

Alexandria Real Estate Equities
700 Technology Square
Suite 302
Cambridge, MA 02139

February 9, 2009

Mayor E. Denise Simmons
Vice Mayor Brian Murphy
Ordinance Committee Co-Chair David P. Maher
City Councilor Henrietta Davis
City Councilor Marjorie C. Decker
City Councilor Craig A. Kelly
City Councilor Kenneth E. Reeves
City Councilor Sam Seidel
City Councilor Timothy J. Toomey, Jr.
795 Massachusetts Avenue
City Hall
Cambridge, MA 02139

**SUBJECT: Commitments and conditions accompanying the substitute petition for
Binney Street Zoning attached hereto as Attachment A**

Dear Mayor Simmons, Vice Mayor Murphy, Ordinance Committee Co-Chair Maher, and
Councilors Davis, Decker, Kelly, Reeves, Seidel and Toomey:

The purpose of this letter is to describe commitments and benefits which Alexandria (hereafter defined) is prepared to offer to the City of Cambridge, to facilitate and enable Alexandria's use and development of key sites in East Cambridge in a manner consistent with the East Cambridge Planning Study ("ECaPS"), subject to the satisfaction of the "Conditions" set forth below.

This letter is the "Letter of Commitment" referenced in Section 13.59.8 of the proposed amendments to the Zoning Ordinance set forth in Attachment A (the "Binney Street Zoning"). All capitalized terms not defined herein shall have the meanings given them in Attachment A.

For purposes hereof, "Alexandria" refers to the entities listed below, who own, or have the right to purchase, the land opposite each entity's name below, which land constitutes the land which is

eligible to be included in a Final Development Plan pursuant to the Binney Street Zoning. Such land is shown on the illustrative site plan attached hereto as Attachment B. Included within this is the land at which the so-called "Rogers Street Park" will be located, and the land at which the so-called "Triangle Park" will be located. The "Alexandria Land" means any land listed below which is included within an approved Final Development Plan which is subject to Section 13.59. Without limitation, it is expected that a portion of the property located at 249 Third Street will not be included in any such Final Development Plan, and any such property not so included shall be deemed excluded from the "Alexandria Land."

Alexandria Entity	Alexandria Land
ARE-MA Region No. 21, LLC	161 First Street (Parcel 16-20)
ARE-MA Region No. 32, LLC	54, 56, 57, 60, 61, 64, 65, 67, 68, 69, 71, 72, 74, 75, 79, 80, 83 and 84 Rogers Street; 87, 95, 101, 107, 80-122 and 143 Binney Street; 245, 247, 249, 264, 270, 276 Third Street; 167, 173, 179 Second Street; 61 Rear Rogers Street; 50 Rogers/200 Second Street (Parcel 16-25, Parcel 27-76, Parcel 16-27, Parcel 16-15, Parcel 16-21, Parcel 16-22, Parcel 15-26); also 242-248 Third Street (Parcel 16-1)
ARE-MA Region No. 34, LLC	241 Binney Street, 126-144 Rogers Street (Parcel 28-23)
ARE-MA Region No. 35, LLC	101 Rogers Street (Parcel 27-82)
ARE-MA Region No. 37, LLC	41 Linskey Way (Parcel 15-11)
ARE-MA Region No. 39, LLC	182-198 First Street (Parcel 11-32), 200 First Street (Parcel 11-46)
ARE-MA Region No. 40, LLC	195 First Street (Parcel 15-28)
ARE-MA Region No. 42, LLC	77 William "Doc" Linskey Way (Parcel 15-25)

This Letter of Commitment shall be binding upon and inure to the benefit of successor owners of the Alexandria Land. Alexandria recognizes and agrees that Section 13.59.8 of the Binney Street Zoning requires ongoing compliance with this letter as a condition to the issuance of building permits and certificates of occupancy, regardless of whether Alexandria is the owner of the Alexandria Land.

A. Alexandria's Commitments

1. The Binney Street zoning contemplates, in Section 13.59.9, the dedication to the City of the so-called Rogers Street Park, and the dedication to the City of the so-called Triangle Park, in the event that a Final Development Plan subject to Section 13.59 is approved and construction proceeds thereunder. As part of development under such a Final Development Plan, Alexandria shall contribute \$1,000,000 to the City to enable the City to plan and design improvements at the Rogers Street Park and the Triangle Park, such contribution to be made no later than the issuance of the first Building Permit for a building containing primarily non-residential use (the "First Commercial Building") within such a Final Development Plan.
2. Alexandria will contribute \$8,500,000 to the City to enable the City to construct park improvements at the Rogers Street Park and the Triangle Park, such contribution to be made no later than issuance of the base building Certificate of Occupancy for the First Commercial Building under such a Final Development Plan. The use of such funds will be restricted to the purposes for which they are contributed.
3. Reference is made to Section 13.59.4 of the Binney Street Zoning, pursuant to which a Final Development Plan must provide a minimum of 220,000 square feet of residential uses and must provide within such residential uses at least 47,000 square feet of Gross Floor Area of housing affordable to households whose total income does not exceed 120% of the area median income for the Boston area ("Middle Income Units"), and at least 33,000 square feet of Gross Floor Area of housing affordable to households whose total income does not exceed 80% of the area median income for the Boston area ("Low-Mod Units"). The 220,000 square feet of residential floor area shall be exempt from FAR calculations for the Final Development Plan and shall be exempt from the provisions of Section 11.200. Within the 220,000 square feet of residential uses, the developer shall use reasonable efforts to include a mix of unit sizes, including units of suitable size for families with children. Any other residential uses above this required minimum of 220,000 square feet of residential floor area shall be included in FAR calculations for the Final Development Plan and shall be subject to the provisions of Section 11.200.

Notwithstanding the exemption for the required minimum of 220,000 square feet of residential uses from the provisions of Section 11.200, Alexandria agrees that it will cause the Low-Mod Units to be constructed, that the marketing and selection process for the Low-Mod Units shall be done by the City, and that the Low-Mod Units shall be administered by the City using the same requirements, policies, and procedures used for

units subject to Section 11.200. Alexandria further agrees to cause the Middle Income Units to be constructed, and that it will establish a program which includes reasonable standards for marketing and selection (including, to the extent permitted by law, giving preference for such units to City employees and residents of contiguous neighborhoods).

4. In addition, Alexandria will make a separate contribution (the "East Cambridge Open Space Fund Contribution") to the City at a rate of \$12.00 per square foot (up to a maximum contribution of \$6,000,000) for each square foot of Gross Floor Area of space for which Certificates of Occupancy are issued in excess of the first 1,000,000 square feet of Gross Floor Area in such a Final Development Plan (excluding Gross Floor Area for residential uses). The use of any East Cambridge Open Space Fund Contribution shall be restricted to design, land acquisition and construction of Public Open Space (as defined in the Cambridge Zoning Ordinance) within the Eastern Cambridge Study Area (as defined in the Eastern Cambridge Planning Study dated October, 2001).
5. Reference is made to Section 13.59.10 of the Binney Street Zoning, pursuant to which a Final Development Plan shall provide for the transfer of ownership to the City of Cambridge of the existing building and lot identified as 101 Rogers Street (also known as 117 Rogers Street and as the Foundry Building) (Tax Parcel 27-82), with a preference for its use for municipal or community purposes. Alexandria agrees that such building and lot will be transferred in an environmental condition consistent with all federal, state and local laws, rules and regulations for the uses to which the building and lot are intended to be put. Alexandria agrees to transfer ownership on or before January 1, 2012, provided that it has commenced construction of a building pursuant to a Final Development Plan. Such conveyance shall be in fee simple absolute, subject to encumbrances acceptable to the City which do not interfere with the use of the land for its intended purposes.

B. Conditions to Alexandria's Commitment

For purposes of clarification, Alexandria's commitments set forth above are offered if the following conditions (the "Conditions") are met:

1. The amendments to the Cambridge Zoning Ordinance set forth in Attachment A are duly adopted in the form attached hereto as Attachment A, and no challenge to the validity of the same shall have been made (or in the event of any challenge, such challenge shall have been finally resolved in favor of such validity.)
2. A Final Development Plan subject to Section 13.59 is approved for the Alexandria Land, (a) allowing Alexandria to construct and/or renovate buildings containing a total of

commercial space of at least 1,530,000 square feet of Gross Floor Area (subject to any reductions proposed by Alexandria and subject to minor reductions which are required in connection with the approval of such a Final Development Plan, and together with additional square footage for required residential uses, as described in the Binney Street Zoning) (the "Project"), and (b) approving a phasing plan acceptable to Alexandria providing for completion of work in stages over a period of time no longer than 20 years (the "Phasing Plan"), and furthermore Alexandria shall have commenced construction under such a Final Development Plan.

3. The appeal periods for the zoning approvals and permits necessary for the buildings authorized by such a Final Development Plan, including without limitation Article 19 approvals and a PUD Special Permit, shall have expired without appeal having been made, or in the event that any appeal does occur, the outcome of said appeal shall not result in a change in the validity, or reduction in the development rights set forth in, the permits and approvals. All time periods specified in this Letter of Commitment shall be tolled during the resolution of any appeal.
4. So long as Alexandria, its successors and assigns, is proceeding with development in accordance with the Phasing Plan and until the Project is completed, the City shall not have initiated or supported any rezoning or other ordinance changes that would have the effect of adversely affecting any of the uses or development authorized by the Binney Street Zoning or by such an approved Final Development Plan.

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CONCLUSION

As Alexandria's duly authorized representative, I am pleased to commit to this significant mitigation on Alexandria's behalf.

Sincerely,

ARE-MA Region No. 21, LLC

ARE-MA Region No. 32, LLC

ARE-MA Regional No. 34, LLC

ARE-MA Regional No. 35, LLC

ARE-MA Regional No. 37, LLC

ARE-MA Regional No. 39, LLC

ARE-MA Regional No. 40, LLC

ARE-MA Regional No. 42, LLC

By: Alexandria Real Estate Equities, L.P.,
a Delaware limited partnership

By: ARE-QRS Corp.,
a Maryland corporation, General Partner

By: Thomas J. Andrews
Name: Thomas J. Andrews
Title: Senior Vice President

Attachment A - Form of Binney Street Zoning

Attachment B - Illustrative Site Plan