LIH Wilkes-Barre, LP,  
a Pennsylvania limited partnership

By: LIH Wilkes-Barre GP, LLC,  
a Pennsylvania limited liability company  
its General Partner

By:   
Richard Knapp, Manager

By: LIH Wilkes-Barre SLP, LLC  
a Nevada limited liability company  
its Special Limited Partner

By:   
Jacob Levy, Co – Manager

ATTEST:

  
CATHY PAYNE, City Clerk

THE CITY OF WILKES-BARRE

By:   
GEORGE C. BROWN, Mayor

ATTEST:

\_\_\_\_\_  
, Chief Clerk

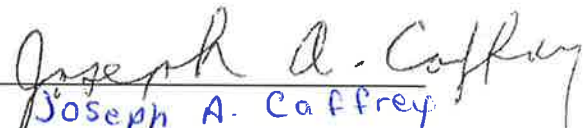
COUNTY OF LUZERNE

By: \_\_\_\_\_  
, Chairman

ATTEST:



WILKES-BARRE AREA SCHOOL  
DISTRICT

By:   
Name: Joseph A. Caffrey  
Title: President