

REGISTRATION STATEMENT NO. 333-

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM S-3

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

BOSTON PROPERTIES, INC.  
(Exact name of Registrant as specified in its charter)

DELAWARE  
(State or other jurisdiction  
of incorporation or organization)

04-2473675  
(I.R.S. Employer  
Identification No.)

800 BOYLSTON STREET, SUITE 400  
BOSTON, MASSACHUSETTS 02199-8001  
(617) 236-3300  
(Address, including zip code, and telephone number, including area code  
of Registrant's principal executive offices)

MORTIMER B. ZUCKERMAN, CHAIRMAN  
EDWARD H. LINDE, PRESIDENT AND CHIEF  
EXECUTIVE OFFICER  
BOSTON PROPERTIES, INC.  
800 BOYLSTON STREET, SUITE 400  
BOSTON MASSACHUSETTS 02199-8001  
(617) 236-3300  
(Name, address, including zip code, and  
telephone number, including area code, of agent for service)

Copy to:

GILBERT G. MENNA, P.C.  
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EXCHANGE PLACE  
BOSTON, MASSACHUSETTS 02109-2881  
(617) 570-1000

APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO THE PUBLIC: From time to time after the effective date of this Registration Statement.

If the only securities being registered on this form are being offered pursuant to dividend or interest reinvestment plans, please check the following box.

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box.

If this form is used to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If delivery of the Prospectus is expected to be made pursuant to Rule 434, please check the following box.

CALCULATION OF REGISTRATION FEE

Title of Shares Being Registered	Amount to be Registered(2)	Proposed Maximum Offering Price Per Share(3)	Proposed Maximum Aggregate Offering Price(3)	Amount of Registration Fee
Common Stock, par value \$.01 per share(1)	51,358	\$35.34375	\$1,815,184.3125	\$479.21

(1) This Registration Statement also relates to the rights to purchase shares of Series E Junior Participating Cumulative Preferred Stock of the Registrant which are attached to all shares of Common Stock issued, pursuant to the

terms of the Registrant's Shareholder Rights Agreement dated June 16, 1997. Until the occurrence of certain prescribed events, the rights are not exercisable, are evidenced by the certificates for the Common Stock and will be transferred with and only with such Common Stock. Because no separate consideration is paid for the rights, the registration fee therefor is included in the fee for the Common Stock

- (2) Plus such additional number of shares as may be required in the event of a stock dividend, reverse stock split, split-up recapitalization or other similar event.
- (3) Estimated solely for purposes of determining the registration fee pursuant to Rule 457(c) based on the average of the high and low sales prices on the New York Stock Exchange on June 6, 2000.

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(A) OF THE SECURITIES ACT OF 1933 OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(A), MAY DETERMINE.

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The information in this prospectus is not complete and may be changed. These securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.  
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Subject to Completion. Dated June \_\_, 2000.

Prospectus  
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51,358 Shares of Common Stock

Boston Properties, Inc.  
  
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The selling stockholders identified in this prospectus, and any of their pledgees, donees, transferees or other successors in interest, may offer to sell up to an aggregate of 51,358 shares of common stock of Boston Properties, Inc. The selling stockholders may only offer the common stock for sale if they exercise their rights to convert their Series One Preferred Units of Boston Properties Limited Partnership, our operating partnership, into common units of Boston Properties Limited Partnership, tender such common units for cash, and we exercise our right to issue common stock to them instead of cash. We are filing the registration statement of which this prospectus is a part at this time to fulfill a contractual obligation to do so, which we undertook at the time of the original issuance of the Series One Preferred Units. We will not receive any of the proceeds from the sale of the common stock by the selling stockholders but, in fulfillment of our contractual obligations, we are bearing the expenses of registration.

Our common stock is listed on the New York Stock Exchange under the symbol "BXP."

See "Risk Factors" beginning on page 4 for certain factors you should consider before you invest in our common stock.  
  
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NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES, OR DETERMINED IF THIS PROSPECTUS IS TRUTHFUL OR COMPLETE. IT IS ILLEGAL FOR ANY PERSON TO TELL YOU OTHERWISE.  
  
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The date of this prospectus is[\_\_\_\_\_].

PROSPECTUS SUMMARY

This summary only highlights the more detailed information appearing elsewhere in this prospectus or incorporated herein by reference. As this is a summary, it may not contain all information that is important to you. You should read this entire prospectus carefully before deciding whether to invest in our common stock.

Unless the context otherwise requires, all references to "we," "us" or "our company" in this prospectus refer collectively to Boston Properties, Inc., a Delaware corporation, and its subsidiaries, including Boston Properties Limited Partnership, a Delaware limited partnership, and their respective predecessor entities for the applicable periods, considered as a single enterprise.

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ABOUT BOSTON PROPERTIES, INC.

Boston Properties, Inc. is a real estate investment trust or "REIT." We are one of the largest owners and developers of office properties in the United States, concentrated in the Northeast Corridor from Virginia to Greater Boston and in Greater San Francisco. We conduct substantially all our business through Boston Properties Limited Partnership. As of March 31, 2000 we owned 139 properties, aggregating more than 36.0 million square feet. Our properties consist of 126 office properties, consisting of 94 Class A office buildings and 32 properties that support both office and technical uses, nine industrial properties, three hotels and one parking garage. We are the sole general partner and the owner of approximately 67.0% of the economic interests in Boston Properties Limited Partnership. Our principal executive office is located at 800 Boylston Street, Suite 400, Boston, Massachusetts 02199-8001; telephone number (617) 236-3300. Our common stock is listed on the New York Stock Exchange under the symbol "BXP."

Additional information regarding Boston Properties, including our audited financial statements and descriptions of Boston Properties, is contained in the documents incorporated by reference in this prospectus. See "Where You Can Find More Information" on page 16.

## THE OFFERING

This prospectus relates to up to 51,358 shares of our common stock that may be offered for sale by the selling stockholders if, and to the extent that, they exercise their right to convert their Series One Preferred Units of Boston Properties Limited Partnership, into common units of Boston Properties Limited Partnership, tender such common units for cash, and we exercise our right to issue common stock to them instead of cash. Boston Properties Limited Partnership originally issued these Series One Preferred Units to the selling stockholders in connection with our acquisition of 510 Carnegie Center, an office property located in Princeton, New Jersey. In connection with this acquisition, we entered into a registration rights and lock-up agreement with the selling stockholders. Under the terms of that agreement, the selling stockholders could not tender for redemption the common units into which their Series One Preferred Units are convertible until after April 30, 2000. We are registering the common stock covered by this prospectus in order to fulfill our contractual obligations under the registration rights and lock-up agreement. Registration of the common stock does not necessarily mean that all or any portion of such stock will be offered for sale by the selling stockholders.

Pursuant to the Second Amended and Restated Agreement of Limited Partnership of Boston Properties Limited Partnership, as amended, holders of Series One Preferred Units of Boston Properties Limited Partnership may convert the \$34 per unit liquidation preference of such Series One Preferred Units into common units of Boston Properties Limited Partnership at a conversion price of \$38.25, and then tender such common units of Boston Properties Limited Partnership for cash equal to the value of an equivalent number of shares of our common stock. In lieu of delivering cash, however, we may, at our option, choose to acquire any common units so tendered by issuing common stock in exchange for the common units. The common stock will be exchanged for common units on a one-for-one basis. The conversion ratio of 0.88889 of a common unit for each Series One Preferred Unit and the exchange ratio of one share of common stock for each unit may be adjusted to prevent dilution.

We have agreed to bear the expenses of the registration of the common stock under federal and state securities laws, but we will not receive any proceeds from the sale of any common stock offered under this prospectus.

## TAX STATUS OF BOSTON PROPERTIES, INC

We have elected to qualify as a real estate investment trust under Sections 856 through 860 of the Internal Revenue Code. As long as we qualify for taxation as a real estate investment trust, we generally will not be subject to federal income tax on that portion of our ordinary income and capital gains that is currently distributed to our stockholders. Even if we qualify for taxation as a real estate investment trust, we may be subject to state and local taxes on our income and property and to federal income and excise taxes on our undistributed income.

## RISK FACTORS

Before you purchase shares of our common stock from the selling stockholders you should be aware that there are various risks in making such an investment, including those described below. You should consider carefully these risk factors together with all of the information included or incorporated by reference in this prospectus before you decide to purchase shares of our common stock. This section includes or refers to certain forward-looking statements. You should refer to the explanation of the qualifications and limitations on such forward-looking statements discussed on page 17.

### WE MAY BE UNABLE TO MANAGE EFFECTIVELY OUR RAPID GROWTH AND EXPANSION INTO NEW MARKETS.

We have grown rapidly since our initial public offering in June 1997 and have entered or significantly expanded our real estate holdings in new markets. If we do not effectively manage our rapid growth, we may not be able to make expected distributions to our securityholders.

### OUR PERFORMANCE AND VALUE ARE SUBJECT TO RISKS ASSOCIATED WITH OUR REAL ESTATE ASSETS.

Our economic performance and the value of our real estate assets, and consequently the value of your investment, are subject to the risk that if our office, industrial, and hotel properties do not generate revenues sufficient to meet our operating expenses, including debt service and capital expenditures, our cash flow and ability to pay dividends to you will be adversely affected. The following factors, among others, may adversely affect the revenues generated by our office, industrial, and hotel properties:

- . downturns in the national and local economic climate;
- . competition from other office, industrial, hotel and other commercial buildings;
- . local real estate market conditions, such as oversupply or reduction in demand for office, industrial, hotel or other commercial space;
- . vacancies or inability to rent spaces on favorable terms; and
- . increased operating costs, including insurance premiums, utilities, and real estate taxes.

Significant expenditures associated with each investment, such as debt service payments, real estate taxes, insurance and maintenance costs are generally not reduced when circumstances cause a reduction in revenues from a property.

### WE FACE RISKS ASSOCIATED WITH SPECIFIC LOCAL MARKET CONDITIONS.

Our current properties are located primarily in seven regional markets: greater Boston; midtown Manhattan; greater Washington, D.C.; greater San Francisco; Princeton/East Brunswick, New Jersey; Richmond, Virginia; and Baltimore, Maryland. Local economic conditions in these markets may affect the ability of our tenants to make lease payments. The economic climate in each of these local markets may depend on a limited number of industries, and therefore a downturn in one of these industry sectors could adversely affect our performance in the affected market.

### OUR INVESTMENT IN PROPERTY DEVELOPMENT MAY BE MORE COSTLY THAN ANTICIPATED.

We intend to continue to develop and substantially renovate office, industrial and hotel properties. Our development and construction activities may be exposed to the following risks:

- . we may be unable to proceed with the development of properties because we cannot obtain financing with favorable terms;

- . we may incur construction costs for a development project which exceed our original estimates due to increased materials, labor or other costs, which could make completion of the project uneconomical because we may not be able to increase rents to compensate for the increase in construction costs;
- . we may be unable to obtain, or face delays in obtaining, required zoning, land-use, building, occupancy, and other governmental permits and authorizations, which could result in increased costs and could require us to abandon our activities entirely with respect to a project;
- . we may abandon development opportunities after we begin to explore them and as a result we may fail to recover expenses already incurred;
- . we may expend funds on and devote management's time to projects which we do not complete;
- . we may be unable to complete construction and leasing of a property on schedule, resulting in increased debt service expense and construction or renovation costs;
- . we may lease developed properties at below expected rental rates; and
- . occupancy rates and rents at newly completed properties may fluctuate depending on a number of factors, including market and economic conditions, and may result in our investment not being profitable.

OUR USE OF JOINT VENTURES MAY LIMIT OUR FLEXIBILITY WITH JOINTLY OWNED INVESTMENTS.

We intend to develop properties in joint ventures with other persons or entities when circumstances warrant the use of this structure. The use of a joint venture vehicle creates a risk of a dispute with our joint venturers and a risk that we will have to acquire a joint venturer's interest in a development for a price at which or at a time when we would otherwise not purchase such interest. Our joint venture partners may have different objectives from us regarding the appropriate timing and pricing of any sale or refinancing of properties.

WE FACE RISKS ASSOCIATED WITH PROPERTY ACQUISITIONS.

Since our initial public offering, we have made large acquisitions of properties and portfolios of properties. We intend to continue to acquire properties and portfolios of properties, including large portfolios that could continue to significantly increase our size and alter our capital structure. Our acquisition activities and their success may be exposed to the following risks:

- . we may be unable to acquire a desired property because of competition from other well capitalized real estate investors, including both publicly traded real estate investment trusts and institutional investment funds;
- . even if we enter into an acquisition agreement for a property, it is usually subject to customary conditions to closing, including completion of due diligence investigations to our satisfaction;
- . even if we are able to acquire a desired property, competition from other real estate investors may significantly increase the purchase price;
- . we may be unable to finance acquisitions on favorable terms;
- . acquired properties may fail to perform as we expected in analyzing our investments;

- . our estimates of the costs of repositioning or redeveloping acquired properties may be inaccurate;
- . acquired properties may be located in new markets, where we may face risks associated with a lack of market knowledge or understanding of the local economy, lack of business relationships in the area and unfamiliarity with local governmental and permitting procedures; and
- . we may be unable to quickly and efficiently integrate new acquisitions, particularly acquisitions of portfolios of properties, into our existing operations, and as a result our results of operations and financial condition could be adversely affected.

We may acquire properties subject to liabilities and without any recourse, or with only limited recourse, with respect to unknown liabilities. As a result, if liability were asserted against us based upon those properties, we might have to pay substantial sums to settle it, which could adversely affect our cash flow. Unknown liabilities with respect to properties acquired might include:

- . liabilities for clean-up of undisclosed environmental contamination;
- . claims by tenants, vendors or other persons dealing with the former owners of the properties;
- . liabilities incurred in the ordinary course of business; and
- . claims for indemnification by general partners, directors, officers and others indemnified by the former owners of the properties.

#### POTENTIAL INABILITY TO RENEW LEASES OR RE-LEASE SPACE.

We derive most of our income from rent received from our tenants. If a tenant experiences a downturn in its business, it may be unable to make timely rental payments. Also, when our tenants decide not to renew their leases, we may not be able to relet the space. Even if tenants decide to renew, the terms of renewals or new leases, including the cost of required renovations or concessions to tenants, may be less favorable than current lease terms. As a result, our cash flow could decrease and our ability to pay dividends to you could be adversely affected.

#### WE FACE POTENTIAL ADVERSE EFFECTS FROM A TENANT'S BANKRUPTCY.

The bankruptcy or insolvency of a major tenant may adversely affect the income produced by our properties. Although we have not experienced material losses from tenant bankruptcies in the past, our tenants could file for bankruptcy protection in the future. We cannot evict a tenant solely because of its bankruptcy. On the other hand, a bankruptcy court might authorize the tenant to reject and terminate its lease with us. In such case, our claim against the bankrupt tenant for unpaid, future rent would be subject to a statutory cap that might be substantially less than the remaining rent actually owed under the lease, and, even so, our claim for unpaid rent would likely not be paid in full. This shortfall could adversely affect our cash flow and results from operations.

#### WE MAY HAVE DIFFICULTY SELLING OUR PROPERTIES LIMITING OUR FLEXIBILITY.

Large and high quality office, industrial and hotel properties like the ones that we own can be hard to sell, especially if local market conditions are poor. This may limit our ability to change our portfolio promptly in response to changes in economic or other conditions. In addition, federal tax laws limit our ability to sell properties that we have owned for fewer than four years, and this may affect our ability to sell properties without adversely affecting returns to our stockholders. These restrictions reduce our ability to respond to changes in the performance of our investments and could adversely affect our financial condition and results of operations.



OUR PROPERTIES FACE SIGNIFICANT COMPETITION.

We face significant competition from developers, owners and operators of office, industrial and other commercial real estate. Substantially all of our properties face competition from similar properties in the same area. Such competition may effect our ability to attract and retain tenants and may reduce the rents we are able to charge. These competing properties may have vacancy rates higher than our properties, which may result in their owners being willing to make space available at lower prices than the space in our properties.

BECAUSE WE OWN HOTEL PROPERTIES, WE FACE GENERAL RISKS ASSOCIATED WITH SUCH PROPERTIES.

We own three hotel properties. We lease these hotel properties to ZL Hotel LLC, in which Mortimer B. Zuckerman, chairman of our board of directors, and Edward H. Linde, our president and chief executive officer, are the sole member-managers and have a 9.8% economic interest; two unaffiliated public charities have a 90.2% economic interest in ZL Hotel LLC. Marriott International, Inc. manages these hotel properties under the Marriott(R) name pursuant to a management agreement with ZL Hotel LLC. ZL Hotel LLC pays us a percentage of the gross receipts that the hotel properties receive. Because the lease payments we receive are based on a participation in the gross receipts of the hotels, if the hotels do not generate sufficient receipts, our cash flow would be decreased, which could reduce the amount of cash available for distribution to our securityholders. The following factors, among others, are common to the hotel industry, and may reduce the receipts generated by our hotel properties:

- . our hotel properties compete for guests with other hotels, a number of which have greater marketing and financial resources than our hotel-operating business partners;
- . if there is an increase in operating costs resulting from inflation and other factors, our hotel-operating business partners may not be able to offset such increase by increasing room rates;
- . our hotel properties are subject to the fluctuating and seasonal demands of business travelers and tourism; and
- . our hotel properties are subject to general and local economic conditions that may affect demand for travel in general.

COMPLIANCE OR FAILURE TO COMPLY WITH THE AMERICANS WITH DISABILITIES ACT AND OTHER SIMILAR LAWS COULD RESULT IN SUBSTANTIAL COSTS.

The Americans with Disabilities Act generally requires that public buildings, including office buildings and hotels, be made accessible to disabled persons. Noncompliance could result in imposition of fines by the federal government or the award of damages to private litigants. If, pursuant to the Americans with Disabilities Act, we are required to make substantial alterations and capital expenditures in one or more of our properties, including the removal of access barriers, it could adversely affect our financial condition and results of operations, as well as the amount of cash available for distribution to our securityholders.

We may also incur significant costs complying with other regulations. Our properties are subject to various federal, state and local regulatory requirements, such as state and local fire and life safety requirements. If we fail to comply with these requirements, we could incur fines or private damage awards. We believe that our properties are currently in material compliance with all of these regulatory requirements. However, we do not know whether existing requirements will change or whether compliance with future requirements will require significant unanticipated expenditures that will affect our cash flow and results from operations.

SOME POTENTIAL LOSSES ARE NOT COVERED BY INSURANCE.

We carry comprehensive liability, fire, flood, extended coverage and rental loss insurance, as applicable, on our properties. We believe our coverage is of the type and amount customarily obtained for or by an owner of similar properties. We believe all of our properties are adequately insured. However, there are certain types of losses, such as from wars or catastrophic acts of nature, for which we cannot obtain insurance or for which we cannot obtain insurance at a reasonable cost. In the event of an uninsured loss or a loss in excess of our insurance limits, we could lose both the revenues generated from the affected property and the capital we have invested in the affected property. We would, however, remain obligated to repay any mortgage indebtedness or other obligations related to the property. Any such loss could materially and adversely affect our business and financial condition and results of operations.

We carry earthquake insurance on our properties located in areas known to be subject to earthquakes in an amount and subject to deductions which we believe are commercially reasonable. However, the amount of our earthquake insurance coverage may not be sufficient to cover losses from earthquakes. In addition, we may discontinue earthquake insurance on some or all of our properties in the future if the premiums exceed the value of the coverage discounted for the risk of loss. If we experience a loss which is uninsured or which exceeds policy limits, we could lose the capital invested in the damaged properties as well as the anticipated future revenue from those properties. Moreover, if the damaged properties are subject to recourse indebtedness, we would continue to be liable for the indebtedness, even if the properties were irreparable.

POTENTIAL LIABILITY FOR ENVIRONMENTAL CONTAMINATION COULD RESULT IN SUBSTANTIAL COSTS.

Under federal, state and local environmental laws, we may be required to investigate and clean up the effects of releases of hazardous or toxic substances or petroleum products at our properties, regardless of our knowledge or responsibility, simply because of our current or past ownership or operation of the real estate. If unidentified environmental problems arise, we may have to make substantial payments which could adversely affect our cash flow and our ability to make distributions to our securityholders because:

- . as owner or operator we may have to pay for property damage and for investigation and clean-up costs incurred in connection with the contamination;
- . the law typically imposes clean-up responsibility and liability regardless of whether the owner or operator knew of or caused the contamination;
- . even if more than one person may be responsible for the contamination, each person who shares legal liability under the environmental laws may be held responsible for all of the clean-up costs; and
- . governmental entities and third parties may sue the owner or operator of a contaminated site for damages and costs.

These costs could be substantial and in extreme cases could exceed the value of the contaminated property. The presence of hazardous or toxic substances or petroleum products or the failure to properly remediate contamination may materially and adversely affect our ability to borrow against, sell or rent an affected property. In addition, applicable environmental laws create liens on contaminated sites in favor of the government for damages and costs it incurs in connection with a contamination.

Environmental laws also govern the presence, maintenance and removal of asbestos. Such laws require that owners or operators of buildings containing asbestos:

- . properly manage and maintain the asbestos;

- . notify and train those who may come into contact with asbestos; and
- . undertake special precautions, including removal or other abatement, if asbestos would be disturbed during renovation or demolition of a building.

Such laws may impose fines and penalties on building owners or operators who fail to comply with these requirements and may allow third parties to seek recovery from owners or operators for personal injury associated with exposure to asbestos fibers.

Some of our properties are located in urban and industrial areas where fill or current or historic industrial uses of the areas have caused site contamination. Independent environmental consultants have conducted Phase I environmental site assessments at all of our properties. These assessments included, at a minimum, a visual inspection of the properties and the surrounding areas, an examination of current and historical uses of the properties and the surrounding areas and a review of relevant state, federal and historical documents. Where appropriate, on a property-by-property basis, these consultants have conducted additional testing, including sampling for asbestos, for lead in drinking water, for soil contamination where underground storage tanks are or were located or where other past site usages create a potential environmental problem, and for contamination in groundwater. Even though these environmental assessments have been conducted, there is still the risk that:

- . the environmental assessments and updates did not identify all potential environmental liabilities;
- . a prior owner created a material environmental condition that is not known to us or the independent consultants preparing the assessments;
- . new environmental liabilities have developed since the environmental assessments were conducted; and
- . future uses or conditions such as changes in applicable environmental laws and regulations could result in environmental liability for us.

**WE FACE RISKS ASSOCIATED WITH THE USE OF DEBT TO FUND ACQUISITIONS AND DEVELOPMENTS, INCLUDING REFINANCING RISK.**

We are subject to the risks normally associated with debt financing, including the risk that our cash flow will be insufficient to meet required payments of principal and interest. We anticipate that only a small portion of the principal of our debt will be repaid prior to maturity. Therefore, we are likely to need to refinance at least a portion of our outstanding debt as it matures. There is a risk that we may not be able to refinance existing debt or that the terms of any refinancing will not be as favorable as the terms of the existing debt. If principal payments due at maturity cannot be refinanced, extended or repaid with proceeds from other sources, such as new equity capital, our cash flow will not be sufficient to repay all maturing debt in years when significant "balloon" payments come due.

**RISING INTEREST RATES WOULD INCREASE INTEREST COSTS.**

We currently have, and may incur more, indebtedness that bears interest at variable rates. Accordingly, if interest rates increase, so will our interest costs, which would adversely affect our cash flow, our ability to service debt and our ability to make distributions to our securityholders.

**WE HAVE NO CORPORATE LIMITATION ON THE AMOUNT OF DEBT WE CAN INCUR.**

Our management and board of directors have discretion under our certificate of incorporation and bylaws to increase the amount of our outstanding debt. Our decisions with regard to the incurrence and maintenance of debt are based on available investment opportunities for which capital is required, the cost of debt in relation to such investment opportunities, whether secured or unsecured debt is available, the

effect of additional debt on existing financial ratios and the maturity of the proposed new debt relative to maturities of existing debt. We could become more highly leveraged, resulting in increased debt service costs that could adversely affect our cash flow and the amount available for payment of dividends. If we increase our debt we may also increase the risk we will be unable to repay our debt.

#### OUR FINANCIAL COVENANTS COULD ADVERSELY AFFECT OUR FINANCIAL CONDITION.

The mortgages on our properties contain customary negative covenants such as those that limit our ability, without the prior consent of the lender, to further mortgage the applicable property or to discontinue insurance coverage. In addition, our credit facilities contain certain customary restrictions, requirements and other limitations on our ability to incur indebtedness, including total debt to assets ratios, secured debt to total asset ratios, debt service coverage ratios and minimum ratios of unencumbered assets to unsecured debt which we must maintain. Our ability to borrow under our credit facilities is subject to compliance with our financial and other covenants. We rely on borrowings under our credit facilities to finance acquisitions and development activities and for working capital, and if we are unable to borrow under our credit facilities, or to refinance existing indebtedness our financial condition and results of operations would likely be adversely impacted. If we breach covenants in our debt agreements, the lender can declare a default and require us to repay the debt immediately and, if the debt is secured, can immediately take possession of the property securing the loan. In addition, our credit facilities are cross-defaulted to our other indebtedness, which would give the lenders under our credit facilities the right also to declare a default and require immediate repayment.

#### OUR DEGREE OF LEVERAGE COULD LIMIT OUR ABILITY TO OBTAIN ADDITIONAL FINANCING OR AFFECT THE MARKET PRICE OF OUR STOCK.

Debt to Market Capitalization Ratio is a measure of our total debt as a percentage of the aggregate of our total debt plus the market value of our outstanding common stock and interests in Boston Properties Limited Partnership. Our Debt to Market Capitalization Ratio was approximately 51.3% as of March 31, 2000. To the extent that our board of directors uses our Debt to Market Capitalization Ratio as a measure of appropriate leverage, the total amount of our debt could increase as our stock price increases, even if we may not have a corresponding increase in our ability to service or repay the debt. Our degree of leverage could affect our ability to obtain additional financing for working capital, capital expenditures, acquisitions, development or other general corporate purposes. Our degree of leverage could also make us more vulnerable to a downturn in business or the economy generally. There is a risk that changes in our Debt to Market Capitalization Ratio, which is in part a function of our stock price, or our ratio of indebtedness to other measures of asset value used by financial analysts may have an adverse effect on the market price of our stock.

#### FURTHER ISSUANCES OF STOCK MAY BE DILUTIVE TO CURRENT STOCKHOLDERS.

The interests of our existing stockholders could be diluted if additional equity securities are issued to finance future developments and acquisitions instead of incurring additional debt. Our ability to execute our business strategy depends on our access to an appropriate blend of debt financing, including unsecured lines of credit and other forms of secured and unsecured debt, and equity financing, including common and preferred equity.

#### FAILURE TO QUALIFY AS A REAL ESTATE INVESTMENT TRUST WOULD CAUSE US TO BE TAXED AS A CORPORATION, WHICH WOULD SUBSTANTIALLY REDUCE FUNDS AVAILABLE FOR PAYMENT OF DIVIDENDS.

If we fail to qualify as a real estate investment trust for federal income tax purposes, we will be taxed as a corporation. We believe that we are organized and qualified as a real estate investment trust, and intend to operate in a manner that will allow us to continue to qualify as a real estate investment trust. However, we cannot assure you that we are qualified as such, or that we will remain qualified as such in the future. This is because qualification as a real estate investment trust involves the application of highly technical and complex provisions of the Internal Revenue Code as to which there are only limited judicial and administrative interpretations, and involves the determination of facts and circumstances not entirely

within our control. In addition, future legislation, new regulations, administrative interpretations or court decisions may significantly change the tax laws or the application of the tax laws with respect to qualification as a real estate investment trust for federal income tax purposes or the federal income tax consequences of such qualification.

If we fail to qualify as a real estate investment trust we will face serious tax consequences that will substantially reduce the funds available for payment of dividends for each of the years involved because:

- . we would not be allowed a deduction for dividends paid to stockholders in computing our taxable income and would be subject to federal income tax at regular corporate rates;
- . we also could be subject to the federal alternative minimum tax and possibly increased state and local taxes;
- . unless we are entitled to relief under statutory provisions, we could not elect to be subject to tax as a real estate investment trust for four taxable years following the year during which we were disqualified; and
- . all dividends will be subject to tax as ordinary income to the extent of our current and accumulated earnings and profits.

In addition, if we fail to qualify as a real estate investment trust, we will no longer be required to pay dividends. As a result of all these factors, our failure to qualify as a real estate investment trust could impair our ability to expand our business and raise capital, and would adversely affect the value of our common stock.

IN ORDER TO MAINTAIN OUR REAL ESTATE INVESTMENT TRUST STATUS, WE MAY BE FORCED TO BORROW FUNDS ON A SHORT-TERM BASIS DURING UNFAVORABLE MARKET CONDITIONS.

In order to maintain our real estate investment trust status, we may need to borrow funds on a short-term basis to meet the real estate investment trust distribution requirements, even if the then prevailing market conditions are not favorable for these borrowings. To qualify as a real estate investment trust, we generally must distribute to our stockholders at least 95% (reduced to 90% for taxable years beginning after December 31, 2000) of our net taxable income each year, excluding capital gains. In addition, we will be subject to a 4% nondeductible excise tax on the amount, if any, by which dividends paid by us in any calendar year are less than the sum of 85% of our ordinary income, 95% of our capital gain net income and 100% of our undistributed income from prior years. We may need short-term debt to fund required distributions as a result of differences in timing between the actual receipt of income and the recognition of income for federal income tax purposes, or the effect of non-deductible capital expenditures, the creation of reserves or required debt or amortization payments.

LIMITS ON CHANGES IN CONTROL MAY DISCOURAGE TAKEOVER ATTEMPTS BENEFICIAL TO STOCKHOLDERS.

Provisions in our certificate of incorporation and bylaws, our shareholder rights agreement and the agreement of limited partnership of Boston Properties Limited Partnership, as well as provisions of the Internal Revenue Code and Delaware corporate law, may:

- . delay or prevent a change of control over us or a tender offer, even if they might be beneficial to our stockholders; and
- . limit our stockholders' opportunity to receive a potential premium for their shares of common stock over then-prevailing market prices.

## STOCK OWNERSHIP LIMIT

Primarily to facilitate maintenance of our qualification as a real estate investment trust, our corporate charter generally prohibits ownership, directly, indirectly or beneficially, by any single stockholder of more than 6.6% of the number of outstanding shares of any class or series of our equity stock. We refer to this limitation as the "ownership limit." Our board of directors may waive or modify the ownership limit with respect to one or more persons if it is satisfied that ownership in excess of this limit will not jeopardize our status as a real estate investment trust for federal income tax purposes. In addition, under our corporate charter each of Messrs. Zuckerman and Linde, along with their family and affiliates, as well as, in general, pension plans and mutual funds, may actually and beneficially own up to 15% of the number of outstanding shares of any class or series of our equity common stock. Shares owned in violation of the ownership limit will be subject to the loss of rights to distributions and voting and other penalties. The ownership limit may have the effect of inhibiting or impeding a change in control.

## OPERATING PARTNERSHIP AGREEMENT

We have agreed in the agreement of limited partnership of Boston Properties Limited Partnership not to engage in business combinations unless limited partners of Boston Properties Limited Partnership other than Boston Properties, Inc. receive, or have the opportunity to receive, the same consideration for their partnership interests as holders of our common stock in the transaction. If these limited partners do not receive such consideration, we cannot engage in the transaction unless 75% of these limited partners vote to approve the transaction. In addition, we have agreed in the partnership agreement that we will not consummate business combinations in which we received the approval of our stockholders unless these limited partners are also allowed to vote and the transaction would have been approved had these limited partners been able to vote as stockholders on the transaction. Therefore, if our stockholders approve a business combination that requires a vote of stockholders, the partnership agreement requires the following before we can consummate the transaction:

- . holders of interests in Boston Properties Limited Partnership (including Boston Properties, Inc.) must vote on the matter;
- . Boston Properties, Inc. must vote its partnership interests in the same proportion as our stockholders voted on the transaction; and
- . the result of the partners' vote must be such that had such vote been a vote of stockholders, the business combination would have been approved.

As a result of these provisions, a potential acquiror may be deterred from making an acquisition proposal and we may be prohibited by contract from engaging in a proposed business combination even though our stockholders approve of the combination.

## SHAREHOLDER RIGHTS PLAN

We have adopted a shareholder rights plan. Under the terms of this agreement, we can in effect prevent a person or group from acquiring more than 15% of the outstanding shares of our common stock, because, unless we approve of the acquisition, after the person acquires more than 15% of our outstanding common stock, all other stockholders will have the right to purchase securities from us at a price that is less than their then fair market value, which would substantially reduce the value and influence of the stock owned by the acquiring person. Our board of directors can prevent the agreement from operating by approving the transaction, which gives us significant power to approve or disapprove of the efforts of a person or group to acquire a large interest in our company.

WE MAY CHANGE OUR POLICIES WITHOUT OBTAINING THE APPROVAL OF OUR STOCKHOLDERS.

Our operating and financial policies, including our policies with respect to acquisitions, growth, operations, indebtedness, capitalization and dividends, are determined by our board of directors. Accordingly, as a stockholder, you will have little direct control over these policies.

OUR SUCCESS DEPENDS ON KEY PERSONNEL WHOSE CONTINUED SERVICE IS NOT GUARANTEED.

We depend on the efforts of key personnel, particularly Mortimer B. Zuckerman, Chairman of our board of directors, and Edward H. Linde, our President and Chief Executive Officer. Among the reasons that Messrs. Zuckerman and Linde are important to our success is that each has a national reputation which attracts business and investment opportunities and assists us in negotiations with lenders. If we lost their services, our relationships with lenders, potential tenants and industry personnel would diminish.

Our other executive officers who serve as managers of our offices have strong regional reputations. Their reputations aid us in identifying opportunities, having opportunities brought to us, and negotiating with tenants and build-to-suit prospects. While we believe that we could find replacements for these key personnel, the loss of their services could materially and adversely effect our operations because of diminished relationships with lenders, prospective tenants and industry personnel.

Mr. Zuckerman has substantial outside business interests, including serving as Chairman of the board of directors of U.S. News & World Report, The New York Daily News and Applied Graphics Technologies, and serving as a member of the board of directors of Snyder Communications, Chase Manhattan Corporation National Advisory Board and Loews Cineplex. Such outside business interests could interfere with his ability to devote time to our business and affairs. Over the last twenty years, Mr. Zuckerman has devoted a significant portion, although not a majority, of his business time to the affairs of Boston Properties and its predecessors. We have no assurance that he will continue to devote any specific portion of his time to us, although at present, he has no commitments which would prevent him from maintaining his current level of involvement with our business.

CONFLICTS OF INTEREST EXIST WITH HOLDERS OF INTERESTS IN BOSTON PROPERTIES LIMITED PARTNERSHIP.

SALES OF PROPERTIES AND REPAYMENT OF RELATED INDEBTEDNESS WILL HAVE DIFFERENT EFFECTS ON HOLDERS OF INTERESTS IN BOSTON PROPERTIES LIMITED PARTNERSHIP THAN ON OUR STOCKHOLDERS.

Some holders of interests in Boston Properties Limited Partnership, including Messrs. Zuckerman and Linde, would incur adverse tax consequences upon the sale of certain of our properties and on the repayment of related debt which differ from the tax consequences to us and our stockholders. Consequently, such holders of interests in Boston Properties Limited Partnership may have different objectives regarding the appropriate pricing and timing of any such sale or repayment of debt. While we have exclusive authority under the agreement of limited partnership of Boston Properties Limited Partnership to determine when to refinance or repay debt or whether, when, and on what terms to sell a property, subject, in the case of certain properties, to the contractual commitments described below, any such decision would require the approval of our board of directors. As directors and executive officers, Messrs. Zuckerman and Linde have substantial influence with respect to any such decision. Their influence could be exercised in a manner inconsistent with the interests of some, or a majority, of our stockholders, including in a manner which could prevent completion of a sale of a property or the repayment of indebtedness.

AGREEMENT NOT TO SELL SOME PROPERTIES.

Under the terms of the agreement of limited partnership of Boston Properties Limited Partnership, we have agreed not to sell or otherwise transfer some of our properties, prior to specified dates, in any transaction that would trigger taxable income, without first obtaining the consent of Messrs. Zuckerman and Linde. However, we are not required to obtain their consent if, during the applicable period, each of them does not hold at least 30% of his original interests in Boston Properties Limited Partnership. In

addition, we have entered into similar agreements with respect to other properties that we have acquired in exchange for interests in Boston Properties Limited Partnership. As of December 31, 1999, there were a total of 31 properties subject to these restrictions, and those 31 properties are estimated to have accounted for approximately 61% of our total revenue for the year ended December 31, 1999.

Boston Properties Limited Partnership has also entered into agreements providing Messrs. Zuckerman and Linde and others with the right to guarantee our additional and/or substitute indebtedness in the event that certain other indebtedness is repaid or reduced.

The agreements described above may hinder actions that we may otherwise desire to take because we would be required to make payments to the beneficiaries of such agreements if we violate these agreements.

MESSRS. ZUCKERMAN AND LINDE WILL CONTINUE TO ENGAGE IN OTHER ACTIVITIES.

Messrs. Zuckerman and Linde have a broad and varied range of investment interests. Either one could acquire an interest in a company which is not currently involved in real estate investment activities but which may acquire real property in the future. However, pursuant to Mr. Linde's employment agreement and Mr. Zuckerman's non-compete agreement, Messrs. Zuckerman and Linde will not, in general, have management control over such companies and, therefore, they may not be able to prevent one or more such companies from engaging in activities that are in competition with our activities.

CHANGES IN MARKET CONDITIONS COULD ADVERSELY AFFECT THE MARKET PRICE OF OUR PUBLICLY TRADED SECURITIES.

As with other publicly traded equity securities, the value of our common stock depends on various market conditions which may change from time to time. Among the market conditions that may affect the value of our publicly traded securities are the following:

- . the extent of investor interest in us;
- . the general reputation of real estate investment trusts and the attractiveness of our equity securities in comparison to other equity securities, including securities issued by other real estate-based companies;
- . our financial performance; and
- . general stock and bond market conditions.

The market value of equity securities is based primarily upon the market's perception of our growth potential and our current and potential future earnings and cash dividends. Consequently, our equity securities, including our common stock, may trade at prices that are higher or lower than our net asset value per share of common stock. If our future earnings or cash dividends are less than expected, it is likely that the market price of our common stock will diminish.

MARKET INTEREST RATES MAY HAVE AN EFFECT ON THE VALUE OF OUR PUBLICLY TRADED SECURITIES.

One of the factors that investors may consider important in deciding whether to buy or sell shares of a real estate investment trust is the dividend with respect to such real estate investment trust's shares as a percentage of the price of such shares, relative to market interest rates. If market interest rates go up, prospective purchasers of shares of a real estate investment trust may expect a higher distribution rate on our common stock. Higher market interest rates would not, however, result in more funds for us to distribute and, to the contrary, would likely increase our borrowing costs and potentially decrease funds available for distribution. Thus, higher market interest rates could cause the market price of our publicly traded securities to go down.



THE NUMBER OF SHARES AVAILABLE FOR FUTURE SALE COULD ADVERSELY AFFECT THE MARKET PRICE OF OUR STOCK.

We have entered into a number of private placement transactions where shares of capital stock of Boston Properties, Inc. or interests in Boston Properties Limited Partnership were issued both at the time of our initial public offering and thereafter to owners of properties we acquired or to institutional investors. This stock, or stock issuable in exchange for such interests in Boston Properties Limited Partnership, may be sold in the public market over time pursuant to registration rights. Additional stock reserved under our employee benefit and other incentive plans, including stock options, may also be sold in the public at some time in the future. Future sales of stock in the public securities markets could adversely affect the price of our stock. We cannot predict the effect that perception in the market that such sales may occur will have on the market price of our stock.

WE DID NOT OBTAIN NEW OWNER'S TITLE INSURANCE POLICIES IN CONNECTION WITH PROPERTIES ACQUIRED DURING OUR INITIAL PUBLIC OFFERING.

We acquired many of our properties from our predecessors at the completion of our initial public offering in June 1997. Before we acquired these properties each of them was insured by a title insurance policy. We did not, however, obtain new owner's title insurance policies in connection with the acquisition of such properties. Nevertheless, because in many instances we acquired these properties indirectly by acquiring ownership of the entity which owned the property and those owners remain in existence as our subsidiaries, some of these title insurance policies may continue to benefit us. Many of these title insurance policies may be for amounts less than the current values of the applicable properties. If there was a title defect related to any of these properties, or to any of the properties acquired at the time of our initial public offering, that is no longer covered by a title insurance policy, we could lose both our capital invested in and our anticipated profits from such property.

We have obtained title insurance policies for all properties that we have acquired after our initial public offering.

WE FACE POSSIBLE ADVERSE CHANGES IN TAX AND ENVIRONMENTAL LAWS.

Generally, we pass through to our tenants costs resulting from increases in real estate taxes. However, we generally do not pass through to our tenants increases in income, service or transfer taxes. Similarly, changes in laws increasing the potential liability for environmental conditions existing on our properties or increasing the restrictions on discharges or other conditions may result in significant unanticipated expenditures. These increased costs could adversely affect our financial condition and results of operations and the amount of cash available for payment of dividends.

#### WHERE YOU CAN FIND MORE INFORMATION

We are subject to the informational requirements of the Securities Exchange Act of 1934, as amended, and we are required to file reports and proxy statements and other information with the Securities and Exchange Commission. You may read and copy these reports, proxy statements and information at the public reference facilities maintained by the Securities and Exchange Commission at Judiciary Plaza, 450 Fifth Street, N.W., Room 1024, Washington, D.C. 20549, and at the Securities and Exchange Commission's Regional Offices at 7 World Trade Center, 13th Floor, New York, New York 10048, and Citicorp Center, 500 W. Madison Street, Suite 1400, Chicago, Illinois 60661-2511. You may also obtain copies at the prescribed rates from the Public Reference Section of the Securities and Exchange Commission at its principal office in Washington, D.C. You may call the Securities and Exchange Commission at 1-800-SEC-0330 for further information about the public reference rooms. The Securities and Exchange Commission maintains a web site that contains reports, proxy and information statements and other information regarding registrants, including, Boston Properties, Inc., that file electronically with the Securities and Exchange Commission. You may access the Securities and Exchange Commission's web site at <http://www.sec.gov>.

#### INCORPORATION OF DOCUMENTS BY REFERENCE

The Securities and Exchange Commission allows us to incorporate by reference the information that we file with them. Incorporation by reference means that we can disclose important information to you by referring you to other documents that are legally considered to be part of this prospectus supplement or the attached prospectus, and later information that we file with the Securities and Exchange Commission will automatically update and supersede the information in this prospectus, any supplement and the documents listed below. We incorporate by reference the specific documents listed below and any future filings made with the Securities and Exchange Commission under Section 13(a), 13(c), 14, or 15(d) of the Securities Exchange Act until we sell all of the securities:

- . our Annual Report on Form 10-K for the year ended December 31, 1999;
- . our Proxy Statement dated March 31, 2000 prepared in connection with our Annual Meeting of Stockholders held on May 3, 2000;
- . our Quarterly Report on Form 10-Q for the three months ended March 31, 2000;
- . our Current Report on Form 8-K dated April 25, 2000;
- . the description of our common stock contained in our Registration Statement on Form 8-A, filed on June 12, 1997 and all amendments and reports updating such description; and
- . the description of the rights to purchase shares of our Series E Junior Participating Cumulative Preferred Stock contained in our registration statement on Form 8-A, filed on June 12, 1997, and the description contained in our registration statement on Form 8-A/A filed on June 16, 1997 amending such description, and all amendments and reports updating that description.

You should rely only on the information incorporated by reference or provided in this prospectus. We have not authorized anyone to provide you with different information. You should not assume that the information in this prospectus or the documents incorporated by reference is accurate as of any date other than the date on the front of this prospectus or those documents.

#### FORWARD-LOOKING STATEMENTS

Statements incorporated by reference or made under the captions "Risk Factors" and "Our Company" and elsewhere in this prospectus are "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. When

we use the words "anticipate," "assume," "believe," "estimate," "expect," "intend" and other similar expressions, they generally identify forward-looking statements. Forward-looking statements include, for example, statements relating to acquisitions and related financial information, development activities, business strategy and prospects, future capital expenditures, sources and availability of capital, environmental and other regulations and competition.

You should exercise caution in interpreting and relying on forward-looking statements since they involve known and unknown risks, uncertainties and other factors which are, in some cases, beyond our control and could materially affect our actual results, performance or achievements. Some of the factors that could cause our actual results, performance or achievements to differ materially from those expressed or implied by forward-looking statements include, but are not limited to, the following:

- . we are subject to general risks affecting the real estate industry, such as the need to enter into new leases or renew leases on favorable terms to generate rental revenues, and dependence on our tenants' financial condition;
- . we may fail to identify, acquire, construct or develop additional properties; we may develop properties that do not produce a desired yield on invested capital; or we may fail to effectively integrate acquisitions of properties or portfolios of properties;
- . financing may not be available, or may not be available on favorable terms;
- . we need to make distributions to our stockholders for us to qualify as a real estate investment trust, and if we need to borrow the funds to make such distributions such borrowings may not be available on favorable terms;
- . we depend on the primary markets where our properties are located and these markets may be adversely affected by local economic and market conditions which are beyond our control;
- . we are subject to potential environmental liabilities;
- . we are subject to complex regulations relating to our status as a real estate investment trust and would be adversely affected if we failed to qualify as a real estate investment trust; and
- . market interest rates could adversely affect the market prices for our common stock, as well as our performance and cash flow.

We caution you that, while forward looking statements reflect our good faith beliefs, they are not guarantees of future performance. In addition, we disclaim any obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

## OUR COMPANY

### BOSTON PROPERTIES, INC.

- . We are one of the largest owners and developers of office properties in the United States, concentrated in the Northeast Corridor from Virginia to Greater Boston and in downtown San Francisco.
- . As of March 31, 2000, we owned 139 properties, aggregating more than 36.0 million square feet. Our properties consist of 126 office properties, consisting of 94 Class A office buildings and 32 properties that support both office and technical uses, nine industrial properties, three hotels and one parking garage.
- . We are a Delaware corporation formed in 1997 to continue and expand the operations of our predecessor organization founded by Messrs. Mortimer B. Zuckerman and Edward H. Linde. We have elected to be taxed as a real estate investment trust for federal income tax purposes and operate principally through Boston Properties Limited Partnership, a Delaware limited partnership. We are the sole general partner and the owner of approximately 67.0% of the economic interests in Boston Properties Limited Partnership.
- . Our executive offices are located at 800 Boylston Street, Suite 400, Boston, Massachusetts 02199-8001 and our telephone number is (617) 236-3300.

## DESCRIPTION OF COMMON STOCK

The following is a summary of the material terms and provisions of our common stock. It may not contain all the information that is important to you. You can access complete information by referring to our certificate of incorporation, bylaws, our shareholder rights plan and the Delaware General Corporate Law. Our shareholder rights plan is summarized below. Our shareholder rights plan, certificate of incorporation and bylaws are incorporated by reference into the registration statement of which this prospectus is a part.

### GENERAL

Under our certificate of incorporation, we have authority to issue 250,000,000 shares of common stock, par value \$.01 per share. As of May 10, 2000, 67,967,131 shares of common stock were issued and outstanding. In addition, as of May 10, 2000, 24,383,004 common units of Boston Properties Limited Partnership which are exchangeable for common stock on a one-for-one basis were outstanding. We may issue common stock from time to time. Our board of directors must approve the amount of stock we sell and the price for which it is sold. Holders of our common stock do not have any preferential rights or preemptive rights to buy or subscribe for capital stock or other securities that we may issue. However, each outstanding share of our common stock currently has attached to it one preferred share purchase right issued under our shareholder rights plan, which is summarized below. Our common stock does not have any redemption or sinking fund provisions or any conversion rights.

All of our common stock, when issued, will be duly authorized, fully paid and nonassessable. This means that the full price for our outstanding common stock will have been paid at the time of issuance and that any holder of our common stock will not later be required to pay us any additional money for such common stock.

### DIVIDENDS

Subject to the preferential rights of any other shares of our stock and the provisions of our certificate of incorporation regarding excess shares, holders of our common stock may receive dividends out of assets that we can legally use to pay dividends when and if they are authorized and declared by our board of directors. Each common stockholder shares in the same proportion as other common stockholders out of assets that we can legally use to pay distributions after we pay or make adequate provision for all of our known debts and liabilities in the event we are liquidated, dissolved or our affairs are wound up.

### VOTING RIGHTS

Subject to the provisions of our certificate of incorporation regarding excess shares, holders of common stock will have the exclusive power to vote on all matters presented to our stockholders, including the election of directors, except as otherwise provided by Delaware law or as provided with respect to any other shares of our stock. Holders of our common stock are entitled to one vote per share. There is no cumulative voting in the election of our directors, which means that at any meeting of our stockholders, the holders of a majority of the outstanding common stock can elect all of the directors then standing for election.

### OTHER RIGHTS

Subject to the provisions of our certificate of incorporation regarding excess shares, all shares of our common stock have equal dividend, distribution, liquidation and other rights, and have no preference, appraisal or exchange rights, except for any appraisal rights provided by Delaware law.

Holders of our common stock have no conversion, sinking fund or redemption rights, or preemptive rights to subscribe for any of our securities.

Delaware law generally requires that we obtain the approval of a majority of the outstanding shares of our common stock that are entitled to vote before we may consolidate our stock or merge with another corporation. However, Delaware law does not require that we seek approval of our stockholders to enter into a merger in which we are the surviving corporation following the merger if:

- . our certificate of incorporation is not amended in any respect by the merger;
- . each share of our stock outstanding prior to the merger is to be an identical share of stock following the merger; and
- . any shares of common stock (together with any other securities convertible into shares of common stock) to be issued or delivered as a result of the merger represent no more than 20% of the number of shares of our common stock outstanding immediately prior to the merger.

#### RESTRICTIONS ON OWNERSHIP

For us to qualify as a real estate investment trust under the Internal Revenue Code, no more than 50% in value of our outstanding stock may be owned, actually or constructively, by five or fewer individuals during the last half of a taxable year. To assist us in meeting this requirement, we may take actions such as the automatic conversion of shares in excess of this ownership restriction into excess shares to limit the ownership of our outstanding equity securities, actually or constructively, by one person or entity. See "Limits on Ownership of Our Stock" beginning on page 23.

#### TRANSFER AGENT

The transfer agent and registrar for our common stock is Equiserve Trust Company, N.A.

#### PREFERRED SHARES

Under our certificate of incorporation, we have authority to issue up to 50,000,000 shares of preferred stock. At May 10, 2000, we had outstanding 2,000,000 shares of Series A Convertible Redeemable Preferred Stock. The general terms of our Series A convertible redeemable preferred stock are as follows:

- . Dividends on our Series A stock are cumulative from the date of original issuance and payable quarterly generally at a rate of 5.0% per annum through March 31, 1999; 5.5% through December 31, 1999; 5.625% through December 31, 2000; 6.0% through December 31, 2001; 6.5% through December 31, 2002; 7.0% until May 12, 2009; and 6.0% thereafter.
- . On or after December 31, 2002, shares of our Series A stock are convertible, at the holder's election, into shares of our common stock at a conversion price of \$38.10 per share of common stock.
- . Beginning on May 12, 2009, the Series A stock may be redeemed in six annual tranches at the election of either the holder or us. The liquidation preference of our Series A stock is \$50 per share.

Under our certificate of incorporation, we have authority to issue up to 150,000,000 shares of Series E Junior Participating Cumulative Preferred Stock. At May 10, 2000, none of the Series E Junior Participating Cumulative Preferred Stock were issued or outstanding. Shares of our Series E Junior Participating Cumulative Preferred Stock may be issued under our shareholder rights plan, which is summarized below.

We do not have any other preferred stock outstanding as of the date of this prospectus. We may issue preferred stock from time to time, in one or more series, as authorized by our board of directors.

Prior to issuance of shares of each series, our board of directors is required by the Delaware General Corporation Law and our certificate of incorporation to fix for each series, subject to the provisions of our certificate of incorporation regarding excess shares, the terms, preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends or other distributions, qualifications and terms or conditions of redemption, as are permitted by Delaware law. The preferred stock will, when issued, be fully paid and nonassessable and will have no preemptive rights. Our board of directors could authorize the issuance of preferred stock with terms and conditions that could have the effect of discouraging a takeover or other transaction that holders of our common stock might believe to be in their best interests or in which holders of some, or a majority, of our common stock might receive a premium for their shares over the then market price of such common stock.

#### SHAREHOLDER RIGHTS PLAN

In 1997, our board of directors adopted a shareholder rights plan and entered into a shareholder rights agreement with Fleet National Bank (f.k.a. BankBoston, N.A.), as rights agent. The purpose of our shareholder rights plan is to enhance our board of directors' ability to protect our stockholders' interests by ensuring that such stockholders receive fair treatment in the event that any coercive takeover attempt of Boston Properties is made in the future. The rights plan is intended to provide our board of directors with sufficient time to consider any and all alternatives to such an action. The rights may discourage, delay or prevent hostile takeovers. They are not intended, however, to interfere with any merger or other business combination approved by our board of directors.

Under our shareholder rights plan, one preferred stock purchase right is attached to each outstanding share of our common stock. We refer to these preferred stock purchase rights as the "rights." Each share of common stock issued in the future will also receive a right until any of the rights become exercisable. Until a right is exercised, the holder of a right does not have any additional rights as a stockholder. These rights will expire on June 11, 2007, unless previously redeemed or exchanged by us as described below. These rights trade automatically with our common stock and will separate from the common stock and become exercisable only under the circumstances described below.

In general, the rights will become exercisable when the first of the following events happens:

1. ten calendar days after a public announcement that a person or group has acquired beneficial ownership of 15% or more of the sum of our outstanding common stock and excess stock; or
2. ten business days, or such other date determined by our board of directors, after the beginning of a tender offer or exchange offer that would result in a person or group beneficially owning 15% or more of the sum of our outstanding common stock and excess stock.

Under our shareholder rights plan, our common stock that may be issued in exchange for outstanding common units of limited partnership interest in Boston Properties Limited Partnership is not included in the definition of beneficial ownership.

However, if a person who became a limited partner of Boston Properties Limited Partnership at the time of our initial public offering acquires beneficial ownership of 15% or more of the sum of our common stock and excess stock, the rights will not become exercisable unless the acquisition results in that person acquiring a greater percentage of the outstanding shares of our outstanding common stock plus outstanding common units of limited partnership interest of Boston Properties Limited Partnership than the percentage of outstanding shares of common stock plus outstanding common units of limited partnership interest of Boston Properties Limited Partnership that person held at the completion of our initial public offering. In addition, no group of which a person who became a partner of Boston Properties Limited Partnership at the time of our initial public offering is a member will be deemed to beneficially own our common stock and excess stock owned by that person. Common units of limited partnership interest of

Boston Properties Limited Partnership held by Boston Properties, Inc. are excluded in making these calculations.

If the rights become exercisable, holders of the rights will be able to purchase from us a unit of preferred stock equal to one ten-thousandth of a share of our Series E Junior Participating Cumulative Preferred Stock at a price of \$100 per unit, subject to adjustment. We have designated 200,000 shares of Series E Junior Participating Cumulative Preferred Stock and have reserved such shares for issuance under our shareholder rights plan. However, all rights owned by any persons or groups triggering the event shall be void.

In addition, if at any time following a public announcement that a person or group has acquired beneficial ownership of 15% or more of the sum of our outstanding common stock and excess stock:

- . we enter into a merger or other business combination transaction in which we are not the surviving entity;
- . we enter into a merger or other business combination transaction in which all or part of our common stock is exchanged; or
- . we sell, transfer or mortgage 50% or more of our assets or earning power,

then each holder of a right, other than rights held by the person or group who triggered the event, will be entitled to receive, upon exercise, common stock of the acquiring company equal to two times the purchase price of the right.

At any time after our public announcement that a person or group has acquired beneficial ownership of 15% or more of the sum of our outstanding common stock and excess stock, our board of directors may, at its option, exchange all or any part of the then outstanding and exercisable rights for shares of our common stock or units of Series E Preferred Stock at an exchange ratio of one share or one unit per right. However, our board of directors generally will not be empowered to effect such exchange at any time after any person becomes the beneficial owner of 50% or more of our outstanding common stock.

We may redeem the rights at \$.001 per right at any time before the date that is ten days after a public announcement that a person or group has acquired beneficial ownership of 15% or more of the sum of our outstanding common stock and excess stock. We may extend this redemption period at any time while the rights are still redeemable. The rights will expire at the close of business on June 11, 2007 unless we redeem them before that date.

The above description of our shareholder rights plan is not intended to be a complete description. For a full description of the shareholder rights plan, you should read the rights agreement. You may obtain a copy of the rights agreement at no charge by writing to us at the address listed on page 18.



## LIMITS ON OWNERSHIP OF OUR STOCK

### OWNERSHIP LIMITS

For us to qualify as a real estate investment trust under the Internal Revenue Code, among other things, not more than 50% in value of our outstanding stock may be owned, actually or constructively, by five or fewer individuals during the last half of a taxable year other than the first year, and such stock must be beneficially owned by 100 or more persons during at least 335 days of a taxable year of 12 months other than the first year or during a proportionate part of a shorter taxable year. In order to protect us against the risk of losing our status as a real estate investment trust due to a concentration of ownership among our stockholders, our certificate of incorporation provides that generally no holder may beneficially own, or be deemed to own by virtue of the attribution provisions of the Internal Revenue Code, more than 6.6% of any class or series of our stock. Under our certificate of incorporation, a person generally "beneficially owns" shares if:

- . such person has direct ownership of such shares,
- . such person has indirect ownership of such shares taking into account the constructive ownership rules of Section 544 of the Internal Revenue Code, as modified by Section 856(h)(1)(B) of the Internal Revenue Code, or
- . such person would be deemed to beneficially own such shares pursuant to Rule 13d-3 under the Exchange Act of 1934, as amended.

Our certificate of incorporation allows two exceptions to the 6.6% ownership limit:

#### 15% Related party ownership limit:

Each of Messrs. Zuckerman and Linde, together with their respective heirs, legatees, devisees and any other person whose beneficial ownership of our common stock would be attributed under the Internal Revenue Code to them, are subject to an ownership limit of 15% for each of them together with such persons related to them.

#### 15% Look-through entity ownership limit:

Pension plans described in Section 401(a) of the Internal Revenue Code and mutual funds registered under the Investment Company Act of 1940 are subject to an ownership limit of 15%. Pension plans and mutual funds are among the entities that are not treated as stockholders under the "five or fewer requirement." Rather, the beneficial owners of such entities will be counted as stockholders for this purpose.

The foregoing restrictions will not apply if our board of directors determines that it is no longer in our best interests to attempt to qualify, or to continue to qualify, as a real estate investment trust. In addition, the foregoing restrictions do not apply with respect to an offeror in the event of an all cash tender offer by it which has been accepted by at least two-thirds of our outstanding stock.

### SHARES IN EXCESS OF OWNERSHIP LIMITS

Transfers of our stock or any security convertible into our stock or other events that would create a direct or indirect ownership of our stock that would:

- . violate the 6.6% ownership limit;
- . violate the 15% ownership limit for related parties;

- . violate the 15% ownership limit for look-through entities; or
- . result in our disqualification as a real estate investment trust, including any transfer that results in:
  - . our stock being owned by fewer than 100 persons,
  - . Boston Properties being "closely held" with the meaning of Section 856(h) of the Internal Revenue Code, or
  - . Boston Properties constructively owning 10% or more of one of our tenants

shall be null and void and of no effect with respect to the shares in excess of the applicable limit. Any such shares in excess of an applicable limitation will be converted automatically into an equal number of shares of our excess stock that will be transferred by operation of law to a trust for the benefit of a qualified charitable organization selected by us, but not affiliated with us. As soon as practicable after the transfer of shares to the trust, the trustee of the trust will be required to sell such excess shares to a person or entity who could own such shares without violating the applicable limit and distribute to the original transferee-stockholder an amount equal to the lesser of:

- . the proceeds of such sale, or
- . the price paid for our stock in excess of the applicable limit by the original transferee-owner or, in the event that the original violative transfer was a gift or an event other than a transfer, the fair market value of the excess shares on the date they are sold by the trust.

All dividends and other distributions received with respect to the excess shares prior to their sale by the trust and any proceeds from the sale by the trust in excess of the amount distributable to the original transferee-owner will be distributed to the beneficiary of the trust.

#### RIGHT TO PURCHASE EXCESS SHARES

In addition to the foregoing transfer restrictions, we have the right, for a period of 90 days during the time any excess shares are held by the trust, to purchase all or any portion of the excess shares for the lesser of the price paid for the shares in excess of the applicable limit by the original transferee-stockholder or the market price of our stock on the date we exercise our option to purchase, which amount will be paid to the original transferee-stockholder. The market price will be determined in the manner set forth in our certificate of incorporation. The 90-day period begins on the date of the violative transfer if the original transferee-stockholder gives notice to us of the transfer or, if no such notice is given, the date on which our board of directors determines that a violative transfer has been made.

#### DISCLOSURE OF STOCK OWNERSHIP BY OUR STOCKHOLDERS

Each of our stockholders will upon demand be required to disclose to us in writing any information with respect to the direct, indirect and constructive ownership of shares of our stock as our board of directors deems necessary to comply with the provisions of the Internal Revenue Code applicable to real estate investment trusts, to comply with the requirements of any taxing authority or governmental agency or to determine any such compliance.

These ownership limitations may have the effect of precluding the acquisition of control of Boston Properties unless our board of directors determines that our maintenance of real estate investment trust status is no longer in our best interests.

IMPORTANT PROVISIONS OF DELAWARE LAW AND  
OUR CERTIFICATE OF INCORPORATION AND BYLAWS

The following is a summary of important provisions of Delaware law and our certificate of incorporation and bylaws which affect us and our stockholders. The description below is intended as only a summary. You can access complete information by referring to Delaware General Corporation Law and our certificate of incorporation and bylaws.

**BUSINESS COMBINATIONS WITH INTERESTED STOCKHOLDERS UNDER DELAWARE LAW**

Section 203 of the Delaware General Corporation Law prevents a publicly held corporation from engaging in a "business combination" with an "interested stockholder" for a period of three years after the date of the transaction in which the person became an interested stockholder, unless:

- . before the date on which the person became an interested stockholder, the board of directors of the corporation approved either the business combination or the transaction in which the person became an interested stockholder;
- . the interested stockholder owned at least 85% of the outstanding voting stock of the corporation at the beginning of the transaction in which it became an interested stockholder, excluding stock held by directors who are also officers of the corporation and by employee stock plans that do not provide participants with the rights to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or
- . after the date on which the interested stockholder became an interested stockholder, the business combination is approved by the board of directors and the holders of two-thirds of the outstanding voting stock of the corporation voting at a meeting, excluding the voting stock owned by the interested stockholder.

As defined in Section 203, an "interested stockholder" is generally a person owning 15% or more of the outstanding voting stock of the corporation. As defined in Section 203, a "business combination" includes mergers, consolidations, stock and assets sales and other transactions with the interested stockholder.

The provisions of Section 203 may have the effect of delaying, deferring or preventing a change of control of Boston Properties.

**AMENDMENT OF OUR CERTIFICATE OF INCORPORATION AND BYLAWS**

Amendments to our certificate of incorporation must be approved by our board of directors and generally by the vote of a majority of the votes entitled to be cast at a meeting of our stockholders. However, a 75% stockholder vote is required for amendments dealing with fundamental governance provisions of our certificate of incorporation, such as:

- . stockholder action
- . the powers, election of, removal of and classification of directors
- . limitation of liability
- . amendment of our certificate of incorporation

Unless otherwise required by law, our board of directors may amend our bylaws by a majority vote of our directors then in office. Our bylaws may also be amended by a majority stockholder vote if our board of directors recommends the approval of the amendment, and otherwise by a 75% stockholder vote.

## MEETINGS OF STOCKHOLDERS

Under our bylaws, we will hold annual meetings of our stockholders at such date and time as determined by our board of directors, Chairman or President. Our bylaws require advance notice for our stockholders to make nominations of candidates for our board of directors or bring other business before an annual meeting of our stockholders. Only our board of directors can call special meetings of our stockholders and any special meeting is restricted to considering and acting upon matters set forth in the notice of that special meeting.

## BOARD OF DIRECTORS

Our board of directors is divided into three classes. As the term of each class expires, directors in that class will be elected for a term of three years and until their successors are duly elected and qualified.

Our certificate of incorporation provides that a 75% vote of our board of directors is required to approve fundamental changes or actions, including:

- . a change of control of Boston Properties or of Boston Properties Limited Partnership;
- . any amendment to the limited partnership agreement of Boston Properties Limited Partnership;
- . any waiver of the limitations on ownership contained in our certificate of incorporation;
- . certain issuances of equity securities by Boston Properties; and
- . termination of our status as a REIT.

## SHAREHOLDER RIGHTS PLAN AND OWNERSHIP LIMITATIONS

We have adopted a shareholder rights agreement. In addition, our certificate of incorporation contains provisions that limit the ownership by any person of shares of any class or series of our capital stock. See "Shareholder rights plan" beginning on page 21 and "Limits on ownership of our stock" beginning on page 23.

## LIMITATION OF DIRECTORS' AND OFFICERS' LIABILITY

Our certificate of incorporation generally limits the liability of our directors to Boston Properties to the fullest extent permitted by Delaware law, as it now exists or may in the future be amended. The Delaware General Corporation Law permits a corporation to indemnify its directors, officers, employees or agents and expressly provides that the indemnification provided for under the Delaware General Corporation Law shall not be deemed exclusive of any indemnification right under any bylaw, vote of stockholders or disinterested directors, or otherwise. Delaware law permits indemnification against expenses and certain other liabilities arising out of legal actions brought or threatened against such persons for their conduct on behalf of a corporation, provided that each such person acted in good faith and in a manner that he or she reasonably believed was in or not opposed to the corporation's best interests and, in the case of a criminal proceeding, provided such person had no reasonable cause to believe his or her conduct was unlawful. Delaware law does not allow indemnification of directors in the case of an action by or in the right of a corporation unless the directors successfully defend the action or indemnification is ordered by the court.

Our bylaws provide that our directors and officers will be, and, in the discretion of our board of directors, non-officer employees may be, indemnified by Boston Properties to the fullest extent authorized by Delaware law, as it now exists or may in the future be amended, against all expenses and liabilities actually and reasonably incurred in connection with service for or on behalf of Boston Properties. Our bylaws also provide that the right of directors and officers to indemnification shall be a contract right and

shall not be exclusive of any other right now possessed or hereafter acquired under any bylaw, agreement, vote of stockholders, or otherwise.

Our certificate of incorporation contains a provision permitted by Delaware law that generally eliminates the personal liability of directors for monetary damages for breaches of their fiduciary duty, including breaches involving negligence or gross negligence in business combinations, unless the director has breached his or her duty of loyalty, failed to act in good faith, engaged in intentional misconduct or a knowing violation of law, paid a dividend or approved a stock repurchase in violation of the Delaware General Corporation Law or obtained an improper personal benefit. This provision does not alter a director's liability under the federal securities laws. In addition, this provision does not affect the availability of equitable remedies, such as an injunction or rescission, for breach of fiduciary duty.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers or persons controlling Boston Properties pursuant to the foregoing provisions, we have been informed that in the opinion of the staff of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act of 1933 and is therefore unenforceable.

#### INDEMNIFICATION AGREEMENTS

We have entered into indemnification agreements with each of our directors and executive officers. The indemnification agreements require, among other things, that we indemnify our directors and executive officers to the fullest extent permitted by law and advance to our directors and executive officers all related expenses, subject to reimbursement if it is subsequently determined that indemnification is not permitted. Under these agreements, we must also indemnify and advance all expenses incurred by our directors and executive officers seeking to enforce their rights under the indemnification agreements and cover our directors and executive officers under our directors' and officers' liability insurance. Although the form of indemnification agreement offers substantially the same scope of coverage afforded by our certificate of incorporation and our bylaws, it provides greater assurance to our directors and executive officers that indemnification will be available, because, as a contract, it cannot be modified unilaterally in the future by our board of directors or by our stockholders to eliminate the rights it provides.

## FEDERAL INCOME TAX CONSIDERATIONS AND CONSEQUENCES OF YOUR INVESTMENT

The following is a general summary of the material federal income tax considerations and consequences associated with an investment in our common stock. The following discussion is not exhaustive of all possible tax considerations and is not tax advice. Moreover, this summary does not deal with all tax aspects or consequences that might be relevant to you in light of your personal circumstances; nor does it deal with particular types of stockholders that are subject to special treatment under the Internal Revenue Code, such as insurance companies, financial institutions and broker-dealers. The Internal Revenue Code provisions governing the federal income tax treatment of real estate investment trusts are highly technical and complex, and this summary is qualified in its entirety by the applicable Internal Revenue Code provisions, rules and regulations promulgated thereunder, and administrative and judicial interpretations thereof. The following discussion is based on current law and on representations from us concerning our compliance with the requirements for qualification as a real estate investment trust.

WE URGE YOU, AS A PROSPECTIVE INVESTOR, TO CONSULT YOUR OWN TAX ADVISOR WITH RESPECT TO THE SPECIFIC FEDERAL, STATE, LOCAL, FOREIGN AND OTHER TAX CONSEQUENCES TO YOU OF THE PURCHASE, HOLDING AND SALE OF OUR COMMON STOCK.

### FEDERAL INCOME TAXATION

In the opinion of our tax counsel, Goodwin, Procter & Hoar LLP, commencing with our first taxable year ended December 31, 1997, we have been organized in conformity with the requirements for qualification as a real estate investment trust under the Internal Revenue Code, and our method of operation will enable us to continue to meet the requirements for qualification and taxation as a real estate investment trust under the Internal Revenue Code, provided that we have operated and continue to operate in accordance with various assumptions and factual representations made by us concerning our business, properties and operations. We may not, however, have met or continue to meet such requirements. Qualification as a real estate investment trust depends upon us having met and continuing to meet the various requirements imposed under the Internal Revenue Code through actual operating results. Goodwin, Procter & Hoar LLP has relied on our representations regarding our operations and has not and will not review these operating results. No assurance can be given that actual operating results have met or will meet these requirements.

If we have qualified and continue to qualify for taxation as a real estate investment trust, we generally will not be subject to federal corporate income taxes on that portion of our ordinary income or capital gain that is currently distributed to stockholders. The real estate investment trust provisions of the Internal Revenue Code generally allow a real estate investment trust to deduct dividends paid to its stockholders. This deduction for dividends paid to stockholders substantially eliminates the federal double taxation on earnings that usually results from investments in a corporation. "Double taxation" refers to taxation of income once at the corporate level when earned and once again at the stockholder level when distributed. Additionally, a real estate investment trust may elect to retain and pay taxes on a designated amount of its net long-term capital gains, in which case the stockholders of the real estate investment trust will include their proportionate share of the undistributed long-term capital gains in income and receive a credit or refund for their share of the tax paid by the real estate investment trust.

### FAILURE TO QUALIFY

If we fail to qualify for taxation as a real estate investment trust in any taxable year and the relief provisions do not apply, we will be subject to tax on our taxable income at regular corporate rates, including any applicable alternative minimum tax. Distributions to stockholders in any year in which we fail to qualify will not be deductible by us nor will they be required to be made. In such event, to the extent of current or accumulated earnings and profits, all distributions to stockholders will be dividends, taxable as ordinary income, and subject to limitations of the Internal Revenue Code, corporate distributees may be eligible for the dividends-received deduction. Unless we are entitled to relief under specific statutory provisions, we also will be disqualified from taxation as a real estate investment trust for the four taxable

years following the year during which qualification was lost. It is not possible to state whether in all circumstances we would be entitled to such statutory relief. For example, we must derive a minimum percent of our gross income from specified sources in order to qualify as a real estate investment trust. If we fail to satisfy these gross income tests because nonqualifying income that we intentionally incur exceeds the limit on such income, the Internal Revenue Service could conclude that our failure to satisfy the tests was not due to reasonable cause, which is a condition to qualification for relief from the four-year disqualification rule.

#### TAXATION OF UNITED STATES STOCKHOLDERS AND POTENTIAL TAX CONSEQUENCES OF THEIR INVESTMENT IN OUR COMMON STOCK

When we refer to a United States stockholder, we mean a holder of common stock that is for federal income tax purposes

- . an individual who is a citizen or resident of the United States;
- . a corporation created or organized in or under the laws of the United States, any state thereof or the District of Columbia; or
- . a partnership, trust or estate treated as a domestic partnership, trust or estate.

For any taxable year for which we qualify for taxation as a real estate investment trust, amounts distributed to taxable United States stockholders will be taxed as follows.

Distributions generally. Distributions other than capital gain dividends to United States stockholders will be taxable as dividends to the extent of our current or accumulated earnings and profits as determined for federal income tax purposes. For purposes of determining whether distributions are out of current or accumulated earnings and profits, our earnings and profits will be allocated first to any of our outstanding preferred shares and then to our common stock. Such dividends will be taxable to the stockholders as ordinary income and will not be eligible for the dividends-received deduction for corporations. To the extent that we make a distribution to a United States stockholder in excess of current or accumulated earnings and profits, the distribution will be treated first as a tax-free return of capital with respect to the shares, reducing the United States stockholder's tax basis in the shares, and the distribution in excess of a United States stockholder's tax basis in the shares will be taxable as gain realized from the sale of the shares. Dividends declared by us in October, November or December of any year payable to a stockholder of record on a specified date in any such month shall be treated as both paid by us and received by the stockholder on December 31 of the year, provided that the dividend is actually paid by us during January of the following calendar year. United States stockholders may not include on their own federal income tax returns any of our tax losses.

Capital gain dividends. Dividends to United States stockholders that are properly designated by us as capital gain dividends will be treated as long-term capital gains, to the extent they do not exceed our actual net capital gains, for the taxable year without regard to the period for which the stockholder has held its common stock. However, corporate stockholders may be required to treat up to 20% of particular capital gain dividends as ordinary income. Capital gain dividends are not eligible for the dividends-received deduction for corporations.

Retained capital gains. A real estate investment trust may elect to retain, rather than distribute, its net long-term capital gains received during the year. To the extent designated by the real estate investment trust in a notice to its stockholders, the real estate investment trust will pay the income tax on such gains and the real estate investment trust stockholders must include their proportionate share of the undistributed long-term capital gains so designated in income. Each real estate investment trust stockholder will be deemed to have paid its share of the tax paid by the real estate investment trust, which will be credited or refunded to the stockholder. The basis of each stockholder's real estate investment trust shares will be increased by its proportionate amount of the undistributed long-term capital gains, net of the tax paid by the real estate investment trust, included in such stockholder's long-term capital gains.

Passive activity loss and investment interest limitations. Distributions, including deemed distributions of undistributed long-term capital gains, from us and gain from the disposition of common stock will not be treated as passive activity income, and therefore stockholders may not be able to apply any passive losses against such income. Dividends from us, to the extent they do not constitute a return of capital, will generally be treated as investment income for purposes of the investment income limitation on the deductibility of investment interest. However, net capital gain from the disposition of common stock or capital gain dividends, including deemed distributions of undistributed long-term capital gains, generally will be excluded from investment income.

Sale of the common stock. Upon the sale or exchange of common stock, the United States stockholder will generally recognize gain or loss equal to the difference between the amount realized on such sale and the tax basis of the common stock sold or exchanged. Assuming such shares are held as a capital asset, such gain or loss will be a long-term capital gain or loss if the shares have been held for more than one year. However, any loss recognized by a United States stockholder on the sale of common stock held for not more than six months and with respect to which capital gains were required to be included in such stockholder's income will be treated as a long-term capital loss to the extent of the amount of such capital gains so included.

Treatment of tax-exempt stockholders. Distributions, including deemed distributions of undistributed long-term capital gains, from us to a tax-exempt employee pension trust or other domestic tax-exempt stockholder generally will not constitute unrelated business taxable income unless the stockholder has borrowed to acquire or carry its common stock. However, certain qualified trusts that hold more than 10% by value of the shares of a particular real estate investment trust may be required to treat a specified percentage of these distributions, including deemed distributions of undistributed long-term capital gains, as unrelated business taxable income.

#### BACKUP WITHHOLDING

Under the backup withholding rules, a United States stockholder may be subject to backup withholding at the rate of 31% with respect to dividends paid on, and gross proceeds from the sale of, the common stock unless such stockholder (1) is a corporation or comes within other specific exempt categories and, when required, demonstrates this fact or (2) provides a correct taxpayer identification number, certifies as to no loss of exemption from backup withholding and otherwise complies with applicable requirements of the backup withholding rules. A United States stockholder who does not provide us with its current taxpayer identification number may be subject to penalties imposed by the Commissioner of the Internal Revenue Service. Any amount paid as backup withholding will be creditable against the stockholder's income tax liability.

We will report to stockholders and the Internal Revenue Service the amount of any reportable payments, including any dividends paid, and any amount withheld with respect to the common stock during the calendar year.

#### STATE AND LOCAL TAX

Boston Properties and our stockholders may be subject to state and local tax in various states and localities, including those in which we or our stockholders transact business, own property or reside. The tax treatment of us and our stockholders in such jurisdictions may differ from the federal income tax treatment described above. CONSEQUENTLY, AS A PROSPECTIVE INVESTOR, YOU SHOULD CONSULT YOUR OWN TAX ADVISORS REGARDING THE EFFECT OF STATE AND LOCAL TAX LAWS ON AN INVESTMENT IN OUR COMMON STOCK.



## REGISTRATION RIGHTS OF THE SELLING STOCKHOLDERS

The following is a summary of the material terms and provisions of the registration rights and lock-up agreement, which we entered into in connection with our acquisition of 510 Carnegie Center, an office property located in Princeton, New Jersey. It may not contain all the information that is important to you. You can access complete information by referring to the registration rights and lock-up agreement.

Under the registration rights and lock-up agreement, we are obligated to file a registration statement covering the sale by the selling stockholders of the common stock that they may acquire in exchange for the common units of Boston Properties Limited Partnership that they are entitled to receive on conversion of the Series One Preferred Units of Boston Properties Limited Partnership that they received in connection with our acquisition of 510 Carnegie Center. Under the terms of the registration rights and lock-up agreement, the selling stockholders could not exchange the common units into which their Series One Preferred Units are convertible for common stock until after April 30, 2000. Under the registration rights and lock-up agreement, we must use reasonable efforts to cause the registration statement to be declared effective by the Securities and Exchange Commission and to keep the registration statement continuously effective until the earlier of:

- . the date on which the selling stockholders no longer hold any exchanged common stock, any common units issued on the conversion of Series One Preferred Units, or any Series One Preferred Units issued in connection with the acquisition, or
- . the date on which all of the exchanged common stock held or acquired in the future by the selling stockholders has become eligible for sale under Rule 144(k) of the Securities Act of 1933.

Any common stock sold by the selling stockholders pursuant to this prospectus will no longer be entitled to the benefits of the registration rights and lock-up agreement.

The registration rights and lock-up agreement requires that we bear all expenses of registering the common stock with the exception of brokerage and underwriting commissions and taxes of any kind and any legal, accounting and other expenses incurred by the selling stockholders. We also agreed to indemnify the selling stockholders and their officers, directors and other affiliated persons and any person who controls the selling stockholders against all losses, claims, damages, actions, liabilities, costs and expenses arising under the securities laws in connection with the registration statement or this prospectus, subject to limitations specified in the registration rights and lock-up agreement. In addition, the selling stockholders agreed to indemnify us and our directors, officers and any person who controls our company against all losses, claims, damages, actions, liabilities, costs and expenses arising under the securities laws if they result from:

- . written information furnished to us by the selling stockholders for use in the registration statement or this prospectus or any amendments to the registration statement or any prospectus supplements or
- . the selling stockholders' failure to deliver, or cause to be delivered, this prospectus or any amendments or prospectus supplements to any purchaser of common stock covered by this prospectus from the selling stockholders through no fault of ours.

THE SELLING STOCKHOLDERS

The following table sets forth the number of shares of common stock and units beneficially owned by the selling stockholders as of May 10, 2000, the number of shares of common stock covered by this prospectus and the total number of shares of common stock and units which the selling stockholders will beneficially own upon completion of this offering. This table assumes that the selling stockholders convert the \$34 per unit liquidation preference of all the Series One Preferred Units issued on April 30, 1999 by Boston Properties Limited Partnership in connection with our acquisition of 510 Carnegie Center into common units at a conversion price of \$38.25 (resulting in a conversion ratio of 0.88889 common units per Series One Preferred Unit), that such common units are exchanged for common stock, and that the selling stockholders offer for sale all of those shares of common stock.

The common stock offered by this prospectus may be offered from time to time by the selling stockholders named below, or by any of their pledgees, donees, transferees or other successors in interest. The amounts set forth below are based upon information provided to us by representatives of the selling stockholders, or on our records, as of May 10, 2000 and are accurate to the best of our knowledge. It is possible, however, that the selling stockholders may acquire or dispose of additional shares of common stock or common units from time to time after the date of this prospectus.

NAME	COMMON STOCK AND UNITS BENEFICIALLY OWNED AS OF MAY 10, 2000(1)	COMMON STOCK OFFERED HEREBY(2)	COMMON STOCK AND UNITS TO BE BENEFICIALLY OWNED AFTER OFFERING(3)	PERCENTAGE OF ALL COMMON STOCK AND UNITS(4)	PERCENTAGE OF ALL COMMON STOCK(5)
500 Capital Corp.	513	513	0	*	*
Alan B. Landis (6)	2,036,810(7)	38,924(8)	1,997,886(9)	2.11%	2.85%
Landis Family Trust #1	101,272	9,037	92,235	*	*
Landis Family Trust #2	278,567	29,374	249,192	*	*
Daniel Slott	225,743	6,217	219,526	*	*
Uzi Zucker	370,259	6,217	364,042	*	*
TOTAL	2,632,812	51,358	2,581,454		

\* Less than 1%.

- (1) All units listed in this column may be exchanged, under circumstances set forth in the partnership agreement of Boston Properties Limited Partnership, for an equal number of shares of common stock. Includes Series One Preferred Units as if such units were converted into common units at a conversion ratio of 0.88889 common units per Series One Preferred Unit. All information is as of May 10, 2000.
- (2) These shares of common stock represent the common stock that the selling stockholders may acquire upon conversion of the Series One Preferred Units into common units and presentation of such common units for redemption. Such conversion and redemption may occur at any time after April 30, 2000.
- (3) Assumes that all common stock issuable upon conversion and redemption of the common units will be sold by the selling stockholders.
- (4) Assumes that all Series One Preferred Units held by the person are converted into common units and all common units held by the person (including those resulting from conversion) are presented to Boston Properties for redemption and acquired by Boston Properties for shares of common stock and that all of their vested options or options which vest within 60 days of May 10, 2000 to acquire shares of common stock are exercised. The total number of shares used in calculating this percentage assumes that all of the common units and Series One Preferred Units outstanding held by all persons other than Boston Properties are presented to Boston Properties for redemption and acquired by Boston Properties for shares of common stock and assumes that only the vested options or options which vest within 60 days of May 10, 2000 held by the person to acquire shares of common stock are exercised.
- (5) Assumes that all Series One Preferred Units held by the person are converted into common units and all common units held by the person (including those resulting from conversion) are presented to Boston Properties for redemption and acquired by Boston Properties for shares of common stock and that all of their vested options or options which vest within 60 days of May 10, 2000 to acquire shares of common stock

are exercised. The total number of shares of common stock outstanding used in calculating this percentage assumes that none of the common units and Series One Preferred Units held by other persons are presented to Boston Properties for redemption and acquired by Boston Properties for shares of common stock and assumes that only the vested options or options which vest within 60 days of May 10, 2000 held by the person to acquire shares of common stock are exercised.

- (6) Mr. Alan Landis has been a director of the Company since June 30, 1998. We have agreed that our board of directors will nominate Mr. Landis for re-election as a director at each of our annual meetings of stockholders in a year when his term expires as long as Mr. Landis (and related parties) continue to beneficially own at least one percent (1%) of the aggregate number of outstanding shares of our common stock and units of limited partnership interest in Boston Properties Limited Partnership.

- (7) Includes 1,551,262 common units that would be received upon the conversion of 1,745,168 Series One Preferred Units of which 1,187,244 Series One Preferred Units are held by (a) a partnership of which Mr. Landis is the general partner, (b) various corporations of which Mr. Landis is the sole stockholder and (c) various family trusts. Also includes 12,500 shares of common stock issuable upon the exercise of vested stock options and 154,816 common units and 327,478 common units that would be received upon the conversion of 368,412 Series One Preferred Units held by Mr. Landis' wife. Mr. Landis disclaims beneficial ownership of the Series One Preferred Units held by his wife.
- (8) Comprises shares of common stock that may be acquired upon the conversion of 10,167 Series One Preferred Units held through the Landis Family Trust #1, 33,046 Series One Preferred Units held through Landis Family Trust #2 and 577 Series One Preferred Units held through 500 Capital Corp. into common units and presentation of such common units for redemption.
- (9) Includes 1,512,338 common units that would be received upon the conversion of 1,701,378 Series One Preferred Units of which 1,143,454 Series One Preferred Units are held by (a) a partnership of which Mr. Landis is the general partner, (b) various corporations of which Mr. Landis is the sole stockholder and (c) various family trusts. Also includes 12,500 shares of common stock issuable upon the exercise of vested stock options, and 154,816 common units and 327,478 common units that would be received upon the conversion of 368,412 Series One Preferred Units held by Mr. Landis' wife. Mr. Landis disclaims beneficial ownership of the Series One Preferred Units held by his wife.

## USE OF PROCEEDS

We will not receive any of the proceeds of the sale by the selling stockholders of the common stock covered by this prospectus.

## PLAN OF DISTRIBUTION

This prospectus relates to the possible sale from time to time of up to an aggregate of 51,358 shares of common stock by the selling stockholders, or any of their pledgees, donees, transferees or other successors in interest. Under the limited partnership agreement of Boston Properties Limited Partnership, as amended, the selling stockholders may, at their option, convert their Series One Preferred Units into common units. If the selling stockholders present such common units to Boston Properties Limited Partnership for redemption, we may, at our election, acquire such common units in exchange for common stock in accordance with the terms of Boston Properties Limited Partnership's agreement of limited partnership, as amended. We are registering the common stock pursuant to our obligations under the registration rights and lock-up agreement, but the registration of the common stock does not necessarily mean that any of the common stock will be offered or sold by the selling stockholders.

The distribution of the common stock may be effected from time to time in one or more underwritten transactions at a fixed price or prices, which may be changed, or at market prices prevailing at the time of sale, at prices related to prevailing market prices or at negotiated prices. Any underwritten offering may be on a "best efforts" or a "firm commitment" basis. In connection with any underwritten offering, underwriters or agents may receive compensation in the form of discounts, concessions or commissions from the selling stockholders. Underwriters may sell the common stock to or through dealers, and such dealers may receive compensation in the form of discounts, concessions or commissions from the underwriters and/or commissions from the purchasers for whom they may act as agents.

The selling stockholders and any underwriters, dealers or agents that participate in the distribution of the common stock may be deemed to be underwriters under the Securities Act of 1933, and any profit on the sale of the common stock by them and any discounts, commissions or concessions received by any underwriters, dealers or agents might be deemed to be underwriting discounts and commissions under the Securities Act of 1933. At any time a particular offer of common stock is made by the selling stockholders, a prospectus supplement, if required, will be distributed that will, where applicable:

- . identify any underwriter, dealer or agent;
- . describe any compensation in the form of discounts, concessions, commissions or otherwise received by each underwriter, dealer or agent and in the aggregate to all underwriters, dealers and agents;
- . identify the amounts underwritten;
- . identify the nature of the underwriter's obligation to take the common stock; and
- . provide any other required information.

The sale of common stock by the selling stockholders may also be effected by selling common stock directly to purchasers or to or through broker-dealers. In connection with any such sale, any such broker-dealer may act as agent for the selling stockholders or may purchase from the selling stockholders all or a portion of the common stock as principal, and may be made pursuant to any of the methods described below. Such sales may be made on the New York Stock Exchange or other exchanges on which the common stock are then traded, in the over-the-counter market, in negotiated transactions or otherwise at prices and at terms then prevailing or at prices related to the then-current market prices or at prices otherwise negotiated.

Common stock may also be sold in one or more of the following transactions:

- . block transactions in which a broker-dealer may sell all or a portion of such shares as agent but may position and resell all or a portion of the block as principal to facilitate the transaction;
- . purchases by any such broker-dealer as principal and resale by such broker-dealer for its own account pursuant to any supplement to this prospectus;
- . a special offering, an exchange distribution or a secondary distribution in accordance with applicable New York Stock Exchange or other stock exchange rules;
- . ordinary brokerage transactions and transactions in which any such broker-dealer solicits purchasers;
- . sales "at the market" to or through a market maker or into an existing trading market, on an exchange or otherwise, for such shares; and
- . sales in other ways not involving market makers or established trading markets, including direct sales to purchasers.

In effecting sales, broker-dealers engaged by the selling stockholders may arrange for other broker-dealers to participate. Broker-dealers will receive commissions or other compensation from the selling stockholders in amounts to be negotiated immediately prior to the sale that will not exceed those customary in the types of transactions involved. Broker-dealers may also receive compensation from purchasers of the common stock which is not expected to exceed that which is customary in the types of transactions involved.

To comply with applicable state securities laws, the common stock will be sold, if necessary, in such jurisdictions only through registered or licensed brokers or dealers. In addition, common stock may not be sold in some states unless they have been registered or qualified for sale in the state or an exemption from such registration or qualification requirement is available and is complied with.

All expenses relating to the offering and sale of the common stock, other than commissions, discounts and fees of underwriters, broker-dealers or agents, will be paid by us. We have agreed to indemnify the selling stockholders against some losses, claims, damages, actions, liabilities, costs and expenses, including liabilities under the Securities Act of 1933. See "Registration Rights of the Selling Stockholders," beginning on page 31.

#### EXPERTS

The financial statements of Boston Properties, Inc. as of December 31, 1999 and 1998 and for the years ended December 31, 1999 and 1998 and for the period from June 23, 1997 to December 31, 1997, and of The Boston Properties Predecessor Group for the period from January 1, 1997 to June 22, 1997, all incorporated by reference in this prospectus, have been so incorporated in reliance upon the reports of PricewaterhouseCoopers LLP, independent accountants given on the authority of said firm as experts in accounting and auditing.

#### LEGAL MATTERS

Certain legal matters, including the validity of the common stock offered through this prospectus, will be passed upon for us by Goodwin, Procter & Hoar LLP. Gilbert G. Menna, the sole stockholder of Gilbert G. Menna, P.C., a partner of Goodwin, Procter & Hoar LLP, serves as an Assistant Secretary of Boston Properties. Certain partners of Goodwin, Procter & Hoar LLP or their affiliates, together with Mr. Menna, own approximately 20,000 shares of the our common stock. Goodwin, Procter & Hoar LLP occupies approximately 26,000 square feet at 599 Lexington Avenue, New York, NY under a lease with Boston Properties that expires in 2002.

#### VALIDITY OF COMMON STOCK

The validity of the common stock we are offering will be passed upon for us by Goodwin, Procter & Hoar LLP, Boston, Massachusetts.

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You should rely only on the information contained in this prospectus, incorporated herein by reference or contained in a prospectus supplement. Neither we nor the selling stockholders have authorized anyone else to provide you with different or additional information. The selling stockholders are not making an offer of these securities in any state where the offer is not permitted. You should not assume that the information in this prospectus, or incorporated herein by reference, or in any prospectus supplement is accurate as of any date other than the date on the front of those documents.

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TABLE OF CONTENTS

Prospectus Summary.....	2
Risk Factors.....	4
Where You Can Find More Information.....	16
Incorporation of Documents By Reference.....	16
Forward-Looking Statements.....	16
Our Company.....	18
Description of Common Stock.....	19
Limits on Ownership of Our Stock.....	23
Important Provisions of Delaware Law and Our Certificate of Incorporation and Bylaws.....	25
Federal Income Tax Considerations and Consequences of Your Investment.....	28
Registration Rights of the Selling Stockholders.....	31
The Selling Stockholders.....	32
Use of Proceeds.....	34
Plan of Distribution.....	34
Experts.....	36
Legal Matters.....	36
Validity of Common Stock.....	36

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51,358 SHARES  
OF COMMON STOCK

BOSTON PROPERTIES, INC.

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PROSPECTUS

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PART II. INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 14. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION.

The expenses in connection with the issuance and distribution of the securities being registered are set forth in the following table (all amounts except the registration fee are estimated):

Registration fee -- Securities and Exchange Commission.....	\$ 480.00
Accountants' fees and expenses.....	5,000.00
Blue Sky fees and expenses.....	1,500.00
Legal fees and expenses (other than Blue Sky).....	7,500.00
Printing expenses.....	2,000.00
Miscellaneous.....	520.00
TOTAL.....	\$17,000.00
	=====

All expenses in connection with the issuance and distribution of the securities being offered shall be borne by Boston Properties, Inc.

ITEM 15. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

Our certificate of incorporation and bylaws provide certain limitations on the liability of our directors and officers for monetary damages to Boston Properties. Our certificate of incorporation and bylaws obligate Boston Properties to indemnify its directors and officers, and permit Boston Properties to indemnify its employees and other agents, against certain liabilities incurred in connection with their service in such capacities. These provisions could reduce the legal remedies available to Boston Properties and our stockholders against these individuals.

Our certificate of incorporation limits the liability of our directors and officers to Boston Properties to the fullest extent permitted from time to time by the Delaware General Corporation Law. The Delaware General Corporation Law permits, but does not require, a corporation to indemnify its directors, officers, employees or agents and expressly provides that the indemnification provided for under the Delaware General Corporation Law shall not be deemed exclusive of any indemnification right under any bylaw, vote of stockholders or disinterested directors, or otherwise. The Delaware General Corporation Law permits indemnification against expenses and certain other liabilities arising out of legal actions brought or threatened against such persons for their conduct on behalf of the corporation, provided that each such person acted in good faith and in a manner that he reasonably believed was in or not opposed to the corporation's best interests and in the case of a criminal proceeding, had no reasonable cause to believe his or her conduct was unlawful. The Delaware General Corporation Law does not allow indemnification of directors in the case of an action by or in the right of the corporation (including stockholder derivative suits) unless the directors successfully defend the action or indemnification is ordered by the court.

Our certificate of incorporation contains a provision permitted by Delaware law that generally eliminates the personal liability of directors for monetary damages for breaches of their fiduciary duty, including breaches involving negligence or gross negligence in business combinations, unless the director has breached his or her duty of loyalty, failed to act in good faith, engaged in intentional misconduct or a knowing violation of law, paid a dividend or approved a stock repurchase in violation of the Delaware General Corporation Law or obtained an improper personal benefit. The provision does not alter a director's liability under the federal securities laws. In addition, this provision does not affect the availability of equitable remedies, such as an injunction or rescission, for breach of fiduciary duty.

Our bylaws provide that our directors and officers will be, and, in the discretion of the board of directors, non-officer employees may be, indemnified by us to the fullest extent authorized by Delaware law, as it now exists or may in the future be amended, against all expenses and liabilities actually and reasonably incurred in connection with service for or on behalf of Boston Properties. Our bylaws also provide that the right of directors and officers to indemnification shall be a contract right and shall not be

exclusive of any other right now possessed or hereafter acquired under any bylaw, agreement, vote of stockholders, or otherwise.

We have entered into indemnification agreements with each of our directors and executive officers. The indemnification agreements require, among other matters, that we indemnify our directors and officers to the fullest extent permitted by law and advance to the directors and officers all related expenses, subject to reimbursement if it is subsequently determined that indemnification is not permitted. Under these agreements, we must also indemnify and advance all expenses incurred by directors and officers seeking to enforce their rights under the indemnification agreements and may cover directors and officers under our directors' and officers' liability insurance. Although the form of indemnification agreement offers substantially the same scope of coverage afforded by law, it provides additional assurance to directors and officers that indemnification will be available because, as a contract, it cannot be modified unilaterally in the future by the board of directors or our stockholders to eliminate the rights it provides. It is the position of the Securities and Exchange Commission that indemnification of directors and officers for liabilities under the Securities Act of 1933 is against public policy and unenforceable pursuant to Section 14 of the Securities Act of 1933.

ITEM 16. EXHIBITS.

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- 4.1 Amended and Restated Certificate of Incorporation of Boston Properties, Inc. (incorporated herein by reference to Boston Properties, Inc.'s Registration Statement on Form S-11 (File No. 333-25279)).
- 4.2 Amended and Restated Bylaws of Boston Properties, Inc. (incorporated herein by reference to Boston Properties, Inc.'s Registration Statement on Form S-11 (File No. 333-25279)).
- 4.3 Second Amended and Restated Agreement of Limited Partnership of Boston Properties Limited Partnership (incorporated herein by reference to Boston Properties, Inc.'s Current Report on Form 8-K dated June 30, 1998, filed with the Commission on July 15, 1998).
- 4.4 Shareholder Rights Agreement dated as of June 16, 1997 between Boston Properties, Inc. and Fleet National Bank (f.k.a. BankBoston, N.A.), as Rights Agent (incorporated herein by reference to Boston Properties, Inc.'s Registration Statement on Form S-11 (File No. 333-25279)).
- \*5.1 Opinion of Goodwin, Procter & Hoar LLP as to the legality of the securities and interests being registered.
- \*8.1 Opinion of Goodwin, Procter & Hoar LLP as to certain tax matters.
- \*23.1 Consent of PricewaterhouseCoopers LLP, Independent Public Accountants.
- \*23.2 Consent of Goodwin, Procter & Hoar LLP (included as part of Exhibits 5.1 and 8.1).
- \*24.1 Powers of Attorney (included on the signature page of the Registration Statement as filed).
- \*99.1 Registration Rights and Lock-Up Agreement, dated April 30, 1999, as amended, by and among Boston Properties, Inc., Boston Properties Limited Partnership and the selling stockholders.

- -----  
\* Filed herewith

ITEM 17. UNDERTAKINGS.

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(a) Boston Properties, Inc. hereby undertakes:

(1) To file, during any period in which offers or sales are being made pursuant to this Registration Statement, a post-effective amendment to this Registration Statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the Registration Statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in this Registration Statement; and

(iii) To include any material information with respect to the plan of distribution not previously disclosed in this Registration Statement or any material change to such information in this Registration Statement.

provided, however, that paragraphs (a)(1)(i) and (a)(1)(ii) do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed with or furnished to the Securities and Exchange Commission by Boston Properties pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in this Registration Statement;

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new Registration Statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(b) Boston Properties hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of Boston Properties' annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 that is incorporated by reference in this Registration Statement shall be deemed to be a new Registration Statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(c) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of Boston Properties pursuant to the foregoing provisions, or otherwise, Boston Properties has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act of 1933 and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by Boston Properties of expenses incurred or paid by a director, officer or controlling person of Boston Properties in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, Boston Properties will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act of 1933 and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, Boston Properties, Inc. certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Boston, the Commonwealth of Massachusetts, on this 12th day of June, 2000.

BOSTON PROPERTIES, INC.

By: /s/ Edward H. Linde

-----  
 Name: Edward H. Linde  
 Title: President and Chief Executive Officer

KNOW ALL BY THESE PRESENTS that each individual whose signature appears below constitutes and appoints each of Mortimer B. Zuckerman, Edward H. Linde and David G. Gaw as such person's true and lawful attorney-in-fact and agent with full power of substitution and resubstitution, for such person in such person's name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement (or any Registration Statement for the same offering that is to be effective upon filing pursuant to Rule 462(b) under the Securities Act of 1933), and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto each said attorney-in-fact and agent full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as such person might or could do in person, hereby ratifying and confirming all that any said attorney-in-fact and agent, or any substitute or substitutes of any of them, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Mortimer B. Zuckerman ----- Mortimer B. Zuckerman	Chairman of the Board of Directors	June 12, 2000
/s/ Edward H. Linde ----- Edward H. Linde	President and Chief Executive Officer, Director (Principal Executive Officer)	June 12, 2000
/s/ David G. Gaw ----- David G. Gaw	Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)	June 12, 2000
/s/ Alan J. Patricof ----- Alan J. Patricof	Director	June 12, 2000
/s/ Ivan G. Seidenberg ----- Ivan G. Seidenberg	Director	June 12, 2000
/s/ Martin Turchin ----- Martin Turchin	Director	June 12, 2000
/s/ Alan B. Landis ----- Alan B. Landis	Director	June 12, 2000
/s/ Richard E. Salomon ----- Richard E. Salomon	Director	June 12, 2000

EXHIBIT INDEX

EXHIBIT NO.	DESCRIPTION
4.1	Amended and Restated Certificate of Incorporation of Boston Properties, Inc. (incorporated herein by reference to Boston Properties, Inc.'s Registration Statement on Form S-11 (File No. 333-25279)).
4.2	Amended and Restated Bylaws of Boston Properties, Inc. (incorporated herein by reference to Boston Properties, Inc.'s Registration Statement on Form S-11 (File No. 333-25279)).
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*24.1	Powers of Attorney (included on the signature page of the Registration Statement as filed).
*99.1	Registration Rights and Lock-Up Agreement, dated April 30, 1999, as amended, by and among Boston Properties, Inc., Boston Properties Limited Partnership and the selling stockholders.

- -----  
\* Filed herewith

GOODWIN, PROCTER & HOAR LLP  
COUNSELORS AT LAW  
EXCHANGE PLACE  
BOSTON, MASSACHUSETTS 02109-2881

June 12, 2000

Boston Properties, Inc.  
800 Boylston Street, Suite 400  
Boston, MA 02199-8001

Ladies and Gentlemen:

This opinion is furnished in connection with the registration on Form S-3 (the "Registration Statement") pursuant to the Securities Act of 1933, as amended (the "Securities Act"), of the resale of up to 51,358 shares (the "Shares") of common stock, par value \$.01 per share ("Common Stock"), of Boston Properties, Inc. (the "Company") by the holders thereof, if and to the extent that the Company elects to issue such shares to such holders to acquire common units of limited partnership interests ("Common Units") in Boston Properties Limited Partnership, a Delaware limited partnership (the "Operating Partnership"), which such holders may receive on conversion of their Series One Preferred Units in the Operating Partnership.

In connection with rendering this opinion, we have examined the Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws of the Company, each as amended to date; such records of the corporate proceedings of the Company as we deemed material; and such other certificates, receipts, records and documents as we considered necessary for the purposes of this opinion. In our examination, we have assumed the genuineness of all signatures, the legal capacity of natural persons, the authenticity of all documents submitted to us as certified, photostatic or facsimile copies, the authenticity of the originals of such copies and the authenticity of telephonic confirmations of public officials and others. As to facts material to our opinion, we have relied upon certificates or telephonic confirmations of public officials and certificates, documents, statements and other information of the Company or representatives or officers thereof.

We are attorneys admitted to practice in The Commonwealth of Massachusetts. We express no opinion concerning the laws of any jurisdictions other than the laws of the United States of America, the laws of The Commonwealth of Massachusetts, and the Delaware General Corporation Law.

Based upon the foregoing, we are of the opinion that when the Shares have been issued in exchange for Common Units tendered to the Operating Partnership for redemption as contemplated by the limited partnership agreement of the Operating Partnership, such Shares will be validly issued, fully paid and nonassessable.

The foregoing assumes that all requisite steps were taken to comply with the requirements of the Securities Act and applicable requirements of state laws regulating the offer and sale of securities.

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement and to the reference to us with respect to this opinion under the heading "Legal Matters" in the Prospectus which is a part of such Registration Statement. In giving such consent, we do not thereby admit that we are in the category of persons whose consent is required under Section 7 of the Act.

Very truly yours,

/s/ Goodwin, Procter & Hoar LLP

GOODWIN, PROCTER & HOAR LLP



GOODWIN, PROCTER & HOAR LLP  
COUNSELLORS AT LAW  
EXCHANGE PLACE  
BOSTON, MASSACHUSETTS 02109-2881

June 12, 2000

Boston Properties, Inc.  
800 Boylston Street  
Boston, MA 02199

Re: Federal Income Tax Matters  
-----

Ladies and Gentlemen:

This opinion is furnished to you in our capacity as counsel to Boston Properties, Inc., a Delaware corporation (the "Company"), regarding the Company's qualification for federal income tax purposes as a real estate investment trust within the meaning of Sections 856-860 of the Internal Revenue Code of 1986, as amended (the "Code"). This opinion is rendered in connection with the registration on Form S-3 (the "Registration Statement") pursuant to the Securities Act of 1933, as amended, of the resale of up to 51,358 shares of common stock, par value \$.01 per share, of the Company by holders thereof, if and to the extent that the Company elects to issue such shares to such holders to acquire common units of limited partnership interests in Boston Properties Limited Partnership, a Delaware limited partnership (the "Operating Partnership"), which such holders may receive on conversion of their Series One Preferred Units in the Operating Partnership.

In rendering the following opinion, we have examined the Amended and Restated Certificate of Incorporation and Bylaws of the Company, the Registration Statement, the Amended and Restated Limited Partnership Agreement of the Operating Partnership, and such other records, certificates and documents as we have deemed necessary or appropriate for purposes of rendering the opinion set forth herein. We have reviewed the investment activities, operations and governance of the Company and its subsidiaries. We have relied upon representations of duly appointed officers of the Company and the Operating Partnership (including without limitation, representations contained in a letter dated as of this date (the "Officer's Certificate")), principally relating to the Company's organization and operations. We assume that each such representation is and will be true, correct and complete and that all representations that speak in the future, or to the intention, or to the best of the belief and knowledge of any person(s) or party(ies) are and will be true, correct and complete as if made without such qualification. Nothing has come to our attention which would cause us to believe that any of such representations are untrue, incorrect or incomplete. We assume that the

Company will be operated in accordance with the applicable laws and the terms and conditions of applicable documents. In addition, we have relied upon certain additional facts and assumptions described below.

In rendering the opinion set forth herein, we have assumed (i) the genuineness of all signatures on documents we have examined, (ii) the authenticity of all documents submitted to us as originals, (iii) the conformity to the original documents of all documents submitted to us as copies, (iv) the conformity of final documents to all documents submitted to us as drafts, (v) the authority and capacity of the individual or individuals who executed any such documents on behalf of any person, (vi) the accuracy and completeness of all records made available to us, and (vii) the factual accuracy of all representations, warranties and other statements made by all parties. In addition, we assume that all interests in the Operating Partnership have been and will be issued in a transaction (or transactions) that are not required to be registered under the Securities Act of 1933, as amended, and that no interest in the Operating Partnership offered for sale outside the United States would have been required to be registered under the Securities Act of 1933, as amended, if such interest had been offered for sale within the United States. We have further assumed that during its short 1997 taxable year ending December 31, 1997 and subsequent taxable years, the Company has operated and will operate in such a manner that has made and will make the representations contained in the Officer's Certificate true for all such years, and that the Company and its subsidiaries will not make any amendments to its organizational documents after the date of this opinion that would affect the Company's qualification as a real estate investment trust for any taxable year. For purposes of our opinion, we have made no independent investigation of the facts contained in the documents and assumptions set forth above, the representations set forth in the Officer's Certificate, or the Registration Statement. No facts have come to our attention, however, that would cause us to question the accuracy and completeness of such facts or documents in a material way.

The discussion and conclusion set forth below are based upon the Code, the Income Tax Regulations and Procedure and Administration Regulations promulgated thereunder and administrative and judicial interpretation thereof, in each case as currently exist and all of which are subject to change, and the opinions below are rendered as of the date hereof, and we disclaim any obligation to advise you of any change in any of the foregoing sources of law or subsequent developments in law or changes in facts or circumstances which might affect any matters or opinions set forth herein. No assurance can therefore be given that the federal income tax consequences described below will not be altered in the future. Based on the documents and assumptions set forth above and the representations set forth in the Officer's Certificate, and provided that the Company continues to meet the applicable asset composition, source of income, shareholder diversification, distribution, and other requirements of the Code necessary for a corporation to qualify as a real estate investment trust, we are of the opinion that:

(1) Commencing with the Company's initial taxable year ended December 31, 1997, the Company has been organized in conformity with the requirements for qualification as a "real estate investment trust" under the Code, and its method of operation enables it to meet the requirements for qualification as a "real estate investment trust" under the Code, provided that the Company continues to meet the applicable asset composition, source of income, shareholder diversification, distribution, record keeping and other requirements of the Code necessary for a corporation to qualify as a real estate investment trust, and

(2) The information in the Registration Statement under the caption "Federal Income Tax Considerations and Consequences of Your Investment" to the extent that it constitutes matters of law or legal conclusions, have been reviewed by us and is correct in all material respects, and our opinion set forth in such discussion is confirmed.

We will not review on a continuing basis the Company's compliance with the documents or assumptions set forth above, or the representations set forth in the Officer's Certificate. Accordingly, no assurance can be given that the actual results of the Company's operations for any given taxable year will satisfy the requirements for qualification and taxation as a real estate investment trust under the Code. The ability of the Company to continue to meet the requirements for qualification and taxation as a real estate investment trust will be dependent upon the Company's ability to continue to meet in each year the applicable asset composition, source of income, shareholder diversification, distribution, and other requirements of the Code necessary for a corporation to qualify as a real estate investment trust. The foregoing opinion is limited to the federal income tax matters addressed herein, and no other opinion is rendered with respect to other federal tax matters or to any issues arising out of the tax laws of any state or locality. We express no opinion with respect to the transactions described herein other than those expressly set forth herein. You should recognize that our opinion is not binding on the Internal Revenue Service and that the Internal Revenue Service may disagree with the opinion contained herein. Although we believe that our opinion will be sustained if challenged, there is no guarantee that this will be the case. Except as specifically discussed above, the opinion expressed herein is based upon the laws that currently exist. Consequently, future changes in the law may cause the federal income tax treatment of the transactions herein to be materially and adversely different from that described above.

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement and to the reference to our firm under the caption "Federal Income Tax Considerations and Consequences of Your Investment" in the Registration Statement. In giving such consent, we do not thereby admit that we are in the category of persons whose consent is required under Section 7

Boston Properties, Inc.  
June 12, 2000  
Page 4

of the Securities Act of 1933, as amended, or the rules and regulations of the Securities and Exchange Commission thereunder.

Very truly yours,

/s/ Goodwin, Procter & Hoar LLP

Goodwin, Procter & Hoar LLP

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in this Registration Statement on Form S-3 of our report dated January 26, 2000, except for Note 20 for which the date is March 1, 2000 relating to the financial statements and financial statement schedule which appears in Boston Properties' Annual Report on Form 10-K for the year ended December 31, 1999. We also consent to the reference to our firm under the caption "Experts" in such Registration Statement.

/s/ PricewaterhouseCoopers LLP

June 12, 2000

REGISTRATION RIGHTS AND LOCK-UP AGREEMENT

BY AND AMONG

BOSTON PROPERTIES, INC., BOSTON PROPERTIES LIMITED PARTNERSHIP

AND THE

HOLDERS NAMED HEREIN

April 30, 1999

TABLE OF CONTENTS

	Page
1. Certain Definitions.....	3
2. Disposition Restrictions.....	6
3. Registration.....	9
4. State Securities Laws.....	14
5. Expenses.....	14
6. Indemnification by the Company.....	14
7. Covenants of Holders.....	15
8. Indemnification Procedures.....	16
9. Suspension of Registration Requirement; Restriction on Sales	17
10. Black-Out Period.....	18
11. Additional Shares.....	18
12. Contribution.....	18
13. Amendments and Waivers.....	19
14. Notices.....	19
15. Successors and Assigns.....	20
16. Counterparts.....	20
17. Governing Law.....	20
18. Severability.....	20
19. Entire Agreement.....	20
SCHEDULE A	
LIST OF HOLDERS.....	23
SCHEDULE B	
LIST OF PERMITTED DISTRIBUTEES.....	24
SCHEDULE C	
LANDIS GROUP.....	25

REGISTRATION RIGHTS AND LOCK-UP AGREEMENT

This Registration Rights and Lock-Up Agreement (this "Agreement") is entered into as of April 30, 1999 by and among Boston Properties, Inc., a Delaware corporation (the "Company"), Boston Properties Limited Partnership, a Delaware limited partnership (the "Partnership" and, with the "Company," collectively, the "Acquiror"), and the Persons whose names are set forth on Schedule A hereto (each a "Holder" and, collectively, the "Holders").

WHEREAS, the Holders have received on the date hereof units of limited partnership interest in the Partnership denominated as "Common Units" and/or "Series One Preferred Units" (collectively, "Units"), pursuant to that certain Contribution Agreement dated June 30, 1998 among the Partnership and the parties defined as "Landis Parties" therein (the "Contribution Agreement");

WHEREAS, the Units are being issued to the Holders in a private placement transaction and accordingly constitute restricted securities;

WHEREAS, upon the presentation of Common Units (including Common Units acquired upon conversion of Series One Preferred Units) for redemption in accordance with the terms hereof and the terms of the Limited Partnership Agreement of the Partnership, the Common Units may be acquired by the Company for shares of the Company's common stock, par value \$.01 per share ("Common Shares"), and the Company has agreed to provide certain registration rights to the Holders in respect of such Common Shares and the Holders have agreed to certain restrictions on the transferability and redemption of the Units and such Common Shares;

WHEREAS, it is a condition precedent under the Contribution Agreement that each of the Company, the Partnership and the Holders enter into this Agreement.

NOW, THEREFORE, in consideration of the foregoing, the mutual promises and agreements set forth herein, and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Certain Definitions.

-----

As used in this Agreement, the following capitalized terms shall have the following meanings (such definitions to be equally applicable to both the singular and plural forms of the terms defined):

"Competitor" means a Person that directly or indirectly controls the management of more than 1,000,000 net rentable square feet of commercial real estate assets and that is



substantially engaged in the business of owning and operating commercial (i.e., non-residential) real estate for occupancy by third party tenants; provided, that in the context of a bona fide pledge of Units or Common Shares to a commercial bank, savings and loan institution, investment bank or similar lending or financial institution that does not principally or primarily engage in the ownership and operation of commercial (i.e., non-residential) real estate, such bank or institution shall not be deemed to be a Competitor.

"Dispose" and "Disposition" means any offer, pledge, sale, contract to sell, grant of an option to sell or other disposition, whether direct or indirect; provided, that redemption of the Units, the exchange or conversion of the Preferred Units into Common Units or Common Units into Common Shares and any exchange of Common Shares or Units in a merger, reorganization, recapitalization or other similar transaction with respect to the Partnership shall not be included in this definition.

"The Landis Group" means collectively Alan B. Landis and the other persons or entities listed on Schedule C hereto, and any transferee thereof who is required to become a party to this Agreement in accordance with the terms hereof, so long as such person holds Common Shares or Units, unless the Company consents otherwise in writing.

"Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

"NASD" means the National Association of Securities Dealers, Inc.

"Permitted Distributee" means a direct or indirect holder of equity interests in a Holder that is listed on Schedule B hereto and that has delivered to the Company a Representation Letter (as defined in the Contribution Agreement).

"Person" shall mean an individual, partnership, corporation, trust or unincorporated organization, or a government or agency or political subdivision thereof.

"Prospectus" shall mean the prospectus included in a Registration Statement, including any preliminary prospectus, as amended or supplemented by any prospectus supplement with respect to the terms of the offering of any portion of the Registrable Shares covered by such Registration Statement, and by all other amendments and supplements to such prospectus, including post-effective amendments, and in each case including all material incorporated by reference therein.

"Registrable Shares" (a) when used with respect to a Holder, shall mean the Shares of such Holder, excluding (i) Shares for which a Registration Statement relating to the issuance or sale thereof shall have become effective under the Securities Act and which have been issued or disposed of under such Registration Statement, (ii) Shares sold pursuant to Rule 144 or

(iii) Shares eligible for sale pursuant to Rule 144(k) (or any successor provision) and (b) when used without reference to a Holder, shall mean the Registrable Shares of all Holders.

"Registration Expenses" shall mean any and all expenses incident to performance of or compliance with this Agreement, including, without limitation: (i) all SEC, stock exchange or NASD registration and filing fees; (ii) all fees and expenses incurred in connection with compliance with state securities or "blue sky" laws (including reasonable fees and disbursements of counsel in connection with "blue sky" qualification of any of the Registrable Shares and the preparation of a Blue Sky Memorandum) and compliance with the rules of the NASD; (iii) all expenses of any Persons in preparing or assisting in preparing, word processing, printing and distributing any Registration Statement, any Prospectus, certificates and other documents relating to the performance of and compliance with this Agreement; (iv) all fees and expenses incurred in connection with the listing, if any, of any of the Registrable Shares on any securities exchange or exchanges pursuant to Section 5 hereof; and (v) the fees and disbursements of counsel for the Company and of the independent public accountants of the Company, including the expenses of any special audit or "cold comfort" letters required by or incident to such performance and compliance. Registration Expenses shall specifically exclude underwriting discounts and commissions relating to the sale or disposition of Registrable Shares by a selling Holder, the fees and disbursements of counsel representing a selling Holder, and transfer taxes, if any, relating to the sale or disposition of Registrable Shares by a selling Holder, all of which shall be borne by such Holder in all cases.

"Registration Statement" shall mean any registration statement of the Company which covers the issuance or resale of any of the Registrable Shares on an appropriate form, and all amendments and supplements to such registration statement, including post-effective amendments, in each case including the Prospectus contained therein, all exhibits thereto and all materials incorporated by reference therein.

"Rule 144" shall mean Rule 144 under the Securities Act (or any successor provision).

"Rule 144 Transaction" means a transfer of Shares (A) complying with Rule 144 under the Securities Act as such rule is in effect on the date of such transfer (but only including a sale pursuant to a "brokered transaction" as defined in clauses (1) and (2) of paragraph (g) of such rule as in effect on the date hereof) and (B) occurring at a time when Shares are registered pursuant to Section 12 of the Exchange Act (or any successor to such Section).

"Securities Act" shall mean the Securities Act of 1933, as amended.

"SEC" shall mean the Securities and Exchange Commission.

"Shares" (a) when used with respect to a Holder, shall mean any Common Shares issued or issuable to the Holder upon redemption or in exchange for Common Units which are held by such Holder and which Common Units were issued by the Partnership pursuant to the Source Agreements (or upon conversion of Series One Preferred Units which were issued by the Partnership pursuant to the Source Agreements), and (b) when used without reference to a Holder, shall mean the Shares of all Holders; provided, that any Common Shares issued in respect of Shares as a stock dividend or in connection with a stock split, reorganization, reclassification, merger, consolidation or similar event shall also be deemed to be "Shares" for purposes of this Agreement.

"Source Agreements" means (i) the Contribution Agreement and (ii) the Properties Under Development Contribution Agreement and the Development Agreement referred to in the Contribution Agreement.

"Underwriting Limit Number" means one-half of the total number of Common Shares that are issuable upon conversion and exchange of all Units issued under the Source Agreements (as adjusted to reflect any splits, conversions or the like after the date hereof).

"Volume Limit Number" means one-third of the total number of Common Shares that are issuable upon conversion and exchange of all Units issued under the Source Agreements (as adjusted to reflect any splits, conversions or the like after the date hereof).

2. Disposition Restrictions.

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(a) Non-Redemption Period. Each Holder hereby agrees that for a period of three hundred seventy-five (375) days after the date hereof (the "Non-Redemption Period") or, if later, the date of issuance of such Unit, such Holder will not seek the redemption of the Common Units which were issued by the Partnership pursuant to the Source Agreements or upon conversion of the Series One Preferred Units, and prior to the expiration of such period the Partnership and the Company will be under no obligation to recognize with respect thereto the redemption rights under Article 8 of the Partnership Agreement of the Partnership. Commencing on the 375th day after the date hereof, all such Common Units shall be redeemable, at the option of each Holder thereof, all in accordance with the exchange features and other rights, preferences and privileges more particularly provided in the Limited Partnership Agreement of the Partnership.

(b) Lock-Up Period. Each Holder hereby agrees that for a period of one year after the date hereof (the "Lock-Up Period"), it will not Dispose of any Units without the written consent of the Company, which consent may be withheld in its sole discretion; provided, however, that, subject to Sections 2(d), (e) and (f), such Holder may:

- (i) Dispose of Units to a Permitted Distributee;
- (ii) Dispose of Units pursuant to a grant of a pledge or security interest in a bona fide transaction with an unrelated and unaffiliated person who is not known by the transferor to be a Competitor at the time such interest is granted;
- (iii) Dispose of Units to a Holder who is not known by the transferor at the time of such Disposition to be a Competitor; and
- (iv) Dispose of Units on his or her death to such Holder's estate, executor, administrator or personal representative or to such Holder's beneficiaries pursuant to a devise or bequest or by laws of descent and distribution;

and provided, further, that the transferor shall, in connection with any Disposition, at the reasonable request of the Company, provide evidence reasonably satisfactory to the Company that the transfer is exempt from the registration requirements of the Securities Act.

(c) After expiration of the Lock-up Period, each Holder agrees that it will not Dispose of any Units, except that (subject to Sections 2(d), (e) and (f)):

(i) a Holder who is a natural person may Dispose of Units to his or her spouse, siblings, grandparents, parents (or spouses of such persons) or any natural or adopted children or other descendants or to any trust in which any such family members or such Holder retains a majority of the beneficial interest or to a Person with respect to which such Holder together with such Holder's family members maintains and continues to maintain a majority of the voting and economic interests;

(ii) a Holder that is a corporation, partnership, limited liability company, joint venture or other business entity may Dispose of Units to one or more Persons who have an ownership interest in such Holder or to one or more other entities that are majority owned and controlled, legally and beneficially, by such Holder or by one or more of the Persons who have an ownership interest in such Holder;

(iii) a Holder may Dispose of Units as a gift or other transfer without consideration;

(iv) a Holder may Dispose of Units pursuant to a pledge, grant of security interest or other encumbrance effected in a bona fide transaction with

an unrelated and unaffiliated person who is not known by such holder at the time of such Disposition to be a Competitor;

(v) a Holder may Dispose of Units to any other Holder, in any transaction of a type permitted under Section 2(b), to any institutional investor who represents that it is acquiring such Units in the ordinary course of business and without the purpose or effect of influencing control of the Company or the Partnership, to the Company, and with the written consent of the Company (such consent not to be unreasonably withheld or delayed);

provided, however, that in the case of any transfer of Shares or Units pursuant to clauses (i), (ii), (iv) and (v), the transferor shall, at the request of the Company, provide evidence satisfactory to the Company that the transfer is exempt from the registration requirements of the Securities Act; provided, further, that any transaction that could be consummated through a series of transactions under this Section 2(c) may also be consummated at once as a single transaction without completing any of the intermediary transactions.

(d) Volume Limitation. Except as provided in the last sentence of this paragraph, without the prior written approval of the Company, which shall not be unreasonably withheld or delayed, so long as the Holders hold in excess of 1.0% of the issued and outstanding Common Shares (including for purposes of such determination (in both the numerator and the denominator), the Common Shares that may be issued to the Holders upon the presentation of Units for redemption but not including Common Shares underlying any other Units, options or other derivative securities), the Holders shall not, collectively, Dispose of more than the Volume Limit Number of Common Shares in any one hundred eighty (180) day consecutive period, and the Company may place a restrictive legend on any Common Shares issued upon conversion of Common Units for the purpose of monitoring compliance with this provision. In determining the number of Common Shares that have been Disposed in any one hundred eighty (180) day consecutive period for purposes of the previous sentence, there shall be excluded any Dispositions of Common Shares which are exempt from registration (and are not registered) under the Securities Act and any block trades of Common Shares executed outside of the normal New York Stock Exchange trading of Common Shares and which, in either case, are taken by the transferee subject to the continued restrictions in this agreement. The Company agrees to maintain records of transfers by the Holders of which the Holders inform the Company and upon any inquiry by a Holder will provide up-to-date information as to the Volume Limit Number of Common Shares remaining at any time as of any specified date based on such information. Notwithstanding the foregoing, (i) any sales of Common Shares made pursuant to a firm commitment underwriting may, when aggregated with prior sales by the Holders during the previous one hundred seventy-nine (179) days, exceed the Volume Limit Number but not the Underwriting Limit Number of Common Shares and (ii) this paragraph

shall not prevent the Holders from Disposing of Shares in connection with a tender or exchange offer made to all holders of Common Shares.

The provisions of the prior paragraph shall not apply to sales by the Holders at any time that the Company is in default in paying quarterly distributions on Series One Preferred Units when due, and such suspension shall remain in effect until all accumulated distributions on the Series One Preferred Units have been paid.

(e) Competitors. Each Holder agrees that, without the consent of the Company, it will not, knowingly, directly or indirectly Dispose of any Shares or Units to a Competitor; provided, that this provision shall not apply:

(i) with respect to a Disposition pursuant to a tender offer or exchange offer made to substantially all holders of Common Shares or any tender offer or exchange offer made by the Company or any affiliate of the Company or any merger, consolidation or recapitalization of the Company;

(ii) with respect to any Disposition of Shares which is effected by means of (i) a registered, underwritten public offering or (ii) pursuant to a Rule 144 Transaction (or other sale) which is effected in the ordinary course on the New York Stock Exchange (or other exchange where the Shares may be listed), and which is not in either case engaged in for the purpose of directly or indirectly Disposing of Shares to a Competitor, provided, that prior to engaging in such transaction the Holder informs the broker that may be effecting such sale of the restrictions set forth herein;

(iii) with respect to any Disposition of Shares which is effected pursuant to a public offering effected with the engagement of a nationally recognized placement agent (who has been informed of the restrictions in this provision) involving sales to more than 10 persons, provided, that no person in such sale who (alone or together with persons the Holder knows to be affiliates of such person) acquires Shares for an aggregate purchase price of more than \$1,500,000 is known by such Holder to be a Competitor; and

(iv) to a Disposition of Shares or Units to the Company or to another Holder who is not known by the transferring Holder at the time of such Disposition to be a Competitor.

(f) Binding Obligation; Certain Provisions of Organizational Documents. If a Holder Disposes of Shares or Units under any provision of this Section 2 (other than a Disposition of the type described in Sections 2(e)(i), (ii) or (iii)), such Shares and Units shall remain subject to this Agreement and, as a condition of the validity of such disposition, the

transferee shall be required to execute and deliver a counterpart of this Agreement (except that a pledgee shall not be required to execute and deliver a counterpart of this Agreement until it forecloses upon such Units). Thereafter, such transferee shall be deemed to be the Holder for purposes of this Agreement. The provisions set forth in this Agreement permitting Dispositions of the Shares and Units shall not be deemed in any manner to limit any provision of the Company's Certificate of Incorporation or the Partnership's Limited Partnership Agreement which set forth restrictions or limitations on the transferability of Shares or Units.

### 3. Registration.

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(a) Filing of Resale Shelf Registration Statement. Subject to the conditions set forth in this Agreement, the Company shall cause to be filed by the expiration of the Non-Redemption Period a Registration Statement under Rule 415 under the Securities Act relating to (i) the sale by any Holder who is an affiliate of the Company (as defined in Rule 144(a) under the Securities Act) of all of the Registrable Shares of such Holder or Holders in accordance with the terms hereof and (ii) the sale by any Holder of Registrable Shares as may be required under Section 3(b)(ii), and shall use reasonable efforts to cause such Registration Statement to be declared effective by the SEC as soon as practicable thereafter. The Company agrees to use reasonable efforts to keep the Registration Statement, after its date of effectiveness, continuously effective with respect to the Registrable Shares of a particular Holder until the earlier of (a) the date on which such Holder no longer holds any Registrable Shares or (b) the date on which all of the Registrable Shares held by such Holder have become eligible for sale pursuant to Rule 144(k) (or any successor provision) (hereinafter referred to as the "Resale Shelf Registration Expiration Date").

#### (b) Registration Statement Covering Issuance of Common Shares.

(i) The Company will, by the expiration of the Non-Redemption Period, file a registration statement (the "Issuance Registration Statement") under Rule 415 under the Securities Act relating to the issuance to the Holders of Registrable Shares upon the redemption of Common Units or in exchange for Common Units. Thereupon, the Company shall use reasonable efforts to cause such Registration Statement to be declared effective by the SEC for all Common Shares covered thereby. The Company agrees to use reasonable efforts to keep the Issuance Registration Statement continuously effective until and including the date on which all Holders have redeemed or exchanged their Common Units (including any Common Units that may be issued upon conversion of Series One Preferred Units) for Common Shares or cash (the "Issuance Registration Expiration Date").

(ii) In the event that the Company determines that it is unable to cause such Issuance Registration Statement to be declared effective by the SEC within ninety (90)

days after the expiration of the Non-Redemption Period or (except as otherwise permitted by Sections 9(b) and 10) is unable or it is impracticable to keep such Issuance Registration Statement effective until the date on which each Holder has redeemed or exchanged such Holder's Common Units (including any Common Units that may be issued upon Conversion of Series One Preferred Units) for Common Shares, then each Holder shall have the rights set forth in Section 3(a) above whether or not such Holder is an affiliate of the Company.

(c) Demand Registration. Subject to the conditions set forth in this Agreement, at any time after the later of the Resale Shelf Registration Expiration Date and the Issuance Registration Expiration Date and while any Registrable Shares are outstanding, the Company shall, at the written request of any Holder who is unable to sell its Registrable Shares pursuant to Rule 144(k) (or any successor provision), cause to be filed as soon as practicable after the date of such request by such Holder a Registration Statement under Rule 415 under the Securities Act relating to the sale by the Holder of all of the Registrable Shares held by such Holder in accordance with the terms hereof, and shall use reasonable efforts to cause such Registration Statement to be declared effective by the SEC as soon as practicable thereafter. The Company may, in its sole discretion, elect to file the Registration Statement before receipt of notice from any Holder. The Company agrees to use reasonable efforts to keep the Registration Statement continuously effective, after its date of effectiveness, until the date on which such Holder no longer holds any Registrable Shares.

(d) Piggyback Registration. Following that date that is ninety (90) days after the expiration of the Non-Redemption Period, if, at any time thereafter, while any Registrable Shares are outstanding and (except as otherwise permitted by Sections 9(b) and 10) a Registration Statement applicable to Holders under Sections 3(a), 3(b) or 3(c) is not effective, the Company proposes to file a registration statement under the Securities Act with respect to an offering solely of Common Shares solely for cash (other than a registration statement (i) on Form S-8 or any successor form to such Form or in connection with any employee or director welfare, benefit or compensation plan, (ii) on Form S-4 or any successor form to such Form or in connection with an exchange offer, (iii) in connection with a rights offering exclusively to existing holders of Common Shares, (iv) in connection with an offering solely to employees of the Company or its subsidiaries, or (v) relating to a transaction pursuant to Rule 145 of the Securities Act), for its own account, the Company shall give prompt written notice of such proposed filing to the Holders. The notice referred to in the preceding sentence shall offer Holders the opportunity to register such amount of Registrable Shares as each Holder may request (a "Piggyback Registration"). Subject to the provisions of Section 4 below, the Company shall include in such Piggyback Registration, in the registration and qualification for sale under the blue sky or securities laws of the various states and in any underwriting in connection therewith all Registrable Shares for which the Company has received written requests for inclusion therein within ten (10) calendar days after the notice referred to above



has been given by the Company to the Holders. Holders of Registrable Shares shall be permitted to withdraw all or part of the Registrable Shares from a Piggyback Registration at any time prior to the effective date of such Piggyback Registration. If a Piggyback Registration is an underwritten primary registration on behalf of the Company and the managing underwriter advises the Company that the total number of Common Shares requested to be included in such registration by the Holders and holders under similar registration rights agreements exceeds the number of Common Shares that can be sold in such offering without impairing the pricing or other commercial practicality of such offering, the Company will include in such registration in the following priority: (i) first, all Common Shares the Company proposes to sell, (ii) second, up to the full number of applicable Common Shares requested to be included in such registration by any holders identified in that certain Registration Rights and Lock-Up Agreement dated June 23, 1997, as amended from time to time, by and among the Company and such holders, and (iii) third, up to the full number of applicable Registrable Shares requested to be included in such registration by any Holders and any other holders under similar registration rights agreements with the Company which, in the case of this clause (iii), in the opinion of such managing underwriter, can be sold without adversely affecting the price range or probability of success of such offering (with, to the extent necessary, Registrable Shares allocated pro rata among the Holders and such other holders on the basis of the total number of Common Shares requested to be included in such registration by all such holders). If in connection with any registration under this Section 3(d), the Common Shares to be registered will be distributed by or through one or more underwriters, then the Company will make reasonable efforts, upon the request of any Holder requesting registration of Registrable Shares under this Section 3(d), to arrange for such underwriters to include the Registrable Shares of such Holder among the Shares to be distributed by or through such underwriters.

(e) Notification and Distribution of Materials. The Company shall notify each Holder of the effectiveness of any Registration Statement applicable to the Shares of such Holder and shall furnish to each such Holder such number of copies of the Registration Statement (including any amendments, supplements and exhibits), the Prospectus contained therein (including each preliminary prospectus and all related amendments and supplements) and any documents incorporated by reference in the Registration Statement or such other documents as such Holder may reasonably request in order to facilitate its sale of the Registrable Shares in the manner described in the Registration Statement.

(f) Amendments and Supplements. The Company shall prepare and file with the SEC from time to time such amendments and supplements to the Registration Statement and Prospectus used in connection therewith as may be necessary to keep the Registration Statement effective and to comply with the provisions of the Securities Act with respect to the disposition of all the Registrable Shares until the earlier of (a) such time as all of the Registrable Shares have been issued or disposed of in accordance with the intended methods of

disposition by the Holder (in the case of a Registration Statement filed pursuant to Section 3(a) hereof) or issued in accordance with the intended method of issuance by the Company (in the case of a Registration Statement filed pursuant to Section 3(b) hereof) or (b) the date on which the Registration Statement ceases to be effective in accordance with the terms of this Section 3. Upon ten (10) business days' notice, the Company shall file any supplement or post-effective amendment to the Registration Statement with respect to the plan of distribution or such Holder's ownership interests in Registrable Shares that is reasonably necessary to permit the sale of the Holder's Registrable Shares pursuant to the Registration Statement. The Company shall file any necessary listing applications or amendments to the existing applications to cause the Shares registered under any Registration Statement to be then listed or quoted on the primary exchange or quotation system on which the Common Shares are then listed or quoted.

(g) Notice of Certain Events. The Company shall promptly notify each Holder of, and confirm in writing, the filing of the Registration Statement or any Prospectus, amendment or supplement related thereto or any post-effective amendment to the Registration Statement and the effectiveness of any post-effective amendment.

At any time when a Prospectus relating to the Registration Statement is required to be delivered under the Securities Act by a Holder to a transferee, the Company shall immediately notify each Holder of the happening of any event as a result of which the Prospectus included in such Registration Statement, as then in effect, includes an untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. In such event, the Company shall promptly prepare and furnish to each applicable Holder a reasonable number of copies of a supplement to or an amendment of such Prospectus as may be necessary so that, as thereafter delivered to the purchasers of Registrable Shares, such Prospectus shall not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they are made, not misleading. The Company will, if necessary, amend the Registration Statement of which such Prospectus is a part to reflect such amendment or supplement.

(h) Underwritten Offerings. In the case of an underwritten offering of Registrable Shares in which Holders will offer a number of Registrable Shares with an aggregate offering price to the public of at least \$50 million, the Company shall permit Holders who hold a majority of all Registrable Shares held by the Holders who are participating in such offering to select the investment banker(s) and manager(s) who will administer such offering, subject to the approval of the Company which will not be unreasonably withheld. In connection with any such underwritten offering, the Company (upon reasonable advance notice) will (i) enter into underwriting and related agreements reasonably acceptable to the Company with customary terms (including representations and warranties and indemnification provisions, such

provisions to be, to the extent customary, in favor of the selling Holders as well as the underwriters, but which terms, however, shall be no less favorable to the Company than the most recent underwriting agreement entered into by the Company); (ii) to the extent not otherwise disruptive of the Company's operations, reasonably cooperate with the underwriter(s); (iii) provide customary closing documentation; (iv) to the extent necessary, amend the Registration Statement; (v) to the extent not otherwise disruptive of the Company's operations, provide such information and make available appropriate personnel as may reasonably be requested by the Holders or the managing underwriters, and (vi) to the extent not otherwise disruptive of the Company's operations, provide such Holder and underwriters and their respective counsel and accountants, if any, the opportunity to participate in the preparation of such Registration Statement, provided, that (a) Company personnel will not be required to participate in road show presentations (but, upon reasonable advance notice and to the extent not unduly disruptive of the Company's operations, Company personnel whose identity and office may be reasonably determined by the Company will be available to participate in a reasonable number of conference calls) and (b) the Company will be reimbursed by the Holders participating in the offering (who shall be jointly and severally liable for such reimbursement) for any out of pocket costs and expenses in connection with such cooperation to the extent such expenses are greater than the expenses, or are not the type of expenses, which would be borne by the Company in the case of other Registration Statements filed hereunder (e.g., the cost of preparing glossy prospectuses with pictures and the cost of any road show presentations which the Company may in its sole discretion may elect to participate in).

4. State Securities Laws. Subject to the conditions set forth in this

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Agreement, the Company shall, in connection with the filing of any Registration Statement hereunder, file such documents as may be necessary to register or qualify the Registrable Shares under the securities or "Blue Sky" laws of such states as any Holder may reasonably request, and the Company shall use its best efforts to cause such filings to become effective; provided, however, that the Company shall not be obligated to qualify as a foreign corporation to do business under the laws of any such state in which it is not then qualified or to file any general consent to service of process in any such state. Once effective, the Company shall use its best efforts to keep such filings effective until the earlier of (a) such time as all of the Registrable Shares have been disposed of in accordance with the intended methods of disposition by the Holder as set forth in the Registration Statement, (b) in the case of a particular state, a Holder has notified the Company that it no longer requires an effective filing in such state in accordance with its original request for filing or (c) the date on which the Registration Statement ceases to be effective.

5. Expenses. Except as provided in Section 3(h), the Company shall bear

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all Registration Expenses incurred in connection with the registration of the Registrable Shares pursuant to this Agreement, except that each Holder shall be responsible for any brokerage or

underwriting commissions and taxes of any kind (including, without limitation, transfer taxes) with respect to any disposition, sale or transfer of Registrable Shares sold by it and for any legal, accounting and other expenses incurred by it.

6. Indemnification by the Company. The Company agrees to indemnify each

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of the Holders and their respective officers, directors, employees, agents, representatives, fiduciaries and affiliates, and any underwriter (as defined in the Securities Act (unless a formal underwriting agreement is entered into between the Company and such underwriter, in which case the indemnification provisions, if any, set forth therein shall apply), and each person or entity, if any, that controls a Holder within the meaning of the Securities Act, and each other person or entity, if any, subject to liability because of his, her or its connection with a Holder (each, an "Indemnitee"), against any and all losses, claims, damages, actions, liabilities, costs and expenses (including without limitation reasonable fees, expenses and disbursements of attorneys and other professionals), joint or several, arising out of or based upon any violation by the Company of the Securities Act or of any rule or regulation promulgated thereunder (i) applicable to the Company and relating to action or inaction required of the Company in connection with any Registration Statement or Prospectus, or (ii) upon any untrue or alleged untrue statement of material fact contained in the Registration Statement or any Prospectus, or any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; provided, that the Company shall not be liable to such Indemnitee or any person who participates as an underwriter in the offering or sale of Registrable Shares or any other person, if any, who controls such underwriter within the meaning of the Securities Act, in any such case to the extent that any such loss, claim, damage, liability (or action or proceeding in respect thereof) or expense arises out of or is based upon (a) an untrue statement or alleged untrue statement or omission or alleged omission made in such Registration Statement or in any such Prospectus in reliance upon and in conformity with information regarding such Indemnitee or its plan of distribution or ownership interests which was furnished in writing by such person to the Company for use in connection with the Registration Statement or the Prospectus contained therein by such Indemnitee or (b) such Holder's failure to send or give a copy of the final, amended or supplemented prospectus furnished to the Holder by the Company at or prior to the time such action is required by the Securities Act to the person claiming an untrue statement or alleged untrue statement or omission or alleged omission if such statement or omission was corrected in such final, amended or supplemented prospectus.

7. Covenants of Holders. Each of the Holders (severally and not

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jointly) hereby agrees (a) to cooperate with the Company and to furnish to the Company all such information concerning its plan of distribution and ownership interests with respect to its Registrable Shares in connection with the preparation of a Registration Statement with respect to such Holder's Registrable Shares and any filings with any state securities commissions as the

Company may reasonably request, (b) to deliver or cause delivery of the Prospectus contained in such Registration Statement (other than an Issuance Registration Statement) to any purchaser of the shares covered by such Registration Statement from the Holder and (c) to indemnify the Company, its officers, directors, employees, agents, representatives and affiliates, and each person, if any, who controls the Company within the meaning of the Securities Act, and each other person, if any, subject to liability because of his connection with the Company, against any and all losses, claims, damages, actions, liabilities, costs and expenses (including, without limitation, reasonable fees, expenses and disbursements of attorneys and other professionals) arising out of or based upon any untrue statement or alleged untrue statement of material fact contained in either such Registration Statement or the Prospectus contained therein, or any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, if and to the extent that such statement or omission occurs from reliance upon and in conformity with written information regarding such Holder, its plan of distribution or its ownership interests, which was furnished to the Company by such Holder expressly for use therein unless such statement or omission was corrected in writing to the Company not less than three (3) business days prior to the date of the final prospectus (as supplemented or amended, as the case may be) or (ii) the failure by the Holder to deliver or cause to be delivered the Prospectus contained in such Registration Statement (as amended or supplemented, if applicable) furnished by the Company to the Holder to any purchaser of the shares covered by such Registration Statement from the Holder through no fault of the Company. Notwithstanding the provisions of this Section 7, no Holder shall be required to pay as indemnification hereunder any amount in excess of the gross proceeds from the sale of Shares by such Holder which gave rise to the incurrence of such indemnification.

8. Indemnification Procedures.

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Any person entitled to indemnification under this Agreement shall notify promptly the indemnifying party in writing of the commencement of any action or proceeding with respect to which a claim for indemnification may be made hereunder, but the failure of any indemnified party to provide such notice shall not relieve the indemnifying party of its obligations hereunder, except to the extent the indemnifying party is materially prejudiced thereby and shall not relieve the indemnifying party from any liability which it may have to any indemnified party otherwise than hereunder. In case any action or proceeding is brought against an indemnified party and it shall notify the indemnifying party of the commencement thereof, the indemnifying party shall be entitled to participate therein and, unless in the reasonable opinion of outside counsel to the indemnified party a conflict of interest between such indemnified and indemnifying parties may exist in respect of such claim, to assume the defense thereof (alone or jointly with any other indemnifying party similarly notified), to the extent that it chooses, with counsel reasonably satisfactory to such indemnified party, and after notice from the indemnifying party to such indemnified party that it so chooses, the

indemnifying party shall not be liable to such indemnified party for any legal or other expenses subsequently incurred by such indemnified party in connection with the defense thereof; provided, however, that (i) if the indemnifying party fails to take reasonable steps necessary to defend diligently the action or proceeding within twenty (20) business days after receiving notice from such indemnified party that the indemnified party believes it has failed to do so; or (ii) if such indemnified party who is a defendant in any action or proceeding which is also brought against the indemnifying party reasonably shall have reasonably concluded, based on the advice of counsel, that there may be one or more legal defenses available to such indemnified party which are not available to the indemnifying party; or (iii) if representation of both parties by the same counsel is otherwise inappropriate under applicable standards of professional conduct, then, in any such case, the indemnified party shall have the right to assume or continue its own defense as set forth above (but with no more than one firm of counsel for all indemnified parties in each jurisdiction, except to the extent any indemnified party or parties reasonably shall have concluded, based on the advice of counsel, that there may be legal defenses available to such party or parties which are not available to the other indemnified parties or to the extent representation of all indemnified parties by the same counsel is otherwise inappropriate under applicable standards of professional conduct) and the indemnifying party shall be liable for any expenses therefor. No indemnifying party shall, without the written consent of the indemnified party (which shall not be unreasonably withheld), effect the settlement or compromise of, or consent to the entry of any judgment with respect to, any pending or (to the knowledge of the indemnifying party) threatened action or claim in respect of which indemnification or contribution may be sought hereunder (whether or not the indemnified party is an actual or potential party to such action or claim) unless such settlement, compromise or judgment (A) includes an unconditional release of the indemnified party from all liability arising out of such action or claim and (B) does not include a statement as to or an admission of fault, culpability or a failure to act, by or on behalf of any indemnified party.

9. Suspension of Registration Requirement; Restriction on Sales.  
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(a) The Company shall promptly notify each Holder of, and confirm in writing, the issuance by the SEC of any stop order suspending the effectiveness of a Registration Statement with respect to such Holder's Registrable Shares or the initiation of any proceedings for that purpose. The Company shall use its best efforts to obtain the withdrawal of any order suspending the effectiveness of such a Registration Statement at the earliest possible moment.

(b) Notwithstanding anything to the contrary set forth in this Agreement, the Company's obligation under this Agreement to cause a Registration Statement and any filings with any state securities commission to become effective or to amend or supplement a Registration Statement shall be suspended in the event and during such period as unforeseen circumstances exist (including without limitation (i) an underwritten primary offering by the

Company if the Company is advised by the underwriters that the sale of Registrable Shares under the Registration Statement would impair the pricing or commercial practicality of the primary offering or (ii) pending negotiations relating to, or consummation of, a transaction or the occurrence of an event that would require additional disclosure of material information by the Company in the Registration Statement or such filing, as to which the Company has a bona fide business purpose for preserving confidentiality or which renders the Company unable to comply with SEC requirements) (such unforeseen circumstances being hereinafter referred to as a "Suspension Event") that would make it impractical or unadvisable to cause the Registration Statement or such filings to become effective or to amend or supplement the Registration Statement, but such suspension shall continue only for so long as such event or its effect is continuing. The Company shall notify the Holders of the existence and, in the case of circumstances referred to in clause (i) of this Section 9(b), nature of any Suspension Event.

(c) Each holder of Registrable Shares agrees, if requested by the Company in the case of a Company-initiated non-underwritten offering or if requested by the managing underwriter or underwriters in a Company-initiated underwritten offering, not to effect any public sale or distribution of any of the securities of the Company, including a sale pursuant to Rule 144, during the fifteen (15) day period prior to, and during the sixty (60) day period beginning on, the date of commencement of such Company-initiated offering (such period, or such lesser period as the Company may specify, a "Company Sale Period"), subject to its rights under Section 3(d) hereof, and provided, that any such request shall be made no more than three times in any twelve-month period.

(d) Notwithstanding anything to the contrary in this Agreement, in no event shall Suspension Events be permitted to take effect more than twice in any twelve-month period and in no event shall Suspension Events and Company Sale Periods be permitted to take effect for more than an aggregate of one hundred eighty (180) days in any twelve-month period.

10. Black-Out Period. Each Holder agrees that, following the

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effectiveness of any Registration Statement (except an Issuance Registration Statement) relating to Registrable Shares of such Holder, such Holder will not effect any sales of the Registrable Shares pursuant to the Registration Statement or any filings with any state Securities Commission at any time after such Holder has received notice from the Company to suspend sales as a result of the occurrence or existence of any Suspension Event or so that the Company may correct or update the Registration Statement or such filing. During such period, the Company will not be obligated to effect redemptions of Units under an Issuance Registration Statement. The Holder may recommence effecting sales of the Shares pursuant to the Registration Statement or such filings, and the Company will be obligated to resume effecting redemptions of Units under an Issuance Registration Statement, and all other obligations which are suspended as a result of a Suspension Event shall no longer be so suspended, following (i) further notice to such effect from the Company, which notice shall be given by the Company not later than five (5) business

days after the conclusion of any such Suspension Event, or (ii) if earlier, the date on which the Company sells Common Shares under a registration statement filed under the Securities Act (except for sales made under a registration statement on Form S-8 (or a successor form or procedure for selling securities pursuant to employee benefit plans and compensation arrangements) or a sale made in connection with a dividend or interest reinvestment or direct stock purchase plan.)

11. Additional Shares. The Company, at its option, may register, under

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any Registration Statement and any filings with any state securities commissions filed pursuant to this Agreement, any number of unissued Common Shares of the Company or any Common Shares of the Company owned by any other shareholder or shareholders of the Company.

12. Contribution. If the indemnification provided for in Sections 6 and

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7 is unavailable to an indemnified party with respect to any losses, claims, damages, actions, liabilities, costs or expenses referred to therein or is insufficient to hold the indemnified party harmless as contemplated therein, then the indemnifying party, in lieu of indemnifying such indemnified party, shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages, actions, liabilities, costs or expenses in such proportion as is appropriate to reflect the relative fault of the Company, on the one hand, and the Indemnitee, on the other hand, in connection with the statements or omissions which resulted in such losses, claims, damages, actions, liabilities, costs or expenses as well as any other relevant equitable considerations. The relative fault of the Company, on the one hand, and of the Indemnitee, on the other hand, shall be determined by reference to, among other factors, whether the untrue or alleged untrue statement of a material fact or omission to state a material fact relates to information supplied by the Company or by the Indemnitee and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission; provided, however, that in no event shall the obligation of any indemnifying party to contribute under this Section 12 exceed the amount that such indemnifying party would have been obligated to pay by way of indemnification if the indemnification provided for under Sections 6 or 7 hereof had been available under the circumstances.

The Company and the Holders agree that it would not be just and equitable if contribution pursuant to this Section 12 were determined by pro rata allocation or by any other method of allocation that does not take account of the equitable considerations referred to in the immediately preceding paragraph.

Notwithstanding the provisions of this Section 12, no Holder shall be required to contribute any amount in excess of the amount by which the gross proceeds from the sale of Shares exceeds the amount of any damages that the Holder has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission. No indemnified party guilty



of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any indemnifying party who was not guilty of such fraudulent misrepresentation.

13. Amendments and Waivers. The provisions of this Agreement may not be -----  
amended, modified, or supplemented or waived without the prior written consent of the Company and members of the Landis Group holding in excess of two-thirds of the aggregate of all Shares held by (or issuable to) such members.

14. Notices. Except as set forth below, all notices and other -----  
communications provided for or permitted hereunder shall be in writing and shall be deemed to have been duly given if delivered personally or sent by registered or certified mail (return receipt requested), postage prepaid or courier or overnight delivery service to the respective parties at the following addresses (or at such other address for any party as shall be specified by like notice, provided, that notices of a change of address shall be effective only upon receipt thereof):

If to the Company: Boston Properties, Inc.  
8 Arlington Street  
Boston, MA 02116  
Attn: Edward H. Linde, President  
Telecopy: (617) 536-4233

with a copy to: Goodwin, Procter & Hoar LLP  
599 Lexington Avenue, 40th Floor  
New York, New York 10022  
Attn: Ross D. Gillman  
Telecopy: (212) 355-3333

If to the Holders: As listed on Schedule A hereto

In addition to the manner of notice permitted above, notices given pursuant to Sections 9 and 10 hereof may be effected telephonically and confirmed in writing thereafter in the manner described above.

15. Successors and Assigns. This Agreement shall be binding upon the -----  
parties hereto and their respective successors and assigns and shall inure to the benefit of the parties hereto and their respective successors and assigns. This Agreement may not be assigned by any Holder and any attempted assignment hereof by any Holder will be void and of no effect and shall terminate all obligations of the Company hereunder; provided, that any Holder may assign its rights hereunder to any person to whom such Holder may Dispose of Shares and/or Units pursuant to Section 2 hereof.

16. Counterparts. This Agreement may be executed in any number of

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counterparts and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

17. Governing Law. This Agreement shall be governed by and construed in

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accordance with the laws of the State of Delaware applicable to contracts made and to be performed wholly within said State.

18. Severability. In the event that any one or more of the provisions

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contained herein, or the application thereof in any circumstances, is held invalid, illegal or unenforceable in any respect for any reason, the validity, legality and enforceability of any such provision in every other respect and of the remaining provisions contained herein shall not be in any way impaired thereby, it being intended that all of the rights and privileges of the parties hereto shall be enforceable to the fullest extent permitted by law.

19. Entire Agreement. This Agreement is intended by the parties as a

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final expression of their agreement and intended to be the complete and exclusive statement of the agreement and understanding of the parties hereto in respect of the subject matter contained herein. There are no restrictions, promises, warranties or undertakings, other than those set forth or referred to herein, with respect to such subject matter. This Agreement supersedes all prior agreements and understandings between the parties with respect to such subject matter.

[The remainder of this page is left blank intentionally]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

BOSTON PROPERTIES, INC.

By: /s/ Edward H. Linde  
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Name: Edward H. Linde  
Title: President

BOSTON PROPERTIES LIMITED  
PARTNERSHIP

By: Boston Properties, Inc.,  
its general partner

By: /s/ Edward H. Linde  
-----  
Name: Edward H. Linde  
Title: President

REGISTRATION RIGHTS AND LOCK-UP AGREEMENT  
HOLDER SIGNATURE PAGE

Reference is made to that certain Registration Rights and Lock-Up Agreement (the "Registration Rights Agreement") entered into on April 30, 1999 by and among Boston Properties, Inc., Boston Properties Limited Partnership, and the Holders named therein in connection with the contribution and conveyance of properties and assets (or indirect interests therein) located in Princeton, New Jersey and East Brunswick, New Jersey. The undersigned, by its execution hereof, agrees to be bound by all the terms of a Holder thereunder.

NAME OF ENTITY: Landis Family Trust #1

By: /s/ Rochelle L. Kaplan

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Name (print): Rochelle L. Kaplan  
Title: Trustee

REGISTRATION RIGHTS AND LOCK-UP AGREEMENT  
HOLDER SIGNATURE PAGE

Reference is made to that certain Registration Rights and Lock-Up Agreement (the "Registration Rights Agreement") entered into on April 30, 1999 by and among Boston Properties, Inc., Boston Properties Limited Partnership, and the Holders named therein in connection with the contribution and conveyance of properties and assets (or indirect interests therein) located in Princeton, New Jersey and East Brunswick, New Jersey. The undersigned, by its execution hereof, agrees to be bound by all the terms of a Holder thereunder.

NAME OF ENTITY: Landis Family Trust #2

By: /s/ Rochelle L. Kaplan

\_\_\_\_\_  
Name (print): Rochelle L. Kaplan  
Title: Trustee

REGISTRATION RIGHTS AND LOCK-UP AGREEMENT  
HOLDER SIGNATURE PAGE

Reference is made to that certain Registration Rights and Lock-Up Agreement (the "Registration Rights Agreement") entered into on April 30, 1999 by and among Boston Properties, Inc., Boston Properties Limited Partnership, and the Holders named therein in connection with the contribution and conveyance of properties and assets (or indirect interests therein) located in Princeton, New Jersey and East Brunswick, New Jersey. The undersigned, by its execution hereof, agrees to be bound by all the terms of a Holder thereunder.

/s/ Daniel Slott

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Daniel Slott

REGISTRATION RIGHTS AND LOCK-UP AGREEMENT  
HOLDER SIGNATURE PAGE

Reference is made to that certain Registration Rights and Lock-Up Agreement (the "Registration Rights Agreement") entered into on April 30, 1999 by and among Boston Properties, Inc., Boston Properties Limited Partnership, and the Holders named therein in connection with the contribution and conveyance of properties and assets (or indirect interests therein) located in Princeton, New Jersey and East Brunswick, New Jersey. The undersigned, by its execution hereof, agrees to be bound by all the terms of a Holder thereunder.

/s/ Uzi Zucker

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Uzi Zucker

REGISTRATION RIGHTS AND LOCK-UP AGREEMENT  
HOLDER SIGNATURE PAGE

Reference is made to that certain Registration Rights and Lock-Up Agreement (the "Registration Rights Agreement") entered into on April 30, 1999 by and among Boston Properties, Inc., Boston Properties Limited Partnership, and the Holders named therein in connection with the contribution and conveyance of properties and assets (or indirect interests therein) located in Princeton, New Jersey and East Brunswick, New Jersey. The undersigned, by its execution hereof, agrees to be bound by all the terms of a Holder thereunder.

NAME OF ENTITY: 500 CAPITAL CORP.

By: /s/ J.D. Stanger

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Name (print): J.D. Stanger  
Title: Vice President



SCHEDULE A

LIST OF HOLDERS

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LANDIS FAMILY TRUST #1  
c/o The Landis Group  
101 Carnegie Center  
Princeton, New Jersey 08540

LANDIS FAMILY TRUST #2  
c/o The Landis Group  
101 Carnegie Center  
Princeton, New Jersey 08540

DANIEL SLOTT  
c/o The Landis Group  
101 Carnegie Center  
Princeton, New Jersey 08540

UZI ZUCKER  
c/o The Landis Group  
101 Carnegie Center  
Princeton, New Jersey 08540

500 CAPITAL CORP.  
c/o The Landis Group  
101 Carnegie Center  
Princeton, New Jersey 08540

SCHEDULE B

LIST OF PERMITTED DISTRIBUTEES

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Landis Family Trust #1  
Landis Family Trust #2  
Daniel Slott  
Uzi Zucker  
500 Capital Corp.

SCHEDULE C

LANDIS GROUP

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Landis Family Trust #1  
Landis Family Trust #2  
Landis Family Trust #3  
Landis Family Trust #4  
Linda Landis  
ABL Capital Corp.  
Alan Landis  
ML Capital Partners LLC