



May __, 2020

David Provost
Boston Properties Limited Partnership
Prudential Center
800 Boylston Street
Boston, MA 02199

Re: Letter of Intent on Residential GFA Purchase Price

Dear Mr. Provost:

This Letter of Intent (“Letter”) is written to reflect the terms and conditions pursuant to which the Cambridge Redevelopment Authority (the “CRA”) and Boston Properties Limited Partnership, as the authorized representative of the owners of certain properties within the Kendall Square Urban Renewal Plan Area (the “KSURP Area”) (collectively, “Boston Properties”), intend to reach agreement on several matters concerning the Housing Project, as hereinafter defined. The CRA and Boston Properties (collectively, the “Parties”) each acknowledge that this Letter, except for the limited purposes of establishing the Fixed Price and setting forth the timeline of the first phase of the Housing Project, as defined below, is a non-binding agreement, and is in no way intended to be a complete or definitive statement of all the terms and conditions of the proposed transaction, and that the negotiation and execution of documentation satisfactory to the Parties will be required. This Letter will document the understandings reached by the Parties to date and is intended to serve as a guideline for the negotiation and execution of the documents necessary to finalize the agreement between the Parties with respect to the Housing Project.

1. The Housing Project

As shown in the Infill Development Concept Plan (“IDCP”) approved on January 17, 2017 and amended on January 31, 2019, Boston Properties intends to pursue the development of multi-family housing on Parcel 2 of the KSURP Area (the “Housing Project”). The design of the Housing Project currently involves the construction of two residential buildings in two phases: the first containing approximately 350,000 square feet of gross floor area as defined under Article 14 of the Cambridge Zoning Ordinance (“Residential GFA”) and the second containing approximately 70,000 square feet of Residential GFA. Section 14.32.1 of the Zoning Ordinance requires that Boston Properties commence construction of a residential building of 200,000 square feet before an occupancy permit for the new commercial building at 325 Main Street can be issued. To achieve that timeline, Boston Properties had progressed the design of the first phase of the Housing Project at 135 Broadway, throughout 2018 and 2019.

2. Eversource Sub-Station Alternative Location

In 2019, when Eversource announced its plans for a new electrical substation on Fulkerson Street, the Cambridge City Manager brought together City staff and representatives from the local development community to explore an alternative location for that facility. Shortly after these initial discussions with the City Manager and hearings held by the City Council regarding the substation proposal, Boston Properties approached the CRA and the City Manager with the conceptual idea of placing the substation on the site of the Blue Garage within Parcel 2 of the KSURP Area (the “Eversource Project”). The technical challenges of the alternative substation location are complex and the planning efforts of Boston Properties and the CRA shifted toward understanding the alternative site’s feasibility. Specifically related to this Letter, it has become apparent that to accommodate the Eversource

Project, the siting, massing, design, and timing for construction of the Housing Project will need to be modified. At this time, the CRA is preparing a zoning petition and an amendment to the Kendall Square Urban Renewal Plan (“KSURP”) to allow the City Council to consider the development entitlements required to facilitate the Eversource Project while still allowing for the development of the Housing Project.

3. Consideration to be Paid to the CRA

Pursuant to the Development Agreements between Boston Properties and the CRA (the “Development Agreements”), Boston Properties is required to pay to the CRA a purchase price for all “Infill GFA” (as defined in the Development Agreements), including the Residential GFA. This purchase price is calculated on a per GFA square foot basis in accordance with a schedule in the Development Agreement, with the price per square foot increasing annually. The purchase price for Infill GFA is locked-in at the date at which the CRA approves the Schematic Design for the project at issue, and is payable once the approved project receives a building permit from the City of Cambridge.

The CRA understands that the Eversource Project site offered by Boston Properties is a significantly more favorable option for the neighborhood abutting the KSURP Area. The CRA has also made the delivery of the Housing Project a priority in the alternative site planning efforts. The CRA understands that if the Eversource Project had not become a key planning priority for the City of Cambridge, then Boston Properties would have continued to advance the plans for the Housing Project and had planned to submit a Schematic Design package for the larger of the two residential buildings at 135 Broadway to the CRA for consideration in 2019. Those design efforts have proceeded as illustrated in the conceptual design update, enclosed with and made a part of this Letter as Exhibit A.

Therefore, subject to the limitations set forth in this Letter the CRA agrees to amend the Development Agreements to fix the price for the Residential GFA associated with the Housing Project (whether as originally contemplated or as may be revised in conjunction with the Eversource Project) at the point it would have been set if a Schematic Design had been approved as of the date of this Letter, which the CRA agrees is as of the date of this Letter ----- . According to the Development Agreement, the price for Infill GFA is currently fifty dollars and seventy-nine cents per square foot (\$50.79 / SF), (the “Fixed Price”).

If the zoning and KSURP amendments to facilitate the Eversource Project are not approved within a year of this Letter, then Boston Properties will continue to advance the Housing Project consistent with what was previously approved in the IDCP and consistent with Exhibit A and will pay the purchase price for the Residential GFA associated with each of the two phases (in each case utilizing the Fixed Price) upon the issuance of a building permit for each such phase. Per the IDCP, construction would commence on the first phase of two residential buildings comprising the current Housing Project before the occupancy of the 325 Main Street commercial project, provided the design review process is conducted efficiently.

If the Eversource Project is approved, the Housing Project will be delivered in a different form and on a different schedule than currently required under the KSURP and IDCP, such that all of the available Residential GFA will be constructed in a single phase as soon as possible given the technical parameters of the Eversource Project. The Parties will propose new phasing and delivery requirements in the aforementioned zoning petition and KSURP amendment for consideration. In this case, assuming the zoning petition and KSURP amendment are approved, Boston Properties will advance the Housing Project consistent with those new requirements and will make the Residential GFA payment utilizing the Fixed Price upon the issuance of a building permit for the single phase.

Sincerely,

CAMBRIDGE REDEVELOPMENT AUTHORITY

Kathleen Born, Chair

AGREED AND ASSENTED TO:

BOSTON PROPERTIES LIMITED PARTNERSHIP

By: Boston Properties, Inc., its general partner

By:

duly authorized

Exhibit A: 135 Broadway Schematic Design Progress Set