

MEMORANDUM OF AGREEMENT

This Agreement is entered into this 14th day of October 2025 between the Town of Needham, a Massachusetts municipal corporation having its business address at 1471 Highland Avenue, Needham MA 02492, acting by and through its Select Board, (the "Town") and Stephen Palmer Associates Limited Partnership, a Massachusetts Limited Partnership having its business address at 9 Atlantic Avenue, Marblehead, MA 01945, the general partners of which are Crowninshield Corporation and Mather, Inc. ("SPA").

WHEREAS the Town and SPA are party to the Ground Lease dated May 3, 1977 (the "Ground Lease"); and

WHEREAS the Ground Lease provides that the Town is Lessor and SPA is Lessee of the Stephen Palmer Building and the underlying lot located at 83 Pickering Street, Needham MA, as described more particularly therein; and

WHEREAS the Ground Lease provides that SPA will enter into subleases with residential tenants for the twenty-eight (28) dwelling units contained within the Stephen Palmer Building; and

WHEREAS SPA has served as landlord and property manager to the residential tenants/sublessees at the Stephen Palmer Building for the duration of the Ground Lease; and

WHEREAS the Ground Lease has a fifty (50) year term, and is scheduled to expire on May 3, 2027; and

WHEREAS the Ground Lease provides that upon expiration, the Lessee shall "peaceably surrender to Lessor the Leased Property add/or [sic] Improvements in good order, condition and repair in accordance with its obligations...and assign to Lessor the subleases then current"; and

WHEREAS given the impending expiration of the Ground Lease, the parties wish to enter into an agreement that will responsibly wind down the existing residential use and occupancy of this property.

NOW THEREFORE, in mutual consideration of the promises contained herein, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Town Meeting Approval: The Town will seek an appropriation in the amount of \$385,000 at its October 20, 2025 Special Town Meeting for the purpose of funding its financial obligations under this agreement. If this appropriation is approved and becomes available to spend in accordance with the Town Charter, then the Town will promptly send SPA written notice to that effect. Upon transmittal of such notice, all remaining terms of this agreement shall become binding on the parties. If this appropriation is not approved by Town Meeting or does not become available to spend in accordance with the Town Charter, then this agreement shall be null and void.

2. Non-renewal of existing subleases: Within 30 days after the Town sends notice to SPA as provided in Section 1, SPA will notify all tenants that their current leases will not be renewed or extended; that any existing lease that expires prior to October 31, 2026 will be converted to month-to-month; and that all tenancies regardless of form will be terminated as of October 31, 2026. SPA will allow tenants to terminate any leases early without penalty. SPA will be responsible for all notices regarding lease non-renewal and termination.
3. Rental payments – vacant units: SPA will not enter into any new lease for, or allow any new occupancy of, any unit within the Stephen Palmer Building that becomes vacant for any reason before the expiration of the Ground Lease. Beginning on the first day after any vacancy occurs, the Town will be responsible for the rent for that unit through the conclusion of the Ground Lease. SPA shall be responsible to confirm vacancy of each unit to the Town, in the first instance by providing confirmation of vacating the premises signed by the former tenant, or in the alternative certification by SPA that the unit has been vacated. The Town shall thereafter be responsible for rent at the current monthly rate for each unit, as listed on Exhibit A to this agreement. The Town will make payment for each vacant unit on a monthly basis, with the first payment in a month involving partial vacancy (if applicable) to be made on a pro-rated basis.
4. Utility payments – vacant units: The Town will pay, directly to the utility, the cost of utilities for vacant units that would otherwise have been paid by the tenant, beginning as soon as is practicable to arrange for billing by the utility through expiration of the Ground Lease.
5. Communications: The Town and SPA agree to collaborate on any communications that either party directs to tenants, and to provide each other the opportunity to review and approve any communication that discusses the other party before issuance.
6. Insurance: SPA shall maintain insurance at all times in accordance with the Ground Lease. Beginning on January 31, 2027, SPA will provide to the Town, as a matter of course and without the need for request, all communications to and from SPA (and/or Crowninshield Corporation, as applicable) relating to the renewal and maintenance of the required insurance, and any and all efforts to obtain the required insurance from new or alternative insurance providers, if coverage with current provider is not possible.

Notwithstanding the first sentence of this section, if on or after March 15, 2027, SPA is unable to obtain insurance required by the Ground Lease based exclusively on the occupancy level of the Stephen Palmer Building, then SPA will surrender, and the Town will accept, the leased premises on March 15, 2027 or such later date before May 3, 2027 that SPA has become unable to obtain the required insurance. In this event, in addition to the foregoing requirements, SPA shall provide a copy of the policy not to be renewed or to be cancelled, as applicable; all correspondence from the insurer about changes to the policy or policy provision, non-renewal or cancellation; and documented proof of all efforts to secure insurance coverage from another provider if the current policy is not renewed, is cancelled, or is amended below requirements to support. Any surrender of the leased premises pursuant to this section of this agreement shall otherwise be in accordance with the terms of the Ground Lease.

For purposes of this paragraph, the parties acknowledge that insurance for the Stephen Palmer Building may be part of a multi-development package, and that SPA is obligated to provide information related to the insurance for the Stephen Palmer Building only.

7. Tenant meeting: The Town will conduct a joint tenant meeting for all Stephen Palmer residents with representatives from the Town, SPA and the Town's consultant to convey forthcoming notifications from SPA, relocation support/assistance from the Town and its consultant, and timeline. SPA will help arrange for this meeting, which is expected to occur prior to October 20, 2025.

8. Early termination: If the Stephen Palmer Building becomes vacant prior to May 2, 2027, the Town will terminate the Ground Lease early, 15 business days following proof that the building is vacant.

9. Representations regarding Ground Lease: The Town represents that SPA is, as of the date of this agreement, current on its property taxes; that based on its current knowledge the Town has no present concerns of noncompliance by SPA with the terms of the Ground Lease; and that the Ground Lease states among other things that upon expiration the Lessee shall "peaceably surrender to Lessor the Leased Property add/or [sic] Improvements in good order, condition and repair in accordance with its obligations...and assign to Lessor the subleases then current."

10. Ground Lease otherwise in effect: Except as expressly modified or amended in this agreement, the terms of the Ground Lease shall remain in full force and effect.

Executed this 14th day of October 2025.

TOWN OF NEEDHAM

By its SELECT BOARD

Heidi Frail, Chair



Catherine Reid Dowd, Vice Chair

Joshua Levy, Clerk



Marianne Cooley



Kevin Keane

Executed this _____ day of October 2025

STEPHEN PALMER ASSOCIATES

By The Crowninshield Corporation,
General Partner

Deborah Collier-Comins, President

Executed this _____ day of October 2025.

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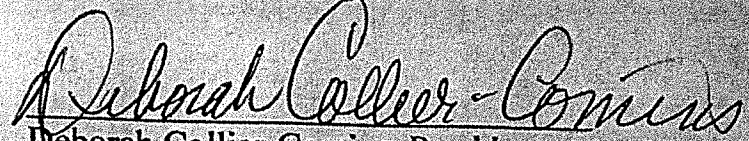

Deborah Collier-Comins, President

Exhibit A

Exhibit A

Stephen Palmer Apartments
Resident List

UNIT	MONTHLY RENT
206	\$1,026.00
208	\$1,200.00
212	\$925.00
102	\$1,430.00
109	\$1,000.00
107	\$826.00
111	\$1,200.00
104	\$1,000.00
108	\$1,200.00
213	\$1,092.00
209	\$1,147.00
201	\$1,172.00
202	\$1,080.00
110	\$1,230.00
205	\$1,430.00
103	\$850.00
105	\$1,026.00
207	\$1,030.00
B01	\$1,030.00
B02	\$1,030.00
106	\$1,130.00
101	\$1,130.00
204	\$1,030.00
210	\$1,200.00
211	\$1,030.00
B03	\$1,011.00
203	\$919.00
214	\$1,230.00
	\$30,604.00