

SETTLEMENT AGREEMENT

This Settlement Agreement (this “**Agreement**”) is entered into as of the ___ of December, 2006 by and among FR Sturtevant Street, LLC, a Delaware limited liability company (“**FRS**”), FR Assembly Square, LLC, a Delaware limited liability company (“**FRA**”) (FRS and FRA, together with each of their respective affiliates, successors and assigns, collectively, “**FRIT**”), IKEA Property, Inc., a Delaware corporation (together with its affiliates, successors and assigns, collectively, “**IKEA**”), the individuals listed on Schedule 1 attached hereto and incorporated herein (the “**MVTF Associates**”) and the Mystic View Task Force, Inc. a Massachusetts not-for-profit corporation (together with its successors, assigns, and the MVTF Associates, collectively, “**MVTF**”) (FRIT, IKEA and MVTF each, individually, a “**Party**” and, collectively, the “**Parties**”).

BACKGROUND

The Parties have had different visions for the redevelopment of the Assembly Square District.

Certain disputes have arisen among the Parties relating to the redevelopment of the Assembly Square Property (the “**ASP**” as hereinafter defined), which have resulted in the commencement of certain administrative and judicial appeals of certain permits and approvals and certain other administrative and judicial actions;

The redevelopment of the Property (as hereinafter defined) can feasibly proceed consistent with a certain development vision that is acceptable to each of the Parties.

The Parties engaged in settlement negotiations during the months preceding the date of this Agreement, which resulted in the execution and delivery of that certain Term Sheet for Proposed Redevelopment at Assembly Square, dated October 17, 2006 (“**Term Sheet**”), which set forth a feasible redevelopment of the Property consistent with a mutually acceptable development vision.

AGREEMENT

NOW THEREFORE, the Parties, in consideration of the agreements herein expressed and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, hereby agree and covenant as follows:

Article I - Properties

This Agreement applies to:

A. Assembly Square Property: That certain area of land within the City of Somerville, Massachusetts (the “**City**”) bounded by the Mystic River to the North and Northeast; the Newburyport-Rockport branch of the Massachusetts Bay Transportation Authority (the “**MBTA**”) Commuter Rail to the Southeast and South; Interstate Highway Route 93 to the

Southwest and West; and State Highway Route 28 to the West and Northwest and shown on **Exhibit A** attached hereto and incorporated herein (the “ASP”). The ASP includes, but is not limited to:

- i. **FRS Property:** Those certain parcels of land located in the City known as and numbered 30-34 Sturtevant Street, 100 Sturtevant Street and 147 Foley Street and more particularly described in **Exhibits B-1, B-2, and B-3** attached hereto and incorporated herein (the “**Inland Property**”).
- ii. **FRA Property:** Those certain parcels of land located in the City known as and numbered 133 Middlesex Avenue and Parcel B, Foley Street and more particularly described in **Exhibit C** attached hereto and incorporated herein (the “**Mall Property**”).
- iii. **IKEA Property:** Those certain parcels of land located in the City known as and numbered 74 and 100 Foley Street and more particularly described in **Exhibits D-1 and D-2** attached hereto and incorporated herein (the “**Riverfront Property**”).
- iv. **Yard 21:** That certain parcel of land located in the City known as Yard 21, of which FRIT has been designated redeveloper by the City of Somerville Redevelopment Authority, and which is more particularly described in **Exhibit E** attached hereto and incorporated herein (“**Yard 21**”).
- v. **Outparcels:** Those certain parcels of land located in the City known as and numbered 85, 99, and 123 Foley Street and more particularly described in **Exhibits F-1, F-2 and F-3** attached hereto and incorporated herein (the “**Outparcels**”).

The Inland Property, the Mall Property, the Riverfront Property, Yard 21, and the Outparcels are sometimes referred to hereinafter as the “**Property.**” All other parcels of land in the ASP are sometimes referred to hereinafter as the “**Third-Party Property.**”

Article II - Long Term Vision and PUD Development Plan

- A. **Long Term Vision:**
 1. **Principles of the Long Term Vision:**

The Long Term Vision articulated herein represents the preferred build-out for the ASP and its execution shall be the joint goal of the parties commencing upon execution of this Agreement, as it has been since the Term Sheet. Notwithstanding the foregoing, no Party shall have any liability to any or all of the other Parties if all or any component of the Long Term Vision Plan is not completed, and any failure to complete all or any component of the Long Term Vision Plan shall not constitute a breach of this Agreement in any way and shall not give rise to any rights to any Party.

Principles of the Long Term Vision shall include an articulation of best efforts to accelerate the development of office and research and development space in the ASP, in light of the importance of those uses to the tax base and the creation of job opportunities in the City. Best efforts shall include, but are not limited to, creation of an office development strategy and the development of marketing plans aimed at potential research and development and office tenants; outreach to state and industry officials emphasizing the opportunities for development in the ASP; outreach to capable investment and development partners and regular, timely review of these strategies by FRIT as economic and market conditions change.

Notwithstanding any provision of this Settlement Agreement, MVTF shall continue to advocate for the value of the ASP as an office and research and development site.

The features of the Long Term Vision detailed in this Agreement, including land use targets and vehicle trip caps, shall be described in all applications for zoning relief, Orders of Conditions, PUD Approval, Massachusetts Environmental Policy Act (“MEPA”) certification and Massachusetts General Laws Chapter 91 licensing (collectively the “Major Permits”).

Elements of the Long Term Vision:

a) The Parties agree that the Long Term Vision applies to the entirety of the ASP, and not just to the Property.

b) The Parties support, as part of the Long Term Vision, the drawing titled “Assembly Square Long Term Plan,” dated October 6, 2006 and prepared by Street Works LLC (the “Concept”), attached as **Exhibit G** hereto and incorporated herein. Furthermore, the parties agree that the amount of gross square feet that may be constructed within the ASP and on the Property is as follows:

Table I:

Use	ASP (gsf)	Property (gsf)
Office / R & D	5,000,000	2,750,000
Retail / Restaurant / Theater (maximum)	1,400,000	1,185,000
Residential (maximum)	3,000,000	2,600,000
Flex (Office / R & D, Hospitality, Civic ¹) (maximum)	1,000,000	800,000

c) The Parties shall collaborate in good faith with the continued active involvement of Douglas Foy and Anne Tate to develop and complete a Long Term Vision Plan, substantially consistent with the Concept. As part of this collaborative

¹ Civic space shall be described by type (e.g. arts facility, library, post-office, public safety excluding jails).

effort, FRIT and IKEA shall hire design consultants, as necessary, to detail the elements of the Long Term Vision set forth in this Article II.A., including the completion, within six months of this Agreement, of a document further detailing the Long Term Vision, which document shall include discussion of alternative parking strategies and a set of sustainable development principles (the “**Long Term Vision Plan**”). As part of the process of completing the Long-Term Vision Plan, FRIT, IKEA, and their respective consultants, shall meet regularly with the Assembly Square Public Advisory Committee (the “**Assembly PAC**”) and, before the formation of the Assembly PAC, with MVTF to review and discuss all major aspects of the Long Term Vision, as well as respond to and evaluate MVTF/Assembly PAC comments. Consultants may be hired by FRIT and IKEA as they may deem necessary to complete:

- (i) the Long Term Vision Plan for the ASP;
- (ii) the investigation of alternative parking strategies as more fully set forth in Article III.C below;
- (iii) a set of sustainable development principles for the ASP; and
- (iv) an office development strategy and marketing plan for the ASP.

d) Following the completion of the Long Term Vision Plan, and regularly thereafter, but no less frequently than quarterly, FRIT shall report on and share with MVTF and Assembly PAC its current office strategy and marketing plans, with attention given to changing economic and market conditions, and any significant opportunities those conditions may create. But FRIT or IKEA may withhold, at their sole discretion, discussion or disclosure of specific tenants, potential lease deals, or lease deal terms and any other information FRIT or IKEA is prohibited from disclosing by any applicable law, regulation, rule or order.

e) No land uses may be developed in the ASP such that the total building gross square feet (“gsf”) for any land use total identified in Table I as a maximum gsf is exceeded, except as expressly provided below:

- (i) Retail area gsf may be reallocated to office, flex or residential at any time, so long as also permitted by applicable Permits (as defined below) and subject to the aggregate maximum in subparagraph (iv), below;
- (ii) No other use may be reallocated to retail area gsf;
- (iii) Residential area gsf may be reallocated to office area gsf at any time, so long as also permitted by applicable Permits (as defined below);
- (iv) Reallocation of flex or retail area gsf to residential area gsf, may not result in an exceedance of an aggregate maximum of 3,400,000

residential gsf in the ASP, counting all residential gsf, including the gsf allocated in Table I and that reallocated hereunder.

- Retail or flex area gsf may only be reallocated to residential area gsf in an amount up to, but not exceeding an amount to be calculated as a percentage of 400,000 gsf equal to the percentage of the 5,000,000 gsf of allowed office area in the ASP that has been built;
- After the tenth anniversary of the date of this Agreement, within the Property retail or flex area gsf may be reallocated to residential area gsf in an amount up to 400,000 gsf (subject always to the above 3,400,000 gsf aggregate maximum in the ASP).

(v) Reallocation of flex or retail area gsf to residential area gsf pursuant to subparagraph (iv) above may occur in any location identified as reasonably healthy in the EH&E study to be conducted under the outline attached as **Exhibit H** attached hereto and incorporated herein;

f) FRIT shall pursue the measures outlined in this Agreement with the goal of increasing office gsf within the ASP.

g) Any determination of the commercial reasonableness of or market conditions relevant to any decision under any provision of this Agreement shall be made by FRIT or IKEA in accordance with their then-current underwriting standards and corporate objectives.

2. Leasing and Long Term Vision:

a) FRIT shall not enter into any new, or amend, extend or modify any existing, tenant lease for the Mall Property that includes a provision that prevents redevelopment of the Mall Property parking field (as contemplated in the Long Term Vision) beyond October 31, 2055 (the “**Outside Termination Date**”). FRIT shall have complete discretion to renew, amend, extend or modify existing leases or enter into new leases at the Assembly Square Mall so long as those new, amended, extended, modified or renewed leases do not create impediments to the redevelopment of the Mall Property parking field after the Outside Termination Date. As soon as commercially reasonable and subject to market conditions, FRIT shall pursue redevelopment (i.e. construction) of the Mall Property parking field into its highest and best use consistent with the Long Term Vision Plan. FRIT’s efforts under Article II.A., Section 1.f. to accelerate office development shall include discussions with Mall Property tenants concerning development of the surface parking field (when FRIT believes such discussion might present commercially reasonable opportunities).

b) FRIT shall use commercially reasonable efforts to lease then-available retail space upon the Property to local and regional retailers at then market rates, so that the ASP retains a local identity and connections to the surrounding community. The non-binding target for these efforts shall be 25% of all tenants, and 10% of gsf.

B. PUD Development Plan:

1. Planned Unit Development:

The Parties acknowledge and agree that the process of redeveloping the Property, in accordance with the Long Term Vision, should commence swiftly. To that end, the Parties acknowledge that the plan entitled “Assembly Square Site Plan” prepared by Streetworks, LLC and dated as of October 30, 2006 (the “**Master Plan**”), attached hereto as **Exhibit I**, was submitted by FRIT to the City of Somerville Planning Board as part of the application (the “**PUD Application**”) for a Planned Unit Development (“**PUD**”) under the City of Somerville Zoning Ordinance on October 30, 2006.

All Parties support the Master Plan with land uses for the PUD as set forth herein.

All Parties shall support, to the extent consistent with this Agreement, the Major Permits applications. All Parties agree not to oppose, to the extent consistent with this Agreement and necessary and customary to complete the PUD and the Long Term Vision, any applications for permits, approvals, certifications, determinations, variances, waivers, orders, or other entitlements (collectively, (and including the Major Permits) the “Permits” and each, a “Permit”) or review processes in all respects and before any and all federal, state, municipal or other agencies, authorities, commissions, departments, officials or the like (collectively, the “Agencies” and each, an “Agency”) with jurisdiction over the PUD Application, MEPA filings, or any other applications for any other Permits. Nothing in this paragraph shall be construed to limit the reserved rights set forth in Article III.H or in Article IV.B.3.

2. Elements of the Master Plan:

a) Without limiting their support under Article II.A, Section 1.b above for the allocation of uses in Table I, the Parties support the following allocation of uses for the Property contained in the PUD Application and shown on the Master Plan for the Property. The land uses for the PUD are as follows:

TABLE II

Use	Property (gsf)
Office / R & D	1,750,000
Retail / Restaurant / Theater (maximums):	
Assembly Square Mall	330,000
IKEA	340,000
Retail / Restaurant / Theater	515,000
Total Retail / Restaurant / Theater	1,185,000
Residential (maximum)	2,600,000
Flex (Office / R & D, Hospitality, Civic) (maximum)	800,000

b) No land uses may be developed on the Property such that the total building gross square feet (“gsf”) for any land use total identified in Table II as a maximum gsf is exceeded, except as expressly provided below:

- (i) Retail area gsf may be reallocated to office, flex, or residential area gsf at any time, as long as also permitted by applicable Permits and subject to the aggregate maximum in subparagraph (iv), below.
- (ii) No other use may be reallocated to retail area gsf.
- (iii) Residential area gsf may be reallocated to office area gsf at any time, as long as also permitted by applicable Permits.
- (iv) Reallocation of flex or retail area gsf to residential area gsf may not result in an exceedence of an aggregate maximum of 3,400,000 residential gsf in the ASP, counting all residential gsf including the gsf allocated in Table I and that reallocated hereunder. Without limiting the applicability of the foregoing, to that end, on the Property:
 - Retail or flex area gsf may only be reallocated to residential area gsf in an amount up to, but not exceeding an amount to be calculated as a percentage of 400,000 gsf equal to the percentage of the 5,000,000 gsf of allowed office area in the ASP that has been built;
 - After the tenth anniversary of the date of this Agreement, within the Property retail or flex area gsf may be reallocated to residential area gsf in an amount up to 400,000 gsf (subject always to the above 3,400,000 gsf aggregate maximum in the ASP).

- (v) Reallocation of flex or retail area gsf to residential area gsf pursuant to subparagraph (iv) above may occur in any location identified as reasonably healthy in the EH&E study to be conducted under the outline attached as **Exhibit H** attached hereto and incorporated herein:

c) The Parties agree that the PUD Application and Master Plan expressly must seek approval of the ability of FRIT and IKEA to reallocate space as provided in Article II.A.1.e and Article II.B.2.b above.

3. IKEA Store Construction:

The IKEA Improvements, shown in **Exhibits K-1, K-2, K-3** and **K-4** attached hereto, plus open space and green roof minimums, as shown in **Exhibit L** (the “**Open Space Plan**”) attached hereto and incorporated herein, (together, the “**IKEA Improvements**”) may be entitled and developed as soon as IKEA desires, as modified by any urban design changes mandated in the state and municipal permitting and approval processes that do not detract from the open space and green roof totals as shown in **Exhibit L**. MVTF or its affiliates shall not oppose the issuance of Permits based on IKEA’s normal trade dress, including, but not limited to, color, material, and signage as shown on **Exhibit K-4**. Provided that the IKEA improvements are consistent with this Agreement, no Party shall take or participate in a judicial or administrative appeal relating to the IKEA Improvements during or in connection with any state and municipal permitting and approval process.

4. Long Term Vision Plan in Relation to PUD Development Plan:

As the completion and subsequent execution of the Long Term Vision Plan is a joint goal of the Parties, the features of the Long Term Vision detailed in this Agreement, including all land use targets (detailed in Article II) and vehicle trip target and hard cap (detailed in Article III) shall be described in the PUD Application and Master Plan, and the conditions of the Long Term Vision shall apply while any PUD Application is pending before the Somerville Planning Board, or while any other Permit application is under review prior to completion of the Long Term Vision Plan.

5. Amendments to Master Plan:

a) Changes to the site plan and elevations submitted with the PUD Application during any Permit undertaken in connection with the Master Plan that do not negatively compromise the commitments of the Parties to completion of the Long Term Vision Plan set forth in Article II.A.1.c of this Agreement; the commitments of the Parties pertaining to the leasing of the Property as set forth in Article II.A.2 of this Agreement; the retail and residential gsf limits set forth in Table I of this Agreement; the retail and residential gsf limits set forth in Table II of this Agreement; the rules governing all possible re-allocation of gsf within the ASP set forth in Article II.A.1.e of this Agreement; the rules governing all possible re-allocation of gsf within the Property set forth in Article II.B.2.b of this Agreement; the commitments of the Parties to the Assembly PAC set forth in Article II.C of this Agreement; the vehicle trip target, vehicle

trip “hard cap,” and associated commitments of the Parties set forth in Article III.A of this Agreement; the commitments of the Parties pertaining to the Assembly TMA, and the powers and responsibilities of the Assembly TMA, set forth in Article III.B of this Agreement; the parking space allocation and parking space strategies set forth in Article III.C of this Agreement; the commitments of the Parties pertaining to the MBTA Orange Line Station and pedestrian connections set forth in Article III.D of this Agreement; the commitments of the Parties pertaining to the neighborhood connections set forth in Article III.E of this Agreement; the commitments of the Parties to infrastructure improvements set forth in Article III.F of this Agreement; the commitments of the Parties to water transportation set forth in Article III.G of this Agreement; the commitments of the Parties to the health impact study set forth in Article IV.A of this Agreement; or the scope of the open space commitments set forth in Article IV.B of this Agreement shall not constitute grounds for MVTF or its affiliates to disclaim or disaffirm MVTF’s agreements or covenants contained in this Agreement and such changes shall leave the agreements and covenants of MVTF contained in this Agreement in full force and effect until such time as the Master Plan has been built out in its entirety and the Long Term Vision Plan is completed and built out in its entirety. Any written agreement between FRIT or IKEA and a third party (including permitting authorities or Agencies) or third parties (including permitting authorities or Agencies) that materially relieves FRIT or IKEA of these obligations shall also relieve MVTF (at MVTF’s option) from its agreements or covenants under this Agreement.

6. No Obligation to Construct or Complete:

a) FRIT and IKEA may develop the Property in phases as determined by each respective Party, subject to the conditions of their respective approvals and market conditions, and each Party acknowledges that, notwithstanding this Agreement, neither FRIT nor IKEA has any obligation to complete all or any phase of the development contemplated in the PUD Application or the Master Plan.

C. Assembly Square Public Advisory Committee:

1. Formation:

a) The Assembly PAC shall be formed at the initiative of MVTF as soon as is practicable following the execution of this Agreement but not later than 60 days following the date hereof.

2. Membership of the Assembly PAC:

The Assembly PAC shall consist of seven members representing the following constituencies:

a) two members shall be appointed by MVTF in accordance with its then-applicable governance procedures;

b) one member shall be appointed by the Board of Aldermen of the City;

- c) one member shall be from the Ten Hills Neighborhood of the City;
 - d) one member shall be from the East Somerville Neighborhood of the City;
- and
- e) two members shall be appointed by the Mayor of the City (the “**Mayor**”).

Membership appointments for members from the Ten Hills Neighborhood and East Somerville Neighborhood shall be determined by agreement of the Mayor, MVTF, and Mr. Douglas Foy (or his designee or successor acceptable to the Parties).

Each member shall serve for a term of two years and upon expiration of such two year term may be reappointed by the appropriate entity or individual. Appointments and reappointments should be made by the appropriate entity or individual within 15 days of the expiration of a term or notice to the appropriate entity or individual that a vacancy has occurred.

3. Mission of the Assembly PAC:

The Assembly PAC’s mission is to oversee:

- a) the development of the Property in accordance with the Master Plan submitted by FRIT in the PUD Application.
- b) the development of the ASP in accordance with the Long Term Vision Plan.

4. Role of the Assembly PAC:

The role of the Assembly PAC is to seek, receive, review and comment upon:

- a) progress reports on the movement of projects through the approval process, to communicate to its appropriate constituents and the public, and to assist in such process where appropriate;
- b) progress reports on the execution of development plans throughout the implementation of the PUD Development Plan and the Long Term Vision Plan and communicate progress accordingly;
- c) any proposed changes to development plans and strategies that might be necessitated by market conditions. Such changes shall be consistent with the terms of this Agreement;
- d) periodic assessments from any reliable source(s) on project impacts and performance, including transportation issues and open space quality; and
- e) input, on certain aspects of developments, from citizens and public interest groups with relevant expertise.

The Parties acknowledge that Assembly PAC’s mission and role are advisory only and all decisions relative to project execution in the ASP are and shall be within the purview of the applicable developer, subject to the review and approval of the appropriate governmental authorities, as long as such actions are in general conformity with this Agreement.

5. Meetings; Term:

The Assembly PAC shall meet quarterly or more frequently as determined by the Assembly PAC. Assembly PAC meetings shall be public and shall provide reasonable time for public comments at the beginning and/or end of each meeting. The Assembly PAC shall continue until such time as the Master Plan has been built out in its entirety and the Long Term Vision Plan is completed and built out in its entirety. The Assembly PAC shall when possible attempt to give two weeks notice of its meetings to the general public.

Article III - Transportation Oriented Development: Strategy & Implementation

A. Trip Generation:

The Parties have completed a trip generation study summarized in Exhibit M-1. The Parties agree that the target for maximum vehicle trips into and out of the ASP is 50,000 trips per day. All applications for Major Permits for the Property and the Third-Party Property shall be designed to achieve this 50,000 maximum vehicle trip target, and shall detail professionally reasonable tactics for achieving them. The Parties agree that there is a “hard cap” maximum of 55,000 trips per day into and out of the ASP.

B. Assembly Square Transportation Management Association:

The Parties agree that, following the execution of this Agreement, they shall cooperate with the City and other owners of land in the ASP to establish the Assembly Square Transportation Management Association (the “**Assembly TMA**”). The Assembly TMA shall be an independent, public-private organization with a governing board appointed as set forth herein. The Assembly TMA shall have oversight over the entirety of the ASP (the “**Assembly Square Transit Management District**” or “**TMD**”).

The TMD shall include the entire ASP.

1. Assembly TMA Governance:

The Assembly TMA shall be governed by an independent five member board appointed as follows:

- a) Two board members appointed by a majority vote of the owners of real property (excluding owner-occupied residential real property) in the ASP who are members of the Assembly TMA (not including public agencies or the MVTF). The votes of such owners of such real property shall be proportionate to the assessed valuation of such owner’s real property (excluding owner-occupied residential real property) in the

TMD (as then listed in the records of the City Assessor's Office) in relation to the assessed valuation (as then listed in the records of the City Assessor's Office) of all real property (excluding owner-occupied residential real property) in the TMD owned or controlled by members of the Assembly TMA (not including public agencies or the MVTF).

- b) One board member shall be appointed by FRIT.
- c) One board member shall be appointed by the Mayor.
- d) One board member shall be appointed by MVTF.

2. Assembly TMA Membership:

So long as they own property within the ASP, FRIT and IKEA shall be members of the Assembly TMA. The Parties shall work together to ensure that developers of Third-Party Property within the ASP are mandated to participate in the Assembly TMA including through conditions prescribed by Permits from the City. The Parties shall work together to encourage owners of Third-Party Property and major tenants to participate in the Assembly TMA.

3. Assembly TMA Funding:

The Assembly TMA shall be funded as detailed herein. Each member of the Assembly TMA shall pay to the Assembly TMA an annual fee proportionate to the assessed valuation of such member's real property within the TMD (as then listed in the records of the City Assessor's Office) in relation to the assessed valuation (as then listed in the records of the City Assessor's Office) of all real property in the TMD owned or controlled by members of the Assembly TMA (not including public agencies or the MVTF). Any additional real property owners within the ASP, regardless of whether such real property is within or outside the scope of the Master Plan, that are mandated to participate in the Assembly TMA, including through conditions prescribed by the Permits, shall be required to contribute funds as a participating member to the Assembly TMA consistent with the terms detailed herein.

IKEA will capitalize the Assembly TMA upon issuance of their building permit by paying to the Assembly TMA a fee of \$0.50/sf, which is presently expected to total approximately \$170,000 ("IKEA Capitalization Fee") for an IKEA store of 340,000 gross square feet, as shown on Table II. IKEA will self-perform the Assembly TMA obligations under Section III.C.1.b.

Upon the completion of Phase 1A and 1B of the Master Plan there will commence, for all members of the Assembly TMA (except IKEA), an aggregate annual assessment of \$150,000 (adjusted as indicated below), based on the formulas set forth above.

Upon the later of the occurrence of an actual daily trip count of 40,000 trips into and out of the ASP and the completion of Phase 1A and 1B of the Master Plan, the annual assessment for all members of the Assembly TMA (except IKEA) shall increase to \$250,000 (adjusted as indicated below). Once the actual daily trip count falls below 40,000 trips into and out of the

ASP for a continuous twelve month period the fixed annual assessment of \$150,000 will be reinstated.

Upon the later of an exceedance of the hard cap of 55,000 trips on more than five days within one calendar year and the completion of Phase 1A and 1B of the Master Plan then the Assembly TMA shall increase the annual assessment for all members of the Assembly TMA (except IKEA) to \$350,000 (adjusted as indicated below). Once the trip generation falls below the cap of 55,000 trips for a continuous twelve month period, the fixed annual assessment of \$250,000 will be reinstated.

Upon the later of an exceedance of the hard cap of 55,000 trips on more than ten days within one calendar year and the completion of Phase 1A and 1B of the Master Plan then the Assembly TMA shall increase the annual assessment for all members of the Assembly TMA (except IKEA) to \$500,000 (adjusted as indicated below). Once the trip generation falls below the cap of 55,000 trips for a continuous twelve month period, the fixed annual assessment of \$250,000 will be reinstated.

After the Building Inspector of the City of Somerville issues a Certificate of Occupancy for IKEA, but prior to completion of, and until such time as Phase 1A and 1B of the Master Plan are completed, if an actual daily trip count of 40,000 trips into and out of the ASP is exceeded, as specified in the criteria established in Article III.B.5.c, then

- a. IKEA will contribute \$75,000 and all members of the TMA (except IKEA) will collectively contribute \$75,000 (collectively "Trip Mitigation Fee").
- b. If all funds generated from the IKEA Capitalization Fee and the Trip Mitigation Fee are expended on permissible TMA Powers, then at the commencement of the following calendar year a sum of \$100,000 annually shall be collected to fund the operations of the TMA ("Interim Annual Trip Mitigation") until either Phase 1A and Phase 1B have been completed or the actual daily trip count into and out of the ASP falls below 40,000 trips as specified in the criteria established in Article III.B.5.c.
- c. The Interim Annual Trip Mitigation shall be funded as follows until either Phase 1A and Phase 1B have been completed or the actual daily trip count into and out of the ASP falls below 40,000 trips as specified in the criteria established in Article III.B.5.c:
 - i. For the first two years, IKEA will fund 100%.
 - ii. For the following two years, all members of the TMA (excluding IKEA) will fund 100%.
 - iii. Annually thereafter, IKEA will fund 50% and all members of the TMA (excluding IKEA) will fund 50%.

To the extent that operating subsidies are available to the Assembly TMA from other sources to offset the cost of operating the Assembly TMA the amount of each annual assessment,

the Trip Mitigation Fee, and the Interim Annual Trip Mitigation shall be reduced by an equal amount.

Beginning January 1, 2008, the amount of each annual assessment shall be increased from the base levels specified herein on the first day of January of each calendar year for that calendar year by the percentage that the U.S. Department of Labor, Bureau of Labor Statistics U.S. City Average Consumer Price Index for Urban Consumers (“CPI-U”) for the month of September of the preceding calendar year exceeds the CPI-U for the month of September 2006. If the manner in which the CPI-U is determined is substantially revised or the CPI-U becomes unavailable, the Parties agree to cooperate with the Assembly TMA to determine a mutually acceptable, comparable alternative index upon which to base the increase in the fee required in this Section.

4. Assembly TMA Mission:

a) Notwithstanding the independent obligations of FRIT and IKEA under the terms of this Agreement, the Assembly TMA shall ensure the provision of some or all of the following strategies and programs, which may be adjusted from time to time to maximize the use of alternative means of transportation to and through the ASP:

- (i) Zip/flex cars;
- (ii) Employee/residential incentives;
- (iii) Priority parking;
- (iv) Concierge;
- (v) Transportation store;
- (vi) Education;
- (vii) University Delivery; and
- (viii) Affordable delivery strategies for all customers who arrive via public transit.

b) The Assembly TMA shall exert oversight of the transportation impacts and operations within the ASP to:

- (i) Achieve a target maximum of 50,000 vehicle trips per day into and out of the ASP, and the hard cap of 55,000 vehicle trips per day into and out of the ASP;
- (ii) Provide and encourage public transit alternatives;
- (iii) Reduce congestion;

- (iv) Manage parking within the ASP;
- (v) Promote pedestrian and bicycle access and safety; and
- (vi) Reduce air and noise pollution.

5. Assembly TMA Powers:

a) Notwithstanding the independent obligations of FRIT and IKEA under the terms of this Agreement, the Assembly TMA shall be empowered to and responsible for achieving the target maximum of 50,000 trips per day into and out of the ASP and the hard cap of 55,000 trips per day into and out of the ASP. Strategies may include prescribing retail parking limits and parking payments within the ASP, including for retail customers and employees on properties other than IKEA and the Assembly Square Mall, if and to the extent that the hard cap is exceeded on more than 8 days within one calendar year.

b) The Assembly TMA shall work with the developers, owners, and employers in the ASP, and with interested members of the community, to:

- (i) Monitor the execution of the traffic mitigation efforts and those mandated by entitlements for projects in the ASP.
- (ii) Actively promote participation in traffic mitigation efforts.
- (iii) Cause the production of a professional annual report of its activities, including disclosure of daily monitoring figures and transportation strategy levels of achievement. Timely, completed professional reports shall be made available to MVTF and Assembly PAC, as well as all other interested parties.
- (iv) Conduct public meetings no less frequently than quarterly.

c) Assess, invoice and collect the annual assessments consistent with Article III.B.3.

FRIT and IKEA will install a continuous traffic monitoring system using a cordon approach upon the completion of each intersection in its finished condition and utility improvements necessary for the development of the PUD, upon which, FRIT and IKEA shall arrange for a reasonable operating and maintenance contract, after which the Assembly TMA shall manage them pursuant to said contract.

Prior to installation of the continuous monitoring system, upon completion of the overall project infrastructure, intermittent monitoring will be conducted after the Building Inspector of the City of Somerville issues a Certificate of Occupancy for IKEA. This monitoring will be conducted 4 times a year (quarterly) or more if recommended by Howard/Stein-Hudson. At least two of these monitorings will encompass IKEA peak sales periods. Each monitoring will be for a period of one week at locations specified by Howard/Stein-Hudson. If Howard/Stein-Hudson and the Parties determine that 10 day monitoring periods, as opposed to 7-day, would more efficiently capture peak weekend traffic counts, then the count periods shall be so adjusted.

Monitoring will be conducted by a qualified consultant selected by the Assembly TMA. The consultant's reports will be peer reviewed by Howard/Stein-Hudson. The reports will be reviewed in an effort to determine if trip counts within ASP exceed the proposed 40,000 and/or 55,000 daily trip count on a frequent basis per a criterion or criteria to be established through joint consultation with Howard/Stein-Hudson. This determination will factor-in any conditions that might adversely impact the results that are not related to activities within or associated with the ASP. The parties agree to rely upon Howard/Stein-Hudson for this determination.

The criteria used to determine daily trip counts over the course of a year will be chosen, using best professional practices available, so that the measurements collected may be extrapolated from the limited periods of annual measurement to as accurate an estimate as is practical of the trips per day on the busiest, and the (cumulative) 5 and (cumulative) 10 busiest days of the year. If, despite the best efforts of Howard/Stein-Hudson to recommend practices that will result in counts of all trips into and out of the ASP on a "cordon" basis, there exist some Third Party Properties whose trips may not be included in the counts (e.g., the properties in the ASP that lie west of Middlesex Avenue), the Parties and the Assembly TMA, after consultation with Howard/Stein-Hudson, will decide on professional and practical methods of estimating trips per day for those properties so that those trips can be included within the reported total trips per day for the ASP.

C. Parking Requirements:

FRIT and IKEA shall use commercially reasonable efforts to investigate and incorporate additional innovative parking strategies that further reduce anticipated parking requirements on their respective properties and within the ASP. These efforts may include, without limitation, the provision of significantly fewer parking spaces than are required for the busiest hour of the year (even with maximal parking space sharing assumed) and may also involve more extensive parking space sharing between residential and other uses. If commercially reasonable, such strategies are likely to be important to improved transit mode splits and increased development profits. Without limiting the foregoing, the Parties agree that the parking allocations and guidelines shall be implemented, as set forth below.

1. Parking Spaces – Allocations and Strategies:

a) FRIT Property:

- (i) The Parties agree that there shall be a maximum of 7,650 parking spaces constructed for the Master Plan (not including for the IKEA Improvements or on the Mall Property). Nothing contained in this subparagraph shall be construed to relieve FRIT of its commitment to use commercially reasonable efforts as set forth in Article III.C above.
- (ii) A parking charging strategy for the mixed-use portion of the Master Plan (not including for the IKEA Improvements or on the Mall Property) shall be completed by FRIT as part of the parking

operations plan, Principles for the parking charging strategy are as follows:

- Charges for parking shall be geared to the all-day parker (employee or commuter).
 - Parking for mixed-use retail shall be free for a set period of time (3-4 hours). However, FRIT shall have the ability to charge for retail parking in the future if it determines that market conditions allow.
 - Parking charges for all-day parkers shall be dictated by market rates for all-day parking. Market rates shall be determined based on an analysis by FRIT, of similar transit-oriented developments in the Boston metropolitan area.
- (iii) There shall be a maximum of 1,100 parking spaces serving customers and employees of retail stores located on the Mall Property, and all parking for customers and employees of the Mall Property shall be free, although FRIT may charge for parking at the Mall Property in the future if it determines that market conditions allow.
- (iv) Free retail parking (other than for the IKEA Improvements or on the Mall Property) shall be dependent on development by FRIT, in consultation with the Assembly TMA, of transportation plans and ongoing traffic management strategies which are consistent with the target and hard trip cap (not to be exceeded by more than eight days within one calendar year) for the ASP set forth in Article III, Section A of this Agreement.

b) IKEA Property:

- (i) The Parties agree that there shall be a maximum of 1,550 parking spaces for the IKEA Improvements exclusively for IKEA employees and customers (except as set forth in subparagraph (ii) below). Parking in such spaces shall be free, although IKEA may charge for this parking in the future if it determines that market conditions allow. Nothing contained in this subparagraph shall be construed to relieve IKEA of its commitment to use commercially reasonable efforts as set forth in Article III.C above.
- (ii) Approximately 200 of these 1,550 parking spaces shall be segregated for use by public transit commuters during weekdays, excluding holidays, and shall be access controlled. These users of

these spaces shall be charged rates similar to those of other urban commuter lots at or near MBTA Commuter Rail or transit stops.

- (iii) IKEA shall adopt the following corporate policies and programs, to be adjusted or modified from time to time by IKEA to maximize the use of alternative transportation to the IKEA Improvements:
- Zip/flex cars;
 - Employee/customer incentives;
 - Priority parking;
 - University delivery;
 - Packaging designed to facilitate transit use; and
 - Affordable delivery strategies for all customers who arrive by public transit.
- (iv) Promptly after the occupancy of the IKEA Improvements, IKEA shall provide shuttle bus service to and from either the Sullivan Square MBTA station in Charlestown, Massachusetts or the Wellington MBTA Station in Medford, Massachusetts until the opening of the new Orange Line Station (as hereinafter defined) to be located in the ASP. The shuttle bus service shall operate on the weekends and on two weekday afternoon/evenings. The weekday afternoon/evening periods shall be determined and modified to meet the peak weekday traffic periods, as determined by IKEA.

D. MBTA Orange Line Station:

1. All Parties agree to work together to lobby Federal, State and local governmental bodies, including, but not limited to, the Boston Metropolitan Planning Organization, the Massachusetts Executive Office of Transportation (the “EOT”), and the MBTA to commit as soon as possible to the design, engineering, and construction of a new station on the MBTA Orange Line subway system (the “**Orange Line Station**”) in the ASP.

2. Provided that the transactions contemplated by the Agreement of Exchange to be entered into by and between FRIT and IKEA are consummated, FRIT shall contribute \$10,000,000, and IKEA shall contribute \$5,000,000 towards the design and construction of the Orange Line Station as follows:

a) Funds to be contributed by FRIT and IKEA shall first (even before the transactions contemplated by the Agreement of Exchange to be entered into by and between FRIT and IKEA are consummated, **notwithstanding the first clause of the first paragraph of Section III.D.2)** be used to fund the design of the Orange Line Station and

shall be paid as fees and expenses become due and payable under invoices (with reasonable detail and back-up documentation) delivered to FRIT and IKEA.

b) FRIT and IKEA's contribution shall be made first to fund the design and engineering of the Orange Line Station, paid as costs are incurred up to \$1.4 million from FRIT and \$700,000 from IKEA. The remaining balance of unpaid funds to be contributed by FRIT and IKEA shall be placed into an interest bearing escrow account with an escrow agent acceptable to FRIT and IKEA (with all interest earned accruing to FRIT and IKEA and to be paid quarterly) only in an amount required to complete the construction of the Orange Line Station. Payment of this remaining balance into escrow is due after governmental funding has been authorized and appropriated and after every action that may lawfully be taken prior to payment of such remaining balance has occurred to secure authorization to proceed and to execute a general contract for the entire project. As further information on the funding program and process for the Orange Line Station becomes available, the Parties agree to negotiate further in good faith to define more precisely the time when the remaining balance must be paid into escrow so that the absence of a payment does not become an impediment to prompt realization of the Orange Line Station and so that FRIT and IKEA are not required to provide funding further in advance of commencement of construction than necessary.

c) If, at the end of the project, as a result of funding sources other than FRIT and IKEA, less than an aggregate of \$15,000,000 of FRIT and IKEA funds is required to construct the Orange Line Station, the difference shall be used either to facilitate construction of a pedestrian connection along Foley Street under Interstate Route 93 or to construct the pedestrian connections set forth in Article III.E below.

d) MVTF shall be relieved of its obligations under this Agreement, as to any parties defaulting on its obligation under this Section III.D.2. FRIT and IKEA shall be relieved of their obligations under this Agreement if the transactions contemplated by the Agreement of Exchange to be entered into by FRIT and IKEA are not consummated.

E. Neighborhood Connections: Pedestrian and Bicycle:

1. FRIT shall provide the following pedestrian links (including foot and bicycle) to, from and within the ASP:

- a) Link under the Route 28 bridge along the Mystic River, or an equivalent acceptable to MVTF;
- b) Link to Draw 7 Park under MBTA railway;
- c) Link from Assembly Square Drive under Interstate Route 93 to Lombardi Street; and
- d) Bike Path through the ASP parallel to the new Assembly Square Drive.

FRIT shall complete: (a), (b) and (c) within five (5) years of commencement of construction of the Master Plan (not including the Mall or Phase 1AA, which includes IKEA, as

set forth in the PUD Application); and (d) by the earlier of i) five (5) years from the commencement of construction of the Master Plan (not including the Mall or Phase 1AA, which includes IKEA, as set forth in the PUD Application) or ii) the issuance of a Certificate of Occupancy for the New IKEA with no appeal filed or if filed, resolved to IKEA's and FRIT's satisfaction.

2. FRIT shall evaluate, plan and advocate for pedestrian connections:
 - a) From Foley Street under Interstate Route 93 to Foss Park;
 - b) To the States Avenue section of East Somerville under Interstate Route 93 (possibly aligned with New Street);
 - c) Across the Amelia Earhart Dam; and
 - d) Along the waterfront to Sullivan Square and Ryan Park.

F. Infrastructure Improvements:

FRIT shall complete the following transportation mitigation improvements, as set forth in the traffic analysis dated September, 2006, prepared by Vanasse Hangen Brustlin, Inc., and submitted with the PUD Application and Master Plan:

1. New intersection at Route 28 and Assembly Square Drive;
2. Improvements to the Lombardi underpass;
3. New signals and signal interconnects; and
4. New internal road network.

Neither FRIT nor IKEA shall be responsible for any improvements associated with construction of a new Interstate Route 93, Route 28, and Route 38 interchange.

G. Water Transportation:

A broad array of water transportation options to the ASP shall be considered by the Assembly PAC, including, but not limited to, water taxis, ferries to the Boston Harbor Islands, provision of transient small boat docking facilities, and the provision of small boat launching and/or instruction facilities.

FRIT shall provide \$150,000 towards the design and/or construction of appropriate infrastructure to service such water access, such funds to be provided at the time of commencement of construction of the Orange Line Station.

H. Advocacy and Support:

Notwithstanding the details contained in this Agreement, the Parties agree that MVTF retains the right to advocate within the processes for Major Permits for parking and

transportation strategies in addition to those set forth in this Agreement and commensurate with other recent urban mixed used development within the Boston metropolitan area. However, the right to advocate for such additional strategies shall not extend to litigation or withdrawal of general support for any Major Permits consistent with this Agreement.

Article IV - Environmental Protection, Health Impacts, Recreation and Open Space

A. Health Impact Study:

FRIT and IKEA shall fund \$50,000.00 to be paid to MVTF within 45 days of the date of this Agreement for MVTF (rather than FRIT and IKEA) to conduct the Health Impact Study focused on the Interstate Route 93, Route 38 and Route 28 corridors (the “Study”) set forth in **Exhibit H**. The Study shall investigate base level and incremental additions to transportation emissions affecting neighborhoods in Somerville along the Interstate Route 93, Route 38 and Route 28 corridors, including the ASP. For the benefit of future residents and users of the ASP, the Study shall suggest tactics that might reasonably help developers to minimize or mitigate transportation pollution within the ASP. For the benefit of nearby Somerville citizens outside the ASP, the Study shall provide information and suggest tactics that might reasonably help the neighborhoods deal with or minimize or mitigate transportation pollution in the future.

B. Open Space and Recreation:

1. FRIT shall conform the Master Plan to the Open Space Plan attached as **Exhibit L**. Any changes to the Master Plan shall be consistent with **Exhibit L**.
2. FRIT shall investigate whether an additional 2.5 acres of high quality public open space can be provided in the Master Plan and the Long Term Vision Plan. Consideration shall also be given to “green roof” technology at the mall on the Mall Property, investment in significant improvements to Draw 7 Park, additional support for off-site pedestrian and bicycle connections, and more robust greenways within the ASP.
3. Notwithstanding the details contained in this Agreement, MVTF retains the right to advocate, within the processes for Major Permits, for additional high quality public open space commensurate with other recent urban mixed-use development in the Boston metropolitan area. However, the right to advocate for additional high quality public open space shall not extend to litigation or withdrawal of general support for any Major Permits consistent with this Agreement.
4. FRIT and IKEA shall develop a set of sustainable design principles and guidelines for the ASP, including green infrastructure solutions for storm water management in consultation with the Assembly PAC, and with the MVTF prior to the formation of the Assembly PAC.

Article V - Zoning, Settlement of Claims and Covenants Not to Sue

A. Zoning:

The Parties shall work together to embody all major agreed upon components of the Long Term Vision, including, but not limited to, the land use allocations expressed in Article II and vehicle trip target and hard cap expressed in Article III.A, into an amended zoning overlay district enacted by the City as soon as reasonably possible after completion of the Long Term Vision Plan. So long as FRIT and IKEA comply with this Agreement, there shall be no obligation or responsibility on the part of, nor any penalty or other adverse result or action assessed, imposed, or placed upon FRIT or IKEA (including any relief of MVTF from any agreement or covenant under this Agreement) if an amended zoning overlay district embodying the Long Term Vision Plan is not enacted. The Parties acknowledge and agree that it shall be the sole responsibility of the City to enact any such amendment.

Any future amendments to the Ordinance affecting the ASP or the absence of future amendments to the Ordinance shall not relieve the Parties from their obligation to one another under this Article V.A., unless such future amendments to the Ordinance preclude realization of the Long Term Vision Plan and Master Plan. No Party may, directly or indirectly, advocate for any amendment to the Somerville Zoning Ordinance or seek any administrative or judicial determination or Order that would prohibit, prevent, impair or impede realization of the Long Term Vision Plan or any other commitment, covenant, obligation, goal or target contained in this Agreement.

In the event that the Parties intend to propose zoning amendments in the short term, prior to the creation of the Long Term Vision Plan, those short term proposals shall not discharge the Parties' obligations under this Article V.A. and are not intended to substitute or limit the amended zoning overlay district contemplated under the first paragraph of this Article.

B. Settlement of All Existing Claims:

The Parties agree that this Agreement settles all zoning and other disputes of any kind whatsoever among the Parties regarding the mall on the Mall Property. The Parties further agree that this Agreement provides an opportunity to resolve all disputes of any kind whatsoever regarding an IKEA store at Assembly Square.

1. Mall Litigation:

Simultaneously with the execution of this Agreement, the Parties shall cause their counsel of record in the lawsuits listed below to execute all appropriate documents, including those listed herein, necessary for the immediate final resolution of such lawsuits:

- a) A Stipulation of Dismissal of Evarts v. Somerville, MICV2005 00923, in the form attached hereto as **Exhibit N**.
- b) A Notice of Withdrawal of Appeal in Evarts v. Somerville, Land Court Misc. No. 300961, with attached hereto as **Exhibit O**.

2. Riverfront IKEA Litigation:

The Parties also covenant that they will cause their counsel of record in the lawsuits listed below to (a) seek, promptly after the execution of this Agreement and thereafter as and when necessary, one or more stays of further proceedings for up to two years from the date of this Agreement, and (b) execute all appropriate documents, including those listed herein, necessary for the final resolution of such lawsuits, upon the consummation of the transactions contemplated in that certain Agreement of Exchange by and between FRIT and IKEA. Once a stay has been granted, no Party may unilaterally request, solicit, or encourage the Court or Administrative Law Judge to shorten or lift the stay.

a) A joint motion in Bestor v. IKEA Property, Inc., MICV2003-02478, asking the Court to stay the action for two years, attached hereto as **Exhibit P-1**; as well as a form of Joint Motion to Approve Compromise of All Claims pursuant to M.G.L. c.214, §7A, attached hereto as **Exhibit P-2**.

b) A joint motion in In re IKEA Property, Inc. (IKEA at Assembly Square), DEP Docket No. 04-669, DEP File No. WO-0658-N asking the Division of Administrative Law Appeals to stay action for two years, attached hereto as **Exhibit Q-1**; as well as a form of Withdrawal of IKEA's application to the Department of Environmental Protection for a Chapter 91 license is attached hereto as **Exhibit Q-2**.

If, despite all reasonable efforts of the Parties, the Court or Administrative Law Judge in either proceeding denies the requested stay, or grants but thereafter lifts the stay, it shall not constitute a breach of this Agreement for one or more of the Parties to continue these proceedings. If the Parties must continue the proceedings in these lawsuits by virtue of the denial of either or both requests for a stay, or by virtue of the premature termination or expiration of either or both stays, no statement made, document produced, or action or position taken by any Party pursuant to this Agreement or the negotiation or implementation thereof may be used by any other Party to this Agreement in the context of any lawsuit or adjudicatory proceeding, whether listed above or otherwise.

Subject to its rights to participate and advocate in the processes for Major Permits as set forth above, MVTF shall, through written or verbal testimony, support any and all applications made by FRIT or IKEA to obtain all Major Permits from any Agencies that are consistent with this Agreement. In addition, MVTF agrees that it shall not interfere, or assist others in interfering with, FRIT's or IKEA's efforts to obtain or exercise rights under their respective Major Permits so long as such efforts are consistent with this Agreement.

C. Release and Covenant Not to Sue:

The Parties do hereby, for themselves, their successors and assigns, affiliates and subsidiaries waive, remise, release, acquit and forever discharge each other Party and their successors and assigns, affiliated companies, subsidiaries and their respective directors, officers, shareholders, partners, members, employees, agents, contractors, attorneys and representatives (and any and all persons or entities directly or indirectly related thereto, contractually or otherwise) (the "**Released Parties**") from any and all past, present and future actions, causes of action, demands,

damages, costs, suits, expenses, compensation and any and all claims of every name, nature and description, direct or indirect, matured or unmatured, absolute or contingent, both in law or in equity, whether in contract or in tort, which any Party has ever had, now has, or in the future may have on account of, or in any way arising out of, or which are the subject matter of, or which regard any and all federal, state and local Permits required to complete the development, construction and use of the improvements contemplated in the PUD Application (the “**Released Claims**”). Nor shall any Party appeal all or any portion of any Permit. Each Party covenants not to sue any of the Released Parties with respect to any of the Released Claims. Notwithstanding the foregoing, all Parties retain the right to seek all legal remedies available to enforce this Agreement.

Article VI - Attorneys Fees, Confidentiality and Media Relations

A. Attorneys Fees:

After execution of this Agreement and within 45 days of receipt by FRIT of invoices for legal services rendered to MVTF, FRIT shall pay directly to Anderson & Kreiger LLP and directly to Miyares and Harrington LLP all documented attorneys fees in the amounts shown on **Exhibit R** incurred by MVTF through September 28, 2006 and all documented attorneys fees incurred by MVTF between September 28, 2006 and the date of this Agreement in the course of negotiating and documenting this Agreement and related short-term zoning changes. In addition to the amount shown on Exhibit R for fees incurred prior to September 28, 2006, Anderson & Kreiger LLP shall be paid additional fees for that period, provided they are documented through itemization, up to a cap of \$104,785.53.

B. Media Relations:

The Parties agree to jointly develop the press statements that will accompany announcement of this Agreement, and will participate together in that formal announcement. Any future press releases about the specifics of this Agreement shall require the Parties prior written consent. The Parties further agree to refer any inquiries appropriately addressed to another Party to a designated representative of that other Party.

Article VII - Miscellaneous

A. Entire Agreement:

This Agreement constitutes the entire agreement between the Parties related to the subject matter hereof and shall supersede any prior agreement(s) between the Parties, whether oral or in writing, regarding the Property and/or the subject matter hereof, and any and all such prior agreements shall be null and void and of no further effect, unless otherwise provided herein. This Agreement may not be modified or amended in any manner or fashion except in a writing executed hereafter by the Parties or their designated representatives.

B. Authorized Signatories:

The Parties acknowledge, agree and represent that such individuals signing this Agreement as representatives of the Parties hereto are duly authorized and empowered to execute this Agreement on behalf of such Parties, and that no further consent, approval or other action is required prior to, or in connection with, the execution of this Agreement.

C. Successors and Assigns:

This Agreement is binding upon, and shall extend to, the respective successors, assigns and legal representatives of the Parties.

D. Governing Law:

This Agreement shall be governed by and construed under the laws of The Commonwealth of Massachusetts. Each and every right and remedy of any Party under this Agreement shall be cumulative and non-exclusive of any other right or remedy of any Party under this Agreement, applicable law, or in equity.

E. Severability:

If any provision of this Agreement shall be found invalid for any reason, such invalidity shall be construed as narrowly as possible and the balance of the Agreement shall be deemed to be amended to the minimum extent necessary to provide to the parties substantially the benefits set forth in this Agreement.

F. Counterparts:

This Agreement may be signed in multiple counterparts, which together shall constitute an agreement binding on the parties. Executed copies of this Agreement may be delivered between the Parties via facsimile or email.

G. No Third Party Beneficiary:

The parties hereto do not intend to confer any benefit hereunder on any Person other than the parties hereto.

H. Notices

All notices, demands and requests which may be given or which are required to be given by either party to the other, and any exercise of a right of termination provided by this Agreement, shall be in writing and shall be deemed effective either: (a) on the date personally delivered to the address below, as evidenced by written receipt therefore, whether or not actually received by the person to whom addressed; (b) on the third (3rd) business day after being sent, by certified or registered mail, return receipt requested, addressed to the intended recipient at the address specified below; (c) on the first (1st) business day after being deposited into the custody of a nationally recognized overnight delivery service such as Federal Express Corporation,

Emery or UPS, addressed to such party at the address specified below, or (d) on the date delivered by facsimile to the respective numbers specified below. For purposes of this Section, the addresses of the parties for all notices are as follows (unless changed by similar notice in writing given by the particular person whose address is to be changed):

FRIT:

Legal Department
Federal Realty Investment Trust
1626 East Jefferson Street
Rockville, MD 20852-4041
Tel: (301) 998-8100
Fax: (301) 998-3722

With a Copy to:

Donald T. Briggs
Senior Vice President - Development
Federal Realty Investment Trust
1626 East Jefferson Street
Rockville, MD 20852-4041
Tel: (301) 998-8173
Fax: (301) 998-3722
E-mail: dbriggs@federalrealty.com

R. Jeffrey Lyman, Esq.
Goodwin Procter LLP
Exchange Place
Boston, MA 02109
Tel: (617) 570-1987
Fax: (617) 227-8591
E-mail: rlyman@goodwinprocter.com

IKEA:

David Iemolo
IKEA Property, Inc.
420 Alan Wood Road
Conshohocken, PA 19428
Tel: (610) 834-0180 x 5255
Fax: (610) 567-2856
E-mail: david.iemolo@memo.IKEA.com

With a Copy To:

David J. Larsson, Esq.
Larsson & Scheuritzel
Centre Square West
1500 Market Street, Suite 3510
Philadelphia, PA 19102
Tel: (215) 656-4221
Fax: (215) 656-4202

E-mail: dlarsson@larssonlaw.com

MVTF:

Wigton F. Zamore
13 Highland Avenue #3
Somerville, MA 02143
Tel: (617) 625-5630
Fax:
E-mail: wigzamore@ren.com

With a Copy to:

Douglas H. Wilkins, Esq.
Anderson & Kreiger
One Canal Park, Suite 200
Cambridge, MA 02141
Tel: (617) 621-6500
Fax: (617) 621-6501
E-mail: DWilkins@AndersonKreiger.com

and

J. Raymond Miyares
Miyares and Harrington LLP
124 Watertown Street
Watertown, MA 02472
Tel: (617) 923-0880
Fax: (617) 923-0829
Email: ray@miyares-harrington.com

I. Further Assurances. The Parties (without cost to the requesting Party), at any time and from time to time, upon request by any other Party, shall do, execute, acknowledge and deliver all such further acts and assurances as may reasonably be required for the effectuation of this Agreement.

[SIGNATURES APPEAR ON FOLLOWING PAGE]

FR Sturtevant Street, LLC, a Delaware limited liability company

By: FR Sturtevant Street, Inc., a Delaware corporation, its sole member

By: _____
Name:
Title:

FR Assembly Square, LLC, a Delaware limited liability company

By: Federal Realty Investment Trust, a Maryland real estate investment trust, its sole member

By: _____
Name:
Title:

IKEA Property, Inc., a Delaware corporation

By: _____
Name:
Title:

By: _____
Name:
Title:

Mystic View Task Force, Inc., a Massachusetts not-for profit corporation

By: _____
Name:
Title:

Individually:

By: _____
Name: Donald Meglio

By: _____
Name: Fred Berman

By: _____
Name: Gina Foglia

By: _____
Name: William Shelton

By: _____
Name: Wig Zamore

By: _____
Name: John Bailes

By: _____
Name: Joel Bennett

By: _____
Name: Jane Bestor

By: _____
Name: Barbara Cassesso

By: _____
Name: David Dahlbacka

By: _____
Name: Jennifer Dorsen

By: _____
Name: Louana Evarts

By: _____
Name: J. John Gonsalves

By: _____
Name: Todd Kaplan

By: _____
Name: Lynn McWhood

By: _____
Name: Robert Nesson

By: _____
Name: Lawrence Paolella

By: _____
Name: Leo Paquette

By: _____
Name: Lillian Paquette

By: _____
Name: Marjorie Polster

By: _____
Name: Jane Sauer

By: _____
Name: Eric Spencer

By: _____
Name: Barbara Steiner

By: _____
Name: W. Alan Stiehl

By: _____
Name: Paula Stuart

By: _____
Name: Andrew Vincent

By: _____
Name: Wendy Vincent

EXHIBIT A

ASSEMBLY SQUARE PROPERTY

EXHIBIT B

INLAND PROPERTY

EXHIBIT B-1

30-34 STURTEVANT STREET

EXHIBIT B-2

100 STURTEVANT STREET

EXHIBIT B-3

147 FOLEY STREET

EXHIBIT C

MALL PROPERTY

EXHIBIT D

RIVERFRONT PROPERTY (IKEA)

EXHIBIT D-1

74 FOLEY STREET

EXHIBIT D-2

100 FOLEY STREET

EXHIBIT E

YARD 21

EXHIBIT F

OUTPARCELS

EXHIBIT F-1

85 FOLEY STREET (GREEN CAB)

EXHIBIT F-2

99 FOLEY STREET (CENTRAL STEEL)

EXHIBIT F-3

123 FOLEY STREET (CLAY REALTY)

EXHIBIT G

CONCEPT

EXHIBIT H

EH&E STUDY OUTLINE

EXHIBIT I

MASTER PLAN

EXHIBIT J

INTENTIONALLY OMITTED

EXHIBIT K

IKEA IMPROVEMENTS

(See Exhibits K-1 through K-4)

EXHIBIT K-1

IKEA MA-2H.1.3

EXHIBIT K-2

IKEA MA-2H.2.3

EXHIBIT K-3

IKEA MA-2H.3.3

EXHIBIT K-4

IKEA ELEVATIONS PLAN

DATED DECEMBER 12, 2006

EXHIBIT L

OPEN SPACE PLAN

EXHIBIT M-1

TRIP GENERATION STUDY SUMMARY

EXHIBIT M-2

TRAFFIC MONITORING SYSTEM MEMORANDUM

EXHIBIT N

STIPULATION OF DISMISSAL OF

EVARTS V. SOMERVILLE, MICV200500923

EXHIBIT O

NOTICE OF WITHDRAWAL OF APPEAL

EVARTS V. SOMERVILLE, MISC. NO. 300961

EXHIBIT P-1

JOINT MOTION TO STAY

BESTOR *ET AL.* V. IKEA PROPERTY, INC., MICV2003-02478

EXHIBIT P-2

FORM OF JOINT MOTION TO APPROVE COMPROMISE OF ALL CLAIMS

BESTOR *ET AL.* V. IKEA PROPERTY, INC., MICV2003-02478

EXHIBIT Q-1

JOINT MOTION TO STAY

IN RE. IKEA PROPERTY, INC.

DEP NO. 04-669

WATERWAYS APPLICATION NO. W02-0658-N

EXHIBIT Q-2
FORM OF WITHDRAWAL OF
CHAPTER 91 WATERWAYS LICENSE APPLICATION
FILED BY IKEA PROPERTY, INC.

DEP NO. 04-669

WATERWAYS APPLICATION NO. W02-0658-N

EXHIBIT R

ATTORNEYS FEES

1. Anderson and Kreiger LLP
 - Prior to September 28, 2006: \$104,785.33
 - Legal fees associated with settlement: \$_____

2. Miyares and Harrington LLP
 - Prior to September 28, 2006: \$165,205.05
 - Legal fees associated with settlement: \$_____

SCHEDULE 1

MVTF ASSOCIATES

John Bailes
Joel Bennett
Jane Bestor
Barbara Cassesso
David Dahlbacka
Jennifer Dorsen
Louana Evarts
J. John Gonsalves
Todd Kaplan
Lynn McWhood
Robert Nesson
Lawrence Paoella
Leo Paquette
Lillian Paquette
Marjorie Polster
Jane Sauer
Eric Spencer
Barbara Steiner
W. Alan Stiehl
Paula Stuart
Andrew Vincent
Wendy Vincent

Document comparison done by DeltaView on Friday, December 22, 2006 3:57:40 PM

Input:	
Document 1	file://C:/Documents and Settings/jlt/Desktop/06 Settlement Agreement - GP version1.DOC
Document 2	iManageDeskSite://BOSDMS.GPH.COM/LIBB/1470616/14
Rendering set	Standard-Black and White-statistics

Legend:	
<u>Insertion</u>	
Deletion	
Moved from	
<u>Moved to</u>	
Style change	
Format change	
Moved deletion	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	2
Deletions	0
Moved from	0
Moved to	0
Style change	0
Format changed	0
Total changes	2