

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 of 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): July 2, 1998

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

Delaware
(State of Incorporation)

1-13087
(Commission File Number)

04-2473675
(IRS Employer Id. Number)

8 Arlington Street
Boston, Massachusetts
(Address of principal executive offices)

02116
(Zip Code)

(617) 859-2600
(Registrant's telephone number, including area code)

ITEM 2. ACQUISITION OR DISPOSITION OF ASSETS

On May 7, 1998, Boston Properties Limited Partnership, the operating partnership subsidiary (the "Operating Partnership") of Boston Properties, Inc. (the "Registrant" or the "Company"), entered into various agreements (the "Agreements") providing for the acquisition of the existing commercial components of the mixed-use complex known as "The Prudential Center," located in Boston, Massachusetts (the "Existing Improvements") and a fifty percent (50%) interest in the rights to redevelop certain portions of The Prudential Center (the "Development Rights").

On July 2, 1998, the Operating Partnership completed the acquisition of the Existing Improvements and the Development Rights from The Prudential Insurance Company of America ("Prudential"). The Existing Improvements consist primarily of the following: (i) the 52 story office building known as the "Prudential Tower" containing approximately 1.2 million net rentable square feet of floor area; (ii) the 25 story office building known as "101 Huntington Avenue" containing approximately 500,000 net rentable square feet of floor area; (iii) the "Shops at Prudential" containing approximately 500,000 net rentable square feet of floor area for retail purposes and (iv) a parking garage containing in excess of 2,500 parking spaces. Major tenants of the Existing Improvements include Gillette, Boston Edison, John Hancock, Arnold Communications, Bronner Slosberg, Lord & Taylor, Saks and Star Market.

The Development Rights consist primarily of rights to expand The Prudential Center by approximately 991,000 square feet of office space, 263,000 square feet of retail and community services space and 422,000 square feet of housing. The Development Rights are owned by BP Prucenter Development LLC ("Development LLC"), a limited liability company owned fifty percent by the Operating Partnership and fifty percent by Prudential.

The consideration paid for the Existing Improvements was \$519 million. The aggregate consideration paid on July 2, 1998 consisted of \$422.8 million in cash and the issuance of approximately 2.99 million Common Units of Limited Partnership ("Common Units") in the Operating Partnership, based on a price of \$32.125 per Common Unit. Common Units may be redeemed by the holder thereof for cash equal to the then current value of a share of the common stock ("Common Stock") of the Company or, at the Company's election, for one share of Common Stock. A portion of the consideration paid for the Existing Improvements was made using the proceeds of a mortgage loan in the aggregate amount of \$300 million syndicated among three insurance companies.

The consideration paid by the Operating Partnership for fifty percent of the Development Rights was \$27 million in cash.

In connection with the acquisition of the Existing Improvements, the Company has entered into agreements with Prudential that generally provide that, for a period of eight years, the Company may not sell or otherwise transfer the Existing Improvements in a taxable transaction. In addition, the Company has agreed to maintain non-recourse indebtedness secured by the Existing Improvements.

Immediately after the consummation of the acquisition of the Existing Improvements and the Development Rights, the Company issued and sold in a private placement to Strategic Value Investors II, LLC (an affiliate of Prudential) approximately 1.675 million shares of Common Stock at a price of \$32.125 per share.

Item 7 Financial Statements, Pro Forma Financial Information and Exhibits

(a) Financial Statements under Rule 3-14 of Regulation S-X

Financial Statements for the Prudential Center will be filed by amendment as soon as practicable, but in no event later than September 15, 1998.

(b) Pro Forma Financial Information

Pro forma financial statements for the Prudential Center will be filed by amendment as soon as practicable, but in no event later than September 15, 1998.

(c) Exhibits

Exhibit No.

- - - - -

99.1 Purchase and Sale Agreement, dated May 7, 1998, by and between Prudential and the Operating Partnership.

99.2 Contribution Agreement, dated as of May 7, 1998, by and between Prudential and the Operating Partnership.

99.3 Registration Rights Agreement, dated as of July 2, 1998, by and among the Registrant, Strategic Value Investors II, LLC and Prudential.

BOSTON PROPERTIES, INC.
SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

BOSTON PROPERTIES, INC.

/s/ David G. Gaw

David G. Gaw,
Chief Financial Officer

Date: July 17, 1998

PURCHASE AND SALE AGREEMENT

by and between

THE PRUDENTIAL INSURANCE COMPANY OF AMERICA,
a New Jersey corporation

and

BOSTON PROPERTIES LIMITED PARTNERSHIP,
a Delaware limited partnership

Date: May 7, 1998

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PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT (this "AGREEMENT") is made this 7th day of

May, 1998, by and between THE PRUDENTIAL INSURANCE COMPANY OF AMERICA, a New
Jersey corporation ("PRUDENTIAL"), and BOSTON PROPERTIES LIMITED PARTNERSHIP, a

Delaware limited partnership ("REIT OP").

RECITALS

Prudential has owned, developed and operated an integrated mixed-use complex containing office, hotel, retail, parking garage and residential uses known as the Prudential Center. The original Prudential Center consisted of approximately 28 acres of land shown on Land Court Plan No. 28611A filed with the Suffolk Registry of Deeds with Certificate of Title No. 64667. A portion of the original Prudential Center was taken in 1984 by the Massachusetts Convention Center Authority. In 1994 another portion of the Prudential Center was sold to the 1994 Sheraton Boston Hotel Trust.

Prudential now owns the land with the buildings and improvements thereon shown as Lot 8 on a plan entitled "Subdivision of Land in Boston, Massachusetts dated October 31, 1994 prepared by Cullinan Engineering Co., Inc." (see Land Court Plan 28611D; the "1994 Plan") together with two (2) unregistered parcels, one containing 5,080 square feet, more or less, and the other containing 5,162 square feet, more or less, both of which are shown on the 1994 Plan (collectively, the "UNREGISTERED LAND").

Prudential is in the process of subdividing that portion of the Prudential Center known as "The Prudential Center Apartments" from the remaining portion of the Prudential Center. It is Prudential's intention to transfer the two components created by the subdivision to two separate entities.

In accordance with the terms of a certain non-binding letter of intent dated January 8, 1998, Prudential desires to contribute the existing commercial components of the Prudential Center to REIT OP in exchange for (i) cash in the amount of One Hundred Twenty Nine Million Seven Hundred Fifty Thousand Dollars (\$129,750,000), as provided below, (ii) units of limited partner interests in REIT OP (collectively, the "LIMITED PARTNERSHIP UNITS" or "UNITS"), as more

particularly set forth in a certain Contribution Agreement of even date herewith between Prudential and REIT OP (the " CONTRIBUTION AGREEMENT"), and (iii)

pursuant to the Contribution Agreement, a distribution from REIT OP to Prudential as the holder of the Units to be issued under the Contribution Agreement, Three Hundred and Fifteen Million Seven Hundred Fifty Thousand Dollars (\$315,750,000), subject to adjustment as provided in the Contribution Agreement, which shall be financed by REIT OP upon the terms and conditions set forth in the Contribution Agreement.

Immediately prior to the consummation of the transaction contemplated by this Agreement, Prudential shall, as more particularly described in the Structure Term Sheet attached hereto as EXHIBIT U (the "TERM SHEET"), separate

the ownership of all licenses, permits and other written authorizations necessary for the redevelopment of certain portions of the Prudential Center as more particularly described in EXHIBIT C-1 attached hereto (collectively, the

"DEVELOPMENT RIGHTS") from the Property to be conveyed hereunder. Pursuant to

the terms of this Agreement, Prudential shall sell an undivided fifty percent (50%) interest in the Development Rights to REIT OP for Twenty Seven Million Dollars (\$27,000,000.00). Immediately thereafter, Prudential and REIT OP shall each contribute their respective fifty percent (50%) interests in the Development Rights to a joint venture entity to be formed by and between Prudential and REIT OP, all as more particularly set forth in the Term Sheet. As a result of such sale, the aggregate amount of cash to be received by Prudential hereunder shall be One Hundred Fifty-Six Million Seven Hundred and Fifty Thousand Dollars (\$156,750,000).

Each of the parties hereto has been advised by the other parties and acknowledges that the parties hereto would not be entering into this Agreement without the representations, warranties and covenants which are being made and agreed to herein by each party hereto and that each party is entering into this Agreement in reliance on such representations, warranties and other covenants.

W I T N E S S E T H:

In consideration of the mutual covenants and agreements set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and in reliance on all of the representations, warranties and covenants made by each of the parties hereto, the parties hereto do hereby agree as follows:

DEFINITIONS

The following terms as used in this Agreement will have the meanings attributed to them as set forth below unless the context clearly requires another meaning. The terms set forth below do not constitute all defined terms set forth in this Agreement. Such other defined terms shall have the meanings ascribed to them elsewhere in this Agreement.

"Affiliate" means, with respect to any Person, (i) any Person directly or indirectly controlling, controlled by or under common control with such Person; (ii) any Person owning or controlling ten percent (10%) or more of the outstanding voting interests of such Person; (iii) any Person of which such Person owns or controls ten percent (10%) or more of the voting interests; or (iv) any officer, director, general partner or trustee of such Person or of any Person referred to in clauses (i), (ii) and (iii) above; provided, however, that

in no event shall "Affiliate" as used herein include any Person engaged in a joint venture with REIT OP, such as Whitehall (defined below).

"Agreement" means this Purchase and Sale Agreement, as the same may be amended, restated, supplemented or otherwise modified from time to time in accordance with the terms hereof.

"Appurtenant Easements" shall have the meaning specified in Section 1.1 of this Agreement.

"Approval" means any approval, authorization, consent, qualification or registration, or any waiver of the foregoing, or any notice, statement or other communication required to be filed with or delivered to any Governmental Entity or any other Person.

"Assignment of Service Contracts and Equipment Leases" shall have the meaning set forth in Section 6.3.4.

"Assignment of Warranties" shall have the meaning set forth in Section 6.3.4.

"Assignment of Leases" shall have the meaning set forth in Section 6.3.3 of this Agreement.

"Bill of Sale" shall have the meaning set forth in Section 6.3.2 of this Agreement.

"Building Code Variance" shall have the meaning specified in Section 7.2.8 of this Agreement.

"Business Day" means any day except Saturday, Sunday and any day which shall be a legal holiday or a day on which banking institutions in the State of New York or in the Commonwealth of Massachusetts generally are authorized or required by law or other government actions to close.

"BRA" shall mean the Boston Redevelopment Authority.

"Broker" shall have the meaning specified in Section 9.1.3 of this Agreement.

"Closing" shall have the meaning specified in Section 6.1 of this Agreement.

"Closing Date" shall have the meaning specified in Section 6.1 of this Agreement.

"Closing Statement" shall have the meaning specified in Section 5.7 of this Agreement.

"Code" means the Internal Revenue Code of 1986, as amended, and the rules and regulations thereunder as in effect on the date hereof.

"Contribution Agreement" shall have the meaning specified in the Recitals of this Agreement.

"Contract Rights" shall have the meaning specified in Section 1.1.7 of this Agreement. -----

"Declaration of Cross Easements" shall have the meaning specified in Section 1.1 of this Agreement. -----

"Deed" shall have the meaning specified in Section 6.3.1 of this Agreement. -----

"Deposit" shall have the meaning specified in Section 2.3 of this Agreement. -----

"Designated Employee" shall have the meaning specified in Section 8.3.2 of this Agreement. -----

"Development Rights" shall have the meaning specified in the Recitals of this Agreement.

"Development Rights Joint Venture Agreement" means the joint venture agreement to be negotiated by and between Prudential and REIT OP, which agreement shall be satisfactory in form and substance to both REIT OP and Prudential, and shall be in the form to be attached hereto as EXHIBIT X -----

"Due Diligence" shall have the meaning specified in Section 4.1 of this Agreement. -----

"Due Diligence Documents" shall have the meaning specified in Section 4.1 of this Agreement. -----

"Election Notice" shall have the meaning specified in Section 11.2 of this Agreement. -----

"Equipment" shall have the meaning set forth in Section 1.3 of this Agreement. -----

"Equipment Leases" shall have the meaning specified in Section 3.1 of this Agreement. -----

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended (or, with respect to any provision thereof referred to herein, any corresponding provision of any succeeding law).

"Escrow Fund" shall have the meaning set forth in Section 2.3 of this Agreement. -----

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations of the Commission promulgated thereunder.

"Governmental Entity" means any agency, bureau, commission, court, department, official, political subdivision, tribunal or other instrumentality of any government, whether federal, state or local, domestic or foreign.

"Ground Lease" has the meaning set forth in Section 1.1.1 of this Agreement.

"Hart-Scott-Rodino Act" means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended and related rules, regulations and published interpretations thereunder.

"Hazardous Materials" means any substance, chemical, waste or material that is or becomes regulated by any federal, state or local governmental authority because of its toxicity, infectiousness, radioactivity, explosiveness, ignitability, corrosiveness or reactivity, including, without limitation, asbestos or any substance containing more than 0.1 percent asbestos, the group of compounds known as polychlorinated biphenyls, flammable explosives, oil, petroleum or any refined petroleum product.

"Improvements" shall have the meaning specified in Section 1.2 of this Agreement.

"Intangible Property" shall have the meaning specified in Section 1.8 of this Agreement.

"Land" shall have the meaning set forth in Section 1.1 of this Agreement.

"Land Court" shall have the meaning set forth in Section 6.3.18 of this Agreement.

"Law" means any constitutional provision, federal, state or local law, statute, ordinance, law, rule, regulation or interpretation of any thereof and any Order of any Governmental Entity (including, without limitation, environmental laws).

"Leases" shall have the meaning specified in Section 6.3.3 of this Agreement.

"Letter of Credit" shall have the meaning specified in Section 2.3 of this Agreement.

"Lien" means, with respect to any asset, any mortgage, lien, pledge, encumbrance, charge or security interest of any kind in or on such asset or the revenues or income thereon or therefrom and "Liens" means each and every Lien, collectively.

"Major Tenants" or "Major Tenant" shall have the meaning specified in Section 6.3.5 of this Agreement.

"Management Agreement" shall have the meaning set forth in Section 3.1 of this Agreement.

"Manager" shall have the meaning set forth in Section 1.6 of this Agreement.

"Material Adverse Effect" means any material adverse effect upon (i) the assets, liabilities, financial condition, earnings or operations of REIT OP and its Subsidiaries taken as a whole, or (ii) any transaction contemplated by the Transaction Documents.

"Monetary Encumbrance" shall have the meaning specified in Section 3.2.1 of

this Agreement.

"Naming Rights Agreement" shall mean the Prudential Center Naming Rights
Agreement attached hereto as EXHIBIT K-1.

"New Lease" shall have the meaning specified in Section 13.1 of this

Agreement.

"New Lease Expenses" shall have the meaning specified in Section 13.1 of

this Agreement.

"Outside Accountants" shall have the meaning specified in Section 5.8 of

this Agreement.

"Order" means any decree, injunction, judgment, order, ruling, assessment
or writ, including, without limitation any executive mandate of any Governmental
Entity.

"Other Exceptions" shall have the meaning specified in Section 3.2.1 of

this Agreement.

"Other Tenants" shall have the meaning specified in Section 6.3.5 of this

Agreement

"Permit Rights" shall have the meaning set forth in Section 1.5 of this

Agreement.

"Permitted Exceptions" shall have the meaning specified in Section 3.1 of

this Agreement.

"Person" means an individual, partnership, corporation, limited liability
company, trust or unincorporated organization, or a government or agency or
political subdivision thereof.

"Personal Property" shall have the meaning set forth in Section 1.1 of this

Agreement.

"Prime Rate" shall have the meaning specified in Section 5.8 of this

Agreement.

"Property" shall have the meaning specified in Section 1.1 of this

Agreement.

"Property Taxes" shall have the meaning specified in Section 5.2 of this

Agreement.

"Prudential" shall have the meaning specified in the introduction to this
Agreement.

"Prudential Parties" shall have the meaning specified in Section 9.1.3 of

this Agreement.

"Prudential's Accountants" shall have the meaning specified in Section 5.7

of this Agreement.

"Prudential's knowledge" shall have the meaning specified in Section 8.3.3

of this Agreement.

"Prudential's Title Company" shall have the meaning specified in Section
2.3 of this Agreement.

"Purchase Price" shall have the meaning specified in Article 2 of this
Agreement.

"Realization Costs" shall have the meaning specified in Section 11.2 of

this Agreement.

"Real Property" shall have the meaning specified in Section 1.2 of this

Agreement.

"Records" shall have the meaning specified in Section 1.6 of this

Agreement.

"REIT" means a real estate investment trust as defined in Section 856 of
the Code

"REIT OP" shall have the meaning specified in the Introduction to this
Agreement.

"REIT OP's Closing Certificate" shall have the meaning specified in Section

4.1 of this Agreement.
- - - -

"REIT OP's Knowledge" shall have the meaning set forth in Section 8.1 of

this Agreement.

"REIT OP's Lead Title Insurer" shall mean First American Title Insurance
Company.

"REIT OP's Representatives" shall have the meaning specified in Section

8.3.4 of this Agreement.
- - - - -

"REIT OP's Title Insurer" shall have the meaning specified in Section 3.1

of this Agreement.

"Release" shall have the meaning specified in Section 9.3.1 of this

Agreement.

"Remove" shall have the meaning specified in Section 3.2.2 of this

Agreement.

"Rents" shall have the meaning specified in Section 5.1.1 of this

Agreement.

"Reporting Person" shall have the meaning specified in Section 14.2(a) of

this Agreement.

"Reporting Requirements" shall have the meaning specified in Section 14.2

of this Agreement.

"Service Contracts" shall have the meaning specified in Section 3.1 of this

Agreement.

"Significant Portion" shall have the meaning specified in Section 11.1.1 of

this Agreement.

"Site" shall have the meaning specified in Section 1.1 of this Agreement.

"Site Survey" shall have the meaning specified in Section 1.1 of this

Agreement.

"Stewart Title Commitment" shall have the meaning specified in Section

3.1(a) of this Agreement.

"Subsequent Title Objections" shall have the meaning specified in Section

3.2.1 of this Agreement.

"Subsidiary" means, with respect to any Person, (a) a corporation, a
majority of whose capital stock with voting power, under ordinary circumstances,
to elect directors is at the time, directly or indirectly, owned by such Person,
by a Subsidiary of such Person or by such Person and a Subsidiary thereof or (b)
any other Person (other than a corporation) in which such Person, a Subsidiary
thereof or such Person and a Subsidiary thereof, directly or indirectly, at the
date of determination thereof has at least a majority ownership interest.

"Supplies" shall have the meaning set forth in Section 1.4 of this

Agreement.

"Surveyor's Report" has the meaning set forth in Section 3.1 of this

Agreement.

"Taxes" means all taxes, charges, fees, levies, duties, imposts,
withholdings, restrictions, fines, interest, penalties, additions to tax or
other assessments or charges, including, but not limited to, income, excise,
property, withholding, sales, use, gross receipts, value added and franchise
taxes, license recording, documentation and registration fees and custom duties
imposed by any Governmental Entity.

"Tax Return" means a report, return or other information required to be
filed by a Person with or submitted to a Governmental Entity with respect to
Taxes, including, where permitted or required, combined or consolidated returns
for any group of entities that includes the Person.

"Tenants" shall have the meaning specified in Section 6.3.3 of this

Agreement.

"Term Sheet" shall have the meaning specified in the Recitals of this
Agreement.

"Title Commitment" shall have the meaning specified in Section 3.1 of this Agreement.

"Transaction" shall have the meaning specified in Section 7.1.7 of this Agreement.

"Transaction Documents" shall mean this Agreement, and all other agreements, instruments, certificates and other documents to be entered into or delivered by any Person in connection with the transactions contemplated to be consummated by this Agreement.

"Tunnel Fireproofing Agreement" shall have the meaning specified in Section 12.5.1 of this Agreement

"Undivided Interest" shall have the meaning set forth in Section 1.1.1 of this Agreement.

"Unit" or "Units" shall have the meaning set forth in the Recitals of this Agreement.

"Unregistered Land" shall have the meaning set forth in the Recitals of this Agreement.

ARTICLE 1 - SALE OF PROPERTY

1.1 Property. Prudential agrees to sell, transfer and assign to REIT OP and REIT OP agrees to purchase, accept and assume, subject to the terms and conditions stated herein, a seventy-five percent (75%) undivided interest (the "UNDIVIDED INTEREST") in and to the following (collectively, the "PROPERTY"):

1.1.1 Land. That certain tract of land situated in Boston, Suffolk County, Massachusetts, containing 22.0230 acres and shown as Lot 12 on a plan entitled "Subdivision Plan of Land in Boston, Massachusetts" dated November 20, 1997 prepared by Cullinan Engineering Co., Inc., a copy of which is attached hereto and made a part hereof as EXHIBIT A-1 (the "SITE SURVEY") and which is more particularly described in EXHIBIT A-2 attached hereto and made a part hereof, and the Unregistered Land, more particularly described in EXHIBIT A-3 attached hereto and made a part hereof (collectively, the "LAND") together with and subject to all rights, privileges and appurtenances pertaining thereto including, without limitation, the easements, rights, obligations, covenants, restrictions, agreements, terms, conditions and other provisions of (i) a document substantially in the form set forth in the Declaration of Cross-Easements, Operations, Parking and Common Area Covenants (the "DECLARATION OF CROSS-EASEMENTS") which is attached hereto and made a part hereof as EXHIBIT DD, the Ground Lease, a copy of which is attached hereto and made a part hereof as EXHIBIT BB (the "GROUND LEASE") (collectively, the "APPURTENANT EASEMENTS"; the Land as affected by the Appurtenant Easements, including, without limitation, the Cross-Easements is hereafter referred to as the "SITE")

1.1.2 Improvements. The buildings and other permanent improvements

situated on the Site, commonly known as the Prudential Center, consisting of the office building known as the "Prudential Tower," the office building known as "101 Huntington," the multi-level, north and south garages known as the "Prudential Center Common Garage," all the retail areas located on the Site in part known as the "Shops at Prudential" and all other buildings, fixtures and improvements located on the Site (the "IMPROVEMENTS"; the Site and Improvements are hereafter collectively referred to as the "REAL PROPERTY");

1.1.3 Equipment. Those items of furniture, furnishings, equipment and

other tangible personal property, (including software related to energy consumption and, to the extent owned by Prudential any computer equipment and, to the extent the applicable licenses are transferable, other computer software) which are listed on Exhibit A-4 attached hereto and made a part hereof (the "EQUIPMENT");

1.1.4 Supplies. Those items of supplies, uniforms, cleaning supplies,

engineering supplies and other consumable supplies owned by Prudential and located on or used in connection with the Real Property as of the Closing Date (hereafter collectively referred to as the "SUPPLIES");

1.1.5 Permit Rights. All of Prudential's right, title and interest,

if any, in and to all licenses, permits and other written authorizations necessary for the use, operation and ownership of the Real Property as currently operated described in EXHIBIT C attached hereto and made a part hereof (the "PERMIT RIGHTS");

1.1.6 Records. All of Prudential's right, title and interest, if any,

and to the extent assignable, in all drawings, plans and specifications relating to the Property or any part thereof, all third party studies and reports located at and covering the Property or any part thereof, all guaranties, warranties, indemnification, undertakings and other assurances relating to the Property or any part thereof all operating and maintenance files, any management files and any other books, records and files (excluding appraisals, budgets, Prudential's strategic plans for the Property, internal analyses, marketing information, submissions relating to Prudential's obtaining corporate authorization, attorney and accountant work product, or other information in the possession or control of Prudential, Cushman & Wakefield/Premisys, Inc. (the "MANAGER") which

Prudential, acting reasonably, deems proprietary but which shall in any event include, without limitation, documents in Prudential's or Manager's files marked "privileged or confidential," brokerage agreements for the sale of the Property and agreements or other documents containing a confidentiality provision prohibiting disclosure to third parties) which relate to or are used in the ownership or operation of the Property and which are located at the Property or which are in possession and control of the Manager or Prudential, subject however, in all cases, to Prudential's access rights as set forth in Section

9.3.3 below (as hereafter defined below; hereafter collectively referred to as the "RECORDS");

1.1.7 Contract Rights. All of Prudential's right, title and interest

(i) in and to the Leases (as defined below) and (ii) if any and to the extent assignable, in and to the

Management Agreement (as defined below), the Leases (as defined below), Equipment Leases (as defined below), the Service Contracts to the extent that Buyer elects to assume the same as hereinafter provided(collectively the "CONTRACT RIGHTS"); and

1.1.8 Intangible Property and Signage Rights. Except as hereinafter

specifically retained by Prudential pursuant to Prudential Center Naming Rights Agreement attached hereto as Exhibit K-1, the name "The Prudential Center" and

all other names, marks, registrations, applications and signage rights relating to the Property (collectively the "INTANGIBLE PROPERTY").

The Equipment, Supplies, Permit Rights, Records and Intangible Property are hereafter collectively referred to as the "Personal Property."

1.2 Other Property. Prudential's remaining seventy-five percent (75%)

undivided interest in the Property shall be contributed by Prudential to REIT OP pursuant to and in accordance with the Contribution Agreement, and, as contemplated by this Agreement, the Property shall be conveyed subject to the Ground Lease.

1.3 Reservation of Development Rights. Notwithstanding the foregoing,

Prudential hereby reserves all of its right, title and interest in the Development Rights from the conveyance to be made to REIT OP hereunder.

1.4 Sale of Portion of Development Rights. Prudential agrees to sell,

transfer and assign and REIT OP agrees to purchase, accept and assume, subject to the terms and conditions stated herein, a fifty percent (50%) undivided interest in the Development Rights.

ARTICLE 2 - PURCHASE PRICE

2.1 Purchase Price. The total purchase price to be paid by REIT OP for

the purchase of the Property to be conveyed hereunder shall be (i) One Hundred Twenty-Nine Million Seven Hundred and Fifty Thousand Dollars (\$129,750,000) for the twenty-five percent (25%) undivided interest in the Property and (ii) Twenty-Seven Million Dollars (\$27,000,000) for the fifty percent (50%) undivided interest in the Development Rights, for an aggregate amount to be received hereunder of One Hundred and Fifty-Six Million Seven Hundred and Fifty Thousand Dollars (\$156,750,000) (the "PURCHASE PRICE"). The Purchase Price

shall be paid in the manner set forth below in this Section 2.

2.1.1 Letter of Credit. Upon the full and final execution of this

Agreement and as a condition precedent to the effectiveness of this Agreement, in lieu of a cash deposit, REIT OP shall deliver to Prudential an unconditional, irrevocable letter of credit issued by BankBoston in the amount of Four Million Three Hundred Seventy-Five Thousand Dollars (\$4,375,000.00) in favor of Prudential as beneficiary to secure the full performance of REIT OP's obligations under this Agreement, in the form attached hereto as Exhibit E-1

(the "LETTER

OF CREDIT"). Unless converted to cash collateral as provided below, Prudential

shall return the Letter of Credit to REIT OP at Closing in accordance with Section 6.3.23 or in such other circumstances in which REIT OP is entitled to

its return pursuant to the terms of this Agreement. If at or prior to the Closing Prudential determines in its sole discretion that REIT OP is in default of its obligations under this Agreement or if the Letter of Credit is about to expire, Prudential may, three (3) Business Days after delivery of notice to REIT OP of such default or impending expiration and Prudential's intention to draw upon the Letter of Credit, draw upon the Letter of Credit by providing a draw certificate to BankBoston in the form attached to the Letter of Credit together with a draft payable to Prudential; provided, however, that in the event that

REIT OP notifies Prudential of its objection to such drawing within such three (3) day period, Prudential may convert the Letter of Credit to cash collateral by providing a draw certificate to BankBoston in the form attached to the Letter of Credit together with a draft payable to Stewart Title Guaranty Company whose mailing address is P.O. Box 2029, Houston, Texas 77252)"PRUDENTIAL'S TITLE

COMPANY"). In such event, BankBoston shall immediately wire transfer the sum of

Four Million Three Hundred Seventy-Five Thousand Dollars (\$4,375,000.00) in immediately available United States, federal funds (the "ESCROW FUND") to

Prudential's Title Company. The Escrow Fund shall thereafter be held and delivered by Prudential's Title Company as escrow agent in accordance with the provisions of the Escrow Agreement attached hereto as Exhibit E-2 and made a

part hereof and any interest earned thereon shall be considered a part of the Escrow Fund. In the event that the Letter of Credit has been converted to cash collateral pursuant to Section 2.3 and the Closing nevertheless occurs

thereafter, the Escrow Fund shall be returned to REIT OP at Closing.

2.1.2 Funds at Closing. On the Closing Date, REIT OP shall pay to

Prudential the Purchase Price in immediately available United States, federal funds, subject to the prorations and adjustments set forth in Article 5 or as

otherwise provided under this Agreement (collectively, "CLOSING ADJUSTMENTS") by

wire transfer as more particularly set forth in Section 6.2. In the event that

the Letter of Credit has been converted to cash collateral pursuant to Section

2.1.1 and Prudential receives the Escrow Fund at the Closing, such Escrow Fund

shall be applied against the Purchase Price on the Closing Date.

2.2 Allocation of Purchase Price. The Purchase Price shall be allocated

between the Real Property (including for this allocation purpose, the value of Permit Rights, Records, Leases, Contract Rights and Intangible Property), and the Equipment and Supplies as follows set forth in EXHIBIT EE attached hereto

(subject to Closing adjustments provided hereunder).

ARTICLE 3 - TITLE MATTERS

3.1 Title to Real Property. Except as provided in Section 3.2, and unless

this Agreement is terminated by REIT OP pursuant to Section 4.1, Prudential

shall transfer its fee simple title to the Real Property to REIT OP and REIT OP shall accept the same at Closing subject to the following matters:

(a) The title matters of record set forth in the Stewart Title Guaranty Company commitment dated April 20, 1997 (GF #T57133, SN #1112970023), together with letter dated April 8, 1998 from Rackemann Sawyer & Brewster attached hereto as EXHIBIT F and made a part hereof, (the

"STEWART TITLE COMMITMENT") as the Exceptions set forth on Schedule B,

Section 2 ("PERMITTED EXCEPTIONS") together with such other matters as REIT

OP's title insurance companies (collectively, "REIT OP'S TITLE INSURER")

and, to the extent applicable, all other title insurance companies who shall participate in reinsuring the Property, shall be willing to omit as exceptions to coverage, or insure against the same by an endorsement in form reasonably acceptable to REIT OP at no additional cost to REIT OP whether such insurance coverage is made available in consideration of payment, bonding, indemnity of Prudential or otherwise;

(b) The state of facts set forth in the Surveyor's Report prepared by Cullinan Engineering attached hereto as EXHIBIT G and made a

part hereof (the "SURVEYOR'S REPORT");

(c) All Laws including, without limitation, all environmental, building and zoning restrictions, ordinances and regulations, affecting the Property or the ownership, use or operation thereof adopted by the United States, the Commonwealth of Massachusetts, the City of Boston, and any and every other agency, department, instrumentality and/or political subdivision of government of every kind whatsoever having jurisdiction thereof, and all amendments or additions thereto now in effect or which may be in force and effect on the Closing Date;

(d) Unpaid personal property taxes owed by Prudential for the Property, unpaid real estate taxes, unpaid excise taxes, water and sewer charges which are not yet due and payable but which may be a lien on all or a portion of the Property, subject to adjustment as hereinafter provided;

(e) The Declaration of Cross Easements;

(f) The Ground Lease between Prudential as lessor, and an Affiliate of Prudential as lessee demising by the Development Rights and the portions of the Land affected thereby as more particularly described therein, which ground lease shall be in form and substance reasonably satisfactory to REIT OP and Prudential and attached hereto as EXHIBIT CC.

(g) The management agreement and any sub-management contracts listed on Exhibit H attached hereto and made a part hereof (the "MANAGEMENT

AGREEMENT") if assumed by REIT OP at its election as hereinafter provided;

(h) The Leases listed in Exhibit I attached hereto and made a

part hereof, as such list may be modified, amended from time to time and updated as of the Closing date, each in accordance with the terms of this Agreement;

(i) The Equipment Leases listed in Exhibit J attached hereto and

made a part hereof ("EQUIPMENT LEASES") if assumed by REIT OP at its

election as hereinafter provided;

(j) The vendor contracts and service agreements listed in Exhibit

V attached hereto and made a part hereof (the "SERVICE CONTRACTS") and

which REIT OP elects to assume as hereinafter provided;

(k) The litigation listed or referenced on Exhibit L attached

hereto and made a part hereof;

(l) The Prudential Tower Sign Lease attached hereto and made a
part hereof as EXHIBIT K-2;

(m) The Prudential Center Naming Rights Agreement attached hereto
and made a part hereof as EXHIBIT K-1; and

(n) Any exceptions caused by REIT OP, its agents, representatives
or employees.

The foregoing are hereinafter referred collectively to as the "PERMITTED

EXCEPTIONS".

3.2 Title Defects. -----

3.2.1 Certain Exceptions to Title. REIT OP shall have the right to -----

object in writing to any title matters that are not Permitted Exceptions and
that adversely affect REIT OP's title to the Real Property which (i) may appear
on updates to the Stewart Title Commitment issued at the request of REIT OP
after the date hereof (herein collectively referred to herein as "OTHER

EXCEPTIONS") within five (5) Business Days after the receipt thereof by REIT OP

or on a title commitment issued by REIT OP's Title Insurer, in either case,
prior to the execution of this Agreement or (ii) arise as of record after the
execution of this Agreement and to which REIT OP objects promptly after receipt
of notice thereof. Unless REIT OP shall within such period object to such Other
Exceptions, all such Other Exceptions shall be deemed to constitute additional
Permitted Exceptions; provided, that if any Other Exception is a mortgage,
mechanics' or materialmen's lien, or other encumbrance securing payment of a
definite monetary amount (a "MONETARY ENCUMBRANCE") it shall be deemed objected

to by REIT OP whether or not such notice is given. Any such Monetary
Encumbrance, together with any other exceptions to which REIT OP shall have
timely objected, shall be herein collectively referred to as "SUBSEQUENT TITLE

OBJECTIONS." Prudential shall be obligated to Remove (as defined below) any

Subsequent Title Objection, which Prudential shall have voluntarily placed or
permitted to be placed upon or against the Property. Prudential shall use
reasonable efforts to remove any Subsequent Title Objection which was
involuntarily placed upon or against the Real Property provided in such case
Prudential shall not be required to spend more than Two

Hundred Fifty Thousand Dollars (\$250,000) to remove the same. Prudential shall be entitled at Prudential's election by notice to REIT OP to extend the Closing (not to exceed ninety (90) days) in order to provide Prudential additional time in which to Remove any such Subsequent Title Objection. If Prudential is unable to Remove any Subsequent Title Objection prior to the Closing as provided herein, REIT OP may elect to either (a) terminate this Agreement (in which event the Letter Credit shall be returned to REIT OP and, thereafter, the parties shall have no further rights or obligations hereunder, except as provided in any section hereof that by its terms expressly provides that it survives any termination of this Agreement), or (b) waive such Subsequent Title Objections, in which event such Subsequent Title Objections shall be deemed "Permitted Exceptions" and the Closing shall occur as herein provided without any reduction of or credit against the Purchase Price.

3.2.2 Discharge of Title Objections. If on the Closing Date, as the

same may be extended pursuant to Section 3.2.1, there are any Subsequent Title

Objections which Prudential has elected to clear, or which Prudential is required to Remove as provided herein, Prudential shall Remove the same at Closing. The term "REMOVE" as used in this Agreement shall mean that Prudential

in its discretion shall either (a) cause REIT OP's Title Insurer to remove the same as an exception to title in REIT OP's title policy or to insure against the same in a manner reasonably acceptable to REIT OP, without any additional cost to REIT OP, whether such insurance is made available in consideration of payment, bonding, indemnity of Prudential or otherwise, or (b) use its own funds if and as supplied to the REIT OP's Title Insurer for such purpose to discharge the same, provided Prudential shall either (i) deliver to REIT OP at the Closing instruments in recordable form and sufficient to discharge such Subsequent Title Objections of record, together with the cost of recording or filing such instruments, or (ii) provide title insurance therefor in the manner described in clause (a) above.

3.2.3 Final Title Commitment. Prior to the execution of this

Agreement, REIT OP shall deliver to Prudential a copy of the commitment for the policy of owner's title insurance to be issued pursuant to Section 7.2.3 by REIT

OP's Title Insurer. The failure by REIT OP to deliver a copy of the commitment for the policy of owner's title insurance to be issued pursuant to Section 7.2.3

by REIT OP's Title Insurer shall be deemed an election by REIT OP to accept an owner's policy of title insurance issued pursuant to the Stewart Commitment in satisfaction of Section 7.2.3.

ARTICLE 4 - REIT OP'S DUE DILIGENCE/CONDITION OF THE PROPERTY

4.1 REIT OP's Inspection of the Property. REIT OP acknowledges that prior

to the execution of this Agreement, REIT OP conducted its examinations, inspections, testing, studies and/or investigations (herein collectively called the "DUE DILIGENCE") of the Property and information regarding the Property,

including, without limitation, review of the documents and other materials identified on Exhibit M-1 attached hereto and made a part hereof (the "DUE

DILIGENCE DOCUMENTS"). REIT OP acknowledges that it is satisfied with the

results of its Due Diligence, and agrees that the Property shall be sold, and that REIT OP shall accept possession

of the Property on the Closing Date, "AS IS, WHERE IS, WITH ALL FAULTS", with no right of set off or reduction in the Purchase Price. Pursuant to Section 9.2.3,

REIT OP shall have the right after the execution of this Agreement to have access to the Property for further review and inspection, but REIT OP shall not be entitled to terminate this Agreement based on such inspection. At Closing, as a material inducement to Prudential to consummate the transaction, REIT OP will deliver a certification and agreement in the form annexed hereto as Exhibit N

(the "REIT OP'S CLOSING CERTIFICATE").

ARTICLE 5 - ADJUSTMENTS AND PRORATIONS

5.1 Lease Rentals and Expenses.

5.1 Rents. All collected rents and other payments from tenants under

the Leases shall be prorated between Prudential and REIT OP as of 12:00 a.m. midnight on the Closing Date. Prudential shall be entitled to all rents (including any percentage rent, additional rent and any accrued tax and operating expense reimbursements and escalations), charges, and other revenue of any kind attributable to any period under the Leases to but not including the Closing Date. REIT OP shall be entitled to all rents (including any percentage rent, additional rent and any accrued tax and operating expense reimbursements and escalations, subject to the provisions of Section 5.6), charges,

reimbursements, payments, additional rent and other revenue of any kind derived from the Property (collectively, "RENTS") attributable to any period under the

Leases on and after the Closing Date. Rents due landlord under the Leases and not collected as of the Closing Date shall not be prorated at the time of Closing, but REIT OP shall make a good faith effort to collect the same on Prudential's behalf and to tender the same to Prudential upon receipt (which obligation of REIT OP shall survive the Closing and not be merged therein); provided, however, that all Rents due landlord under the Leases and collected by

REIT OP on or after the Closing Date shall first be applied to all amounts due under the Leases at the time of collection (i.e., current rents and sums due REIT OP as the current owner and landlord) with the balance (if any) payable to Prudential, but only to the extent of amounts delinquent and actually due Prudential. REIT OP shall not have an exclusive right to collect the sums due Prudential under the Leases and Prudential hereby retains its rights to pursue any tenant under the Leases for sums due Prudential for periods attributable to Prudential's ownership of the Property; provided that by the retention of such rights Prudential shall not retain any right to terminate any Leases after the Closing Date. Prudential's rights under the immediately preceding sentence shall survive the Closing and not be merged therein. REIT OP agrees to cooperate as Prudential may reasonably require (at Prudential's expense) to enable Prudential to pursue after Closing the collection of such amounts due Prudential from tenants, including making available to Prudential documents and records relating to such tenants' obligations. REIT OP shall receive a credit against the Purchase Price for pre-paid rentals held by Prudential under Leases covering the period post-Closing.

5.1.2 New Lease Expenses. At Closing, REIT OP shall reimburse

Prudential for the New Lease Expenses (as defined in Section 13.1) to the extent

required by the terms of Section 13.1.

5.2 Real Estate and Personal Property Taxes. Real estate taxes, excise

taxes and personal property taxes attributable to the Property (collectively,
"PROPERTY TAXES"), shall be prorated as of the Closing Date. Prudential shall

pay all Property Taxes and shall be entitled to all tax refunds and credits
attributable to the Property through 11:59 p.m. on the day before the Closing
Date. REIT OP shall be responsible to pay all Property Taxes attributable to the
Property as of and after the Closing Date. If any of the Property Tax rates or
assessments have not been set for the fiscal year in which the Closing occurs or
are otherwise undeterminable at the Closing, then the proration of such taxes
and payments shall be based upon the rate, assessments and facts for the
preceding calendar year, and such proration shall be adjusted between Prudential
and REIT OP upon presentation of written evidence that the actual taxes paid for
the calendar year in which the Closing occurs differ from the amounts used at
Closing and in accordance with the provisions of Section 5.8. Prudential shall

be responsible to pay all installments of special assessments due and payable
prior to the Closing Date and REIT OP shall be responsible to pay all
installments of special assessments due and payable on and after the Closing
Date. In the event the Property is assessed for property tax purposes at such
rates as would result in reassessment based upon the change in land usage after
the Closing Date, REIT OP hereby agrees to pay all such taxes and to indemnify
and save Prudential harmless from and against all claims and liability for such
taxes. Such indemnity, and the obligations of the parties to readjust the
applicable prorations under this Section shall survive the Closing and not be
merged therein.

5.3 Other Property Operating Expenses. Operating expenses for the

Property shall be prorated as of midnight of the day prior to the Closing Date.
Prudential shall pay all utility charges and other operating expenses
attributable to the Property to, but not including the Closing Date (except for
those utility charges and operating expenses payable directly by tenants in
accordance with the Leases) and REIT OP shall pay all utility charges and other
operating expenses attributable to the Property on or after the Closing Date.
To the extent that the amount of actual consumption of any utility services is
not determined prior to the Closing Date, a proration shall be made at Closing
based on the last available reading and post-closing adjustments between REIT OP
and Prudential shall be made within twenty (20) days of the date that actual
consumption for such pre-closing period is determined, which obligation shall
survive the Closing and not be merged therein. If any operating expense is
undeterminable at the Closing, then the proration of such expense shall be based
upon the facts available at the Closing and such proration shall be readjusted
between Prudential and REIT OP after the Closing upon presentation of written
evidence that such expense has been conclusively determined and has resulted in
an amount different from the amount used at the Closing to prorate such expense.
Without limiting the foregoing, the parties acknowledge that adjustment may be
required by reason of changes or adjustments made in the annual financial report
of the Manager or an audit thereof pursuant to the provisions of the Management
Agreement. Prudential shall not assign to REIT OP any deposits which Prudential
has with any of the

utility services or companies servicing the Property. REIT OP shall arrange with such services and companies to have accounts opened in REIT OP's name beginning at 12:01 a.m. on the Closing Date. The obligations of the parties to readjust the applicable prorations under this Section shall survive the Closing.

5.4 Closing Costs. REIT OP shall pay all premiums and charges of REIT

OP's Title Insurer for REIT OP's title policy (including endorsements) to be issued pursuant to the Title Commitment, the cost of any survey obtained by Buyer, all recording and filing charges in connection with the deed and other instruments by which Prudential conveys the Property one-half (1/2) of all escrow charges, and any other costs customarily paid by a buyer of similar properties pursuant to local practice. Prudential shall pay all deed excise stamp taxes, all transfer taxes, if any, applicable to the transfer of the Property to REIT OP and any other costs customarily paid by a seller of similar properties pursuant to local practice and one-half (1/2) of all escrow charges. Except as otherwise agreed by the parties, each party shall pay its own attorneys. The obligations of the parties to pay applicable escrow charges shall survive the Closing or any termination of this Agreement.

5.5 Cash Security Deposits. At Closing, Prudential shall give REIT OP a

credit against the Purchase Price in the aggregate amount of the unapplied cash security deposits then held by Prudential under the Leases and any interest thereon (unless assigned to REIT OP pursuant to Section 6.3.3 below) to the

extent the same have not been applied by Prudential prior to the Closing in accordance with the Leases and the terms of Section 13.3 below.

5.6 Apportionment Credit. In the event the apportionments to be made at

the Closing result in a credit balance (i) to REIT OP, such sum shall be paid (at Prudential's option) at the Closing by giving REIT OP a credit against the Purchase Price in the amount of such credit balance or without reduction of the Purchase Price by giving REIT OP a certified or bank check payable to the order of REIT OP, or (ii) to Prudential, REIT OP shall pay the amount thereof to Prudential at the Closing by wire transfer of immediately available United States federal funds to the account or accounts to be designated by Prudential for such purpose prior to Closing.

5.7 Closing Statement. Prudential shall cause its accounting staff

("PRUDENTIAL'S ACCOUNTANTS") to make such inventories, examinations and audits

of the Property, and of the books and records of the pertaining to the Property, as Prudential's Accountants may deem necessary to make the adjustments and prorations required under this Article 5, or under any other provisions of this Agreement. All such adjustments and prorations shall be made in accordance with the provisions of this Agreement and otherwise in accordance with generally accepted accounting practices. REIT OP or its designated representatives may be present at such inventories, examinations and audits. Based upon the results thereof, Prudential's Accountants will prepare and deliver to the parties, no later than four (4) Business Days prior to the Closing, a closing statement (the "CLOSING STATEMENT"), which shall (a) contain Prudential's good faith estimate

of the amounts of the items requiring the prorations and adjustments in accordance with this Agreement and (b) be the basis upon which the prorations

and adjustments provided for herein shall be made at the Closing, except as Prudential and REIT OP shall otherwise agree prior to Closing and except as otherwise provided immediately below. The Closing Statement shall be based on the Purchase Price amounts hereunder and the allocations described in Section

2.4. REIT OP may review and comment on the Closing Statement, and Prudential
- - - -

agrees to give good faith consideration to REIT OP's comments; however, if at the time of Closing there shall be any item or items on any Closing Statement that remain in dispute, (i) the Closing Statement shall reflect Prudential's figures but shall reflect REIT OP's figures in an addendum or footnote(s) to the Closing Statement, (ii) an amount equal to the aggregate difference between the net amounts payable to Prudential using Prudential's figures and using REIT OP's figures shall be retained by REIT OP's Lead Title Insurer after Closing and shall not be paid over to Prudential pending resolution of such dispute (the parties agreeing to enter into appropriate instructions to REIT OP's Lead Title Insurer to hold such funds until directed to release the same by joint order of the parties or upon receipt of a copy of the determination of the Outside Accountants (as defined below) certified by a party hereto), and (iii) if such dispute is not resolved by agreement between the parties within forty-five (45) days after Closing, such dispute shall be resolved in the manner provided in Section 5.8 . Upon resolution of any such dispute (whether by agreement or

pursuant to Section 5.8), each party shall direct REIT OP's Title Insurer to

pay out to the appropriate party or parties the amounts so retained. The Closing Statement shall be binding and conclusive on all parties hereto to the extent of the items covered by the Closing Statement, except (i) as provided immediately above, (ii) where this Agreement expressly provides for further adjustment of such amounts after Closing, and (iii) as otherwise provided in Section 5.8 below.
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5.8 Delayed Adjustment; Disputes. If at any time following the Closing

Date, the amount of an item listed in any section of this Article 5 shall be

subject to adjustment as provided above or shall otherwise prove to be incorrect (whether as a result in an error in calculation or a lack of complete and accurate information as of the Closing), the party in whose favor the error was made shall promptly pay to the other party the sum necessary to correct such error upon receipt of reasonable proof of such error, provided that such proof is delivered to the party from whom payment is requested on or before one (1) year after Closing (or such longer period as is provided for adjustment under this Article 5). It is expressly agreed that the provisions of this Article 5 shall survive the Closing and shall not be merged therein. Without limiting the foregoing, the parties acknowledge that adjustment may be required by reason of changes or adjustments made in the annual financial report of the Manager or an audit thereof pursuant to the provisions of the Management Agreement. Within ten (10) Business Days after receipt of written notice of any such adjustment from one party hereunder to the other party, the party having received any excess credit based on the adjustments made at Closing shall either (i) pay to the other party the amount of such excess credit, or (ii) notify the other party in writing that it disputes the adjustment being claimed. Failure to respond to any such notice of adjustment (if the same shall continue for an additional five (5) Business Days after receipt of a second notice, which second notice shall state that the party has failed to respond within the period required under this Section 5.8 and that continued failure to respond shall be deemed an approval)

shall constitute an approval of the claimed

adjustment. In the case of a dispute, the parties shall attempt to resolve such dispute, but if for any reason such dispute is not resolved within forty-five (45) days after the delivery of the original notice of the claimed adjustment by REIT OP or Prudential, then the parties shall submit such dispute to Arthur Andersen ("OUTSIDE ACCOUNTANTS"), and the determination of the Outside

Accountants shall be made within a period of fifteen (15) days after such submittal. The fees and expenses of the Outside Accountants shall be paid equally by REIT OP and Prudential. At such time as the amount of any adjustment or dispute shall be determined (either by agreement or by determination of the Outside Accountants), any amount that shall be payable by one party to the other as a result of such adjustment or determination shall be paid within ten (10) Business Days after the date on which such agreement or determination shall have been made. Any amounts not paid within such period shall bear interest at a rate equal to the sum of (A) the "Prime Rate" as reported from time to time in the "Money Rates" section of The Wall Street Journal, as published and distributed

in New York, New York, in effect from time to time (herein called the "PRIME RATE") and (B) two percent (2%) per annum, until all such amounts and the interest thereon shall have been paid in full.

5.9 Extension of Closing Date and Purchase Price Adjustment. REIT OP may

elect to extend the Closing Date to a date not later than June 30, 1998 upon written notice to Prudential delivered at least two (2) Business Days prior to the Closing Date. If REIT OP elects to extend the Closing Date under this Section 5.9 to a date later than June 4, 1998, the Purchase Price shall be

increased by Eighteen Thousand Dollars (\$18,000.00) for each day beyond June 4, 1998 through the actual Closing Date adjusted for capital expenditures that are not contemplated to be made by Prudential pursuant to the terms of this Agreement but are required to be made by Prudential during such extended period of ownership; provided, however that the amount of the increase in the Purchase

Price payable under this Section 5.9 shall be reduced by an amount equal to the Offset Amount (as defined in the Contribution Agreement), if the Offset Amount is greater than zero.

ARTICLE 6 - CLOSING

REIT OP and Prudential hereby agree that the Transaction shall be consummated as follows:

6.1 Closing Date. Subject to the parties' rights to extend the Closing as

provided in this Agreement, the Transaction shall close ("CLOSING") on May 21, 1998 (the "CLOSING DATE"). The Closing shall be conducted through the use of an

escrow with REIT OP's Lead Title Insurer under which all conveyance, assignment and other documents and any sums payable in cash by REIT OP hereunder shall be deposited in such escrow, in accordance with reasonable and customary closing instructions jointly given by the parties; provided, that all documents and funds shall be delivered as of the Closing Date. The Closing shall take place at 10:00 a.m. Eastern Time in the offices of Goodwin, Procter & Hoar LLP, Exchange Place, Boston, Massachusetts 02109. REIT OP and Prudential shall conduct a "pre-closing" on the last three (3) Business Days prior to the Closing Date. REIT OP and Prudential, separately or collectively, as appropriate for each item, shall escrow with REIT OP's Lead Title Insurer no

later than two (2) Business Days prior to the Closing Date the fully executed, notarized and recordable Deed (as hereinafter defined) for the Real Property, a bill of sale for the Personal Property, and each of the additional items listed in Sections 6.3 and 6.4, such documents to be held by REIT OP's Lead Title

Insurer pursuant to an escrow letter or letters to be provided by Prudential and REIT OP on or before the Closing Date. In the event that REIT OP or Prudential execute separate escrow instructions, such separate escrow instructions shall constitute separate agreements between REIT OP's Lead Title Insurer on the one hand, and REIT OP or Prudential, as the case may be, on the other hand, and shall not constitute agreements between REIT OP and Prudential. Such separate escrow instructions shall be enforceable only to the extent not inconsistent with this Agreement. Title transfer and delivery of the Purchase Price is to be completed on the Closing Date as set forth in Section 6.1. Time is of the

essence with respect to the Closing Date.

6.2 Title Transfer and Payment of Purchase Price. Provided all conditions

precedent to Prudential's obligations hereunder have been satisfied, Prudential agrees to convey title to the Undivided Interest in the Property to REIT OP by statutory quitclaim deed upon confirmation of receipt by REIT OP's Lead Title Insurer of the Purchase Price. REIT OP's acceptance of such deed shall be deemed to be the full performance and discharge of any and all of Prudential's obligations hereunder, except as expressly set forth in Article 5 and Section

8.3.6. Provided all conditions precedent to REIT OP's obligations hereunder

have been satisfied, REIT OP agrees to deliver the Purchase Price, as specified in Article 2, subject to the closing adjustments described in Article 5, by wire transfer to REIT OP's Lead Title Insurer in accordance with the wiring instructions provided by REIT OP's Lead Title Insurer no later than 12:00 noon Eastern Time on the Closing Date and unconditionally directing REIT OP's Lead Title Insurer to deposit the same in Prudential's designated account in accordance with the wiring instructions provided by Prudential upon receipt of the documents set forth in Section 6.3 and 6.4. Notwithstanding anything to the

contrary contained in this Agreement, Prudential shall have the right to terminate this Agreement at any time if such payment is not timely received on the Closing Date.

6.3 Prudential's Closing Deliveries. At the Closing, Prudential shall

deliver or cause to be delivered to REIT OP or First American Title Insurance Company ("REIT OP's LEAD TITLE INSURER"), as applicable, the following:

6.3.1 Deed. A statutory quitclaim deed with respect to the Property

in the form of EXHIBIT 0-1 attached hereto and incorporated herein by this

reference, conveying to REIT OP the Real Property, subject only to the Permitted Exceptions (the "DEED").

6.3.2 Bill of Sale. A bill of sale in the form of EXHIBIT 0-2

attached hereto and incorporated herein by this reference conveying all of Prudential's right, title and interest in and to the Personal Property (the "BILL OF SALE").

6.3.3 Assignment of Tenant Leases. An assignment and assumption of

tenant leases, in the form of EXHIBIT 0-3 attached hereto and incorporated

herein by this reference

(the "ASSIGNMENT OF LEASES") transferring all of the landlord's interest in the

tenant space leases for the tenants for the Property as identified on EXHIBIT I,

as such list may be modified, amended and updated from time to time prior to
Closing in accordance with the terms of this Agreement (collectively, the
"TENANTS") attached hereto and incorporated herein by this reference and

including any amendments, guarantees and other documents relating thereto,
including, without limitation, all of the New Leases entered into in accordance
with the terms of this Agreement (herein collectively called the "LEASES"),

together with all assignable non-cash security deposits deposited by the Tenants
thereunder (unless adjusted pursuant to Section 5.1.1) and a schedule of all
security deposits.

6.3.4 Assignments of Equipment Leases, Commission Agreements, Service

Contracts, Permit Rights, Warranties, Guaranties and Intangible Property.

(i) Assignment of Equipment Leases and Service Contracts. An

assignment and assumption of the Equipment Leases, Service Contracts
and commission agreements (to the extent the same are not transferred
by the Deed, Bill of Sale or Assignment of Leases or Assignment of
Warranties) executed by Prudential in the form attached hereto as in
the form of EXHIBIT 0-4 attached hereto and incorporated herein by

this reference (the "ASSIGNMENT OF EQUIPMENT LEASES AND SERVICE

CONTRACTS") transferring, to the extent assignable without expense to

Prudential, all of Prudential's interest in the Equipment Leases,
Service Contracts and commission agreements.

(ii) Assignment of Permits, Warranties, Guarantees and Intangible

Property. An assignment and assumption of the Permit Rights,

warranties, guaranties and Intangible Property (to the extent the same
are not transferred by the Deed, Bill of Sale or Assignment of
Equipment Leases and Service Contracts) executed by Prudential in the
form attached hereto as in the form of EXHIBIT 0-5 attached hereto and

incorporated herein by this reference (the "ASSIGNMENT OF WARRANTIES")

transferring, to the extent assignable without expense to Prudential,
all of Prudential's interest in all the Permit Rights, commission
agreements, warranties and guaranties encumbering the Property on the
Closing Date, and the Permit Rights and the Intangible Property.
Prudential shall not be obligated to assign any existing contracts or
policies of insurance for the Property.

6.3.5 Estoppel Letters. Estoppel letters from each of those tenants

identified on EXHIBIT P-1 as "Major Tenants" (the "MAJOR TENANTS") and from a

sufficient number of other tenants (the "OTHER TENANTS") to supply,

collectively, together with the Major Tenants, estoppel certificates from
tenants occupying in the aggregate not less than ninety percent (90%) of the
rentable square feet within the Improvements pursuant to space leases (the
"Minimum Estoppel Requirement"), provided that in no event shall Prudential be
required to obtain estoppel certificates from any licensees, or concessionaires
or other Persons occupying the Property pursuant to anything other than a space
lease. Such estoppel letters shall be dated not

earlier than forty-five (45) days prior to the initially scheduled Closing Date, and shall be substantially in the form of the estoppel letter attached hereto as EXHIBIT P-2 or in the form which such Tenant is required to provide pursuant

to the terms of such Tenant's Lease. REIT OP shall only have the right to reject an estoppel certificate if the Tenant or, in the case of a landlord estoppel delivered by Prudential pursuant to the terms of this Section 6.3.5 below,

Prudential certifies that there is a material default under its Lease or raises a material matter which is inconsistent with its Lease. Notwithstanding anything to the contrary set forth herein, in no event shall a Tenant estoppel letter be rejected on the basis of (i) the Tenant inserting a "best knowledge" limitation therein, or (ii) the Tenant complaining about, asserting a default on account of, or in any way raising matters related to the condition of the roof or curtain wall of the office building known as "101 Huntington." In the event Prudential cannot for any reason obtain a tenant estoppel letter which satisfies the foregoing requirements from a Tenant from whom an estoppel letter is required, Prudential, at its option, may deliver to REIT OP Prudential's (landlord) estoppel letter in the form of the estoppel letter attached hereto as EXHIBIT P-3 which Prudential's estoppel letter shall survive the Closing and

shall be subject to Prudential's limitations on liability as set forth in Section 8.3.7, and in the case of an Other Tenant, expire and be of no further

force or effect on the 365th day following the Closing Date; provided, however,

that if Prudential shall obtain an estoppel certificate from any such Tenant after delivery of such Prudential's estoppel letter, Prudential's (landlord) estoppel letter shall, as of the date of such tenant's estoppel letter, thereafter be without further force or effect. If on the Closing Date Prudential cannot for any reason obtain sufficient tenant estoppel letters to satisfy the Minimum Estoppel Requirement and does not elect to provide substituted landlord estoppel letter(s) as herein provided, then either party may elect to extend the Closing Date by written notice to the other party delivered on or before the Closing Date for such time as is necessary to obtain such additional estoppel letter(s) but in no event shall such extension extend the Closing Date beyond June 30, 1998. In the event Prudential has not received sufficient tenant estoppel letters to satisfy the Minimum Estoppel Requirement on the Closing Date as so extended, then Prudential shall deliver to REIT OP, Prudential's (landlord) estoppel(s) which together with tenant estoppel(s) are necessary to satisfy the Minimum Estoppel Requirement; provided, however, that such

landlord's estoppel letter(s) shall reflect the facts as Prudential understands them to be as of the date of such landlord estoppel letter(s). Any landlord estoppel letter delivered pursuant to the foregoing sentence shall expire and be of no further force or effect on the 545th day following the Closing Date, shall be subject to Prudential's limitations on liability as set forth in Section

8.3.7 and shall become null and void and without further force or effect if

Prudential thereafter obtains and delivers to REIT OP an estoppel certificate from any such tenant reflecting the same facts as contained in such Prudential's estoppel letter.

6.3.6 Notice to Tenants. One (1) fully executed letter in the form

attached hereto as EXHIBIT Q attached hereto and incorporated herein, notifying

all of the Tenants of the transfer of the Property to REIT OP and advising each Tenant that all future payments of rent and other payments due under its respective Lease are to be made to REIT OP at an address designated by REIT OP.

6.3.7 Non-Foreign Status Affidavit. A non-foreign status affidavit in

the form of EXHIBIT R attached hereto and incorporated herein by this reference,

as required by Section 1445 of the Internal Revenue Code.

6.3.8 Evidence of Authority. Documentation to establish to the Title

Company's reasonable satisfaction the due authorization of Prudential's sale of the Property and delivery of the documents to be delivered by it pursuant to this Agreement, and a certificate of an Assistant Secretary of Prudential with respect to the authority to act on behalf of Prudential of the individual executing on behalf of Prudential all documents contemplated by this Agreement.

6.3.9 Prudential's Certificate. The certificate of Prudential in

substantially the form attached hereto as Exhibit S-1 certifying to the matters

set forth in Section 8.2.

6.3.10 Property Documents. (i) To the extent in the possession of

Prudential or any of the Managers, (A) complete copies of the existing certificates of occupancy for the Improvements and (B) complete copies of certificates, licenses, permits, authorizations and approvals issued for or with respect to the Property by governmental and quasi-governmental authorities having jurisdiction; and (ii) complete copies of the Records, all subject to Prudential's access rights thereto as set forth in Section 9.4 below.

6.3.11 Letters of Credit as Tenant Security Deposits. With respect to

any security deposits which are letters of credit, Prudential shall, if the same are assignable, (i) deliver to REIT OP at the Closing such letters of credit, (ii) execute and deliver such other instruments as the issuers of such letters of credit shall reasonably require to assign such letters of credit, and (iii) cooperate with REIT OP to change the named beneficiary under such letters of credit to REIT OP so long as Prudential does not incur any additional liability or expense in connection therewith.

6.3.12 Keys and Original Documents. Keys to all locks at the Property

(in Prudential's and/or Prudential's building managers' possession) and originals or, if originals are not available, copies, of the Leases and the service contracts encumbering the Property on the Closing Date.

6.3.13 Intentionally Omitted.

6.3.14 Intentionally Omitted.

6.3.15 Other Documents. Such other documents as may be reasonably

required by REIT OP's Title Insurer or as may be agreed upon by Prudential and REIT OP to consummate the Transaction or as may otherwise be required by the express terms of this Agreement.

6.3.16 Appurtenant Easement Estoppels. Estoppels from the Sheraton

Boston Hotel Trust and the owner of the shopping center known as "Copley Place" which Prudential has been able to obtain pursuant to Section 9.2.6; provided, however, that in no event shall receipt of any such estoppels, nor approval of the content of any such estoppels, be a condition to REIT OP's obligation to consummate the Transaction.

6.3.17 Contract Terminations. Evidence of the termination of the

Management Agreement and any other of the Service Contracts which REIT OP has not elected to accept pursuant to Section 12.1.

6.3.18 Naming Rights Agreement. The Naming Rights Agreement executed

by Prudential and any documents contemplated thereunder, including, without limitation, the Prudential Center Tower Sign Lease attached hereto as EXHIBIT K-2.

6.3.19 Development Rights Joint Venture Agreement. The Development

Rights Joint Venture Agreement executed by Prudential.

6.3.20 BRA Notification. Evidence of notification of the BRA of the

transfer of rights under the applicable agreements evidencing the Development Rights, including, any required BRA determination of applicable security for the obligations thereunder.

6.3.21 Work In Progress. Evidence in the form set forth on Exhibit Y

of completion of the work in progress described on Exhibit Y

6.3.22 Contribution Agreement. All of the closing deliveries required

under the Contribution Agreement.

6.3.23 Letter of Credit. The Letter of Credit.

6.3.24 Convention Center. Either a certificate from Prudential in

substantially the form attached hereto as EXHIBIT CC or an update and

restatement of the Agreement by and Between Prudential and Massachusetts Convention Center Authority dated June 27, 1991, which conforms to the certification set forth in EXHIBIT CC; provided, however, that if Prudential

delivers the certificate set forth in EXHIBIT CC at the Closing, and thereafter

obtains such update and restatement, Prudential's certificate shall, as of the date of such update and restatement, thereafter be without further force or effect.

6.4 REIT OP Closing Deliveries. At the Closing, REIT OP shall deliver or cause to be delivered to Prudential the following:

6.4.1 Partnership Amendment. Two (2) counterparts of the Partnership Amendment duly executed by REIT OP.

6.4.2 Registration Rights Agreement. The Registration Rights Agreement for the benefit of Prudential and duly executed by REIT OP.

6.4.3 Assignment of Leases. The Assignment of Leases executed and acknowledged by REIT OP.

6.4.4 Assignment of Equipment Leases, Commission Agreements, Service Contracts, Permit Rights, Warranties, Guaranties and Intangible Property.

(i) Assignment of Equipment Leases and Service Contracts. The Assignment of Equipment Leases and Service Contracts executed and acknowledged by REIT OP, all as more particularly set forth in Section 6.3.4 above.

(i) Assignment of Warranties. The Assignment of Warranties executed and acknowledged by REIT OP, all as more particularly set forth in Section 6.3.4 above.

6.4.5 REIT OP's Certificates. REIT OP's As-Is Certificate and Waiver and Indemnity Agreement in the form attached hereto as EXHIBIT N and REIT OP's Closing Certificate in the form attached hereto as EXHIBIT S-1.

6.4.6 Assignment of Leases. The Assignment of Leases executed by REIT OP.

6.4.7 Evidence of Authority. Documentation to establish to Prudential's reasonable satisfaction the due authorization of REIT OP's acquisition of the Property and REIT OP's delivery of the documents required to be delivered by REIT OP pursuant to this Agreement (including, but not limited to, the Partnership Agreement and the organizational documents of the Company, as they may have been amended from time to time, resolutions of the Company and incumbency certificates of the Company.

6.4.8 Other Documents. Such other documents as may be reasonably required by REIT OP's Lead Title Insurer or may be agreed upon by Prudential and REIT OP to consummate the Transaction or as may otherwise be required by the express terms of this Agreement.

6.4.9 Naming Rights Agreement. The Naming Rights Agreement executed by REIT OP.

6.4.10 Development Rights Joint Venture Agreement. The Development Rights Joint Venture Agreement executed by REIT OP.

6.4.11 Tax Protection Agreement. Two (2) counterparts of a tax

protection agreement or other documentation satisfactory to Prudential
documenting the agreements referred to in Section 2.5 above, executed by REIT

OP.

6.5 Delivery of Deed. Effective upon delivery of the Deed, actual and

exclusive possession of the Property (subject only to the Permitted Exceptions)
and risk of loss to the Property shall pass from Prudential to REIT OP.

ARTICLE 7 - CONDITIONS TO CLOSING

7.1 Conditions Precedent to Obligations of Prudential. Prudential's

obligation to close the Transaction is conditioned on satisfaction of all of the
following, any or all of which may be waived by Prudential by an express written
waiver, at its sole option:

7.1.1 Intentionally Omitted.

7.1.2 Representations True; Performance of Covenants. All

representations and warranties made by REIT OP in this Agreement shall be true
and correct in all material respects on and as of the Closing Date, as if made
on and as of such date except to the extent they expressly relate to an earlier
date and REIT OP shall have complied in all material respects with all
agreements required to be performed by it hereunder at or prior to the Closing
Date.

7.1.3 REIT OP's Deliveries Complete. REIT OP shall have delivered all

of the documents to be executed by REIT OP set forth in Section 6.4 and shall

have performed all other covenants, undertakings and obligations in all material
respects, and complied with all conditions required by this Agreement, to be
performed or complied with by REIT OP at or prior to the Closing.

7.1.4 Opinion of REIT OP's Counsel. On the Closing Date, Prudential

shall have received an opinion of Wachtel Lipton Rosen & Katz and/or Goulston &
Storrs, counsel for REIT OP, dated as of the Closing Date, in form and substance
reasonably satisfactory to Prudential regarding the due organization and
authority of REIT OP and its general partner, the due execution and delivery of
this Agreement and the other Transaction Documents, the ability of REIT OP and
its general partner to consummate the Transaction and to perform their
respective obligations under this Agreement and the other Transaction Documents.

7.1.5 Contribution Agreement Conditions. There shall be no default by

REIT OP under the Contribution Agreement and all of the conditions to Closing
set forth in the Contribution Agreement shall have been satisfied.

7.1.6 REIT OP Closing Certificate. At the Closing Date, Prudential

shall have received a certificate, dated the Closing Date, signed by an
authorized officer of the general

partner of REIT OP in such capacity and not individually to the effect set forth in Subsection 7.1.2, and stating that the conditions specified in this Section

7.1 have been satisfied at the Closing Date.

7.1.7 General Partner's Officers' Certificate/Incumbency. At the

Closing Date, Prudential shall have received a certificate, dated the Closing Date, signed by the Secretary or an Assistant Secretary of the general partner of REIT OP in such capacity and not individually and certifying (i) that attached thereto is a true, correct and complete copy of (A) its articles of organization, (B) its bylaws and (C) resolutions duly adopted by the Board of Directors of the general partner of REIT OP authorizing the execution and delivery of the documents relating to the transaction contemplated by this Agreement, including, without limitation, the execution and delivery of the Partnership Amendment and the issuance of the Units (collectively, the "TRANSACTION") and (ii) the incumbency of officers executing this Agreement and

the other documents relating to the Transaction.

7.1.8 Transaction Not Prohibited. No Law or Order shall have been

enacted, entered, issued, promulgated or enforced by any Governmental Entity which prohibits or restricts the transactions contemplated by this Agreement. No Governmental Entity shall have notified any party to this Agreement that consummation of the transactions contemplated by this Agreement would constitute a violation of any Law of any jurisdiction or that it intends to commence proceedings to restrain or prohibit such transactions or force divestiture or rescission, unless such Governmental Entity shall have withdrawn such notice and abandoned any such proceedings prior to the time which otherwise would have been the Closing Date.

7.1.9 Other Approvals. All approvals set forth in Schedule 8.1.7

shall have been received or the applicable waiting periods shall have expired.

7.1.10 Financing Structure. The terms of the financing of the

Transaction reflected on the Term Sheet attached hereto as Exhibit U shall be reflected in the Transaction Documents and such other documents as REIT OP may enter into in order to finance the Transaction.

7.2 Conditions Precedent to Obligations of REIT OP. REIT OP's obligation

to close the Transaction is conditioned on satisfaction of all of the following, any or all of which may be waived by REIT OP by an express written waiver, at its sole option:

7.2.1 Representations True; Performance of Covenants. All

representations and warranties made by Prudential in this Agreement shall be true and correct in all material respects on and as of the Closing Date, as if made on and as of such date except to the extent that they expressly relate to an earlier date and Prudential shall have complied in all material respects with all agreements required to be performed by it hereunder at or prior to the Closing Date and Prudential shall have provided such evidence thereof as REIT OP may reasonably request.

7.2.2 Prudential Closing Certificate. At the Closing Date, REIT OP

shall have received a certificate, dated the Closing Date, signed by an authorized officer of Prudential in such capacity and not individually to the effect set forth in Subsection 7.2.1, and stating that the conditions specified

in this Section 7.2 have been satisfied at the Closing Date.

7.2.3 Title Conditions Satisfied. At the time of the Closing, REIT

OP's Title Insurer shall be prepared to issue an owner's policy of title insurance in the form of the Stewart Commitment as modified by REIT OP's Title Insurer in accordance with the terms of Section 3.2 prior to the execution of

this Agreement, including such endorsements and other coverages as REIT OP may have negotiated with REIT OP's Title Insurer prior to the execution of this Agreement.

7.2.4 Prudential's Deliveries Complete. Prudential shall have

delivered all of the documents and other items required pursuant to Section 6.3

and shall have performed all other covenants, undertakings and obligations in all material respects, and complied with all conditions required by this Agreement, to be performed or complied with by Prudential at or prior to the Closing.

7.2.5 Transaction Not Prohibited. No Law or Order shall have been

enacted, entered, issued, promulgated or enforced by any Governmental Entity which prohibits or restricts the transactions contemplated by this Agreement. No Governmental Entity shall have notified any party to this Agreement that consummation of the transactions contemplated by this Agreement would constitute a violation of any Law of any jurisdiction or that it intends to commence proceedings to restrain or prohibit such transactions or force divestiture or rescission, unless such Governmental Entity shall have withdrawn such notice and abandoned any such proceedings prior to the time which otherwise would have been the Closing Date.

7.2.6 Prudential Authorization. At the Closing, REIT OP shall have

received a certificate, dated the Closing Date, signed by an officer of Prudential in such capacity and not individually to the effect set forth in Subsection 8.2.1 and certifying that Prudential has received all necessary

internal approvals and authorizations necessary in connection with its acquisition of the Units to be issued to Prudential pursuant to this Agreement.

7.2.7 Site Survey Approval. Evidence of Massachusetts Land Court (the

"LAND COURT") and, to the extent required, the City of Boston approval of the

Site Survey sufficient for the Deed to be registered with the Land Court (the "SITE SURVEY APPROVAL").

7.2.8 Building Code Variances. A variance from any violations of the

Massachusetts Building Code created by the subdivision of the Land from the remaining portion of the Prudential Center (the "BUILDING CODE VARIANCE").

7.2.9 Contribution Agreement Conditions. There shall be no default by

Prudential under the Contribution Agreement and all of the conditions to Closing set forth in the Contribution Agreement shall have been satisfied.

7.3 Waiver of Failure of Conditions Precedent. At any time or times on or

before the date specified for the satisfaction of any condition, Prudential or REIT OP may elect in writing to waive the benefit of any such condition set forth in Section 7.1 or Section 7.2, respectively. By closing the Transaction,

(i) Prudential shall be conclusively deemed to have waived the benefit of any remaining unfulfilled conditions set forth in Section 7.1, and (ii) REIT OP

shall be conclusively deemed to have waived the benefit of any remaining unfulfilled conditions set forth in Section 7.2. Subject to Prudential's right

to extend the Closing as provided under this Agreement, in the event any of the conditions set forth in Sections 7.1 or 7.2, respectively, are neither waived

nor fulfilled by the Closing Date, REIT OP or Prudential (as appropriate) may terminate their obligations to perform at the Closing and otherwise under this Agreement in accordance with the provisions of Article 10.

7.4 Closing Date Extension. If as of the Closing Date, (i) the Site

Survey Approval is not obtained or (ii) an outstanding appeal has been taken from the Building Code Variance, then either party may elect to extend the Closing Date by written notice to the other party delivered at least two (2) Business Days prior to the Closing Date, for such time as is necessary to obtain the Site Survey Approval or resolve any outstanding appeal taken from the Building Code Variance but in no event shall such extension extend the Closing Date beyond June 30, 1998. Subject to the foregoing, if the Site Survey Approval has not been obtained or any outstanding appeal from the Building Code Variance nor been resolved to the mutual satisfaction of Prudential and REIT OP, by the Closing Date as so extended and both parties do not mutually agree to proceed to close the Transaction, then Prudential shall promptly return the Letter of Credit to REIT OP and upon such return, this Agreement shall terminate and neither party shall have any further rights or obligations hereunder other than any arising under any Section herein which expressly provides that it shall survive the termination of this Agreement.

ARTICLE 8 - REPRESENTATIONS AND WARRANTIES

8.1 REIT OP's Representations. REIT OP represents and warrants to, and

covenants with, Prudential as of the date hereof as follows:

8.1.1 Organization, Good Standing and Authority. REIT OP is a limited

partnership and the Company is a corporation, each of which is duly organized, validly existing and in good standing under the laws of their respective states of organization, is duly qualified to do business in all jurisdictions where such qualification is necessary to carry on its business as now conducted, except where failure to do so would not have a Material Adverse Effect, and is duly qualified or in the process of becoming duly qualified in the Commonwealth of Massachusetts, and each of REIT OP and the Company is authorized to consummate the transactions contemplated hereby and fulfill all of their respective obligations hereunder and under all documents contemplated hereunder to be executed by REIT OP and/or the Company, and has all necessary power to execute and deliver this Agreement and all documents contemplated hereunder to be executed by REIT OP and/or the Company, and to perform all of

their respective obligations hereunder and thereunder. REIT OP has delivered to Prudential true, correct and complete copies of the Partnership Agreement, its certificate of limited partnership, the certificate of incorporation of the Company and the bylaws of the Company.

8.1.2 REIT OP's Authorization and Binding Effect. This Agreement has,

and all documents contemplated hereunder to be executed by REIT OP and/or the Company when executed and delivered will have, been duly authorized by all requisite partnership or corporate action on the part of REIT OP and the Company and are, or will upon execution and delivery, as applicable, the valid and legally binding obligation of REIT OP and the Company, as the case may be, enforceable in accordance with their respective terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights generally and to general principles of equity. Neither the execution and delivery of this Agreement and all documents contemplated hereunder to be executed by REIT OP or the Company, nor the performance of the obligations of REIT OP or the Company hereunder or thereunder will result in the violation of any provision of the Partnership Agreement or the articles of organization or bylaws of the Company, or will conflict with any order or decree of any court or governmental instrumentality of any nature by which REIT OP or the Company is bound.

8.1.3 Intentionally Omitted.

8.1.4 Conflicting Agreements and Other Matters. Neither REIT OP nor

any Affiliate of REIT OP is a party to any contract or agreement or subject to any articles of incorporation or other corporate restriction compliance with which could reasonably be expected to have a Material Adverse Effect. Neither the execution and delivery of the documents relating to the Transaction nor fulfillment of nor compliance with the terms and provisions thereof, nor the issuance of the Units to be issued to Prudential pursuant to this Agreement will (i) to REIT OP's knowledge violate any provision of any Law presently in effect or in effect at the Closing Date having applicability to REIT OP or the Company of REIT OP or any of their properties including, without limitation, to, the Property, except such violations as could not reasonably be expected to have a Material Adverse Effect, (ii) conflict with or result in a breach of or constitute a default under the Charter or Bylaws or any other organizational document of either REIT OP or the Company, (iii) except as set forth in Schedule

8.1.4, require any consent, approval or notice under, or conflict with or result

in a breach of, constitute a default or accelerate any right under, any note, bond, mortgage, license, indenture or loan or credit agreement, or any other agreement or instrument, to which REIT OP or the Company is a party or by which any of their respective properties is bound, except such consents, approvals, notices, conflicts, breaches or defaults as could not reasonably be expected to have a Material Adverse Effect or (iv) result in, or require the creation or imposition of, any mortgage, lien, pledge, encumbrance, charge or security interest of any kind (each individually a "LIEN" and collectively referred to as

"LIENS") upon or with respect to any of the properties now owned or hereafter

acquired by REIT OP or the Company. Neither REIT OP nor any Affiliate of REIT OP is bound by any agreement which would impose upon Prudential any personal obligation or personal liability which is greater than the

personal obligations and personal liabilities imposed upon Prudential under this Agreement and the Registration Rights Agreement to be entered into by REIT OP and Prudential. In addition, REIT OP is not aware of any facts or circumstances that, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.

8.1.5 Litigation, Proceeding, etc. There is no action, suit, notice

of violation, proceeding or investigation pending or, to the best knowledge of REIT OP, threatened against or affecting REIT OP or the Company or any of their respective properties before or by any Governmental Entity which (i) challenges the legality, validity or enforceability of any of the documents relating to the Transaction or (ii) could (individually or in the aggregate) reasonably be expected to have a Material Adverse Effect or (iii) would (individually or in the aggregate) impair the ability of REIT OP to perform fully on a timely basis any obligations which it has under any of the documents relating to the Transaction.

8.1.6 No Default or Violation. Neither REIT OP nor the Company has

received written notice that it is (i) in default under or in violation of any indenture, loan or credit agreement or any other agreement or instrument to which it is a party or by which it or any of its properties is bound, except such defaults or violations as could not reasonably be expected to have a Material Adverse Effect, (ii) in violation of any Order of any Governmental Entity, except for such violations as could not reasonably be expected to have a Material Adverse Effect, or (iii) in violation of any law which could reasonably be expected to (A) adversely affect the legality, validity or enforceability of the documents relating to the Transaction, (B) have a Material Adverse Effect or (C) adversely impair REIT OP's ability or obligation to perform fully on a timely basis any obligation which it has under the documents relating to the Transaction.

8.1.7 Governmental Consents, etc. Except as may be required under any

applicable securities law in connection with the performance by REIT OP of its obligations under the Registration Rights Agreement, and assuming the accuracy of the representations and warranties of, and the performance of the agreements of, Prudential set forth herein, no authorization, consent, approval, waiver, license, qualification or formal exemption from, nor any filing, declaration, qualification or registration with, any Governmental Entity or any securities exchange is required in connection with the execution, delivery or performance by REIT OP of this Agreement and the issuance of the Units to be Prudential pursuant to this Agreement except for those that (i) have been made or obtained by REIT OP as of the date hereof or (ii) are set forth in Schedule 8.1.7 and by

the Closing shall be made or received by REIT OP. At the Closing Date, REIT OP will have made all filings and given all notices to Governmental Entities and obtained all necessary ordinances, registrations, declarations, approvals, orders, consents, qualifications, franchises, certificates, permits and authorizations from any Governmental Entity, to own or lease its properties and to conduct its Property and businesses as currently conducted, except where failure to do so could not reasonably be expected to have a Material Adverse Effect. At the Closing Date, all such registrations, declarations, approvals, orders, consents, qualifications, franchises, certificates, permits and authorizations, the failure of which to file, give notice of or obtain could reasonably be

expected to have a Material Adverse Effect, will be in full force and effect. The assets of REIT OP qualify as exempt assets for purposes of the Hart-Scott-Rodino Act and no filing under the Hart-Scott-Rodino Act is required in connection with the issuance of the Units to be Prudential pursuant to this Agreement.

8.1 Intentionally Omitted.

8.1.9 Insurance. At Closing, REIT OP or its affiliated title holding

entities will have (i) with respect to each property owned by REIT OP (including, without limitation, the Property), "all risk" property insurance, including fire, flood, extended coverage (but excluding earthquake) and rental loss insurance and (ii) with respect to REIT OP, and each property owned by REIT OP (including, without limitation, the Property), commercial general liability insurance, in each case under such terms and in such amounts and covering such risks that are customary for properties and businesses similar to those of REIT OP and any Affiliates of REIT OP as reasonably determined by REIT OP. There are currently no outstanding material losses for which REIT OP or any Affiliate of REIT OP has failed to give or present notice or claim under any policy which would have a Material Adverse Effect. Policies for all the insurance are in full force and effect and none of REIT OP or any Affiliates of REIT OP is in default in any material respect under any of the policies.

8.1.10 Information Provided. Neither this Agreement, the schedules and

exhibits hereto, nor any other written document delivered to Prudential in connection with the transactions contemplated hereby contain any untrue statement of a material fact or omit any material fact necessary to make the statements herein or therein, as the case may be, in light of the circumstances under which it was made, not misleading, and all material information regarding REIT OP and all Affiliates of REIT OP is provided therein or in the SEC Documents referred to in Section 8.1.14 below.

8.1.11 No Other Liabilities. Except as set forth in Schedule 8.1.11,

neither REIT OP nor the Company will have any material liability, whether absolute, accrued, contingent or otherwise, except liabilities (i) reflected on the consolidated balance sheet of REIT OP and the Company as of September 30, 1997, or (ii) liabilities that (1) are incurred by REIT OP or the Company after September 30, 1997 in the ordinary course of business and (2) could not reasonably be expected to have a Material Adverse Effect.

8.1.12 Intentionally Omitted.

8.1.13 Compliance with Laws. Neither REIT OP nor the Company has been

in or is in, and none of them has received written notice of, violation of or default with respect to, any law or any decision, ruling, order or award of any arbitrator applicable to it or its business, properties or operations, except for violations or defaults that, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

8.1.14 Intentionally Omitted.

8.1.15 Intentionally Omitted.

8.1.16 Intentionally Omitted.

8.1.17 Certain Actions by REIT OP. REIT OP has not: (i) made a general

assignment for the benefit of creditors; (ii) filed any voluntary petition in bankruptcy or suffered the filing of any involuntary petition by REIT OP's creditors; (iii) suffered the appointment of a receiver to take possession of all or substantially all of REIT OP's assets, (iv) suffered the attachment or other judicial seizure of all, or substantially all, of REIT OP's assets, (v) admitted in writing REIT OP's inability to pay its debts as they come due; or (vi) made an offer of settlement, extension, or composition to its creditors generally.

Anything in this Agreement to the contrary notwithstanding, (i) REIT OP shall only be liable to Prudential hereunder for a breach of a representation and warranty made herein or in any Transaction Document where the actual direct damages to Prudential for all breaches of representations and warranties of REIT OP made herein or in any other Transaction Document, in the aggregate, when taken together with all other breaches of representations and warranties exceeds \$600,000, and (ii) the maximum aggregate liability of REIT OP, and the maximum aggregate amount which may be awarded to and collected by Prudential, for all breaches of representations and warranties of REIT OP made herein or in any other Transaction Document shall not exceed the lesser of (A) the actual, direct damages proximately caused by any such material breaches of representations and warranties of REIT OP, and (B) Twenty Million Dollars (\$20,000,000.00).

All references in this Agreement to "REIT OP'S KNOWLEDGE" or words of similar

import shall refer to the knowledge of Edward H. Linde, Douglas T. Linde, David G. Gaw and Frederick J. DeAngelis. There shall be no personal liability on the part of the foregoing individuals arising out of any representations or warranties made herein. All representations and warranties of REIT OP in this Agreement shall be true and correct in all material respects on and as of the Closing as if such representations and warranties were made on and as of the Closing Date (subject to revisions to reflect changed circumstances or knowledge obtained between execution of the Agreement and the Closing). The representations and warranties contained in Article 8 and in the certificates

delivered by REIT OP pursuant to Section 6.3.6, and limitations on liability

associated therewith, shall survive the Closing and the execution and delivery of the Deed until the three hundred and sixty-fifth (365th) day following the Closing Date, and no action based thereon shall be commenced after such three hundred and sixty-fifth (365th) day provided that, if written notice asserting a claim for breach of any such representation or warranty shall have been given to REIT OP prior to the expiration of such three hundred and sixty-five (365) day period and an action based thereon shall have been commenced prior to the second anniversary of the Closing Date, such representation and warranty and any right to indemnification for breach thereof, shall survive, to the extent as such claim only, until such claim is resolved. The indemnification and other agreements of the parties set forth herein which expressly provide that they shall survive the Closing or the earlier termination of this Agreement shall not expire, except as specifically set forth in those

Sections. Any rights a party may have in the event such party terminates this Agreement pursuant to the terms hereof shall survive such termination.

8.2 Prudential's Representations. Prudential represents and warrants to

REIT OP as of the date hereof as follows:

8.2.1 Prudential's Authorization. Prudential is (a) duly organized,

validly existing and in good standing under the laws of the State of New Jersey and is qualified to do business in the Commonwealth of Massachusetts, (b) authorized to consummate the Transaction and fulfill all of its obligations hereunder and under all documents contemplated hereunder to be executed by Prudential, and (c) has all necessary power to execute and deliver this Agreement and all documents contemplated hereunder to be executed by Prudential and to perform its obligations hereunder and thereunder. This Agreement and all documents contemplated hereunder to be executed by Prudential have been duly authorized by all requisite corporate action on the part of Prudential and are the valid and legally binding obligation of Prudential enforceable in accordance with their respective terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights generally and to general principles of equity. Neither the execution and delivery of this Agreement and all documents contemplated hereunder to be executed by Prudential nor the performance of the obligations of Prudential hereunder or thereunder will result in the violation of any provision of the Articles of incorporation and by-laws of Prudential or will conflict with any order or decree of any court or governmental instrumentality of any nature by which Prudential is bound.

8.2.2 Intentionally Omitted.

8.2.3 Intentionally Omitted.

8.2.4 Intentionally Omitted.

8.2.5 Intentionally Omitted.

8.2.6 Other Agreements. Prudential has not entered into any currently

effective agreement to sell, contribute, transfer or otherwise dispose of all or any portion of its interests in and to the Property other than this Agreement and the Contribution Agreement.

8.2.7 Other Prudential Representations. To Prudential's knowledge (as

such term is hereinafter defined):

(a) Except as listed in EXHIBIT W attached hereto and

incorporated herein by this reference, (i) Prudential has not received any written notice of any threatened litigation, claim, condemnation, administrative proceeding, or special assessment against Prudential or the Property which would, if determined adversely to Prudential, materially and adversely affect the Property or the operation thereof, and (ii) there is not pending any

litigation, suit, claim, arbitration, condemnation, administrative proceeding, or special assessment, which would, if determined adversely to Prudential, materially and adversely affect the Property or the operation thereof.

(b) The list of Management Agreements set forth on Exhibit H

and Service Contracts set forth on Exhibit V is a complete list of all such

agreements and any amendments thereto affecting the Property, and the list of
Equipment Leases set forth on Exhibit E is a complete list of all equipment

leases affecting the Property. Prudential has delivered to REIT OP true and
complete copies of all Management Agreements, Service Contracts and Equipment
Leases.

(c) Prudential has not sent nor received any written notice of
default under the terms of any of the Management Agreements, Service Contracts
or Equipment Leases, Leases or easements appurtenant to or burdening the Real
Property except as noted on the respective Exhibits listing such agreement,
contract or lease. Prudential has not received any written of default under the
terms of any easement appurtenant to or burdening the Real Property.

(d) As of the date of this Agreement, the only tenants of the
Property are the respective Tenants (which include licensees and concessionaires
occupying the Property) listed in Exhibit I attached hereto and incorporated

herein by this reference and as of the date of this Agreement, and the only
leases licenses, concession agreements or occupancy agreements affecting the
Property are the respective Leases, licenses, concession agreements and
occupancy agreements listed in Exhibit I. Prudential has delivered to REIT OP

true and complete copies of all Leases, licenses, concession agreements and
occupancy agreements listed in Exhibit I .

(e) As of the date hereof, there are no leasing commissions due
in connection with any Lease or occupancy agreement affecting the Property that
have not been paid in full prior to the date hereof, except for those (if any)
indicated on any of Exhibit I with respect to particular leases shown thereon.

(f) Prudential owns all the Supplies and the Equipment except
for the equipment leased by Prudential or the Manager under the equipment leases
described in Exhibit J attached hereto and incorporated herein by this

reference, and such Equipment together with the equipment leased by Prudential
under the equipment leases described in Exhibit J, is all of the equipment used

by Prudential to operate the Property.

(g) Prudential has received no written notice from any
Governmental Entity of any violation of any laws, ordinances or regulations
applicable to any of the Property that has not been corrected as of the date
hereof except as set forth on Exhibit W hereto.

(h) There is no proceeding pending or threatened by or against
Prudential under the United States Bankruptcy Code.

8.3 General Provisions.

8.3.1 No Liability for Known Facts. Neither party shall have any

liability in connection with this Agreement by reason of an inaccuracy of a representation or warranty, if and to the extent that such inaccuracy is in fact known by the other party at the time of the Closing and such other party elects, nevertheless, to consummate the Transaction.

8.3.2 No Representation As to Leases. Prudential does not represent

or warrant that any particular Lease or Leases will be in force or effect on the Closing Date or that the tenants will have performed their obligations thereunder.

8.3.3 Definition of "Prudential's Knowledge". All references in this

Agreement to "PRUDENTIAL'S KNOWLEDGE" or words of similar import shall refer

only to the actual knowledge of David A. Raszmann (the "DESIGNATED EMPLOYEE")

and shall not be construed to refer to the knowledge of any other officer, agent or employee of Prudential or any affiliate thereof, or, except as to oral inquiry of Richard Heidelberger and Steve Hall, employees of the Manager as to the matters set forth in Section 8.2.1, to impose or have imposed upon the Designated Employee any duty to investigate the matters to which such knowledge, or the absence thereof, pertains, including, but not limited to, the contents of the files, documents and materials made available to or disclosed to REIT OP or the contents of files maintained by the Designated Employee. There shall be no personal liability on the part of the Designated Employee arising out of any representations or warranties made herein.

8.3.4 Representations Deemed Modified. To the extent that REIT OP

knows or is deemed to know prior to the execution of this Agreement that Prudential's representations and warranties are inaccurate, untrue or incorrect in any way, such representations and warranties shall be deemed modified to reflect REIT OP's knowledge or deemed knowledge, as the case may be. For purposes of this Agreement, REIT OP shall be "deemed to know" that a representation or warranty was untrue, inaccurate or incorrect to the extent that this Agreement, the Documents, any estoppel certificate executed by any tenant of the Property and delivered to REIT OP, or any studies, tests, reports, or analyses prepared by or for REIT OP or any of its employees, agents, representatives or attorneys (all of the foregoing being herein collectively called the "REIT OP'S REPRESENTATIVES") or otherwise obtained by REIT OP or REIT

OP's Representatives contains information which is inconsistent with such representation or warranty. To the extent that Prudential knows or is deemed to know prior to the execution of this Agreement that REIT OP's representations and warranties are inaccurate, untrue or incorrect in any way, such representations and warranties shall be deemed modified to reflect Prudential's knowledge or deemed knowledge, as the case may be.

8.3.5 Notice of Breach; Right to Cure. If after the date hereof but

prior to the Closing, REIT OP or any REIT OP's Representative, on the one hand, or Prudential, on the other hand obtains actual knowledge that any of the representations or warranties made herein by the other party to this Agreement are untrue, inaccurate or incorrect in any material respect, such party shall give the other party written notice thereof within five (5) Business Days of

obtaining such knowledge (but, in any event, prior to the Closing). If at or prior to the Closing, either party obtains knowledge that any of the representations or warranties made herein by it are untrue, inaccurate or incorrect in any material respect, it shall give the other party hereto written notice thereof within five (5) Business Days of obtaining such knowledge (but, in any event, prior to the Closing). In either such event, the breaching party shall have the right to cure such misrepresentation or breach and shall be entitled to a reasonable adjournment of the Closing (not to exceed ninety (90) days) for the purpose of such cure. If the breaching party is unable to so cure any misrepresentation or breach, then the non-breaching party, as its sole remedy for any and all such materially untrue, inaccurate or incorrect material representations or warranties, shall elect either (a) to waive such misrepresentations or breaches of warranties and consummate the Transaction and, in the case of a breach by Prudential, without any reduction of or credit against the Purchase Price, or (b) to terminate this Agreement by written notice given to the non-breaching on the Closing Date, in which event this Agreement shall be terminated, and, thereafter, neither party shall have any further rights or obligations hereunder except as provided in any section hereof that by its terms expressly provides that it survives any termination of this Agreement. If any such representation or warranty is untrue, inaccurate or incorrect but is not untrue, inaccurate or incorrect in any material respect, REIT OP shall be deemed to waive such misrepresentation or breach of warranty, and REIT OP shall be required to consummate the Transaction without any reduction of or credit against the Purchase Price.

8.3.6 Survival. The representations and warranties contained in

Article 8 and in the certificate delivered by Prudential pursuant to Section

6.4.6, and limitations on liability associated therewith, shall survive the

Closing and the execution and delivery of the Deed until the three hundred and sixty-fifth (365th) day following the Closing Date, and no action based thereon shall be commenced after such three hundred and sixty-fifth (365th) day provided that, if written notice asserting a claim for breach of any such representation or warranty shall have been given to Prudential prior to the expiration of such three hundred and sixty-five (365) day period and an action based thereon shall have been commenced prior to the second anniversary of the Closing Date, such representation and warranty and any right to indemnification for breach thereof, shall survive, to the extent as such claim only, until such claim is resolved. The indemnification and other agreements of the parties set forth herein which expressly provide that they shall survive the Closing or the earlier termination of this Agreement shall not expire, except as specifically set forth in those Sections. Any rights a party may have in the event such party terminates this Agreement pursuant to the terms hereof shall survive such termination.

8.3.7 Limitation on Prudential's Liability. Anything in this

Agreement to the contrary notwithstanding, (i) Prudential shall only be liable to REIT OP hereunder for a breach of a representation and warranty made herein or in any Transaction Document, including, without limitation, an estoppel certificate delivered by Prudential pursuant to Section 6.3.5, where the actual

direct damages to REIT OP for all breaches of representations and warranties of Prudential made herein or in any other Transaction Document, in the aggregate when taken together with all other breaches of representations and warranties exceeds \$600,000, and

(ii) the maximum aggregate liability of Prudential, and the maximum aggregate amount which may be awarded to and collected by REIT OP, for all breaches of representations and warranties of Prudential made herein or in any other Transaction Document, including, without limitation, an estoppel certificate delivered by Prudential pursuant to Section 6.3.5, shall not exceed the lesser

of (A) the actual, direct damages proximately caused by any such material breaches of representations and warranties of Prudential, and (B) Twenty Million Dollars (\$20,000,000.00).

ARTICLE 9 - COVENANTS

9.1 REIT OP's Covenants. REIT OP hereby covenants as follows:

9.1.1 Confidentiality. REIT OP acknowledges that any information

furnished to REIT OP with respect to the Property has been provided pursuant to that certain confidentiality Agreement between REIT OP and Prudential dated July 25, 1997 and REIT OP shall honor its obligations under, and otherwise comply with each of the terms of, such confidentiality agreement. The provisions of this Section 9.1.1 shall survive any termination of this Agreement.

9.1.2 Approvals not a Condition to REIT OP's Performance. REIT OP

acknowledges and agrees that its obligation to perform under this Agreement is not contingent upon REIT OP's ability to obtain any (a) governmental or quasi-governmental approval of changes or modifications in use or zoning, or (b) modification of any existing land use restriction, (c) except as provided in Sections 7.2.5, 7.2.7 and 7.2.8, governmental or quasi-governmental approval to

the Transaction, (d) consents to assignments of any service contracts, management agreements or other agreements which REIT OP requests, or (e) endorsements to any REIT OP's Title Commitment other than those which REIT OP's Title Insurer shall commit in writing to issue to REIT OP (either unconditionally, or upon conditions consistent with the provisions of Sections

3.3 and 6.3 hereof or otherwise acceptable to Seller).

9.1.3 REIT OP's Indemnity; Delivery of Reports. REIT OP hereby agrees

to indemnify, defend, and hold Prudential, its counsel, Morgan Stanley & Co., Inc. and Prudential Securities, Inc. (collectively, "BROKER"), its sales

agents, and each partner, officer, director, employee, agent or attorney of Prudential, its counsel, Broker, or its sales agents, and any other party related in any way of the foregoing (all of which parties are herein collectively called the "PRUDENTIAL PARTIES"), and the Property free and

harmless from and against any and all costs, loss, damages and expenses, of any kind or nature whatsoever (including attorneys fees and costs), arising out of damage to persons or property arising out of or resulting from the entry and/or the conduct of activities upon the Property by REIT OP, its agents, contractors and/or subcontractors in connection with the inspections, examinations, testings and investigations of the Property conducted at any time prior to the Closing, which indemnity shall survive the Closing (and not be merged therein) or any earlier termination of this Agreement. The foregoing indemnity shall not be deemed to apply to any actual or alleged

loss or damage to the value of any of the Property or any loss of the sale contemplated by this Agreement, to the extent due solely from (i) any test results, studies, or evaluations made by REIT OP (or by any of REIT OP's consultants to REIT OP) being unfavorable, or (ii) REIT OP's decision not to proceed with the purchase of the Property. If this Agreement terminates without this occurrence of the Closing, REIT OP shall deliver promptly to Prudential copies of all third party reports commissioned by REIT OP evidencing the results of tests, studies or inspections of the Property. The provisions of this Section 9.1.3 shall survive the Closing or any termination of this Agreement.

9.1.4 Limit on Government Contacts. Notwithstanding any provision in

this Agreement to the contrary and except with respect to making necessary standard inquires of the Massachusetts Department of Environmental Protection in connection with REIT OP's due diligence of the Real Property and adjacent properties, REIT OP shall not contact any governmental official or representative regarding Hazardous Materials on, or the environmental condition of, the Property without Prudential's prior written consent thereto, which consent shall not be unreasonably withheld. In addition, if Prudential's consent is obtained by REIT OP, Prudential shall (a) be entitled to review, modify and approve any written communication to such official or representative and (b) receive at least five (5) Business Days prior written notice of any intended contact and to have a representative present when REIT OP has any such contact with any governmental official or representative.

9.1.5 Intentionally Omitted.

9.1.6 Intentionally Omitted.

9.1.7 Survival. The covenants of REIT OP in this Section 9.1 shall

survive the Closing in accordance with their terms and shall not be merged therein.

9.2 Prudential's Covenants. Prudential hereby covenants as follows:

9.2.1 Intentionally Omitted.

9.2.2 Maintenance of Property. Except to the extent Prudential is

relieved of such obligations by Article 11 hereof, between the date hereof and

the Closing Date, Prudential shall maintain and keep the Property in a manner consistent with Prudential's past practices with respect to the Property. Notwithstanding anything herein to the contrary, REIT OP hereby agrees that it shall accept the Property subject to, and Prudential shall have no obligation to cure, (i) all violations of Law or Orders or requirements and (ii) all physical conditions which would give rise to violations existing, which, with respect to both clauses (i) and (ii), exist on the date hereof. From the date hereof

through the Closing Date, Prudential (a) will advise REIT OP of any written notice Prudential receives from any Governmental Entity relating to the violation of any Law regulating the condition or use of the Property, and (b) will promptly notify REIT OP of any material change affecting the Property of which Prudential has knowledge.

9.2.3 Access to Property. Prior to the Closing, Prudential shall

allow REIT OP or REIT OP's representatives access to the Property upon reasonable prior notice at reasonable times provided such access does not interfere with the operation of the Property or the rights of tenants and subject to REIT OP's indemnification agreement set forth in Section 9.1.3.

9.2.4 REIT OP Audit Rights. Prudential acknowledges that REIT OP is

required to have audits performed of the records of the real properties acquired by REIT OP. Accordingly, for the period from the Closing Date through December 31, 1998, upon fifteen (15) days advance written notice from REIT OP, Prudential agrees to make available to REIT OP's independent accountants, Coopers & Lybrand LLP, for inspection and copying at REIT OP's sole cost and expense, sufficient information to prepare audited financial statements and an audit letter for the Property for the past three (3) years (1995, 1996 and 1997) which information shall include books and records for the Property, property and operating statements, current insurance policies, Real Estate Tax records, capital expenditure records and maintenance records of the Property. The covenant of Prudential set forth in this Section 9.2.4 of this Agreement shall survive the

Closing and shall not be merged therein.

9.2.5 Suspension of Marketing. Prudential agrees not to offer to

sell, negotiate for or solicit or otherwise pursue any other offers for the purchase of the Property or any part thereof from any party other than REIT OP for the period of time beginning immediately after this Agreement is fully executed and the Initial Deposit is received by Prudential and ending on the termination of this Agreement, as applicable, by either party hereto in accordance with this Agreement.

9.2.6 Estoppels. Prudential agrees to request estoppels from (i) the

Tenants, in the form attached hereto and (ii) the Sheraton Boston Hotel Trust and the owner of the shopping center known as "Copley Place", as grantors of easements appurtenant to the Real Property, estoppel certificates in such form and to the extent such estoppel certificates are provided for under the instrument(s) creating such appurtenant right(s).

9.2.7 Nondisturbance Agreements. Prudential agrees to cooperate, at

no additional cost to Prudential, with REIT OP in the submission of requests to Tenants for nondisturbance agreements in favor of the lender(s) providing financing to REIT OP for the Transaction, by permitting REIT OP to deliver such requests to the Tenants.

9.3 Mutual Covenants.

9.3.1 Publicity. Prudential and REIT OP each hereby covenant that at,

prior to or immediately after the Closing neither Prudential nor REIT OP shall issue any press release or public statement (a "RELEASE") with respect to the

Transaction without the prior consent of the other, except to the extent required by Law or by NYSE. If either Prudential or

REIT OP is required by law to issue a Release, such party shall, at least two (2) Business Days prior to the issuance of the same, deliver a copy of the proposed Release to the other party for its review.

9.3.2 Broker. Prudential and REIT OP expressly acknowledge that

Broker has acted as the exclusive broker with respect to the transaction contemplated herein and with respect to this Agreement, and that Prudential shall pay any brokerage commission due to Broker in accordance with the separate agreement between Prudential and Broker. Prudential and REIT OP each represents and warrants to the other that it has not dealt with any other broker in this transaction and each agrees to hold harmless the other and indemnify the other from and against any and all damages, costs or expenses (including, but not limited to, reasonable attorneys' fees and disbursements) suffered by the indemnified party as a result of acts of the indemnifying party that would constitute a breach of its representation and warranty in this Section.

9.3.3 Access to Records. Where there is a legitimate reason

(including, without limitation, a tax audit, other governmental inquiry, or actual or prospective claim by or against either Prudential or REIT OP, or to which Prudential or REIT OP may become a party) for Prudential or REIT OP to require access to records or other information relating to the Property that is in the possession or control of the other party, and if providing such access would not adversely affect the party whose records are being sought (in the good faith judgment of such party), each party will, subject to the confidentiality agreements between REIT OP and Prudential dated July 25, 1997 and January 15, 1998, respectively, allow the other reasonable access to such records and information at their then-current location (or such other location as the party in possession of such records or information may reasonably designate), in order to analyze and/or copy the same (at the requesting party's sole cost and expense), for use solely for the purposes for which the same are being requested. In any case in which a party hereto desires to obtain any records or information pursuant to this Section, such party shall notify the other in writing of such request, setting forth in such notice the purposes for which such records and information are being requested and the expected use thereof (including, if applicable, the nature of any claim or other proceeding in which the same will be used and the parties thereto), and the party receiving such request may, as a condition to granting the same, require that the requesting party enter into an agreement protecting the confidentiality of such records and information. In no event shall a party be obligated to provide access to records or other information under this Section in connection with any litigation, claim, or dispute between REIT OP and Prudential, or in which REIT OP and Prudential are or may become adverse parties, other than in accordance with applicable discovery and evidentiary rules and procedures applicable to such matter, and no access to or disclosure of records or information shall be required hereunder if the same would or reasonably could result in the loss of any attorney-client privilege or other applicable evidentiary privileges that may be applicable to such records or information. Each party shall maintain its records for use under this Section for a period of not less than three (3) years after the Closing Date; provided that prior to such date no such records shall

be destroyed unless the holder provides the other party hereunder with at least ninety (90) days prior written notice.

Upon receipt of notice of destruction, the nonholder shall have the option, at its sole cost and expense, to take possession of the records set for destruction, in which case the nonholder shall assume all further cost of storage and destruction of such records. The terms of this Section 9.3.3 shall survive the Closing and not be merged therein.

9.3.4 Notification of Certain Matters. REIT OP shall give prompt notice to Prudential, and Prudential shall give prompt notice to REIT OP, of (a) the occurrence, or failure to occur, of any event that causes any representation or warranty contained in any document relating to the Transaction to be untrue or inaccurate in any material respect at any time from the date of this Agreement to the Closing Date and b) any failure of REIT OP, on the one hand, or Prudential, on the other hand, to comply with or satisfy, in any material respect, any covenant, condition or agreement to be complied with or satisfied by it under any document relating to the Transaction.

9.3.5 Further Assurances. Promptly upon request by the other party, each party shall, and shall cause its affiliates to, take, execute, acknowledge, deliver, file, re-file, register and re-register, any and all such further acts, certificates, assurances and other instruments as the requesting party may require from time to time in order to carry out more effectively the purposes of the Transaction and to better transfer, preserve, protect and confirm to the requesting party the rights granted or now or hereafter intended to be granted to the requesting party under the Transaction.

9.3.6 Survival. The provisions of this Section 9.3 shall survive the Closing (and not be merged therein) or earlier termination of this Agreement.

ARTICLE 10 - FAILURE OF PERFORMANCE

10.1 REIT OP's Obligations. If, on the Closing Date, (i) REIT OP is in default of any of its material obligations hereunder or (ii) any of REIT OP's representations or warranties are untrue in any material respect or (iii) any material condition to the obligation of Prudential to close hereunder has not been substantially satisfied as a result of the failure by REIT OP to perform its obligations under this Agreement or otherwise, then Prudential may elect to (x) terminate this Agreement by written notice to REIT OP or (y) proceed to close the Transaction. If this Agreement is so terminated, then Prudential shall immediately be entitled to the proceeds of the Letter of Credit as liquidated damages, and thereafter neither party to this Agreement shall have any further rights or obligations hereunder other than any arising under any section herein which expressly provides that it survives the termination of this Agreement. The amount of liquidated damages set forth in this Section 10.1 shall be for all loss, damage and expense suffered by Prudential, including, without limitation, the loss of its bargain, it being agreed that Prudential's damages are difficult if not impossible to ascertain.

10.2 Prudential's Obligations. If, at the Closing, (i) Prudential is in default of any of its material obligations hereunder, (ii) any of Prudential's representations or warranties are

untrue in any material respect, or (iii) any condition to the obligation of REIT OP to close hereunder set forth in Section 7.2 has not been substantially

satisfied, REIT OP shall have the right to elect, as its sole remedy, to (x) terminate this Agreement by written notice to Prudential, promptly after which the Letter of Credit shall be returned to REIT OP, (y) waive such default or condition and proceed to close the Transaction without any reduction of or credit against the Purchase Price or (z) seek specific performance of this Agreement in the event that such default or unsatisfied condition is within the control of Prudential and Prudential has willfully defaulted in its objectives hereunder or intentionally caused such condition to be unsatisfied.

ARTICLE 11 - CONDEMNATION/CASUALTY

11.1 Condemnation.

11.1.1 Right to Terminate. If, prior to the Closing Date, all or any

significant portion (as hereinafter defined) of the Property is taken by eminent domain (or is the subject of a pending taking which has not yet been consummated), Prudential shall notify REIT OP in writing of such fact promptly after obtaining knowledge thereof and provide to REIT OP appropriate information, to the extent in Prudential's possession, regarding such takings, and REIT OP shall have the right to terminate this Agreement by giving written notice to Prudential no later than ten (10) days after the giving of Prudential's notice, and the Closing Date shall be extended, if necessary, to provide sufficient time for REIT OP to make such election. The failure by REIT OP to so elect in writing to terminate this Agreement within such ten (10) day period shall be deemed an election not to terminate this Agreement. For purposes hereof, a "SIGNIFICANT PORTION" of the Property shall mean (i) such

portion as shall have a value, as reasonably determined by Prudential, in excess of Five Million Dollars (\$5,000,000.00) with respect to the Property, (ii) such portion, the taking of which shall have a Material Adverse Effect on the operation of the Real Property or (iii) such portion, the taking of which gives a Major Tenant the right, and such Major Tenant exercises such right, to terminate its Lease. If REIT OP elects to terminate this Agreement as aforesaid, the provisions of Section 11.4 shall apply.

11.1.2 Assignment of Proceeds. If (a) REIT OP does not elect to

terminate this Agreement as aforesaid in the event all or any significant portion of the Property is taken, or if (b) a portion of the Property not constituting a significant portion of the Property is taken or becomes subject to a pending taking, by eminent domain, there shall be no abatement of the Purchase Price; provided, however, that, at the Closing, Prudential shall pay to

REIT OP the amount of any award for or other proceeds on account of such taking which have been actually paid to Prudential prior to the Closing Date as a result of such taking (less all reasonable out of pocket costs and expenses, including attorneys' fees and costs, incurred by Prudential as of the Closing Date in obtaining payment of such award or proceeds) and, to the extent such award or proceeds have not been paid, Prudential shall assign to REIT OP at the Closing (without

recourse to Prudential) the rights of Prudential to, and REIT OP shall be entitled to receive and retain, all awards for the taking of the Property or such portion thereof.

11.2 Destruction or Damage.

(a) In the event the Property is damaged or destroyed prior to the Closing Date, Prudential shall notify REIT OP in writing of such fact promptly after obtaining knowledge thereof and provide to REIT OP such appropriate information as Prudential may have in its possession regarding the extent and nature of such casualty. If any such damage or destruction (a) is caused by an insured casualty and (b) would cost less than or equal to Five Million Dollars (\$5,000,000.00) to repair or restore, then this Agreement shall remain in full force and effect and REIT OP shall acquire the Property upon the terms and conditions set forth herein. In such event, REIT OP shall receive a credit against the Purchase Price equal to the deductible amount applicable under Prudential's casualty insurance policy (less all reasonable out of pocket costs and expenses, including attorneys' fees and costs, incurred by Prudential as of the Closing Date in connection with the negotiation and/or settlement of the casualty claim with the insurer (the "REALIZATION COSTS")), and Prudential shall

assign to REIT OP all of Prudential's right, title and interest in and to all proceeds of insurance on account of such damage or destruction. In the event the Property is damaged or destroyed prior to the Closing Date by an insured casualty and as a result (i) the cost of repair or restoration would cost more than Five Million Dollars (\$5,000,000.00) or (ii) a Major Tenant exercises a right under its Lease to terminate such Lease then, notwithstanding anything to the contrary set forth above in this Section, to the contrary set forth above in this Section, REIT OP shall have the right, at its election, either (i) to terminate this Agreement or (ii) to proceed to purchase and shall the Property in accordance with the terms of this Agreement. REIT OP shall have thirty (30) days after Prudential notifies REIT OP that a casualty has occurred to make such election by delivery to Prudential of a written election notice (the "ELECTION

NOTICE") and the Closing Date shall be extended, if necessary, to provide

sufficient time for REIT OP to make such election. The failure by REIT OP to deliver the Election Notice within such thirty (30) day period shall be deemed an election not to terminate this Agreement. In the event that REIT OP does not elect to terminate this Agreement as set forth above, this Agreement shall remain in full force and effect and at the Closing, Prudential shall assign to REIT OP all of Prudential's right, title and interest in and to any and all proceeds of insurance on account of such damage or destruction, if any, and, if the casualty was an insured casualty, REIT OP shall receive a credit against the Purchase Price equal to the deductible amount (less the Realization Costs) under Prudential's casualty insurance policy.

(a) In the event the Property is damaged or destroyed prior to the Closing Date and such damage or destruction (a) is caused by an uninsured casualty and (b) would cost less than Five Hundred Thousand Dollars (\$500,000.00) to repair or restore, then this Agreement shall remain in full force and effect and REIT OP shall acquire the Property upon the terms and conditions set forth herein. In such event, REIT OP shall receive a credit against the Purchase Price equal to the amount required to repair such damage or destruction. In the event the Property is damaged or destroyed prior to the Closing Date by uninsured casualty and the cost

of repair or restoration would equal or exceed Five Hundred Thousand Dollars (\$500,000.00), then, notwithstanding anything to the contrary set forth above in this Section, REIT OP shall have the right, at its election, either (i) to terminate this Agreement or (ii) proceed to close the Transaction in accordance with the terms of this Agreement. REIT OP shall have thirty (30) days after Prudential notifies REIT OP that an uninsured casualty has occurred to make such election by delivery to Prudential of a written election notice (the "ELECTION

NOTICE"). The failure by REIT OP to deliver the Election Notice within such

thirty (30) day period shall be deemed an election not to terminate this Agreement. In the event REIT OP does not elect to terminate this Agreement as set forth above, this Agreement shall remain in full force and effect and at the Closing REIT OP shall receive a credit against the Purchase Price equal to the amount required to repair such damage or destruction but in no event shall such credit exceed Five Hundred Thousand Dollars (\$500,000.00).

11.3 Insurance. Prudential shall maintain the property insurance coverage

currently in effect for the Property through the Closing Date. Prudential shall not be obligated to assign to REIT OP any insurance policies in connection with the Property at the Closing.

11.4 Effect of Termination. If this Agreement is terminated pursuant to

Section 11.1 or Section 11.2, Prudential shall promptly return the Letter of

Credit to REIT OP. Upon such return neither party to this Agreement shall have any further rights or obligations hereunder other than any arising under any section herein which expressly provides that it shall survive the termination of this Agreement.

11.5 Waiver. The provisions of this Article 11 supersede the provisions of

any applicable statutory or decisional law with respect to the subject matter of this Article 11.

ARTICLE 12 - ACTIONS PRIOR TO THE CLOSING AND POST-CLOSING COVENANTS

12.1 Continuation of Management Agreement. Prior to Closing, Prudential

shall observe and honor its obligations as Owner under the Management Agreement. Between the date hereof and the Closing Date, Prudential shall not enter into any new management agreement, service contract or equipment lease without REIT OP's prior consent, which consent shall not be unreasonably withheld, unless such management agreement, service contract or equipment lease is to survive Closing, in which event, such consent may be withheld in REIT OP's sole judgement. Within ten (10) Business Days following the date of this Agreement, REIT OP shall notify Prudential of those service contracts, vendor contracts, service agreements listed in EXHIBIT V attached hereto and made a part hereof,

and those equipment leases noted in EXHIBIT J attached hereto and made a part

hereof that it does not desire to assume, and Prudential shall send termination notices of such contracts, agreements and equipment leases at or prior to Closing. In any event the Management Agreement shall terminate as of the Closing Date.

12.2 Maintenance of Property. Except to the extent Prudential is relieved

of such obligations by Article 11 hereof, Prudential shall maintain and keep the

Property in a manner consistent with Prudential's past practices with respect to the Property; provided, however, that REIT OP hereby agrees that it shall accept

the Property subject to (i) all violations of Laws or Orders and (ii) all physical conditions which would give rise to violations, existing on the effective date of this Agreement. From the date hereof through the Closing Date, Prudential (a) will advise REIT OP of any written notice Prudential receives from any Governmental Entity relating to the violation of any Law regulating the condition or use of the Property, and (b) will promptly notify REIT OP of any material change affecting the Property of which Prudential has knowledge.

12.3 Exercise of Permit Rights and Transfer of Development Rights.

Prudential shall continue to operate the Property in accordance with its past practices, including, without limitation, with respect to the maintenance of the Permit Rights and the Development Rights. As set forth above, the only approvals, from a Governmental Entity or otherwise, which are conditions to REIT OP's obligation to consummate the Transaction are (a) the Site Survey Approval, and (b) the Building Code Variance. No amendments to the Permit Rights or the Development Rights nor estoppels will be sought prior to the Closing. Without the prior written consent, and the presence and participation of Prudential, REIT OP shall not contact any employee or other representative of the City of Boston, any City of Boston official any resident or tenant of the Real Property, any member or representative of PruPac or any other Person with respect to the status or nature of the Development Rights, and no estoppels, approvals, amendment or the like relating to future development or redevelopment of the Real Property or any aspect of the Development Rights shall be sought by either party prior to the consummation of the Transaction. However, Prudential and REIT OP shall cooperate with each other and participate in joint discussions to be held at such times and places as are mutually agreeable to Prudential and REIT OP, each acting reasonably, with the City of Boston, the BRA, PruPac and MEPA to discuss the general status and future approval process, timetables and the like, but in no event shall any discussions include the amendment or modification of the existing Development Rights. Nevertheless, Prudential shall maintain the primary and controlling role in such discussions with such parties.

12.4 Operations. Prudential shall cause the Manager to continue to operate

the Property in a manner consistent with its current operations and the terms of the Leases and the Management Agreement and will continue to maintain and repair the Improvements and the Equipment in accordance with the existing budgets for the Property. During the period of this Agreement Prudential will not permit or induce the Manager (i) to operate the Property in a manner that is not consistent with the manner by which the Property is operating as of the date of this Agreement or that is not in accordance with the terms of the Management Agreement or (ii) to maintain or repair the Property in a manner that is not in accordance with the existing approved maintenance and repair budgets for the Property.

12.5 Work in Progress. Prior to Closing, Prudential shall continue to

perform, and use good faith efforts to complete, the work in progress described in EXHIBIT Y attached hereto

and made a part hereof to the extent such work is contemplated to be performed prior to the Closing Date as set forth on EXHIBIT Y. In the event that the work

in progress described in EXHIBIT Y is not completed prior to the Closing, there

shall be a review of such work and the payment status of the contracts for such work and at Closing REIT OP shall receive a credit in accordance with Section 5.7 equal to the amount necessary to complete such work after the

Closing and/or make total payments due under such contracts.

12.5.1 Tunnel Fireproofing Work in Progress. The parties acknowledge

that certain Massachusetts Turnpike tunnel fireproofing work described in EXHIBIT Y, will be completed by Prudential after the Closing Date, pursuant to

the tunnel fireproofing agreement attached hereto as EXHIBIT AA to be entered in

to at closing by Prudential and REIT OP (the "TUNNEL FIREPROOFING AGREEMENT").

ARTICLE 13 - LEASING MATTERS

13.1 New Leases. After the date of this Agreement, Prudential shall not,

without REIT OP's prior written consent in each instance, which consent, subject to the terms of the immediately succeeding sentence, shall not be unreasonably withheld and shall be given or denied, with the reasons for such denial, within five (5) Business Days after receipt by REIT OP of the information referred to in the next sentence, enter into a new lease for space in the Improvements or renew or extend any Lease (except pursuant to the exercise by a tenant of a renewal, extension or expansion option contained in such tenant's Lease). After the execution of this Agreement, REIT OP's consent to a new lease of space in the Improvements or a renewal or extension of any Lease (except pursuant to the exercise by a tenant of a renewal, extension or expansion option contained in tenant's Lease) involving (i) 22,000 square feet or more of office space in the Improvements or (ii) 5,000 square feet or more of space in the retail portion of the Improvements, may be granted or withheld by REIT OP in its sole and absolute discretion. Prudential shall furnish REIT OP with all information regarding any proposed new leases, renewals and extensions reasonably necessary to enable REIT OP to make informed decisions. Prudential shall deliver to REIT OP a true and complete copy of each such new lease, renewal and extension agreement, if any, promptly after the execution and delivery thereof. Prudential shall keep accurate records of all of the following types of expenses (collectively, "NEW

LEASE EXPENSES") incurred in connection with any new lease for space at the

Property, or any extension, renewal or expansion of a Lease where such Lease does not provide for its extension, renewal or expansion, entered into on or after the date hereof and approved by REIT OP (each a "NEW LEASE"): (a)

brokerage commissions and fees to effect such leasing transaction, (b) expenses incurred for repairs, improvements, equipment, painting, decorating, partitioning and other items to satisfy the tenant's requirements with regard to such leasing transaction, (c) legal fees for services in connection with the preparation of documents and other services rendered in connection with the effectuation of the leasing transaction, (d) if there are any rent concessions covering any period that the tenant has the right to be in possession of the demised space, the rents that would have accrued during the period of such concession prior to the Closing Date as if such concession were amortized over

(i) with respect to any extension or renewal, the term of such extension or renewal, (ii) with respect to any expansion, that portion of the term remaining under the subject Lease after the date of any expansion, or (iii) with respect to any New Lease, the entire initial term of any New Lease, and (e) expenses incurred for the purpose of satisfying or terminating the obligations of a tenant under a New Lease to the landlord under another lease (whether or not such other lease covers space in the Building). At the Closing, REIT OP shall reimburse Prudential for all New Lease Expenses paid or incurred by Prudential after the date hereof and prior to the Closing Date and shall assume Prudential's obligations to pay, when due (whether on a stated due date or accelerated) any such New Lease Expenses unpaid as of the Closing and REIT OP hereby agrees to indemnify and hold Prudential harmless from and against any and all claims for such Lease Expenses which remain unpaid for any reason at the time of Closing, which obligations of REIT OP shall survive the Closing and shall not be merged therein. Each party shall make available to the other all records, bills, vouchers and other data in such party's control verifying such New Lease Expenses and the payment thereof.

13.2 Other Lease Activity. Except as provided in this Section 13.2,

without the prior consent of REIT OP, which shall not be unreasonably withheld (i) no Lease shall be modified or amended except as provided in Section 13.1

with respect to extensions, renewals or expansions of Leases and the execution of New Leases, (ii) Prudential shall not consent to any assignment or sublease in connection with any Lease or New Lease and (iii) Prudential shall not remove any tenant under any Lease or New Lease, whether by summary proceedings or otherwise, except by reason of a default of the tenant under the Lease or New Lease. In furtherance of the foregoing, Prudential shall deliver to REIT OP a written notice of each proposed action of the type described in clauses (i) - (iii) above which Prudential has been asked or proposes to take, stating, if applicable, whether Prudential is willing to consent to such action and setting forth the relevant information therefor. REIT OP shall have five (5) Business Days after delivery to it of such notice and information to determine whether or not to approve such action. If REIT OP shall not give notice of its disapproval of such action within such five (5) Business Day period, REIT OP shall be deemed to have approved such action. If any Lease requires that the landlord's consent be given under the applicable circumstances (or not be unreasonably withheld), then REIT OP shall be deemed ipso facto to have approved such action. Subject

to its reimbursement rights pursuant to Section 13.2, Prudential shall perform

all of the obligations of the landlord under the Leases and New Leases which under the terms of such Leases and New Leases are required to be performed by the landlord prior to the Closing Date.

13.3 Lease Enforcement. Subject to the provisions of Section 13.2 above,

prior to the Closing Date, Prudential shall have the right, but not the obligation (except to the extent that Prudential's failure to act shall constitute a waiver of such rights or remedies), to enforce the rights and remedies of the landlord under any Lease or New Lease, by summary proceedings or otherwise, but may not apply all or any portion of any security deposits then held by Prudential toward any loss or damage incurred by Prudential by reason of any defaults by tenants who are in possession or whose lease is in effect at the Closing.

13.4 Lease Termination Prior to Closing. The termination of any Lease or

New Lease or the removal of any tenant by reason of a default by such tenant (by summary proceedings or otherwise) prior to the Closing shall not affect the obligations of REIT OP under this Agreement in any manner or entitle REIT OP to a reduction in, or credit or allowance against, the Purchase Price or give rise to any other claim on the part of Buyer.

13.5 Lease Expenses. At Closing, REIT OP shall reimburse Prudential for

any and all New Lease Expenses.

13.6 Movenpick Lease. Notwithstanding anything to the contrary contained

herein, New Lease Expenses with respect to (i) the new lease for space at the Property entered into by and between Prudential and Richtree U.S., Inc., d/b/a "Movenpick, dated November 20, 1997 (the "MOVENPICK LEASE") and (ii) all

amendments to existing Leases entered into prior to or after the date hereof in order to fulfill landlord's obligations under the Movenpick Lease including, without limitation, the amendments to the Leases with the United States Post Office, The Boston Edison Consumer Center and Back Bay Photo (collectively, the "TENANT RELOCATION AMENDMENTS") shall be allocated between Prudential and REIT

OP as set forth in this Section 13.6. Prudential shall pay all of the New Lease

Expenses associated with the Relocation Amendments. With respect to the Movenpick Lease, Prudential shall pay all of the costs and expenses incurred in order to perform the so-called "Premises Preparation Work" (as such term is described in the Movenpick Lease) in accordance with the terms of the Movenpick Lease, and REIT OP shall be responsible for (i) payment of all of the "Construction Allowance" (as such term is defined in the Movenpick Lease) to the tenant on account of the cost of "Tenant's Work"(as such term is defined in the Movenpick Lease) and related reasonable, third party architect, engineering and design fees in accordance with the terms of the Movenpick Lease, and (ii) one half of the brokerage commission due in connection with the Movenpick Lease, in the amount of One Hundred and Fifty Thousand Dollars (\$150,000). Pursuant to the terms of the Movenpick Lease the Construction Allowance shall not exceed Three Million Eight Hundred Thousand Dollars (\$3,800,000). All other New Lease Expenses associated with the Movenpick Lease, if any, shall be paid by Prudential.

13.7 MCI Lease Amendment. Reference is hereby made to a certain Third

Lease Amendment (to 1986 Lease) by and between Prudential and MCI Telecommunications Corporation (the "MCI AMENDMENT"). Prudential shall pay the

Tenant Allowance (as such term is defined in the MCI Amendment) in accordance with the terms of the MCI Amendment, up to a maximum amount of twenty dollars (\$20) per square foot. REIT OP shall be responsible for the payment of the Tenant Allowance in excess of twenty dollars (\$20) per square foot.

ARTICLE 14 - MISCELLANEOUS

14.1 Assignment.

14.1.1 REIT OP's Assignment. REIT OP shall not assign this Agreement

or its rights hereunder to any individual or entity without the prior written consent of Prudential, which consent Prudential may grant or withhold in its sole discretion, and any such assignment undertaken without such consent shall be null and void. Notwithstanding the foregoing, REIT OP shall be permitted to assign this Agreement to a single member limited liability company entity which is owned by REIT OP and which is a disregarded entity for federal tax income purposes, provided (a) REIT OP effectuates such assignment in writing prior to the Closing, (b) the assignee assumes the obligations of REIT OP under the terms of this Agreement, and (c) REIT OP remains liable to Prudential under the terms of this Agreement. In the event REIT OP assigns this Agreement or its rights hereunder to a REIT OP Affiliate, REIT OP shall provide written notice of such assignment to Prudential within five (5) Business Days of the execution of such an assignment. Notwithstanding that REIT OP may assign this Agreement to a wholly-owned disregarded entity, subject to the terms of this Section 14.1.1,

if, and to the extent, as a result of such an assignment the contribution of the Property to be consummated hereunder is made directly to such wholly-owned disregarded entity, REIT OP and Prudential hereby agree that for all purposes any such contribution shall be deemed to be a contribution to REIT OP in exchange for Units in REIT OP and then a contribution of the Property to such wholly-owned disregarded entity.

14.1.2 Prudential's Assignment. Prudential may assign this Agreement

and/or its rights and obligations hereunder, without the prior consent of REIT OP, as Prudential deems necessary to complete the Transaction; provided,

however, that in the event of such an assignment, (a) Prudential effectuates

such assignment in writing prior to the Closing, (b) the assignee assumes the obligations of Prudential under the terms of this Agreement and (c) Prudential remains liable to REIT OP under the terms of this Agreement. In the event Prudential assigns this Agreement or its rights hereunder, Prudential shall provide written notice thereof to REIT OP within five (5) Business Days of the execution of any such assignment.

14.2 Designation Agreement. Section 6045(e) of the United States Internal

Revenue Code and the regulations promulgated thereunder (herein collectively called the "REPORTING REQUIREMENTS") require an information return to be made to

the United States Internal Revenue Service, and a statement to be furnished to Prudential, in connection with the Transaction. REIT OP's Title Insurer is either (i) the person responsible for closing the Transaction (as described in the Reporting Requirements) or (ii) the disbursing title or escrow company that is most significant in terms of gross proceeds disbursed in connection with the Transaction (as described in the Reporting Requirements). Accordingly:

(a) REIT OP's Title Insurer is hereby designated as the "REPORTING PERSON" (as defined in the Reporting Requirements) for the

Transaction. REIT OP's

Title Insurer shall perform all duties that are required by the Reporting Requirements to be performed by the Reporting Person for the Transaction.

(b) Prudential and REIT OP shall furnish to REIT OP's Title Insurer, in a timely manner, any information requested by REIT OP's Title Insurer and necessary for REIT OP's Title Insurer to perform its duties as Reporting Person for the Transaction.

(c) REIT OP's Title Insurer hereby requests Prudential to furnish to REIT OP's Title Insurer Prudential's correct taxpayer identification number. Prudential acknowledges that any failure by Prudential to provide REIT OP's Title Insurer with Prudential's correct taxpayer identification number may subject Prudential to civil or criminal penalties imposed by law. Accordingly, Prudential hereby certifies to REIT OP's Title Insurer, under penalties of perjury, that Prudential's correct taxpayer identification number is 22-1211670.

(d) Each of the parties hereto shall retain this Agreement for a period of four (4) years following the calendar year during which Closing occurs.

14.3 Survival/Merger. Except for the provisions of this Agreement which -----
are explicitly stated to survive the Closing, (a) none of the terms of this Agreement shall survive the Closing, and (b) the delivery of the Deed and any other documents and instruments by Prudential and the acceptance thereof by REIT OP shall effect a merger, and be deemed the full performance and discharge of every obligation on the part of REIT OP and Prudential to be performed hereunder.

14.4 Integration; Waiver. This Agreement, together with the Schedules and -----
Exhibits hereto, embodies and constitutes the entire understanding between the parties with respect to the Transaction and all prior agreements (including, without limitation, the Letter of Intent), understandings, representations and statements, oral or written, are merged into this Agreement. Neither this Agreement nor any provision hereof may be waived, modified, amended, discharged or terminated except by an instrument signed by the party against whom the enforcement of such waiver, modification, amendment, discharge or termination is sought, and then only to the extent set forth in such instrument. No waiver by either party hereto of any failure or refusal by the other party to comply with its obligations hereunder shall be deemed a waiver of any other or subsequent failure or refusal to so comply.

14.5 Governing Law. This Agreement shall be governed by, and construed in -----
accordance with, the law of the Commonwealth of Massachusetts.

14.6 Captions Not Binding; Schedules and Exhibits. The captions in this -----
Agreement are inserted for reference only and in no way define, describe or limit the scope or intent of this Agreement or of any of the provisions hereof. All Schedules and Exhibits attached hereto shall be incorporated by reference as if set out herein in full.

14.7 Binding Effect. This Agreement shall be binding upon and shall inure

to the benefit of the parties hereto and their respective successors and permitted assigns.

14.8 Severability. If any term or provision of this Agreement or the

application thereof to any persons or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Agreement or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby, and each term and provision of this Agreement shall be valid and enforced to the fullest extent permitted by law.

14.9 Notices. Any notice, request, demand, consent, approval and other

communications under this Agreement shall be in writing, and shall be deemed duly given or made at the time and on the date when personally delivered as shown on a receipt therefor (which shall include delivery by a nationally recognized overnight delivery service) or three (3) on the date evidenced as the day on which delivery was made or rejected on the return receipt of any by prepaid registered or certified mail, return receipt requested, to the address for each party set forth below, or by telecopy on the date shown on the receiving party's confirmation thereof, unless such telecopy is received after 2:00 p.m., in which case the date of delivery shall be the next succeeding Business Day. Any party, by written notice to the other in the manner herein provided, may designate an address different from that set forth below.

IF TO REIT OP:

Boston Properties Limited Partnership
c/o Boston Properties, Inc.
8 Arlington Street
Boston, MA 02116
Attention: Edward H. Linde
Telephone: (617) 859-2626
Telecopy: (617) 536-4233

WITH COPIES TO:

Boston Properties Limited Partnership
c/o Boston Properties, Inc.
8 Arlington Street
Boston, MA 02116
Attention: Frederick J. DeAngelis, Esq.
Telephone: (617) 859-2633
Telecopy: (617) 536-4562

AND TO:

Goulston & Storrs, P.C.
400 Atlantic Avenue
Boston, MA 02110-3333
Attention: Alan W. Rottenberg, Esq.
Telephone: (617) 574-4080
Telecopy: (617) 574-4112

and

Goulston & Storrs, P.C.
400 Atlantic Avenue
Boston, MA 02110-3333
Attention: Steven R. Astrove, Esq.
Telephone: (617) 574-4007
Telecopy: (617) 574-6595

IF TO PRUDENTIAL:

THE PRUDENTIAL INSURANCE COMPANY OF AMERICA
c/o The Prudential Realty Group
8 Campus Drive, 4th Floor
Arbor Circle South
Parsippany, New Jersey 07054
Attention: Brian P. Murphy
Telephone: (973) 734-1335
Telecopy: (973) 734-1472

WITH A COPIES TO:

THE PRUDENTIAL INSURANCE COMPANY OF AMERICA
c/o The Prudential Realty Group
8 Campus Drive, 4th Floor
Arbor Circle South
Parsippany, New Jersey 07054-4493
Attention: John C. Kelly, Esq. Regional Counsel
Telephone: (973) 734-1345
Telecopy: (973) 734-1478

AND

GOODWIN, PROCTER & HOAR LLP
Exchange Place
53 State Street
Boston, Massachusetts 02109

Attention: Joseph W. Haley, P.C.
Telephone: (617) 570-1440
Telecopy: (617) 227-8591

14.10 Counterparts. This Agreement may be executed in counterparts, each

of which shall be an original and all of which counterparts taken together shall
constitute one and the same agreement.

14.11 No Recordation. Prudential and REIT OP each agrees that neither this

Agreement nor any memorandum or notice hereof shall be recorded and REIT OP
agrees (a) not to file any notice of pendency or other instrument (other than a
judgment or lis pendens filed by REIT OP in connection with REIT OP's
enforcement of its rights hereunder) against any of the Property or any portion
thereof in connection herewith and (b) to indemnify Prudential against all
costs, expenses and damages, including, without limitation, reasonable
attorneys' fees and disbursements, incurred by Prudential by reason of the
filing by REIT OP of such notice of pendency or other instrument.

14.12 Additional Agreements; Further Assurances. Subject to the terms and

conditions herein provided, each of the parties hereto shall execute and deliver
such documents as the other party shall reasonably request in order to
consummate and make effective the Transaction; provided, however, that the

execution and delivery of such documents by such party shall not result in any
additional liability or cost to such party.

14.13 Construction. The parties acknowledge that each party and its

counsel have reviewed and revised this Agreement and that the normal rule of
construction to the effect that any ambiguities are to be resolved against the
drafting party shall not be employed in the interpretation of this Agreement or
any amendment, Schedule or Exhibit hereto.

14.14 ERISA. To satisfy compliance with ERISA, REIT OP represents and

warrants to Prudential that, as of the date hereof and as of the Closing Date:

- (a) REIT OP's rights under this Agreement do not, and upon its
acquisition by REIT OP the Property shall not, constitute "plan
assets" within the meaning of 29 C.F.R. Section 2510.3-101,
because one or more of the following circumstances is true:
 - (i) All equity interests in REIT OP are publicly offered
securities, within the meaning of 29 C.F.R. Section 2510.3-
101(b)(2); or
 - (ii) Less than twenty-five (25%) percent of each class of equity
interests in REIT OP are held by "benefit plan investors"
within the meaning of, and determined in accordance with 29
C.F.R. Section 2510.3-101(f)(2); or

(iii) REIT OP qualifies as an "operating company", "venture capital operating company", or a "real estate operating company" within the meaning of 29 C.F.R. Section 2510.3-101(c), (d) or (e).

(b) REIT OP is not a "governmental plan" within the meaning of Section 3(32) of ERISA and the execution of this Agreement and the purchase of the Property by REIT OP is not subject to state statutes regulating investments of and fiduciary obligations with respect to governmental plans.

REIT OP hereby agrees to execute such documents or provide such information as Prudential may require in connection with the Transaction or to otherwise assure Prudential that: (i) the Transaction is not a prohibited transaction under ERISA, (ii) that REIT OP's participation in the Transaction is otherwise in full compliance with ERISA and (iii) that Prudential is not in violation of ERISA by virtue of REIT OP's compliance with this Agreement and by closing the Transaction. Prudential shall not be obligated to consummate the Transaction unless and until the Transaction complies with ERISA and Prudential is satisfied that the Transaction complies in all respects with ERISA. The obligations of REIT OP under this section shall survive the Closing and shall not be merged therein.

14.15 WAIVER OF TRIAL BY JURY. REIT OP AND PRUDENTIAL HEREBY WAIVE, TO

THE FULLEST EXTENT PERMITTED BY LAW, THE RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM FILED BY REIT OP OF PRUDENTIAL, WHETHER IN CONTRACT, TORT OR OTHERWISE, WHICH RIGHT OR CLAIM RELATES DIRECTLY OR INDIRECTLY TO THIS AGREEMENT, ANY DOCUMENTATION RELATED THERETO, OR ANY ACTS OR OMISSIONS IN CONNECTION WITH THIS AGREEMENT. THIS WAIVER HAS BEEN AGREED TO AFTER CONSULTATION WITH LEGAL COUNSEL SELECTED BY REIT OP AND PRUDENTIAL.

This Waiver is agreed to: REIT OP's Initials ()
Prudential's Initials ()

ARTICLE 15 - LIKE-KIND EXCHANGE

15.1 Like-Kind Exchange. REIT OP agrees to cooperate reasonably with

Prudential in effecting an exchange transaction which includes the Property, pursuant to Section 1031 of the United States Internal Revenue Code, provided that any such exchange transaction, and the related documentation, shall: (a) be at the sole cost and expense of Prudential, (b) not require REIT OP to execute any contract or make any commitment other than to Prudential's Title Company, or incur any obligations, contingent or otherwise, to third parties, (c) not cause REIT OP to be liable or potentially liable for any environmental conditions affecting property other than the Property, (d) not delay the closing or the Transaction, (e) not include REIT

OP's acquiring title to any property other than the Property or otherwise becoming involved in an transaction with a third party, and (f) not otherwise be contrary to or inconsistent with the terms of this Agreement. Notwithstanding anything to the contrary contained herein, REIT OP is not to incur any, and Prudential shall reimburse, indemnify and hold REIT OP harmless from, any and all costs, expenses and liabilities incurred solely from REIT OP's accommodation of such tax deferred exchange, including, without limitation, reasonable attorneys' fees, and any title or escrow fees or expenses. The obligations of REIT OP under this Section 15.1 shall survive the Closing and shall not be

merged therein.

[THE REMAINDER OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK.]

IN WITNESS WHEREOF, each party hereto has caused this Agreement to be duly executed on its behalf on the day and year first above written.

THE PRUDENTIAL INSURANCE COMPANY
OF AMERICA, a New Jersey corporation

By: /s/ David A. Rafzmanat

Name: David A. Rafzmanat

Its: Vice President

Date: 5/7/98

BOSTON PROPERTIES, LIMITED
PARTNERSHIP, A DELAWARE LIMITED
PARTNERSHIP

By: Boston Properties, Inc. a Delaware
corporation, its sole general partner

By: /s/ Douglas Linde

Name: Douglas Linde

Its: Vice President

Date: 4/7/98

CONTRIBUTION AGREEMENT

by and between

THE PRUDENTIAL INSURANCE COMPANY OF AMERICA,
a New Jersey corporation

and

BOSTON PROPERTIES LIMITED PARTNERSHIP,
a Delaware limited partnership

Date: May 7, 1998

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CONTRIBUTION AGREEMENT

THIS CONTRIBUTION AGREEMENT (this "AGREEMENT") is made this 7th day of May,

1998, by and between THE PRUDENTIAL INSURANCE COMPANY OF AMERICA, a New Jersey
corporation ("PRUDENTIAL"), and BOSTON PROPERTIES LIMITED PARTNERSHIP, a

Delaware limited partnership ("REIT OP").

RECITALS

Prudential has owned, developed and operated an integrated mixed-use complex containing office, hotel, retail, parking garage and residential uses known as the Prudential Center. The original Prudential Center consisted of approximately 28 acres of land shown on Land Court Plan No. 28611A filed with the Suffolk Registry of Deeds with Certificate of Title No. 64667. A portion of the original Prudential Center was taken in 1984 by the Massachusetts Convention Center Authority. In 1994 another portion of the Prudential Center was sold to the 1994 Sheraton Boston Hotel Trust.

Prudential now owns the land with the buildings and improvements thereon shown as Lot 8 on a plan entitled "Subdivision of Land in Boston, Massachusetts dated October 31, 1994 prepared by Cullinan Engineering Co., Inc." (see Land Court Plan 28611D; the "1994 Plan") together with two (2) unregistered parcels, one containing 5,080 square feet, more or less, and the other containing 5,162 square feet, more or less, both of which are shown on the 1994 Plan (collectively, the "UNREGISTERED LAND").

Prudential is in the process of subdividing that portion of the Prudential Center known as "The Prudential Center Apartments" from the remaining portion of the Prudential Center. It is Prudential's intention to transfer the two components created by the subdivision to two separate entities.

In accordance with the terms of a certain non-binding letter of intent dated January 8, 1998 and discussions between Prudential and REIT OP to the date hereof, Prudential desires to contribute the existing commercial components of the Prudential Center to REIT OP in exchange for (i) units of limited partner interests in REIT OP (collectively, the "LIMITED PARTNERSHIP UNITS" or

"UNITS"), as provided below, (ii) cash in the amount of One Hundred Twenty Nine

Million Seven Hundred and Fifty Thousand Dollars (\$129,750,000), all as more particularly set forth in a certain Purchase and Sale Agreement of even date herewith between Prudential and REIT OP (the "CASH PURCHASE AND SALE

AGREEMENT"), and (iii) an immediate distribution from REIT OP to Prudential as holder of the Units to be issued hereunder in the amount of Three Hundred and Fifteen Million Seven Hundred Fifty Thousand Dollars (\$315,750,000), subject to adjustment as provided herein, which shall be financed by REIT OP upon the terms and conditions set forth herein, and as more particularly described in the Tax Protection Agreement (as defined below).

Immediately prior to the consummation of the transaction contemplated by this Agreement, Prudential shall, as more particularly described in the Contribution and Debt Structure Term Sheet attached hereto as EXHIBIT U (the "TERM SHEET") separate the ownership of all licenses, permits and other written authorizations necessary for the redevelopment of certain portions of the Prudential Center as more particularly described in EXHIBIT C-1 to the Cash Purchase and Sale Agreement (collectively, the "DEVELOPMENT RIGHTS") from the Property to be contributed hereunder. Pursuant to the terms of the Cash Purchase and Sale Agreement, Prudential shall sell an undivided fifty percent (50%) interest in the Development Rights to REIT OP for Twenty Seven Million Dollars (\$27,000,000.00). Immediately thereafter, Prudential and REIT OP shall each contribute their respective undivided fifty percent (50%) interests in the Development Rights to a joint venture entity to be formed by and between Prudential and REIT OP, all as more particularly set forth in the Term Sheet. As a result of such sale, the aggregate amount of cash to be received by Prudential under the Cash Purchase and Sale Agreement shall be One Hundred Fifty-Six Million Seven Hundred Fifty Thousand Dollars (\$156,750,000).

Upon Closing, REIT OP shall accept contribution of the portion of the commercial components of the Prudential Center to be contributed to REIT OP pursuant to this Agreement and REIT OP shall, inter alia, issue Units to Prudential in an aggregate amount that is equal to the Contribution Price (as defined below), in exchange for such contribution to REIT OP, as more fully described below.

Each of the parties hereto has been advised by the other parties and acknowledges that the parties hereto would not be entering into this Agreement without the representations, warranties and covenants which are being made and agreed to herein by each party hereto and that each party is entering into this Agreement in reliance on such representations, warranties and other covenants.

W I T N E S S E T H:

In consideration of the mutual covenants and agreements set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and in reliance on all of the representations, warranties and covenants made by each of the parties hereto, the parties hereto do hereby agree as follows:

DEFINITIONS

The following terms as used in this Agreement will have the meanings attributed to them as set forth below unless the context clearly requires another meaning. The terms set forth below do not constitute all defined terms set forth in this Agreement. Such other defined terms shall have the meanings ascribed to them elsewhere in this Agreement.

"Adjustment Record Date" shall have the meaning specified in Section 2.6 of

this Agreement.

"Affiliate" means, with respect to any Person, (i) any Person directly or indirectly controlling, controlled by or under common control with such Person; (ii) any Person owning or controlling ten percent (10%) or more of the outstanding voting interests of such Person; (iii) any Person of which such Person owns or controls ten percent (10%) or more of the voting interests; or (iv) any officer, director, general partner or trustee of such Person or of any Person referred to in clauses (i), (ii) and (iii) above; provided, however, that

in no event shall "Affiliate" as used herein include any Person engaged in a joint venture with REIT OP.

"Agreement" means this Contribution Agreement, as the same may be amended, restated, supplemented or otherwise modified from time to time in accordance with the terms hereof.

"Agreed Share Value" means the lesser of (i) \$32 1/8, per share of Company Stock, or (ii) the actual Market Price (as defined below) per share of Company Stock on the NYSE on the day immediately preceding the Closing Date.

"Appurtenant Easements" shall have the meaning specified in Section 1.1 of

this Agreement.

"Approval" means any approval, authorization, consent, qualification or registration, or any waiver of the foregoing, or any notice, statement or other communication required to be filed with or delivered to any Governmental Entity or any other Person.

"Assignment of Service Contracts and Equipment Leases" shall have the meaning set forth in Section 6.3.4.

"Assignment of Warranties" shall have the meaning set forth in Section

6.3.4.

"Assignment of Leases" shall have the meaning set forth in Section 6.3.3 of

this Agreement.

"Bill of Sale" shall have the meaning set forth in Section 6.3.2 of this

Agreement.

"Building Code Variance" shall have the meaning specified in Section 7.2.8

of this Agreement.

"Business Day" means any day except Saturday, Sunday and any day which shall be a legal holiday or a day on which banking institutions in the State of New York and in the Commonwealth of Massachusetts generally are authorized or required by law or other government actions to close.

"BRA" shall mean the Boston Redevelopment Authority.

"Broker" shall have the meaning specified in Section 9.1.3 of this Agreement.

"Cash Purchase and Sale Agreement" shall have the meaning specified in the Recitals of this Agreement.

"Closing" shall have the meaning specified in Section 6.1 of this Agreement.

"Closing Date" shall have the meaning specified in Section 6.1 of this Agreement.

"Closing Statement" shall have the meaning specified in Section 5.7 of this Agreement.

"Code" means the Internal Revenue Code of 1986, as amended, and the rules and regulations thereunder as in effect on the date hereof.

"Commission" means the Securities and Exchange Commission.

"Company" means Boston Properties, Inc.

"Company Stock" means the Company's common stock.

"Contract Rights" shall have the meaning specified in Section 1.1.7 of this Agreement.

"Contribution Price" shall have the meaning specified in Article 2 of this Agreement.

"Declaration of Cross Easements" shall have the meaning specified in Section 1.1 of this Agreement.

"Deed" shall have the meaning specified in Section 6.3.1 of this Agreement.

"Deposit" shall have the meaning specified in Section 2.3 of this Agreement.

"Designated Employee" shall have the meaning specified in Section 8.3.2 of this Agreement.

"Development Rights" shall have the meaning specified in the Recitals of this Agreement.

"Development Rights Joint Venture Agreement" means the joint venture agreement to be negotiated by and between Prudential and REIT OP, which agreement shall be satisfactory in form and substance to both REIT OP and Prudential, and shall in any event be in the form to be attached hereto as EXHIBIT X

"Distribution Adjustment Amount" shall have the meaning specified in Section 2.6 of this Agreement

"Due Diligence" shall have the meaning specified in Section 4.1 of this Agreement.

"Due Diligence Documents" shall have the meaning specified in Section 4.1 of this Agreement.

"Election Notice" shall have the meaning specified in Section 11.2 of this Agreement.

"Equipment" shall have the meaning set forth in Section 1.3 of this Agreement.

"Equipment Leases" shall have the meaning specified in Section 3.1 of this Agreement.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended (or, with respect to any provision thereof referred to herein, any corresponding provision of any succeeding law).

"Escrow Fund" shall have the meaning set forth in Section 2.3 of this Agreement.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations of the Commission promulgated thereunder.

"Governmental Entity" means any agency, bureau, commission, court, department, official, political subdivision, tribunal or other instrumentality of any government, whether federal, state or local, domestic or foreign.

"Ground Lease" has the meaning set forth in Section 1.1.1 of this Agreement.

"Hart-Scott-Rodino Act" means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended and related rules, regulations and published interpretations thereunder.

"Hazardous Materials" means any substance, chemical, waste or material that is or becomes regulated by any federal, state or local governmental authority because of its toxicity, infectiousness, radioactivity, explosiveness, ignitability, corrosiveness or reactivity, including, without limitation, asbestos or any substance containing more than 0.1 percent asbestos, the group of compounds known as polychlorinated biphenyls, flammable explosives, oil, petroleum or any refined petroleum product.

"Improvements" shall have the meaning specified in Section 1.2 of this Agreement.

"Initial Distribution" shall have the meaning specified in Section 2.1 of this Agreement.

"Intangible Property" shall have the meaning specified in Section 1.8 of

this Agreement.

"Land" shall have the meaning set forth in Section 1.1 of this Agreement.

"Land Court" shall have the meaning set forth in Section 6.3.18 of this

Agreement.

"Law" means any constitutional provision, federal, state or local law,
statute, ordinance, law, rule, regulation or interpretation of any thereof and
any Order of any Governmental Entity (including, without limitation,
environmental laws).

"Leases" shall have the meaning set forth in the Section 6.3.3 of this

Agreement.

"Letter of Credit" shall have the meaning specified in Section 2.3 of this

Agreement.

"Lien" means, with respect to any asset, any mortgage, lien, pledge,
encumbrance, charge or security interest of any kind in or on such asset or the
revenues or income thereon or therefrom and "Liens" means each and every Lien,
collectively.

"Limited Partnership Unit" or "Limited Partnership Units" shall have the
meaning specified in the Recitals of this Agreement.

"Major Tenants" or "Major Tenant" shall have the meaning specified in
Section 6.3.5 of this Agreement.

"Management Agreement" shall have the meaning set forth in Section 3.1 of

this Agreement.

"Manager" shall have the meaning set forth in Section 1.6 of this

Agreement.

"Material Adverse Effect" means any material adverse effect upon (i) the
assets, liabilities, financial condition, earnings or operations of REIT OP and
its Subsidiaries taken as a whole, or (ii) any transaction contemplated by the
Transaction Documents.

"Market Price" means for Company Stock for any trading day the last
reported sale price regular way or, in case no such reported sale takes place on
such day, the average of the closing bid and asked prices regular way for such
day, of the Company Stock in either case on the New York Stock Exchange
Composite Transactions tape, or if the Company Stock is not reported on the New
York Stock Exchange Composite Transactions tape, on the principal national
securities exchange on which the shares are listed or admitted to trading, or if
they are not listed or admitted to trading on any national securities exchange,
but are traded in the over-the-counter market, the closing sale price of the
Company Stock or, in case no sale is publicly reported, the average of the
closing bid and asked quotations for the Company Stock on the NASDAQ or any
comparable system.

"Monetary Encumbrance" shall have the meaning specified in Section 3.2.1 of

this Agreement.

"Naming Rights Agreement" shall mean the Prudential Center Naming Rights
Agreement attached hereto as EXHIBIT K-1.

"New Lease" shall have the meaning specified in Section 13.1 of this

Agreement.

"New Lease Expenses" shall have the meaning specified in Section 13.1 of

this Agreement.

"NYSE" means the New York Stock Exchange.

"Offset Amount" means, an amount equal to the difference between \$32 1/8
and the actual Market Price per share of Company Stock on the NYSE on the day
immediately preceding the Closing Date, multiplied by the number of Units issued
to Prudential hereunder (excluding the Initial Distribution). Without limiting
any term of this Agreement or the Cash Purchase and Sale Agreement, the Offset
Amount shall only be applicable in the event that the Agreed Share Value, as
determined in accordance with the terms of this Agreement, is less than \$32 1/8.

"Outside Accountants" shall have the meaning specified in Section 5.8 of

this Agreement.

"Order" means any decree, injunction, judgment, order, ruling, assessment
or writ, including, without limitation any executive mandate of any Governmental
Entity.

"Other Exceptions" shall have the meaning specified in Section 3.2.1 of

this Agreement.

"Other Tenants" shall have the meaning specified in Section 6.3.5 of this

Agreement

"Partnership Agreement" means the Amended and Restated Agreement of Limited
Partnership of REIT OP dated as of June 23, 1997, as the same may be amended,
modified or supplemented from time to time in accordance with its terms.

"Partnership Amendment" means the Amendment to the Partnership Agreement in
the form attached hereto and made a part hereof as EXHIBIT D, pursuant to which

the Units are issued to Prudential in accordance with the terms of this
Agreement.

"Permit Rights" shall have the meaning set forth in Section 1.5 of this

Agreement.

"Permitted Exceptions" shall have the meaning specified in Section 3.1 of

this Agreement.

"Person" means an individual, partnership, corporation, limited liability company, trust or unincorporated organization, or a government or agency or political subdivision thereof.

"Personal Property" has the meaning set forth in Section 1.1 of this Agreement.

"Prime Rate" shall have the meaning specified in Section 5.8 of this Agreement.

"Property" shall have the meaning specified in Section 1.1 of this Agreement.

"Property Taxes" shall have the meaning specified in Section 5.2 of this Agreement.

"Prudential" shall have the meaning specified in the introduction to this Agreement.

"Prudential Parties" shall have the meaning specified in Section 9.1.3 of this Agreement.

"Prudential's Accountants" shall have the meaning specified in Section 5.7 of this Agreement.

"Prudential's knowledge" shall have the meaning specified in Section 8.3.3 of this Agreement.

"Prudential's Title Company" shall have the meaning specified in Section 2.3 of this Agreement.

"Realization Costs" shall have the meaning specified in Section 11.2 of this Agreement.

"Real Property" shall have the meaning specified in Section 1.1.2 of this Agreement.

"Records" shall have the meaning specified in Section 1.6 of this Agreement.

"REIT" means a real estate investment trust as defined in Section 856 of the Code

"REIT OP" shall have the meaning specified in the Introduction to this Agreement.

"REIT OP's Closing Certificate" shall have the meaning specified in Section 4.1 of this Agreement.

"REIT OP's Knowledge" shall have the meaning set forth in Section 8.1 of this Agreement.

"REIT OP's Representatives" shall have the meaning specified in Section 8.3.4 of this Agreement.

"REIT OP's Title Insurer" shall have the meaning specified in Section 3.1

of this Agreement.

"REIT OP's Lead Title Insurer" shall mean First American Title Insurance
Company.

"Registration Rights Agreement" shall have the meaning specified in Section

6.3.14 of this Agreement.

"Release" shall have the meaning specified in Section 9.3.1 of this

Agreement.

"Remove" shall have the meaning specified in Section 3.2.2 of this

Agreement.

"Rents" shall have the meaning specified in Section 5.1.1 of this

Agreement.

"Reporting Person" shall have the meaning specified in Section 14.2(a) of

this Agreement.

"Reporting Requirements" shall have the meaning specified in Section 14.2

of this Agreement.

"Rule 144" means Rule 144 under the Securities Act of 1933, as amended, and
any successor rule thereto.

"SEC Documents" shall have the meaning specified in Section 8.1.16 of this

Agreement.

"SEC Financial Statements" shall have the meaning specified in Section

8.1.16 of this Agreement.

"Securities Act" means the Securities Act of 1933, as amended, and the
rules and regulations of the Commission promulgated thereunder.

"Service Contracts" shall have the meaning specified in Section 3.1 of this

Agreement.

"Significant Portion" shall have the meaning specified in Section 11.1.1 of

this Agreement.

"Site" shall have the meaning specified in Section 1.1 of this Agreement.

"Site Survey" shall have the meaning specified in Section 1.1 of this

Agreement.

"Stewart Title Commitment" shall have the meaning specified in Section

3.1(a) of this Agreement.

"Subsequent Title Objections" shall have the meaning specified in Section 3.2.1 of this Agreement. -----

"Subsidiary's Guaranty" shall have the meaning specified in Section 2.1.1 of this Agreement. -----

"Supplies" shall have the meaning set forth in Section 1.1.4 of this Agreement. -----

"Surveyor's Report" has the meaning set forth in Section 3.1 of this Agreement. -----

"Taxes" means all taxes, charges, fees, levies, duties, imposts, withholdings, restrictions, fines, interest, penalties, additions to tax or other assessments or charges, including, but not limited to, income, excise, property, withholding, sales, use, gross receipts, value added and franchise taxes, license recording, documentation and registration fees and custom duties imposed by any Governmental Entity.

"Tax Protection Agreement" means the Tax Protection Agreement to be negotiated by and between Prudential and REIT OP, which agreement shall be satisfactory to both REIT OP and Prudential and shall be in the form to be attached hereto as EXHIBIT BB. -----

"Tax Return" means a report, return or other information required to be filed by a Person with or submitted to a Governmental Entity with respect to Taxes, including, where permitted or required, combined or consolidated returns for any group of entities that includes the Person.

"Tenants" shall have the meaning specified in Section 6.3.3 of this Agreement. -----

"Term Sheet" shall have the meaning specified in the Recitals of this Agreement.

"Title Commitment" shall have the meaning specified in Section 3.1 of this Agreement. -----

"Title Matters" shall have the meaning specified in Section 1.1.1 of this Agreement. -----

"Transaction" shall have the meaning specified in Section 7.1.7 of this Agreement. -----

"Transaction Documents" shall mean this Agreement, the Partnership Amendment, the Registration Rights Agreement, the Tax Protection Agreement and all other agreements, instruments, certificates and other documents to be entered into or delivered by any Person in connection with the transactions contemplated to be consummated by any of the foregoing.

"Tunnel Fireproofing Agreement" shall have the meaning specified in Section 12.5.1 of this Agreement -----

"Undivided Interest" shall have the meaning specified in Section 1.1 of this Agreement. -----

"Unit" or "Units" shall have the meaning set forth in the Recitals of this Agreement.

"Unregistered Land" shall have the meaning set forth in the Recitals of this Agreement.

ARTICLE 1 - CONTRIBUTION OF PROPERTY

1.1 Property. Prudential agrees to contribute, transfer and assign to

REIT OP and REIT OP agrees to accept and assume, subject to the terms and conditions stated herein, a seventy-five percent (75%) undivided interest (the "UNDIVIDED INTEREST") in and to the following (collectively, the "PROPERTY"):

1.1.1 Land. That certain tract of land situated in Boston, Suffolk

County, Massachusetts, containing 22.0230 acres and shown as Lot 12 on a plan entitled "Subdivision Plan of Land in Boston, Massachusetts" dated November 20, 1997 prepared by Cullinan Engineering Co., Inc., a copy of which is attached hereto and made a part hereof as EXHIBIT A-1 (the "SITE SURVEY") and which is

more particularly described in EXHIBIT A-2 attached hereto and made a part

hereof, and the Unregistered Land, more particularly described in EXHIBIT A-3

attached hereto and made a part hereof (collectively, the "LAND") together with

and subject to all rights, privileges and appurtenances pertaining thereto including, without limitation, the easements, rights, obligations, covenants, restrictions, agreements, terms, conditions and other provisions of (i) a document substantially in the form set forth in the Declaration of Cross-Easements, Operations, Parking and Common Area Covenants (the "DECLARATION OF

CROSS-EASEMENTS") which is attached hereto and made a part hereof as EXHIBIT B,

the Ground Lease, a copy of which is attached hereto and made a part hereof as EXHIBIT DD (the "GROUND LEASE") and (ii) the Naming Rights Agreement (the

"NAMING RIGHTS AGREEMENT") a copy of which is attached hereto and made a part

hereof as EXHIBIT K-1 (the "NAMING RIGHTS AGREEMENT") and the Permitted

Exceptions (collectively, the "TITLE MATTERS"); the Land as affected by the

Title Matters is hereafter referred to as the "SITE")

1.1.2 Improvements. The buildings and other permanent improvements

situated on the Site, commonly known as the Prudential Center, consisting of the office building known as the "Prudential Tower," the office building known as "101 Huntington," the multi-level, north and south garages known as the "Prudential Center Common Garage," all the retail areas located on the Site in part known as the "Shops at Prudential" and all other buildings, fixtures and improvements located on the Site (the "IMPROVEMENTS"; the Site and Improvements

are hereafter collectively referred to as the "REAL PROPERTY");

1.1.3 Equipment. Those items of furniture, furnishings, equipment

and other tangible personal property, (including software related to energy consumption and, to the extent owned by Prudential any computer equipment and, to the extent the applicable licenses are transferable, other computer software) which are listed on EXHIBIT A-4 attached hereto and made a part hereof (the

"EQUIPMENT");

1.1.4 Supplies. Those items of supplies, uniforms, cleaning supplies,

engineering supplies and other consumable supplies owned by Prudential and located on or used in connection with the Real Property as of the Closing Date (hereafter collectively referred to as the "SUPPLIES");

1.1.5 Permit Rights. All of Prudential's right, title and interest,

if any, in and to all licenses, permits and other written authorizations necessary for the use, operation and ownership of the Real Property as currently operated described in EXHIBIT C attached hereto and made a part hereof (the "PERMIT RIGHTS");

1.1.6 Records. All of Prudential's right, title and interest, if any,

and to the extent assignable, in all drawings, plans and specifications relating to the Property or any part thereof, all third party studies and reports located at and covering the Property or any part thereof, all guaranties, warranties, indemnification, undertakings and other assurances relating to the Property or any part thereof all operating and maintenance files, any management files and any other books, records and files (excluding appraisals, budgets, Prudential's strategic plans for the Property, internal analyses, marketing information, submissions relating to Prudential's obtaining corporate authorization, attorney and accountant work product, or other information in the possession or control of Prudential, Cushman & Wakefield/Premisys, Inc. (the "MANAGER") which

Prudential, acting reasonably, deems proprietary but which shall in any event include, without limitation, documents in Prudential's or Manager's files marked "privileged or confidential," brokerage agreements for the sale of the Property and agreements or other documents containing a confidentiality provision prohibiting disclosure to third parties) which relate to or are used in the ownership or operation of the Property and which are located at the Property or which are in possession and control of the Manager or Prudential, subject however, in all cases, to Prudential's access rights as set forth in Section

9.3.3 below (as hereafter defined below; hereafter collectively referred to as

the "RECORDS");

1.1.7 Contract Rights. All of Prudential's right, title and interest

(i) in and to the Leases (as defined below) and (ii) if any and to the extent assignable, in and to the Management Agreement (as defined below), the Leases (as defined below), Equipment Leases (as defined below), the Service Contracts all to the extent that Buyer elects to assume the same as hereinafter provided (collectively the "CONTRACT RIGHTS"); and

1.1.8 Intangible Property and Signage Rights. Except as hereinafter

specifically retained by Prudential pursuant to Prudential Center Naming Rights Agreement attached hereto as EXHIBIT K-1, the name "The Prudential Center" and

all other names, marks, registrations, applications and signage rights relating to the Property (collectively the "INTANGIBLE PROPERTY").

The Equipment, Supplies, Permit Rights, Records and Intangible Property are hereafter collectively referred to as the "Personal Property."

1.2 Other Property. Prudential's remaining twenty-five percent (25%)

undivided interest in the Property shall be transferred by Prudential to REIT OP pursuant to and in accordance with the Cash Purchase and Sale Agreement.

1.3 Reservation of Development Rights. Notwithstanding the foregoing,

Prudential hereby reserves all of its right, title and interest in the Development Rights from the contribution to be made to REIT OP hereunder, and, as contemplated by this Agreement, the Property shall be conveyed subject to the Ground Lease.

ARTICLE 2 - CONTRIBUTION CONSIDERATION

2.1 Contribution Consideration. In consideration of the contribution of

the Property to REIT OP on the Closing Date subject to the terms and conditions of this Agreement, REIT OP agrees to issue at Closing the Units to be issued to Prudential, calculated as provided below, to Prudential in exchange for the contribution of the Property to REIT OP. The total value of the Units to be issued to Prudential shall initially be equal to Three Hundred Eighty-Nine Million Two Hundred Fifty Thousand Dollars (\$389,250,000) (the "CONTRIBUTION

PRICE"). As a condition to the Contribution of the Property to REIT OP

hereunder, upon receipt of such Units, Prudential, as the holder of such Units shall receive a distribution from REIT OP of Three Hundred Fifteen Million Seven Hundred Fifty Thousand Dollars (\$315,750,000), subject to adjustment as provided in Section 2.1.2 and Section 9.1.5 of this Agreement (the "INITIAL

DISTRIBUTION"), whereupon the total value of the Units issued to Prudential pursuant to this Agreement shall be Seventy-Three Million Five Hundred Thousand Dollars (\$73,500,000). The Initial Distribution shall be financed by REIT OP subject to the terms of Section 2.1.1 below. All prorations described in

Article 5 and any other adjustments or costs which are the responsibility of Prudential, plus any prorations described in Article 5 shall be made in cash.

2.1.1 Structure of Financing of Transaction. The Transaction shall

be consummated with financing obtained by REIT OP upon the terms and conditions set forth on the Term Sheet attached hereto as EXHIBIT U. The provisions of the

Term Sheet and such financing shall be implemented with documentation reasonably satisfactory in form and substance to Prudential. Without limiting the foregoing, the Initial Distribution shall be funded by REIT OP with (i) a Three Hundred Million Dollar (\$300,000,000) borrowing which will be a Qualified Loan (as such term is defined in the Tax-Protection Agreement) to REIT OP and secured by a first mortgage on the Property, and (ii) an additional borrowing in an amount equal to the additional cash required by REIT OP to make the Initial Distribution which will be a Qualified Loan to REIT OP and secured by a first mortgage on other property owned by REIT OP having a value (determined pursuant to the terms of the Tax Protection Agreement) of no less than one hundred and fifty-four (154%) of the amount secured by such first mortgage. Each of the foregoing mortgage loans shall be guaranteed by Prudential or a wholly owned subsidiary of Prudential pursuant to a guaranty ("SUBSIDIARY'S GUARANTY") in the

form attached hereto as EXHIBIT Z and more particularly described in the Tax

Protection Agreement,

provided, however, that Subsidiary's Guaranty of the loan secured by the Property shall be a so-called "bottom dollar guaranty" and shall be limited in amount to no more than the portion of such debt used to fund the Initial Distribution, and each guaranty shall otherwise comply with the terms of the Tax Protection Agreement.

2.1.2 Election to Reduce Units and Increase Distribution.

Notwithstanding the foregoing provisions of this Section 2.1, the parties acknowledge and agree that in the event that on the Closing Date the per share Market Price of the Company Stock is less than \$32 1/8, REIT OP shall have the right to elect to reduce the total value of the Units to be received by Prudential pursuant to this Agreement to an amount that is not less than Twenty Five Million Dollars (\$25,000,000) and increase the Initial Distribution to be made to Prudential by the amount of such reduction. In the event that REIT OP exercises such right to reduce the total value of the Units to be received by Prudential pursuant to this Section 2.1.2 or, in the event that Prudential

exercises its right to reduce the total value of the Units to be received from REIT OP pursuant to the terms of Section 9.1.5 of this Agreement, REIT OP must

fund such increased Initial Distribution through additional borrowing in an amount equal to the additional cash required by REIT OP to make the increased Initial Distribution, which shall be a Qualified Loan to REIT OP and secured by a first mortgage on other property owned by REIT OP having a value (determined pursuant to the terms of the Tax Protection Agreement) of not less than one hundred and fifty-four percent (154%) of the amount secured by such first mortgage. Such additional debt shall be guaranteed by Prudential or a wholly owned subsidiary of Prudential pursuant to Subsidiary's Guaranty.

2.2 Calculation of Units. Subject to the terms of Section 2.1, Prudential

shall initially be entitled to receive upon Closing the number of Units that is equal to the Contribution Price divided by the Agreed Share Value provided,

however, that upon receipt of the Initial Distribution (which shall also be

received at Closing), the number of Units held by Prudential shall be equal to (i) the Contribution Price minus the amount of the Initial Distribution, (ii) divided by the Agreed Share Value.

2.3 Letter of Credit. Upon the full and final execution of this Agreement

and as a condition precedent to the effectiveness of this Agreement, in lieu of a cash deposit, REIT OP shall deliver to Prudential an unconditional, irrevocable letter of credit issued by BankBoston in the amount of Thirteen Million One Hundred Twenty-Five Thousand Dollars (\$13,125,000.00) in favor of Prudential as beneficiary to secure the full performance of REIT OP's obligations under this Agreement, in the form attached hereto as EXHIBIT E-1

(the "LETTER OF CREDIT"). Unless converted to cash collateral as provided

below, Prudential shall return the Letter of Credit to REIT OP at Closing in accordance with Section 6.3.23 or in such other circumstances in which REIT OP

is entitled to its return pursuant to the terms of this Agreement. If at or prior to the Closing Prudential determines in its sole discretion that REIT OP is in default of its obligations under this Agreement or if the Letter of Credit is about to expire, Prudential may, three (3) Business Days after delivery of notice to REIT OP of such default or impending expiration and Prudential's intention to draw upon the Letter of Credit, draw upon the Letter of Credit by providing a draw certificate to BankBoston in the form

attached to the Letter of Credit together with a draft payable to Prudential, provided, however, that in the event that REIT OP notifies Prudential of its

objection to such drawing within such three (3) day period, Prudential may convert the Letter of Credit to cash collateral by providing a draw certificate to BankBoston in the form attached to the Letter of Credit together with a draft payable to REIT OP's Lead Title Insurer. In such event BankBoston shall immediately wire Thirteen Million One Hundred Twenty-Five Thousand Dollars (\$13,125,000.00) in immediately available United States, federal funds (the "ESCROW FUND") to REIT OP's Lead Title Insurer. The Escrow Fund shall

thereafter be held and delivered by Prudential's Title Company as escrow agent in accordance with the provisions of the Escrow Agreement attached hereto as EXHIBIT E-2 and made a part hereof and any interest earned thereon shall be

considered a part of the Escrow Fund. In the event that the Letter of Credit has been converted to cash collateral pursuant to Section 2.3 and the Closing nevertheless occurs thereafter, the Escrow Fund shall be returned to REIT OP at Closing.

2.4 Allocation of Contribution Price. The Contribution Price shall be

allocated between the Real Property (including for this allocation purpose, the value of Permit Rights, Records, Leases, Contract Rights and Intangible Property) and the Equipment and Supplies as follows set forth in EXHIBIT EE

attached hereto (subject to Closing adjustments provided hereunder).

2.5 Admission to the Partnership. At the Closing, Prudential will execute

and deliver a limited partner signature page to the Partnership Amendment and REIT OP shall execute and deliver the Partnership Amendment evidencing the issuance of the Units, and Prudential shall be admitted as a limited partner of REIT OP.

2.6 Proration of Initial Distribution. Prudential acknowledges and agrees

that with respect to the Units actually received by Prudential at Closing in accordance with Section 2.1 of this Agreement (excluding, however, the Initial

Distribution), the first regular quarterly distribution which it would otherwise be entitled to receive from REIT OP following the Closing Date will be prorated (on a per Unit basis) such that Prudential will only receive a portion of such distribution which shall be an amount equal to the total amount of the distribution (on a per Unit basis) which would have otherwise been received by Prudential with respect to such Units had it not been for this provision (the "TOTAL DISTRIBUTION"), minus an amount equal to the Total Distribution,

multiplied by a fraction, the numerator of which shall be the number of calendar days between the Adjustment Record Date and the Closing Date (including such Closing Date), and the denominator of which shall be ninety-one (91) days (or such longer period of days as shall elapse between the Adjustment Record Date and the record date of the Company with respect to the distribution so received on account of such Units. As used in this Section 2.6, the term "Adjustment

Record Date" means the dividend record date of the Company most recently occurring prior to the Closing Date.

ARTICLE 3 - TITLE MATTERS

3.1 Title to Real Property. Except as provided in Section 3.2, and unless

this Agreement is terminated by REIT OP pursuant to Section 4.1, Prudential

shall transfer the Undivided Interest in the Real Property to REIT OP and REIT
OP shall accept the same at Closing subject to the following matters:

(a) The title matters of record set forth in the Stewart Title
Guaranty Company commitment dated April 20, 1997 (GF #T57133, SN
#1112970023), together with letter dated April 8, 1998 from Rackemann
Sawyer & Brewster attached hereto as EXHIBIT F and made a part hereof, (the

"STEWART TITLE COMMITMENT") as the Exceptions set forth on Schedule B,

Section 2 ("PERMITTED EXCEPTIONS") together with such other matters as REIT

OP's title insurance companies (collectively, "REIT OP'S TITLE INSURER")

and, to the extent applicable, all other title insurance companies who
shall participate in reinsuring the Property, shall be willing to omit as
exceptions to coverage, or insure against the same by an endorsement in
form reasonably acceptable to REIT OP at no additional cost to REIT OP
whether such insurance coverage is made available in consideration of
payment, bonding, indemnity of Prudential or otherwise;

(b) The state of facts set forth in the Surveyor's Report
prepared by Cullinan Engineering attached hereto as EXHIBIT G and made a

part hereof (the "SURVEYOR'S REPORT");

(c) All Laws including, without limitation, all environmental,
building and zoning restrictions, ordinances and regulations, affecting the
Property or the ownership, use or operation thereof adopted by the United
States, the Commonwealth of Massachusetts, the City of Boston, and any and
every other agency, department, instrumentality and/or political
subdivision of government of every kind whatsoever having jurisdiction
thereof, and all amendments or additions thereto now in effect or which
may be in force and effect on the Closing Date;

(d) Unpaid personal property taxes owed by Prudential for the
Property, unpaid real estate taxes, unpaid excise taxes, water and sewer
charges which are not yet due and payable but which may be a lien on all or
a portion of the Property, subject to adjustment as hereinafter provided;

(e) The Declaration of Cross Easements;

(f) The Ground Lease between Prudential as lessor, and an
Affiliate of Prudential as lessee demising the portions of the Land
affected by the Development Rights as more particularly described therein,
which Ground Lease shall be in form and substance reasonably satisfactory
to REIT OP and Prudential and attached hereto as EXHIBIT DD.

(g) The management agreement and any sub-management contracts listed on EXHIBIT H attached hereto and made a part hereof (the "MANAGEMENT AGREEMENT") if assumed by REIT OP at its election as hereinafter provided;

(h) The Leases listed in EXHIBIT I attached hereto and made a part hereof, as such list may be modified, amended from time to time and updated as of the Closing date, each in accordance with the terms of this Agreement;

(i) The Equipment Leases listed in EXHIBIT J attached hereto and made a part hereof ("EQUIPMENT LEASES") if assumed by REIT OP at its election as hereinafter provided;

(j) The vendor contracts and service agreements listed in EXHIBIT V attached hereto and made a part hereof (the "SERVICE CONTRACTS") and which REIT OP elects to assume as hereinafter provided;

(k) The litigation listed or referenced on EXHIBIT L attached hereto and made a part hereof;

(l) The Prudential Tower Sign Lease attached hereto and made a part hereof as EXHIBIT K-2;

(m) The Prudential Center Naming Rights Agreement attached hereto and made a part hereof as EXHIBIT K-1; and

(n) Any exceptions caused by REIT OP, its agents, representatives or employees.

The foregoing are hereinafter referred collectively to as the "PERMITTED EXCEPTIONS".

3.2 Title Defects.

3.2.1 Certain Exceptions to Title. REIT OP shall have the right to object in writing to any title matters that are not Permitted Exceptions and that adversely affect REIT OP's title to the Real Property which (i) may appear on updates to the Stewart Title Commitment issued at the request of REIT OP after the date hereof (herein collectively referred to herein as "OTHER EXCEPTIONS") within five (5) Business Days after the receipt thereof by REIT OP or on a title commitment issued by REIT OP's Title Insurer, in either case, prior to the execution of this Agreement or (ii) arise as of record after the execution of this Agreement and to which REIT OP objects promptly after receipt of notice thereof. Unless REIT OP shall within such period object to such Other Exceptions, all such Other Exceptions shall be deemed to constitute additional Permitted Exceptions; provided, that if any Other Exception is a mortgage, mechanics' or materialmen's lien, or other encumbrance securing payment of a definite monetary amount (a "MONETARY ENCUMBRANCE") it shall be deemed

objected to by REIT OP whether or not such notice is given. Any such Monetary Encumbrance, together with any other exceptions to which REIT OP shall have timely objected, shall be herein collectively referred to as "SUBSEQUENT TITLE

OBJECTIONS." Prudential shall be obligated to Remove (as defined below) any

Subsequent Title Objection, which Prudential shall have voluntarily placed or permitted to be placed upon or against the Property. Prudential shall use reasonable efforts to remove any Subsequent Title Objection which was involuntarily placed upon or against the Real Property provided in such case Prudential shall not be required to spend more than Two Hundred Fifty Thousand Dollars (\$250,000) to remove the same. Prudential shall be entitled at Prudential's election by notice to REIT OP to extend the Closing (not to exceed ninety (90) days) in order to provide Prudential additional time in which to Remove any such Subsequent Title Objection. If Prudential is unable to Remove any Subsequent Title Objection prior to the Closing as provided herein, REIT OP may elect to either (a) terminate this Agreement (in which event the Letter Credit shall be returned to REIT OP and, thereafter, the parties shall have no further rights or obligations hereunder, except as provided in any section hereof that by its terms expressly provides that it survives any termination of this Agreement), or (b) waive such Subsequent Title Objections, in which event such Subsequent Title Objections shall be deemed "Permitted Exceptions" and the Closing shall occur as herein provided without any reduction of or credit against the Purchase Price.

3.2.2 Discharge of Title Objections. If on the Closing Date, as

the same may be extended pursuant to Section 3.2.1, there are any Subsequent

Title Objections which Prudential has elected to clear, or which Prudential is required to Remove as provided herein, Prudential shall Remove the same at Closing. The term "REMOVE" as used in this Agreement shall mean that Prudential

in its discretion shall either (a) cause REIT OP's Title Insurer to remove the same as an exception to title in REIT OP's title policy or to insure against the same in a manner reasonably acceptable to REIT OP, without any additional cost to REIT OP, whether such insurance is made available in consideration of payment, bonding, indemnity of Prudential or otherwise, or (b) use its own funds if and as supplied to REIT OP's Lead Title Insurer for such purpose to discharge the same, provided Prudential shall either (i) deliver to REIT OP at the Closing instruments in recordable form and sufficient to discharge such Subsequent Title Objections of record, together with the cost of recording or filing such instruments, or (ii) provide title insurance therefor in the manner described in clause (a) above.

3.2.3 Final Title Commitment. Prior to the execution of this

Agreement, REIT OP shall deliver to Prudential a copy of the commitment for the policy of owner's title insurance to be issued pursuant to Section 7.2.3 by REIT

OP's Title Insurer. The failure by REIT OP to deliver a copy of the commitment for the policy of owner's title insurance to be issued pursuant to Section 7.2.3

by REIT OP's Title Insurer shall be deemed an election by REIT OP to accept an owner's policy of title insurance issued pursuant to the Stewart Title Commitment in satisfaction of Section 7.2.3.

ARTICLE 4 - REIT OP'S DUE DILIGENCE/CONDITION OF THE PROPERTY

4.1 REIT OP's Inspection of the Property. REIT OP acknowledges that prior

to the execution of this Agreement, REIT OP conducted its examinations,
inspections, testing, studies and/or investigations (herein collectively called
the "DUE DILIGENCE") of the Property and information regarding the Property,

including, without limitation, review of the documents and other materials
identified on EXHIBIT M-1 attached hereto and made a part hereof (the "DUE

DILIGENCE DOCUMENTS"). REIT OP acknowledges that it is satisfied with the

results of its Due Diligence, and agrees that the Property shall be sold, and
that REIT OP shall accept possession of the Property on the Closing Date, "AS
IS, WHERE IS, WITH ALL FAULTS", with no right of set off or reduction in the
Purchase Price. Pursuant to Section 9.2.3, REIT OP shall have the right after

the execution of this Agreement to have access to the Property for further
review and inspection, but REIT OP shall not be entitled to terminate this
Agreement based on such inspection. At Closing, as a material inducement to
Prudential to consummate the transaction, REIT OP will deliver a certification
and agreement in the form annexed hereto as EXHIBIT N (the "REIT OP'S CLOSING

CERTIFICATE").

ARTICLE 5 - ADJUSTMENTS AND PRORATIONS

5.1 Lease Rentals and Expenses.

5.1 Rents. All collected rents and other payments from tenants under

the Leases shall be prorated between Prudential and REIT OP as of 12:00 a.m.
midnight on the Closing Date. Prudential shall be entitled to all rents
(including any percentage rent, additional rent and any accrued tax and
operating expense reimbursements and escalations), charges, and other revenue of
any kind attributable to any period under the Leases to but not including the
Closing Date. REIT OP shall be entitled to all rents (including any percentage
rent, additional rent and any accrued tax and operating expense reimbursements
and escalations, subject to the provisions of Section 5.6), charges,

reimbursements, payments, additional rent and other revenue of any kind derived
from the Property (collectively, "RENTS") attributable to any period under the

Leases on and after the Closing Date. Rents due landlord under the Leases and
not collected as of the Closing Date shall not be prorated at the time of
Closing, but REIT OP shall make a good faith effort to collect the same on
Prudential's behalf and to tender the same to Prudential upon receipt (which
obligation of REIT OP shall survive the Closing and not be merged therein);
provided, however, that all Rents due landlord under the Leases and collected by

REIT OP on or after the Closing Date shall first be applied to all amounts due
under the Leases at the time of collection (i.e., current rents and sums due
REIT OP as the current owner and landlord) with the balance (if any) payable to
Prudential, but only to the extent of amounts delinquent and actually due
Prudential. REIT OP shall not have an exclusive right to collect the sums due
Prudential under the Leases and Prudential hereby retains its rights to pursue
any tenant under the Leases for sums due Prudential for periods attributable to
Prudential's ownership of the Property; provided that by the retention of such
rights Prudential shall not retain any right to terminate any Leases after the
Closing Date.

Prudential's rights under the immediately preceding sentence shall survive the Closing and not be merged therein. REIT OP agrees to cooperate as Prudential may reasonably require (at Prudential's expense) to enable Prudential to pursue after Closing the collection of such amounts due Prudential from tenants, including making available to Prudential documents and records relating to such tenants' obligations. REIT OP shall receive a credit against the Contribution Price for pre-paid rentals held by Prudential under Leases covering the period post-Closing.

5.1.2 New Lease Expenses. At Closing, REIT OP shall reimburse

Prudential for the New Lease Expenses (as defined in Section 13.1) to the extent

required by the terms of Section 13.1.

5.2 Real Estate and Personal Property Taxes. Real estate taxes, excise

taxes and personal property taxes attributable to the Property (collectively,
"PROPERTY TAXES"), shall be prorated as of the Closing Date. Prudential shall

pay all Property Taxes and shall be entitled to all tax refunds and credits
attributable to the Property through 11:59 p.m. on the day before Closing Date.
REIT OP shall be responsible to pay all Property Taxes attributable to the
Property from and after 12:00 a.m. midnight on the Closing Date. If any of the
Property Tax rates or assessments have not been set for the fiscal year in which
the Closing occurs or are otherwise undeterminable at the Closing, then the
proration of such taxes and payments shall be based upon the rate, assessments
and facts for the preceding calendar year, and such proration shall be adjusted
between Prudential and REIT OP upon presentation of written evidence that the
actual taxes paid for the calendar year in which the Closing occurs differ from
the amounts used at Closing and in accordance with the provisions of Section

5.8. Prudential shall be responsible to pay all installments of special
assessments due and payable prior to the Closing Date and REIT OP shall be
responsible to pay all installments of special assessments due and payable on
and after the Closing Date. In the event the Property is assessed for property
tax purposes at such rates as would result in reassessment based upon the change
in land usage after the Closing Date, REIT OP hereby agrees to pay all such
taxes and to indemnify and save Prudential harmless from and against all claims
and liability for such taxes. Such indemnity, and the obligations of the
parties to readjust the applicable prorations under this Section shall survive
the Closing and not be merged therein.

5.3 Other Property Operating Expenses. Operating expenses for the

Property shall be prorated as of 12:00 a.m. midnight on the day of the Closing
Date. Prudential shall pay all utility charges and other operating expenses
attributable to the Property to, but not including the Closing Date (except for
those utility charges and operating expenses payable directly by tenants in
accordance with the Leases) and REIT OP shall pay all utility charges and other
operating expenses attributable to the Property on or after the Closing Date.
To the extent that the amount of actual consumption of any utility services is
not determined prior to the Closing Date, a proration shall be made at Closing
based on the last available reading and post-closing adjustments between REIT OP
and Prudential shall be made within twenty (20) days of the date that actual
consumption for such pre-closing period is determined, which obligation shall
survive the Closing and not be merged therein. If any operating expense is
undeterminable at

the Closing, then the proration of such expense shall be based upon the facts available at the Closing and such proration shall be readjusted between Prudential and REIT OP after the Closing upon presentation of written evidence that such expense has been conclusively determined and has resulted in an amount different from the amount used at the Closing to prorate such expense. Without limiting the foregoing, the parties acknowledge that adjustment may be required by reason of changes or adjustments made in the annual financial report of the Manager or an audit thereof pursuant to the provisions of the Management Agreement. Prudential shall not assign to REIT OP any deposits which Prudential has with any of the utility services or companies servicing the Property. REIT OP shall arrange with such services and companies to have accounts opened in REIT OP's name beginning at 12:01 a.m. on the Closing Date. The obligations of the parties to readjust the applicable prorations under this Section shall survive the Closing.

5.4 Closing Costs. REIT OP shall pay all premiums and charges of REIT

OP's Title Insurer for REIT OP's title policy (including endorsements) to be issued pursuant to the Title Commitment, the cost of any survey obtained by Buyer, all recording and filing charges in connection with the deed and other instruments by which Prudential conveys the Property one-half (1/2) of all escrow charges, and any other costs customarily paid by a buyer of similar properties pursuant to local practice. Prudential shall pay all deed excise stamp taxes, all transfer taxes, if any, applicable to the transfer of the Property to REIT OP and any other costs customarily paid by a seller of similar properties pursuant to local practice and one-half (1/2) of all escrow charges. Except as otherwise agreed by the parties, each party shall pay its own attorneys. The obligations of the parties to pay applicable escrow charges shall survive the Closing or any termination of this Agreement.

5.5 Cash Security Deposits. At Closing, Prudential shall give REIT OP a

credit against the Contribution Price in the aggregate amount of the unapplied cash security deposits then held by Prudential under the Leases and any interest thereon (unless assigned to REIT OP pursuant to Section 6.3.3 below) to the

extent the same have not been applied by Prudential prior to the Closing in accordance with the Leases and the terms of Section 13.3 below.

5.6 Apportionment Credit. In the event the apportionments to be made at

the Closing result in a credit balance (i) to REIT OP, such sum shall be paid (at Prudential's option) at the Closing by giving REIT OP a credit against the Contribution Price in the amount of such credit balance or without reduction of the Contribution Price by giving REIT OP a certified or bank check payable to the order of REIT OP, or (ii) to Prudential, REIT OP shall pay the amount thereof to Prudential at the Closing by wire transfer of immediately available United States federal funds to the account or accounts to be designated by Prudential for such purpose prior to Closing.

5.7 Closing Statement. Prudential shall cause its accounting staff

("PRUDENTIAL'S ACCOUNTANTS") to make such inventories, examinations and audits

of the Property, and of the books and records of the pertaining to the Property, as Prudential's Accountants may deem necessary to make the adjustments and prorations required under this Article 5, or under any

other provisions of this Agreement. All such adjustments and prorations shall be made in accordance with the provisions of this Agreement and otherwise in accordance with generally accepted accounting practices. REIT OP or its designated representatives may be present at such inventories, examinations and audits. Based upon the results thereof, Prudential's Accountants will prepare and deliver to the parties, no later than four (4) Business Days prior to the Closing, a closing statement (the "CLOSING STATEMENT"), which shall (a) contain

Prudential's good faith estimate of the amounts of the items requiring the prorations and adjustments in accordance with this Agreement and (b) be the basis upon which the prorations and adjustments provided for herein shall be made at the Closing, except as Prudential and REIT OP shall otherwise agree prior to Closing and except as otherwise provided immediately below. The Closing Statement shall be based on the Contribution Price amounts hereunder and the allocations described in Section 2.4. REIT OP may review and comment on the

Closing Statement, and Prudential agrees to give good faith consideration to REIT OP's comments; however, if at the time of Closing there shall be any item or items on any Closing Statement that remain in dispute, (i) the Closing Statement shall reflect Prudential's figures but shall reflect REIT OP's figures in an addendum or footnote(s) to the Closing Statement, (ii) an amount equal to the aggregate difference between the net amounts payable to Prudential using Prudential's figures and using REIT OP's figures shall be retained by REIT OP's Lead Title Insurer after Closing and shall not be paid over to Prudential pending resolution of such dispute (the parties agreeing to enter into appropriate instructions to REIT OP's Lead Title Insurer to hold such funds until directed to release the same by joint order of the parties or upon receipt of a copy of the determination of the Outside Accountants (as defined below) certified by a party hereto), and (iii) if such dispute is not resolved by agreement between the parties within forty-five (45) days after Closing, such dispute shall be resolved in the manner provided in Section 5.8 . Upon

resolution of any such dispute (whether by agreement or pursuant to Section

5.8), each party shall direct REIT OP's Title Insurer to pay out to the

appropriate party or parties the amounts so retained. The Closing Statement shall be binding and conclusive on all parties hereto to the extent of the items covered by the Closing Statement, except (i) as provided immediately above, (ii) where this Agreement expressly provides for further adjustment of such amounts after Closing, and (iii) as otherwise provided in Section 5.8 below.

5.8 Delayed Adjustment; Disputes. If at any time following the Closing

Date, the amount of an item listed in any section of this Article 5 shall be

subject to adjustment as provided above or shall otherwise prove to be incorrect (whether as a result in an error in calculation or a lack of complete and accurate information as of the Closing), the party in whose favor the error was made shall promptly pay to the other party the sum necessary to correct such error upon receipt of reasonable proof of such error, provided that such proof is delivered to the party from whom payment is requested on or before one (1) year after Closing (or such longer period as is provided for adjustment under this Article 5). It is expressly agreed that the provisions of this Article 5 shall survive the Closing and shall not be merged therein. Without limiting the foregoing, the parties acknowledge that adjustment may be required by reason of changes or adjustments made in the annual financial report of the Manager or an audit thereof pursuant to the provisions of the Management Agreement. Within

ten (10) Business Days after receipt of written notice of any such adjustment from one party hereunder to the other party, the party having received any excess credit based on the adjustments made at Closing shall either (i) pay to the other party the amount of such excess credit, or (ii) notify the other party in writing that it disputes the adjustment being claimed. Failure to respond to any such notice of adjustment (if the same shall continue for an additional five (5) Business Days after receipt of a second notice, which second notice shall state that the party has failed to respond within the period required under this Section 5.8 and that continued failure to respond shall be deemed an approval)

shall constitute an approval of the claimed adjustment. In the case of a dispute, the parties shall attempt to resolve such dispute, but if for any reason such dispute is not resolved within forty-five (45) days after the delivery of the original notice of the claimed adjustment by REIT OP or Prudential, then the parties shall submit such dispute to Arthur Andersen ("OUTSIDE ACCOUNTANTS"), and the determination of the Outside Accountants shall

be made within a period of fifteen (15) days after such submittal. The fees and expenses of the Outside Accountants shall be paid equally by REIT OP and Prudential. At such time as the amount of any adjustment or dispute shall be determined (either by agreement or by determination of the Outside Accountants), any amount that shall be payable by one party to the other as a result of such adjustment or determination shall be paid within ten (10) Business Days after the date on which such agreement or determination shall have been made. Any amounts not paid within such period shall bear interest at a rate equal to the sum of (A) the "Prime Rate" as reported from time to time in the "Money Rates" section of The Wall Street Journal, as published and distributed in New York,

New York, in effect from time to time (herein called the "PRIME RATE") and (B)

two percent (2%) per annum, until all such amounts and the interest thereon shall have been paid in full.

5.9 Extension of Closing Date and Contribution Price Adjustment. REIT OP

may elect to extend the Closing Date to a date not later than June 30, 1998 upon written notice to Prudential delivered at least two (2) Business Days prior to the Closing Date. If REIT OP elects to extend the Closing Date under this Section 5.9, to a date later than June 4, 1998, the Purchase Price under the

Cash Purchase and Sale Agreement shall be increased pursuant to the terms of Section 5.9 of the Cash Purchase and Sale Agreement.

ARTICLE 6 - CLOSING

REIT OP and Prudential hereby agree that the Transaction shall be consummated as follows:

6.1 Closing Date. Subject to the parties' rights to extend the Closing as

provided in this Agreement, the Transaction shall close ("CLOSING") on May 21, 1998 (the "CLOSING DATE"). The Closing shall be conducted through the use of an

escrow with REIT OP's Lead Title Insurer, under which all conveyance, assignment and other documents and any sums payable in cash by REIT OP hereunder shall be deposited in such escrow, in accordance with reasonable and customary closing instructions jointly given by the parties; provided, that all documents and funds shall be delivered as of the Closing Date. The Closing shall take place at

10:00 a.m. Eastern Time in the offices of Goodwin, Procter & Hoar LLP, Exchange Place, Boston, Massachusetts 02109. REIT OP and Prudential shall conduct a "pre-closing" on the last three (3) Business Days prior to the Closing Date. REIT OP and Prudential, separately or collectively, as appropriate for each item, shall escrow with REIT OP's Lead Title Insurer no later than two (2) Business Days prior to the Closing Date the fully executed, notarized and recordable Deed (as hereinafter defined) for the Real Property, a bill of sale for the Personal Property, and each of the additional items listed in Sections

6.3 and 6.4, such documents to be held by REIT OP's Lead Title Insurer pursuant

to an escrow letter or letters to be provided by Prudential and REIT OP on or before the Closing Date. In the event that REIT OP or Prudential execute separate escrow instructions, such separate escrow instructions shall constitute separate agreements between REIT OP's Lead Title Insurer on the one hand, and REIT OP or Prudential, as the case may be, on the other hand, and shall not constitute agreements between REIT OP and Prudential. Such separate escrow instructions shall be enforceable only to the extent not inconsistent with this Agreement. Title transfer and delivery of the Contribution Price is to be completed on the Closing Date as set forth in Section 6.1. Time is of the

essence with respect to the Closing Date.

6.2 Title Transfer and Payment of Contribution Price. Provided all

conditions precedent to Prudential's obligations hereunder have been satisfied, Prudential agrees to convey title to the Undivided Interest in the Property to REIT OP by statutory quitclaim deed upon confirmation of receipt by REIT OP's Lead Title Insurer of the Contribution Price, including, without limitation, evidence of the issuance of the Units as set forth below and receipt of immediately available funds in the amount of the Initial Distribution. Provided all conditions precedent to REIT OP's obligations hereunder have been satisfied, REIT OP agrees to deliver the Contribution Price, as specified in Article 2, subject to the closing adjustments described in Article 5, by timely delivering evidence of the issuance of the Units as set forth below and the Initial Distribution in immediately available federal funds to REIT OP's Lead Title Insurer no later than 9:00 a.m. Eastern Time on the Closing Date.

6.3 Prudential's Closing Deliveries. At the Closing, Prudential shall

deliver or cause to be delivered to REIT OP or REIT OP's Lead Title Insurer, as applicable, the following:

6.3.1 Deed. A statutory quitclaim deed with respect to the Property

in the form of EXHIBIT 0-1 attached hereto and incorporated herein by this

reference, conveying to REIT OP the Real Property, subject only to the Permitted Exceptions (the "DEED").

6.3.2 Bill of Sale. A bill of sale in the form of EXHIBIT 0-2

attached hereto and incorporated herein by this reference conveying all of Prudential's right, title and interest in and to the Personal Property (the "BILL OF SALE").

6.3.3 Assignment of Tenant Leases. An assignment and assumption of

tenant leases, in the form of EXHIBIT 0-3 attached hereto and incorporated

herein by this reference

(the "ASSIGNMENT OF LEASES") transferring all of the landlord's interest in the

tenant space leases for the tenants for the Property as identified on EXHIBIT I,

as such list may be modified, amended and updated from time to time prior to
Closing in accordance with the terms of this Agreement (collectively, the
"TENANTS") attached hereto and incorporated herein by this reference and

including any amendments, guarantees and other documents relating thereto,
including, without limitation, all of the New Leases entered into in accordance
with the terms of this Agreement (herein collectively called the "LEASES"),

together with all assignable non-cash security deposits deposited by the
Tenants thereunder (unless adjusted pursuant to Section 5.1.1) and a schedule

of all security deposits.

6.3.4 Assignments of Equipment Leases, Commission Agreements, Service

Contracts, Permit Rights, Warranties, Guaranties and Intangible Property.

(i) Assignment of Equipment Leases and Service Contracts. An

assignment and assumption of the Equipment Leases and Service
Contracts (to the extent the same are not transferred by the Deed,
Bill of Sale, Assignment of Leases or Assignment of Warranties)
executed by Prudential in the form attached hereto as in the form of
EXHIBIT 0-4 attached hereto and incorporated herein by this reference

(the "ASSIGNMENT OF EQUIPMENT LEASES AND SERVICE CONTRACTS")

transferring, to the extent assignable without expense to Prudential,
all of Prudential's interest in the Equipment Leases and Service
Contracts.

(ii) Assignment of Permits, Warranties, Guarantees and Intangible

Property. An assignment and assumption of the Permit Rights,

commission agreements, warranties, guaranties and Intangible Property
(to the extent the same are not transferred by the Deed, Bill of Sale,
Assignment of Leases or Assignment of Contracts) executed by
Prudential in the form attached hereto as in the form of EXHIBIT 0-5

attached hereto and incorporated herein by this reference (the
"ASSIGNMENT OF WARRANTIES") transferring, to the extent assignable

without expense to Prudential, all of Prudential's interest in all the
Permit Rights, commission agreements, warranties and guaranties
encumbering the Property on the Closing Date, and the Permit Rights
and the Intangible Property. Prudential shall not be obligated to
assign any existing contracts or policies of insurance for the
Property.

6.3.5 Estoppel Letters. Estoppel letters from each of those tenants

identified on EXHIBIT P-1 as "Major Tenants" (the "MAJOR TENANTS") and from a

sufficient number of other tenants (the "OTHER TENANTS") to supply,

collectively, together with the Major Tenants, estoppel certificates from
tenants occupying in the aggregate not less than ninety percent (90%) of the
rentable square feet within the Improvements pursuant to space leases (the
"Minimum Estoppel Requirement"), provided that in no event shall Prudential be
required to obtain estoppel certificates from any licensees, or concessionaires
or other Persons occupying the Property pursuant to anything other than a space
lease. Such estoppel letters shall be dated not earlier than forty-five (45)
days prior to the initially scheduled Closing Date, and shall be sub-

stantially in the form of the estoppel letter attached hereto as EXHIBIT P-2 or

in the form which such Tenant is required to provide pursuant to the terms of
such Tenant's Lease. REIT OP shall only have the right to reject an estoppel
certificate if the Tenant or, in the case of a landlord estoppel delivered by
Prudential pursuant to the terms of this Section 6.3.5 below, Prudential

certifies that there is a material default under its Lease or raises a material
matter which is inconsistent with its Lease. Notwithstanding anything to the
contrary set forth herein, in no event shall a Tenant estoppel letter be
rejected on the basis of (i) the Tenant inserting a "best knowledge" limitation
therein, or (ii) the Tenant complaining about, asserting a default on account
of, or in any way raising matters related to the condition of the roof or
curtain wall of the office building known as "101 Huntington." In the event
Prudential cannot for any reason obtain a tenant estoppel letter which satisfies
the foregoing requirements from a Tenant from whom an estoppel letter is
required, Prudential, at its option, may deliver to REIT OP Prudential's
(landlord) estoppel letter in the form of the estoppel letter attached hereto as
EXHIBIT P-3 which Prudential's estoppel letter shall survive the Closing and

shall be subject to Prudential's limitations on liability as set forth in
Section 8.3.7, and in the case of an Other Tenant, expire and be of no further

force or effect on the 365th day following the Closing Date; provided, however,

that if Prudential shall obtain an estoppel certificate from any such Tenant
after delivery of such Prudential's estoppel letter, Prudential's (landlord)
estoppel letter shall, as of the date of such tenant's estoppel letter,
thereafter be without further force or effect. If on the Closing Date Prudential
cannot for any reason obtain sufficient tenant estoppel letters to satisfy the
Minimum Estoppel Requirement and does not elect to provide substituted landlord
estoppel letter(s) as herein provided, then either party may elect to extend the
Closing Date by written notice to the other party delivered on or before the
Closing Date for such time as is necessary to obtain such additional estoppel
letter(s) but in no event shall such extension extend the Closing Date beyond
June 30, 1998. In the event Prudential has not received sufficient tenant
estoppel letters to satisfy the Minimum Estoppel Requirement on the Closing Date
as so extended, then Prudential shall deliver to REIT OP, Prudential's
(landlord) estoppel(s) which together with tenant estoppel(s) are necessary to
satisfy the Minimum Estoppel Requirement; provided, however, that such

landlord's estoppel letter(s) shall reflect the facts as Prudential understands
them to be as of the date of such landlord estoppel letter(s). Any landlord
estoppel letter delivered pursuant to the foregoing sentence shall expire and be
of no further force or effect on the 545th day following the Closing Date, shall
be subject to Prudential's limitations on liability as set forth in Section

8.3.7 and shall become null and void and without further force or effect if

Prudential thereafter obtains and delivers to REIT OP an estoppel certificate
from any such tenant reflecting the same facts as contained in such Prudential's
estoppel letter.

6.3.6 Notice to Tenants. One (1) fully executed letter in the form

attached hereto as EXHIBIT Q attached hereto and incorporated herein, notifying

all of the Tenants of the transfer of the Property to REIT OP and advising each
Tenant that all future payments of rent and other payments due under its
respective Lease are to be made to REIT OP at an address designated by REIT OP.

6.3.7 Non-Foreign Status Affidavit. A non-foreign status affidavit

in the form of EXHIBIT R attached hereto and incorporated herein by this

reference, as required by Section 1445 of the Internal Revenue Code.

6.3.8 Evidence of Authority. Documentation to establish to the

reasonable satisfaction of REIT OP's Lead Title Insurer the due authorization of Prudential's consummation of the Transaction and delivery of the documents to be delivered by it pursuant to this Agreement, and a certificate of an Assistant Secretary of Prudential with respect to the authority to act on behalf of Prudential of the individual executing on behalf of Prudential all documents contemplated by this Agreement.

6.3.9 Prudential's Certificate. The certificate of Prudential in

substantially the form attached hereto as EXHIBIT S-1 certifying to the matters

set forth in Section 8.2.

6.3.10 Property Documents. (i) To the extent in the possession of

Prudential or any of the Managers, (A) complete copies of the existing certificates of occupancy for the Improvements and (B) complete copies of certificates, licenses, permits, authorizations and approvals issued for or with respect to the Property by governmental and quasi-governmental authorities having jurisdiction; and (ii) complete copies of the Records, all subject to Prudential's access rights thereto as set forth in Section 9.4 below.

6.3.11 Letters of Credit as Tenant Security Deposits. With respect to

any security deposits which are letters of credit, Prudential shall, if the same are assignable, (i) deliver to REIT OP at the Closing such letters of credit, (ii) execute and deliver such other instruments as the issuers of such letters of credit shall reasonably require to assign such letters of credit, and (iii) cooperate with REIT OP to change the named beneficiary under such letters of credit to REIT OP so long as Prudential does not incur any additional liability or expense in connection therewith.

6.3.12 Keys and Original Documents. Keys to all locks at the Property

(in Prudential's and/or Prudential's building managers' possession) and originals or, if originals are not available, copies, of the Leases and the service contracts encumbering the Property on the Closing Date.

6.3.13 Amendment to Partnership Agreement. Two (2) counterparts of a

Limited Partner's signature page to the Partnership Amendment, duly executed by Prudential.

6.3.14 Registration Rights Agreement. A registration rights agreement

in the form of EXHIBIT T attached hereto and incorporated herein by this

reference (the "REGISTRATION RIGHTS AGREEMENT") duly executed by Prudential.

6.3.15 Other Documents. Such other documents as may be reasonably

required by REIT OP's Title Insurer or as may be agreed upon by Prudential and REIT OP to

consummate the Transaction or as may otherwise be required by the express terms of this Agreement.

6.3.16 Appurtenant Easement Estoppels. Estoppels from the Sheraton

Boston Hotel Trust and the owner of the shopping center known as "Copley Place" which Prudential has been able to obtain pursuant to Section 9.2.6; provided,

however, that in no event shall receipt of any such estoppels, nor approval of the content of any such estoppels, be a condition to REIT OP's obligation to consummate the Transaction.

6.3.17 Contract Terminations. Evidence of the termination of the

Management Agreement and any other of the Service Contracts which REIT OP has not elected to accept pursuant to Section 12.1.

6.3.18 Naming Rights Agreement. The Naming Rights Agreement executed

by Prudential and any documents contemplated thereunder, including, without limitation, the Prudential Center Tower Sign Lease attached hereto as EXHIBIT K-

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6.3.19 Development Rights Joint Venture Agreement. The Development

Rights Joint Venture Agreement executed by Prudential.

6.3.20 BRA Notification. Evidence of notification of the BRA of the

transfer of rights under the applicable agreements evidencing the Development Rights, including, any BRA determination of applicable security for the obligations thereunder.

6.3.21 Work In Progress. Evidence in the form set forth on EXHIBIT Y

of completion of the work in progress described on EXHIBIT Y.

6.3.22 Tax Protection Agreement. Two (2) counterparts of the Tax

Protection Agreement or other documentation satisfactory to Prudential documenting the agreements referred to in Section 2.5 above, executed by

Prudential.

6.3.23 Letter of Credit. The Letter of Credit.

6.3.24 Cash Purchase and Sale Agreement Closing. All of the closing

deliveries required under the Cash Purchase and Sale Agreement.

6.3.25 Convention Center. Either a certificate from Prudential in

substantially the form attached hereto as EXHIBIT CC or an update and

restatement of the Agreement by and between Prudential and Massachusetts Convention Center Authority dated June 27, 1991, which conforms to the certification set forth in EXHIBIT CC; provided, however, that if Prudential

delivers the certificate set forth in EXHIBIT CC at the Closing, and thereafter

obtains such update and restatement, Prudential's certificate shall, as of the date of such update and restatement, thereafter be without further force or effect.

6.4 REIT OP Closing Deliveries. At the Closing, REIT OP shall deliver or

cause to be delivered to Prudential the following:

6.4.1 Partnership Amendment. Two (2) counterparts of the Partnership

Amendment duly executed by REIT OP evidencing the issuance of the Units to
Prudential and the admission of Prudential to the Partnership.

6.4.2 Registration Rights Agreement. The Registration Rights

Agreement for the benefit of Prudential and duly executed by the Company.

6.4.3 Initial Distribution and Cash Purchase and Sale Agreement

Closing. Immediately available federal funds in the amount of the Initial
Distribution and all of the closing deliveries required under the Cash Purchase
and Sale Agreement, including without limitation, the funds to be received by
Prudential thereunder.

6.4.4 Assignment of Equipment Leases, Commission Agreements, Service

Contracts, Permit Rights, Warranties, Guaranties and Intangible Property.

(i) Assignment of Equipment Leases and Service Contracts. The

Assignment of Equipment Leases and Service Contracts executed and
acknowledged by REIT OP, all as more particularly set forth in Section

6.3.4 above.

(i) Assignment of Warranties. The Assignment of Warranties executed

and acknowledged by REIT OP, all as more particularly set forth in
Section 6.3.4 above.

6.4.5 REIT OP's Certificates. REIT OP's As-Is Certificate and Waiver

and Indemnity Agreement in the form attached hereto as EXHIBIT N and REIT OP's

Closing Certificate in the form attached hereto as EXHIBIT S-1.

6.4.6 Assignment of Leases. The Assignment of Leases executed by

REIT OP.

6.4.7 Evidence of Authority. Documentation to establish to

Prudential's reasonable satisfaction the due authorization of REIT OP's
acquisition of the Property and REIT OP's delivery of the documents required to
be delivered by REIT OP pursuant to this Agreement (including, but not limited
to, the Partnership Agreement and the organizational documents of the Company,
as they may have been amended from time to time, resolutions of the Company and
incumbency certificates of the Company.

6.4.8 Other Documents. Such other documents as may be reasonably

required by REIT OP's Lead Title Insurer or may be agreed upon by Prudential and
REIT OP

to consummate the Transaction or as may otherwise be required by the express terms of this Agreement.

6.4.9 Naming Rights Agreement. The Naming Rights Agreement executed

by REIT OP.

6.4.10 Development Rights Joint Venture Agreement. The Development

Rights Joint Venture Agreement executed by REIT OP.

6.4.11 Tax Protection Agreement. Two (2) counterparts of the Tax

Protection Agreement or other documentation satisfactory to Prudential documenting the agreements referred to in Section 2.5 above, executed by REIT OP.

6.4.12 Cash Purchase and Sale Agreement. All of the closing

deliveries required under the Cash Purchase and Sale Agreement.

6.5 Delivery of Deed. Effective upon delivery of the Deed, actual and

exclusive possession of the Property (subject only to the Title Matters) and risk of loss to the Property shall pass from Prudential to REIT OP.

ARTICLE 7 - CONDITIONS TO CLOSING

7.1 Conditions Precedent to Obligations of Prudential. Prudential's

obligation to close the Transaction is conditioned on satisfaction of all of the following, any or all of which may be waived by Prudential by an express written waiver, at its sole option:

7.1.1 Intentionally Omitted.

7.1.2 Representations True; Performance of Covenants. All

representations and warranties made by REIT OP in this Agreement shall be true and correct in all material respects on and as of the Closing Date, as if made on and as of such date except to the extent they expressly relate to an earlier date and REIT OP shall have complied in all material respects with all agreements required to be performed by it hereunder at or prior to the Closing Date.

7.1.3 REIT OP's Deliveries Complete. REIT OP shall have delivered

all of the documents to be executed by REIT OP set forth in Section 6.4 and

shall have performed all other covenants, undertakings and obligations in all material respects, and complied with all conditions required by this Agreement, to be performed or complied with by REIT OP at or prior to the Closing.

7.1.4 Opinion of REIT OP's Counsel. On the Closing Date, Prudential

shall have received an opinion of Wachtel Lipton Rosen & Katz and/or Goulston & Storrs, counsel

for REIT OP, dated as of the Closing Date, in form and substance reasonably satisfactory to Prudential regarding the due organization and authority of REIT OP and its general partner, the due execution and delivery of this Agreement and the other Transaction Documents, the ability of REIT OP and its general partner to consummate the Transaction and to perform their respective obligations under this Agreement and the other Transaction Documents, and the due authorization, valid issuance and non-assessability of the Units to be issued to Prudential hereunder upon Closing.

7.1.5 Cash Purchase and Sale Agreement Conditions. There shall be no

default by REIT OP under the Cash Purchase and Sale Agreement and all of the conditions to Closing set forth in the Cash Purchase and Sale Agreement shall have been satisfied.

7.1.6 REIT OP Closing Certificate. At the Closing Date, Prudential

shall have received a certificate, dated the Closing Date, signed by an authorized officer of the general partner of REIT OP in such capacity and not individually to the effect set forth in Subsection 7.1.2, and stating that the

conditions specified in this Section 7.1 have been satisfied at the Closing Date.

7.1.7 General Partner's Officers' Certificate/Incumbency. At the

Closing Date, Prudential shall have received a certificate, dated the Closing Date, signed by the Secretary or an Assistant Secretary of the general partner of REIT OP in such capacity and not individually and certifying (i) that attached thereto is a true, correct and complete copy of (A) its articles of organization, (B) its bylaws and (C) resolutions duly adopted by the Board of Directors of the general partner of REIT OP authorizing the execution and delivery of the documents relating to the transaction contemplated by this Agreement, including, without limitation, the execution and delivery of the Partnership Amendment and the issuance of the Units (collectively, the "TRANSACTION") and (ii) the incumbency of officers executing this Agreement and

the other documents relating to the Transaction.

7.1.8 Transaction Not Prohibited. No Law or Order shall have been

enacted, entered, issued, promulgated or enforced by any Governmental Entity which prohibits or restricts the transactions contemplated by this Agreement. No Governmental Entity shall have notified any party to this Agreement that consummation of the transactions contemplated by this Agreement would constitute a violation of any Law of any jurisdiction or that it intends to commence proceedings to restrain or prohibit such transactions or force divestiture or rescission, unless such Governmental Entity shall have withdrawn such notice and abandoned any such proceedings prior to the time which otherwise would have been the Closing Date.

7.1.9 Other Approvals. All approvals set forth in Schedule 8.1.7

shall have been received or the applicable waiting periods shall have expired.

7.1.10 Financing Structure. The terms of the financing of the

Transaction reflected on the Term Sheet attached hereto as EXHIBIT U shall be

reflected in the Transaction Documents and such other documents as REIT OP may enter into in order to finance the

Transaction. Without limiting the foregoing, all of the debt contemplated by this Agreement, including, without limitation, by the terms of the Tax Protection Agreement, shall be closed and funded simultaneously with Closing and the Prudential Guaranties contemplated to be provided by Prudential hereunder shall have been executed and delivered.

7.2 Conditions Precedent to Obligations of REIT OP. REIT OP's obligation

to close the Transaction is conditioned on satisfaction of all of the following, any or all of which may be waived by REIT OP by an express written waiver, at its sole option:

7.2.1 Representations True; Performance of Covenants. All

representations and warranties made by Prudential in this Agreement shall be true and correct in all material respects on and as of the Closing Date, as if made on and as of such date except to the extent that they expressly relate to an earlier date and Prudential shall have complied in all material respects with all agreements required to be performed by it hereunder at or prior to the Closing Date and Prudential shall have provided such evidence thereof as REIT OP may reasonably request.

7.2.2 Prudential Closing Certificate. At the Closing Date, REIT OP

shall have received a certificate, dated the Closing Date, signed by an authorized officer of Prudential in such capacity and not individually to the effect set forth in Subsection 7.2.1, and stating that the conditions specified

in this Section 7.2 have been satisfied at the Closing Date.

7.2.3 Title Conditions Satisfied. At the time of the Closing, REIT

OP's Title Insurer shall be prepared to issue an owner's policy of title insurance in the form of the Stewart Commitment as modified by REIT OP's Title Insurer in accordance with the terms of Section 3.2 prior to the execution of

this Agreement, including such endorsements and other coverages as REIT OP may have negotiated with REIT OP's Title Insurer prior to the execution of this Agreement.

7.2.4 Prudential's Deliveries Complete. Prudential shall have

delivered all of the documents and other items required pursuant to Section 6.3

and shall have performed all other covenants, undertakings and obligations in all material respects, and complied with all conditions required by this Agreement, to be performed or complied with by Prudential at or prior to the Closing.

7.2.5 Transaction Not Prohibited. No Law or Order shall have been

enacted, entered, issued, promulgated or enforced by any Governmental Entity which prohibits or restricts the transactions contemplated by this Agreement. No Governmental Entity shall have notified any party to this Agreement that consummation of the transactions contemplated by this Agreement would constitute a violation of any Law of any jurisdiction or that it intends to commence proceedings to restrain or prohibit such transactions or force divestiture or rescission, unless such Governmental Entity shall have withdrawn such notice and abandoned any such proceedings prior to the time which otherwise would have been the Closing Date.

7.2.6 Prudential Authorization. At the Closing, REIT OP shall have

received a certificate, dated the Closing Date, signed by an officer of Prudential in such capacity and not individually to the effect set forth in Subsection 8.2.1 and certifying that Prudential has received all necessary

internal approvals and authorizations necessary in connection with its acquisition of the Units to be issued to Prudential pursuant to this Agreement.

7.2.7 Site Survey Approval. Evidence of Massachusetts Land Court (the

"LAND COURT") and, to the extent required, the City of Boston approval of the

Site Survey sufficient for the Deed to be registered with the Land Court (the "SITE SURVEY APPROVAL").

7.2.8 Building Code Variances. The variances from the violations of

the Massachusetts Building Code created by the subdivision of the Land from the remaining portion of the Prudential Center issued by the Boston Board of Appeals dated March 31, 1998 filed with the Inspectional Services Department on April 6, 1998 (the "BUILDING CODE VARIANCE").

7.2.9 Cash Purchase and Sale Agreement Conditions. There shall be no

default by Prudential under the Cash Purchase and Sale Agreement and all of the conditions to Closing set forth in the Cash Purchase and Sale Agreement shall have been satisfied.

7.3 Waiver of Failure of Conditions Precedent. At any time or times on or

before the date specified for the satisfaction of any condition, Prudential or REIT OP may elect in writing to waive the benefit of any such condition set forth in Section 7.1 or Section 7.2, respectively. By closing the Transaction,

(i) Prudential shall be conclusively deemed to have waived the benefit of any remaining unfulfilled conditions set forth in Section 7.1, and (ii) REIT OP

shall be conclusively deemed to have waived the benefit of any remaining unfulfilled conditions set forth in Section 7.2. Subject to Prudential's right

to extend the Closing as provided under this Agreement, in the event any of the conditions set forth in Sections 7.1 or 7.2, respectively, are neither waived

nor fulfilled by the Closing Date, REIT OP or Prudential (as appropriate) may terminate their obligations to perform at the Closing and otherwise under this Agreement in accordance with the provisions of Article 10.

7.4 Closing Date Extension. If as of the Closing Date, (i) the Site

Survey Approval is not obtained or (ii) an outstanding appeal has been taken from the Building Code Variance, then either party may elect to extend the Closing Date by written notice to the other party delivered at least two (2) Business Days prior to the Closing Date, for such time as is necessary to obtain the Site Survey Approval or resolve any outstanding appeal taken from the Building Code Variance but in no event shall such extension extend the Closing Date beyond June 30, 1998. Subject to the foregoing, if the Site Survey Approval has not been obtained or any outstanding appeal from the Building Code Variance nor been resolved to the mutual satisfaction of Prudential and REIT OP, by the Closing Date as so extended and both parties do not mutually agree to proceed to close the Transaction, then Prudential shall promptly return the Letter of Credit to REIT OP and upon such return, this Agreement shall terminate and neither party shall have any further rights or obligations hereunder other than any arising under

any Section herein which expressly provides that it shall survive the termination of this Agreement.

ARTICLE 8 - REPRESENTATIONS AND WARRANTIES

8.1 REIT OP's Representations. REIT OP represents and warrants to, and covenants with, Prudential as of the date hereof as follows:

8.1.1 Organization, Good Standing and Authority. REIT OP is a

limited partnership and the Company is a corporation, each of which is duly organized, validly existing and in good standing under the laws of their respective states of organization, is duly qualified to do business in all jurisdictions where such qualification is necessary to carry on its business as now conducted, except where failure to do so would not have a Material Adverse Effect, and is duly qualified or in the process of becoming duly qualified in the Commonwealth of Massachusetts, and each of REIT OP and the Company is authorized to consummate the transactions contemplated hereby and fulfill all of their respective obligations hereunder and under all documents contemplated hereunder to be executed by REIT OP and/or the Company, and has all necessary power to execute and deliver this Agreement and all documents contemplated hereunder to be executed by REIT OP and/or the Company, and to perform all of their respective obligations hereunder and thereunder. REIT OP has delivered to Prudential true, correct and complete copies of the Partnership Agreement, its certificate of limited partnership, the certificate of incorporation of the Company and the bylaws of the Company.

8.1.2 REIT OP's Authorization and Binding Effect. This Agreement has,

and all documents contemplated hereunder to be executed by REIT OP and/or the Company when executed and delivered will have, been duly authorized by all requisite partnership or corporate action on the part of REIT OP and the Company and are, or will upon execution and delivery, as applicable, the valid and legally binding obligation of REIT OP and the Company, as the case may be, enforceable in accordance with their respective terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights generally and to general principles of equity. Neither the execution and delivery of this Agreement and all documents contemplated hereunder to be executed by REIT OP or the Company, nor the performance of the obligations of REIT OP or the Company hereunder or thereunder will result in the violation of any provision of the Partnership Agreement or the articles of organization or bylaws of the Company, or will conflict with any order or decree of any court or governmental instrumentality of any nature by which REIT OP or the Company is bound.

8.1.3 Capitalization

(a) Units. The capitalization of REIT OP is set forth in

Exhibit A of the Partnership Agreement. As of January 30, 1998, 80,122,825 Units in the aggregate were

issued and outstanding. There are no restrictions on the transfer of the Units to be issued hereunder other than those contained in the Partnership Agreement or the Registration Rights Agreement, and those arising from federal and applicable state securities Laws. All currently issued and outstanding Units of the Partnership were duly authorized and validly issued in accordance with the terms of the Partnership Agreement and in compliance with applicable Laws, and, are convertible into Company Stock, in accordance with the terms of the Partnership Agreement. Except as set forth on Schedule 8.1.3(a) and except as

created by this Agreement, there are no outstanding subscriptions, options, warrants, preemptive or other rights or other arrangements or commitments obligating REIT OP to issue any Units. At the Closing, upon receipt of the Property, the Partnership will have transferred the Units to be issued hereunder free and clear of all Liens, and as of the Closing, Prudential will be admitted as a limited partner of the Partnership. The issuance of the Units to the Prudential at the Closing will not require any approval or consent of any Person except any such approval that shall have been obtained on or prior to the Closing. Assuming the accuracy of the representations of Prudential set forth in Section 8.2.2 hereof, the issuance of the Units to Prudential hereunder is

exempt from registration under the Securities Act and applicable state securities Laws.

(b) Stock. Schedule 8.1.3(b) sets forth (i) the total number of

shares of Company Stock outstanding and (ii) all options, warrants and registration rights with respect to Company Stock. All of the outstanding shares of Company Stock are duly and validly issued, fully paid and non-assessable and not subject to any preemptive rights of other shareholders. If and when issued, the Company Stock issuable upon redemption of the Units delivered hereunder pursuant to the Partnership Agreement will be duly authorized, validly issued, fully paid and non-assessable and not subject to any preemptive rights of other shareholders.

8.1.4 Conflicting Agreements and Other Matters. Neither REIT OP nor

any Affiliate of REIT OP is a party to any contract or agreement or subject to any articles of incorporation or other corporate restriction compliance with which could reasonably be expected to have a Material Adverse Effect. Neither the execution and delivery of the documents relating to the Transaction nor fulfillment of nor compliance with the terms and provisions thereof, nor the issuance of the Units to be issued to Prudential pursuant to this Agreement will (i) to REIT OP's knowledge violate any provision of any Law presently in effect or in effect at the Closing Date having applicability to REIT OP or the Company of REIT OP or any of their properties including, without limitation, to, the Property, except such violations as could not reasonably be

expected to have a Material Adverse Effect, (ii) conflict with or result in a breach of or constitute a default under the Charter or Bylaws or any other organizational document of either REIT OP or the Company, (iii) except as set forth in Schedule 8.1.4, require any consent, approval or notice under, or

conflict with or result in a breach of, constitute a default or accelerate any right under, any note, bond, mortgage, license, indenture or loan or credit agreement, or any other agreement or instrument, to which REIT OP or the Company is a party or by which any of their respective properties is bound, except such consents, approvals, notices, conflicts, breaches or defaults as could not reasonably be expected to have a Material Adverse Effect or (iv) result in, or require the creation or imposition of, any mortgage, lien, pledge, encumbrance, charge or security interest of any kind (each individually a "LIEN" and

collectively referred to as "LIENS") upon or with respect to any of the

properties now owned or hereafter acquired by REIT OP or the Company. Neither REIT OP nor any Affiliate of REIT OP is bound by any agreement which would impose upon Prudential any personal obligation or personal liability which is greater than the personal obligations and personal liabilities imposed upon Prudential under this Agreement and the Registration Rights Agreement to be entered into by REIT OP and Prudential. In addition, REIT OP is not aware of any facts or circumstances that, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.

8.1.5 Litigation, Proceeding, etc. There is no action, suit, notice

of violation, proceeding or investigation pending or, to the best knowledge of REIT OP, threatened against or affecting REIT OP or the Company or any of their respective properties before or by any Governmental Entity which (i) challenges the legality, validity or enforceability of any of the documents relating to the Transaction or (ii) could (individually or in the aggregate) reasonably be expected to have a Material Adverse Effect or (iii) would (individually or in the aggregate) impair the ability of REIT OP to perform fully on a timely basis any obligations which it has under any of the documents relating to the Transaction.

8.1.6 No Default or Violation. Neither REIT OP nor the Company has

received written notice that it is (i) in default under or in violation of any indenture, loan or credit agreement or any other agreement or instrument to which it is a party or by which it or any of its properties is bound, except such defaults or violations as could not reasonably be expected to have a Material Adverse Effect, (ii) in violation of any Order of any Governmental Entity, except for such violations as could not reasonably be expected to have a Material Adverse Effect, or (iii) in violation of any law which could reasonably be expected to (A) adversely affect the legality, validity or enforceability of the documents relating to the Transaction, (B) have a Material Adverse Effect or (C) adversely impair REIT OP's ability or obligation to perform fully on a timely basis any obligation which it has under the documents relating to the Transaction.

8.1.7 Governmental Consents, etc. Except as may be required under any

applicable securities law in connection with the performance by REIT OP of its obligations under the Registration Rights Agreement, and assuming the accuracy of the representations and warranties of, and the performance of the agreements of, Prudential set forth herein, no authorization, consent, approval, waiver, license, qualification or formal exemption from, nor any filing, declaration, qualification or registration with, any Governmental Entity or any securities exchange is required in connection with the execution, delivery or performance by REIT OP of this Agreement and the issuance of the Units to be Prudential pursuant to this Agreement except for those that (i) have been made or obtained by REIT OP as of the date hereof or (ii) are set forth in Schedule 8.1.7 and by

the Closing shall be made or received by REIT OP. At the Closing Date, REIT OP will have made all filings and given all notices to Governmental Entities and obtained all necessary ordinances, registrations, declarations,

approvals, orders, consents, qualifications, franchises, certificates, permits and authorizations from any Governmental Entity, to own or lease its properties and to conduct its Property and businesses as currently conducted, except where failure to do so could not reasonably be expected to have a Material Adverse Effect. At the Closing Date, all such registrations, declarations, approvals, orders, consents, qualifications, franchises, certificates, permits and authorizations, the failure of which to file, give notice of or obtain could reasonably be expected to have a Material Adverse Effect, will be in full force and effect. The assets of REIT OP qualify as exempt assets for purposes of the Hart-Scott-Rodino Act and no filing under the Hart-Scott-Rodino Act is required in connection with the issuance of the Units to be Prudential pursuant to this Agreement.

8.1.8 Private Offering. Neither REIT OP nor any person acting on its

behalf has taken or will take any action (including, without limitation, any offering of any securities of REIT OP under circumstances which would require the integration of such offering with the issuance of the Units under the Securities Act) which might subject the issuance of the Units to the registration requirements of Section 5 of the Securities Act.

8.1.9 Insurance. At Closing, REIT OP or its affiliated title holding

entities will have (i) with respect to each property owned by REIT OP (including, without limitation, the Property), "all risk" property insurance, including fire, flood, extended coverage (but excluding earthquake) and rental loss insurance and (ii) with respect to REIT OP, and each property owned by REIT OP (including, without limitation, the Property), commercial general liability insurance, in each case under such terms and in such amounts and covering such risks that are customary for properties and businesses similar to those of REIT OP and any Affiliates of REIT OP as reasonably determined by REIT OP. There are currently no outstanding material losses for which REIT OP or any Affiliate of REIT OP has failed to give or present notice or claim under any policy which would have a Material Adverse Effect. Policies for all the insurance are in full force and effect and none of REIT OP or any Affiliates of REIT OP is in default in any material respect under any of the policies.

8.1.10 Information Provided. Neither this Agreement, the schedules

and exhibits hereto, nor any other written document delivered to Prudential in connection with the transactions contemplated hereby contain any untrue statement of a material fact or omit any material fact necessary to make the statements herein or therein, as the case may be, in light of the circumstances under which it was made, not misleading, and all material information regarding REIT OP and all Affiliates of REIT OP is provided therein or in the SEC Documents referred to in Section 8.1.14 below.

8.1.11 No Other Liabilities. Except as set forth in Schedule 8.1.11,

neither REIT OP nor the Company will have any material liability, whether absolute, accrued, contingent or otherwise, except liabilities (i) reflected on the consolidated balance sheet of REIT OP and the Company as of December 31, 1997, or (ii) liabilities that (1) are incurred by REIT OP or the Company after December 31, 1997 in the ordinary course of business and (2) could not reasonably be expected to have a Material Adverse Effect.

8.1.12 Status of Partnership Agreement, Taxes and REIT Status. The

Partnership Agreement is in full force and effect, a true, complete and correct copy thereof has been delivered to the Prudential and there are no dissolution, termination or liquidation proceedings pending or contemplated with respect to REIT OP. REIT OP is, and has been since the date of its formation, taxable as a "partnership" as defined in Section 7701(a) of the Code and is, and has been since the date of its formation, not taxable as a corporation by reason of not being a publicly traded partnership within the meaning of Section 7704 of the Code. Each of REIT OP and the Company has filed all tax returns that are required to be filed with any Governmental Entity and has paid all taxes due pursuant to the tax returns or any assessment received by it or otherwise required to be paid, except taxes being contested in good faith by appropriate proceedings and for which adequate reserves or other provisions are maintained, and except for the filing of Tax Returns as to which the failure to file could not, individually or in the aggregate, have a Material Adverse Effect. The Company (i) has elected to be taxed as a REIT effective for the taxable year ending December 31, 1997 and such election has not been terminated or revoked (ii) qualifies for taxation as a REIT for the year ended December 31, 1997 and for its current taxable year, (iii) operates, and intends to continue to operate, in a manner so as to qualify as a REIT, and (iv) has not sold or otherwise disposed of any assets which could give rise to a material amount of tax pursuant to any election made by the Company under Notice 88-19, 1988-1 CB 486 and does not expect to effect any such sale or other disposition.

8.1.13 Compliance with Laws. Neither REIT OP nor the Company has been

in or is in, and none of them has received written notice of, violation of or default with respect to, any law or any decision, ruling, order or award of any arbitrator applicable to it or its business, properties or operations, except for violations or defaults that, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

8.1.14 SEC Documents. The Company has filed with the Securities and

Exchange Commission (the "COMMISSION") all reports, schedules, forms, statements

and other documents required by the Exchange Act to be filed by the Company (collectively, and in each case including all exhibits and schedules thereto and documents incorporated by reference therein, the "SEC DOCUMENTS"). REIT OP has

delivered or made available to Prudential all SEC Documents. As of their respective filing dates, (or if amended, revised or superseded by a subsequent filing with the Commission then on the date of such subsequent filing), the SEC Documents complied in all material respects with the requirements of the Securities Act or the Exchange Act, as the case may be, and none of the SEC Documents (including any and all financial statements included therein) as of such dates contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they are made, not misleading. The consolidated financial statements of REIT OP, the Company and all Affiliates of REIT OP included in all SEC Documents, including any amendments thereto (the "SEC FINANCIAL STATEMENTS"), comply as to form in all

material respects with applicable accounting requirements and the published rules and regulations of the Commission with respect thereto.

8.1.15 Material Contracts. The SEC Documents and Schedule 8.1.15

includes a correct and complete list of the following with respect to REIT OP and the Company: (1) agreements with any unitholder or shareholder having beneficial ownership of 5% or more of the Units of REIT OP or the shares of Company Stock then issued and outstanding, director or officer of the Company and all shareholders' agreements and voting trusts; and (2) agreements not made in the ordinary course of business and which would reasonably be expected to result in a Material Adverse Effect.

8.1.16 No Merger Agreements. As of the date hereof, except as set

forth in Schedule 8.1.16, neither the Company nor REIT OP has entered into any agreement with any person or entity which has not been terminated as of the date of this Agreement and under which there remains any material liability or obligation thereof with respect to a merger or consolidation with either the Company or REIT OP, or any other acquisition of a substantial amount of the assets of the Company or REIT OP, which would reasonably be expected to result in a Material Adverse Effect.

8.1.17 Certain Actions by REIT OP. REIT OP has not: (i) made a

general assignment for the benefit of creditors; (ii) filed any voluntary petition in bankruptcy or suffered the filing of any involuntary petition by REIT OP's creditors; (iii) suffered the appointment of a receiver to take possession of all or substantially all of REIT OP's assets, (iv) suffered the attachment or other judicial seizure of all, or substantially all, of REIT OP's assets, (v) admitted in writing REIT OP's inability to pay its debts as they come due; or (vi) made an offer of settlement, extension, or composition to its creditors generally.

Anything in this Agreement to the contrary notwithstanding, (i) REIT OP shall only be liable to Prudential hereunder for a breach of a representation and warranty made herein or in any Transaction Document where the actual direct damages to Prudential for all breaches of representations and warranties of REIT OP made herein or in any other Transaction Document, in the aggregate, when taken together with all other breaches of representations and warranties, exceeds \$600,000, and (ii) the maximum aggregate liability of REIT OP, and the maximum aggregate amount which may be awarded to and collected by Prudential for all breaches of representations and warranties of REIT OP made herein or in any other Transaction Document shall not exceed the lesser of (A) the actual, direct damages proximately caused by any such material breaches of representations and warranties of REIT OP, and (B) Twenty Million Dollars (\$20,000,000.00).

All references in this Agreement to "REIT OP'S KNOWLEDGE" or words of similar

import shall refer to the knowledge of Edward H. Linde, Douglas T. Linde, David G. Gaw and Frederick J. DeAngelis. There shall be no personal liability on the part of the foregoing individuals arising out of any representations or warranties made herein. All representations and warranties of REIT OP in this Agreement shall be true and correct in all material respects on and as of the Closing as if such representations and warranties were made on and as of the Closing Date (subject to revisions to reflect changed circumstances or knowledge obtained between execution of the Agreement and the Closing). The representations and warranties

contained in Article 8 and in the certificates delivered by REIT OP pursuant to

Section 6.3.6, and limitations on liability associated therewith, shall survive

the Closing and the execution and delivery of the Deed until the three hundred and sixty-fifth (365th) day following the Closing Date, and no action based thereon shall be commenced after such three hundred and sixty-fifth (365th) day provided that, if written notice asserting a claim for breach of any such representation or warranty shall have been given to REIT OP prior to the expiration of such three hundred and sixty-five (365) day period and an action based thereon shall have been commenced prior to the second anniversary of the Closing Date, such representation and warranty and any right to indemnification for breach thereof, shall survive, to the extent as such claim only, until such claim is resolved. The indemnification and other agreements of the parties set forth herein which expressly provide that they shall survive the Closing or the earlier termination of this Agreement shall not expire, except as specifically set forth in those Sections. Any rights a party may have in the event such party terminates this Agreement pursuant to the terms hereof shall survive such termination.

8.2 Prudential's Representations. Prudential represents and warrants to

REIT OP as of the date hereof as follows:

8.2.1 Prudential's Authorization. Prudential is (a) duly organized,

validly existing and in good standing under the laws of the State of New Jersey and is qualified to do business in the Commonwealth of Massachusetts, (b) authorized to consummate the Transaction and fulfill all of its obligations hereunder and under all documents contemplated hereunder to be executed by Prudential, and (c) has all necessary power to execute and deliver this Agreement and all documents contemplated hereunder to be executed by Prudential and to perform its obligations hereunder and thereunder. This Agreement and all documents contemplated hereunder to be executed by Prudential have been duly authorized by all requisite corporate action on the part of Prudential and are the valid and legally binding obligation of Prudential enforceable in accordance with their respective terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights generally and to general principles of equity. Neither the execution and delivery of this Agreement and all documents contemplated hereunder to be executed by Prudential nor the performance of the obligations of Prudential hereunder or thereunder will result in the violation of any provision of the Articles of incorporation and by-laws of Prudential or will conflict with any order or decree of any court or governmental instrumentality of any nature by which Prudential is bound.

8.2.2 Investment Intent. Prudential represents and warrants to REIT

OP that the Units to be acquired by it hereunder are being acquired for its own account for investment and with no intention of distributing or reselling such Units or any part thereof or interest therein in any transaction which would be in violation of the securities laws of the United States of America or any State or any foreign country or jurisdiction.

8.2.3 Prudential Status. Prudential represents and warrants to, and

covenants and agrees with, REIT OP that (i) at the time Prudential was offered the Units, Prudential was,

(ii) at the date hereof, Prudential is, and (iii) at the Closing Date, Prudential will be, a "qualified institutional buyer" as defined in Rule 144A under the Securities Act or an "accredited investor" as defined in Rule 501 under the Securities Act, and has such knowledge, sophistication and experience in business and financial matters so as to be capable of evaluating REIT OP and an investment in the REIT OP, and is able to bear the economic risk of such investment.

8.2.4 Access to Information. Prudential acknowledges as of the date

hereof that it has been afforded: (i) the opportunity to ask such questions as it has deemed necessary of, and to receive answers from, representatives of REIT OP concerning the terms and conditions of the offering of the Units and the merits and risks of investing in REIT OP; (ii) access to information about REIT OP, REIT OP's financial condition, pro forma results of operations, business properties, management and prospects sufficient to enable it to evaluate its investment in the Units; and (iii) the opportunity to obtain such additional information which REIT OP possesses or can acquire without unreasonable effort or expense that is necessary to verify the accuracy and completeness of the information contained in the SEC Documents.

8.2.5 Reliance. Prudential also understands and acknowledges that (i)

the Units may not be sold, transferred, offered for sale, pledged, hypothecated or otherwise disposed of without registration under the Securities Act of 1933, as amended, except pursuant to an exemption from such registration available under such Act, and without compliance with state, local and foreign securities laws, in each case, to the extent applicable, and in compliance with the Partnership Agreement, (ii) the Units are being offered and sold to Prudential without registration under the Securities Act in a transaction that is exempt from the registration provisions of the Securities Act and (iii) the availability of such exemption depends in part on, and that REIT OP and, for purposes of the opinion to be delivered to Prudential pursuant to Section 7.1.4

hereof, Wachtel Lipton Rosen & Katz, will rely upon, the accuracy and truthfulness of the foregoing representations and Prudential hereby consents to such reliance.

8.2.6 Other Agreements. Prudential has not entered into any currently

effective agreement to sell, contribute, transfer or otherwise dispose of all or any portion of its interests in and to the Property other than this Agreement and the Cash Purchase and Sale Agreement.

8.2.7 Other Prudential Representations. To Prudential's knowledge

(as such term is hereinafter defined):

(a) Except as listed in EXHIBIT W attached hereto and incorporated

herein by this reference, (i) Prudential has not received any written notice of any threatened litigation, claim, condemnation, administrative proceeding, or special assessment against Prudential or the Property which would, if determined adversely to Prudential, materially and adversely affect the Property or the operation thereof, and (ii) there is not pending any litigation, suit, claim, arbitration, condemnation, administrative proceeding, or special

assessment, which would, if determined adversely to Prudential, materially and adversely affect the Property or the operation thereof.

(b) The list of Management Agreements set forth on EXHIBIT H and

Service Contracts set forth on EXHIBIT V is a complete list of all such

agreements and any amendments thereto affecting the Property, and the list of
Equipment Leases set forth on EXHIBIT E is a complete list of all equipment

leases affecting the Property. Prudential has delivered to REIT OP true and
complete copies of all Management Agreements, Service Contracts and Equipment
Leases.

(c) Prudential has not sent nor received any written notice of default
under the terms of any of the Management Agreements, Service Contracts or
Equipment Leases, Leases or easements appurtenant to or burdening the Real
Property except as noted on the respective Exhibits listing such agreement,
contract or lease. Prudential has not received any written notice of default
under the terms of any easement appurtenant to or burdening the Real Property.

(d) As of the date of this Agreement, the only tenants of the Property
are the respective Tenants (which include licensees and concessionaires
occupying the Property) listed in EXHIBIT I attached hereto and incorporated

herein by this reference and as of the date of this Agreement, and the only
leases licenses, concession agreements or occupancy agreements affecting the
Property are the respective Leases, licenses, concession agreements and
occupancy agreements listed in EXHIBIT I. Prudential has delivered to REIT OP

true and complete copies of all Leases, licenses, concession agreements and
occupancy agreements listed in EXHIBIT I.

(e) As of the date hereof, there are no leasing commissions due in
connection with any Lease or occupancy agreement affecting the Property that
have not been paid in full prior to the date hereof, except for those (if any)
indicated on any of EXHIBIT I with respect to particular leases shown thereon.

(f) Prudential owns all the Supplies and the Equipment except for the
equipment leased by Prudential or the Manager under the equipment leases
described in EXHIBIT J attached hereto and incorporated herein by this

reference, and such Equipment together with the equipment leased by Prudential
under the equipment leases described in EXHIBIT J, is all of the equipment used

by Prudential to operate the Property.

(g) Prudential has received no written notice from any Governmental
Entity of any violation of any laws, ordinances or regulations applicable to any
of the Property that has not been corrected as of the date hereof except as set
forth on EXHIBIT W hereto.

(h) There is no proceeding pending or threatened by or against
Prudential under the United States Bankruptcy Code.

8.3 General Provisions.

8.3.1 No Liability for Known Facts. Neither party shall have any

liability in connection with this Agreement by reason of an inaccuracy of a representation or warranty, if and to the extent that such inaccuracy is in fact known by the other party at the time of the Closing and such other party elects, nevertheless, to consummate the Transaction.

8.3.2 No Representation As to Leases. Prudential does not represent

or warrant that any particular Lease or Leases will be in force or effect on the Closing Date or that the tenants will have performed their obligations thereunder.

8.3.3 Definition of "Prudential's Knowledge". All references in this

Agreement to "PRUDENTIAL'S KNOWLEDGE" or words of similar import shall refer

only to the actual knowledge of David A. Raszmann (the "DESIGNATED EMPLOYEE")

and shall not be construed to refer to the knowledge of any other officer, agent or employee of Prudential or any affiliate thereof, or, except as to oral inquiry of Richard Heidelberger and Steve Hall, employees of the Manager as to the matters set forth in Section 8.2.1, to impose or have imposed upon the

Designated Employee any duty to investigate the matters to which such knowledge, or the absence thereof, pertains, including, but not limited to, the contents of the files, documents and materials made available to or disclosed to REIT OP or the contents of files maintained by the Designated Employee. There shall be no personal liability on the part of the Designated Employee arising out of any representations or warranties made herein.

8.3.4 Representations Deemed Modified. To the extent that REIT OP

knows or is deemed to know prior to the execution of this Agreement that Prudential's representations and warranties are inaccurate, untrue or incorrect in any way, such representations and warranties shall be deemed modified to reflect REIT OP's knowledge or deemed knowledge, as the case may be. For purposes of this Agreement, REIT OP shall be "deemed to know" that a representation or warranty was untrue, inaccurate or incorrect to the extent that this Agreement, the Documents, any estoppel certificate executed by any tenant of the Property and delivered to REIT OP, or any studies, tests, reports, or analyses prepared by or for REIT OP or any of its employees, agents, representatives or attorneys (all of the foregoing being herein collectively called the "REIT OP'S REPRESENTATIVES") or otherwise obtained by REIT OP or REIT

OP's Representatives contains information which is inconsistent with such representation or warranty. To the extent that Prudential knows or is deemed to know prior to the execution of this Agreement that REIT OP's representations and warranties are inaccurate, untrue or incorrect in any way, such representations and warranties shall be deemed modified to reflect Prudential's knowledge or deemed knowledge, as the case may be.

8.3.5 Notice of Breach; Right to Cure. If after the date hereof but

prior to the Closing, REIT OP or any REIT OP's Representative, on the one hand, or Prudential, on the other hand obtains actual knowledge that any of the representations or warranties made herein by the other party to this Agreement are untrue, inaccurate or incorrect in any material respect, such party shall give the other party written notice thereof within five (5) Business Days of

obtaining such knowledge (but, in any event, prior to the Closing). If at or prior to the Closing, either party obtains knowledge that any of the representations or warranties made herein by it are untrue, inaccurate or incorrect in any material respect, it shall give the other party hereto written notice thereof within five (5) Business Days of obtaining such knowledge (but, in any event, prior to the Closing). In either such event, the breaching party shall have the right to cure such misrepresentation or breach and shall be entitled to a reasonable adjournment of the Closing (not to exceed ninety (90) days) for the purpose of such cure. If the breaching party is unable to so cure any misrepresentation or breach, then the non-breaching party, as its sole remedy for any and all such materially untrue, inaccurate or incorrect material representations or warranties, shall elect either (a) to waive such misrepresentations or breaches of warranties and consummate the Transaction and, in the case of a breach by Prudential, without any reduction of or credit against the Contribution Price, or (b) to terminate this Agreement by written notice given to the non-breaching party on the Closing Date, in which event this Agreement shall be terminated, and, thereafter, neither party shall have any further rights or obligations hereunder except as provided in any section hereof that by its terms expressly provides that it survives any termination of this Agreement. If any such representation or warranty is untrue, inaccurate or incorrect but is not untrue, inaccurate or incorrect in any material respect, REIT OP shall be deemed to waive such misrepresentation or breach of warranty, and REIT OP shall be required to consummate the Transaction without any reduction of or credit against the Contribution Price.

8.3.6 Survival. The representations and warranties contained in

Article 8 and in the certificate delivered by Prudential pursuant to Section

6.4.6, and limitations on liability associated therewith, shall survive the

Closing and the execution and delivery of the Deed until the three hundred and sixty-fifth (365th) day following the Closing Date, and no action based thereon shall be commenced after such three hundred and sixty-fifth (365th) day provided that, if written notice asserting a claim for breach of any such representation or warranty shall have been given to Prudential prior to the expiration of such three hundred and sixty-five (365) day period and an action based thereon shall have been commenced prior to the second anniversary of the Closing Date, such representation and warranty and any right to indemnification for breach thereof, shall survive, to the extent as such claim only, until such claim is resolved. The indemnification and other agreements of the parties set forth herein which expressly provide that they shall survive the Closing or the earlier termination of this Agreement shall not expire, except as specifically set forth in those Sections. Any rights a party may have in the event such party terminates this Agreement pursuant to the terms hereof shall survive such termination.

8.3.7 Limitation on Prudential's Liability. Anything in this

Agreement to the contrary notwithstanding, (i) Prudential shall only be liable to REIT OP hereunder for a breach of a representation and warranty made herein or in any Transaction Document, including, without limitation, an estoppel certificate delivered by Prudential pursuant to Section 6.3.5, where the actual

direct damages to REIT OP for all breaches of representations and warranties of Prudential made herein or in any other Transaction Document, in the aggregate, when taken together with all other breaches of representations and warranties, exceeds \$600,000, and

(ii) the maximum aggregate liability of Prudential, and the maximum aggregate amount which may be awarded to and collected by REIT OP, for all breaches of representations and warranties of Prudential made herein or in any other Transaction Document, including, without limitation, an estoppel certificate delivered by Prudential pursuant to Section 6.3.5, shall not exceed the lesser

of (A) the actual, direct damages proximately caused by any such material breaches of representations and warranties of Prudential, and (B) Twenty Million Dollars (\$20,000,000.00).

ARTICLE 9 - COVENANTS

9.1 REIT OP's Covenants. REIT OP hereby covenants as follows:

9.1.1 Confidentiality. REIT OP acknowledges that any information

furnished to REIT OP with respect to the Property has been provided pursuant to that certain confidentiality Agreement between REIT OP and Prudential dated July 25, 1997 and REIT OP shall honor its obligations under, and otherwise comply with each of the terms of, such confidentiality agreement. The provisions of this Section 9.1.1 shall survive any termination of this Agreement.

9.1.2 Approvals not a Condition to REIT OP's Performance. REIT OP

acknowledges and agrees that its obligation to perform under this Agreement is not contingent upon REIT OP's ability to obtain any (a) governmental or quasi-governmental approval of changes or modifications in use or zoning, or (b) modification of any existing land use restriction, (c) except as provided in Sections 7.2.5, 7.2.7 and 7.2.8, governmental or quasi-governmental approval to

the Transaction, (d) consents to assignments of any service contracts, management agreements or other agreements which REIT OP requests, or (e) endorsements to any REIT OP's Title Commitment other than those which REIT OP's Title Insurer shall commit in writing to issue to REIT OP (either unconditionally, or upon conditions consistent with the provisions of Sections

3.3 and 6.3 hereof or otherwise acceptable to Seller).

9.1.3 REIT OP's Indemnity; Delivery of Reports. REIT OP hereby agrees

to indemnify, defend, and hold Prudential, its counsel, Morgan Stanley & Co., Inc. and Prudential Securities, Inc. (collectively, "BROKER"), its sales

agents, and each partner, officer, director, employee, agent or attorney of Prudential, its counsel, Broker, or its sales agents, and any other party related in any way of the foregoing (all of which parties are herein collectively called the "PRUDENTIAL PARTIES"), and the Property free and

harmless from and against any and all costs, loss, damages and expenses, of any kind or nature whatsoever (including attorneys fees and costs), arising out of damage to persons or property arising out of or resulting from the entry and/or the conduct of activities upon the Property by REIT OP, its agents, contractors and/or subcontractors in connection with the inspections, examinations, testings and investigations of the Property conducted at any time prior to the Closing, which indemnity shall survive the Closing (and not be merged therein) or any earlier termination of this Agreement. The foregoing indemnity shall not be deemed to apply to any actual or alleged

loss or damage to the value of any of the Property or any loss of the sale contemplated by this Agreement, to the extent due solely from (i) any test results, studies, or evaluations made by REIT OP (or by any of REIT OP's consultants to REIT OP) being unfavorable, or (ii) REIT OP's decision not to proceed with the purchase of the Property. If this Agreement terminates without this occurrence of the Closing, REIT OP shall deliver promptly to Prudential copies of all third party reports commissioned by REIT OP evidencing the results of tests, studies or inspections of the Property. The provisions of this Section -----

9.1.3 shall survive the Closing or any termination of this Agreement.

9.1.4 Limit on Government Contacts. Notwithstanding any provision in -----

this Agreement to the contrary and except with respect to making necessary standard inquiries of the Massachusetts Department of Environmental Protection in connection with REIT OP's due diligence of the Real Property and adjacent properties, REIT OP shall not contact any governmental official or representative regarding Hazardous Materials on, or the environmental condition of, the Property without Prudential's prior written consent thereto, which consent shall not be unreasonably withheld. In addition, if Prudential's consent is obtained by REIT OP, Prudential shall (a) be entitled to review, modify and approve any written communication to such official or representative and (b) receive at least five (5) Business Days prior written notice of any intended contact and to have a representative present when REIT OP has any such contact with any governmental official or representative.

9.1.5 Limited Negative Covenants of REIT OP. REIT OP covenants and -----

agrees as follows, and shall not enter into any agreement or take any other action inconsistent with the following, in each case until the earlier of the Closing Date or the termination of this Agreement, except as specifically contemplated by this Agreement or to the extent such action shall not reasonably be expect to result in a Material Adverse Effect; provided, however, that any -----

breach of the covenants set forth in this Section 9.1.5 shall not be a default -----

with respect to any of REIT OP's obligations under this Agreement but, in the event that Prudential has elected to receive more than Twenty Five Million Dollars (\$25,000,000) of Units hereunder, shall entitle Prudential, at Prudential's option, to elect to reduce the total value of the Units to be received from the REIT OP to an amount equal to not less than Twenty Five Million Dollars (\$25,000,000) and increase the Initial Distribution to be made to Prudential by the amount of such reduction all in accordance with the terms and conditions of Section 2.1.

(a) Organizational Documents. REIT OP shall not amend the Partnership -----

Agreement and the Company shall not amend its articles of organization or bylaws.

(b) Mergers, Etc. Except as shall have been previously agreed in -----

writing by the parties, the Company and REIT OP shall not, and shall not permit any of the Affiliates of REIT OP to, merge or consolidate with any entity, sell, lease, license or otherwise dispose of all or substantially all of its assets (whether now owned or hereafter acquired) to any entity or acquire all or substantially all of the assets or business of any entity in each case whether in one transaction or in a series of transactions pursuant to which the Company, REIT OP or such Affiliate of REIT OP shall not be the surviving entity.

9.1.6 Tax Reporting. REIT OP covenants and agrees that it shall

report the Transaction and prepare and file all tax returns required for federal and state income tax purposes consistently with the manner agreed to by REIT OP and Prudential. REIT OP acknowledges and agrees that for federal and state income tax purposes (i) the contribution contemplated by this Agreement is to be reported as a tax free contribution pursuant to Section 721 of the Code, and (ii) the Initial Distribution shall be treated as a tax free distribution pursuant to Section 731 of the Code provided that the provisions of Section 2(e) of the Tax Protection Agreement are satisfied. The provisions of this Section

9.1.6 shall survive the Closing

9.1.7 Survival. The covenants of REIT OP in this Section 9.1 shall

survive the Closing in accordance with their terms and shall not be merged therein.

9.2 Prudential's Covenants. Prudential hereby covenants as follows:

9.2.1 Intentionally Omitted.

9.2.2 Maintenance of Property. Except to the extent Prudential is

relieved of such obligations by Article 11 hereof, between the date hereof and

the Closing Date, Prudential shall maintain and keep the Property in a manner consistent with Prudential's past practices with respect to the Property. Notwithstanding anything herein to the contrary, REIT OP hereby agrees that it shall accept the Property subject to, and Prudential shall have no obligation to cure, (i) all violations of Law or Orders or requirements and (ii) all physical conditions which would give rise to violations existing, which, with respect to both clauses (i) and (ii), exist on the date hereof. From the date hereof

through the Closing Date, Prudential (a) will advise REIT OP of any written notice Prudential receives from any Governmental Entity relating to the violation of any Law regulating the condition or use of the Property, and (b) will promptly notify REIT OP of any material change affecting the Property of which Prudential has knowledge.

9.2.3 Access to Property. Prior to the Closing, Prudential shall

allow REIT OP or REIT OP's representatives access to the Property upon reasonable prior notice at reasonable times provided such access does not interfere with the operation of the Property or the rights of tenants and subject to REIT OP's indemnification agreement set forth in Section 9.1.3.

9.2.4 REIT OP Audit Rights. Prudential acknowledges that REIT OP is

required to have audits performed of the records of the real properties acquired by REIT OP. Accordingly, for the period from the Closing Date through December 31, 1998, upon fifteen (15) days advance written notice from REIT OP, Prudential agrees to make available to REIT OP's independent accountants, Coopers & Lybrand LLP, for inspection and copying at REIT OP's sole cost and expense, sufficient information to prepare audited financial statements and an audit letter for the Property for the past three (3) years (1995, 1996 and 1997) which information shall include books and records for the Property, property and operating

statements, current insurance policies, Real Estate Tax records, capital expenditure records and maintenance records of the Property. The covenant of Prudential set forth in this Section 9.2.4 of this Agreement shall survive the

Closing and shall not be merged therein.

9.2.5 Suspension of Marketing. Prudential agrees not to offer to

sell, negotiate for or solicit or otherwise pursue any other offers for the purchase of the Property or any part thereof from any party other than REIT OP for the period of time beginning immediately after this Agreement is fully executed and the Initial Deposit is received by Prudential and ending on the termination of this Agreement, as applicable, by either party hereto in accordance with this Agreement.

9.2.6 Estoppels. Prudential agrees to request estoppels from (i) the

Tenants, in the form attached hereto and (ii) the Sheraton Boston Hotel Trust and the owner of the shopping center known as "Copley Place", as grantors of easements appurtenant to the Real Property, estoppel certificates in such form and to the extent such estoppel certificates are provided for under the instrument(s) creating such appurtenant right(s).

9.2.7 Nondisturbance Agreements. Prudential agrees to cooperate, at

no additional cost to Prudential, with REIT OP in the submission of requests to Tenants for nondisturbance agreements in favor of the lender(s) providing financing to REIT OP for the Transaction, by permitting REIT OP to deliver such requests to the Tenants.

9.3 Mutual Covenants.

9.3.1 Publicity. Prudential and REIT OP each hereby covenant that at,

prior to or immediately after the Closing neither Prudential nor REIT OP shall issue any press release or public statement (a "RELEASE") with respect to the

Transaction without the prior consent of the other, except to the extent required by Law or by NYSE. If either Prudential or REIT OP is required by law to issue a Release, such party shall, at least two (2) Business Days prior to the issuance of the same, deliver a copy of the proposed Release to the other party for its review.

9.3.2 Broker. Prudential and REIT OP expressly acknowledge that

Broker has acted as the exclusive broker with respect to the transaction contemplated herein and with respect to this Agreement, and that Prudential shall pay any brokerage commission due to Broker in accordance with the separate agreement between Prudential and Broker. Prudential and REIT OP each represents and warrants to the other that it has not dealt with any other broker in this transaction and each agrees to hold harmless the other and indemnify the other from and against any and all damages, costs or expenses (including, but not limited to, reasonable attorneys' fees and disbursements) suffered by the indemnified party as a result of acts of the indemnifying party that would constitute a breach of its representation and warranty in this Section.

9.3.3 Access to Records. Where there is a legitimate reason

(including, without limitation, a tax audit, other governmental inquiry, or actual or prospective claim by or against either Prudential or REIT OP, or to which Prudential or REIT OP may become a party) for Prudential or REIT OP to require access to records or other information relating to the Property that is in the possession or control of the other party, and if providing such access would not adversely affect the party whose records are being sought (in the good faith judgment of such party), each party will, subject to the confidentiality agreements between REIT OP and Prudential dated July 25, 1997 and January 15, 1998, respectively, allow the other reasonable access to such records and information at their then-current location (or such other location as the party in possession of such records or information may reasonably designate), in order to analyze and/or copy the same (at the requesting party's sole cost and expense), for use solely for the purposes for which the same are being requested. In any case in which a party hereto desires to obtain any records or information pursuant to this Section, such party shall notify the other in writing of such request, setting forth in such notice the purposes for which such records and information are being requested and the expected use thereof (including, if applicable, the nature of any claim or other proceeding in which the same will be used and the parties thereto), and the party receiving such request may, as a condition to granting the same, require that the requesting party enter into an agreement protecting the confidentiality of such records and information. In no event shall a party be obligated to provide access to records or other information under this Section in connection with any litigation, claim, or dispute between REIT OP and Prudential, or in which REIT OP and Prudential are or may become adverse parties, other than in accordance with applicable discovery and evidentiary rules and procedures applicable to such matter, and no access to or disclosure of records or information shall be required hereunder if the same would or reasonably could result in the loss of any attorney-client privilege or other applicable evidentiary privileges that may be applicable to such records or information. Each party shall maintain its records for use under this Section for a period of not less than three (3) years after the Closing Date; provided that prior to such date no such records shall

be destroyed unless the holder provides the other party hereunder with at least ninety (90) days prior written notice. Upon receipt of notice of destruction, the nonholder shall have the option, at its sole cost and expense, to take possession of the records set for destruction, in which case the nonholder shall assume all further cost of storage and destruction of such records. The terms of this Section 9.3.3 shall survive the Closing and not be merged therein.

Nothing in this Section 9.3.3 shall be deemed to limit the provisions of Section 3(a) of the Tax Protection Agreement.

9.3.4 Notification of Certain Matters. REIT OP shall give prompt

notice to Prudential, and Prudential shall give prompt notice to REIT OP, of (a) the occurrence, or failure to occur, of any event that causes any representation or warranty contained in any document relating to the Transaction to be untrue or inaccurate in any material respect at any time from the date of this Agreement to the Closing Date and b) any failure of REIT OP, on the one hand, or Prudential, on the other hand, to comply with or satisfy, in any material respect, any covenant, condition or agreement to be complied with or satisfied by it under any document relating to the Transaction.

9.3.5 Further Assurances. Promptly upon request by the other party,

each party shall, and shall cause its affiliates to, take, execute, acknowledge, deliver, file, re-file, register and re-register, any and all such further acts, certificates, assurances and other instruments as the requesting party may require from time to time in order to carry out more effectively the purposes of the Transaction and to better transfer, preserve, protect and confirm to the requesting party the rights granted or now or hereafter intended to be granted to the requesting party under the Transaction.

9.3.6 Survival. The provisions of this Section 9.3 shall survive the

Closing (and not be merged therein) or earlier termination of this Agreement.

ARTICLE 10 - FAILURE OF PERFORMANCE

10.1 REIT OP's Obligations. If, on the Closing Date, (i) REIT OP is in

default of any of its material obligations hereunder or (ii) any of REIT OP's representations or warranties are untrue in any material respect or (iii) any material condition to the obligation of Prudential to close hereunder has not been substantially satisfied as a result of the failure by REIT OP to perform its obligations under this Agreement or otherwise, then Prudential may elect to (x) terminate this Agreement by written notice to REIT OP or (y) proceed to close the Transaction. If this Agreement is so terminated, then Prudential shall immediately be entitled to the proceeds of the Letter of Credit as liquidated damages, and thereafter neither party to this Agreement shall have any further rights or obligations hereunder other than any arising under any section herein which expressly provides that it survives the termination of this Agreement. The amount of liquidated damages set forth in this Section 10.1

shall be for all loss, damage and expense suffered by Prudential, including, without limitation, the loss of its bargain, it being agreed that Prudential's damages are difficult if not impossible to ascertain.

10.2 Prudential's Obligations. If, at the Closing, (i) Prudential is in

default of any of its material obligations hereunder, (ii) any of Prudential's representations or warranties are untrue in any material respect, or (iii) any condition to the obligation of REIT OP to close hereunder set forth in Section

7.2 has not been substantially satisfied, REIT OP shall have the right to elect,

as its sole remedy, to (x) terminate this Agreement by written notice to Prudential, promptly after which the Letter of Credit shall be returned to REIT OP, (y) waive such default or condition and proceed to close the Transaction without any reduction of or credit against the Contribution Price or (z) seek specific performance of this Agreement in the event that such default or unsatisfied condition is within the control of Prudential and Prudential has willfully defaulted in its objectives hereunder or intentionally caused such condition to be unsatisfied.

ARTICLE 11 - CONDEMNATION/CASUALTY

11.1 Condemnation.

11.1.1 Right to Terminate. If, prior to the Closing Date, all or any

significant portion (as hereinafter defined) of the Property is taken by eminent domain (or is the subject of a pending taking which has not yet been consummated), Prudential shall notify REIT OP in writing of such fact promptly after obtaining knowledge thereof and provide to REIT OP appropriate information, to the extent in Prudential's possession, regarding such takings, and REIT OP shall have the right to terminate this Agreement by giving written notice to Prudential no later than ten (10) days after the giving of Prudential's notice, and the Closing Date shall be extended, if necessary, to provide sufficient time for REIT OP to make such election. The failure by REIT OP to so elect in writing to terminate this Agreement within such ten (10) day period shall be deemed an election not to terminate this Agreement. For purposes hereof, a "SIGNIFICANT PORTION" of the Property shall mean (i) such

portion as shall have a value, as reasonably determined by Prudential, in excess of Five Million Dollars (\$5,000,000.00) with respect to the Property, (ii) such portion, the taking of which shall have a Material Adverse Effect on the operation of the Real Property or (iii) such portion, the taking of which gives a Major Tenant the right, and such Major Tenant exercises such right, to terminate its Lease. If REIT OP elects to terminate this Agreement as aforesaid, the provisions of Section 11.4 shall apply.

11.1.2 Assignment of Proceeds. If (a) REIT OP does not elect to

terminate this Agreement as aforesaid in the event all or any significant portion of the Property is taken, or if (b) a portion of the Property not constituting a significant portion of the Property is taken or becomes subject to a pending taking, by eminent domain, there shall be no abatement of the Contribution Price; provided, however, that, at the Closing, Prudential shall

pay to REIT OP the amount of any award for or other proceeds on account of such taking which have been actually paid to Prudential prior to the Closing Date as a result of such taking (less all reasonable out of pocket costs and expenses, including attorneys' fees and costs, incurred by Prudential as of the Closing Date in obtaining payment of such award or proceeds) and, to the extent such award or proceeds have not been paid, Prudential shall assign to REIT OP at the Closing (without recourse to Prudential) the rights of Prudential to, and REIT OP shall be entitled to receive and retain, all awards for the taking of the Property or such portion thereof.

11.2 Destruction or Damage.

(a) In the event the Property is damaged or destroyed prior to the Closing Date, Prudential shall notify REIT OP in writing of such fact promptly after obtaining knowledge thereof and provide to REIT OP such appropriate information as Prudential may have in its possession regarding the extent and nature of such casualty. If any such damage or destruction (a) is caused by an insured casualty and (b) would cost less than or equal to Five Million Dollars (\$5,000,000.00) to repair or restore, then this Agreement shall remain in full force and effect and REIT OP shall acquire the Property upon the terms and conditions set

forth herein. In such event, REIT OP shall receive a credit against the Contribution Price equal to the deductible amount applicable under Prudential's casualty insurance policy (less all reasonable out of pocket costs and expenses, including attorneys' fees and costs, incurred by Prudential as of the Closing Date in connection with the negotiation and/or settlement of the casualty claim with the insurer (the "REALIZATION COSTS")), and Prudential shall assign to REIT

OP all of Prudential's right, title and interest in and to all proceeds of insurance on account of such damage or destruction. In the event the Property is damaged or destroyed prior to the Closing Date by an insured casualty and as a result (i) the cost of repair or restoration would cost more than Five Million Dollars (\$5,000,000.00) or (ii) a Major Tenant exercises a right under its Lease to terminate such Lease then, notwithstanding anything to the contrary set forth above in this Section, to the contrary set forth above in this Section, REIT OP shall have the right, at its election, either (i) to terminate this Agreement or (ii) to proceed to purchase and shall the Property in accordance with the terms of this Agreement. REIT OP shall have thirty (30) days after Prudential notifies REIT OP that a casualty has occurred to make such election by delivery to Prudential of a written election notice (the "ELECTION NOTICE") and the

Closing Date shall be extended, if necessary, to provide sufficient time for REIT OP to make such election. The failure by REIT OP to deliver the Election Notice within such thirty (30) day period shall be deemed an election not to terminate this Agreement. In the event that REIT OP does not elect to terminate this Agreement as set forth above, this Agreement shall remain in full force and effect and at the Closing, Prudential shall assign to REIT OP all of Prudential's right, title and interest in and to any and all proceeds of insurance on account of such damage or destruction, if any, and, if the casualty was an insured casualty, REIT OP shall receive a credit against the Contribution Price equal to the deductible amount (less the Realization Costs) under Prudential's casualty insurance policy.

(b) In the event the Property is damaged or destroyed prior to the Closing Date and such damage or destruction (a) is caused by an uninsured casualty and (b) would cost less than Five Hundred Thousand Dollars (\$500,000.00) to repair or restore, then this Agreement shall remain in full force and effect and REIT OP shall acquire the Property upon the terms and conditions set forth herein. In such event, REIT OP shall receive a credit against the Contribution Price equal to the amount required to repair such damage or destruction. In the event the Property is damaged or destroyed prior to the Closing Date by uninsured casualty and the cost of repair or restoration would equal or exceed Five Hundred Thousand Dollars (\$500,000.00), then, notwithstanding anything to the contrary set forth above in this Section, REIT OP shall have the right, at its election, either (i) to terminate this Agreement or (ii) proceed to close the Transaction in accordance with the terms of this Agreement. REIT OP shall have thirty (30) days after Prudential notifies REIT OP that an uninsured casualty has occurred to make such election by delivery to Prudential of a written election notice (the "ELECTION NOTICE"). The failure by

REIT OP to deliver the Election Notice within such thirty (30) day period shall be deemed an election not to terminate this Agreement. In the event REIT OP does not elect to terminate this Agreement as set forth above, this Agreement shall remain in full force and effect and at the Closing REIT OP shall receive a credit against the Purchase Price equal to the amount required to repair such damage or

destruction but in no event shall such credit exceed Five Hundred Thousand Dollars (\$500,000.00).

11.3 Insurance. Prudential shall maintain the property insurance coverage

currently in effect for the Property through the Closing Date. Prudential shall not be obligated to assign to REIT OP any insurance policies in connection with the Property at the Closing.

11.4 Effect of Termination. If this Agreement is terminated pursuant to

Section 11.1 or Section 11.2, Prudential shall promptly return the Letter of

Credit to REIT OP. Upon such return neither party to this Agreement shall have any further rights or obligations hereunder other than any arising under any section herein which expressly provides that it shall survive the termination of this Agreement.

11.5 Waiver. The provisions of this Article 11 supersede the provisions

of any applicable statutory or decisional law with respect to the subject matter of this Article 11.

ARTICLE 12 - ACTIONS PRIOR TO THE CLOSING AND
POST-CLOSING COVENANTS

12.1 Continuation of Management Agreement. Prior to Closing, Prudential

shall observe and honor its obligations as Owner under the Management Agreement. Between the date hereof and the Closing Date, Prudential shall not enter into any new management agreement, service contract or equipment lease without REIT OP's prior consent, which consent shall not be unreasonably withheld, unless such management agreement, service contract or equipment lease is to survive Closing, in which event, such consent may be withheld in REIT OP's sole judgement. Within ten (10) Business Days following the date of this Agreement, REIT OP shall notify Prudential of those service contracts, vendor contracts, service agreements listed in EXHIBIT V attached hereto and made a part hereof,

and those equipment leases noted in EXHIBIT J attached hereto and made a part

hereof that it does not desire to assume, and Prudential shall send termination notices of such contracts, agreements and equipment leases at or prior to Closing. In any event the Management Agreement shall terminate as of the Closing Date.

12.2 Intentionally Omitted.

12.3 Exercise of Permit Rights and Transfer of Development Rights.

Prudential shall continue to operate the Property in accordance with its past practices, including, without limitation, with respect to the maintenance of the Permit Rights and the Development Rights. As set forth above, the only approvals, from a Governmental Entity or otherwise, which are conditions to REIT OP's obligation to consummate the Transaction are (a) the Site Survey Approval, and (b) the Building Code Variance. No amendments to the Permit Rights or the Development Rights nor estoppels will be sought prior to the Closing. Without the prior written consent, and the presence and participation of Prudential, REIT OP shall not contact

any employee or other representative of the City of Boston, any City of Boston official any resident or tenant of the Real Property, any member or representative of PruPac or any other Person with respect to the status or nature of the Development Rights, and no estoppels, approvals, amendment or the like relating to future development or redevelopment of the Real Property or any aspect of the Development Rights shall be sought by either party prior to the consummation of the Transaction. However, Prudential and REIT OP shall cooperate with each other and participate in joint discussions to be held at such times and places as are mutually agreeable to Prudential and REIT OP, each acting reasonably, with the City of Boston, the BRA, PruPac and MEPA to discuss the general status and future approval process, timetables and the like, but in no event shall any discussions include the amendment or modification of the existing Development Rights. Nevertheless, Prudential shall maintain the primary and controlling role in such discussions with such parties. Prudential shall not make nor permit any material modifications to the subdivision plan submitted for Site Survey Approval without REIT OP's consent, which consent shall not be unreasonably withheld or delayed.

12.4 Operations. Prudential shall cause the Manager to continue to

operate the Property in a manner consistent with its current operations and the terms of the Leases and the Management Agreement and will continue to maintain and repair the Improvements and the Equipment in accordance with the existing budgets for the Property. During the period of this Agreement Prudential will not permit or induce the Manager (i) to operate the Property in a manner that is not consistent with the manner by which the Property is operating as of the date of this Agreement or that is not in accordance with the terms of the Management Agreement or (ii) to maintain or repair the Property in a manner that is not in accordance with the existing approved maintenance and repair budgets for the Property.

12.5 Work in Progress. Prior to Closing, Prudential shall continue to

perform, and use good faith efforts to complete, the work in progress described in EXHIBIT Y attached hereto and made a part hereof to the extent such work is

contemplated to be performed prior to the Closing Date as set forth on EXHIBIT

Y. In the event that the work in progress described in EXHIBIT Y is not

completed prior to the Closing, there shall be a review of such work and the payment status of the contracts for such work and at Closing REIT OP shall receive a credit in accordance with Section 5.7 equal to the amount necessary to

complete such work after the Closing and/or make total payments due under such contracts.

12.5.1 Tunnel Fireproofing Work in Progress. The parties acknowledge

that certain Massachusetts Turnpike tunnel fireproofing work described in

EXHIBIT Y, will be completed by Prudential after the Closing Date, pursuant to

the tunnel fireproofing agreement attached hereto as EXHIBIT AA to be entered in

to at closing by Prudential and REIT OP (the "TUNNEL FIREPROOFING AGREEMENT").

ARTICLE 13 - LEASING MATTERS

13.1 New Leases. After the date of this Agreement, Prudential shall not,

without REIT OP's prior written consent in each instance, which consent, subject to the terms of the immediately succeeding sentence, shall not be unreasonably withheld and shall be given or denied, with the reasons for such denial, within five (5) Business Days after receipt by REIT OP of the information referred to in the next sentence, enter into a new lease for space in the Improvements or renew or extend any Lease (except pursuant to the exercise by a tenant of a renewal, extension or expansion option contained in such tenant's Lease). After the execution of this Agreement, REIT OP's consent to a new lease of space in the Improvements or a renewal or extension of any Lease (except pursuant to the exercise by a tenant of a renewal, extension or expansion option contained in tenant's Lease) involving (i) 22,000 square feet or more of office space in the Improvements or (ii) 5,000 square feet or more of space in the retail portion of the Improvements, may be granted or withheld by REIT OP in its sole and absolute discretion. Prudential shall furnish REIT OP with all information regarding any proposed new leases, renewals and extensions reasonably necessary to enable REIT OP to make informed decisions. Prudential shall deliver to REIT OP a true and complete copy of each such new lease, renewal and extension agreement, if any, promptly after the execution and delivery thereof. Prudential shall keep accurate records of all of the following types of expenses (collectively, "NEW LEASE EXPENSES") incurred in connection with any new lease for space at the

Property, or any extension, renewal or expansion of a Lease where such Lease does not provide for its extension, renewal or expansion, entered into on or after the date hereof and approved by REIT OP (each a "NEW LEASE"): (a)

brokerage commissions and fees to effect such leasing transaction, (b) expenses incurred for repairs, improvements, equipment, painting, decorating, partitioning and other items to satisfy the tenant's requirements with regard to such leasing transaction, (c) legal fees for services in connection with the preparation of documents and other services rendered in connection with the effectuation of the leasing transaction, (d) if there are any rent concessions covering any period that the tenant has the right to be in possession of the demised space, the rents that would have accrued during the period of such concession prior to the Closing Date as if such concession were amortized over (i) with respect to any extension or renewal, the term of such extension or renewal, (ii) with respect to any expansion, that portion of the term remaining under the subject Lease after the date of any expansion, or (iii) with respect to any New Lease, the entire initial term of any New Lease, and (e) expenses incurred for the purpose of satisfying or terminating the obligations of a tenant under a New Lease to the landlord under another lease (whether or not such other lease covers space in the Building). At the Closing, REIT OP shall reimburse Prudential for all New Lease Expenses paid or incurred by Prudential after the date hereof and prior to the Closing Date and shall assume Prudential's obligations to pay, when due (whether on a stated due date or accelerated) any such New Lease Expenses unpaid as of the Closing and REIT OP hereby agrees to indemnify and hold Prudential harmless from and against any and all claims for such Lease Expenses which remain unpaid for any reason at the time of Closing, which obligations of REIT OP shall survive the Closing and shall not be merged therein. Each party shall make available to the other all records, bills, vouchers and other data in such party's control verifying such New Lease Expenses and the payment thereof.

13.2 Other Lease Activity. Except as provided in this Section 13.2,

without the prior consent of REIT OP, which shall not be unreasonably withheld (i) no Lease shall be modified or amended except as provided in Section 13.1

with respect to extensions, renewals or expansions of Leases and the execution of New Leases, (ii) Prudential shall not consent to any assignment or sublease in connection with any Lease or New Lease and (iii) Prudential shall not remove any tenant under any Lease or New Lease, whether by summary proceedings or otherwise, except by reason of a default of the tenant under the Lease or New Lease. In furtherance of the foregoing, Prudential shall deliver to REIT OP a written notice of each proposed action of the type described in clauses (i) - (iii) above which Prudential has been asked or proposes to take, stating, if applicable, whether Prudential is willing to consent to such action and setting forth the relevant information therefor. REIT OP shall have five (5) Business Days after delivery to it of such notice and information to determine whether or not to approve such action. If REIT OP shall not give notice of its disapproval of such action within such five (5) Business Day period, REIT OP shall be deemed to have approved such action. If any Lease requires that the landlord's consent be given under the applicable circumstances (or not be unreasonably withheld), then REIT OP shall be deemed ipso facto to have approved such action. Subject

to its reimbursement rights pursuant to Section 13.2, Prudential shall perform all of the obligations of the landlord under the Leases and New Leases which under the terms of such Leases and New Leases are required to be performed by the landlord prior to the Closing Date.

13.3 Lease Enforcement. Subject to the provisions of Section 13.2 above,

prior to the Closing Date, Prudential shall have the right, but not the obligation (except to the extent that Prudential's failure to act shall constitute a waiver of such rights or remedies), to enforce the rights and remedies of the landlord under any Lease or New Lease, by summary proceedings or otherwise, but may not apply all or any portion of any security deposits then held by Prudential toward any loss or damage incurred by Prudential by reason of any defaults by tenants who are in possession or whose lease is in effect at the Closing.

13.4 Lease Termination Prior to Closing. The termination of any Lease or

New Lease or the removal of any tenant by reason of a default by such tenant (by summary proceedings or otherwise) prior to the Closing shall not affect the obligations of REIT OP under this Agreement in any manner or entitle REIT OP to a reduction in, or credit or allowance against, the Contribution Price or give rise to any other claim on the part of Buyer.

13.5 Lease Expenses. At Closing, REIT OP shall reimburse Prudential for

any and all New Lease Expenses.

13.6 Movenpick Lease. Notwithstanding anything to the contrary contained

herein, New Lease Expenses with respect to (i) the new lease for space at the Property entered into by and between Prudential and Richtree U.S., Inc., d/b/a "Movenpick, dated November 20, 1997 (the "MOVENPICK LEASE") and (ii) all amendments to existing Leases entered into prior to or after the date hereof in order to fulfill landlord's obligations under the Movenpick Lease including, without limitation, the amendments to the Leases with the United States Post Office,

The Boston Edison Consumer Center and Back Bay Photo (collectively, the "TENANT RELOCATION AMENDMENTS") shall be allocated between Prudential and REIT OP as set forth in this Section 13.6. Prudential shall pay all of the New Lease

Expenses associated with the Relocation Amendments. With respect to the Movenpick Lease, Prudential shall pay all of the costs and expenses incurred in order to perform the so-called "Premises Preparation Work" (as such term is described in the Movenpick Lease) in accordance with the terms of the Movenpick Lease, and REIT OP shall be responsible for (i) payment of all of the "Construction Allowance" (as such term is defined in the Movenpick Lease) to the tenant on account of the cost of "Tenant's Work"(as such term is defined in the Movenpick Lease) and related reasonable, third party architect, engineering and design fees in accordance with the terms of the Movenpick Lease, and (ii) one half of the brokerage commission due in connection with the Movenpick Lease, in the amount of One Hundred and Fifty Thousand Dollars (\$150,000). Pursuant to the terms of the Movenpick Lease the Construction Allowance shall not exceed Three Million Eight Hundred Thousand Dollars (\$3,800,000). All other New Lease Expenses associated with the Movenpick Lease, if any, shall be paid by Prudential.

13.7 MCI Lease Amendment. Reference is hereby made to a certain Third Lease Amendment (to 1986 Lease) by and between Prudential and MCI Telecommunications Corporation (the "MCI AMENDMENT"). Prudential shall pay the Tenant Allowance (as such term is defined in the MCI Amendment) in accordance with the terms of the MCI Amendment, up to a maximum amount of twenty dollars (\$20) per square foot. REIT OP shall be responsible for the payment of the Tenant Allowance in excess of twenty dollars (\$20) per square foot.

ARTICLE 14 - MISCELLANEOUS

14.1 Assignment.

14.1.1 REIT OP's Assignment. REIT OP shall not assign this Agreement

or its rights hereunder to any individual or entity without the prior written consent of Prudential, which consent Prudential may grant or withhold in its sole discretion, and any such assignment undertaken without such consent shall be null and void. Notwithstanding the foregoing, REIT OP shall be permitted to assign this Agreement to a single member limited liability company entity which is owned by REIT OP and which is a disregarded entity for federal tax income purposes, provided (a) REIT OP effectuates such assignment in writing prior to the Closing, (b) the assignee assumes the obligations of REIT OP under the terms of this Agreement, and (c) REIT OP remains liable to Prudential under the terms of this Agreement. In the event REIT OP assigns this Agreement or its rights hereunder to a REIT OP Affiliate, REIT OP shall provide written notice of such assignment to Prudential within five (5) Business Days of the execution of such an assignment. Notwithstanding that REIT OP may assign this Agreement to a wholly-owned disregarded entity, subject to the terms of this Section 14.1.1, if, and to the extent, as a result of such an assignment the contribution of the Property to be consummated hereunder is made directly to such wholly-owned disregarded entity, REIT OP and Prudential hereby agree that for all purposes any such contribution shall be deemed to be a contribution to REIT OP in exchange for Units in REIT OP and then a contribution of the Property to such wholly-owned disregarded entity.

14.1.2 Prudential's Assignment. Prudential may assign this Agreement

and/or its rights and obligations hereunder, without the prior consent of REIT OP, as Prudential deems necessary to complete the Transaction; provided,

however, that in the event of such an assignment, (a) Prudential effectuates

such assignment in writing prior to the Closing, (b) the assignee assumes the obligations of Prudential under the terms of this Agreement and (c) Prudential remains liable to REIT OP under the terms of this Agreement. In the event Prudential assigns this Agreement or its rights hereunder, Prudential shall provide written notice thereof to REIT OP within five (5) Business Days of the execution of any such assignment.

14.2 Designation Agreement. Section 6045(e) of the United States Internal

Revenue Code and the regulations promulgated thereunder (herein collectively called the "REPORTING REQUIREMENTS") require an information return to be made to

the United States Internal Revenue Service, and a statement to be furnished to Prudential, in connection with the Transaction. REIT OP's Title Insurer is either (i) the person responsible for closing the Transaction (as described in the Reporting Requirements) or (ii) the disbursing title or escrow company that is most significant in terms of gross proceeds disbursed in connection with the Transaction (as described in the Reporting Requirements). Accordingly:

(a) REIT OP's Title Insurer is hereby designated as the "REPORTING PERSON" (as defined in the Reporting Requirements) for the

Transaction. REIT OP's

Title Insurer shall perform all duties that are required by the Reporting Requirements to be performed by the Reporting Person for the Transaction.

(b) Prudential and REIT OP shall furnish to REIT OP's Title Insurer, in a timely manner, any information requested by REIT OP's Title Insurer and necessary for REIT OP's Title Insurer to perform its duties as Reporting Person for the Transaction.

(c) REIT OP's Title Insurer hereby requests Prudential to furnish to REIT OP's Title Insurer Prudential's correct taxpayer identification number. Prudential acknowledges that any failure by Prudential to provide REIT OP's Title Insurer with Prudential's correct taxpayer identification number may subject Prudential to civil or criminal penalties imposed by law. Accordingly, Prudential hereby certifies to REIT OP's Title Insurer, under penalties of perjury, that Prudential's correct taxpayer identification number is 22-1211670.

(d) Each of the parties hereto shall retain this Agreement for a period of four (4) years following the calendar year during which Closing occurs.

14.3 Survival/Merger. Except for the provisions of this Agreement which -----
are explicitly stated to survive the Closing, (a) none of the terms of this Agreement shall survive the Closing, and (b) the delivery of the Deed and any other documents and instruments by Prudential and the acceptance thereof by REIT OP shall effect a merger, and be deemed the full performance and discharge of every obligation on the part of REIT OP and Prudential to be performed hereunder.

14.4 Integration; Waiver. This Agreement, together with the Schedules and -----
Exhibits hereto, embodies and constitutes the entire understanding between the parties with respect to the Transaction and all prior agreements (including, without limitation, the Letter of Intent), understandings, representations and statements, oral or written, are merged into this Agreement. Neither this Agreement nor any provision hereof may be waived, modified, amended, discharged or terminated except by an instrument signed by the party against whom the enforcement of such waiver, modification, amendment, discharge or termination is sought, and then only to the extent set forth in such instrument. No waiver by either party hereto of any failure or refusal by the other party to comply with its obligations hereunder shall be deemed a waiver of any other or subsequent failure or refusal to so comply.

14.5 Governing Law. This Agreement shall be governed by, and construed in -----
accordance with, the law of the Commonwealth of Massachusetts.

14.6 Captions Not Binding; Schedules and Exhibits. The captions in this -----
Agreement are inserted for reference only and in no way define, describe or limit the scope or intent of this Agreement or of any of the provisions hereof. All Schedules and Exhibits attached hereto shall be incorporated by reference as if set out herein in full.

14.7 Binding Effect. This Agreement shall be binding upon and shall inure

to the benefit of the parties hereto and their respective successors and permitted assigns.

14.8 Severability. If any term or provision of this Agreement or the

application thereof to any persons or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Agreement or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby, and each term and provision of this Agreement shall be valid and enforced to the fullest extent permitted by law.

14.9 Notices. Any notice, request, demand, consent, approval and other

communications under this Agreement shall be in writing, and shall be deemed duly given or made at the time and on the date when personally delivered as shown on a receipt therefor (which shall include delivery by a nationally recognized overnight delivery service) or three (3) on the date evidenced as the day on which delivery was made or rejected on the return receipt of any by prepaid registered or certified mail, return receipt requested, to the address for each party set forth below, or by telecopy on the date shown on the receiving party's confirmation thereof, unless such telecopy is received after 2:00 p.m., in which case the date of delivery shall be the next succeeding Business Day. Any party, by written notice to the other in the manner herein provided, may designate an address different from that set forth below.

IF TO REIT OP:

Boston Properties Limited Partnership
c/o Boston Properties, Inc.
8 Arlington Street
Boston, MA 02116
Attention: Edward H. Linde
Telephone: (617) 859-2626
Telecopy: (617) 536-4233

WITH COPIES TO:

Boston Properties Limited Partnership
c/o Boston Properties, Inc.
8 Arlington Street
Boston, MA 02116
Attention: Frederick J. DeAngelis, Esq.
Telephone: (617) 859-2633
Telecopy: (617) 536-4562

AND TO:

Goulston & Storrs, P.C.

400 Atlantic Avenue
Boston, MA 02110-3333
Attention: Alan W. Rottenberg, Esq.
Telephone: (617) 574-4080
Telecopy: (617) 574-4112

and

Goulston & Storrs, P.C.
400 Atlantic Avenue
Boston, MA 02110-3333
Attention: Steven R. Astrove, Esq.
Telephone: (617) 574-4007
Telecopy: (617) 574-6595

IF TO PRUDENTIAL:

THE PRUDENTIAL INSURANCE COMPANY OF AMERICA
c/o The Prudential Realty Group
8 Campus Drive, 4th Floor
Arbor Circle South
Parsippany, New Jersey 07054
Attention: Brian P. Murphy
Telephone: (973) 734-1335
Telecopy: (973) 734-1472

WITH A COPIES TO:

THE PRUDENTIAL INSURANCE COMPANY OF AMERICA
c/o The Prudential Realty Group
8 Campus Drive, 4th Floor
Arbor Circle South
Parsippany, New Jersey 07054-4493
Attention: John C. Kelly, Esq. Regional Counsel
Telephone: (973) 734-1345
Telecopy: (973) 734-1478

AND

GOODWIN, PROCTER & HOAR LLP
Exchange Place
53 State Street
Boston, Massachusetts 02109
Attention: Joseph W. Haley, P.C.
Telephone: (617) 570-1440

14.10 Counterparts. This Agreement may be executed in counterparts, each

of which shall be an original and all of which counterparts taken together shall
constitute one and the same agreement.

14.11 No Recordation. Prudential and REIT OP each agrees that neither

this Agreement nor any memorandum or notice hereof shall be recorded and REIT OP
agrees (a) not to file any notice of pendency or other instrument (other than a
judgment or lis pendens filed by REIT OP in connection with REIT OP's
enforcement of its rights hereunder) against any of the Property or any portion
thereof in connection herewith and (b) to indemnify Prudential against all
costs, expenses and damages, including, without limitation, reasonable
attorneys' fees and disbursements, incurred by Prudential by reason of the
filing by REIT OP of such notice of pendency or other instrument.

14.12 Additional Agreements; Further Assurances. Subject to the terms and

conditions herein provided, each of the parties hereto shall execute and deliver
such documents as the other party shall reasonably request in order to
consummate and make effective the Transaction; provided, however, that the

execution and delivery of such documents by such party shall not result in any
additional liability or cost to such party.

14.13 Construction. The parties acknowledge that each party and its

counsel have reviewed and revised this Agreement and that the normal rule of
construction to the effect that any ambiguities are to be resolved against the
drafting party shall not be employed in the interpretation of this Agreement or
any amendment, Schedule or Exhibit hereto.

14.14 ERISA. To satisfy compliance with ERISA, REIT OP represents and

warrants to Prudential that, as of the date hereof and as of the Closing Date:

(a) REIT OP's rights under this Agreement do not, and upon its
acquisition by REIT OP the Property shall not, constitute "plan assets"
within the meaning of 29 C.F.R. Section 2510.3-101, because one or more of
the following circumstances is true:

(i) All equity interests in REIT OP are publicly offered
securities, within the meaning of 29 C.F.R. Section 2510.3-101(b)(2); or

(ii) Less than twenty-five (25%) percent of each class of equity
interests in REIT OP are held by "benefit plan investors" within the
meaning of, and determined in accordance with 29 C.F.R. Section 2510.3-
101(f)(2); or

(iii) REIT OP qualifies as an "operating company", "venture capital operating company", or a "real estate operating company" within the meaning of 29 C.F.R. Section 2510.3-101(c), (d) or (e).

(b) REIT OP is not a "governmental plan" within the meaning of Section 3(32) of ERISA and the execution of this Agreement and the purchase of the Property by REIT OP is not subject to state statutes regulating investments of and fiduciary obligations with respect to governmental plans.

REIT OP hereby agrees to execute such documents or provide such information as Prudential may require in connection with the Transaction or to otherwise assure Prudential that: (i) the Transaction is not a prohibited transaction under ERISA, (ii) that REIT OP's participation in the Transaction is otherwise in full compliance with ERISA and (iii) that Prudential is not in violation of ERISA by virtue of REIT OP's compliance with this Agreement and by closing the Transaction. Prudential shall not be obligated to consummate the Transaction unless and until the Transaction complies with ERISA and Prudential is satisfied that the Transaction complies in all respects with ERISA. The obligations of REIT OP under this section shall survive the Closing and shall not be merged therein.

14.15 WAIVER OF TRIAL BY JURY. REIT OP AND PRUDENTIAL HEREBY WAIVE, TO

THE FULLEST EXTENT PERMITTED BY LAW, THE RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM FILED BY REIT OP OF PRUDENTIAL, WHETHER IN CONTRACT, TORT OR OTHERWISE, WHICH RIGHT OR CLAIM RELATES DIRECTLY OR INDIRECTLY TO THIS AGREEMENT, ANY DOCUMENTATION RELATED THERETO, OR ANY ACTS OR OMISSIONS IN CONNECTION WITH THIS AGREEMENT. THIS WAIVER HAS BEEN AGREED TO AFTER CONSULTATION WITH LEGAL COUNSEL SELECTED BY REIT OP AND PRUDENTIAL.

This Waiver is agreed to: REIT OP's Initials ()
Prudential's Initials ()

[THE REMAINDER OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK.]

IN WITNESS WHEREOF, each party hereto has caused this Agreement to be duly executed on its behalf on the day and year first above written.

THE PRUDENTIAL INSURANCE COMPANY OF AMERICA, a New Jersey corporation

By: /s/ David A. Rafzmanat
Name: David A. Rafzmanat
Its: Vice President
Date: 5/7/98

BOSTON PROPERTIES LIMITED PARTNERSHIP, A DELAWARE LIMITED PARTNERSHIP

By: Boston Properties, Inc. a Delaware corporation, its sole general partner

By: /s/ Douglas Linde
Name: Douglas Linde
Its: Vice President
Date: 4/7/98

REGISTRATION RIGHTS AGREEMENT

by and among

BOSTON PROPERTIES, INC.,
STRATEGIC VALUE INVESTORS II, LLC, and
THE PRUDENTIAL INSURANCE COMPANY OF AMERICA

Dated: July 2, 1998

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REGISTRATION RIGHTS AGREEMENT

This Registration Rights Agreement (this "Agreement") is entered into as of July 2, 1998 by and among Boston Properties, Inc., a Delaware corporation (the "Company"), Strategic Value Investors II, LLC, a Delaware limited liability company ("SVI-II"), and The Prudential Insurance Company of America, a New Jersey corporation ("Prudential"; Prudential, SVI-II and their respective successors and assigns each a "Holder" and, collectively, the "Holders").

WHEREAS, pursuant to the terms of (i) that certain Stock Purchase Agreement (the "Stock Purchase Agreement") dated as of July 2, 1998 by and among Company and SVI-II and (ii) that certain Contribution Agreement dated as of May 7, 1998 by and between Boston Properties Limited Partnership (the "Partnership") and Prudential it is a condition to the obligations of the Holders that the Company grant certain registration rights to the Holders with respect to the shares of common stock, par value \$.01 per share (the "Common Shares"), of the Company to be received by Holders pursuant to the Stock Purchase Agreement and pursuant to any conversion to Common Shares of the Units received by Holders pursuant to the Contribution 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, in addition to the other terms defined herein, the following capitalized defined terms shall have the following meanings:

"Affiliate" shall mean a Person that directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with a specified Person.

"Closing Date" shall mean the Closing Date under the Stock Purchase Agreement.

"Common Shares" shall mean the common stock, par value \$.01 per share, of the Company.

"Company" shall have the meaning set forth in the preamble to this Agreement.

"Contribution Agreement" shall have the meaning set forth in the recitals to this Agreement.

"Demand Registration" shall have the meaning set forth in Section 5(b).

"Exchange Act" shall mean the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"Fair Market Value" shall mean the closing sales price, or the closing sales bid if no sales were reported, of the Common Shares as quoted on the New York Stock Exchange on the date immediately preceding the date of calculation or if there are no sales or bids for such dates, then for the last preceding business day for such sales or bids, as reported in The Wall Street Journal or similar publication.

"Holder" or "Holders" shall have the meaning set forth in the preamble to this Agreement.

"Indemnitee" shall have the meaning set forth in Section 5.

"IPO Date" shall mean June 18, 1997, the date of the Company's initial public offering.

"NASD" shall mean the National Association of Securities Dealers, Inc.

"Partnership" shall have the meaning set forth in the recitals to this Agreement.

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

"Piggyback Registration" shall have the meaning set forth in Section 2(c).

"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 Registerable 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.

"Prudential" shall have the meaning set forth in the preamble to this Agreement.

"Registerable 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 sale thereof shall have become effective under the Securities Act and which have been issued or disposed of under such Registration Statement, or (ii) Shares sold pursuant to Rule 144 and (b) when used without reference to a Holder, shall mean the Registerable Shares of all Holders.

"Registration Expenses" shall mean all expenses incident to the performance of or compliance with this Agreement, including without limitation: (i) all registration and filing fees; (ii) all fees and expenses associated with a required listing of the registerable securities on any securities exchange; (iii) fees and expenses with respect to filings required to be made with the NYSE or the NASD; (iv) fees and expenses of compliance with securities or "blue sky" laws (including reasonable fees and disbursements of counsel for the underwriters or holders of securities in connection with blue sky qualifications of the securities and determination of their eligibility for investment under the laws of such jurisdictions); (v) printing expenses, messenger, telephone and delivery expenses; (vi) fees and disbursements of counsel for the Company and customary fees and expenses for independent certified public accountants retained by the Company (including the expenses of any comfort letters or costs associated with the delivery by independent certified public accountants of a comfort letter or comfort letters); (vii) securities acts liability insurance, if the Company so desires; (viii) all internal expenses of the Company (including, without limitation, all salaries and expenses of its officers and employees performing legal or accounting duties); (ix) the expense of any annual audit; and (x) the fees and expenses of any person, including special experts, retained by the Company; provided, however, that Registration Expenses shall not

include, and the Company shall not have any obligation to pay, any underwriting fees, discounts, or commissions attributable to the sale of such securities, or any legal fees and expenses of counsel to the Holders and any underwriter engaged by the Holders.

"Registration Statement" shall mean any registration statement of the Company which covers the issuance or resale of any of the Registerable 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" means Rule 144 under the Securities Act (or any successor provision).

"SEC" shall mean the Securities and Exchange Commission.

"Securities Act" shall mean the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"Shares" (a) when used with respect to a Holder, shall mean (i) the Common Shares issued to such Holder on the date hereof, and (ii) any Common Shares issued or to be issuable to such Holder upon redemption or in exchange for Units held by such Holder and (b) when used without reference to a Holder, shall mean the Shares of all Holders.

"Shelf Registration" shall mean a registration required to be effective pursuant to Section 2(a) hereof.

"Stock Purchase Agreement" shall have the meaning set forth in the recitals to this Agreement.

"Suspension Event" shall have the meaning set forth in Section 7(b).

"SVI-II" shall have the meaning set forth in the preamble to this Agreement.

"Transfer" shall have the meaning set forth in Section 14(a).

"Units" shall mean the limited partnership units in the Partnership.

2. Registration. -----

(a) Filing of Shelf Registration Statement. Subject to the -----

conditions set forth in this Agreement, the Company shall cause to be filed a Registration Statement under Rule 415 under the Securities Act relating to the sale by the Holders of all of the Registerable Shares of the Holders in accordance with the terms hereof by August 18, 1998, and shall use reasonable efforts to cause such Registration Statement to be declared effective by the SEC as soon as practicable but in no event later than September 30, 1998. The Company agrees to use reasonable efforts to keep the Registration Statement, after its date of effectiveness, continuously effective with respect to the Registerable Shares of each Holder until the earlier of (a) the date on which such Holder no longer holds any Registerable Shares or (b) the date on which all of the Registerable Shares held by such Holder have become eligible for sale pursuant to Rule 144(k) (or any successor provision).

(b) Demand Registration. At any time following September 30, 1998, -----

and while any Registerable Shares are outstanding and a Registration Statement applicable to Holders under Section 2(a) above is not effective, the Company shall, at the written request of any Holder or Holders (a "Demand Notice"), cause to be filed as soon as practicable after the date of such request by such Holder a Registration Statement in accordance with Rule 413 under the Securities Act relating to the sale by the Holder of all or a portion of the Registerable 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 (a "Demand Registration"); provided, however, that the Company shall not be required to file such

Registration Statement unless the number of Registerable Shares included in such Demand Notice have a Fair Market Value in excess of \$25,000,000.

The Company agrees to use reasonable efforts to keep the Demand Registration continuously effective, after its date of effectiveness, with respect to the Registerable Shares of

the requesting Holder or Holders until the earlier of (a) the date on which such Holder no longer holds any Registerable Shares or (b) the date on which all of the Registerable Shares held by such Holder have become eligible for sale pursuant to Rule 144(k) (or any successor provision).

(c) Piggyback Registration. If, at any time while any Registerable

Shares are outstanding and a Registration Statement applicable to Holders under Sections 2(a) or 2(b) above is not effective, the Company (in its sole

discretion and without any obligation to do so) 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 Registerable 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 Registerable 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 Registerable Shares shall be permitted to withdraw all or part of the Registerable 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 exceeds the number of Common Shares that can be sold in such offering without impairing the pricing of such offering, the Company will include the Common Shares of the offerors 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, the Common Shares requested to be included in such registration by any holder holding registration rights with respect to restricted or control securities acquired prior to the Closing Date, including, without limitation, control securities and restricted securities acquired by Mortimer B. Zuckerman and Edward H. Linde, and each of their Affiliates and family members prior to the Closing Date (provided,

that, for the purposes of this clause, any additional Common Shares received by Mr. Zuckerman, Mr. Linde or their Affiliates and family members as a result of stock splits or stock dividends with respect to securities held by such individuals prior to the Closing Date shall be deemed to have been received prior to the Closing Date regardless of when such stock split or stock dividend actually occurs), (iii) third, up to the full number of applicable Common Shares, the Registerable Shares requested to be included in such registration by any Holder (with any such Registerable Shares permitted to be included in such registration allocated pro rata among the Holders on the basis of the total number of Registerable Shares requested to be

included in such registration by all such Holders), and (iv) fourth, up to the full number of applicable Common Shares, the Common Shares requested to be included in such registration by any other holder who was granted the right to participate in such offering which, in the case of clauses (ii), (iii) and (iv), in the opinion of such managing underwriter, can be sold without adversely affecting the price range of such offering. The Company covenants and agrees that it shall not grant "piggyback registration" rights to any holder of the Company's securities which would permit such holder to participate in an offering initiated by any Holder.

(d) 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, without charge, 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 Registerable Shares in the manner described in the Registration Statement.

(e) Amendments and Supplements. The Company shall promptly 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 Registerable Shares until the earlier of (a) such time as all of the Registerable Shares have been issued or disposed of in accordance with the intended methods of disposition by the Holders or issuance by the Company as set forth in the Registration Statement or (b) the date on which the Registration Statement is no longer required to be effective under the terms of this Agreement. 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 Registerable Shares that is reasonably necessary to permit the sale of the Holder's Registerable Shares pursuant to the Registration Statement. Concurrently with the effectiveness of any Registration Statement, or amendment or supplement thereto, required to be filed by the Company hereunder, 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.

(f) 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 and in any event within ten (10) business days 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 Registerable 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 shall promptly and in any event within ten (10) business day amend the Registration Statement of which such Prospectus is a part to reflect such amendment.

(g) Underwritten Offering.

(i) If one or more Holders shall propose to sell Registerable Shares in an underwritten offering, such Holders shall be entitled to select one (1) lead underwriter for such offering, which selection shall be subject to the reasonable approval of the Company (provided that if the Holders select Prudential Securities Incorporated as such lead underwriter, the Company's approval shall not be required). At the Company's option, following such selection and approval of a lead underwriter by the Holders, the Company shall be entitled to select a co-lead underwriter with respect to such underwritten offering (and both such underwriters shall accordingly be co-leads provided that the underwriter designated by the Holders shall be responsible for maintaining the order book with respect to such offering); provided,

however, that so long as the Holders' fee arrangement with its

selected underwriter is negotiated on an arm's-length basis, the fee rate and expenses payable by Holders to any co-lead underwriter selected by the Company shall not exceed the fee rate and expenses payable to the co-lead underwriter selected by the Holders.

(ii) If one or more Holders propose to sell Registerable Shares with a Fair Market Value greater than or equal to \$50,000,000 in an underwritten offering, then the Company shall make available members of the management of the Company and its Affiliates for reasonable assistance in selling efforts related to such offering (including, without limitation, senior management attendance at due diligence meetings with underwriters and their counsel and road shows) and shall enter into underwriting agreements containing usual and customary terms

and conditions for such types of offerings and take all such other reasonable actions in connection therewith in order to expedite or facilitate the disposition of such Registerable Shares, including without limitation: (A) make such representations and warranties to the underwriters with respect to the business of the Company, the Registration Statement, the Prospectus and any documents, if any, incorporated or deemed to be incorporated by reference therein, as may reasonably be required by the underwriters; (B) obtain opinions of counsel to the Company and updates thereof, addressed to Holders and each of the underwriters; (C) obtain "cold comfort" letters and updates thereof from the independent certified public accountants of the Company addressed to Holders and each of the underwriters; (D) ensure that, if an underwriting agreement is entered into, such agreement shall contain indemnification provisions and procedures that are usual and customary for an offering of such size; and (E) deliver such documents and certificates as may be reasonably requested by the underwriters and their respective counsel to evidence the continued validity of the representations and warranties made pursuant to clause (A) of this Section 2(g)(ii).

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

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 Registerable 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 Registerable 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 is no longer required to be effective under the terms of this Agreement.

4. Expenses. The Company shall bear all Registration Expenses incurred in

connection with the registration of the Registerable Shares pursuant to this Agreement and the Company's performance of its other obligations under the terms of this Agreement. The Holders shall bear all underwriting fees, discounts or commissions attributable to the sale of securities by the Holders, or any legal fees and expenses of counsel to the Holders and any underwriter engaged by Holders and all other expenses incurred in connection with the performance by the Holders of their obligations under the terms of this Agreement.

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

of the Holders and their respective officers, directors, employees, agents, representatives and Affiliates, 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 any rule or regulation promulgated under the Securities Act applicable to the Company and relating to action or inaction required of the Company under the terms of this Agreement or in connection with any Registration Statement or Prospectus, or upon any untrue or alleged untrue statement of material fact contained in any 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 Registerable 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 (i) 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 to the Company in writing by such Indemnitee for use in connection with the Registration Statement or the Prospectus contained therein or (ii) 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.

6. Covenants of Holders. Each of the Holders 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 Registerable Shares in connection with the preparation of a Registration Statement with respect to such Holder's Registerable 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 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 or entity, if any, subject to liability because of his, her or its connection with the Company, against any and all losses, claims, damages, actions, liabilities, costs and expenses arising out of or based upon (i) 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 the Holder, its plan of distribution or its ownership interests, which was furnished to the Company in writing by the Holder for use therein unless such statement or omission was corrected in writing to the Company prior to the date one day 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.

7. Suspension of Registration Requirement; Restriction on Sales.

(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 Registerable 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 and in any event within forty-five (45) days from the initial date of such suspension.

(b) Notwithstanding anything to the contrary set forth in this Agreement, the Company's obligation under this Agreement to file or 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, for one or more periods not to exceed the period described in Section 8 below, in the event of 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 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 be filed or to become effective or to amend or supplement the Registration Statement. The Company shall notify the Holders of the existence of any Suspension Event by promptly delivering each Holder a certificate signed by an executive officer of the Company stating that a Suspension Event has occurred and is continuing.

(c) Subject to the terms of Section 8 below, each holder of

Registerable Shares agrees, 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 Shares of the Company beginning on the fifteenth (15th) day preceding such underwritten offering, and ending on the earlier to occur of:

- (i) seventy-five (75) days after the effective date of such underwritten offering;
- (ii) the later to occur of fifty days after the effective date of such underwritten offering or one (1) day after the date on which the closing price of the class of equity securities sold by the Company in such offering shall have averaged for a period of twenty (20) consecutive trading days at least one-hundred-five percent (105%) of the initial price to the public of such security in such offering; or
- (iii) the date on which the Company may begin to effect any public sale or distribution of any of the securities of the Company following such offering;

provided, however, that this Subsection 7(c) shall not prohibit resales of

 Shares or Units by any Holder not subject to the registration requirements of the Securities Act (including, without limitation resale of Shares pursuant to Rule 144) and similarly exempt from any registration requirement under any state "Blue Sky" or similar laws; provided, that the purchaser in any such private

 resale shall agree in writing to be subject to such restrictions for the remaining portion of such period that would otherwise apply to Investor.

(d) Subject to the terms of Section 8 below, each Holder agrees that,

 following the effectiveness of any Registration Statement relating to Registerable Shares of such Holder, such Holder will not effect any sales of the 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. The Holder may recommence effecting sales of the Shares pursuant to the Registration Statement or such filings following further notice to such effect from the Company, which notice shall be given by the Company not later than one (1) business day after the conclusion of any such Suspension Event.

8. Limitations on Suspension/Blackout Periods. Notwithstanding anything

 herein to the contrary, the Company covenants and agrees that (i) the Company's rights to suspend its obligation under this Agreement to file and maintain the effectiveness of any Registration Statement during the pendency of any Suspension Event, (ii) the Holders' obligation to suspend public sales of Shares following an underwritten offering by the Company and (iii) the Holders' obligations to suspend sales of Shares pursuant to a Registration Statement during the pendency of any Suspension Event, shall not, in the aggregate, cause the Holders to be required to suspend sales of Shares for longer than ninety (90) days during any twelve (12) month period.

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

any Registration Statement and any filings with any state securities commissions filed pursuant to this Agreement, any number of unissued, treasury or other Common Shares of or owned by the Company and any of its Subsidiaries or any Common Shares or other securities of the Company owned by any other security holder or security holders of the Company.

10. Contribution. If the indemnification provided for in Sections 5 and

6 is unavailable to an indemnified party with respect to any losses, claims,

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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 indemnified party, on the one hand, and the indemnifying party, 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 indemnified party, on the one hand, and of the indemnifying party, 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 indemnified party or by the indemnifying party 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 10 exceed the amount that such indemnifying party would have

been obligated to pay by way of indemnification if the indemnification provided for under Sections 5 or 6 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 10 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 10, 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.

11. No Other Obligation to Register. Except as otherwise expressly

provided in this Agreement, the Company shall have no obligation to the Holders to register the Registerable Shares under the Securities Act.

12. 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 Holders holding in excess of two-thirds of the aggregate of all Shares and Units held by Holders.

13. Notices. 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 telex or telecopier, 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: Wachtell, Lipton, Rosen & Katz
51 West 52nd Street
New York, New York 10019
Attn: Adam O. Emmerich, Esq.
Telecopy: (212) 403-2234

If to SVI-II: Strategic Value Investors II, LLC
c/o Prudential Real Estate Investors
8 Campus Drive
Parsippany, New Jersey 07054
Attn: SVI-II Portfolio Manager
Telecopy: (973) 683-1752

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

If to Prudential: The Prudential Insurance Company of America
8 Campus Drive
Parsippany, New Jersey 07054
Attn: SVI-II Portfolio Manager
Telecopy: (973) 683-1752

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

14. Successors and Assigns/Restrictions on Transfer.

(a) Transfer of Shares. Except as expressly provided to the contrary

in Section 5.2 of the Purchase Agreement, the Registerable Shares shall not be subject to any restrictions on transfer.

(b) Subsequent Holders. Subject to the foregoing restrictions, the

Company and the Holders hereby agree that any subsequent Holder of Registerable Shares shall be entitled to all benefits hereunder as a Holder of Registerable Shares.

(c) 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. If any successor, assignee or transferee of any Holder shall acquire Registerable Shares, in any manner, whether by operation of law or otherwise, (i) such successor, assignee or transferee shall be entitled to all of the benefits of a "Holder" under this Agreement and (ii) such Registerable Shares shall be held subject to all of the terms of this Agreement, and by taking and holding such Registerable Shares such Person shall be conclusively deemed to have agreed to be bound by all of the terms and provisions hereof.

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

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.

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

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

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

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.

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

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 Has Been Intentionally Left Blank.]

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

BOSTON PROPERTIES, INC.,
a Delaware corporation

By: /s/ Douglas Linde

Name: Douglas Linde
Title: Vice President

STRATEGIC VALUE INVESTORS II, LLC,
a Delaware limited liability company

By: The Prudential Investment Corporation,
its attorney-in-fact

By: /s/ Joel W. Stoesser

Name: Joel W. Stoesser
Title: Vice President

THE PRUDENTIAL INSURANCE COMPANY OF AMERICA,
a New Jersey corporation

By: /s/ Robert W. Gadsden

Name: Robert W. Gadsden
Title: Vice President