Blacklined Amendment

Recipient: City of Cambridge, Massachusetts Grant Number : B-84-AA-25-0147

C-#13 #1985

EXHIBIT A

SUPPLEMENTARY PROVISIONS

Rider to Section 1.03 (2). In addition to Recipient's Application for Federal Assistance (SF 424, the "Application" shall include: Letters dated:

(1) February 21, 1984 with attachments from Jim Campbell, Project Director, City of Cambridge to Irene Jenkins, HUD field office reviewer.

(2) February 22,1984, four letters from Arthur Klipfel, III managing General Partner, Ten Canal Park Associates, to Margaret Sowell, UDAG office

(3) March 8, 1984, with attachments from Jim Campbell to Rick Patoski, UDAG office reviewer.

(4) March 12, 1984, with attachments, from Jim Campbell to Rick Patoski.

(5) March 12, 1984, legal opinion from John Woffard, Esquire, to Rick Patoski regarding legal status of eminent domain taking.

(6) March 13, 1984 with attachments from Christopher Fleming, General Partner,Ten Canal Park Associates to David Sowell, UDAG Senior Development Officer.

(7) March 13, 1984 with attachment from Arnold Marcus, President of the Marcus Organization, Inc., to David Sowell.

(8) March 13, 1984 memo from Tsoi Kobus & Associates, Architects, regarding status of Section 106 review process.

(9) March 15, 1984 from Arnold Marcus to David Sowell.

(10)March 16, 1984 legal opinion from John Woffard, Esquire, to Rick Patoski, regarding city's legal obligation for replacement parking for Lechmere Sales.

(11)March 19, 1984 from Frank Keefe, Massachusetts Executive Office for Administration and Finance to Robert Healy, Cambridge City Manager.

(12)March 19, 1984 legal opinion from Glenn Shealey, Esquire, to David Sowell regarding title to Webb Building.

(13)March 19, 1984 with attachments from Christopher Fleming to David Sowell.

(14)March 21, 1984 with attachment from Arnold Marcus to David Sowell.

(15)March 22, 1984 from Herb Franklin, representative for Ten Canal Park Associates, to David Sowell.

(16)Telegram received by UDAG office on March 26, 1984 reconfirming project commitments of Ten Canal Park Associates, the Marcus Organization and City of Cambridge.

(17)Tri-Party Agreement between Ten Canal Park Associates, the Marcus Organization and City of Cambridge regarding project components.

(18)March 17, 1984 to Rick Patoski from John Woffard, Esquire, regarding Recipient's responsibility for parking costs.

Continuation Sheet - Exhibit A

Plus any additional materials submitted since the date the Application was filed upon which the Secretary relied in making this award.

Rider to Section 1.01(12). The term "Participating Party" consists of the following persons, firms, corporations and entities:

"Ten Canal Developer"	means Edgewater Place Limited Partnership, A Massachusetts Limited Partnership whose General Partner is Ten Canal Park Associates, A Massachusetts general partnership composed of Unihab, Inc., St. James Properties, Inc. and First Cambridge Properties with Unihab, Inc. as managing general partner.
"Webb Developer"	means Charlesport/1984 Limited Partnership, A Massachusetts limited partnership composed of Arnold Marcus, Varney J. Hintlian, Leeam Lowin, William J. Catacosinos, and Famous Fields Corporation as general partners and Arnold Marcus as managing general partner.
"One Canal Developer"	means Canal Park Associates, a New York general partnership composed of Arnold Marcus, Varney J. Hintlian, Leeam Lowin and William J. Catacosinos as general partners and Arnold Marcus as managing general partner.
"Ten Canal Lender"	means Old Stone Bank, a Federal savings bank of Providence, Rhode Island, with participations by Coolidge Bank and Trust Company of Watertown, Massachusetts and the U.S. Steel Pension Plan.
"Webb Lender" and "One Canal Lender"	means the Greater New York Savings Bank of New York, New York, and the Bank of Boston, Boston, MA.
"Ten Canal Guarantor"	means Edgewater Place Limited Partnership.
"Webb Guarantor"	means Charlesport/1984 Limited Partnership.
"One Canal Guarantor"	means Canal Park Associates.
"Commonwealth"	means the Commonwealth of Massachusetts whose address is at the Executive Department, State House, Boston, Massachusetts 02133.
"Ten Canal Participating Lender"	means Merchants Cooperative Bank of Boston, Massachusetts.

Rider to Section 1.03(13). The phase "the UDAG percentage of" contained on the first line of paragraph (13) and the last sentence thereof are deleted in their entirety.

Rider to Section 1.03. (21) "Project Elements" mean:

(a) the Ten Canal Park Building containing approximately 100,000 square feet of rentable office space and 10,000 square feet of rentable retail space plus 40 ground level parking spaces.

Continuation Sheet - Exhibit A

(b) the One Canal Park Building containing approximately 80,000 square feet of rentable office space and 20,000 square feet of rentable retail space;

(c) the Historic Webb Building containing approximately 175,000 square feet of fully renovated rentable office space and 25,000 square feet of fully renovated rentable retail space; and

(d) Project parking consisting of 540 spaces in a new garage, and 130 spaces in the existing East Cambridge Garage.

Rider to Section 1.03. (22) "Project Site" means the Historic Webb Building and the Lechmere Canal Development parcel known as the Unihab, Kolligian and parcel C (Canal Park) sites as more fully described in the UDAG Application and supporting documentation on site control.

Rider to Section 2.01. The amount of this UDAG grant is Four Million Nine Hundred Five Thousand Dollars ($4,905,000).

Rider to Sections 2.04, 901, 9.02 and 9.03. Any repayment or other payments received pursuant to Paragraph III (a) (3) of Exhibit E of this Grant Agreement and received prior to completion of the UDAG funded activities shall be used for reasonable Grant administration costs incurred by Recipient after Recipient has spent at least $121,750 from other sources on project administration. All remaining funds shall be held in escrow pursuant to Section 2.04 (a) of this Grant Agreement until completion of the UDAG funded Recipient Activities. All escrowed funds shall bear interest with the accounts insured by an agency of the U.S. Government. Upon completion of the UDAG funded Recipient Activities, any funds held in said escrow shall be spent for activities eligible under Title I of the Housing and Community Development

Continuation Sheet - Exhibit A

Rider to Section 11.01. The address of the Recipient for the purpose of communications relating to this Grant Agreement is:

Mr. Robert W. Healy
City Manager
City Hall
795 Massachusetts Avenue
Cambridge, Massachusetts 02138

Contact Person: Mr. Jim Campbell
Project Director
(617) 498-9034

EXHIBIT B

DESCRIPTION OF RECIPIENT ACTIVITIES

Rider to Section 1.03(17). The "Recipient Activities" shall consist of:

Recipient shall:

(1) Acquire by eminent domain approximately 35,000 square feet known as the Kolligian parcel in Cambridge for approximately $1,600,000 of which $1,300,000 shall be State Funds and $300,000 shall be Recipient Funds.

(2) Construct on the Kolligian parcel a new garage parking facility for at least 540 vehicles. The space shall be allocated as follows:

215 spaces will be for general public use; 40,30 and 15 of which shall be leased to the Webb Developer, One Canal Developer and Ten Canal Developer, respectively on a priority monthly, renewable, basis;

250 spaces will be for the exclusive use of tenants of the Webb Building; and

75 spaces will be for the exclusive use of tenants of the Ten Canal Office Building.

(3) Lease, at market rates, 100 spaces in the East Cambridge Parking Garage to One Canal Developer for the exclusive use of the tenants of the One Canal Park Building; and 30 spaces in the East Cambridge Parking Garage to Ten Canal Park Building.

(4) Convey title to Parcel C of the Lechmere Canal Park Project to One Canal Developer for the Construction of the One Canal Place Building.

(5) Provide Webb Developer with a third mortgage loan of up to $680,000 in Grant Funds for the construction and permanent financing of the Webb Building renovations.

(6) Be responsible for all administrative costs associated with the administration of this Project, including providing at least $121,750 in City Funds and/or in CDBG Funds for initial administrative costs.

All the aforesaid activities are for and in connection with the renovation of the Webb Building; the development of the One Canal Park Building, the development of Ten Canal Park Building; and the development of parking facilities as more particularly described in the UDAG Application.

EXHIBIT C

DESCRIPTION OF NON-RECIPIENT ACTIVITIES

Rider to Section 1.03 (11). The "Non-Recipient Activities" shall consist of:

A. Webb Building Renovation

(1) Webb Developer shall acquire the Webb Building, assist in Webb Building tenant relocation and renovate the entire Webb Building into approximately 175,000 square feet of rentable office space and 25,000 square feet of rentable retail space at a cost of approximately $17,725,400 (excluding non-third party fees and initial operating losses) of which at least $3,745,400 shall be cash equity, up to $680,000 shall be a loan of Grant Funds and $5,050,000 (said amount to be reduced to $2,300,000 on November 1, 1986) shall be loan from the seller evidenced by a purchase money mortgage.

(2) Webb Lender shall provide Webb Developer with up to $11,000,000 in construction and permanent financing for the Webb Building renovations.

(3) Webb Guarantor shall guarantee completion of the Webb Building renovation and the repayment of the UDAG funded loan made for the Webb Building renovations.

(4) Webb Developer shall enter into a long term lease for 250 parking spaces and a monthly,renewable lease for 40 parking spaces in the newly constructed 540 space parking garage on the Kolligian site for the exclusive use of Webb Building tenants.

B. One Canal Park Building Construction and Related Parking

(1) One Canal Developer shall acquire parcel C from Recipient and construct the One Canal Park Building containing approximately 80,000 square feet of rentable office space and 20,000 square feet of rentable retail space at a cost of approximately $11,328,400 (excluding non-third party fees and initial operating losses) of which at least $328,400 shall be cash equity.

(2) One Canal Developer shall enter into a long term lease with Recipient for 100 parking spaces within the East Cambridge Parking Facility for the exclusive use of One Canal Park Building tenants, and a monthly, renewable lease for 30 parking spaces in the newly constructed 540 space parking garage on the Kolligian site for the exclusive use of One Canal Park tenants.

(3) One Canal Lender shall provide One Canal Developer with up to $11,000,000 in construction and permanent financing for the One Canal Park Building.

Continuation Sheet - Exhibit A

Act of 1974, as amended, and shall be spent in accordance with Part 570 of Title 24 Code of Federal Regulations. Any repayments received after completion of the UDAG funded Recipient Activities shall be deemed miscellaneous revenues and shall be spent for activities eligible under Title I of the Housing and Community Development Act of 1974, as amended, and shall not be governed by Part 570.

Net revenue (gross revenue minus general management, maintenance and operating expenses, debt service on City Bond Funds and reserves) from the parking garage constructed pursuant to Exhibit B, Paragraph (2) of this Grant Agreement may be used to reimburse Recipient for reasonable grant administration costs incurred by Recipient after Recipient has spent at least $121,750 from other sources on project administration. Any net revenue after net revenue is used for said reimbursement shall be deemed miscellaneous revenues and shall be spent for activities eligible under Title I of the Housing and Community Development Act of 1974, as amended, and shall not be governed by Part 570.

Rider to Section 5.01(8). Paragraph (8) shall be deleted in its entirety and the following shall be inserted in place thereof:

"(8) Recipient shall comply with the conflict of interest provision set forth in 24 CFR Section 570.611 (48 Federal Register 186, pp. 43571-72, 9/23/83)."

Rider to Sections 5.03 and 9.06. The jobs referenced at Section 5.03 and the assurances required at Section 9.06 shall aggregate:

Total New Permanent Jobs: 969

Total New Permanent Jobs for Low-and Moderate-Income persons: 240

Total New Permanent Jobs for CETA - Eligible Persons: 144

Total New Permanent Jobs for Minorities: 144

Job Requirements shall be completed within 36 months from the Date of Preliminary Approval.

Rider to Section 9.13 Conflict of Interest. Section 9.13 shall be deleted in its entirety and the following shall be inserted in place thereof:

"The Recipient shall include in all contracts with Participating Parties and in all contracts with any party involving the use of Grant Funds, a conflict of interest provision consistent with 24 CFR Section 570.611 (48 Federal Register 186, pp. 43571-72, 9/23/83)."

Continuation Sheet - Exhibit C

(4) One Canal Guarantor shall guarantee completion of the One Canal Park Building.

C. Ten Canal Park Building Construction and Related Parking

(1) Ten Canal Developer shall acquire the Ten Canal Building Site (also known as the Unihab site) and construct the Ten Canal Building containing approximately 100,000 square feet of rentable office space, 10,000 square feet of rentable retail space and 40 ground level parking spaces at a cost of approximately $13,856,783 (excluding non-third party fees and working capital) of which equity shall consist of a $500,000 subordinate note from Ten Canal Participating Lender, plus a $1,000,000 Letter-of-Credit from Ten Canal Participating Lender.

(2) Ten Canal Lender shall provide Ten Canal Developer with $15,000,000 in construction and interim financing for the Ten Canal Park Building.

(3) Ten Canal Developer shall enter into a long term lease with Recipient for 75 parking spaces and a monthly, renewable lease for 15 parking spaces within the newly constructed 540-space parking garage on the Kolligian site and a long term lease for 30 spaces within the East Cambridge Parking Facility, for the exclusive use of Ten Canal Park Building Tenants.

(4) Ten Canal Guarantor shall guarantee completion of the Ten Canal Park Building.

D. New 540 - space Parking Garage

(1) Commonwealth shall provide $1,300,000 in Commonwealth Funds for acquisition of the Kolligian parcel, which is the site of the parking garage to be developed by Recipient.

Recipient: City City of Cambridge, Massachusetts Grant Number B-84-AA-25-0147

EXHIBIT D

Project Budget - Summary of Projected Expenditures

USE OF FUNDS Line Item Activity	SOURCES OF FUNDS UDAG Funds	 Private Funds	 Other Funds	TOTAL COSTS
a. Acquisition		$8,590,800	$1,600,000	$10,190,800
b. CONSTRUCTION & RENOVATION	$4,905,000	18,920,000	$1,122,500	$24,947,500
c. Tenant Finishes Allowance		3,815,000		3,815,000
d. Financing Fees (includes syndication placement)		1,949,000		1,949,000
e. Interim Costs		3,570,833		3,570,833
f. Third Party Professional Fees		339,000		339,000
g. Construction Management		1,122,000		1,122,000
h. Soft Costs		2,224,783	600,000	2,824,783
i. Contingency		1,663,000		1,663,000
j. Initial administration costs (paid by Recipient)			121,750	121,750
k. Capital Equipment				
l. Equipment not counted in leverage ratio				
m. Working Capital (not counted in leverage ratio)		643,217		643,217
n. Profit & Overhead (not counted in leverage ratio)				
o. TOTAL PROJECT COST	$4,905,000	42,837,633	3,444,250	51,186,883
p. Recipient administrative costs reimbursed from UDAG funds				
q. Less: items not counted in leverage ratio (lines a. and e.)		-12,161,633		
r. Total private investment to be reported on QPR's ("countable private")		30,676,000		
s. Plus: Discounted value of UDAG loan repayment		386,096		
t. Plus: Discounted value of other public loan repayments		+ -0-		
u. Plus: Present value of lease payments		+ -0-		
v. Totals used in computing leverage ratio	$4,905,000	$31,062,096		

Discount Rate: 10%

EXHIBIT D

Recipient: City City of Cambridge, Massachusetts Grant Number B-84-AA-25-0147

EXHIBIT D Webb Building

Project Budget - Summary of Projected Expenditures

USE OF FUNDS Line Item Activity	SOURCES OF FUNDS UDAG Funds	 Private Funds	 Other Funds	TOTAL COSTS
a. Acquisition (Flip)		$6,300,400		$6,300,400
b. Renovation costs	$680,000	5,220,000		5,900,000
c. Tenant Finishes Allowance		1,600,000		1,600,000
d. Financing Fees (includes syndication placement)		905,000		905,000
e. Interim Costs		1,180,000		1,180,000
f. Third Party Professional Fees		150,000		150,000
g. Construction Management		320,000		320,000
h. Soft Costs (exclude marketing and initial on coverage)		760,000		760,000
i. Contingency		610,000		610,000
j.				
k. Capital Equipment				
l. Equipment not counted in leverage ratio				
m. Working Capital (not counted in leverage ratio)				
n. Profit & Overhead (not counted in leverage ratio)				
o. TOTAL PROJECT COST	$680,000	$17,045,400		$17,725,400
p. Recipient administrative costs reimbursed from UDAG funds				
q. Less: items not counted in leverage ratio (lines a. and e.)		6,300,000 - 1,600,000		
r. Total private investment to be reported on QPR's ("countable private")		9,145,400		
s. Plus: Discounted value of UDAG loan repayment		+		
t. Plus: Discounted value of other public loan repayments		+ -0-		
u. Plus: Present value of lease payments		+ -0-		
v. Totals used in computing leverage ratio	$680,000	$9,145,000		

Discount Rate: 10%

Excluded from Private: $6,300,000 - Acquisition
$1,600,000 - Tenant Finish

EXHIBIT D

Recipient: City City of Cambridge, Massachusetts   Grant Number B-84-AA-25-0147

EXHIBIT D   One Canal Park

Project Budget - Summary of Projected Expenditures

USE OF FUNDS	SOURCES OF FUNDS			
Line Item Activity	UDAG Funds	Private Funds	Other Funds	TOTAL COSTS
a. Acquisition		$790,400		$790,400
b. Building Construction		6,165,000		6,165,000
c. Tenant Finishes Allowance		1,200,000		1,200,000
d. Financing Fees (includes syndication placement)		605,000		605,000
e. Interim Costs		1,200,000		1,200,000
f. Third Party Professional Fees		100,000		100,000
g. Construction Management		310,000		310,000
h. Soft Costs (exclude marketing and initial on coverage)		355,000		355,000
i. Contingency		603,000		603,000
j.				
k. Capital Equipment				
l. Equipment not counted in leverage ratio				
m. Working Capital (not counted in leverage ratio)				
n. Profit & Overhead (not counted in leverage ratio)				
o. TOTAL PROJECT COST		$11,328,400		$11,328,400
p. Recipient administrative costs reimbursed from UDAG funds				
q. Less: items not counted in leverage ratio (lines a. and e.)		- 1,200,000		
r. Total private investment to be reported on QPR's ("countable private")		10,128,400		
s. Plus: Discounted value of UDAG loan repayment		+ -0-		
t. Plus: Discounted value of other public loan repayments		+ -0-		
u. Plus: Present value of lease payments		+ -0-		
v. Totals used in computing leverage ratio				

Discount Rate: 10%   Excluded from Private: $1,200,000 - Tenant Finish

EXHIBIT D

Recipient: City City of Cambridge, Massachusetts   Grant Number B-84-AA-25-0147

EXHIBIT D   Ten Canal Park Building

Project Budget - Summary of Projected Expenditures

USE OF FUNDS	SOURCES OF FUNDS			
Line Item Activity	UDAG Funds	Private Funds	Other Funds	TOTAL COSTS
a. Acquisition (Non Third Party)		$1,500,000		$1,500,000
b. Building Construction		$7,535,000		7,535,000
c. Tenant Finishes Allowance		1,015,000		1,015,000
d. Financing Fees (includes syndication placement)		439,000		439,000
e. Interim Costs		1,190,833		1,190,833
f. Third Party Professional Fees		89,000		89,000
g. Construction Management		492,000		492,000
h. Soft Costs (exclude marketing and initial on coverage)		1,109,783		1,109,783
i. Contingency		450,000		450,000
j.				
k. Capital Equipment				
l. Equipment not counted in leverage ratio				
m. Working Capital (not counted in leverage ratio)(initial operating loss coverage)		643,217		643,217
n. Profit & Overhead (not counted in leverage ratio)				
o. TOTAL PROJECT COST		$14,463,833		$14,463,833
p. Recipient administrative costs reimbursed from UDAG funds				
q. Less: items not counted in leverage ratio (lines a., e., and m.)		1,500,000 - 1,015,000 643,217		
r. Total private investment to be reported on QPR's ("countable private")		11,305,616		
s. Plus: Discounted value of UDAG loan repayment		+ -0-		
t. Plus: Discounted value of other public loan repayments		+ -0-		
u. Plus: Present value of lease payments		+ -0-		
v. Totals used in computing leverage ratio		$11,305,616		

Discount Rate: 10%   Excluded from Private: $1,500,000 - Acquisition
$1,015,000 - Tenant Finish
$643,217 - Working Capital

Recipient: City City of Cambridge, Massachusetts Grant Number B-84-AA-25-0147

EXHIBIT D PARKING GARAGE

Project Budget - Summary of Projected Expenditures

USE OF FUNDS Line Item Activity	SOURCES OF FUNDS UDAG Funds	Private Funds	Other Funds	TOTAL COSTS
a. Acquisition			$1,300,000* 300,000+	$1,600,000
b. Garage Construction	$4,225,000		$1,122,500	$5,347,500
c. Tenant Finishes Allowance				
d. Financing Fees (includes syndication placement)				
e. Interim Costs				
f. Third Party Professional Fees				
g. Construction Management				
h. Soft Costs (exclude marketing and initial on coverage)			$ 600,000	$ 600,000
i. Contingency				
j.				
k. Capital Equipment				
l. Equipment not counted in leverage ratio				
m. Working Capital (not counted in leverage ratio)				
n. Profit & Overhead (not counted in leverage ratio)				
o. TOTAL PROJECT COST	$4,225,000		$3,322,500	$7,547,500
p. Recipient administrative costs reimbursed from UDAG funds				
q. Less: items not counted in leverage ratio (lines a. and e.)		- -0-		
r. Total private investment to be reported on QPR's ("countable private")		-0-		
s. Plus: Discounted value of UDAG loan repayment		+ -0-		
t. Plus: Discounted value of other public loan repayments		+ -0-		
u. Plus: Present value of lease payments		+ -0-		
v. Totals used in computing leverage ratio	$4,225,000			

Discount Rate: 10%

EXHIBIT D

EXHIBIT E

REQUIRED EVIDENTIARY MATERIALS

The evidentiary materials to be submitted by the Recipient for the approval of the Secretary shall include the applicable provisions of Article IX of this Grant Agreement and shall consist of the following:

I

(a) All governmental approvals and permit necessary for the commencement of the Recipient and Non-Recipient Activities shall have been obtained for all Project Elements.

(b) Evidence of this commitment shall be written certification from Recipient, signed by the chief executive officer, in accordance with Section 10.02 of this Grant Agreement, that all such governmental approvals and permits have been obtained.

II

(a) Title to all land necessary for the Project, except land to be acquired with Grant Funds, shall be held by Recipient or the appropriate Participating Party.

(b) Evidence of this commitment shall be in accordance with Section 10.10 of this Grant Agreement.

III

(a) Recipient and Webb Developer, One Canal Developer, and Ten Canal Developer shall enter into an agreement which shall contain provisions consistent with the following:

(1) Recipient shall agree to carry-out all Recipient Activities set forth in Exhibit B to this Grant Agreement .

UDAG funds in the amount of $4,225,000 may be drawn down for the construction of the new parking garage in a ratio to countable private funds of not more than $1.00 of UDAG funds to $7.25 of countable private funds; thus for every $8.25 of funds expended on the entire Lechmere Canal Office Park (including the Webb Building, One Canal Park, Ten Canal Park and the new Parking Garage) not more than $1.00 will be UDAG funds and not less than $7.25 will be countable funds. Said draw down may occur only after (i) all of the evidentiary material required by the Exhibit E have been submitted to an approved by the Secretary and the Secretary has authorized the Recipient to draw down such funds from its Letter of Credit, (ii) the Recipient has expended City Bond Funds of not less than $2,022,500 on the acquisition of the Kolligian site and the Parking Garage construction.

Continuation Sheet - EXHIBIT E

REQUIRED EVIDENTIARY MATERIALS

(2) Developers shall agree to carry-out all Non-Recipient Activities ascribed to each Developer in Exhibit C to this Grant Agreement. This agreement shall set forth the scope of the work, its location, and the obligation of Developer to invest not less than the following countable private funds in the Project (excluding acquisition of Webb Building, acquisition of Ten Canal Site, non-third party fees, allowances for tenant finishes and initial operating losses):

Webb Developer	$ 9,145,400
One Canal Developer	10,128,400
Ten Canal Developer	11,305,616
	$ 30,579,416*

(*See Exhibit D for project budgets)

(3) Recipient shall be obligated to make a loan to Webb Developer and Garage Developer of not more than $680,000 in Grant Funds which shall be used for Webb Building renovation costs. The terms and conditions of the UDAG Loan shall be consistent with the following:

(i) UDAG Interim Loan

(aa) Principal - The principal amount of the Interim Loan shall be no more than $680,000 to Webb Developer.

(bb) Interest - The interest rate shall be 2% per annum, Interest shall be computed and paid monthly on all loan disbursements.

(cc) Disbursement/Ratio - Loan disbursement shall be based on vouchers submitted by the Webb Developer, verified by Recipient and certified by the architect, construction manager, or other certifying official as shall be acceptable to Recipient. All submissions by contractors of monthly requisitions shall be on AIA Forms 702 and 703 or their equivalent.

No disbursement of the UDAG Loan shall be made until:

(I) Developer has furnished Recipient with the following:

(a) An ALTA policy for mortgage title insurance, in the full amount of the UDAG Loan, insuring that Recipient will be the holder of a third mortgage lien on the Webb Building, free of encumbrances and other exceptions to title other than those approved in advance by Recipient, and not subordinated to any interest except the first mortgage in an amount not to

Continuation Sheet - Exhibit E

exceed $11,000,000 plus further advances by the Lender which are invested in the Webb Project and are required for its completion and a second purchase money mortgage not to exceed $5,050,000 until November 1,1986 at which time said second purchase money mortgage shall not exceed $2,300,000; and

(b) a Builder's Risk and Fire Insurance policy or policies duly endorsed to indicate Recipient as an insured mortgagee; and

(II) All of the evidentiary materials required by this Exhibit E have been submitted to and approved by the Secretary and the Secretary has authorized Recipient to draw down such funds from its Letter of Credit.

After Webb Developer has expended equity funds of $3,745,000, UDAG Funds may be drawn down for Webb Building renovation cost in a ratio to countable private funds of not more than $1.00 of UDAG Funds to $13.45 of countable private funds; thus for every $14.45 of funds expended on the Webb Building Renovation (including the required cash equity contribution) not more than $1.00 will be UDAG Funds and not less than $13.45 will be countable private funds. Countable private funds for draw down of UDAG funds for the Webb Project loan shall include only private funds spent on the Webb Project and shall exclude acquisition, non-third party fees, allowance for tenant finishes, and initial operating losses.

(ii) UDAG Permanent Loan-

(aa) Term - Term of the UDAG Permanent Loans shall be 10 years commencing upon completion of the Webb renovation, but in no event later than March 1, 1986.

(bb) Principal - The principal of the UDAG Permanent Loan shall be the amount disbursed under the UDAG Interim Loan.

(cc) Interest - The interest rate shall be 2% per annum.

(dd) Repayment - Repayment of principal and interest shall be made in monthly installments in accordance with a 25-year amortization schedule during the Term of the UDAG Permanent Loans, and a balloon payment sufficient to pay off the entire outstanding indebtedness of principal shall be made at maturity of the UDAG Permanent Loan.

(ee) Contingent Interest - The UDAG Permanent Loan to Webb Developer shall provide that Webb Developer shall pay Recipient 10% of the Annual Cash Flow of the Webb Project less a preferred return of 10% on Webb Developer's equity (including cumulative operating loss coverage) and operating expenses (including a management fee not to exceed 4% of operating income) allowable for Federal income tax purposes,excluding reserves for capital improvements, depreciation and other non-cash item. Participation payments shall be due within 90 days of the end of the operating year of the Project.

Continuation Sheet - Exhibit E

Participation in cash flow shall be eliminated upon the later of (i) full repayment of the outstanding principal balance of the UDAG, or (ii) the date of March 1, 1994.

(iii) Security- The UDAG Loan shall be secured by a deed of trust or mortgages in favor of Recipient upon all land, buildings, fixtures, equipment and other assets of the Developer comprising the Webb Building Project. The security position of the Recipient may be subordinated to the private mortgage security interest of the Webb Lender and purchase money mortgage lender in an amount not to exceed the greater of a) $11,000,000 plus further advances by the Webb Lender which are invested in the Webb Project and are required for its completion, plus a second purchase money mortgage on the Webb building not to exceed $5,050,000 until November 1, 1986 at which time said second purchase money mortgage shall not exceed $2,300,000; or b) an amount not to exceed 80 percent of the Webb Building Project's total value as determined by an independent MAI Appraisal.

The deeds of trust or mortgages shall also contain standard provisions to protect the interest of a subordinate mortgagee, including, for example, a provision that a default under the first mortgage which could permit a foreclosure by the first mortgagee shall constitute a default under UDAG mortgage and the unpaid principal balance and interest of the UDAG Loan shall become immediately due and payable.

The deed of trust or mortgage shall not contain an exculpation clause in favor of Developers.

To the extent permitted by law, all of the personal property described in the mortgage shall be deemed to be fixture and part of the real property. As to any part of such personal property not deemed or permitted by law to be fixtures, the mortgage shall constitute a security agreement under the Uniform Commercial Code.

(iv) Participation in Sale or Refinancing - Webb Developer shall pay to Recipient 10% of the Net Proceeds from any sale or disposition in whole or part of the Webb Project or from any second or subsequent syndication or from any refinancing, except refinancing allowed pursuant to a call and/or takeout provision in the first mortgage where the first mortgage amount does not increase. "Net Proceeds" shall be defined as all proceeds received less (1) repayment of the first mortgage (if applicable), (2) repayment of the UDAG Loan, (3) Developer's documented reasonable costs of sale or refinancing, and (4) repayment of documented Webb Developer equity contributed to the Webb Building Project, including cash invested to cover operating losses and improvements. Participation in residuals from any sale or refinancing shall be eliminated upon the later of (i) full repayment of all outstanding principal balance of the UDAG, or (i) the date of March 1, 1994,

Continuation Sheet - Exhibit E

provided that said sale or refinancing does not take place within a 12 month period commencing upon said date.

(v) Prepayment - Prepayment may occur at any time without penalty.

(vi) Annual Accounting - Webb Developer shall deliver a statement to Recipient from an independent Certified Public Accountant, within 90 days of the close of each operating year during the Term of the UDAG Permanent Loan, certifying:

(1) Operating Income and receipts of the Webb Project;

(2) Operating Expenses:

(3) Net Annual Cash Flow;

(4) Developer equity;

(5) Net Proceeds, if applicable; and

(6) The amount of participation in Net Annual Cash Flow and Net Proceeds due Recipient.

(4) Webb Developer and Ten Canal Developer shall enter into long term leases for 250 and 75 spaces, respectively, within the newly constructed parking garage under the terms and conditions as specified in Paragraph XV below.

(5) Webb Developer, One Canal Developer and Ten Canal Developer shall enter into monthly, renewable leases for 40,30 and 15 parking spaces, respectively, within the newly constructed 540 space parking garage under the terms and consitions as specified in Paragraph XV below.

(6) All applicable terms and conditions of this Grant Agreement, including Article IX provisions and job assurances specified in Sections 5.03 and 9.06 shall be set forth in the agreement.

(7) The agreement shall specify a timeframe for performance consistent with Exhibit F of this Grant Agreement.

(8) During the term of this Grant Agreement, all Developers shall agree to provide necessary data and information as to private investment and jobs relating to this Grant Agreement. The form of quarterly documentation from Developers on progress made on non-Recipient activities, level of private investment, and new jobs provided shall be specified.

(b) Evidence of this commitment shall be in accordance with Section 10.04 of this Grant Agreement together with copies of the forms of all UDAG Loan documents to be used at closing.

Continuation Sheet - Exhibit E

IV

(a) Recipient's attorney or an acceptable banking institution shall certify that cash or liquid assets of not less than $3,745,000 are available or irrevocably committed to Webb Developer and are sufficient to complete the Webb Project. Such certification shall identify the kinds of assets and the nature of the irrevocable commitment.

(b) Evidence of this commitment shall be in accordance with Sections 10.07 or 10.08 of this Grant Agreement.

V

(a) Webb Lender shall lend $11,000,000 to Webb Developer for financing the Project.

(b) Evidence of this commitment shall be in accordance with Section 10.06 of this Grant Agreement.

VI

(a) Recipient's attorney or an acceptable banking institution shall certify that cash or liquid assets of not less than $328,400 are available or irrevocably committed to One Canal Developer and are sufficient to complete the One Canal Building Project. Such certification shall identify the kinds of assets and the nature of the irrevocable commitment.

(b) Evidence of this commitment shall be in accordance with Sections 10.07 or 10.08 of this Grant Agreement.

VII

(a) One Canal Lender shall lend $11,000,000 to One Canal Developer for financing the One Canal Project.

(b) Evidence of this commitment shall be in accordance with Section 10.06 of this Grant Agreement.

VIII

(a) Recipient's attorney or an acceptable banking institution shall certify that cash or liquid assets of not less than $1,500,000 are available or irrevocably committed to Ten Canal Developer and are sufficient to complete the Ten Canal Project. Such certification shall identify the kinds of assets and the nature of the irrevocable commitment.

(b) Evidence of this commitment shall be in accordance with Sections 10.07 or 10.08 of this Grant Agreement.

Continuation Sheet - Exhibit E

IX

(a) Ten Canal Lender or substitute lender shall lend not less than $13,000,000 to Ten Canal Developer for financing the Ten Canal Project.

(b) Evidence of this commitment shall be in accordance with Section 10.06. of this Grant Agreement.

X

(a) Recipient shall issue General Obligation Bonds in an amount not less than $2,022,500 for the purpose of acquiring the Kolligian site and designing and constructing the new parking garage described in Paragraph (2) of Exhibit B to this Grant Agreement.

(b) Evidence of this commitment shall be in accordance with Section 10.05 of this Grant Agreement.

XI

(a) Webb Guarantor shall irrevocably and unconditionally guarantee the repayment of the UDAG Interim/Permanent Loan and the completion of the Webb Building renovation within the timeframe hereafter set forth in Exhibit F to this Grant Agreement.

(b) Evidence of this commitment shall be in accordance with Section 10.04 of this Grant Agreement.

XII

(a) Ten Canal Guarantor shall irrevocably and unconditionally guarantee the completion of the Ten Canal Project within the timeframe hereafter set forth in Exhibit F to this Grant Agreement.

(b) Evidence of this commitment shall be in accordance with Section 10.04 of this Grant Agreement.

XIII

(a) The Commonwealth shall provide a grant of $1,300,000 to Recipient in accordance with provisions of Chapter 487 of the Acts of 1980, as amended, to assist in the acquisition of the Kolligian site for the development of at least 540 parking spaces.

Continuation Sheet - Exhibit E

(b) Evidence of this commitment shall be in accordance with Section 10.04 of this Grant Agreement or a certification from the Chief Executive Officer of Recipient that the funds of the Grant from Commonwealth have been received and are available for the Project.

XIV

(a) Recipient shall submit a management plan and budget for the monitoring of their Grant which shall be acceptable to the HUD Boston Office.

(b) Evidence of this commitment shall be in the form of the management plan and budget for the monitoring of this Grant with a signed approval from the Director of the Community Planning and Development Division of the HUD Boston Office and certified by the Chief Executive Officer of Recipient.

XV

(a) (1) Webb Developer shall enter into a long-term lease for 250 parking spaces in the newly constructed garage. The terms of the Parking Lease shall be consistent with the following.

(i) Premises - 250 spaces;

(ii) Term - Ten years, with 16 options to renew for additional terms of five years;

(iii) Rent - Approximately $113/space per month with appropriate escalators;

(iv) Security - Webb Developer shall provide to the City security satisfactory to the City for the payment of said rent, including but not limited to a collateral assignment of leases between the Webb Developer and its tenants for the amount of said rent payments.

(2) Ten Canal Developer shall enter into a long-term lease for 75 parking spaces in the newly constructed garage, and 30 spaces in the East Cambridge Parking Facility. The terms of the Parking Lease shall be consistent with the following:

(i) Premises - 75 spaces in the new garage on the Kolligian site, and 30 spaces in the East Cambridge Parking Facility.

(ii) Term - Ten years, with 16 options to renew for additional terms of five years.

(iii) Rent- Approximately $113/space per month with appropriate escalators.

Continuation Sheet - Exhibit E

(iv) Security - Ten Canal Developer shall provide to the City security satisfactory to the City for the payment of said rent, including but not limited to a collateral assignment of leases between Ten Canal Developer its tenants for the amount of said rent.

(3) Webb Developer shall enter into a monthly, renewable lease for 40 parking spaces in the newly constructed garage. The terms of the lease shall be consistent with the following.

(i) Premises - 40 spaces;

(ii) Term - Monthly,with option to renew;

(iii)Rent - $113/space per month, with appropriate escalators.

(4) One Canal Developer shall enter into a monthly, renewable lease for 30 parking spaces in the newly constructed garage. The terms of the lease shall be consistent with the following.

(i) Premises - 30 spaces;

(ii) Term - Monthly, with option to renew;

(iii)Rent - $113/space per month, with appropriate escalators.

(5) Ten Canal Developer shall enter into a monthly, renewable lease for 15 parking spaces in the newly constructed garage. The terms of the lease shall be consistent with the following.

(i) Premises - 15 spaces.

(ii) Term - Monthly, with option to renew.

(iii)Rent - $113/space per month, with appropriate escalators.

(b) Evidence of these commitments shall be in accordance with Section 10.04 of this Grant Agreement.

EXHIBIT F

PROJECT PERFORMANCE SCHEDULE

I

(a) The Evidentiary Materials described in Exhibit E of this Grant Agreement must be submitted to the Secretary by Recipient not later than June 30, 1985.

(b) Upon notification to Recipient of the approval by the Secretary of the Evidentiary Materials required by subparagraph (a) above, Recipient shall be authorized to draw down Grant Funds in accordance with Paragraph III (a) (1) and Paragraph III (a)(3) of Exhibit E of this Grant Agreement for Eligible Costs consistent with Letter of Credit procedures and the provisions of this Grant Agreement.

II

The Recipient and Non-Recipient Activities shall be commenced and completed in accordance with the following schedule:

Activity	Commencement Date	Completion Date
Site Acquisitions		
Webb Building	December 31, 1984	December 31, 1984
One Canal	March 1, 1985	March 1, 1985
Ten Canal	September 15, 1984	September 15, 1984
Parking Site	March 15, 1985	March 15, 1985
Construction		
Webb Building Renovations	March 1, 1985	February 15, 1986
One Canal Place Building	February 15, 1985	April 30, 1986
Ten Canal Place Building	September 15, 1984	December 31, 1985
New Parking Garage	September 1, 1985	March 1, 1987

III

The Webb Building, One Canal Building, and Ten Canal Building are speculative projects and the commitments the Department received to undertake these projects were not conditioned on any preleasing. Notwithstanding any provision to the contrary herein, the Secretary shall have the right to terminate or reduce this grant in the event the schedule contained in this Exhibit F is not complied with by the Recipient or any Participating Party regardless of cause.

Recipient: City City of Cambridge, Massachusetts Grant Number B-84-AA-25-0147

EXHIBIT D Ten Canal Park Building

Project Budget - Summary of Projected Expenditures

USE OF FUNDS Line Item Activity	SOURCES OF FUNDS UDAG Funds	Private Funds	Other Funds	TOTAL COSTS
a. Acquisition (Non Third Party)		$1,500,000		$1,500,000
b. Building Construction		$7,535,000		7,535,000
c. Tenant Finishes Allowance		1,015,000		1,015,000
d. Financing Fees (includes syndication placement)		439,000		439,000
e. Interim Costs		1,190,833		1,190,833
f. Third Party Professional Fees		89,000		89,000
g. Construction Management		492,000		492,000
h. Soft Costs (exclude marketing and initial on coverage)		1,109,783		1,109,783
i. Contingency		450,000		450,000
j.				
k. Capital Equipment				
l. Equipment not counted in leverage ratio				
m. Working Capital (not counted in leverage ratio)(initial operating loss coverage)		643,217		643,217
n. Profit & Overhead (not counted in leverage ratio)				
o. TOTAL PROJECT COST		$14,463,833		$14,463,833
p. Recipient administrative costs reimbursed from UDAG funds				
q. Less: items not counted in leverage ratio (lines a., e., and m.)		1,500,000 - 1,015,000 643,217		
r. Total private investment to be reported on QPR's ("countable private")		11,305,616		
s. Plus: Discounted value of UDAG loan repayment		+ -0-		
t. Plus: Discounted value of other public loan repayments		+ -0-		
u. Plus: Present value of lease payments		+ -0-		
v. Totals used in computing leverage ratio		$11,305,616		

Discount Rate: 10%

Excluded from Private: $1,500,000 - Acquisition
$1,015,000 - Tenant Finish
$643,217 - Working Capital

Continuation Sheet - Exhibit C

(4) One Canal Guarantor shall guarantee completion of the One Canal Park Building.

C. Ten Canal Park Building Construction and Related Parking

(1) Ten Canal Developer shall acquire the Ten Canal Building Site (also known as the Unihab site) and construct the Ten Canal Building containing approximately 100,000 square feet of rentable office space, 10,000 square feet of rentable retail space and 40 ground level parking spaces at a cost of approximately $13,856,783 (excluding non-third party fees and working capital) of which equity shall consist of a $500,000 subordinate note from Ten Canal Participating Lender, plus a $1,000,000 Letter-of-Credit from Ten Canal Participating Lender.

(2) Ten Canal Lender shall provide Ten Canal Developer with $15,000,000 in construction and interim financing for the Ten Canal Park Building.

(3) Ten Canal Developer shall enter into a long term lease with Recipient for 75 parking spaces and a monthly, renewable lease for 15 parking spaces within the newly constructed 540-space parking garage on the Kolligian site and a long term lease for 30 spaces within the East Cambridge Parking Facility, for the exclusive use of Ten Canal Park Building Tenants.

(4) Ten Canal Guarantor shall guarantee completion of the Ten Canal Park Building.

D. New 540 - space Parking Garage

(1) Commonwealth shall provide $1,300,000 in Commonwealth Funds for acquisition of the Kolligian parcel, which is the site of the parking garage to be developed by Recipient.

Recipient: City City of Cambridge, Massachusetts Grant Number B-84-AA-25-0147

EXHIBIT D One Canal Park

Project Budget - Summary of Projected Expenditures

USE OF FUNDS	SOURCES OF FUNDS			TOTAL COSTS
Line Item Activity	UDAG Funds	Private Funds	Other Funds	
a. Acquisition		$790,400		$790,400
b. Building Construction		6,165,000		6,165,000
c. Tenant Finishes Allowance		1,200,000		1,200,000
d. Financing Fees (includes syndication placement)		605,000		605,000
e. Interim Costs		1,200,000		1,200,000
f. Third Party Professional Fees		100,000		100,000
g. Construction Management		310,000		310,000
h. Soft Costs (exclude marketing and initial on coverage)		355,000		355,000
i. Contingency		603,000		603,000
j.				
k. Capital Equipment				
l. Equipment not counted in leverage ratio				
m. Working Capital (not counted in leverage ratio)				
n. Profit & Overhead (not counted in leverage ratio)				
o. TOTAL PROJECT COST		$11,328,400		$11,328,400
p. Recipient administrative costs reimbursed from UDAG funds				
q. Less: items not counted in leverage ratio (lines a. and e.)		- 1,200,000		
r. Total private investment to be reported on QPR's ("countable private")		10,128,400		
s. Plus: Discounted value of UDAG loan repayment		+ -0-		
t. Plus: Discounted value of other public loan repayments		+ -0-		
u. Plus: Present value of lease payments		+ -0-		
v. Totals used in computing leverage ratio				

Discount Rate: 10% Excluded from Private: $1,200,000 - Tenant Finish

Recipient: City City of Cambridge, Massachusetts Grant Number B-84-AA-25-0147

EXHIBIT D Webb Building

Project Budget - Summary of Projected Expenditures

USE OF FUNDS Line Item Activity	SOURCES OF FUNDS UDAG Funds	 Private Funds	 Other Funds	TOTAL COSTS
a. Acquisition (Flip)		$6,300,400		$6,300,400
b. Renovation costs	$680,000	5,220,000		5,900,000
c. Tenant Finishes Allowance		1,600,000		1,600,000
d. Financing Fees (includes syndication placement)		905,000		905,000
e. Interim Costs		1,180,000		1,180,000
f. Third Party Professional Fees		150,000		150,000
g. Construction Management		320,000		320,000
h. Soft Costs (exclude marketing and initial on coverage)		760,000		760,000
i. Contingency		610,000		610,000
j.				
k. Capital Equipment				
l. Equipment not counted in leverage ratio				
m. Working Capital (not counted in leverage ratio)				
n. Profit & Overhead (not counted in leverage ratio)				
o. TOTAL PROJECT COST	$680,000	$17,045,400		$17,725,400
p. Recipient administrative costs reimbursed from UDAG funds				
q. Less: items not counted in leverage ratio (lines a. and e.)		6,300,000 - 1,600,000		
r. Total private investment to be reported on QPR's ("countable private")		9,145,400		
s. Plus: Discounted value of UDAG loan repayment		+		
t. Plus: Discounted value of other public loan repayments		+ -0-		
u. Plus: Present value of lease payments		+ -0-		
v. Totals used in computing leverage ratio	$680,000	$9,145,000		

Discount Rate: 10%

Excluded from Private: $6,300,000 - Acquisition
$1,600,000 - Tenant Finish

Recipient: City City of Cambridge, Massachusetts   Grant Number B-84-AA-25-0147

EXHIBIT D

Project Budget - Summary of Projected Expenditures

USE OF FUNDS Line Item Activity	SOURCES OF FUNDS UDAG Funds	Private Funds	Other Funds	TOTAL COSTS
a. Acquisition		$8,590,800	$1,600,000	$10,190,800
b. CONSTRUCTION & RENOVATION	$4,905,000	18,920,000	$1,122,500	$24,947,500
c. Tenant Finishes Allowance		3,815,000		3,815,000
d. Financing Fees (includes syndication placement)		1,949,000		1,949,000
e. Interim Costs		3,570,833		3,570,833
f. Third Party Professional Fees		339,000		339,000
g. Construction Management		1,122,000		1,122,000
h. Soft Costs		2,224,783	600,000	2,824,783
i. Contingency		1,663,000		1,663,000
j. Initial administration costs (paid by Recipient)			121,750	121,750
k. Capital Equipment				
l. Equipment not counted in leverage ratio				
m. Working Capital (not counted in leverage ratio)		643,217		643,217
n. Profit & Overhead (not counted in leverage ratio)				
o. TOTAL PROJECT COST	$4,905,000	42,837,633	3,444,250	51,186,883
p. Recipient administrative costs reimbursed from UDAG funds				
q. Less: items not counted in leverage ratio (lines a. and e.)		-12,161,633		
r. Total private investment to be reported on QPR's ("countable private")		30,676,000		
s. Plus: Discounted value of UDAG loan repayment		386,096		
t. Plus: Discounted value of other public loan repayments		+ -0-		
u. Plus: Present value of lease payments		+ -0-		
v. Totals used in computing leverage ratio	$4,905,000	$31,062,096		

Discount Rate: 10%

EXHIBIT D

Extra Copies

Continuation Sheet - Exhibit A

Plus any additional materials submitted since the date the Application was filed upon which the Secretary relied in making this award.

Rider to Section 1.01(12). The term "Participating Party" consists of the following persons, firms, corporations and entities:

"Ten Canal Developer"	means Edgewater Place Limited Partnership, A Massachusetts Limited Partnership whose General Partner is Ten Canal Park Associates, A Massachusetts general partnership composed of Unihab, Inc., St. James Properties, Inc. and First Cambridge Properties with Unihab, Inc. as managing general partner.
"Webb Developer"	means Charlesport/1984 Limited Partnership, A Massachusetts limited partnership composed of Arnold Marcus, Varney J. Hintlian, Leeam Lowin, William J. Catacosinos, and Famous Fields Corporation as general partners and Arnold Marcus as managing general partner.
"One Canal Developer"	means Canal Park Associates, a New York general partnership composed of Arnold Marcus, Varney J. Hintlian, Leeam Lowin and William J. Catacosinos as general partners and Arnold Marcus as managing general partner.
"Ten Canal Lender"	means Old Stone Bank, a Federal savings bank of Providence, Rhode Island, with participations by Coolidge Bank and Trust Company of Watertown, Massachusetts and the U.S. Steel Pension Plan.
"Webb Lender" and "One Canal Lender"	means the Greater New York Savings Bank of New York, New York, and the Bank of Boston, Boston, MA.
"Ten Canal Guarantor"	means Edgewater Place Limited Partnership.
"Webb Guarantor"	means Charlesport/1984 Limited Partnership.
"One Canal Guarantor"	means Canal Park Associates.
"Commonwealth"	means the Commonwealth of Massachusetts whose address is at the Executive Department, State House, Boston, Massachusetts 02133.
"Ten Canal Participating Lender"	means Merchants Cooperative Bank of Boston, Massachusetts.

Rider to Section 1.03(13). The phase "the UDAG percentage of" contained on the first line of paragraph (13) and the last sentence thereof are deleted in their entirety.

Rider to Section 1.03. (21) "Project Elements" mean:

(a) the Ten Canal Park Building containing approximately 100,000 square feet of rentable office space and 10,000 square feet of rentable retail space plus 40 ground level parking spaces.

Continuation Sheet - Exhibit A

(b) the One Canal Park Building containing approximately 80,000 square feet of rentable office space and 20,000 square feet of rentable retail space;

(c) the Historic Webb Building containing approximately 175,000 square feet of fully renovated rentable office space and 25,000 square feet of fully renovated rentable retail space; and

(d) Project parking consisting of 540 spaces in a new garage, and 130 spaces in the existing East Cambridge Garage.

Rider to Section 1.03. (22) "Project Site" means the Historic Webb Building and the Lechmere Canal Development parcel known as the Unihab, Kolligian and parcel C (Canal Park) sites as more fully described in the UDAG Application and supporting documentation on site control.

Rider to Section 2.01. The amount of this UDAG grant is Four Million Nine Hundred Five Thousand Dollars ($4,905,000).

Rider to Sections 2.04, 901, 9.02 and 9.03. Any repayment or other payments received pursuant to Paragraph III (a) (3) of Exhibit E of this Grant Agreement and received prior to completion of the UDAG funded activities shall be used for reasonable Grant administration costs incurred by Recipient after Recipient has spent at least $121,750 from other sources on project administration. All remaining funds shall be held in escrow pursuant to Section 2.04 (a) of this Grant Agreement until completion of the UDAG funded Recipient Activities. All escrowed funds shall bear interest with the accounts insured by an agency of the U.S. Government. Upon completion of the UDAG funded Recipient Activities, any funds held in said escrow shall be spent for activities eligible under Title I of the Housing and Community Development

Black lined Amendment

EXHIBIT A

SUPPLEMENTARY PROVISIONS

Rider to Section 1.03 (2). In addition to Recipient's Application for Federal Assistance (SF 424, the "Application" shall include:
Letters dated:

(1) February 21, 1984 with attachments from Jim Campbell, Project Director, City of Cambridge to Irene Jenkins, HUD field office reviewer.

(2) February 22,1984, four letters from Arthur Klipfel, III managing General Partner, Ten Canal Park Associates, to Margaret Sowell, UDAG office

(3) March 8, 1984, with attachments from Jim Campbell to Rick Patoski, UDAG office reviewer.

(4) March 12, 1984, with attachments, from Jim Campbell to Rick Patoski.

(5) March 12, 1984, legal opinion from John Woffard, Esquire, to Rick Patoski regarding legal status of eminent domain taking.

(6) March 13, 1984 with attachments from Christopher Fleming, General Partner, Ten Canal Park Associates to David Sowell, UDAG Senior Development Officer.

(7) March 13, 1984 with attachment from Arnold Marcus, President of the Marcus Organization, Inc., to David Sowell.

(8) March 13, 1984 memo from Tsoi Kobus & Associates, Architects, regarding status of Section 106 review process.

(9) March 15, 1984 from Arnold Marcus to David Sowell.

(10) March 16, 1984 legal opinion from John Woffard, Esquire, to Rick Patoski, regarding city's legal obligation for replacement parking for Lechmere Sales.

(11) March 19, 1984 from Frank Keefe, Massachusetts Executive Office for Administration and Finance to Robert Healy, Cambridge City Manager.

(12) March 19, 1984 legal opinion from Glenn Shealey, Esquire, to David Sowell regarding title to Webb Building.

(13) March 19, 1984 with attachments from Christopher Fleming to David Sowell.

(14) March 21, 1984 with attachment from Arnold Marcus to David Sowell.

(15) March 22, 1984 from Herb Franklin, representative for Ten Canal Park Associates, to David Sowell.

(16) Telegram received by UDAG office on March 26, 1984 reconfirming project commitments of Ten Canal Park Associates, the Marcus Organization and City of Cambridge.

(17) Tri-Party Agreement between Ten Canal Park Associates, the Marcus Organization and City of Cambridge regarding project components.

(18) March 17, 1984 to Rick Patoski from John Woffard, Esquire, regarding Recipient's responsibility for parking costs.

Continuation Sheet - Exhibit A

Act of 1974, as amended, and shall be spent in accordance with Part 570 of Title 24 Code of Federal Regulations. Any repayments received after completion of the UDAG funded Recipient Activities shall be deemed miscellaneous revenues and shall be spent for activities eligible under Title I of the Housing and Community Development Act of 1974, as amended, and shall not be governed by Part 570.

Net revenue (gross revenue minus general management, maintenance and operating expenses, debt service on City Bond Funds and reserves) from the parking garage constructed pursuant to Exhibit B, Paragraph (2) of this Grant Agreement may be used to reimburse Recipient for reasonable grant administration costs incurred by Recipient after Recipient has spent at least $121,750 from other sources on project administration. Any net revenue after net revenue is used for said reimbursement shall be deemed miscellaneous revenues and shall be spent for activities eligible under Title I of the Housing and Community Development Act of 1974, as amended, and shall not be governed by Part 570.

Rider to Section 5.01(8). Paragraph (8) shall be deleted in its entirety and the following shall be inserted in place thereof:

"(8) Recipient shall comply with the conflict of interest provision set forth in 24 CFR Section 570.611 (48 Federal Register 186, pp. 43571-72, 9/23/83)."

Rider to Sections 5.03 and 9.06. The jobs referenced at Section 5.03 and the assurances required at Section 9.06 shall aggregate:

Total New Permanent Jobs: 969

Total New Permanent Jobs for Low-and Moderate-Income persons: 240

Total New Permanent Jobs for CETA - Eligible Persons: 144

Total New Permanent Jobs for Minorities: 144

Job Requirements shall be completed within 36 months from the Date of Preliminary Approval.

Rider to Section 9.13 Conflict of Interest. Section 9.13 shall be deleted in its entirety and the following shall be inserted in place thereof:

"The Recipient shall include in all contracts with Participating Parties and in all contracts with any party involving the use of Grant Funds, a conflict of interest provision consistent with 24 CFR Section 570.611 (48 Federal Register 186, pp. 43571-72, 9/23/83)."

Continuation Sheet - Exhibit A

Plus any additional materials submitted since the date the Application was filed upon which the Secretary relied in making this award.

Rider to Section 1.01(12). The term "Participating Party" consists of the following persons, firms, corporations and entities:

"Ten Canal Developer"	means Edgewater Place Limited Partnership, A Massachusetts Limited Partnership whose General Partner is Ten Canal Park Associates, A Massachusetts general partnership composed of Unihab, Inc., St. James Properties, Inc. and First Cambridge Properties with Unihab, Inc. as managing general partner.
"Webb Developer"	means Charlesport/1984 Limited Partnership, A Massachusetts limited partnership composed of Arnold Marcus, Varney J. Hintlian, Leeam Lowin, William J. Catacosinos, and Famous Fields Corporation as general partners and Arnold Marcus as managing general partner.
"One Canal Developer"	means Canal Park Associates, a New York general partnership composed of Arnold Marcus, Varney J. Hintlian, Leeam Lowin and William J. Catacosinos as general partners and Arnold Marcus as managing general partner.
"Ten Canal Lender"	means Old Stone Bank, a Federal savings bank of Providence, Rhode Island, with participations by Coolidge Bank and Trust Company of Watertown, Massachusetts and the U.S. Steel Pension Plan.
"Webb Lender" and "One Canal Lender"	means the Greater New York Savings Bank of New York, New York, and the Bank of Boston, Boston, MA.
"Ten Canal Guarantor"	means Edgewater Place Limited Partnership.
"Webb Guarantor"	means Charlesport/1984 Limited Partnership.
"One Canal Guarantor"	means Canal Park Associates.
"Commonwealth"	means the Commonwealth of Massachusetts whose address is at the Executive Department, State House, Boston, Massachusetts 02133.
"Ten Canal Participating Lender"	means Merchants Cooperative Bank of Boston, Massachusetts.

Rider to Section 1.03(13). The phase "the UDAG percentage of" contained on the first line of paragraph (13) and the last sentence thereof are deleted in their entirety.

Rider to Section 1.03. (21) "Project Elements" mean:

(a) the Ten Canal Park Building containing approximately 100,000 square feet of rentable office space and 10,000 square feet of rentable retail space plus 40 ground level parking spaces.

Continuation Sheet - Exhibit A

(b) the One Canal Park Building containing approximately 80,000 square feet of rentable office space and 20,000 square feet of rentable retail space;

(c) the Historic Webb Building containing approximately 175,000 square feet of fully renovated rentable office space and 25,000 square feet of fully renovated rentable retail space; and

(d) Project parking consisting of 540 spaces in a new garage, and 130 spaces in the existing East Cambridge Garage.

Rider to Section 1.03. (22) "Project Site" means the Historic Webb Building and the Lechmere Canal Development parcel known as the Unihab, Kolligian and parcel C (Canal Park) sites as more fully described in the UDAG Application and supporting documentation on site control.

Rider to Section 2.01. The amount of this UDAG grant is Four Million Nine Hundred Five Thousand Dollars ($4,905,000).

Rider to Sections 2.04, 901, 9.02 and 9.03. Any repayment or other payments received pursuant to Paragraph III (a) (3) of Exhibit E of this Grant Agreement and received prior to completion of the UDAG funded activities shall be used for reasonable Grant administration costs incurred by Recipient after Recipient has spent at least $121,750 from other sources on project administration. All remaining funds shall be held in escrow pursuant to Section 2.04 (a) of this Grant Agreement until completion of the UDAG funded Recipient Activities. All escrowed funds shall bear interest with the accounts insured by an agency of the U.S. Government. Upon completion of the UDAG funded Recipient Activities, any funds held in said escrow shall be spent for activities eligible under Title I of the Housing and Community Development

Black lined Amendment

Recipient: City of Cambridge, Massachusetts Grant Number : B-84-AA-25-0147

EXHIBIT A

SUPPLEMENTARY PROVISIONS

Rider to Section 1.03 (2). In addition to Recipient's Application for Federal Assistance (SF 424, the "Application" shall include: Letters dated:

(1) February 21, 1984 with attachments from Jim Campbell, Project Director, City of Cambridge to Irene Jenkins, HUD field office reviewer.

(2) February 22,1984, four letters from Arthur Klipfel, III managing General Partner, Ten Canal Park Associates, to Margaret Sowell, UDAG office

(3) March 8, 1984, with attachments from Jim Campbell to Rick Patoski, UDAG office reviewer.

(4) March 12, 1984, with attachments, from Jim Campbell to Rick Patoski.

(5) March 12, 1984, legal opinion from John Woffard, Esquire, to Rick Patoski regarding legal status of eminent domain taking.

(6) March 13, 1984 with attachments from Christopher Fleming, General Partner,Ten Canal Park Associates to David Sowell, UDAG Senior Development Officer.

(7) March 13, 1984 with attachment from Arnold Marcus, President of the Marcus Organization, Inc., to David Sowell.

(8) March 13, 1984 memo from Tsoi Kobus & Associates, Architects, regarding status of Section 106 review process.

(9) March 15, 1984 from Arnold Marcus to David Sowell.

(10)March 16, 1984 legal opinion from John Woffard, Esquire, to Rick Patoski, regarding city's legal obligation for replacement parking for Lechmere Sales.

(11)March 19, 1984 from Frank Keefe, Massachusetts Executive Office for Administration and Finance to Robert Healy, Cambridge City Manager.

(12)March 19, 1984 legal opinion from Glenn Shealey, Esquire, to David Sowell regarding title to Webb Building.

(13)March 19, 1984 with attachments from Christopher Fleming to David Sowell.

(14)March 21, 1984 with attachment from Arnold Marcus to David Sowell.

(15)March 22, 1984 from Herb Franklin, representative for Ten Canal Park Associates, to David Sowell.

(16)Telegram received by UDAG office on March 26, 1984 reconfirming project commitments of Ten Canal Park Associates, the Marcus Organization and City of Cambridge.

(17)Tri-Party Agreement between Ten Canal Park Associates, the Marcus Organization and City of Cambridge regarding project components.

(18)March 17, 1984 to Rick Patoski from John Woffard, Esquire, regarding Recipient's responsibility for parking costs.

EXHIBIT B

DESCRIPTION OF RECIPIENT ACTIVITIES

Rider to Section 1.03(17). The "Recipient Activities" shall consist of:

Recipient shall:

(1) Acquire by eminent domain approximately 35,000 square feet known as the Kolligian parcel in Cambridge for approximately $1,600,000 of which $1,300,000 shall be State Funds and $300,000 shall be Recipient Funds.

(2) Construct on the Kolligian parcel a new garage parking facility for at least 540 vehicles. The space shall be allocated as follows:

215 spaces will be for general public use; 40,30 and 15 of which shall be leased to the Webb Developer, One Canal Developer and Ten Canal Developer, respectively on a priority monthly, renewable, basis;

250 spaces will be for the exclusive use of tenants of the Webb Building; and

75 spaces will be for the exclusive use of tenants of the Ten Canal Office Building.

(3) Lease, at market rates, 100 spaces in the East Cambridge Parking Garage to One Canal Developer for the exclusive use of the tenants of the One Canal Park Building; and 30 spaces in the East Cambridge Parking Garage to Ten Canal Park Building.

(4) Convey title to Parcel C of the Lechmere Canal Park Project to One Canal Developer for the Construction of the One Canal Place Building.

(5) Provide Webb Developer with a third mortgage loan of up to $680,000 in Grant Funds for the construction and permanent financing of the Webb Building renovations.

(6) Be responsible for all administrative costs associated with the administration of this Project, including providing at least $121,750 in City Funds and/or in CDBG Funds for initial administrative costs.

All the aforesaid activities are for and in connection with the renovation of the Webb Building; the development of the One Canal Park Building, the development of Ten Canal Park Building; and the development of parking facilities as more particularly described in the UDAG Application.

EXHIBIT C

DESCRIPTION OF NON-RECIPIENT ACTIVITIES

Rider to Section 1.03 (11). The "Non-Recipient Activities" shall consist of:

A. Webb Building Renovation

(1) Webb Developer shall acquire the Webb Building, assist in Webb Building tenant relocation and renovate the entire Webb Building into approximately 175,000 square feet of rentable office space and 25,000 square feet of rentable retail space at a cost of approximately $17,725,400 (excluding non-third party fees and initial operating losses) of which at least $3,745,400 shall be cash equity, up to $680,000 shall be a loan of Grant Funds and $5,050,000 (said amount to be reduced to $2,300,000 on November 1, 1986) shall be loan from the seller evidenced by a purchase money mortgage.

(2) Webb Lender shall provide Webb Developer with up to $11,000,000 in construction and permanent financing for the Webb Building renovations.

(3) Webb Guarantor shall guarantee completion of the Webb Building renovation and the repayment of the UDAG funded loan made for the Webb Building renovations.

(4) Webb Developer shall enter into a long term lease for 250 parking spaces and a monthly,renewable lease for 40 parking spaces in the newly constructed 540 space parking garage on the Kolligian site for the exclusive use of Webb Building tenants.

B. One Canal Park Building Construction and Related Parking

(1) One Canal Developer shall acquire parcel C from Recipient and construct the One Canal Park Building containing approximately 80,000 square feet of rentable office space and 20,000 square feet of rentable retail space at a cost of approximately $11,328,400 (excluding non-third party fees and initial operating losses) of which at least $328,400 shall be cash equity.

(2) One Canal Developer shall enter into a long term lease with Recipient for 100 parking spaces within the East Cambridge Parking Facility for the exclusive use of One Canal Park Building tenants, and a monthly, renewable lease for 30 parking spaces in the newly constructed 540 space parking garage on the Kolligian site for the exclusive use of One Canal Park tenants.

(3) One Canal Lender shall provide One Canal Developer with up to $11,000,000 in construction and permanent financing for the One Canal Park Building.

Continuation Sheet - Exhibit E

exceed $11,000,000 plus further advances by the Lender which are invested in the Webb Project and are required for its completion and a second purchase money mortgage not to exceed $5,050,000 until November 1,1986 at which time said second purchase money mortgage shall not exceed $2,300,000; and

(b) a Builder's Risk and Fire Insurance policy or policies duly endorsed to indicate Recipient as an insured mortgagee; and

(II) All of the evidentiary materials required by this Exhibit E have been submitted to and approved by the Secretary and the Secretary has authorized Recipient to draw down such funds from its Letter of Credit.

After Webb Developer has expended equity funds of $3,745,000, UDAG Funds may be drawn down for Webb Building renovation cost in a ratio to countable private funds of not more than $1.00 of UDAG Funds to $13.45 of countable private funds; thus for every $14.45 of funds expended on the Webb Building Renovation (including the required cash equity contribution) not more than $1.00 will be UDAG Funds and not less than $13.45 will be countable private funds. Countable private funds for draw down of UDAG funds for the Webb Project loan shall include only private funds spent on the Webb Project and shall exclude acquisition, non-third party fees, allowance for tenant finishes, and initial operating losses.

(ii) UDAG Permanent Loan-

(aa) Term - Term of the UDAG Permanent Loans shall be 10 years commencing upon completion of the Webb renovation, but in no event later than March 1, 1986.

(bb) Principal - The principal of the UDAG Permanent Loan shall be the amount disbursed under the UDAG Interim Loan.

(cc) Interest - The interest rate shall be 2% per annum.

(dd) Repayment - Repayment of principal and interest shall be made in monthly installments in accordance with a 25-year amortization schedule during the Term of the UDAG Permanent Loans, and a balloon payment sufficient to pay off the entire outstanding indebtedness of principal shall be made at maturity of the UDAG Permanent Loan.

(ee) Contingent Interest - The UDAG Permanent Loan to Webb Developer shall provide that Webb Developer shall pay Recipient 10% of the Annual Cash Flow of the Webb Project less a preferred return of 10% on Webb Developer's equity (including cumulative operating loss coverage) and operating expenses (including a management fee not to exceed 4% of operating income) allowable for Federal income tax purposes,excluding reserves for capital improvements, depreciation and other non-cash item. Participation payments shall be due within 90 days of the end of the operating year of the Project.

REQUIRED EVIDENTIARY MATERIALS

(2) Developers shall agree to carry-out all Non-Recipient Activities ascribed to each Developer in Exhibit C to this Grant Agreement. This agreement shall set forth the scope of the work, its location, and the obligation of Developer to invest not less than the following countable private funds in the Project (excluding acquisition of Webb Building, acquisition of Ten Canal Site, non-third party fees, allowances for tenant finishes and initial operating losses):

Webb Developer	$ 9,145,400
One Canal Developer	10,128,400
Ten Canal Developer	11,305,616
	$ 30,579,416*

(*See Exhibit D for project budgets)

(3) Recipient shall be obligated to make a loan to Webb Developer and Garage Developer of not more than $680,000 in Grant Funds which shall be used for Webb Building renovation costs. The terms and conditions of the UDAG Loan shall be consistent with the following:

(i) UDAG Interim Loan

(aa) Principal - The principal amount of the Interim Loan shall be no more than $680,000 to Webb Developer.

(bb) Interest - The interest rate shall be 2% per annum, Interest shall be computed and paid monthly on all loan disbursements.

(cc) Disbursement/Ratio - Loan disbursement shall be based on vouchers submitted by the Webb Developer, verified by Recipient and certified by the architect, construction manager, or other certifying official as shall be acceptable to Recipient. All submissions by contractors of monthly requisitions shall be on AIA Forms 702 and 703 or their equivalent.

No disbursement of the UDAG Loan shall be made until:

(I) Developer has furnished Recipient with the following:

(a) An ALTA policy for mortgage title insurance, in the full amount of the UDAG Loan, insuring that Recipient will be the holder of a third mortgage lien on the Webb Building, free of encumbrances and other exceptions to title other than those approved in advance by Recipient, and not subordinated to any interest except the first mortgage in an amount not to

EXHIBIT E

REQUIRED EVIDENTIARY MATERIALS

The evidentiary materials to be submitted by the Recipient for the approval of the Secretary shall include the applicable provisions of Article IX of this Grant Agreement and shall consist of the following:

I

(a) All governmental approvals and permit necessary for the commencement of the Recipient and Non-Recipient Activities shall have been obtained for all Project Elements.

(b) Evidence of this commitment shall be written certification from Recipient, signed by the chief executive officer, in accordance with Section 10.02 of this Grant Agreement, that all such governmental approvals and permits have been obtained.

II

(a) Title to all land necessary for the Project, except land to be acquired with Grant Funds, shall be held by Recipient or the appropriate Participating Party.

(b) Evidence of this commitment shall be in accordance with Section 10.10 of this Grant Agreement.

III

(a) Recipient and Webb Developer, One Canal Developer, and Ten Canal Developer shall enter into an agreement which shall contain provisions consistent with the following:

(1) Recipient shall agree to carry-out all Recipient Activities set forth in Exhibit B to this Grant Agreement .

UDAG funds in the amount of $4,225,000 may be drawn down for the construction of the new parking garage in a ratio to countable private funds of not more than $1.00 of UDAG funds to $7.25 of countable private funds; thus for every $8.25 of funds expended on the entire Lechmere Canal Office Park (including the Webb Building, One Canal Park, Ten Canal Park and the new Parking Garage) not more than $1.00 will be UDAG funds and not less than $7.25 will be countable funds. Said draw down may occur only after (i) all of the evidentiary material required by the Exhibit E have been submitted to an approved by the Secretary and the Secretary has authorized the Recipient to draw down such funds from its Letter of Credit, (ii) the Recipient has expended City Bond Funds of not less than $2,022,500 on the acquisition of the Kolligian site and the Parking Garage construction.

Recipient: City City of Cambridge, Massachusetts   Grant Number B-84-AA-25-0147

EXHIBIT D   PARKING GARAGE

Project Budget - Summary of Projected Expenditures

USE OF FUNDS Line Item Activity	SOURCES OF FUNDS UDAG Funds	 Private Funds	 Other Funds	TOTAL COSTS
a. Acquisition			\$1,300,000* 300,000+	\$1,600,000
b. Garage Construction	\$4,225,000		\$1,122,500	\$5,347,500
c. Tenant Finishes Allowance				
d. Financing Fees (includes syndication placement)				
e. Interim Costs				
f. Third Party Professional Fees				
g. Construction Management				
h. Soft Costs (exclude marketing and initial on coverage)			\$ 600,000	\$ 600,000
i. Contingency				
j.				
k. Capital Equipment				
l. Equipment not counted in leverage ratio				
m. Working Capital (not counted in leverage ratio)				
n. Profit & Overhead (not counted in leverage ratio)				
o. TOTAL PROJECT COST	\$4,225,000		\$3,322,500	\$7,547,500
p. Recipient administrative costs reimbursed from UDAG funds				
q. Less: items not counted in leverage ratio (lines a. and e.)		- -0-		
r. Total private investment to be reported on QPR's ("countable private")		-0-		
s. Plus: Discounted value of UDAG loan repayment		+ -0-		
t. Plus: Discounted value of other public loan repayments		+ -0-		
u. Plus: Present value of lease payments		+ -0-		
v. Totals used in computing leverage ratio	\$4,225,000			

Discount Rate: 10%

EXHIBIT D

Recipient: City City of Cambridge, Massachusetts   Grant Number B-84-AA-25-0147

EXHIBIT D   Ten Canal Park Building

Project Budget - Summary of Projected Expenditures

USE OF FUNDS	SOURCES OF FUNDS			
Line Item Activity	UDAG Funds	Private Funds	Other Funds	TOTAL COSTS
a. Acquisition (Non Third Party)		$1,500,000		$1,500,000
b. Building Construction		$7,535,000		7,535,000
c. Tenant Finishes Allowance		1,015,000		1,015,000
d. Financing Fees (includes syndication placement)		439,000		439,000
e. Interim Costs		1,190,833		1,190,833
f. Third Party Professional Fees		89,000		89,000
g. Construction Management		492,000		492,000
h. Soft Costs (exclude marketing and initial on coverage)		1,109,783		1,109,783
i. Contingency		450,000		450,000
j.				
k. Capital Equipment				
l. Equipment not counted in leverage ratio				
m. Working Capital (not counted in leverage ratio)(initial operating loss coverage)		643,217		643,217
n. Profit & Overhead (not counted in leverage ratio)				
o. TOTAL PROJECT COST		$14,463,833		$14,463,833
p. Recipient administrative costs reimbursed from UDAG funds				
q. Less: items not counted in leverage ratio (lines a., e., and m.)		1,500,000 - 1,015,000 643,217		
r. Total private investment to be reported on QPR's ("countable private")		11,305,616		
s. Plus: Discounted value of UDAG loan repayment		+ -0-		
t. Plus: Discounted value of other public loan repayments		+ -0-		
u. Plus: Present value of lease payments		+ -0-		
v. Totals used in computing leverage ratio		$11,305,616		

Discount Rate: 10%   Excluded from Private: $1,500,000 - Acquisition
$1,015,000 - Tenant Finish
$643,217 - Working Capital

Recipient: City City of Cambridge, Massachusetts   Grant Number B-84-AA-25-0147

EXHIBIT D   One Canal Park

Project Budget - Summary of Projected Expenditures

USE OF FUNDS	SOURCES OF FUNDS			TOTAL
Line Item Activity	UDAG Funds	Private Funds	Other Funds	TOTAL COSTS
a. Acquisition		$790,400		$790,400
b. Building Construction		6,165,000		6,165,000
c. Tenant Finishes Allowance		1,200,000		1,200,000
d. Financing Fees (includes syndication placement)		605,000		605,000
e. Interim Costs		1,200,000		1,200,000
f. Third Party Professional Fees		100,000		100,000
g. Construction Management		310,000		310,000
h. Soft Costs (exclude marketing and initial on coverage)		355,000		355,000
i. Contingency		603,000		603,000
j.				
k. Capital Equipment				
l. Equipment not counted in leverage ratio				
m. Working Capital (not counted in leverage ratio)				
n. Profit & Overhead (not counted in leverage ratio)				
o. TOTAL PROJECT COST		$11,328,400		$11,328,400
p. Recipient administrative costs reimbursed from UDAG funds				
q. Less: items not counted in leverage ratio (lines a. and e.)		- 1,200,000		
r. Total private investment to be reported on QPR's ("countable private")		10,128,400		
s. Plus: Discounted value of UDAG loan repayment		+ -0-		
t. Plus: Discounted value of other public loan repayments		+ -0-		
u. Plus: Present value of lease payments		+ -0-		
v. Totals used in computing leverage ratio				

Discount Rate: 10%   Excluded from Private: $1,200,000 - Tenant Finish

Recipient: City City of Cambridge, Massachusetts Grant Number B-84-AA-25-0147

EXHIBIT D Webb Building

Project Budget - Summary of Projected Expenditures

USE OF FUNDS	SOURCES OF FUNDS			
Line Item Activity	UDAG Funds	Private Funds	Other Funds	TOTAL COSTS
a. Acquisition (Flip)		$6,300,400		$6,300,400
b. Renovation costs	$680,000	5,220,000		5,900,000
c. Tenant Finishes Allowance		1,600,000		1,600,000
d. Financing Fees (includes syndication placement)		905,000		905,000
e. Interim Costs		1,180,000		1,180,000
f. Third Party Professional Fees		150,000		150,000
g. Construction Management		320,000		320,000
h. Soft Costs (exclude marketing and initial on coverage)		760,000		760,000
i. Contingency		610,000		610,000
j.				
k. Capital Equipment				
l. Equipment not counted in leverage ratio				
m. Working Capital (not counted in leverage ratio)				
n. Profit & Overhead (not counted in leverage ratio)				
o. TOTAL PROJECT COST	$680,000	$17,045,400		$17,725,400
p. Recipient administrative costs reimbursed from UDAG funds				
q. Less: items not counted in leverage ratio (lines a. and e.)		6,300,000 - 1,600,000		
r. Total private investment to be reported on QPR's ("countable private")		9,145,400		
s. Plus: Discounted value of UDAG loan repayment		+		
t. Plus: Discounted value of other public loan repayments		+ -0-		
u. Plus: Present value of lease payments		+ -0-		
v. Totals used in computing leverage ratio	$680,000	$9,145,000		

Discount Rate: 10%

Excluded from Private: $6,300,000 - Acquisition
$1,600,000 - Tenant Finish

EXHIBIT D

Continuation Sheet - Exhibit E

Participation in cash flow shall be eliminated upon the later of (i) full repayment of the outstanding principal balance of the UDAG, or (ii) the date of March 1, 1994.

(iii) Security- The UDAG Loan shall be secured by a deed of trust or mortgages in favor of Recipient upon all land, buildings, fixtures, equipment and other assets of the Developer comprising the Webb Building Project. The security position of the Recipient may be subordinated to the private mortgage security interest of the Webb Lender and purchase money mortgage lender in an amount not to exceed the greater of a) $11,000,000 plus further advances by the Webb Lender which are invested in the Webb Project and are required for its completion, plus a second purchase money mortgage on the Webb building not to exceed $5,050,000 until November 1, 1986 at which time said second purchase money mortgage shall not exceed $2,300,000; or b) an amount not to exceed 80 percent of the Webb Building Project's total value as determined by an independent MAI Appraisal.

The deeds of trust or mortgages shall also contain standard provisions to protect the interest of a subordinate mortgagee, including, for example, a provision that a default under the first mortgage which could permit a foreclosure by the first mortgagee shall constitute a default under UDAG mortgage and the unpaid principal balance and interest of the UDAG Loan shall become immediately due and payable.

The deed of trust or mortgage shall not contain an exculpation clause in favor of Developers.

To the extent permitted by law, all of the personal property described in the mortgage shall be deemed to be fixture and part of the real property. As to any part of such personal property not deemed or permitted by law to be fixtures, the mortgage shall constitute a security agreement under the Uniform Commercial Code.

(iv) Participation in Sale or Refinancing - Webb Developer shall pay to Recipient 10% of the Net Proceeds from any sale or disposition in whole or part of the Webb Project or from any second or subsequent syndication or from any refinancing, except refinancing allowed pursuant to a call and/or takeout provision in the first mortgage where the first mortgage amount does not increase. "Net Proceeds" shall be defined as all proceeds received less (1) repayment of the first mortgage (if applicable), (2) repayment of the UDAG Loan, (3) Developer's documented reasonable costs of sale or refinancing, and (4) repayment of documented Webb Developer equity contributed to the Webb Building Project, including cash invested to cover operating losses and improvements. Participation in residuals from any sale or refinancing shall be eliminated upon the later of (i) full repayment of all outstanding principal balance of the UDAG, or (i) the date of March 1, 1994,

Continuation Sheet - Exhibit E

provided that said sale or refinancing does not take place within a 12 month period commencing upon said date.

(v) Prepayment - Prepayment may occur at any time without penalty.

(vi) Annual Accounting - Webb Developer shall deliver a statement to Recipient from an independent Certified Public Accountant, within 90 days of the close of each operating year during the Term of the UDAG Permanent Loan, certifying:

(1) Operating Income and receipts of the Webb Project;

(2) Operating Expenses:

(3) Net Annual Cash Flow;

(4) Developer equity;

(5) Net Proceeds, if applicable; and

(6) The amount of participation in Net Annual Cash Flow and Net Proceeds due Recipient.

(4) Webb Developer and Ten Canal Developer shall enter into long term leases for 250 and 75 spaces, respectively, within the newly constructed parking garage under the terms and conditions as specified in Paragraph XV below.

(5) Webb Developer, One Canal Developer and Ten Canal Developer shall enter into monthly, renewable leases for 40,30 and 15 parking spaces, respectively, within the newly constructed 540 space parking garage under the terms and consitions as specified in Paragraph XV below.

(6) All applicable terms and conditions of this Grant Agreement, including Article IX provisions and job assurances specified in Sections 5.03 and 9.06 shall be set forth in the agreement.

(7) The agreement shall specify a timeframe for performance consistent with Exhibit F of this Grant Agreement.

(8) During the term of this Grant Agreement, all Developers shall agree to provide necessary data and information as to private investment and jobs relating to this Grant Agreement. The form of quarterly documentation from Developers on progress made on non-Recipient activities, level of private investment, and new jobs provided shall be specified.

(b) Evidence of this commitment shall be in accordance with Section 10.04 of this Grant Agreement together with copies of the forms of all UDAG Loan documents to be used at closing.

Continuation Sheet - Exhibit E

IV

(a) Recipient's attorney or an acceptable banking institution shall certify that cash or liquid assets of not less than $3,745,000 are available or irrevocably committed to Webb Developer and are sufficient to complete the Webb Project. Such certification shall identify the kinds of assets and the nature of the irrevocable commitment.

(b) Evidence of this commitment shall be in accordance with Sections 10.07 or 10.08 of this Grant Agreement.

V

(a) Webb Lender shall lend $11,000,000 to Webb Developer for financing the Project.

(b) Evidence of this commitment shall be in accordance with Section 10.06 of this Grant Agreement.

VI

(a) Recipient's attorney or an acceptable banking institution shall certify that cash or liquid assets of not less than $328,400 are available or irrevocably committed to One Canal Developer and are sufficient to complete the One Canal Building Project. Such certification shall identify the kinds of assets and the nature of the irrevocable commitment.

(b) Evidence of this commitment shall be in accordance with Sections 10.07 or 10.08 of this Grant Agreement.

VII

(a) One Canal Lender shall lend $11,000,000 to One Canal Developer for financing the One Canal Project.

(b) Evidence of this commitment shall be in accordance with Section 10.06 of this Grant Agreement.

VIII

(a) Recipient's attorney or an acceptable banking institution shall certify that cash or liquid assets of not less than $1,500,000 are available or irrevocably committed to Ten Canal Developer and are sufficient to complete the Ten Canal Project. Such certification shall identify the kinds of assets and the nature of the irrevocable commitment.

(b) Evidence of this commitment shall be in accordance with Sections 10.07 or 10.08 of this Grant Agreement.

Continuation Sheet - Exhibit E

IX

(a) Ten Canal Lender or substitute lender shall lend not less than $13,000,000 to Ten Canal Developer for financing the Ten Canal Project.

(b) Evidence of this commitment shall be in accordance with Section 10.06. of this Grant Agreement.

X

(a) Recipient shall issue General Obligation Bonds in an amount not less than $2,022,500 for the purpose of acquiring the Kolligian site and designing and constructing the new parking garage described in Paragraph (2) of Exhibit B to this Grant Agreement.

(b) Evidence of this commitment shall be in accordance with Section 10.05 of this Grant Agreement.

XI

(a) Webb Guarantor shall irrevocably and unconditionally guarantee the repayment of the UDAG Interim/Permanent Loan and the completion of the Webb Building renovation within the timeframe hereafter set forth in Exhibit F to this Grant Agreement.

(b) Evidence of this commitment shall be in accordance with Section 10.04 of this Grant Agreement.

XII

(a) Ten Canal Guarantor shall irrevocably and unconditionally guarantee the completion of the Ten Canal Project within the timeframe hereafter set forth in Exhibit F to this Grant Agreement.

(b) Evidence of this commitment shall be in accordance with Section 10.04 of this Grant Agreement.

XIII

(a) The Commonwealth shall provide a grant of $1,300,000 to Recipient in accordance with provisions of Chapter 487 of the Acts of 1980, as amended, to assist in the acquisition of the Kolligian site for the development of at least 540 parking spaces.

Continuation Sheet - Exhibit E

(b) Evidence of this commitment shall be in accordance with Section 10.04 of this Grant Agreement or a certification from the Chief Executive Officer of Recipient that the funds of the Grant from Commonwealth have been received and are available for the Project.

XIV

(a) Recipient shall submit a management plan and budget for the monitoring of their Grant which shall be acceptable to the HUD Boston Office.

(b) Evidence of this commitment shall be in the form of the management plan and budget for the monitoring of this Grant with a signed approval from the Director of the Community Planning and Development Division of the HUD Boston Office and certified by the Chief Executive Officer of Recipient.

XV

(a) (1) Webb Developer shall enter into a long-term lease for 250 parking spaces in the newly constructed garage. The terms of the Parking Lease shall be consistent with the following.

(i) Premises - 250 spaces;

(ii) Term - Ten years, with 16 options to renew for additional terms of five years;

(iii) Rent - Approximately $113/space per month with appropriate escalators;

(iv) Security - Webb Developer shall provide to the City security satisfactory to the City for the payment of said rent, including but not limited to a collateral assignment of leases between the Webb Developer and its tenants for the amount of said rent payments.

(2) Ten Canal Developer shall enter into a long-term lease for 75 parking spaces in the newly constructed garage, and 30 spaces in the East Cambridge Parking Facility. The terms of the Parking Lease shall be consistent with the following:

(i) Premises - 75 spaces in the new garage on the Kolligian site, and 30 spaces in the East Cambridge Parking Facility.

(ii) Term - Ten years, with 16 options to renew for additional terms of five years.

(iii) Rent- Approximately $113/space per month with appropriate escalators.

Continuation Sheet - Exhibit E

(iv) Security - Ten Canal Developer shall provide to the City security satisfactory to the City for the payment of said rent, including but not limited to a collateral assignment of leases between Ten Canal Developer its tenants for the amount of said rent.

(3) Webb Developer shall enter into a monthly, renewable lease for 40 parking spaces in the newly constructed garage. The terms of the lease shall be consistent with the following.

(i) Premises - 40 spaces;

(ii) Term - Monthly,with option to renew;

(iii)Rent - $113/space per month, with appropriate escalators.

(4) One Canal Developer shall enter into a monthly, renewable lease for 30 parking spaces in the newly constructed garage. The terms of the lease shall be consistent with the following.

(i) Premises - 30 spaces;

(ii) Term - Monthly, with option to renew;

(iii)Rent - $113/space per month, with appropriate escalators.

(5) Ten Canal Developer shall enter into a monthly, renewable lease for 15 parking spaces in the newly constructed garage. The terms of the lease shall be consistent with the following.

(i) Premises - 15 spaces.

(ii) Term - Monthly, with option to renew.

(iii)Rent - $113/space per month, with appropriate escalators.

(b) Evidence of these commitments shall be in accordance with Section 10.04 of this Grant Agreement.

EXHIBIT F

PROJECT PERFORMANCE SCHEDULE

I

(a) The Evidentiary Materials described in Exhibit E of this Grant Agreement must be submitted to the Secretary by Recipient not later than June 30, 1985.

(b) Upon notification to Recipient of the approval by the Secretary of the Evidentiary Materials required by subparagraph (a) above, Recipient shall be authorized to draw down Grant Funds in accordance with Paragraph III (a) (1) and Paragraph III (a)(3) of Exhibit E of this Grant Agreement for Eligible Costs consistent with Letter of Credit procedures and the provisions of this Grant Agreement.

II

The Recipient and Non-Recipient Activities shall be commenced and completed in accordance with the following schedule:

Activity	Commencement Date	Completion Date
Site Acquisitions		
Webb Building	December 31, 1984	December 31, 1984
One Canal	March 1, 1985	March 1, 1985
Ten Canal	September 15, 1984	September 15, 1984
Parking Site	March 15, 1985	March 15, 1985
Construction		
Webb Building Renovations	March 1, 1985	February 15, 1986
One Canal Place Building	February 15, 1985	April 30, 1986
Ten Canal Place Building	September 15, 1984	December 31, 1985
New Parking Garage	September 1, 1985	March 1, 1987

III

The Webb Building, One Canal Building, and Ten Canal Building are speculative projects and the commitments the Department received to undertake these projects were not conditioned on any preleasing. Notwithstanding any provision to the contrary herein, the Secretary shall have the right to terminate or reduce this grant in the event the schedule contained in this Exhibit F is not complied with by the Recipient or any Participating Party regardless of cause.

EXHIBIT C

DESCRIPTION OF NON-RECIPIENT ACTIVITIES

Rider to Section 1.03 (11). The "Non-Recipient Activities" shall consist of:

A. Webb Building Renovation

(1) Webb Developer shall acquire the Webb Building, assist in Webb Building tenant relocation and renovate the entire Webb Building into approximately 175,000 square feet of rentable office space and 25,000 square feet of rentable retail space at a cost of approximately $17,725,400 (excluding non-third party fees and initial operating losses) of which at least $3,745,400 shall be cash equity, up to $680,000 shall be a loan of Grant Funds and $5,050,000 (said amount to be reduced to $2,300,000 on November 1, 1986) shall be loan from the seller evidenced by a purchase money mortgage.

(2) Webb Lender shall provide Webb Developer with up to $11,000,000 in construction and permanent financing for the Webb Building renovations.

(3) Webb Guarantor shall guarantee completion of the Webb Building renovation and the repayment of the UDAG funded loan made for the Webb Building renovations.

(4) Webb Developer shall enter into a long term lease for 250 parking spaces and a monthly,renewable lease for 40 parking spaces in the newly constructed 540 space parking garage on the Kolligian site for the exclusive use of Webb Building tenants.

B. One Canal Park Building Construction and Related Parking

(1) One Canal Developer shall acquire parcel C from Recipient and construct the One Canal Park Building containing approximately 80,000 square feet of rentable office space and 20,000 square feet of rentable retail space at a cost of approximately $11,328,400 (excluding non-third party fees and initial operating losses) of which at least $328,400 shall be cash equity.

(2) One Canal Developer shall enter into a long term lease with Recipient for 100 parking spaces within the East Cambridge Parking Facility for the exclusive use of One Canal Park Building tenants, and a monthly, renewable lease for 30 parking spaces in the newly constructed 540 space parking garage on the Kolligian site for the exclusive use of One Canal Park tenants.

(3) One Canal Lender shall provide One Canal Developer with up to $11,000,000 in construction and permanent financing for the One Canal Park Building.

Continuation Sheet - Exhibit C

(4) One Canal Guarantor shall guarantee completion of the One Canal Park Building.

C. Ten Canal Park Building Construction and Related Parking

(1) Ten Canal Developer shall acquire the Ten Canal Building Site (also known as the Unihab site) and construct the Ten Canal Building containing approximately 100,000 square feet of rentable office space, 10,000 square feet of rentable retail space and 40 ground level parking spaces at a cost of approximately $13,856,783 (excluding non-third party fees and working capital) of which equity shall consist of a $500,000 subordinate note from Ten Canal Participating Lender, plus a $1,000,000 Letter-of-Credit from Ten Canal Participating Lender.

(2) Ten Canal Lender shall provide Ten Canal Developer with $15,000,000 in construction and interim financing for the Ten Canal Park Building.

(3) Ten Canal Developer shall enter into a long term lease with Recipient for 75 parking spaces and a monthly, renewable lease for 15 parking spaces within the newly constructed 540-space parking garage on the Kolligian site and a long term lease for 30 spaces within the East Cambridge Parking Facility, for the exclusive use of Ten Canal Park Building Tenants.

(4) Ten Canal Guarantor shall guarantee completion of the Ten Canal Park Building.

D. New 540 - space Parking Garage

(1) Commonwealth shall provide $1,300,000 in Commonwealth Funds for acquisition of the Kolligian parcel, which is the site of the parking garage to be developed by Recipient.

Recipient: City City of Cambridge, Massachusetts Grant Number B-84-AA-25-0147

EXHIBIT D

Project Budget - Summary of Projected Expenditures

USE OF FUNDS Line Item Activity	SOURCES OF FUNDS UDAG Funds	Private Funds	Other Funds	TOTAL COSTS
a. Acquisition		$8,590,800	$1,600,000	$10,190,800
b. CONSTRUCTION & RENOVATION	$4,905,000	18,920,000	$1,122,500	$24,947,500
c. Tenant Finishes Allowance		3,815,000		3,815,000
d. Financing Fees (includes syndication placement)		1,949,000		1,949,000
e. Interim Costs		3,570,833		3,570,833
f. Third Party Professional Fees		339,000		339,000
g. Construction Management		1,122,000		1,122,000
h. Soft Costs		2,224,783	600,000	2,824,783
i. Contingency		1,663,000		1,663,000
j. Initial administration costs (paid by Recipient)			121,750	121,750
k. Capital Equipment				
l. Equipment not counted in leverage ratio				
m. Working Capital (not counted in leverage ratio)		643,217		643,217
n. Profit & Overhead (not counted in leverage ratio)				
o. TOTAL PROJECT COST	$4,905,000	42,837,633	3,444,250	51,186,883
p. Recipient administrative costs reimbursed from UDAG funds				
q. Less: items not counted in leverage ratio (lines a. and e.)		-12,161,633		
r. Total private investment to be reported on QPR's ("countable private")		30,676,000		
s. Plus: Discounted value of UDAG loan repayment		386,096		
t. Plus: Discounted value of other public loan repayments		+ -0-		
u. Plus: Present value of lease payments		+ -0-		
v. Totals used in computing leverage ratio	$4,905,000	$31,062,096		

Discount Rate: 10%

EXHIBIT D

Recipient: City City of Cambridge, Massachusetts Grant Number B-84-AA-25-0147

EXHIBIT D PARKING GARAGE

Project Budget - Summary of Projected Expenditures

USE OF FUNDS Line Item Activity	SOURCES OF FUNDS UDAG Funds	Private Funds	Other Funds	TOTAL COSTS
a. Acquisition			$1,300,000+ 300,000+	$1,600,000
b. Garage Construction	$4,225,000		$1,122,500	$5,347,500
c. Tenant Finishes Allowance				
d. Financing Fees (includes syndication placement)				
e. Interim Costs				
f. Third Party Professional Fees				
g. Construction Management				
h. Soft Costs (exclude marketing and initial on coverage)			$ 600,000	$ 600,000
i. Contingency				
j.				
k. Capital Equipment				
l. Equipment not counted in leverage ratio				
m. Working Capital (not counted in leverage ratio)				
n. Profit & Overhead (not counted in leverage ratio)				
o. TOTAL PROJECT COST	$4,225,000		$3,322,500	$7,547,500
p. Recipient administrative costs reimbursed from UDAG funds				
q. Less: items not counted in leverage ratio (lines a. and e.)		- -0-		
r. Total private investment to be reported on QPR's ("countable private")		-0-		
s. Plus: Discounted value of UDAG loan repayment		+ -0-		
t. Plus: Discounted value of other public loan repayments		+ -0-		
u. Plus: Present value of lease payments		+ -0-		
v. Totals used in computing leverage ratio	$4,225,000			

Discount Rate: 10%

EXHIBIT D

EXHIBIT E

REQUIRED EVIDENTIARY MATERIALS

The evidentiary materials to be submitted by the Recipient for the approval of the Secretary shall include the applicable provisions of Article IX of this Grant Agreement and shall consist of the following:

I

(a) All governmental approvals and permit necessary for the commencement of the Recipient and Non-Recipient Activities shall have been obtained for all Project Elements.

(b) Evidence of this commitment shall be written certification from Recipient, signed by the chief executive officer, in accordance with Section 10.02 of this Grant Agreement, that all such governmental approvals and permits have been obtained.

II

(a) Title to all land necessary for the Project, except land to be acquired with Grant Funds, shall be held by Recipient or the appropriate Participating Party.

(b) Evidence of this commitment shall be in accordance with Section 10.10 of this Grant Agreement.

III

(a) Recipient and Webb Developer, One Canal Developer, and Ten Canal Developer shall enter into an agreement which shall contain provisions consistent with the following:

(1) Recipient shall agree to carry-out all Recipient Activities set forth in Exhibit B to this Grant Agreement .

UDAG funds in the amount of $4,225,000 may be drawn down for the construction of the new parking garage in a ratio to countable private funds of not more than $1.00 of UDAG funds to $7.25 of countable private funds; thus for every $8.25 of funds expended on the entire Lechmere Canal Office Park (including the Webb Building, One Canal Park, Ten Canal Park and the new Parking Garage) not more than $1.00 will be UDAG funds and not less than $7.25 will be countable funds. Said draw down may occur only after (i) all of the evidentiary material required by the Exhibit E have been submitted to an approved by the Secretary and the Secretary has authorized the Recipient to draw down such funds from its Letter of Credit, (ii) the Recipient has expended City Bond Funds of not less than $2,022,500 on the acquisition of the Kolligian site and the Parking Garage construction.

Continuation Sheet - EXHIBIT E

REQUIRED EVIDENTIARY MATERIALS

(2) Developers shall agree to carry-out all Non-Recipient Activities ascribed to each Developer in Exhibit C to this Grant Agreement. This agreement shall set forth the scope of the work, its location, and the obligation of Developer to invest not less than the following countable private funds in the Project (excluding acquisition of Webb Building, acquisition of Ten Canal Site, non-third party fees, allowances for tenant finishes and initial operating losses):

Webb Developer	$ 9,145,400
One Canal Developer	10,128,400
Ten Canal Developer	11,305,616
	$ 30,579,416*

(*See Exhibit D for project budgets)

(3) Recipient shall be obligated to make a loan to Webb Developer and Garage Developer of not more than $680,000 in Grant Funds which shall be used for Webb Building renovation costs. The terms and conditions of the UDAG Loan shall be consistent with the following:

(i) UDAG Interim Loan

(aa) Principal - The principal amount of the Interim Loan shall be no more than $680,000 to Webb Developer.

(bb) Interest - The interest rate shall be 2% per annum, Interest shall be computed and paid monthly on all loan disbursements.

(cc) Disbursement/Ratio - Loan disbursement shall be based on vouchers submitted by the Webb Developer, verified by Recipient and certified by the architect, construction manager, or other certifying official as shall be acceptable to Recipient. All submissions by contractors of monthly requisitions shall be on AIA Forms 702 and 703 or their equivalent.

No disbursement of the UDAG Loan shall be made until:

(I) Developer has furnished Recipient with the following:

(a) An ALTA policy for mortgage title insurance, in the full amount of the UDAG Loan, insuring that Recipient will be the holder of a third mortgage lien on the Webb Building, free of encumbrances and other exceptions to title other than those approved in advance by Recipient, and not subordinated to any interest except the first mortgage in an amount not to

Continuation Sheet - Exhibit E

exceed $11,000,000 plus further advances by the Lender which are invested in the Webb Project and are required for its completion and a second purchase money mortgage not to exceed $5,050,000 until November 1,1986 at which time said second purchase money mortgage shall not exceed $2,300,000; and

(b) a Builder's Risk and Fire Insurance policy or policies duly endorsed to indicate Recipient as an insured mortgagee; and

(II) All of the evidentiary materials required by this Exhibit E have been submitted to and approved by the Secretary and the Secretary has authorized Recipient to draw down such funds from its Letter of Credit.

After Webb Developer has expended equity funds of $3,745,000, UDAG Funds may be drawn down for Webb Building renovation cost in a ratio to countable private funds of not more than $1.00 of UDAG Funds to $13.45 of countable private funds; thus for every $14.45 of funds expended on the Webb Building Renovation (including the required cash equity contribution) not more than $1.00 will be UDAG Funds and not less than $13.45 will be countable private funds. Countable private funds for draw down of UDAG funds for the Webb Project loan shall include only private funds spent on the Webb Project and shall exclude acquisition, non-third party fees, allowance for tenant finishes, and initial operating losses.

(ii) UDAG Permanent Loan-

(aa) Term - Term of the UDAG Permanent Loans shall be 10 years commencing upon completion of the Webb renovation, but in no event later than March 1, 1986.

(bb) Principal - The principal of the UDAG Permanent Loan shall be the amount disbursed under the UDAG Interim Loan.

(cc) Interest - The interest rate shall be 2% per annum.

(dd) Repayment - Repayment of principal and interest shall be made in monthly installments in accordance with a 25-year amortization schedule during the Term of the UDAG Permanent Loans, and a balloon payment sufficient to pay off the entire outstanding indebtedness of principal shall be made at maturity of the UDAG Permanent Loan.

(ee) Contingent Interest - The UDAG Permanent Loan to Webb Developer shall provide that Webb Developer shall pay Recipient 10% of the Annual Cash Flow of the Webb Project less a preferred return of 10% on Webb Developer's equity (including cumulative operating loss coverage) and operating expenses (including a management fee not to exceed 4% of operating income) allowable for Federal income tax purposes,excluding reserves for capital improvements, depreciation and other non-cash item. Participation payments shall be due within 90 days of the end of the operating year of the Project.

Continuation Sheet - Exhibit E

Participation in cash flow shall be eliminated upon the later of (i) full repayment of the outstanding principal balance of the UDAG, or (ii) the date of March 1, 1994.

(iii) Security- The UDAG Loan shall be secured by a deed of trust or mortgages in favor of Recipient upon all land, buildings, fixtures, equipment and other assets of the Developer comprising the Webb Building Project. The security position of the Recipient may be subordinated to the private mortgage security interest of the Webb Lender and purchase money mortgage lender in an amount not to exceed the greater of a) $11,000,000 plus further advances by the Webb Lender which are invested in the Webb Project and are required for its completion, plus a second purchase money mortgage on the Webb building not to exceed $5,050,000 until November 1, 1986 at which time said second purchase money mortgage shall not exceed $2,300,000; or b) an amount not to exceed 80 percent of the Webb Building Project's total value as determined by an independent MAI Appraisal.

The deeds of trust or mortgages shall also contain standard provisions to protect the interest of a subordinate mortgagee, including, for example, a provision that a default under the first mortgage which could permit a foreclosure by the first mortgagee shall constitute a default under UDAG mortgage and the unpaid principal balance and interest of the UDAG Loan shall become immediately due and payable.

The deed of trust or mortgage shall not contain an exculpation clause in favor of Developers.

To the extent permitted by law, all of the personal property described in the mortgage shall be deemed to be fixture and part of the real property. As to any part of such personal property not deemed or permitted by law to be fixtures, the mortgage shall constitute a security agreement under the Uniform Commercial Code.

(iv) Participation in Sale or Refinancing - Webb Developer shall pay to Recipient 10% of the Net Proceeds from any sale or disposition in whole or part of the Webb Project or from any second or subsequent syndication or from any refinancing, except refinancing allowed pursuant to a call and/or takeout provision in the first mortgage where the first mortgage amount does not increase. "Net Proceeds" shall be defined as all proceeds received less (1) repayment of the first mortgage (if applicable), (2) repayment of the UDAG Loan, (3) Developer's documented reasonable costs of sale or refinancing, and (4) repayment of documented Webb Developer equity contributed to the Webb Building Project, including cash invested to cover operating losses and improvements. Participation in residuals from any sale or refinancing shall be eliminated upon the later of (i) full repayment of all outstanding principal balance of the UDAG, or (i) the date of March 1, 1994,

Continuation Sheet - Exhibit E

provided that said sale or refinancing does not take place within a 12 month period commencing upon said date.

(v) Prepayment - Prepayment may occur at any time without penalty.

(vi) Annual Accounting - Webb Developer shall deliver a statement to Recipient from an independent Certified Public Accountant, within 90 days of the close of each operating year during the Term of the UDAG Permanent Loan, certifying:

(1) Operating Income and receipts of the Webb Project;

(2) Operating Expenses:

(3) Net Annual Cash Flow;

(4) Developer equity;

(5) Net Proceeds, if applicable; and

(6) The amount of participation in Net Annual Cash Flow and Net Proceeds due Recipient.

(4) Webb Developer and Ten Canal Developer shall enter into long term leases for 250 and 75 spaces, respectively, within the newly constructed parking garage under the terms and conditions as specified in Paragraph XV below.

(5) Webb Developer, One Canal Developer and Ten Canal Developer shall enter into monthly, renewable leases for 40,30 and 15 parking spaces, respectively, within the newly constructed 540 space parking garage under the terms and consitions as specified in Paragraph XV below.

(6) All applicable terms and conditions of this Grant Agreement, including Article IX provisions and job assurances specified in Sections 5.03 and 9.06 shall be set forth in the agreement.

(7) The agreement shall specify a timeframe for performance consistent with Exhibit F of this Grant Agreement.

(8) During the term of this Grant Agreement, all Developers shall agree to provide necessary data and information as to private investment and jobs relating to this Grant Agreement. The form of quarterly documentation from Developers on progress made on non-Recipient activities, level of private investment, and new jobs provided shall be specified.

(b) Evidence of this commitment shall be in accordance with Section 10.04 of this Grant Agreement together with copies of the forms of all UDAG Loan documents to be used at closing.

Continuation Sheet - Exhibit E

IV

(a) Recipient's attorney or an acceptable banking institution shall certify that cash or liquid assets of not less than $3,745,000 are available or irrevocably committed to Webb Developer and are sufficient to complete the Webb Project. Such certification shall identify the kinds of assets and the nature of the irrevocable commitment.

(b) Evidence of this commitment shall be in accordance with Sections 10.07 or 10.08 of this Grant Agreement.

V

(a) Webb Lender shall lend $11,000,000 to Webb Developer for financing the Project.

(b) Evidence of this commitment shall be in accordance with Section 10.06 of this Grant Agreement.

VI

(a) Recipient's attorney or an acceptable banking institution shall certify that cash or liquid assets of not less than $328,400 are available or irrevocably committed to One Canal Developer and are sufficient to complete the One Canal Building Project. Such certification shall identify the kinds of assets and the nature of the irrevocable commitment.

(b) Evidence of this commitment shall be in accordance with Sections 10.07 or 10.08 of this Grant Agreement.

VII

(a) One Canal Lender shall lend $11,000,000 to One Canal Developer for financing the One Canal Project.

(b) Evidence of this commitment shall be in accordance with Section 10.06 of this Grant Agreement.

VIII

(a) Recipient's attorney or an acceptable banking institution shall certify that cash or liquid assets of not less than $1,500,000 are available or irrevocably committed to Ten Canal Developer and are sufficient to complete the Ten Canal Project. Such certification shall identify the kinds of assets and the nature of the irrevocable commitment.

(b) Evidence of this commitment shall be in accordance with Sections 10.07 or 10.08 of this Grant Agreement.

Continuation Sheet - Exhibit E

IX

(a) Ten Canal Lender or substitute lender shall lend not less than $13,000,000 to Ten Canal Developer for financing the Ten Canal Project.

(b) Evidence of this commitment shall be in accordance with Section 10.06. of this Grant Agreement.

X

(a) Recipient shall issue General Obligation Bonds in an amount not less than $2,022,500 for the purpose of acquiring the Kolligian site and designing and constructing the new parking garage described in Paragraph (2) of Exhibit B to this Grant Agreement.

(b) Evidence of this commitment shall be in accordance with Section 10.05 of this Grant Agreement.

XI

(a) Webb Guarantor shall irrevocably and unconditionally guarantee the repayment of the UDAG Interim/Permanent Loan and the completion of the Webb Building renovation within the timeframe hereafter set forth in Exhibit F to this Grant Agreement.

(b) Evidence of this commitment shall be in accordance with Section 10.04 of this Grant Agreement.

XII

(a) Ten Canal Guarantor shall irrevocably and unconditionally guarantee the completion of the Ten Canal Project within the timeframe hereafter set forth in Exhibit F to this Grant Agreement.

(b) Evidence of this commitment shall be in accordance with Section 10.04 of this Grant Agreement.

XIII

(a) The Commonwealth shall provide a grant of $1,300,000 to Recipient in accordance with provisions of Chapter 487 of the Acts of 1980, as amended, to assist in the acquisition of the Kolligian site for the development of at least 540 parking spaces.

Continuation Sheet - Exhibit E

(b) Evidence of this commitment shall be in accordance with Section 10.04 of this Grant Agreement or a certification from the Chief Executive Officer of Recipient that the funds of the Grant from Commonwealth have been received and are available for the Project.

XIV

(a) Recipient shall submit a management plan and budget for the monitoring of their Grant which shall be acceptable to the HUD Boston Office.

(b) Evidence of this commitment shall be in the form of the management plan and budget for the monitoring of this Grant with a signed approval from the Director of the Community Planning and Development Division of the HUD Boston Office and certified by the Chief Executive Officer of Recipient.

XV

(a) (1) Webb Developer shall enter into a long-term lease for 250 parking spaces in the newly constructed garage. The terms of the Parking Lease shall be consistent with the following.

(i) Premises - 250 spaces;

(ii) Term - Ten years, with 16 options to renew for additional terms of five years;

(iii) Rent - Approximately $113/space per month with appropriate escalators;

(iv) Security - Webb Developer shall provide to the City security satisfactory to the City for the payment of said rent, including but not limited to a collateral assignment of leases between the Webb Developer and its tenants for the amount of said rent payments.

(2) Ten Canal Developer shall enter into a long-term lease for 75 parking spaces in the newly constructed garage, and 30 spaces in the East Cambridge Parking Facility. The terms of the Parking Lease shall be consistent with the following:

(i) Premises - 75 spaces in the new garage on the Kolligian site, and 30 spaces in the East Cambridge Parking Facility.

(ii) Term - Ten years, with 16 options to renew for additional terms of five years.

(iii) Rent- Approximately $113/space per month with appropriate escalators.

Continuation Sheet - Exhibit E

(iv) Security - Ten Canal Developer shall provide to the City security satisfactory to the City for the payment of said rent, including but not limited to a collateral assignment of leases between Ten Canal Developer its tenants for the amount of said rent.

(3) Webb Developer shall enter into a monthly, renewable lease for 40 parking spaces in the newly constructed garage. The terms of the lease shall be consistent with the following.

(i) Premises - 40 spaces;

(ii) Term - Monthly,with option to renew;

(iii)Rent - $113/space per month, with appropriate escalators.

(4) One Canal Developer shall enter into a monthly, renewable lease for 30 parking spaces in the newly constructed garage. The terms of the lease shall be consistent with the following.

(i) Premises - 30 spaces;

(ii) Term - Monthly, with option to renew;

(iii)Rent - $113/space per month, with appropriate escalators.

(5) Ten Canal Developer shall enter into a monthly, renewable lease for 15 parking spaces in the newly constructed garage. The terms of the lease shall be consistent with the following.

(i) Premises - 15 spaces.

(ii) Term - Monthly, with option to renew.

(iii)Rent - $113/space per month, with appropriate escalators.

(b) Evidence of these commitments shall be in accordance with Section 10.04 of this Grant Agreement.

EXHIBIT F

PROJECT PERFORMANCE SCHEDULE

I

(a) The Evidentiary Materials described in Exhibit E of this Grant Agreement must be submitted to the Secretary by Recipient not later than June 30, 1985.

(b) Upon notification to Recipient of the approval by the Secretary of the Evidentiary Materials required by subparagraph (a) above, Recipient shall be authorized to draw down Grant Funds in accordance with Paragraph III (a) (1) and Paragraph III (a)(3) of Exhibit E of this Grant Agreement for Eligible Costs consistent with Letter of Credit procedures and the provisions of this Grant Agreement.

II

The Recipient and Non-Recipient Activities shall be commenced and completed in accordance with the following schedule:

Activity	Commencement Date	Completion Date
Site Acquisitions		
Webb Building	December 31, 1984	December 31, 1984
One Canal	March 1, 1985	March 1, 1985
Ten Canal	September 15, 1984	September 15, 1984
Parking Site	March 15, 1985	March 15, 1985
Construction		
Webb Building Renovations	March 1, 1985	February 15, 1986
One Canal Place Building	February 15, 1985	April 30, 1986
Ten Canal Place Building	September 15, 1984	December 31, 1985
New Parking Garage	September 1, 1985	March 1, 1987

III

The Webb Building, One Canal Building, and Ten Canal Building are speculative projects and the commitments the Department received to undertake these projects were not conditioned on any preleasing. Notwithstanding any provision to the contrary herein, the Secretary shall have the right to terminate or reduce this grant in the event the schedule contained in this Exhibit F is not complied with by the Recipient or any Participating Party regardless of cause.

Continuation Sheet - Exhibit A

Plus any additional materials submitted since the date the Application was filed upon which the Secretary relied in making this award.

Rider to Section 1.01(12). The term "Participating Party" consists of the following persons, firms, corporations and entities:

"Ten Canal Developer"	means Edgewater Place Limited Partnership, A Massachusetts Limited Partnership whose General Partner is Ten Canal Park Associates, A Massachusetts general partnership composed of Unihab, Inc., St. James Properties, Inc. and First Cambridge Properties with Unihab, Inc. as managing general partner.
"Webb Developer"	means Charlesport/1984 Limited Partnership, A Massachusetts limited partnership composed of Arnold Marcus, Varney J. Hintlian, Leeam Lowin, William J. Catacosinos, and Famous Fields Corporation as general partners and Arnold Marcus as managing general partner.
"One Canal Developer"	means Canal Park Associates, a New York general partnership composed of Arnold Marcus, Varney J. Hintlian, Leeam Lowin and William J. Catacosinos as general partners and Arnold Marcus as managing general partner.
"Ten Canal Lender"	means Old Stone Bank, a Federal savings bank of Providence, Rhode Island, with participations by Coolidge Bank and Trust Company of Watertown, Massachusetts and the U.S. Steel Pension Plan.
"Webb Lender" and "One Canal Lender"	means the Greater New York Savings Bank of New York, New York, and the Bank of Boston, Boston, MA.
"Ten Canal Guarantor"	means Edgewater Place Limited Partnership.
"Webb Guarantor"	means Charlesport/1984 Limited Partnership.
"One Canal Guarantor"	means Canal Park Associates.
"Commonwealth"	means the Commonwealth of Massachusetts whose address is at the Executive Department, State House, Boston, Massachusetts 02133.
"Ten Canal Participating Lender"	means Merchants Cooperative Bank of Boston, Massachusetts.

Rider to Section 1.03(13). The phase "the UDAG percentage of" contained on the first line of paragraph (13) and the last sentence thereof are deleted in their entirety.

Rider to Section 1.03. (21) "Project Elements" mean:

(a) the Ten Canal Park Building containing approximately 100,000 square feet of rentable office space and 10,000 square feet of rentable retail space plus 40 ground level parking spaces.

Continuation Sheet - Exhibit A

Act of 1974, as amended, and shall be spent in accordance with Part 570 of Title 24 Code of Federal Regulations. Any repayments received after completion of the UDAG funded Recipient Activities shall be deemed miscellaneous revenues and shall be spent for activities eligible under Title I of the Housing and Community Development Act of 1974, as amended, and shall not be governed by Part 570.

Net revenue (gross revenue minus general management, maintenance and operating expenses, debt service on City Bond Funds and reserves) from the parking garage constructed pursuant to Exhibit B, Paragraph (2) of this Grant Agreement may be used to reimburse Recipient for reasonable grant administration costs incurred by Recipient after Recipient has spent at least $121,750 from other sources on project administration. Any net revenue after net revenue is used for said reimbursement shall be deemed miscellaneous revenues and shall be spent for activities eligible under Title I of the Housing and Community Development Act of 1974, as amended, and shall not be governed by Part 570.

Rider to Section 5.01(8). Paragraph (8) shall be deleted in its entirety and the following shall be inserted in place thereof:

"(8) Recipient shall comply with the conflict of interest provision set forth in 24 CFR Section 570.611 (48 Federal Register 186, pp. 43571-72, 9/23/83)."

Rider to Sections 5.03 and 9.06. The jobs referenced at Section 5.03 and the assurances required at Section 9.06 shall aggregate:

Total New Permanent Jobs: 969

Total New Permanent Jobs for Low-and Moderate-Income persons: 240

Total New Permanent Jobs for CETA - Eligible Persons: 144

Total New Permanent Jobs for Minorities: 144

Job Requirements shall be completed within 36 months from the Date of Preliminary Approval.

Rider to Section 9.13 Conflict of Interest. Section 9.13 shall be deleted in its entirety and the following shall be inserted in place thereof:

"The Recipient shall include in all contracts with Participating Parties and in all contracts with any party involving the use of Grant Funds, a conflict of interest provision consistent with 24 CFR Section 570.611 (48 Federal Register 186, pp. 43571-72, 9/23/83)."

Continuation Sheet - Exhibit A

Rider to Section 11.01. The address of the Recipient for the purpose of communications relating to this Grant Agreement is:

Mr. Robert W. Healy
City Manager
City Hall
795 Massachusetts Avenue
Cambridge, Massachusetts 02138

Contact Person: Mr. Jim Campbell
Project Director
(617) 498-9034

EXHIBIT B

DESCRIPTION OF RECIPIENT ACTIVITIES

Rider to Section 1.03(17). The "Recipient Activities" shall consist of:

Recipient shall:

(1) Acquire by eminent domain approximately 35,000 square feet known as the Kolligian parcel in Cambridge for approximately $1,600,000 of which $1,300,000 shall be State Funds and $300,000 shall be Recipient Funds.

(2) Construct on the Kolligian parcel a new garage parking facility for at least 540 vehicles. The space shall be allocated as follows:

215 spaces will be for general public use; 40,30 and 15 of which shall be leased to the Webb Developer, One Canal Developer and Ten Canal Developer, respectively on a priority monthly, renewable, basis;

250 spaces will be for the exclusive use of tenants of the Webb Building; and

75 spaces will be for the exclusive use of tenants of the Ten Canal Office Building.

(3) Lease, at market rates, 100 spaces in the East Cambridge Parking Garage to One Canal Developer for the exclusive use of the tenants of the One Canal Park Building; and 30 spaces in the East Cambridge Parking Garage to Ten Canal Park Building.

(4) Convey title to Parcel C of the Lechmere Canal Park Project to One Canal Developer for the Construction of the One Canal Place Building.

(5) Provide Webb Developer with a third mortgage loan of up to $680,000 in Grant Funds for the construction and permanent financing of the Webb Building renovations.

(6) Be responsible for all administrative costs associated with the administration of this Project, including providing at least $121,750 in City Funds and/or in CDBG Funds for initial administrative costs.

All the aforesaid activities are for and in connection with the renovation of the Webb Building; the development of the One Canal Park Building, the development of Ten Canal Park Building; and the development of parking facilities as more particularly described in the UDAG Application.

City of Cambridge

20.

IN CITY COUNCIL

January 7, 1985

COUNCILLOR WOLF

ORDERED: That the City Manager be and hereby is requested to instruct the Assistant City Manager for Community Development to develop an Advisory Committee for the execution of that part of the UDAG agreement which provides for the expenditure of discretionary funds.

In City Council January 7, 1985.
Adopted by the affirmative vote of 7 members.
Attest:- Paul E. Healy, City Clerk.

A true copy;

ATTEST:- Paul E. Healy

Paul E. Healy, City Clerk.

COUNCILLOR CLINTON RECORDED IN THE NEGATIVE IN THIS MATTER.

CCM-101

City of Cambridge

AMENDED
Agenda Item No. 11

IN CITY COUNCIL

January 7, 1985

WHEREAS:

The City Council has approved and accepted the Lechmere Canal Development Urban Development Action Grant (UDAG) in the amount of $4,905,000 awarded by the U.S. Department of Housing and Urban Development; and

WHEREAS:

The implementation of this grant will accomplish the following goals:

1. Expand Community Development Block Grant programs for low and moderate income citizens of Cambridge through the UDAG payback, with interest;

2. Provide approximately $1,400,000 annually in new property tax revenue;

3. Create approximately 970 new permanent jobs, of which approximately 240 will be for persons of low or moderate income;

4. Create new public parking;

5. Initiate development activity around the new Lechmere Canal Park; and

WHEREAS:

The City and participating developers have begun implementation of the project, including the relocation of tenants from the Webb Building; and

WHEREAS:

The City Council has ordered that the Developer of the Webb Building enter into an agreement with the City which protects the needs of tenants in the Webb Building; and

WHEREAS:

The City Council has accepted the Relocation Plan agreed to by the Developer; and

THEREFORE:

The City Council hereby orders:

That the City Manager be authorized and directed to execute the Agreement substantially in the form as attached hereto and entitled "Tenant Relocation Plan and Agreement" and to do such further acts and execute such additional documents as may be necessary or appropriate to implement the terms of said agreement; and

That the City Manager, upon evidence in writing, satisfactory to the City Manager, that the Developer is meeting the terms of the Relocation Plan approved by the City Council, be empowered to release the UDAG loan funds in the amount of $680,000 for the renovation of the Webb Building.

In City Council January 7, 1985.
Adopted as amended by a yea and nay vote:-
Yeas 8; Nays 0; Absent 1.
Attest:- Paul E. Healy, City Clerk.

A true copy;

ATTEST:- Paul E. Healy

Paul E. Healy, City Clerk.

City of Cambridge

AMENDED
Agenda Item No. 11

IN CITY COUNCIL

January 7, 1985

WHEREAS:

The City Council has approved and accepted the Lechmere Canal Development Urban Development Action Grant (UDAG) in the amount of $4,905,000 awarded by the U.S. Department of Housing and Urban Development; and

WHEREAS:

The implementation of this grant will accomplish the following goals:

1. Expand Community Development Block Grant programs for low and moderate income citizens of Cambridge through the UDAG payback, with interest;

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3. Create approximately 970 new permanent jobs, of which approximately 240 will be for persons of low or moderate income;

4. Create new public parking;

5. Initiate development activity around the new Lechmere Canal Park; and

WHEREAS:

The City and participating developers have begun implementation of the project, including the relocation of tenants from the Webb Building; and

WHEREAS:

The City Council has ordered that the Developer of the Webb Building enter into an agreement with the City which protects the needs of tenants in the Webb Building; and

WHEREAS:

The City Council has accepted the Relocation Plan agreed to by the Developer; and

THEREFORE:

The City Council hereby orders:

That the City Manager be authorized and directed to execute the Agreement substantially in the form as attached hereto and entitled "Tenant Relocation Plan and Agreement" and to do such further acts and execute such additional documents as may be necessary or appropriate to implement the terms of said agreement; and

That the City Manager, upon evidence in writing, satisfactory to the City Manager, that the Developer is meeting the terms of the Relocation Plan approved by the City Council, be empowered to release the UDAG loan funds in the amount of $680,000 for the renovation of the Webb Building.

In City Council January 7, 1985.
Adopted as amended by a yea and nay vote:-
Yeas 8; Nays 0; Absent 1.
Attest:- Paul E. Healy, City Clerk.

A true copy;

ATTEST:- Paul E. Healy

Paul E. Healy, City Clerk.

C. C. 108

City of Cambridge

MASSACHUSETTS

In City Council January 7, 1985

AGENDA ITEM NO. 11

RE: PROPOSED ORDER AUTHORIZING THE CIYT MANAGER TO EXECUTE THE RELOCATION PLAN & AGREEMENT AND TO RELEASE THE $680,000. IN UDAG LOAN FUNDS FOR THE RENOVATION OF THE WEBB BUILDING.

	YEA	NAY	ABSENT	PRESENT
Mr. Daniel J. Clinton	✓			
Mr. Thomas W. Danehy	✓			
Mr. Francis H. Duehay	✓			
Ms. Saundra Graham			✓	
Mr. David E. Sullivan	✓			
Mr. Walter J. Sullivan	✓			
Mr. Alfred Vellucci	✓			
Ms. Alice K. Wolf	✓			
Mayor Russell	✓			
	8	0	1	

[illegible]

AGREEMENT

This Agreement made as of this day of January, 1985 by and between MUDFLAT POTTERY SCHOOL, INC. ("Mudflat") having an address at 25 First Street, Cambrdige, Massachusetts 02141, and THE MARCUS ORGANIZATION, INC., having an address at 135 Oser Avenue, Hauppauge, Long Island, New York 11788 ("Marcus").

PRELIMINARY STATEMENT

Mudflat is currently leasing the second floor of Building #1 known as 25 First Street in Cambrdige, Massachusetts, which as of December 1, 1984, was owned by Charles Webb of Cambridge, Massachusetts (said leased premises herein referred to as the "Leased Premises").

Marcus has contracted to purchase the building (the "Webb Building") in which the Leased Premises is located and intends to effect said purchase on or before January 31, 1985.

Mudflat and Marcus now agree as follows:

1. Vacation of Leased Premises. Mudflat agrees that on or before midnight on January 31, 1985, Mudflat and all individuals and entities subleaseing space by, through or under Mudflat (Mudflat, and said sublessees herein collectively called the "Mudflat Group") shall vacate and cease to occupy the Leased Premises. In connection with such vacation, Mudflat agrees to enter into a consent or any other documentation which Marcus shall reasonably require in connection with securing the

Leased Premises on and after 12:01 a.m. of February 1, 1985 free and clear of the occupancy by Mudflat and the Mudflat Group.

2. Occupancy through January 31, 1985. Marcus agrees to take all necessary steps in order to permit the Mudflat Group to continue to lease, occupy, enjoy and quietly hold the Leased Premises from the date hereof through and including January 31, 1985 without hindrance or molestation and to have the benefit of all current tenant services including heat, electricity, and similar items, and in connection therewith Mudflat shall not be obligated to pay rent in respect of the Leased Premises which shall be in excess of the rent Mudflat was obligated to pay as of January 1, 1984.

3. Temporary Storage. In connection with all personal property which Mudflat and the Mudflat Group intend to leave in the Leased Premises as of January 31, 1985, Marcus agrees to permit the same, at its expense, to be temporarily stored in the Webb Building or a suitable and secure alternative location until April 1, 1985, or such sooner date as Mudflat and/or Mudflat Group shall elect, by giving written notice thereof to Marcus, to remove such property. To the extent Marcus shall require that such property be temporarily stored in a location other than in the Leased Premises, Marcus shall cause such property to be moved, at its expense, to such new location (the "Temporary Storage Location") and shall be responsible for any loss or damage resulting from the movement of any such property to such new location. In addition, the Temporary Storage Space shall have the benefit of a safe, secure, and heated storage area, either inside or outside the Webb Building. Marcus shall be

responsible for any loss or damage to such property during the period of such temporary storage. Members of the Mudflat Group shall be permitted, at reasonable times, to inspect any of its property which shall be kept in such temporary storage.

4. Relocation Assistance. Marcus agrees to pay for all expenses and costs of Mudflat and the Mudflat Group which are required to be paid in respect of displaced persons and businesses under Chapter 79A of the Massachusetts General Laws, and all amendments thereof and regulations promulgated thereunder, including, without limitation, the regulations promulgated by the Department of Community Affairs with respect thereto (said law, amendments and regulations are herein collectively called the "Massachusetts Relocation Act"), which payments shall include, without limitation, the expenses specified in Schedule A attached hereto.

5. Move. Marcus shall cause all of Mudflat's and the Mudflat Group's personal property located in the Leased Premises or the Temporary Storage Location be moved to such new site (the "New Site"), as designated by Mudflat, within ten business days following the giving by Mudflat to Marcus of written notice of the date on which such property is to be moved into the New Site and the specific location of the New Site.

6. Notices. All notices, consents and other communications hereunder shall be in writing and shall be deemed to have been given when delivered or sent by registered or certified mail, postage prepaid and addressed to the other party hereto at the

address first written above. Either party hereto may, from time to time, change such address by giving written notice thereof to the other party. Copies of any notice to Marcus will be simultaneously given to Edward J. Lonergan, Esquire, Mardirosian & Barber, 375 Mount Auburn Street, Watertown, Massachusetts 02172.

7. Waiver. The failure of any of the parties hereto to insist in any one or more instances upon the strict performance of any of the terms or conditions of this Agreement shall not be construed as a waiver or other relinquishment for the future of any of the terms or conditions contained herein, and the same shall continue and remain in full force and effect notwithstanding such failure.

8. Applicable Law. This Agreement shall be constured and interpreted under, and its performance shall be goverened by, the laws of the Commonwealth of Massachusetts.

9. Merger. This Agreement constitues the complete agreement between the parties hereto as to the subject matter hereof. In making this Agreement, each party relies only upon the terms of this Agreement and not upon any offers, negotiations, discussions, premises, agreements, or representations which may have been made by any party to this Agreement prior to the making of this Agreement and which relate to the subject matter of this Agreement. Any and all such offers, negotiations, discussions, promises, agreements, or representations are superseded by this Agreement and shall be of no further force or effect.

10. Contingency. The obligations of Marcus hereunder are contingent upon the City of Cambridge duly executing that certain

Tenant Relocation Plan and Agreement regarding the Webb Building in substantially the form of Schedule B, attached hereto and made a part hereof.

11. <u>Duplicates.</u> This Agreement is being executed in six (6) duplicate counterparts, each of which shall be deemed to be an original, and all of which together shall constitute one and the same instrument.

WITNESS the hands and seals of the parties hereto:

MUDFLAT POTTERY SCHOOL, INC.

BY: ________________________________

THE MARCUS ORGANIZATION

BY: ________________________________
ARNOLD MARCUS, PRESIDENT

SCHEDULE A

(a) Costs associated with making the New Site into a functional artists' work space, so as to cause such work space to comply with all local building codes, OSHA requirements, and other applicable legal requirements;

(b) Search expenses totalling up to $4,000 subject to submission of verifying time records to The Marcus Organization;

(c) Relocation of individual pottery businesses leasing space at Mudflat, totalling not in excess of $15,000;

(d) The total costs for reconstruction of the brick gas kilns currently located at the Leased Premises, which relocation is to be done under the supervision of a kiln construction expert to be selected by The Marcus Organization from a list of three experts to be submitted by Mudflat; and

(e) All costs incurred in the purchase of a new 9 cubic foot electric kiln.

SCHEDULE A

(a) Costs associated with making the New Site into a functional artists' work space, so as to cause such work space to comply with all local building codes, OSHA requirements, and other applicable legal requirements;

(b) Search expenses totalling up to $4,000 subject to submission of verifying time records to The Marcus Organization;

(c) Relocation of individual pottery businesses leasing space at Mudflat, totalling [redacted] not in excess of $15,000;

(d) The total costs for reconstruction of the brick gas kilns currently located at the Leased Premises, which relocation is to be done under the supervision of a kiln construction expert to be selected by The Marcus Organization from a list of three experts to be submitted by Mudflat (~~with The Marcus Organization being responsible for all expenses and losses incurred by Mudflat in the event the construction of said kiln is not fully operational and in good working condition within three weeks following the movement of all of the personal property of Mudflat and the Mudflat Group to the New Site~~); ~~and~~ and

(e) All costs incurred in the purchase of a new 9 cubic foot electric kiln.

Witness the execution hereof under seal on the day and year first set forth above.

WITNESS:

____

____

CITY OF CAMBRIDGE

BY ______________________________
ROBERT W. HEALY
CITY MANAGER

THE MARCUS ORGANIZATION, INC.

BY ______________________________
ARNOLD MARCUS,
PRESIDENT

APPROVED AS TO FORM:

____
RUSSELL B. HIGLEY
CITY SOLICITOR

AGREEMENT

Agreement made this date of January, 1985, by and between The Marcus Organization, with offices at 135 Oser Avenue, Hauppauge, New York 11788 ("Marcus") and the individuals set forth on Schedule A, referred to as the "Artist(s)" with a mailing address of c/o Brown, Rudnick, Freed & Gesmer, One Federal Street, Boston, Massachusetts 02110, Attention: Jonathan Klein, Esquire.

WHEREAS, Marcus has entered into a purchase agreement to acquire the property known as the Webb Building, in East Cambridge, Massachusetts, and intends to develop the Webb Building in accordance with an application by the City of Cambridge for an Urban Development Action Grant (the "UDAG Application") to the U.S. Department of Housing and Urban Development, as amended; and

WHEREAS, the Artists are all tenants in the Webb Building, and have joined together to form East Cambrdige Artists ("ECA"), an unincorporated association; and

WHEREAS, the parties wish to make certain agreements with respect to the relocation of the Artists, and further wish to be legally bound by such agreements;

NOW, THEREFORE, in consideration of the mutual promises set forth below, the parties agree as follows:

1. In consideration of the payment set forth below, each Artist agrees to vacate his or her premises in the Webb Building not later than midnight on January 31, 1985; and further agrees

to execute such other documents as Marcus reasonably requests granting to Marcus the immediate right to possession of such premises as of 12:01 A.M. February 1, 1985.

2. Marcus agrees that all Artists shall be permitted to continue to occupy their premises until January 31, 1985, and further agrees that all current services to the Artists, including heat, electricity, and similar items, will continue to be provided through January 31, 1985.

3. Marcus acknowledges that East Cambridge Artists may not have secured alternate space as of January 31, 1985, in which event Marcus agrees (1) to arrange for moving of the possessions, equipment, art, and other items of personal property currently located in the premises into a safe, secure, and heated storage area, either inside or outside the Webb Building, and (2) to store such items until the Artists have alternate space ready for moving, which shall in no event be later than March 31, 1985. Marcus agrees to pay all costs and expenses associated with the foregoing moving and storage; shall assume all risk of loss or damage incurred in the course of such moving and storage; and shall permit the Artists the right to inspect or examine the stored materials from time to time, upon reasonable notice.

4. Marcus agrees to pay to East Cambrdige Artists, or its nominee the sum of $25,000.00 (the "Relocation Payment") on or before January 31, 1985.

5. Marcus warrants that Harmonium Movers, Inc. will move each of the Artists for the price premiously quoted to them, as set forth in Schedule A as "Moving/Rigging Cost", and in the

event Harmonium fails to honor such prices, Marcus will promptly reimburse the Artists for the difference between such quotation and the actual moving cost.

6. In consideration of the Relocation Payment, the Artists each agree to waive any and all claims they may have for relocation expenses pursuant to the Massachusetts Relocation Assistance Act, Chapter 79A of the General Laws, as ordered by resolution of the Cambridge City Council on June 11, 1984.

7. Notices. All notices, consents and other communications hereunder shall be in writing and shall be deemed to have been given when delivered or sent by registered or certified mail, postage prepaid and addressed to the other party hereto at the address first written above. Either party hereto may, from time to time, change such address by giving written notice thereof to the other party, copies of any notice to Marcus will be simultaneously given to Edward J. Lonergan, Esquire, Mardirosian & Barber, 375 Mount Auburn Street, Watertown, MA 02172.

8. Waiver. The failure of any of the parties hereto to insist in any one or more instances upon the strict performance of any of the terms or conditions of this Agreement shall not be construed as a waiver or other relinquishment for the future of any of the terms or conditions contained herein, and the same shall continue and remain in full force and effect notwithstanding such failure.

9. Merger. This Agreement constitutes the complete agreement between the parties hereto as to the subject matter hereof. In making this Agreement, each party relies only upon

the terms of this Agreement and not upon any offers, negotiations, discussions, promises, agreements, or representations which may have been made by any party to this Agreement prior to the making of this Agreement and which relate to the subject matter of this Agreement. Any and all such offers, negotiations, discussions, promises, agreements, or representations are superseded by this Agreement and shall be of no further force or effect.

10. Duplicates. This Agreement is being executed in duplicate counterparts, each of which shall be deemed to be an original, and all of which together shall constitute one and the same instrument.

11. The obligations of Marcus hereunder are contingent upon the City of Cambridge duly executing that certain Tenant Relocation Plan and Agreement regarding the Webb Building in substantially the form of Schedule B, attached hereto and made a part hereof.

EXECUTED AND INTENDED TO TAKE EFFECT AS A SEALED INSTRUMENT.

THE MARCUS ORGANIZATION

By: ______________________________
ARNOLD MARCUS, PRESIDENT

EAST CAMBRIDGE ARTISTS

____
Phyllis Ewen

____
Elizabeth Ahern

____
Gabrielle Rosmer

____
Mayer Spivak

____
Marilyn Pappas

____
Jessica Strauss

____
David Judelson

SCHEDULE A

East Cambridge Artists	Moving/Rigging Cost
Phyllis Ewen	$ 400
Elizabeth Ahern	600
Gabrielle Rosmer	500
Mayer Spivak	3,950
Marilyn Pappas	420
Jessica Strauss	1,400
David Judelson	600
Bonnie Robinson	600
TOTAL	8,470

CCM-101

— See Amended Order —

City of Cambridge

IN CITY COUNCIL
January 7, 1985

WHEREAS,

The City Council has approved and accepted the Lechmere Canal Development Urban Development Action Grant (UDAG) in the amount of $4,905,000 awarded by the U.S. Department of Housing and Urban Development; and

WHEREAS,

The implementation of this grant will accomplish the following goals:

1. Expand Community Development Block Grant programs for low and moderate income citizens of Cambridge through the UDAG payback, with interest;
2. Provide approximately $1,400,000 annually in new property tax revenue;
3. Create approximately 970 new permanent jobs, of which approximately 240 will be for persons of low or moderate income;
4. Create new public parking;
5. Initiate development activity around the new Lechmere Canal Park; and

WHEREAS,

The City and participating developers have begun implementation of the project, including the relocation of tenants from the Webb Building; and

WHEREAS,

The City Council has ordered that the Developer of the Webb Building enter into an agreement with the City which protects the needs of tenants in the Webb Building; and

WHEREAS,

The City Council has accepted the Relocation Plan agreed to by the Developer; and

THEREFORE,

The City Council hereby orders:

That the City Manager be authorized and directed to execute the Agreement attached hereto and entitled "Tenant Relocation Plan and

Amendment by C D Sullivan

— Substantially in the form as —

Agreement" and to do such further acts and execute such additional documents as may be necessary or appropriate to implement the terms of said agreement; and

That the City Manager, upon evidence in writing, satisfactory to the City Manager, that the Developer is meeting the terms of the Relocation Plan approved by the City Council, be empowered to release the UDAG loan funds in the amount of $680,000 for the renovation of the Webb Building.

TENANT RELOCATION PLAN AND AGREEMENT

Agreement made this day of January, 1985, by and between the City of Cambridge, a municipal corporation being a separate body, politic and corporate, and a subdivision of the Commonwealth of Massachusetts (the "City") and The Marcus Organization, Inc., a New York corporation having a usual place of business in Hauppage, New York (the "Developer").

WITNESSETH

WHEREAS, the City has applied for and received an Urban Development Action Grant from the United States Department of Housing and Urban Development (the "UDAG Grant"), which grant relates primarily to the provision of off-street parking facilities to support a series of private development activities in that part of the City of Cambridge now commonly referred to as the Lechmere Canal Project Area (the "Project Area"); and,

WHEREAS, the Developer, acting by and through related development business entities, will be and is responsible for the construction and/or rehabilitation of a substantial amount of office and retail space within the Project Area; and

WHEREAS, the contemplated rehabilitation activities of the Developer necessitate the relocation of certain tenants (the "Tenants") from the so-called "Webb Building"; and,

WHEREAS, the City, acting at the direction of its City Council, has required the Developer to provide relocation benefits to the Tenants in accordance with the standards and procedures set forth in M.G.L., C. 79A and amendments thereof and regulations promulgated therunder (the "Relocation Benefits") and to make additional contributions to the City to enable it to meet certain general commitments regarding the encouragement of the arts and certain artists being relocated as a result of the implementation of the UDAG Grant supported activities, and

WHEREAS, by vote dated June 11, 1984, the City Council approved the acceptance of the UDAG Grant with certain provisios related specifically to the provision of the Relocation Benefits and committments to the arts and/or artists, including the approval by the City Council of this Agreement; and

WHEREAS, since June 11, 1984 to date, the City, acting by and through its Office of Community Development, the Developer and the Tenants have negotiated in good faith to maximize the quality and quantity of benefits that could be generated as a result of the implementation of the UDAG Grant; and

WHEREAS, the Office of Community Development, the Developer and the Tenants have, pursuant to the mandate of the City Council, agreed as to the most appropriate method of implementing a relocation plan.

NOW THEREFORE, the parties, in consideration of the mutual covenants herein contained and for other good and valuable consideration, the receipt and sufficiency whereof is mutually acknowledged, agree as follows:

A.) The Developer will continue to make available to all eligible tenants the benefits of M.G.L., C. 79A.

B.) No individual tenant will be required to relocate from the Webb Building by the Developer prior to January 31, 1985, provided that each such tenant shall execute such documents as the Developer may reasonably require to perfect its possessory rights as of 12:01 a.m. February 1, 1985.

C.) The Developer will make a payment of two hundred and twenty thousand dollars ($220,000.00) to the Office of Community Development, which amount shall be used as grant and/or low interest loan monies for the benefit of the Tenants. Said monies, at the written direction of the Office of Community Development, may be paid directly to eligible tenants. In this regard, the City recognizes the specific terms of agreements it has reached with certain of the Tenants and agrees to execute such documents and take such steps, including, if necessary, written directions to the Developer regarding lump sum payments to specified tenants, as are appropriate to implement the terms thereof. It is specifically agreed that the Office of Community Development will be solely responsible for administering the grant/loan program contemplated herein.

D.) The Developer shall make available in the rehabilatated Webb complex five thousand square feet (5,000 s.f.) of space for use by artists at a subsidized rent of approximately five dollars and fifty cents per square feet ($5.50/s.f.), with tax and operating costs escalation clauses. In addition, the Developer shall make available certain "gallery space" in the public areas of the Webb Building on a continual basis for exhibitions programmed from time to time by the Cambridge Arts Council.

E.) The Developer will pay to the Office of Community Development the amount of twenty thousand dollars ($20,000.00) per year for eight (8) years, the first of which payments shall be made on a date to be determined by the Office of Community Development, which date shall not be less than five (5) nor more than sixty (60) business days from the date hereof, and on the calendar anniversary date thereof for the next seven (7) years. It is anticipated that the City will make such payments available to Mudflat Pottery School, Inc. ("Mudflat"), one of the Tenants, as an annual rent subsidy. However, the Developer will have met its obligations hereunder by the making of the payments as aforesaid.

F.) The City and the Developer agree to use their best efforts to meet their respective obligations under the UDAG Grant Agreement (No. B-84-AA-25-0147), as the same may be amended from time to time, and to take such further acts and execute such supplementary documents as are reasonably required with respect thereto.

G.) Upon compliance by the Developer with its obligations hereunder, including, without limiting the generality of the foregoing, the initial payment required by Paragraph E above, and compliance with additional requirements of the UDAG Grant Agreement, the City will release those monies to the Developer as are designated to support the renovation of the Webb Building

CITY OF CAMBRIDGE

CAMBRIDGE, MASSACHUSETTS 02139
Tel. 498-9011

EXECUTIVE DEPARTMENT
ROBERT W. HEALY
City Manager

January 7, 1985

To the Honorable, the City Council:

Enclosed for your review and action is a proposed City Council Order authorizing the City Manager to execute the attached "Relocation Plan and Agreement" and to, upon further written evidence that the Developer is complying with this Agreement, release the $680,000 in UDAG loan funds for the renovation of the Webb Building.

Also enclosed are draft Agreements between the Developer and Mudflats and the Developer and the East Cambridge Artists Collaborative. These agreements, once executed, are anticipated to serve as the written evidence necessary to release the UDAG funds, as indicated in the proposed order. The artist groups have reviewed these drafts and we expect that they will be signed in essentially this form.

Very truly yours,

Robert W. Healy
City Manager

RWH/mbf
Encs.

Agenda Item No. 11

F-13

Re: proposed order authorizing the City Manager to execute the Relocation Plan & Agreement and to release the $680,000. in UDAG loan funds for the renovation of the Webb Building.

See order #20 of this date adopted in connection with this matter (copies within)

In City Council,

January 7, 1985

MR

A

Order 1/7/1985

Adopted

By

CDS

JR

RP

A

amended

8-0-1

CDS. amendment adopted