

**BROOKLINE PLACE—MEMORANDUM OF AGREEMENT
EXECUTIVE SUMMARY
April 29, 2014**

► ***Tax certainty that Property will not be removed from Tax Rolls:***

A Declaration of Restrictive Covenants will be recorded providing that any entity purchasing the property which could claim real estate tax exemption would enter into a PILOT (Payment in Lieu of Taxes) Agreement guaranteeing real estate taxes for 95 years on the new buildings and new garage. This will ensure that the property will remain on the tax rolls. The Restrictive Covenant will also allow for the owner to prepay the PILOT payments at any time after the 20th anniversary of the PILOT in a one-time net present value payment.

Estimated net new tax revenue for the Town \$2,000,000 annually

► ***Timely Availability of Funds for Bridge Demolition and Gateway East:***

\$300,000 to be paid by August 31, 2014, to be used for the bridge demolition (subject to approvals of the zoning amendment)

\$750,000 additional to be paid by August 31, 2015, to be used for Gateway East (subject to approvals of the zoning amendment and of the Special Permit and other required permits for the Project)

In order to ensure that Children's will be able have the required approvals by August 31, 2015, Children's agrees that it will apply for the special permit within 120 days from Attorney General approval of the zoning amendment and diligently pursue the approvals. There is a monetary penalty if it does not do so.

► ***Assurance that Children's will not build only a portion of the Project:***

Demolition of 2 Brookline Place cannot commence until a building permit for the garage is issued and the Planning Director and Town Counsel have been provided with satisfactory evidence that financing is in place for the entire Project.

► ***Incentive for Children's to complete the entire Project in a timely fashion:***

\$200,000 is due if substantial completion of the entire Project is not achieved by December 30, 2020, and an additional \$150,000 is due if such completion is not achieved by December 30, 2021.

► ***Mitigation and other Community Benefits:***

Agreement to provide a Transportation Demand Management plan based on recommendations of the Town's traffic consultant, Nelson Nygaard, including a mandatory annual monitoring program based on traffic counts and employee surveys as to vehicle, transit, pedestrian, and bicycle usage to the Proposed Project. The monitoring program will provide detailed information on the travel modes to work and overall transportation characteristics by type of traveler. Employee and visitor surveys will also be required.

Children's will pay the Town the greater of 1% of hard costs or \$1,300,000 (or greater amounts if completion is not achieved by December 30, 2020, as set forth above). These funds include the \$300,000 for the bridge and \$750,000 for Gateway East and an additional \$250,000 payment due when the Certificate of Occupancy is issued. The \$250,000 may be used to further mitigate the impacts of the Project which may include, but not be limited to, improvements to bicycle and pedestrian access, landscaping and/or off-site traffic signal timing and other improvements on Pearl Street.

Children's will construct the Pearl Street Reconstruction at a cost not to exceed \$335,000 as requested by the Town Engineer.

► ***Easements for the Benefit of the Town:***

As long as the rights under the Special Permit are being exercised, the Town will have a pedestrian easement over a 45 foot wide pedestrian walkway from the corner of Pearl Street to Washington Street and an area in the northwest corner of the property, including the ability to host 3-4 community events annually.

► ***Environmental Protection to the Town:***

The Town will be indemnified, by the owner of the property where construction or excavation work is taking place, against any such work that exacerbates or exposes additional persons to existing contamination. In addition, each of the property owners and their successors release the Town from liabilities arising out of the existing contamination associated with their respective properties. The property owners also agree to use commercially reasonable efforts to extend the term of an existing environmental insurance policy from December, 2018 through December, 2023 at an additional premium cost not to exceed \$100,000. Finally, the property owners will provide the Town with drafts of all MCP submittals prior to filing and reasonably consider all comments made by the Town.

► ***Project Parameters:***

182,500 SF 8-story office building at 2 Brookline Place, an approximately 47,000 SF expansion of 1 Brookline Place, and a replacement of the existing garage to contain a total of 683 parking spaces (248 net new spaces) including the ability to park 15% additional vehicles through managed parking, and cannot be subject to conditions which impose burdens on the Project which are adverse to its financial or operational feasibility in the reasonable judgment of Children's. This will allow appropriate review by the Design Review Committee, the Planning Board and the Board of Appeals, but give Children's the assurance it requires that it can get the necessary lease agreements and financing to build its Project.

2 BP and the 1 BP expansion will be a LEED certifiable Silver Building or higher rating via the provision of a LEED scoring sheet.

► ***Miscellaneous Provisions:***

- Children's will pay up to \$150,000 for Town consultants and counsel.
- Protections for current tenants.
- Overnight parking availability for Brookline residents
- Employment preference program for hiring by Children's of certain employees working at Project.
- Right of Town to use portion of open space for community events approximately 3-4 times annually, with storage on-site for related recreational equipment.
- Responsibility for landscaping in area between Property line and back of sidewalk along Brookline Avenue and Washington Street.