Executive Session Meeting
Cambridge Redevelopment Authority

Wednesday, December 17, 2014, 8:30pm
Cambridge Police Station
125 Sixth Street
Community Room

EXECUTIVE SESSION MEETING MINUTES

Board Members In Attendance: Mr. Chris Bator, Ms. Kathleen Born, Mr. Conrad Crawford, Ms. Margaret Drury, Mr. Barry Zevin

Executive Session began at 8:58 PM after the close of the Regular Board Meeting. (Approved regular meeting minutes available)

Executive Director Tom Evans and Legal Council Jeffrey Mullan introduce the form and initial concepts of a proposed Term Sheet for use in negotiating a proposed lease of the Foundry Building at 101 Rogers St. from the City of Cambridge. Katherine Madden further emphasizes the strong collaborative work of the City / CRA Working group in preparing the Foundry Demonstration Project Plan.

Staff and Board members discuss items on the draft term sheet presented by Jeff Mullan.

Meeting adjourned at 10:00 PM.
Special Open Meeting and Executive Session Meeting
Cambridge Redevelopment Authority

Wednesday, January 14, 2014, 5:30pm
Cambridge Redevelopment Authority Office
255 Main Street
Fourth Floor

SPECIAL MEETING and EXECUTIVE SESSION MINUTES

Board Chair Kathy Born opened the meeting in open session at 4:14 PM

Board Members In Attendance: Ms. Kathleen Born, Mr. Conrad Crawford, Ms. Margaret Drury, Mr. Barry Zevin

Chris Bator is participating remotely due to geographic distance.

Kathy Born asked Chris Bator if anyone is in the room with him. Chris Bator responses that he is alone with the door closed.

First order of business is to vote to enter into executive session. Roll call vote:

Bator - yes
Born - yes
Drury - yes
Zevin - yes
Crawford - yes

Chair Kathy Born states that the Board is now meeting in Executive Session and does not intend to reconvene in open session. She declares that the Board is now in executive session. at 4:16 PM.

Tom Evans introduces the progress in meeting with the City on the Foundry Term Sheet stating that we are mostly in agreement. The document underwent some reorganization.

CRA Legal Counsel Jeffrey Mullan reviews the details of proposed revisions to and reorganization of the draft Term Sheet based on responses from the City to the original proposal.

Staff and Board members discuss items of the revised draft term sheet.

Meeting is adjourned at 6:06 PM.
Executive Session Meeting
Cambridge Redevelopment Authority

Wednesday, January 21, 2014, 8:30pm
Cambridge Police Station
125 Sixth Street
Community Room

EXECUTIVE SESSION MEETING MINUTES

Executive Session began at 9:17 PM after the close of the Regular Board Meeting.
(Approved regular meeting minutes available)

Board Members In Attendance: Mr. Chris Bator, Ms. Kathleen Born, Mr. Conrad Crawford, Ms. Margaret Drury, Mr. Barry Zevin

CRA Legal Counsel Jeffrey Mullan reviews the final draft Term Sheet as proposed by the City. Staff and Board members continue the discussion regarding the lease of the Foundry building and review the revisions to the draft term sheet proposed by the City.

Motion: Authorizing the Executive Director to transmit the attached Term Sheet to the City Manager to accompany the disposition report on the Foundry Building.

Roll call votes:

Bator - yes
Born - yes
Drury - yes
Zevin - yes
Crawford - yes

5-0 vote in the affirmative.

Meeting called to a close at 9:50 PM
Term Sheet for Lease in Cambridge, Massachusetts

DATED AS OF: JANUARY XX, 2015

PREAMBLE: Landlord and Tenant (each as defined below) hereby enter this Term Sheet (this “Term Sheet”) regarding a lease (the “Lease”) of the city-owned Foundry Building at 101 Rogers Street (the “Property”). The goal of the Lease will be to implement the vision, objectives and conditions developed through extensive community and City Council input, and formally set forth in Demonstration Plan for the Property adopted by the CRA and to be approved by the City Council. The CRA would serve as the steward of the Property and in particular the community uses and programming within the Foundry. Unless the context indicates otherwise, actions called for in this Term Sheet to be taken by the City shall be taken by the City Manager.

<table>
<thead>
<tr>
<th>Summary of Material Terms and Conditions</th>
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<tbody>
<tr>
<td>Parties and Definitions</td>
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<tr>
<td><strong>Landlord:</strong> The City of Cambridge (the “City”).</td>
</tr>
<tr>
<td><strong>Tenant:</strong> The Cambridge Redevelopment Authority, a public body politic and corporate in the City of Cambridge, constituted under M.G.L. c. 121B, § 4 (the “CRA”).</td>
</tr>
<tr>
<td><strong>Development Entity:</strong> The entity to be selected by the CRA to implement the redevelopment and management of the Property into a productive innovative mixed-use center. The Development Entity may consist of a private developer, non-profit organization, or a joint venture of multiple parties capable of fulfilling the redevelopment goals for the Property.</td>
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<tr>
<td><strong>Property:</strong> Two certain parcels of land, together with all improvements thereon, located at 101 Rogers Street and 180 Bent Street in Cambridge, Middlesex County, Massachusetts, as more particularly described in a deed from ARE-MA REGION NO. 32, LLC AND ARE-MA REGION NO. 35, LLC to the City of Cambridge dated January __, 2012 and recorded with the Middlesex South District Registry of Deeds in Book 58257, Page 379, a copy of which is incorporated into this Term Sheet as Exhibit A.</td>
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<tr>
<td><strong>Naming:</strong> The name of the property shall be “The Foundry,” or such similar name as determined by mutual agreement between the City and the CRA (collectively, the “Parties”).</td>
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<td><strong>Lease:</strong> The agreement between the Parties, the terms of which are to be consistent with this Term Sheet and the Governing Documents.</td>
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| **Sublease:** The agreement between the CRA and the Development Entity. The Sublease shall be for the Term of the Lease and shall be subject to the
terms of the Governing Documents. The Sublease shall be subject to the prior approval of the City Manager.

**Governing Documents:**
The Lease, the Demonstration Project Plan, the Disposition Report and such other documents related to the use of the Property, all as agreed upon by the Parties.

**Pre-Lease Term:**
That period of time, estimated to continue for not longer than twelve (12) months, between the execution of the Lease and the execution of the Sublease as may be extended by mutual agreement of the Parties. During the Pre-Lease Term, the CRA shall conduct the procurement process leading to the selection of the Development Entity, subject to the review and approval of the City Manager.

**Term:**
Fifty (50) years commencing upon execution of the Sublease.

### Administrative Matters

**Remedies:**
The Lease will provide remedies for the City if the Property is not redeveloped in accordance with the Governing Documents.

**Costs and Expenses:**
Each party shall bear its own costs and expenses in connection with the negotiation and execution of the Governing Documents and the Sublease.

**Drafting of Lease:**
The CRA shall be responsible for preparing the first draft of the Lease.

**Programmatic Objectives:**
The Lease will include minimum and maximum programmatic requirements of the Property’s occupants and programs (the “Program”).

### Selection of Development Entity

**Schedule:**
The Parties agree to pursue the development of the Property consistent with the schedule set forth in Exhibit B, and acknowledge that it is expected that the Property will be substantially occupied not later than three years after the commencement of the Term.

**Selection Process:**
The Development Entity shall be selected by the CRA, with the approval of the City Manager, following a multi-stage selection process consisting of a Request for Qualifications (“RFQ”) to short list qualified entities (“Proponents”) and a Request for Proposals (“RFP”) to fully develop proposals for evaluation.

Prior to the release of the RFQ, the CRA will organize at least one public pre-bidding event to invite developers, program providers, and potential tenants to form connections and potential partnerships capable of delivering an innovative mix of uses in the Property.
The RFQ will provide prospective Proponents with an opportunity to propose an overall building reuse concept. If the CRA receives sufficient responses in alignment with the Governing Documents, the second stage of the solicitation will proceed through a limited-solicitation RFP to be distributed to the Proponents.

This proposal (RFP) round will center on selecting a feasible concept for the Property that includes the selection of an implementation team with appropriate development and management capacity to rebuild and populate the Property. The CRA will solicit proposals for the Property’s reuse as specified in and consistent with the Governing Documents.

The CRA will host at least one televised public presentation of the final proposals from the Proponents at least two (2) weeks before the selection of the Development Entity.

### Selection Criteria

The proposals will be evaluated according to the objectives for the Property set forth in the Governing Documents. Proposals that demonstrate delivery of a Program with community-oriented uses significantly greater than the 10,000 square feet minimum required by the Cambridge Zoning Ordinance and that include the productive use of as much of the Property as possible will be considered highly advantageous in the selection process.

Proposals will also be evaluated on the strength of financing, the quality and experience of the Development Entity, the mix of proposed uses as they relate to the objectives laid out in the Governing Documents, the conceptual building design, approach to environmental issues, proposed schedule, and the capacity of the Proponent to undertake both the development and operations of the Property over the long term.

### Financial Matters

#### City’s Capital Improvements:

The City’s Capital Improvements will include improvements to the building and the Property, as determined by the City to be necessary and appropriate to facilitate the use of the Property for the Program and in compliance with all applicable federal, state, laws, rules and regulations. The City Council shall appropriate $6 million for the City’s Capital Improvements to a capital fund and the City shall expend substantially all of such amount during the Pre-Lease Term and the first ten (10) years of the Term.

#### Expense of Funds; Reserve Accounts:

The CRA shall create 1) an operating fund reserve which shall be dedicated to investment during the Term in the Property’s ongoing building operations, and programming goals as specified in and consistent with the Governing Documents; and 2) a capital fund reserve which shall be dedicated to investment during the Term in the
<table>
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<th><strong>Property’s capital maintenance as specified in and consistent with the Governing Documents, with the CRA’s Funds (collectively, the “Reserve Accounts”). At each ten-year anniversary of the Term, the amounts of the Reserve Accounts shall be reviewed by the Parties and may be adjusted based on the then prevailing best professional practice and all excess funds in the Reserve Accounts at such time may be returned to the City and to the CRA to recoup the initial investments of each party as agreed by the Parties.</strong></th>
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<tbody>
<tr>
<td><strong>CRA’s Funds:</strong></td>
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<tr>
<td><strong>Rent:</strong></td>
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<tr>
<td><strong>Additional Financing:</strong></td>
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<td><strong>Real Estate Taxes:</strong></td>
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<td><strong>Insurance:</strong></td>
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<td>Audit:</td>
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<tr>
<td>Ten-Year Rent Evaluation:</td>
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### Development Matters

| Improvements and Modifications; City Review: | The CRA shall ensure that improvements and modifications to the Property are designed in compliance with all applicable federal, state and local laws, rules and regulations. The City Manager (with recommendations from the CRA Board) shall approve all structural and all permanent capital improvements and modifications to the Property. |
| Construction Management: | The CRA shall hire or otherwise retain, subject to the City Manager’s approval, an owner’s representative to oversee each stage of the Property’s redevelopment. |
| Permits: | The Development Entity shall be required to obtain any and all permits and/or licenses required by federal, state and local laws, rules and regulations for the redevelopment and operation of the Property. |

### Operational Matters

| Performance Measures: | The Sublease shall maximize the community benefits from the redevelopment and use of the Property while maintaining the financial sustainability of the Property. The Sublease will include performance measures and reporting requirements that comply with the Governing Documents. |
| Repairs and Maintenance: | Throughout the Term, the CRA shall maintain the Property in good condition and repair, reasonable wear and tear excepted, and shall be authorized to transfer this obligation to the Development Entity in the Sublease. Expenses for maintenance during the Term may be paid out of that portion of the Reserve Funds set aside for capital maintenance. The CRA shall not be responsible for the maintenance of the Property during the Pre-lease Term. The CRA may request that the City undertake specific capital improvements as a part of the City’s Capital Improvement Plan. |
| **Continuous Operation:** | The Sublease shall require the Development Entity to use its best efforts to keep the Property continuously occupied during the Term. The CRA will play an active management role in overseeing operations at the Property consistent with the Governing Documents, with a specific emphasis on the community uses and public programming of shared spaces, and the CRA shall report to the City Manager on regular basis. |
| **Environmental Issues:** | The CRA, on its own account or through the Development Entity, shall secure environmental liability insurance for additional remediation and hazardous material disposal costs related to environmental conditions at the Property not previously identified by the City but discovered during development process or building operation. |
| **Advisory Committee:** | The City Manager shall create a seven (7) person Advisory Committee (the “Committee”) in consultation with the CRA’s Executive Director. The Committee shall conduct its affairs and carry out its mission in accordance with the Governing Documents. |
| **End of Lease Term:** | If the City so elects, at the expiration or sooner termination of the Lease, all improvements shall be surrendered to the City in a condition to be agreed upon by the City. |

The Parties acknowledge that a transaction of the type contemplated in this Term Sheet involves terms and conditions which have not yet been agreed upon. The Term Sheet is in no way intended to be a complete or definitive statement of all the terms and conditions of the proposed transaction, which shall be subject to the negotiation and execution of a satisfactory Lease by the Parties.

**Attachments**

- Exhibit A - Description of the Property
- Exhibit B – Schedule for The Foundry Property
Attachment A: Description of the Property

QUITCLAIM DEED

ARE-MA REGION NO. 32, LLC, a Delaware limited liability company, and
ARE-MA REGION NO. 35, LLC, a Delaware limited liability company,
(each, a "Grantor", and together, the "Grantors"),

for consideration paid of Ten Dollars ($10.00), and in satisfaction of that certain condition set
forth in Section 1(a) on Page 17 of 29 of that certain Notice of Decision of the Planning Board of
the City of Cambridge, dated June 7, 2010, recorded with Middlesex South District Registry of
Deeds in Book 54930, Page 202, with respect to the conveyance of the property referenced
herein,

grant with quitclaim covenants to

CITY OF CAMBRIDGE, a municipal corporation organized under the laws of the
Commonwealth of Massachusetts, having an address of 795 Massachusetts Avenue, Cambridge,
Massachusetts 02139 ("Grantee"),

those two (2) certain parcels of land in Cambridge, Middlesex County, Massachusetts, more
particularly described in Exhibit A attached hereto and made a part hereof (together, the
"Premises").

The Premises are conveyed subject to, and with the benefit thereof, as the case may be, the
 easements, restrictions, reservations, rights, agreements, encumbrances and other matters of
 record insofar as they are now in force and applicable.

Neither Grantor is classified as a corporation for federal tax purposes for the current taxable year.

Massachusetts deed excise tax stamps are not required, Grantee being a political subdivision of
the Commonwealth of Massachusetts.

(Remainder of Page Intentionally Left Blank; Signature Page to Follow)
Executed as an instrument under seal as of January 2012.

ARE-MA REGION NO. 32, LLC,
a Delaware limited liability company

By: Alexandria Real Estate Equities, Limited Partnership, a Delaware limited partnership, managing member

By: ARE-QRS Corp., a Maryland corporation, its general partner

By: Dean A. Shigenaga,
Senior Vice President and Treasurer

ARE-MA REGION NO. 35, LLC,
a Delaware limited liability company

By: Alexandria Real Estate Equities, Limited Partnership, a Delaware limited partnership, managing member

By: ARE-QRS Corp., a Maryland corporation, its general partner

By: Dean A. Shigenaga,
Senior Vice President and Treasurer
STATE OF CALIFORNIA

COUNTY OF LOS ANGELES

On December 22, 2011, before me, Teryll E. Sacks, Notary Public, personally appeared DEAN A. SHIGENAGA, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

(Seal)
ACCEPTANCE OF QUITCLAIM DEED BY CITY OF CAMBRIDGE

The City of Cambridge accepts this Quitclaim Deed from ARE-MA Region No. 32, LLC and ARE-MA Region No. 35, LLC, for the premises described herein located in Cambridge, Middlesex County, Massachusetts.

CITY OF CAMBRIDGE

By: ____________________________
    Robert W. Healy, City Manager

Date: January 9, 2012

APPROVED AS TO FORM:

______________________________
Donald A. Drisdell, City Solicitor
Exhibit A to Quitclaim Deed

Parcel 1

That certain parcel of land in Cambridge, Massachusetts, shown as Lot 2 on a plan entitled “Amended & Restated Subdivision & Consolidation Plan of Land #239, #245-#247 Third Street, Cambridge, Massachusetts,” dated September 15, 2009, prepared by Feldman Profession Land Surveyors, recorded with said Deeds as Plan No. 624 of 2009, said Lot 2 containing 5,254 square feet according to said plan.

Being a portion of “Parcel 5 239-257 Third Street” as set forth in, and for Grantor ARE-MA Region No. 32, LLC’s title see, deed from Bruce A. Beal and Robert L. Beal, as Trustees of The Cambridge East Trust, dated November 1, 2006, recorded with said Deeds in Book 48428, Page 408.

Parcel 2

A certain parcel of land with all buildings, structures and improvements now or hereafter thereon and all fixtures now or hereafter therein, situated in Cambridge, Massachusetts, now known and numbered as 101 Rogers Street and 180 Bent Street, being shown as Lot A on a plan entitled “Plan of Land Cambridge, Mass.”, dated March 15, 1968, by Robert H. Dunning, surveyor, duly filed with Middlesex South Registry of Deeds with deed of Nathaniel E. Slavin, Trustee of Slavin Real Estate Trust, dated June 28, 1968 and recorded with said Deeds in Book 11532, Page 482, being bounded and described as follows:

NORTHERLY by Bent Street, ninety-three and 4/10 (93.4) feet;

EASTERNLY by land of owners unknown, two hundred seventeen and 65/100(217.65);

NORTHERLY again by land of owners unknown, one hundred twenty-two and 63/100 (122.63) feet;

EASTERNLY again by Third Street, fourteen and 77/100 (14.77) feet;

SOUTHERLY by Rogers Street, two hundred sixty-six and 13/100 (266.13) feet;

WESTERNLY by Lot B on said plan, by a line running in part through the middle of a partition wall, one hundred fifty-one and 65/100 (151.65) feet;

NORTHERLY again by said Lot B, eleven and 3/10 (11.3) feet;
WES**T**ERLY again by Lot B, by a line running through the middle of a partition wall, nineteen and 5/10 (19.5) feet;

NORTH**ERLY** again by said Lot B, by a line running through the middle of a partition wall, forty-two (42) feet;

WESTERLY again by said Lot B, by a line running through the middle of a partition wall, sixty and 5/10 (60.5) feet.

The above parcel is also shown on a plan entitled “Plan of Land, Cambridge, Massachusetts” by Harry R. Feldman, Inc. Land Surveyor, dated December 19, 1983 recorded with said Deeds in Book 15381, Page 78, said parcel containing 32,237 square feet according to said plan.

For Grantor ARE-MA Region No. 35, LLC’s title see deed from LNR Rogers Street, Inc. dated February 16, 2007, recorded with said Deeds in Book 49008, Page 320.
Attachment B
FOUNDRY - Preliminary Project Schedule

TRANSACTION
- Demonstration Plan
- Disposition
- Lease

PRE-LEASE TERM
- RFQ
- RFP
- Developer Selection
- Sublease

TERM
- Permits
- Design
- Construction
- Occupancy

CALENDAR YEARS

<table>
<thead>
<tr>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
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<td>dec</td>
<td>jan</td>
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Projected dates are estimated

City of Cambridge / Cambridge Redevelopment Authority