

Deval L. Patrick, Governor Timothy P. Murray, Lt. Governor Jeffrey B. Mullan, Secretary & CEO



July 22, 2010

Thomas A. Samra, Vice-President, Facilities United States Postal Service 4301 Wilson Boulevard, Suite 300 Arlington, VA 22203-1861

Re: Relocation of the United States Postal Service Facility, 25 Dorchester Avenue, Boston, Massachusetts

Dear Mr. Samra:

This letter will confirm our understanding of the intentions of the parties to pursue certain actions to implement the relocation of the USPS Distribution Facility located at 25 Dorchester Avenue in Boston, Massachusetts (the "GMF") to a replacement site in South Boston on lands off Fargo and E Streets and shown on a plan attached as Exhibit A ("GMF Relocation Site").

Background:

As I have already indicated to you, MassDOT has determined that the expansion of track capacity at South Station is a critical component of the existing and future operations of intercity and commuter rail operation in the Commonwealth, including current plans for the improvement of high speed rail on the Northeast Corridor. MassDOT believes that the acquisition and demolition of the GMF is necessary to accomplish this objective.

MassDOT, in combination with Massport, has proposed to provide a relocation site and facility for the GMF. We propose that a replacement facility for the GMF (the "GMF Replacement Facility") will be constructed on the GMF Replacement Site for USPS operations on a "build-to-suit" basis, based upon detailed design specifications to be provided by the USPS and constructed through a process to be managed by Massport and supervised by the USPS.

Immediate Undertakings by the Parties:

In furtherance of the goal to relocate USPS operations from the GMF to the GMF Relocation Site, the parties, including MassDOT, Massport and the USPS have agreed to immediately undertake the following actions:

- 1. MassDOT, in cooperation and coordination with Massport and USPS, will use all diligent efforts to secure funding for the costs associated with the project, pursuant to certain agreements yet to be negotiated.
- 2. MassDOT will designate Massport as its agent in negotiations with the U.S. General Services Administration (the "GSA") for the acquisition of portions of the GMF Replacement Site. Massport, in cooperation with MassDOT and USPS, will immediately undertake negotiations with the GSA to acquire certain parcels of land that, when combined with certain parcels of land currently owned by Massport, will constitute the lands required for the GMF Replacement Site. Massport and MassDOT will regularly update the USPS on their efforts to secure the GMF Replacement Site parcels from the GSA, including efforts to identify funding sources to support the acquisition, which efforts will be undertaken on an expedited basis.
- It is anticipated that the USPS and Massport will enter into a long-term lease for the GMF Replacement Site and a contract for the construction of the GMF Replacement Facility pursuant to certain agreements yet to be negotiated.
- 4. The USPS will undertake and update certain internal planning and due diligence measures in order to confirm the operational and programmatic requirements for the GMF Replacement Facility; USPS will also conduct appropriate outside consultant analyses to determine the suitability of the GMF Replacement Site for USPS Boston operations, including traffic studies and geotechnical and environmental assessments of conditions present at the GMF Replacement Site. Such outside consultant studies shall, up to an initial maximum budget of \$250,000, be paid for by Massport, provided USPS submits the proposed scope and budget for such studies to Massport for its prior review and approval.
- 5. Upon completion of due diligence measures surrounding the site to USPS' satisfaction and the transfer of the GSA parcels constituting the GMF Replacement Site to Massport, USPS will finalize required internal approvals to convey all title and interest in the GMF to MassDOT and the relocation of its operations to the GMF Replacement Facility. Of course, all of this will be subject to the specific terms and conditions of agreements between the parties to be negotiated in connection with this transaction.

Thank you for your cooperation in this most important venture, and I look forward to making significant progress on this initiative in the next few months. If you have any questions, please direct them to MassDOT Deputy Secretary Brian Murphy at 617-248-2962.

Sincerely,

Massachusetts Department of Transportation

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secretary and Chief Executive Officer

AGREED AND ACCEPTED:

Massachusetts Port Authority

Thomas Kinton, Chief Executive Officer and Executive Director

cc: Lowell Richards, Director Economic Planning and Development Massachusetts Port Authority Brian P. Murphy, Deputy Secretary, MassDOT