

September 18, 2013

Board of Selectman
Town of Dedham
Dedham Town Hall
26 Bryant Street
Dedham, MA, 02026

Re: Rustcraft Road Project

Ladies and Gentlemen:

We are pleased to submit this Memorandum of Understanding concerning a potential sale of a portion of our property at 100 and 150 Rustcraft Road to the Town of Dedham. The terms set forth herein are intended to represent the present mutual understanding of the property owner and the Town of Dedham as to terms tentatively agreed-upon, and to focus future negotiations towards a binding agreement.

The Parties

In this Memorandum of Understanding the terms “we,” “us,” and “our” mean DIV CCM Rustcraft, LLC, which is an affiliate of The Davis Companies, and owner of 100 and 150 Rustcraft Road, Dedham. The terms “you,” “your,” and the “Town” mean The Town of Dedham, and the “Property” means the premises owned by us at 100 and 150 Rustcraft Road, Dedham and described in the deed filed with the Norfolk Registry District of the Land Court as document no. 1,278,738, including adjacent buildings and lands.

Summary of the Transaction

The transaction will be structured as the sale by us and the purchase by you of a commercial condominium unit located at the Property. We will work with you to enter into a Purchase and Sale Agreement (called the “P&S” below) and finalize condominium documents.



Transaction Details

Seller: DIV CCM Rustcraft, LLC

Buyer: The Town of Dedham

Condominium Structure: We will prepare all necessary documentation to submit the Property to condominium ownership pursuant to Massachusetts General Laws Chapter 183A, including, but not limited to, a Master Deed complying with M.G.L. Ch. 183A, §8, any necessary floor plans, Declaration of Trust and Condominium Association Bylaws (together, the "Condominium Documents"), and a Unit Deed or Deeds with respect to the premises to be acquired by the Town. (As noted below, the premises to be acquired by the Town may comprise one or two separate condominium units). At the appropriate time in accordance with the terms of the P&S, we will file the Master Deed at the Norfolk County Registry of Deeds and submit the Property to condominium ownership.

The Premises: Subject to preparation of the Condominium Documents, the Town will acquire a single condominium unit totaling approximately 224,000 square feet of space (or two separate units together totaling approximately 224,000 square feet of space), together with an undivided proportionate interest in the common areas and facilities (the "Premises"). Final measurement of the premises will be made by our architect. Approximately 110,000 square feet of the Premises will be characterized as a "Commercial Condominium Class A" under the Condominium Documents and will be delivered in a core and shell condition, as set forth in the exhibit entitled "Base Building Improvements", attached hereto. The Base Building Improvements are intended to represent what is needed to place the Commercial Condominium Class A portion of the Premises in commercially marketable condition, and are subject to further negotiation of the parties. The remaining approximately 114,000 square feet will be characterized as a "Commercial Condominium Class B" under the Condominium Documents and will be delivered fully separated by demising walls from any abutting units or common areas but otherwise in their existing condition, i.e., "as is". The final description of the unit(s) remains to be negotiated by the parties.

Parking: The Condominium Documents and Unit Deed will provide the Town with the exclusive right to use a defined portion of the common areas for parking. It may further provide the Town with the right to the use of other non-exclusive parking in common with the other unit owners. At no time will parking spaces allocated to the Town (whether exclusively or in common) be less than its proportionate share of the total common parking, or that which is required by zoning.

Purchase Price: The purchase price for the premises will be \$18 million, which sum, less the Deposit (as defined below), shall be paid in immediately available funds on the closing date.

Deposits: The Town shall pay a deposit of an amount to be agreed upon as set forth in the P&S, which shall be held in escrow by a title company mutually agreeable to the parties for application to the purchase price.

Costs: Except as otherwise provided herein, each party will bear its own costs and expenses, including, without limitation, all attorneys' fees and other third party fees in connection with the transaction.

Closing: The closing will occur at the time set forth in the P&S, which is anticipated to be no later than 30 days after we give you notice that the Property complies with the Condominium Documents and the Town has approved the delivered base building and shell, which date is anticipated to be in the Fall of 2014.

Broker Fees: The Town acknowledges and agrees that it has not worked with any broker in connection with the transaction other than Marwick Associates, whose fee, subject to agreement, will be paid by us pursuant to a separate written agreement upon the closing of the transaction and payment of the full purchase price, and the P&S will provide for customary indemnities with respect to brokerage commissions or finder's fees.

Conditions of Town Purchase: The Town's purchase of the Premises will be conditional upon the vote of the Dedham Town Meeting authorizing the purchase of the premises and appropriating sufficient funds for the purchase and the Town's subsequent fit-up, and upon the Town's compliance with the Uniform Procurement Act (G.L. c.30B) and all other legal requirements. It is anticipated that such a vote will be taken at a Special Town Meeting in November, 2013.

Schedule: We envision the following general steps being taken in the order given:

- Execution of this Memorandum of Understanding
- Preparation by us of a draft P&S and negotiation with you of the terms and conditions of the P&S
- Town Meeting Authorization of Purchase and Funding
- Preparation by us and agreement on form of Condominium Documents • Execution of the P&S
- Posting by you of the purchase deposit
- Due Diligence by you, including any desired environmental, survey, and title work

- Completion by us of all work at the Property to necessary to convey the Premises and common areas in agreed-upon condition
- Closing of the transaction

Other Terms: In connection with the negotiation of the P&S we expect to discuss with you such matters as the timing of your due diligence, the amount of the deposit; rights for telecommunications and solar power equipment, the amount of any deposit by you into the condominium reserve fund, and key elements of the Condominium Documents, among other things.

Exclusivity: We will agree until December 1, 2013 not to enter into any agreement for the sale or lease of the Property or any portion thereof which would interfere with the ability to consummate the transaction.

Non-Binding: It is understood and agreed that notwithstanding anything to the contrary herein, this Memorandum is non-binding and creates no legal rights or obligations whatsoever. Until a mutually satisfactory purchase and sale agreement has been executed by the parties, neither party shall have any obligation to consummate the conveyance of the Premises outlined above, nor to enter into or continue discussions or negotiations, and either party may terminate discussions at any time for any reason or no reason without further obligation whatsoever.

If the foregoing general summary of terms is acceptable to the Town, please sign below so that we may proceed to the next step, preparation of a draft Purchase and Sale Agreement.

Very truly yours,



Jonathan Davis
Chief Executive Officer

JD:sds

cc: William Keegan, Town Administrator
John M. Sisk, Marwick Associates
Cappy F. Daume, The Davis Companies
Daniel Wheeler, The Davis Companies
Scott D. Spelfogel, Esq., The Davis Companies

AGREED AND ACCEPTED:

THE TOWN OF DEDHAM
Board of Selectmen

Michael Butts

Sarah MacDonald

~~Robert Edub...~~

John P. MacF...

Jane Reynolds

**BASE BUILDING IMPROVEMENTS
COMMERCIAL CONDOMINIUM CLASS A
100 RUSTCRAFT ROAD
DEDHAM, MA 02026**

Scope of Work

The office building configuration as shown on the test fit plans prepared by Spagnolo Gisness Associates, Inc. dated 5/16/2013 showing 224,078 Square feet. (Of the 224,078 square feet, approximately 110,000 square feet is Commercial Condominium Class A subject to the following base building work and is referred to herein as the 'Class A Premises'.

1. Building Exterior Description

- a. The existing three story building Class A Premises exterior is currently a combination of:
 - i. Red brick and limestone facade
 - ii. Wood windows frames with wood spandrel panels, and wood trim
 - iii. Wood entry doors, with brick and bluestone steps
 - iv. Slate gable roof on sloped roof areas and
 - v. EPDM mechanically fastened roof low sloped roof areas
 - vi. Wood columns and portico
 - vii. Brick and limestone cupola with wood balustrade and wood clock tower

- b. The existing single story building Class A Premises is currently a combination of:
 - i. Red brick and vertical metal panel façade
 - ii. Aluminum window frames
 - iii. Aluminum entry system
 - iv. EPDM mechanically fastened roof on low sloped roof
 - v. Aluminum and Kalwall skylights

2. Exterior Work

The exterior work will consist of necessary repairs and replacement to existing conditions with materials to match as follows:

- a. Cracked or damaged masonry will be repointed repaired to match existing.

- b. Existing wood window frames, spandrel panels and shutters will be repaired or replaced, primed and painted, to match existing.



- c. Existing wood cupola, rails, trims and panels will be repaired or replaced, primed and painted, to match existing.
- d. Existing portico trim and columns will be sanded, primed and painted.
- e. Existing portico roof will be replaced with new architectural fiberglass shingles.
- f. The East and West entries to the Class A Premises will be repaired, sanded, primed, and painted to match existing.
- g. The North, East, and West entries to the North Building will provide accessibility to meet the requirements under the American with Disability Act.
- h. All exterior caulking for the Class A Premises shall be replaced with single component silicone rubber sealant, to be compatible with wood, metal or masonry jambs, heads and sills and wood.

3. Roofing

- a. Low sloped roof, located on opposite sides of the gable on the Class A Premises on the single story building shall be a new single membrane EPDM material fully adhered or mechanically fastened.
- b. The slate shingle gable roof on the Class A Premises will be replaced with architectural fiberglass shingles.

4. Site / Landscaping

- a. New parking will be added to the main entry of the Class A Premises as shown on the SG&A site concept plan dated 5/16/13.
- b. A new curb cut will be added adjacent to the east end of the Class A Premises as shown on the SG&A site concept plan dated 5/16/13.
- c. The site will be re-graded to accommodate a no-step accessible entry.
- d. The existing parking lot will be seal coated and re-stripped.
- e. The landscaping will be provided in accordance with a thoughtful plan incorporating a hardy mixture of plantings prepared by Spagnolo Gisness Associates, Inc.
- f. Irrigation system will be repaired and re-worked as necessary at new landscaped areas.

5. Site Utilities

- a. Install a new NStar switching station located adjacent to Rustcraft Road.

6. Demolition

- a. Remove all existing partitions, ceiling grid and tile, lighting, finishes, back to core and shell.

7. Interior Work

- a. The existing elevator will be refurbished with new LED lamps and floor finish (broadloom carpet) will be installed.
- b. Elevator doors and frames are existing to remain and shall be sanded and painted.
- c. Level 3 III Seismic - We have reviewed the seismic considerations with our structural expert who confirmed that we will not be subject to seismic upgrades, as we are making minimal structural changes.

8. Mechanical Systems

- a. We are proposing to install (32) gas fired, packaged DX rooftop units, to replace existing HVAC units. HVAC load requirements have been figured as 300 square foot per ton.
- b. Rooftop units will be high efficiency units with gas heat, economizer, and programmable thermostats.
- c. Service toilets exhaust fans.
- d. Run new gas piping to the new rooftop units.

9. Fire Alarm / Life Safety

- a. Provide a new fully addressable fire alarm panel for 110,000 square feet.
- b. Exit signs will be code compliant and feature a LED display.

10. Sprinkler

- a. The Class A Premises will be fully protected with a wet sprinkler system to meet all current National Fire Protection Association (NFPA) standards.

11. Electrical

- a. A new 1500 KVA dry type transformer will be installed to replace the 1960's vintage transformer at the existing electrical room.
- b. Retrofit a new trip unit on the 3,000 amp draw out breaker at the interior electrical switchgear.
- c. Clean adjust and lubricate the breaker components. Replace defective parts as necessary.
- d. Retrofit a new trip unit on the 600 amp draw out breaker.