

**Summary of Acquisition Terms and Conditions  
for the  
Naval Air Station South Weymouth, MA  
By and between the  
United States of America  
and the  
South Shore Tri-Town Development Corporation**

**Seller:** United States of America by and through BRAC Program Management Office, Northeast (“Government”).

**Purchaser:** South Shore Tri-Town Development Corporation (“SSTTDC”), the Local Redevelopment Authority (“LRA”).

**Property Description:** Seven Hundred and Two (702) acres more or less of Real Property commonly referred to as the remaining land at the former Naval Air Station South Weymouth, Massachusetts, consisting of several parcels of land as set forth in Exhibit A (“Property”).

**Legal Authority:** Economic Development Conveyance, as authorized by section 2905(b)(4) of the Defense Base Closure and Realignment Act of 1990, as amended (Pub. L. No. 101-510 [1990]). Transfer Authority in Connection with Payment of Environmental Costs as authorized by section 2905(e) of the Defense Base Closure and Realignment Act of 1990, as amended (Pub. L. No. 101-510 [1990]).

**Consideration:** Total Purchase Price of **Forty-Three Million Dollars (\$43,000,000)** in the form of cash consideration equal to **Nine Million, Eight Hundred Ninety Thousand, Five Hundred and Sixty-Six Dollars (\$9,890,566, by cash and Payment note)** and an offset equal to the Government’s Cost to Complete (“CTC”) for environmental remediation associated with the FOST 6 parcels and long-term operations/long term monitoring (“LTO/LTM”) required at the FOST 5 parcel, which shall be provided by SSTTDC and is hereby agreed to be equal to **Thirty-Three Million, One Hundred Nine Thousand, Four Hundred and Thirty-Four Dollars (\$33,109,434)**. The FOST 5 and 6 parcels are more clearly shown at Exhibit A. Said consideration to be paid as follows:

1. SSTTDC will pay the Navy \$2.5 million at the time of transfer of title for FOSTs 3 and 4 parcels by Quitclaim Deed, which shall occur upon execution of an EDC Memorandum of Understanding (“MOU”) by and between the Parties (the “Closing”). The parties will concurrently execute a Lease in Furtherance of Conveyance (“LIFO”) for the FOST 5 and FOST 6 parcels. The LIFO will terminate for each parcel 10 days after the delivery of a good and sufficient Quitclaim Deed for each respective parcel or sub-parcel or seven (7) years after the effective date of the LIFO, whichever occurs first. In the event that all FOST 6 sub-parcels have not received FOSTs on a date that is seven (7) years from the date of the LIFO; then the Navy shall, at the request of the LRA, extend the LIFO to accommodate the need to complete the required remediation.

2. The Navy shall transfer title to the FOST 5 parcel to the LRA upon issuance of a final Finding of Suitability to Transfer (“FOST”) document for the FOST 5 parcel which is anticipated to occur in August 2008. The LRA will pay the Navy \$1.5 million upon the transfer of title to the FOST 5 parcel by Quitclaim Deed (the “FOST 5 Payment”), and execute and deliver a purchase money note from the LRA to the Navy (the “FOST 5 Payment Note”) in the original principal amount of \$5,890,566. The FOST 5 Payment Note shall be for a term of twenty (20) years, and shall be payable in annual installments with interest calculated at the Ten-Year U.S. Treasury Bill rate in place 30 days prior to Closing plus one and one-half percent (1.5%). The FOST 5 Note shall be unsecured but the payment thereof shall be secured by a declining balance letter of credit, written for an initial term of two (2) years and including automatic annual renewal provisions, from a national banking association approved by the Navy and otherwise in a form and pursuant to terms reasonably acceptable to the Navy.

3. Title to the FOST 6 parcel shall be transferred from the Navy to the LRA by Quitclaim Deed upon issuance of a final FOST document for the FOST 6 parcel. In the event each of the sub-parcels comprising the entire FOST 6 parcel cannot be conveyed simultaneously, the parties agree to consider issuance of multiple FOST’s and subsequent Quitclaim Deeds for smaller sub-parcels as appropriate.

4. Concurrent with the execution of the Purchase Agreement, but prior to the CLOSING for the Conveyance of the FOST 3 and FOST 4 parcels, the LRA shall obtain an “integrated risk” Environmental Protection Program policy (the “**Policy**”) from American International Specialty Lines Insurance Company (the “**Insurer**”) in a form and subject to terms and conditions agreeable to the Navy. The Policy shall represent financial assurance to the Navy for the LRA’s obligation to obtain Closure Documentation for the FOST 6 parcel.

**SSTTDC Conducts and Implements Remediation of FOST 6 Parcel:**

The Navy and SSTTDC shall execute a binding purchase agreement for the transfer of the FOST 5 and FOST 6 parcels, the remediation of the FOST 6 parcel and LTO/LTM at the FOST 5 parcel (the “**Purchase Agreement**”), pursuant to which the Navy will retain the LRA to conduct and implement the FOST 6 parcel remediation and LTO/LTM at the FOST 5 parcel on behalf of the Navy. The Purchase Agreement shall provide for the LRA to perform the FOST 6 parcel remediation work, including any required LTO/LTM, and to conduct the required LTO/LTM at the FOST 5 parcel, at its sole cost and expense and as necessary to obtain and maintain the Closure Documentation. The LRA shall perform all environmental restoration, waste management, and environmental compliance activities that are required under applicable Federal and State law, administrative decisions, the Federal Facility Agreement for NAS South Weymouth, and any other agreements (including Schedules and Milestones) and concurrences. The Purchase Agreement shall also include the material aspects of the remediation work (the “**Scope of Work**”) that must be conducted to complete the FOST 6 parcel remediation and which are anticipated to be necessary to achieve Closure Documentation.

**Offset to Purchase Price Equal To Navy’s Cost to Complete:**

The CTC for the FOST 6 parcel and FOST 5 LTO/LTM shall be \$33,109,434. There shall be no sharing between the LRA and the Navy of any cost overruns or cost savings from the CTC.

**FOST 6 Environmental  
Remediation Scope of Work:**

A. To the extent the Scope of Work is known as of the execution of the Purchase Agreement, the Purchase Agreement shall set forth the additional delineation or investigation work to be completed on the FOST 6 parcel, all risk assessments and reporting requirements under CERCLA or other applicable laws, and the nature, term and extent of any applicable institutional, engineering and/or land use controls, if any, and the same shall be incorporated into the development plan for the property by the LRA or its successors and assigns.

B. The LRA, with the consent of the Navy, which consent shall not be unreasonably withheld or denied, and with the consent of the Insurer (as hereinafter defined), may negotiate changes to the Scope of Work with the appropriate regulatory authorities to the extent that such changes do not pose an unreasonable risk to human health or the environment, comply and satisfy all of the Navy's responsibilities pursuant to the Federal Facilities Agreement now in effect for the property and which, in the reasonable judgment of the LRA, allow for issuance of Closure Documentation on a more expedited basis. Subject to the limitations set forth in the Purchase Agreement as to the Navy's rights to consent and approve all remedial actions, the LRA shall control the timing and the phasing of the FOST 6 parcel remediation pursuant to applicable laws and regulatory requirements. Any changes to the Scope of Work negotiated by the LRA shall not be submitted to EPA as final or binding without the specific approval of the Navy, such approval shall not be unreasonably withheld.

C. The Purchase Agreement shall provide for the LRA to indemnify, defend and hold harmless the Navy from and against all losses, liabilities, demands and obligations associated with and arising out of the performance of the FOST 6 parcel remediation and FOST 5 parcel LTO/LTM by the LRA and the issuance of the Closure Documentation such as the FOST documents, including without limitation, unknown conditions or additional quantities of known contaminants discovered during the performance of the remediation, changes in law or regulatory requirements applicable to the remediation, migration of contaminants from the FOST 6 parcel to off-site locations and compliance with laws, directives or

regulations of governmental authorities having jurisdiction over the performance of the aforesaid. Excluded liabilities (“**Excluded Liabilities**”) to be retained by the Navy shall include, without limitation: (A) liabilities for off-site disposal of contaminants at non-owned facilities prior to the execution of the Purchase Agreement; (B) fines and penalties associated with Navy acts or omissions prior to the effective date of the Purchase Agreement; (C) liability for natural resource damages to the extent not caused directly by the LRA’s acts or omissions; and (D) liability arising out of contracts executed by or on behalf of the Navy prior to the effective date of the Purchase Agreement except to the extent such liability would exist the absence of the agreement of such contract.

D. Subject to the limitations, terms and conditions set forth in the Purchase Agreement, the LRA shall have the right to take the lead role in negotiations with regulatory authorities over the performance of the FOST 6 parcel remediation and FOST 5 parcel LTO/LTM; provided, however, the LRA shall notify Navy in advance and provide Navy an opportunity to attend and participate in all material communications, meetings and teleconferences relating to the FOST 6 parcel remediation and FOST 5 parcel LTO/LTM. The Navy shall retain the ability to negotiate with EPA regarding the final language of FOST documents for the property in connection with the Navy’s statutory obligations. However, in no event shall the LRA, present to EPA as final or binding any result of such negotiations, without the specific approval of the Navy, such approval shall not be unreasonably withheld.

E. The Purchase Agreement shall not be terminable by the LRA or by the Navy, except in the event of a default after notice and a reasonable opportunity to cure.

**Exclusive Obligation  
of LRA:**

The Purchase Agreement shall provide that in no event shall the Navy enter into any direct contract, agreement or incur any obligation with the LRA's contractors, employees, or vendors for any LRA's remediation, indemnification, insurance and payment obligations made pursuant to this term sheet and the Purchase Agreement.

**Recoupment Provision:**

There is no recoupment provision as part of this transaction.