



March 16, 2011

BY OVERNIGHT MAIL

City of Somerville Office of Strategic Planning
Somerville City Hall
93 Highland Ave
Somerville, MA 02143
Attn: Steven Azar, Senior Planner

**Re: Brownfields Site Assessment/Remediation Recoverable Grant for
the Kiley Barrel Site, Somerville, MA, RTN 3-2894**

Dear Mr Azar:

We are pleased to inform you the City of Somerville's ("Sponsor") application for a Brownfields site assessment/remediation grant for up to \$297,400 from the Brownfields Redevelopment Fund (the "MassDevelopment Funds") for the Kiley Barrel Site ("Project") located at the intersection of Somerville Ave and Prospect Street in the Union Square area of Somerville, MA (the "Site") has been approved. This award will bring the total awarded funds to this Project to \$392,400.

The funds are a recoverable grant from the Brownfields Redevelopment Fund and the Sponsor will be required to enter into an amendment of the original Memorandum of Agreement dated December 3, 2009 ("MOA") regarding use of the funds and containing the details on the conditions, processes, and timeframe for drawing down funds, the Sponsor's reporting requirements during the term of the grant, the conditions under which the funds must be repaid and other program requirements during the term of the award.

As you are aware, the request for funding often is greater than the resources available. Because of this situation, we require the Sponsor to execute the MOA amendment by April 30, 2011.

The MOA amendment will contain, without limitation, the following terms:

1. a site assessment/remediation recoverable grant will be increased by up to \$297,400, for a total award of \$392,400, to be used only for the environmental work approved by MassDevelopment;
2. the term of the amended MOA, which will include the original \$95,000, will be extended for 5 years from the date of the signed MOA amendment;

3. a requirement that upon the occurrence of a triggering event or an event of default under the MOA, the MassDevelopment Funds must be repaid;
4. if no triggering event or event of default occurs within 5 years from the date of the amended MOA, the MOA will expire and no repayment will be due;

triggering events will include but not necessarily be limited to: (i) all or any portion of the Site is sold, conveyed, gifted, demised, ground leased or otherwise transferred to an unrelated party, Sponsor, or any affiliate, receives funds that exceed the aggregate amount necessary for repayment of existing monetary liens, mortgage loans and other debt on the Project and all of the costs incurred by them in acquisition, development, ownership and sale of the Site or of the portion o (ii) the Site is developed into a use ineligible for funding under the MassDevelopment Brownfields program;

5. no interest will accrue on this grant unless it becomes repayable and is not paid on the date due, then interest will be charged at an annual rate equal to the prime rate plus 3%;
6. the grant will be unsecured;
7. other standard terms and conditions for Memoranda of Agreement for site assessment and remediation grants under the Brownfields Redevelopment Fund Program.

The following are preconditions to the execution of the amended MOA:

1. the proposal of TRC Environmental Solutions (the "LSP"), dated March 2, 2011 (the "LSP Proposal"), for the site assessment and remediation work must be accepted by countersignature of Sponsor;

Until the MOA is executed, no MassDevelopment Funds will be disbursed. MassDevelopment Funds cannot be used for any site assessment or remediation work undertaken prior to the execution of the MOA unless such work is approved in the MOA by MassDevelopment.

This Award Letter sets out the general terms of the grant. In the case of inconsistencies between this Award Letter and the MOA, as amended, (if any), the terms of the MOA shall govern.

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David Bancroft, Senior Vice President of Community Development, your primary contact with the Agency, will be in touch with you to discuss the MOA as well as any other questions or concerns you may have.

MassDevelopment's primary mission is to help build the communities of the Commonwealth by stimulating economic development. We look forward to working with you to make your project a reality for the benefit of the Union Square neighborhood of the City of Somerville and all of the people of Massachusetts.

Massachusetts Development Finance Agency

By: *Laura L. Canter*
Laura L. Canter
Executive Vice President, Finance Programs