

TERM SHEET

EXCHANGE AND DEVELOPMENT OF REAL PROPERTY

TOWN OF SUDBURY
AND
QUARRY NORTH ROAD LLC

November 27, 2018

1. PARTIES.

Seller: Town of Sudbury

Buyer: Quarry North Road LLC, or its nominee to be approved by Seller in advance of closing, such approval not to be unreasonably withheld.

2. INTENT.

The intent of this Term Sheet is to establish the framework for a real estate transaction by and between the Parties to be superseded by a written land disposition and development agreement ("LDA") that more specifically describes the rights and obligations of the Parties. All provisions hereof are contingent upon approval of Articles 1, 3, 4 and 6 of the December 11, 2018 Sudbury Special Town Meeting Warrant. In the event that said Town Meeting shall disapprove any of said Articles, this agreement shall be void without recourse to either party.

3. SUBJECT PROPERTY.

A. Seller's Property: The "Melone Property" consisting of approximately 36.7 acres of land on North Road (Rt. 117), being 20.3 acres in the Town of Sudbury, and 16.4 acres in the Town of Concord, shown on a plan entitled "Plan of Land in Sudbury and Concord, MA at the Town of Sudbury Gravel Pit Located off North Road, Sudbury, MA", prepared by the Town of Sudbury Engineering Department, last revised 5/24/2018.

The acquisition by Buyer of an adjacent additional parcel consisting of approximately 3 acres +/- owned by the Sudbury Water District will be the subject of a separate agreement by and between the Buyer and the Water District.

B. Buyer's Property: The "Sudbury Station Property" consisting of approximately 39.92 acres of land shown as Parcel 1B, Parcel 2A, Parcel 2B and Parcel 3B on a plan of land entitled "Definitive Plan of Peter's Way Extension – Plan of Land in Sudbury, Massachusetts, Sheet 1 of 1, dated January 24, 2011, revised June 15, 2012, prepared by Sullivan, Connors and associates of Sudbury, Massachusetts, said plan recorded with the Middlesex South Registry of Deeds as Plan 907 of 2012; and the land shown as Parcel 3, consisting of 35,687 square feet, on a Plan of Land in Sudbury, Massachusetts, dated March 21, 1972, said plan recorded with the Middlesex South Registry of Deeds in Book 12188, Page 426; and the land shown as Parcel A, consisting of 21,320.29 square feet on a plan entitled "Plan of Land in Sudbury, Mass. dated June 21, 2000, said plan recorded with the Middlesex South Registry of Deeds in Book 31702,

Page 521; and the land shown as Parcel C on a plan entitled "Definitive Plan of 'Howe Estates' subdivision of land in Sudbury, Mass." dated August 30, 1993, said plan recorded with the Middlesex South Registry of Deeds as Plan No. 321 of 1994.

4. BACKGROUND.

In January, 2016, Sudbury Station LLC (an entity created by the same principals that created Quarry North Road LLC) submitted an application to the Zoning Board of Appeals ("ZBA") for a comprehensive permit pursuant to G.L. c. 40B to develop the Buyer's Property along with some additional property. The ZBA held public hearings and ultimately issued a comprehensive permit with conditions, including a substantial reduction in the number of proposed units. Sudbury Station, LLC appealed the comprehensive permit conditions to the Housing Appeals Committee ("HAC"). By agreement of the parties, the Sudbury Station appeal has been continued to February 5, 2019. Upon the execution of a mutually agreeable LDA, and approval of this transaction by Town Meeting as set forth herein, and the award of building permits to Quarry North Road LLC, and the expiration of all appeal periods the Parties will agree to end the litigation between the Parties subject to additional terms and conditions as described herein and as negotiated by Counsel for the parties..

In May, 2018, the Seller issued a Request for Proposals for the disposition of the Seller's Property ("RFP"). The Buyer submitted a proposal to acquire and develop the Seller's Property. The Buyer offered to purchase the Seller's Property for \$1,000,000 together with the conveyance of the Buyer's Property to the Town of Sudbury and other good and valuable consideration ("Buyer's Proposal"). The Seller accepted the Buyer's Proposal, subject to negotiation of further terms and conditions.

The Parties acknowledge and agree that the RFP and the Buyer's Proposal form the basis of this transaction and the Parties have agreed to further negotiate the terms and conditions of the transaction and recite the primary terms of such agreement herein to be more particularly set forth in an LDA.

5. TOWN MEETING APPROVAL.

The Parties acknowledge and agree that the following matters are subject to approval by Sudbury Town Meeting. A Special Town Meeting has been called for December 11, 2018. The Parties agree to cooperate and use all reasonable and diligent efforts to seek Town Meeting approval of the following matters:

(i) Amendment of the Sudbury Zoning Bylaw to create the North Road Residential Overlay District;

(ii) Amendment of the Sudbury Zoning Bylaw to create the Melone Smart Growth Overlay District;

(iii) Approval of the Master Development Plan created and submitted by the Buyer (the "Master Plan"). Such plan shall sufficiently describe all elements of the Buyer's development plan in order to enable Town Meeting to vote to approve same;

(iv) Authorization to convey the Seller's Property to the Buyer; and

(v) Authorization for the acceptance of the Buyer's Property by the Town together with all easements which serve as access to the Buyer's Property, including without limitation a confirmatory easement over Peter's Way for all purposes for which a public way might be used, as part of the consideration for the sale of the Seller's Property.

6. WATER DISTRICT APPROVAL.

The Parties acknowledge and agree that the Sudbury Water District must also agree to transfer to Buyer approximately three (3) acres of land owned by the Water District adjacent to Seller's Property. The Buyer has submitted a proposal to pay the Water District \$660,500.00 to acquire the Water District property, pay for infrastructure and well water quality improvements, and for water supply exploration. The Board of Water Commissioners has voted to award said proposal to Quarry North Road LLC.

7. APPLICATION FOR APPROVAL OF CHAPTER 40R ZONING DISTRICT.

The Parties acknowledge and agree to seek approval from the Massachusetts Department of Housing and Community Development ("DHCD") of a so-called "smart growth zoning district" pursuant to G.L. c. 40R. The Parties agree to cooperate and use all reasonable and diligent efforts to seek DHCD approval before December 11, 2018. In the event that such approval is not received before the Special Town Meeting on December 11, 2018, the Parties agree to pursue the development of the Seller's Property pursuant to a negotiated "friendly 40B" Local Initiative Program development consistent with the Master Plan and/or to seek other alternatives to pursue approval of a c. 40R smart growth zoning district.

8. BUYER'S DEVELOPMENT OF THE MELONE PROPERTY.

The Buyer intends to develop the Seller's Property at its sole cost and expense in substantial conformance with the Master Plan together with all necessary supporting infrastructure, amenities, improvements and mitigation, subject to approval of the Planning Board and/or ZBA, as applicable (collectively, the "Project").

The Project, as proposed by the Buyer, shall consist of the following:

A. Units to be developed pursuant to G.L. c.40B or c.40R:

One bedroom units: 50

Two bedroom units: 40

Three bedroom units: 11

Total: 101

At least 26 of the 101 units shall be "affordable", meaning that they will be eligible for inclusion on DHCD's subsidized housing inventory ("SHI"). All 101 units will be rental units and will be included on the Town's SHI. Local preference shall be given to Sudbury residents to the maximum extent allowable by law.

B. Units to be developed in the North Road Residential Overlay District:

Age-restricted units limited to age 55+

One bedroom units: 23

Two bedroom units: 57

Non-age restricted units

One bedroom units: 0

Two bedroom units: 89

Three bedroom units: 4

Total: 173

Units in the North Road Residential Overlay District will be for-sale units.

TOTAL PROJECT RESIDENTIAL UNITS: 274

In addition, Buyer may construct no more than six single family homes within the Concord portion of the Seller's Property, subject to any and all permitting and other requirements of the Town of Concord.

Buyer may develop limited commercial space within the Sudbury portion of the Seller's Property, designed and constructed to serve the residential units developed on the Seller's Property, not to exceed 2,500 square feet. There shall be no road-front signage advertising the commercial space, and the commercial space shall not be marketed or advertised outside of the Project. Additional non-residential space ancillary to the residential use (e.g. fitness facility, clubhouse, rental/management office and meeting space) may be developed, subject to permitting. Buyer agrees to allow Sudbury Town boards and committees to utilize the meeting space at the development free of charge subject to availability of such space as scheduled by the Buyer or the residents of the development. The Buyer will make its schedule of the use of such space available to the Town and, subject to availability, the Town may schedule the use of such space at its discretion and convenience, subject to any reasonable limitation on hours of use.

9. DEVELOPMENT PURSUANT TO G.L. c. 40B.

The Parties agree to seek DHCD and Town approval of a Local Initiative Program ("LIP") development for such portion of the Project as may be necessary or appropriate, depending if a c.40R smart growth zoning district is not approved on a timely basis.

The Buyer shall apply for site eligibility approval from an approved state subsidizing agency. Once such approval has been received, the Buyer shall submit an application to the ZBA for a Comprehensive Permit pursuant to c. 40B.

10. BUYER'S PROJECT MITIGATION.

A. Buyer agrees to pay, at its sole cost and expense, \$50,000 for the following studies of Project impacts, each of which shall be procured by the Town:

- (i) Traffic Study;
- (ii) Public School Capacity Study;
- (iii) Peer Review of project mitigation plans; and in addition,
- (iv) Planning and Community Development Consultants (at actual cost);

B. Buyer agrees to pay for the following additional items at its sole cost and expense:

- (i) The cost to the Town to call and hold a special town meeting, estimated to be approximately \$15,000.00;
- (ii) The cost of the Town's attorneys' fees, expert witness fees and other costs related to the HAC case (Docket No. 2016-06) from the period of September 11, 2018 to the date of its dismissal or final adjudication up to a maximum of \$100,000.00; the Buyer further agrees to waive any and all appeals and to not pursue any award of legal fees related to such case;
- (iii) A minimum 100-foot setback from Route 117, including maintenance of the existing raised vegetated buffer (berm) along the Melone Property border to minimize the visual impact of the project from Route 117;
- (iv) Compliance with the performance recommendations of the Planning Board and/or ZBA;
- (v) Buyer shall prepare and implement a transportation management plan with specific details to be approved by the Planning Board, which at a minimum shall include (a) a shuttle service operating between the Project and mass transit stations, including without limitation the West Concord and Lincoln Commuter Rail Stations) and to include transportation within Sudbury at local businesses and local amenities and/or facilities and attractions, (b) facilities for car sharing services, and (c) facilities for bike sharing services, all to serve residents and guests of the Project and other Town of Sudbury residents.
- (vi) Payment of \$1,000,000.00 to the Town for Project mitigation

C. Per Capita Mitigation Payment:

(a) Definitions. For purposes of this section, the following terms shall have the following meanings:

1. "Per Capita Cost" shall be defined as the total budget of the Town, less local aid, divided by the total Town population according to the most recent Town Census.
2. "Project Population Cost" shall be defined as the Per Capita Cost multiplied by the total population of the Project residing in Sudbury, according to the most recent Town Census as of the Review Period.
3. "Review Period" shall be defined as the five-year period beginning on the fifth anniversary of issuance of the final residential

occupancy permit for the Project and ending on the tenth anniversary.

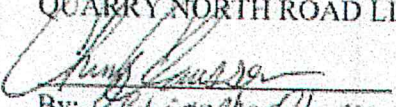
(b) If, at any time during the Review Period: (1) the population of the Project residents in Sudbury exceeds 550, according to the most recent Town Census; and (2) the Project Population Cost exceeds the real estate tax revenue realized by the Town from the Project for two consecutive years, then the Buyer shall make an annual payment to the Town in an amount equal to the Per Capita Cost multiplied by the number of residents of the Project in excess of 550 for each year during the remainder of the Review Period, up to a maximum combined payment of \$500,000. The Town shall prepare a sample calculation of payment due hereunder which shall serve as confirmation of the methodology of the calculation of any such payment during the review period. Such calculation during the review period shall be subject to verification and assent by the Buyer. The methodology for calculating per capita cost shall be set forth in the LDA.

11. ADDITIONAL OBLIGATIONS.

Subject to Town Meeting approval of the matters described in Section 5 above, the Town of Sudbury agrees to dismiss its appeal of the Land Court case in the Appeals Court as moot as against Sudbury Station LLC. Concurrently with such dismissal, Sudbury Station LLC will waive any and all claims to legal fees against the Town of Sudbury relating to the Land Court case and the Appeals Court case. The Town of Sudbury may preserve and maintain any and all rights to appeal any claims or matters against the Trustees of the JOC Trust, including the Land Court's award of legal fees.

BUYER:

QUARRY NORTH ROAD LLC

By:  Christopher Clausson

Title: Manager, Quarry North Road LLC

SELLER:


TOWN OF SUDBURY

By:

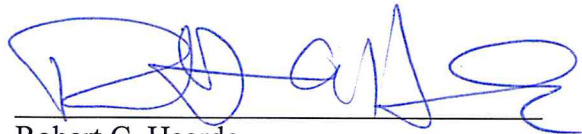
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ACKNOWLEDGED AND AGREED:

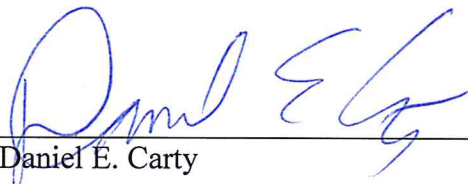
SUDBURY STATION LLC

By:  Christopher Clausson

Title: Manager, Sudbury Station LLC



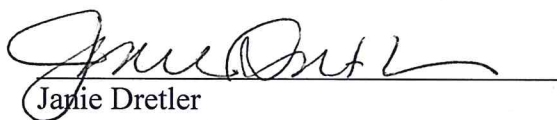
Robert C. Haarde



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