NAS South Weymouth
AMENDED AND RESTATED
Disposition and Development Agreement

by
and
between

South Shore Tri-Town Development Corporation,
A body politic and corporate established under Chapter 301 of the 1998 Massachusetts Acts and Resolves,

and

LNR South Shore, LLC,
A Delaware limited liability company

TABLE OF CONTENTS

LIST OF EXHIBITS

NAS SOUTH WEYMOUTH AMENDED AND RESTATED DISPOSITION AND DEVELOPMENT AGREEMENT

THIS NAS SOUTH WEYMOUTH AMENDED AND RESTATED DISPOSITION AND DEVELOPMENT AGREEMENT (this "**Agreement**") is entered into this **24th day of March, 2008** (the "**Effective Date**"), by and between **SOUTH SHORE TRI-TOWN DEVELOPMENT CORPORATION**, a body politic and corporate established under Chapter 301 of the 1998 Massachusetts Acts and Resolves (the "**Corporation**"), and **LNR SOUTH SHORE, LLC**, a Delaware limited liability company ("**LNR**").

RECITALS

A. The Corporation and LNR are parties to that certain NAS South Weymouth Disposition and Development Agreement, dated as of May 5, 2004 (the "**Original DDA**"), as affected by (i) Memorandum of Agreement dated June 13, 2005 (the "**MOA**"), (ii) Agreement dated as of August 1, 2005 (the "**2005 Amendment**"), (iii) Third Amendment dated as of February 6, 2006 (the "**February 2006 Amendment**") by (iv) Amendment to DDA dated as of April 11, 2006 (the "**April 2006 Amendment**") and by (v) Fifth Amendment dated as of December 7, 2006 (the "**December 2006 Amendment**") (the Original DDA, as amended by the MOA, the 2005 Amendment, the February 2006 Amendment, the April 2006 Amendment and the December 2006 Amendment, the "**Prior DDA**") in connection with the former Naval Air Station South Weymouth ("**Base**"), located in the Towns of Abington, Rockland and Weymouth, Massachusetts (the "**Towns**"); and

B. The Prior DDA contemplated the transfer of the Base from the United States Navy (the "**Navy**") to the Corporation via certain transfer mechanisms and within certain timeframes; and

C. The Prior DDA provided, in part, that the Corporation had certain Base redevelopment responsibilities (and related costs and expenses) and LNR had certain other Base redevelopment responsibilities (and related costs and expenses) and provided timeframes within which such responsibilities would be performed; and

D. At no fault of the Corporation or LNR, the transfers of the Base from the Navy to the Corporation have not been completed in the manner or within the timeframes contemplated by the Prior DDA; and

E. The Corporation and LNR have had ongoing discussions with respect to modifying the timing and allocation of Base redevelopment responsibilities (and related costs and expenses) from the allocation set forth in the Prior DDA; and

F. The Corporation and LNR desire to amend and restate the Prior DDA in its entirety to reflect the changed circumstances since the execution of the Prior DDA and to modify the timing and allocation of Base redevelopment responsibilities (and related costs and expenses) from the allocation set forth in the Prior DDA; and

G. The Corporation has, by affirmative vote, and by stating the public convenience and necessity therefore, exempted the transactions contemplated by the Prior DDA and this Agreement for the requirements of any of the public bidding and procurement requirements applicable to bodies politic and corporate of the Commonwealth of Massachusetts imposed by general or special law including without limitation requirements of Chapter 7 of the Massachusetts General laws and regulations promulgated thereunder.

NOW, THEREFORE, FOR GOOD AND VALUABLE CONSIDERATION, THE RECEIPT AND SUFFICIENCY OF WHICH ARE HEREBY ACKNOWLEDGED, THE CORPORATION AND LNR HEREBY AGREE TO AMEND AND RESTATE THE PRIOR DDA IN ITS ENTIRETY AS FOLLOWS:

AGREEMENT

ARTICLE 1

DEFINITIONS

Section 1.1 **Defined Terms**.

"**2005 Amendment**" is defined in Recital A.

"**Actions**" means all claims, actions, suits or other legal proceedings.

"**Actual Knowledge**" means, with respect to LNR, the actual knowledge of the Project Director of LNR, as of the date such representation is made, without having undertaken any independent inquiry or investigation for the purpose of making such representation or warranty and without any duty of inquiry or investigation. With respect to the Corporation, "Actual Knowledge" means the actual knowledge of the Executive Director of the Corporation, as of the date such representation is made, without having undertaken any independent inquiry or investigation for the purpose of making such representation or warranty and without any duty of inquiry or investigation.

"**Actual Shortfall**" is defined in Section 5.4.1.

"**Agreement**" is defined in the introductory paragraph.

"**Amenities**" means those recreational, educational or public service elements of the Project detailed on the Amenity Plan, including both Public Amenities and Private Amenities (but expressly excluding the Golf Course and Sports Facilities).

"**Amenity Plan**" is the schematic development plan for the Amenities that is part of the Master Plan.

"**Anticipated Shortfall**" is defined in Section 5.4.1.

"**Applicable Law**" means all statutes, ordinances, by-laws, codes, rules, rulings, regulations, restrictions, orders, judgments, decrees, writs, judicial or administrative interpretations and injunctions (including, without limitations, all applicable building code, Americans with Disabilities Act, health code, zoning, subdivision, wetlands, and other land use

statutes, ordinances, by-laws, codes, rules, and regulations), whether now or hereafter enacted, promulgated, or issued by any Governmental Authority (including, without limitation, the Corporation).

"**April 2006 Amendment**" is defined in Recital A.

"**Base**" is defined in Recital A and described in Exhibit A hereto.

"Betterment" is defined in Section 8.1.

"**Bonds**" is defined in Section 8.1.

"**Bond Fee**" is defined in Section 8.1.

"**Business Day**" means any day that is not a Saturday or a Sunday or a public holiday under the laws of the United States of America or the State.

"**Closing**" is defined in Section 3.8.

"**Closing Date**" is defined in Section 3.8.

"**control**" shall mean the possession, directly or indirectly, of the power to direct the management and policies of a Person, whether through the ownership of voting interests, by contract or otherwise.

"**conveyed,**" **"conveyance"** and all related forms shall refer to transfers of real property by deeds and not to leases of real property.

"**Corporation**" is defined in the introductory paragraph.

"**Corporation Condition Precedent**" is defined in Section 3.11.2.

"**Corporation Condition Precedent Termination Date**" is defined in Section 3.11.4.

"**Corporation Condition Precedent Termination Notice**" is defined in Section 3.11.4.

"**Corporation Lease**" is defined in Section 4.6.

"**Corporation Parties**" means the Corporation and its officers, directors, agents, employees, successors and assigns.

"**DDA Mortgage**" means the Mortgage and Security Agreement from the Corporation to LNR dated May 5, 2004, recorded with the Norfolk County Registry of Deeds in Book 21509, Page 79 and recorded with the Plymouth County Registry of Deeds in Book 29078, Page 53.

"**DDA Security Agreement**" means the Security Agreement by the Corporation in favor of LNR dated May 5, 2004.

"December 2006 Amendment" is defined in Recital A.

"Deed" is defined in Section 3.7.

"**Development**" means the Horizontal Development and the Vertical Development, combined.

"**Development Permit**" means the final discretionary permit and approval issued by the Corporation under the Regulatory Framework allowing for the construction of a Development Unit (typically a site plan review under the Regulatory Framework), exclusive only of any non-discretionary permit and approval, such as a building permit.

"**Development Plan**" means "Development Plan" as defined in the Regulatory Framework.

"**Development Unit**" means (a) 1,000 square feet of gross floor area of commercial space (including, without limitation, for Office/Commercial uses, Industrial uses, Open Space/Recreational uses involving buildings (but expressly excluding the Golf Course and Sports Facilities) and Residential uses (expressly excluding Group Residences, Multifamily, Single Family and Townhouse uses), all as defined in the Zoning Bylaws, or (b) 10,000 square feet of gross floor area of Sports Facilities, or (c) one dwelling unit of Group Residences, Multifamily, Single Family and Townhouse uses (including, without limitation, each rental and for-sale unit). A Development Unit does not include any Amenities unless such Amenities are already included within the definitions in clause (a), (b) or (c). Structures designated for Institutional uses, Transportation uses, Communications & Utility uses and Public Infrastructure uses, all as defined in the Zoning Bylaws, shall not constitute Development Units under this Agreement.

"**EDC**" means an Economic Development Conveyance by the Navy pursuant to 32 CFR 174.9.

"**EDC Application**" means the Corporation's application to the Navy for an EDC approved on January 23, 2003, as amended by Economic Development Conveyance Application Amendment dated September 28, 2005, as further amended by Economic Development Conveyance Application Amendment dated May 9, 2007, and any further amendments thereof which have been approved in writing by LNR, in LNR's sole and absolute discretion. In the event any such amendment contemplates a LIFOC, the term "EDC Application" shall continue to apply to such application and any such amendment.

"**EDC Parcels**" means those parcels of land conveyed or to be conveyed by the Navy to the Corporation pursuant to the EDC Application.

"**EDC Pass-Through Agreement**" means an agreement between the Corporation and LNR, the material terms of which shall be approved in writing by LNR and the Corporation, each acting in its sole and absolute discretion, and the other terms of which shall be reasonably acceptable to the Corporation and LNR, whereby LNR assumes certain of the Corporation's responsibilities for various aspects of the approved EDC Application.

"**Effective Date**" is defined in the introductory paragraph.

"**Election Notice**" is defined in Section 3.3.

"**ENA Mortgage**" means the Mortgage and Security Agreement, dated as of May 16, 2003, by the Corporation in favor of LNR.

"**Enabling Legislation**" means Chapter 301 of the 1998 Massachusetts Acts and Resolves, as it may be amended from time to time, establishing the Corporation.

"**Entitlement Fees**" is defined in Section 5.6.

"**Environmental Laws**" means all Federal, State, and local laws, ordinances, by-laws, codes, rules, rulings, restrictions, orders, judgments, decrees, writs, judicial or administrative interpretations, and regulations now or hereafter in force, as amended from time to time, in any way relating to or regulating human health or safety, or industrial hygiene or protection of the environment, or pollution or contamination of the air, soil, surface water or groundwater, and includes, without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, 42 U.S.C. § 9601, *et seq.*; the Solid Waste Disposal Act, 42 U.S.C. § 6901,

et seq.; and Massachusetts General Laws Chapter 21C, Chapter 21E, Chapter 131, § 40, Chapter 21, § 26-53, and Chapter 111, §§ 150A, 150A½, 150B.

"**Event of Default**" is defined in Section 11.3.

"**Excess Federal Land**" means other land within the Base owned by the United States Coast Guard, the Federal Aviation Administration and/or other Federal agencies and not part of the Navy Parcels.

"**Excess Land Price**" is defined in Section 3.3.

"**Existing Structure**" is defined in Section 5.6.4.

"**February 2006 Amendment**" is defined in Recital A.

"**Force Majeure**" means a circumstance beyond the reasonable control of a party, including, without limitation, war, insurrection, terrorism, sabotage, embargo, fire, flood, earthquake, strike or other labor disturbance, interruption of or delay in transportation, inability to obtain raw materials, supplies, equipment or power needed for the activity, extraordinary weather conditions, riots, acts of God, acts of the public enemy, epidemics, quarantine restrictions, freight embargoes, lack of transportation, inability to secure necessary labor, materials or tools, unreasonable delays in the issuance of any permits or approvals by Governmental Authorities, appeals of any permits or approvals by third parties, unreasonable delays of any contractor, subcontractor, or supplier, and acts of another party, including Mutual Delay, but shall expressly exclude lack of credit, funds, or financing.

"**FOST**" shall mean a Finding of Suitability to Transfer, made pursuant to 42 U.S.C. Section 9620(h), which is a written determination by the Federal Government that a parcel can be transferred by the Federal Government by deed to the Corporation in full compliance with Section 120(h)(3) of the Comprehensive Environmental Response Compensation and Liability Act.

"**FOST 1**" means the FOST issued by the Navy for a portion of the Base on August 16, 2002.

"**FOST 2**" means the FOST issued by the Navy for a portion of the Base on January 23, 2003.

"**FOST 3**" means the FOST to be issued by the Navy for the FOST 3 Parcel.

"**FOST 4**" means the FOST to be issued by the Navy for the FOST 4 Parcel.

"**FOST 5**" means the FOST to be issued by the Navy for the FOST 5 Parcel.

"**FOST 6**" means the FOST to be issued by the Navy for the FOST 6 Parcel.

"**FOST 1 Parcel**" means the land with any improvements thereon conveyed by the Navy to the Corporation via an EDC pursuant to FOST 1 and subsequently conveyed by the Corporation to LNR by deed dated June 23, 2006, recorded with the Norfolk County Registry of Deeds in Book 23803, Page 372, and with the Plymouth Registry of Deeds in Book 32916, Page 21.

"**FOST 2 Parcel**" means the land with any improvements thereon conveyed by the Navy to the Corporation via an EDC pursuant to FOST 2 and subsequently conveyed by the Corporation to LNR by deed dated June 23, 2006, recorded with the Norfolk County Registry of Deeds in Book 23803, Page 405, and with the Plymouth Registry of Deeds in Book 32916, Page 54.

"**FOST 3 Parcel**" means the land with any improvements thereon to be conveyed by the Navy to the Corporation via an EDC pursuant to FOST 3, containing approximately 20.4 acres of land, and shown on Exhibit B attached hereto and incorporated herein by reference.

"**FOST 4 Parcel**" means the land with any improvements thereon to be conveyed by the Navy to the Corporation via an EDC pursuant to FOST 4, containing approximately 259 acres of land, and shown on Exhibit B attached hereto and incorporated herein by reference.

"**FOST 5 Parcel**" means the land with any improvements thereon to be conveyed by the Navy to the Corporation via an EDC or leased to the corporation via a LIFOC, containing approximately 336.8 acres of land, and shown on Exhibit B attached hereto and incorporated herein by reference.

"**FOST 6 Parcel**" means the land with any improvements thereon to be conveyed by the Navy to the Corporation via an EDC or leased to the corporation via a LIFOC, containing approximately 63.3 acres of land, and shown on Exhibit B attached hereto and incorporated herein by reference.

"**FOST Parcels**" means, collectively, the FOST 1 Parcel, the FOST 2 Parcel, the FOST 3 Parcel, the FOST 4 Parcel, the FOST 5 Parcel and the FOST 6 Parcel together with all other land conveyed by the Navy to the Corporation via an EDC and/or a LIFOC and, in either event, pursuant to a FOST.

"**FOST 3 Title Commitment**" means Title Commitment No. 39216, issued by the Title Company and effective December 11, 2003, regarding title to the FOST 3 Parcel.

"**Golf Course**" is defined in Section 7.4.

"**Golf Course Property**" is defined in Section 7.4.

"**Governmental Authorities**" means all agencies, authorities, bodies, boards, commissions, courts, instrumentalities, legislatures, and offices of any nature whatsoever of any governmental unit, quasi-governmental, or political subdivision, whether Federal, State, county, district, municipal, city, or otherwise, and whether now or hereafter in existence (including, without limitation, the Corporation and the Towns).

"Governmental Mitigation" is defined in Section 5.6.2.

"**Hazardous Substances**" means any substance or material that is described as a toxic or hazardous substance, waste, or material, or a pollutant or contaminant, or words of similar import, in any of the Environmental Laws, and includes asbestos, petroleum, petroleum products, polychlorinated biphenyls, urea formaldehyde, radon gas, radioactive matter, and chemicals which may cause cancer or reproductive toxicity.

"**Homeless Assistance Act**" means the Base Closure Community Redevelopment and Homeless Assistance Act of 1994 (Pub. L. 103-421; 10 U.S.C. 2687 note).

"**Horizontal Development**" means development in accordance with the Development Plans which have been, or hereafter may be, approved by the Corporation.

"**Horizontal Development Certificate of Compliance**" is defined in Section 6.6.

"**Horizontal Development Completion Notice**" is defined in Section 6.6.

"**Horizontal Development Failure Notice**" is defined in Section 6.6.

"**Host Agreements**" means, collectively, that certain Memorandum of Agreement between LNR and the Town of Abington dated as of October 1, 2007, that certain Memorandum

of Agreement between LNR and the Town of Rockland dated as of May 1, 2007 and that certain Memorandum of Agreement between LNR and the Town of Weymouth dated as of June 23, 2006, as each hereafter may be amended.

"**Improved Parcel**" means a separate legal lot of land, which has been improved in accordance with any applicable Subdivision Approval and any applicable Development Plan.

"**Lease**" or "**lease**" means any lease or other occupancy agreement regarding all or any portion of the EDC Parcels, whether written or oral.

"**Letter of Credit**" is defined in Section 15.1.

"**LIFOC**" is defined in Section 3.1.

"**LNR**" is defined in the introductory paragraph.

"LNR Affiliate" means LNR Property Holdings Ltd., LNR Property Corporation, or any entity controlling, controlled by, or under common control with either of such entities.

"**LNR Condition Precedent**" is defined in Section 3.11.1.

"**LNR Condition Precedent Termination Date**" is defined in Section 3.11.3.

"**LNR Condition Precedent Termination Notice**" is defined in Section 3.11.3.

"**LNR Parties**" means LNR and its members, constituent members, and LNR Affiliates, and their respective directors, officers, agents, and employees.

"**LNR Property Corporation**" means LNR Property Corporation, a Delaware corporation.

"**Losses**" means any and all losses, liabilities, judgments, suits, claims, damages, settlements, fines penalties, costs, and expenses (including reasonable attorneys' fees, investigation costs, remediation costs, and court costs), of any kind or nature.

"Major Infrastructure Elements" means the following items with respect to the Project: a complete Parkway, available water supply, wastewater treatment capacity and electric and gas utilities.

"**Master Developer**" is defined in Section 6.1.

"**Master Plan**" is the comprehensive, detailed schematic development plan for the Navy Parcels, including the Amenity Plan and the Phasing Plan, and together with supporting documentation, approved by the Corporation on May 5, 2005, as the same may be amended from time to time.

"MBTA Land" means such portion of the land outside of the Base as is currently owned by the Massachusetts Bay Transit Authority as is used for a parking facility and which will be used as part of the development of the Parkway.

"**MBTA Swap Parcel**" means such portion of the land within the Base as may be necessary to swap with the land currently used by the Massachusetts Bay Transit Authority for a parking facility as part of the development of the Parkway.

"**Memorandum of Agreement**" is defined in Section 15.14.

"**MOA**" is defined in Recital A.

"**Mortgage**" means any mortgage, deed of trust, or other security interest granted by LNR or a developer of Vertical Development to a bona fide third party, which mortgage encumbers any portion of the EDC Parcels, and as to which the Mortgagee has provided written notice thereof to the Corporation. Mortgage expressly excludes the ENA Mortgage and the DDA Mortgage.

"**Mortgagee**" means the holder of any Mortgage (expressly excluding the ENA Mortgage and the DDA Mortgage).

"**Mutual Delay**" means that, with respect to any portion of the Project where the work of the Corporation or LNR affects the timing of the work by the other party, if the Corporation or LNR delays in the performance of its obligations under this Agreement, the other party shall be entitled to an extension for the time of its performance equal to the number of days of delay by the other party; provided, however, that notice of the claim to an extension of time pursuant to this provision is given to the other party within thirty (30) days after the event causing the delay.

"**NASPC**" is defined in Section 4.4.

"**Naval Air Memorial Grove**" is defined in Section 4.6.

"Navy" is defined in Recital B.

"**Navy Parcels**" means the EDC Parcels and the PBC Parcels.

"**Net New State Revenues**" is defined in Section 7.3.

"**Notice of Termination**" is defined in Section 11.3.

"**Operations Funding**" is defined in Section 5.3.

"**Original DDA**" is defined in Recital A.

"**Outside Transfer Date**" is defined in Section 3.1.

"**Parkway**" is defined in Section 7.3.

"**Parkway Bonds**" is defined in Section 7.3.

"**Parkway Memoranda of Agreement**" is defined in Section 7.3.

"**Payment Amount Advances**" is defined in Section 5.4.

"**PBC Application**" means the Corporation's application for a Public Benefit Conveyance, dated February 15, 2003, approved by the National Park Service and the United States Department of the Interior on March 7, 2003, as now or hereafter amended, which amendments shall be approved by LNR, in LNR's sole and absolute discretion.

"**PBC Elements**" means those improvements to the PBC Parcels required pursuant to the terms of the PBC Application.

"**PBC Parcels**" means those parcels of land with any improvements thereon conveyed or to be conveyed to the Corporation pursuant to the PBC Application.

"**Person**" means any natural person, corporation, limited liability company, limited partnership, general partnership, joint venture, association, company, trust, bank, or other organization, whether or not a legal entity.

"**Personal Property**" is defined in Section 4.7.

"**Phasing Plan**" is the plan submitted by LNR as part of the Master Plan, setting forth LNR's anticipated schedule for the completion of different portions of the Master Plan. Each phase on the Phasing Plan shall correspond generally to LNR's anticipated plan for applying for the Development Permits.

"**PLL Policy**" is defined in Section 3.5.3.

"**Post-Transition Period(s)**" is defined in Section 4.1.

"**Prior DDA**" is defined in Recital A.

"**Private Amenities**" means those Amenities that are not Public Amenities. Private Amenities are not required to be constructed by LNR or any third party, but may be constructed by LNR or a developer of Vertical Development on a wholly voluntary basis.

"**Project**" means any and all work associated with and related to the redevelopment of the Base in accordance with the Reuse Plan and the Zoning Bylaws, and related off-site activities including, without limitation, all due diligence, planning, design, permitting, financing, homeless assistance, mitigation, remediation, construction, community outreach and marketing.

"**Proponent**" means the party acting in the role of owner/principal, with ultimate responsibility for delivery of the work in question, including, without limitation, responsibility for securing all permits, obtaining all financing, ensuring the proper design and construction, and handling all aspects of financial control including budget, contracts, accounting, and change orders (except as may otherwise be expressly provided in this Agreement).

"**Public Amenities**" means those elements of the Project, such as parks, picnic areas, playgrounds, ball fields, running tracks, biking and hiking trails, tennis courts, community centers, transit facilities and PBC Elements, shown on the Amenity Plan and which are open to occupants of the Base and residents of the Towns. Public Amenities excludes the Golf Course and Sports Facilities. Public Amenities shall be designed and developed pursuant to the approved Master Plan and any required Governmental Mitigation.

"**Reciprocal Access Agreement**" is defined in Section 3.7.

"Redevelopment Services" is defined in Section 5.4.

"**Regulatory Framework**" means a compendium of the Reuse Plan, the Zoning Bylaws, the Zoning Map and all municipal zoning, subdivision, wetlands, design and other land use and utility laws, ordinances, rules and regulations adopted by the Corporation in connection with the permitting and licensing of the Horizontal Development and the Vertical Development, as the same may be amended from time to time. The Regulatory Framework does not include any Federal, State, or other local land use laws, ordinances, rules, or regulations administered by parties other than the Corporation, or any other Applicable Laws.

"**Remaining EDC Parcels**" means the EDC Parcels other than the FOST 1 Parcel and the FOST 2 Parcel.

"**Reuse Plan**" means that certain document entitled "Naval Air Station Planning Committee Reuse Plan," adopted by the Towns as of March 1998, as amended pursuant to the Town Approvals as of July 25, 2005.

"**Sale Notice**" is defined in Section 3.3.

"**Sports Facilities**" means indoor, for-profit, stand-alone commercial facilities dedicated to sports and fitness uses, including related training, instructional, practice and competition facilities, whether professional or amateur. Sports Facilities do not include outdoor playing fields, outdoor courts, outdoor rinks or other non-covered areas, nor the Golf Course.

"State" means the Commonwealth of Massachusetts.

"Subdivision Approval" means an approval of a subdivision plan by the Corporation under the Massachusetts Subdivision Control Law and the Regulatory Framework.

"Substantial Accordance with the Master Plan" means a level of Project approval and permitting that authorizes development having (i) timing consistent with the phasing schedule set forth in the Master Plan; (ii) a number of residential units that is not less than ninety-five percent (95%) of the residential units contemplated by the entire Master Plan; and (iii) commercial space that is not less than ninety-five percent (95%) of the commercial space contemplated by the entire Master Plan.

"**Supplemental Agreement**" means the Supplemental Agreement between the Corporation and LNR, dated as of June 23, 2006, recorded with the Norfolk County Registry of Deeds in Book 23803, Page 495 and with the Plymouth County Registry of Deeds in Book 32916, Page 133, as now or hereafter amended.

"Taxes" is defined in Section 3.12.

"**Term**" is defined in Section 2.2.

"**Title Commitment**" means the FOST 3 Title Commitment and Title Commitment No. 39216, issued by the Title Company and effective December 11, 2003.

"**Title Company**" means First American Title Insurance Company, or another title insurance company reasonably acceptable to LNR and the Corporation.

"**Town Approval**" means the combined approval by each of the Towns of amendments to the Zoning Bylaws, Zoning Map and Reuse Plan, to the extent necessary to be consistent with the initial approved Master Plan.

"**Transition Period(s)**" is defined in Section 4.1.

"**Towns**" is defined in Recital A.

"**User Fees**" is defined in Section 8.1.

"**Vertical Development**" means the development of Improved Parcels with buildings and other improvements (including, without limitation, Private Amenities), in accordance with all requirements related to any applicable Subdivision Approval and any applicable Development Plan, or otherwise as required by the Regulatory Framework.

"Water Supply System" is defined in Section 7.1.

"Wastewater Management System" is defined in Section 7.2.

"**Zoning Bylaws**" means that certain document entitled "Zoning and Land Use By-Laws for NAS South Weymouth," adopted by each of the Towns effective as of May 18, 1998, as amended pursuant to the Town Approvals as of July 25, 2005, as the same may be further amended from time to time, provided, however, that the Corporation shall not propose or consent to any such amendment if such amendment would have a negative affect on LNR's ability to develop the Project in accordance with the Reuse Plan.

"**Zoning Map**" means the Zoning Map as described in the Zoning Bylaws, as amended on January 14, 2008, as further amended from time to time, provided, however, that the Corporation shall not propose or consent to any such further amendment if such further amendment would have a negative affect on LNR's ability to develop the Project in accordance with the Reuse Plan.

Section 1.2 **Additional Defined Terms**. If any capitalized terms contained in this Agreement are not defined above, then such terms shall have the meaning otherwise ascribed to them in this Agreement.

ARTICLE 2

RECITALS AND TERM

Section 2.1 **Preamble; Recitals**. The provisions of the Preamble and Recitals are incorporated by reference herein and are made fully a part of this Agreement.

Section 2.2 **Term**. The term of this Agreement (the "**Term**") shall commence upon the Effective Date of this Agreement, and unless earlier terminated pursuant to this Agreement, shall terminate upon the completion of all Horizontal Development with respect to all of the EDC Parcels which are conveyed, or may be conveyed by the Corporation to LNR in accordance with the EDC Application and in accordance with this Agreement. To the extent any provisions of this Agreement are intended to be binding upon Vertical Development, such provisions shall be set forth (a) in the appropriate deed(s) of the real property from the Corporation to LNR, as contemplated by Section 7 hereof, or (b) in the applicable Horizontal Development Certificate(s) of Compliance.

ARTICLE 3

PROPERTY TRANSFERS

Section 3.1 **Corporation Acquisition of the Navy Parcels**. The Corporation shall use diligent efforts to acquire the remaining portions of the Navy Parcels pursuant to the EDC Application and the PBC Application. LNR agrees to use diligent efforts to assist the Corporation in acquiring the remaining portions of the Base as provided herein. The Corporation agrees to comply with all provisions of Applicable Laws related to its leasing or acquisition of the EDC Parcels.

To date, the Corporation's EDC Application has contemplated a transfer as a "no cost" EDC or an EDC for nominal cost. The parties agree that if the Navy requires a payment in connection with the transfer of the Remaining EDC Parcels, the parties shall cooperate and negotiate in good faith regarding an appropriate cost. The parties agree that if the Navy desires to transfer all or a portion of the Remaining EDC Parcels pursuant to a Lease in Furtherance of Conveyance ("**LIFOC**") the parties shall cooperate and negotiate in good faith regarding the terms of any such lease. The parties further agree to cooperate and negotiate in good faith

regarding any further amendments to the EDC Application and the PBC Application to facilitate the leasing and conveyance to the Corporation of the remaining Navy Parcels. The parties further agree to cooperate and negotiate in good faith regarding the EDC Pass-Through Agreement. To the extent any payment is required to the Navy in connection with the lease or conveyance to the Corporation of the Remaining EDC Parcels, the parties acknowledge that LNR shall be solely responsible for such payments as expressly set forth in a final letter of intent between the Navy and the Corporation regarding the lease or conveyance to the Corporation of the Remaining EDC Parcels. Accordingly, the Corporation agrees that it shall not enter into any letter of intent or any agreement with the Navy regarding the lease or conveyance to the Corporation of the Remaining EDC Parcels for a cost or pursuant to a LIFOC without the prior consent of LNR, not to be unreasonably withheld, conditioned or delayed. If (a) the Corporation and LNR cannot agree on any payment to the Navy for any of the Remaining EDC Parcels pursuant to this Agreement or (b) the Corporation and LNR cannot agree on the terms of any LIFOC for any of the Remaining EDC Parcels pursuant to this Agreement, or (c) the Corporation and LNR cannot agree on the material terms of the EDC Pass-Through Agreement, then either party may elect to have this Agreement no longer apply to such parcels, provided, however, that this Agreement shall remain in full force and effect, with respect to any EDC Parcels previously or thereafter conveyed or leased to LNR.

If on or before December 31, 2008 the Corporation and the Navy do not reach an agreement for the conveyance to the Corporation of all of the Remaining EDC Parcels, which agreement is consistent with the EDC Application and is consented to by LNR, (the "**Outside Transfer Date**") then LNR may elect to terminate this Agreement within ninety (90) days thereafter, whereupon this Agreement shall have no further force or effect, except for such provisions as expressly survive the termination hereof and except with respect to any EDC Parcels previously conveyed or leased to LNR.

Section 3.2 **Conveyances and Leases of the EDC Parcels.**

3.2.1 **FOST 1 and FOST 2.** The Corporation has conveyed, assigned, transferred and delivered to LNR, and LNR has acquired and accepted from the Corporation, all right, title and interest in and to the FOST 1 Parcel and the FOST 2 Parcel. Upon such transfer

the DDA Security Agreement terminated and the DDA Mortgage terminated and was discharged of record.

3.2.2 **Other FOST Parcels.** Subject to the provisions of this Agreement, the Corporation shall convey, assign, transfer and deliver to LNR, and LNR shall accept from the Corporation, all of the Corporation's right, title and interest in and to any or all of the Remaining EDC Parcels contemporaneously with, or immediately following, the conveyance or lease of such Remaining EDC Parcels from the Navy to the Corporation, whether pursuant to an EDC or a LIFOC.

Section 3.3 **Conveyance of Excess Federal Land.** The parties anticipate that the Federal government may, in the future, desire to dispose of some or all of the Excess Federal Land. The Corporation shall use all reasonable means available to acquire the Excess Federal Land, should it become available, and LNR shall cooperate with the Corporation in such efforts. If the Corporation is unable to acquire the Excess Federal Land after having used all reasonable means available, but LNR nonetheless reasonably believes that LNR may be able to acquire the Excess Federal Land directly, the Corporation, at LNR's sole cost and expense, shall reasonably cooperate with LNR in LNR's efforts to acquire the Excess Federal Land directly.

If the Corporation is able to acquire the Excess Federal Land and LNR is not in default under this Agreement beyond applicable notice and cure periods, LNR shall have the right to acquire the Excess Federal Land from the Corporation (exclusive of any Excess Federal Land that may be part of the MBTA Swap Parcel or otherwise needed for the construction of the Parkway) for an amount equal to the amount paid by the Corporation to acquire such property, plus all reasonable out-of-pocket costs and expenses incurred by the Corporation in connection therewith (including, without limitation, reasonable attorneys' fees and expenses) (the "**Excess Land Price**").

If the Corporation acquires any Excess Federal Land and LNR is not in default under this Agreement beyond applicable notice and cure periods, the Corporation shall provide prompt written notice thereof to LNR (the "**Sale Notice**"). LNR shall have the right, exercised by written notice given to the Corporation (the "**Election Notice**") within thirty (30) days after delivery of the Sale Notice, to elect to acquire such Excess Federal Land (exclusive of any

Excess Federal Land that may be part of the MBTA Swap Parcel or otherwise needed for the construction of the Parkway) for the Excess Land Price. Upon receipt of the Election Notice, the Corporation shall be obligated to transfer the Excess Federal Land (exclusive of any Excess Federal Land that may be part of the MBTA Swap Parcel or otherwise needed for the construction of the Parkway) to LNR as provided herein.

If LNR delivers the Election Notice as provided herein, the transfer of the Excess Federal Land shall occur pursuant to the closing procedures set forth in Article 10 hereof, *mutatis mutandis*, on the thirtieth (30^{th}) day after the giving of the Election Notice. At such Closing, the Corporation shall deliver title to LNR by good and sufficient quitclaim deed, subject to such title matters as existed at the time the Corporation acquired the Excess Federal Land. If LNR acquires any Excess Federal Land, this Agreement shall be binding upon such Excess Federal Land (which shall be treated as additional EDC Parcels hereunder) and LNR shall pay the applicable Entitlement Fees, as defined in Section 5.6 herein, for Development Permits issued with respect to any of such Excess Federal Land.

If LNR does not deliver the Election Notice as provided herein, or if LNR delivers the Election Notice but thereafter fails to complete the acquisition of the Excess Federal Land as provided herein, the Corporation shall be entitled to retain the Excess Federal Land and LNR shall have no further right to acquire the Excess Federal Land hereunder. Any affidavit signed on behalf of the Corporation and recorded with the applicable Registry of Deeds shall be presumptive evidence of LNR's exercise or failure to exercise its rights under this Section.

If either the Corporation or LNR acquire title to the MBTA Swap Parcel or land otherwise needed for the construction of the Parkway (including without limitation the MBTA Land), LNR agrees that the Corporation shall be exclusively entitled to acquire and own such land for purposes of facilitating the construction of the Parkway. If, in the first instance, LNR acquires title to such land, LNR shall promptly convey such land to the Corporation, as provided in Article 9 hereof. The Corporation and LNR acknowledge and agree that any payments necessary to acquire such land shall be part of the cost of the Parkway and addressed pursuant to Section 7.3 hereof.

The provisions of this Section 3.3 shall survive the Closings.

Section 3.4 **Risk of Loss**. In the event of any damage or destruction to any improvements on any portion of the Remaining EDC Parcels, LNR agrees to acquire the Remaining EDC Parcels notwithstanding such damage or destruction and without compensation therefor. LNR shall have the right to acquire insurance to the extent of LNR's interest in the Remaining EDC Parcels. LNR shall be entitled to receive any insurance proceeds recovered or recoverable, less the reasonable costs of obtaining the same, related to such damage or destruction (subject to the provisions of the Leases, including, without limitation, the Corporation Lease).

The provisions of this Section 3.4 shall survive the Closings.

Section 3.5 **Insurance**.

3.5.1 **LNR Insurance**. During the Term, LNR shall keep in full force and effect comprehensive general liability insurance on the broadest commercially reasonable obtainable form, in commercially reasonable amounts of not less than three million dollars ($3,000,000) per occurrence and ten million dollars ($10,000,000) aggregate for such liability insurance, naming the Corporation as an additional insured, in substantial conformance with the Certificate(s) of Insurance attached hereto as Exhibit N-1, with such companies and upon such terms and conditions as the Corporation may reasonably request. Upon the conveyance or lease of any EDC Parcel or portion thereof to LNR, LNR also shall keep in full force and effect all-risk property insurance for such EDC Parcel or portion thereof, naming the Corporation as an additional insured, in substantial conformance with the Certificate(s) of Insurance attached hereto as Exhibit N-1, with such companies and upon such terms and conditions as the Corporation may reasonably request. All applicable endorsements and appropriate schedules of insurance must be attached to the Certificate(s) of Insurance. All of LNR's costs of insurance for the Project shall be paid by LNR (except to the extent paid by tenants under Leases, including, without limitation, the Corporation Lease). The provisions of this Section 3.5.1 shall survive the Closings and/or any termination of this Agreement with respect to the EDC Parcels previously conveyed or leased to LNR.

3.5.2 **Corporation Insurance**. During the Term, the Corporation shall keep in full force and effect comprehensive general liability insurance on the broadest

commercially reasonable obtainable form, in commercially reasonable amounts of not less than three million dollars ($3,000,000) per occurrence and five million dollars ($5,000,000) aggregate for such liability insurance, naming LNR as an additional insured, in substantial conformance with the Certificate(s) of Insurance attached hereto as Exhibit N-2, with such companies and upon such terms and conditions as LNR may reasonably request. Upon the lease or conveyance of any Remaining EDC Parcel or portion thereof to the Corporation, and prior to its lease or conveyance to LNR, the Corporation also shall keep in full force and effect all-risk property insurance for such Remaining EDC Parcel or portion thereof, naming LNR as an additional insured, in substantial conformance with the Certificate(s) of Insurance attached hereto as Exhibit N-2, with such companies and upon such terms and conditions as LNR may reasonably request. All applicable endorsements and appropriate schedules of insurance must be attached to the Certificate(s) of Insurance. All of the Corporation's costs of insurance for the Project shall be paid by the Corporation (except to the extent paid by tenants under Leases). The provisions of this Section 3.5.2 shall survive the Closings and/or termination of this Agreement with respect to the EDC Parcels previously conveyed or leased to LNR.

3.5.3 Environmental Insurance. (a) In May of 2003, the Corporation and LNR procured from AIG a Pollution Legal Liability policy, PLS-CCC 3778163 (the **"PLL Policy"**), covering the FOST 1 Parcel and the FOST 2 Parcel, and the related portions of the PBC Parcels. A number of LNR related entities were named as insureds on the PLL Policy, but LNR had not yet been established at the time the PLL Policy was issued, and, therefore, it was originally not named as an insured under the PLL Policy. In July of 2007, the Corporation and LNR took steps to effectuate an endorsement to the PLL Policy which added LNR as an additional named insured as of the effective date of the PLL Policy, i.e., May 15, 2003; the Corporation continued to be the First Named Insured for the FOST 1 Parcel and the FOST 2 Parcel, together with the PBC Parcels transferred to the Corporation contemporaneously therewith.

The Corporation and LNR further agree to cooperate with each other in procuring a renewal or extension of the PLL Policy. Such cooperation shall include efforts to make LNR the First Named Insured for the FOST 1 Parcel and the FOST 2 Parcel, and to make the Corporation the First Named Insured with respect to the related portions of the PBC Parcels.

The Corporation and LNR agree to cooperate and communicate with each other to the fullest extent reasonably necessary with respect to issues related to the PLL Policy. This cooperation and communication shall include but not be limited to the following:

(b) The Corporation and LNR shall each comply with and perform their respective obligations under the PLL Policy, and shall not take any actions or omit to take any actions that result in the cancellation, invalidation, suspension or impairment of coverage, or the barring of a claim, or otherwise adversely affect the other party's rights under the PLL Policy, including, without limitation, instituting litigation against third parties which litigation could result in triggering further claims under the PLL Policy, except for cross claims, counterclaims, and third-party claims in response to litigation initiated by a third party. Except as permitted under the PLL Policy, neither party shall cause any modification or change to be made to the PLL Policy without the written consent of the other.

(c) The Corporation and LNR shall provide each other with thirty (30) days prior written notice of any claim under the PLL Policy, unless providing such notice would result in a failure to give timely notice to the insurer under the terms of the PLL Policy, in which case reasonable prior notice shall be provided. The Corporation and LNR shall discuss the scope, content and purpose of the claim and shall negotiate in good faith to resolve any dispute between them regarding the claim.

(d) The Corporation and LNR shall cooperate to provide on a timely basis any relevant information requested by the other party in order to prepare or support a claim and to provide any relevant information requested by the insurance company during its evaluation of a claim.

(e) Environmental insurance with respect to the Remaining EDC Parcels shall be addressed in the EDC Pass-Through Agreement.

(f) The provisions of this Section 3.5.3 shall survive the Closings and/or termination of this Agreement with respect to the EDC parcels previously conveyed or leased to LNR and the related portions of the PBC Parcels.

Section 3.6 **Title Policy**. LNR agrees to obtain at each Closing, at LNR's sole cost and expense, title insurance from the Title Company in form and substance substantially similar to the applicable portion of the Title Commitment.

Section 3.7 **Form of Lease; Form of Deed**. If any Remaining EDC Parcel is leased to the Corporation pursuant to a LIFOC, the Corporation shall lease such Remaining EDC parcel to LNR on the same terms and conditions. The Corporation shall convey to LNR title to the Remaining EDC Parcels which have been conveyed by the Navy to the Corporation, or any portion thereof, in the condition provided in Section 3.9 herein by Massachusetts quitclaim deed in substantially the form set forth in Exhibit C hereto (the "**Deed**"), conveying good and clear record and marketable title to LNR, free and clear of rights of possession by any Person (other than LNR) and free of all liens and encumbrances, other than the following exceptions:

(a) provisions of Applicable Laws, including, without limitation, the Regulatory Framework;

(b) matters set forth in the Title Commitment;

(c) matters set forth in the Deed(s) from the Navy to the Corporation;

(d) the rights and easements set forth in the Agreement Granting Reciprocal Easements between the Corporation and the Navy, dated May 13, 2003, recorded with the Norfolk County Registry of Deeds in Book 18919, Page 1 and with the Plymouth County Registry of Deeds in Book 25152, Page 1;

(e) the covenants and agreements set forth in this Agreement;

(f) covenants, easements and agreements between the Corporation and LNR regarding access rights between the land conveyed to LNR and the land owned by the Corporation (the "**Reciprocal Access Agreement**"), which shall be in form and substance substantially similar to the Agreement Granting Reciprocal Easements, dated June 23, 2006, recorded with the Norfolk County Registry of Deeds in Book 23803, Page 431 and with the Plymouth County Registry of Deeds in Book 29078, Page 15 and related to the FOST 1 Parcel and the FOST 2 Parcel;

(g) the rights of the Corporation, as tenant, under the Corporation Lease;

(h) the rights of tenants, as tenants only, under the Leases existing as of the Effective Date and any new Leases entered into between the Effective Date and the Closing Date and approved by LNR (where such approval is required by this Agreement);

(i) the Covenants Concerning Wetlands attached hereto as Exhibit D;

(j) the terms and provisions of the Supplemental Agreement, as now or hereafter amended;

(k) the restriction with respect to the Golf Course Property, as provided in Section 7.4 hereof; and

(l) such other matters to which LNR consents, which consent shall be granted if the matters do not materially adversely affect the development of the Remaining EDC Parcels in accordance with the Master Plan.

Section 3.8 **Time for and Place of Delivery of Lease or Deed**. The lease (in the case of a LIFOC) or the applicable Deed shall be delivered and the transfers shall occur (each a "**Closing**") at the offices of Nutter, McClennen & Fish, LLP, World Trade Center West, 155 Seaport Boulevard, Boston, Massachusetts, unless otherwise agreed to in writing by the parties hereto (each a "**Closing Date**").

Section 3.9 **Condition of the Navy Parcels**. LNR acknowledges that during the Term, the Navy Parcels may be altered and affected by the performance by the Navy of any environmental remediation or other obligations related to Hazardous Substances on the Navy Parcels that are the responsibility of the Navy. LNR agrees that, notwithstanding such activities, the EDC Parcels have been and shall be conveyed and leased from the Corporation to LNR in "As Is" condition, but in accordance with the provisions of the EDC Application.

Except as expressly set forth in this Agreement or in any other written instrument delivered in connection with a Closing, it is understood and agreed that the Corporation is not making and has not at any time made any warranties or representations of any kind or character, expressed or implied, with respect to the Base or the Navy Parcels, including, but not limited to, any warranties or representations as to habitability, merchantability, fitness for a particular purpose, title, zoning, tax consequences, latent or patent physical or environmental condition, utilities, valuation, the compliance of the Base or the Navy Parcels with Applicable Laws, or any

other matter or thing regarding the Base or the Navy Parcels. LNR acknowledges and agrees that upon each Closing the Corporation shall lease or convey to LNR and LNR shall accept the EDC Parcels "As Is, Where Is, with All Faults," except to the extent expressly provided otherwise in this Agreement. LNR has not relied and will not rely on, and the Corporation is not liable for or bound by, any expressed or implied warranties, guaranties, statements, representations or information pertaining to the Base or the Navy Parcels or relating thereto made or furnished by or on behalf of the Corporation, to whomever made or given, directly or indirectly, orally or in writing, unless specifically set forth in this Agreement or in another written instrument delivered in connection with a Closing. LNR represents to the Corporation that LNR has had sufficient opportunity to conduct investigations of the Base and the Navy Parcels, including but not limited to, the physical and environmental conditions thereof, the status of all tenant Leases and all other matters related to the Base and the Navy Parcels and the transactions contemplated hereby, as LNR deems necessary to satisfy itself as to the condition of the Base and the Navy Parcels and the existence or nonexistence or curative action to be taken with respect to the Base and/or Navy Parcels and any Hazardous Substances on or discharged from the Base and/or the Navy Parcels, and will rely solely upon same and not upon any information provided by or on behalf of the Corporation or its agents or employees with respect thereto, other than such representations, warranties and covenants of Corporation as are expressly set forth in this Agreement or in any other written instrument delivered in connection with a Closing. Upon each Closing, the LNR Parties shall assume the risk that adverse matters (including, but not limited to, adverse physical and environmental conditions) may not have been revealed by LNR's investigations, and LNR and all LNR Parties, upon Closing, shall be deemed to have waived, relinquished and released the Corporation and all Corporation Parties (except to the extent of the Corporation's negligence or willful misconduct), from and against any and all Actions and Losses of any and every kind or character, known or unknown, statutory or at common law, which LNR or any LNR Parties might have asserted or alleged against the Corporation and the other Corporation Parties at any time by reason of or arising out of any latent or patent defects or physical conditions, violations of any Applicable Laws (including, without limitation, any Environmental Laws) and any and all other acts, omissions, events, circumstances or matters regarding the condition of the Base and/or the Navy Parcels. The

provisions of this Section 3.9 shall survive each Closing and/or the termination of this Agreement.

Section 3.10 Assumption of PBC Obligations. Upon the transfer of the FOST 1 Parcel and FOST 2 Parcel to LNR, the Corporation's obligations to construct the PBC Elements pursuant to the PBC Application on the PBC Parcels then conveyed to the Corporation were assumed by LNR. The Corporation's obligations to construct the PBC Elements pursuant to the PBC Application on the PBC Parcels which are related to the EDC Parcels hereinafter conveyed to the Corporation shall be assumed by LNR at the later of (i) the conveyance of the applicable EDC Parcel to LNR and (ii) the Corporation certifying to LNR that the Corporation has received no notice of any outstanding default with respect to the Corporation's obligations relative to the applicable PBC Elements. LNR agrees to perform such construction obligations in compliance with all of the terms of the PBC Application following such assumption by LNR. The Corporation shall be responsible to maintain such PBC Elements following the completion of construction.

Section 3.11 Conditions Precedent to Closing.

3.11.1 LNR Conditions Precedent. LNR's obligations to consummate each Closing hereunder shall be subject to the fulfillment, on or before the applicable Closing Date, of all of the following conditions, any or all of which may be waived by LNR (each, an "**LNR Condition Precedent**"):

(a) The conveyance or lease of the applicable portion of the Remaining EDC Parcels from the Navy to the Corporation.

(b) The Corporation is then in existence.

(c) Title to the applicable portion of the Remaining EDC Parcels complies with the provisions of Section 3.7 herein.

(d) The Corporation and/or the Corporation Parties have not materially adversely impaired the condition of the Remaining EDC Parcels since the Effective Date.

(e) All of the representations and warranties of the Corporation contained in this Agreement were true and correct in all material respects when made and are true and correct in all material respects as of the Closing Date.

(f) The Corporation shall have performed and observed, in all material respects, all covenants and agreements of the Corporation under this Agreement to be performed and observed as of the Closing Date.

(g) The Corporation and LNR shall have executed and delivered the EDC Pass-Through Agreement.

3.11.2 Corporation Conditions Precedent. The Corporation's obligations to consummate each Closing hereunder shall be subject to the fulfillment, on or before the applicable Closing Date, of all of the following conditions, any or all of which may be waived by the Corporation (each, a "**Corporation Condition Precedent**"):

(a) The lease or conveyance of the applicable portion of the Remaining EDC Parcels to the Corporation.

(b) The delivery of the Letter of Credit (or any renewal or replacement Letter of Credit) contemplated by Section 15.1 hereof.

(c) All of the representations and warranties of LNR contained in this Agreement were true and correct in all material respects when made and are true and correct in all material respects as of the Closing Date.

(d) LNR shall have performed and observed, in all material respects, all covenants and agreements of LNR under this Agreement to be performed and observed as of the Closing Date.

(e) The Corporation and LNR shall have executed and delivered the EDC Pass-Through Agreement.

3.11.3 Failure of an LNR Condition Precedent. If for any reason any LNR Condition Precedent identified in Section 3.11.1 herein has not been met on or before the applicable Closing Date, LNR shall have the right to terminate this Agreement with respect to the applicable portion of the EDC Parcels which was to have been conveyed or leased to LNR by

written notice to the Corporation (an "**LNR Condition Precedent Termination Notice**"); provided, however, that this Agreement shall remain in full force and effect after such termination with respect to any EDC Parcels previously or thereafter conveyed or leased to LNR. Any LNR Condition Precedent Termination Notice shall set forth a termination date (the "**LNR Condition Precedent Termination Date**"), which date shall not be less than thirty (30) days nor more than one hundred twenty (120) days after the date of the LNR Condition Precedent Termination Notice. The Corporation shall use diligent efforts following the LNR Condition Precedent Termination Notice and prior to the LNR Condition Precedent Termination Date to satisfy the LNR Condition Precedent. In the event that the LNR Condition Precedent is satisfied prior to the LNR Condition Precedent Termination Date, the Closing shall occur on the date thirty (30) days after the date of notice to LNR of the satisfaction of the LNR Condition Precedent (which notice shall be delivered promptly to LNR). In the event the LNR Condition Precedent is not satisfied prior to the LNR Condition Precedent Termination Date, this Agreement shall terminate with respect to the applicable portion of the EDC Parcels, which was to have been conveyed or leased to LNR.

3.11.4 Failure of a Corporation Condition Precedent. If for any reason any Corporation Condition Precedent identified in Section 3.11.2 herein has not been met on or before the applicable Closing Date, the Corporation shall have the right to terminate this Agreement with respect to the applicable portion of the EDC Parcels which was to have been conveyed or leased to LNR by written notice to LNR (a "**Corporation Condition Precedent Termination Notice**"); provided, however, that this Agreement shall remain in full force and effect after such termination with respect to any EDC Parcels previously or thereafter conveyed or leased to LNR. A Corporation Condition Precedent Termination Notice shall set forth a termination date (the "**Corporation Condition Precedent Termination Date**"), which date shall not be less than thirty (30) days nor more than one hundred twenty (120) days after the date of the Corporation Condition Precedent Termination Notice. LNR shall use diligent efforts following the Corporation Condition Precedent Termination Notice and prior to the Corporation Condition Precedent Termination Date to satisfy the Corporation Condition Precedent. In the event that the Corporation Condition Precedent is satisfied prior to the Corporation Condition Precedent Termination Date, the Closing shall occur on the date thirty (30) days after the date of notice to the Corporation of the satisfaction of the Corporation Condition Precedent (which

notice shall be delivered promptly to the Corporation). In the event the Corporation Condition Precedent is not satisfied prior to the Corporation Condition Precedent Termination Date, this Agreement shall terminate respect to the applicable portion of the EDC Parcels which was to have been conveyed or leased to LNR.

Section 3.12 **Taxes and Payments in Lieu of Taxes.** Upon each Closing which includes a conveyance by or lease of a portion of the Remaining EDC Parcels, LNR shall thereupon become responsible for the payment of real estate taxes and other payments in the nature of municipal liens and assessments to the Corporation (collectively, "**Taxes**"). With respect to the FOST 1 Parcel and the FOST 2 Parcel, LNR agrees to make payments in lieu of taxes, until the Taxes are assessed and payable, pursuant to the terms of the Supplemental Agreement. In the event of any delay in the assessment of Taxes upon any other Closing which includes a conveyance or lease of a portion of the Remaining EDC Parcels and until the Taxes are assessed and payable, LNR agrees to make similar payments in lieu of taxes to the Corporation on the same basis on which LNR is making payments in lieu of taxes with respect to the FOST 1 Parcel and the FOST 2 Parcel and the Corporation and LNR shall enter into an amendment to the Supplemental Agreement to reflect the foregoing. The provisions of this Section 3.12 shall survive the Closings and/or the termination of this Agreement with respect to the EDC Parcels previously conveyed or leased to LNR.

ARTICLE 4

TRANSITION PERIOD

Section 4.1 **Transition Period**. As set forth more fully below, it is the intention of the parties that the Corporation retain operational control and income from the Remaining EDC Parcels for the period from the Effective Date and concluding with each applicable Closing (the "**Transition Period(s)**"). Upon each Closing and the expiration of the applicable Transition Period (the "**Post-Transition Period(s)**"), all income and control over the respective EDC Parcels shall vest in LNR, subject to such agreements as may be set forth herein.

Section 4.2 **Leasing and Operations**. During the Transition Periods, the Corporation shall not materially modify or amend any existing Lease or license agreement nor enter into any new Lease or license agreement regarding the Remaining EDC Parcels without

LNR's prior written approval, not to be unreasonably withheld or delayed. From and after the Effective Date, LNR shall pay all usual and customary costs imposed by the Massachusetts Department of Environmental Protection on the clean-up of Remaining EDC Parcels which may be transferred to LNR pursuant to this Agreement, as well as all payment obligations under the Memorandum of Agreement between the Massachusetts Department of Environmental Protection and the Corporation dated August 19, 2003, as the same may hereafter be amended with the consent of the parties hereto. On or before ten (10) days after the Effective Date, LNR agrees to reimburse the Corporation for the $50,000 payment previously made to the Massachusetts Department of Environmental Protection under said August 19, 2003 Memorandum of Agreement; and LNR shall be entitled to any remaining amounts held by the Massachusetts Department of Environmental Protection thereunder.

Reference hereby is made to a Memorandum of Agreement dated as of March 7, 2008 between the Corporation and the Town of Weymouth with respect to water and sewer service and a related side letter from LNR to the Corporation. The Corporation shall not amend such Memorandum of Agreement without the written approval of LNR, not to be unreasonably withheld. LNR acknowledges its obligations under such related side letter.

Section 4.3 **Income During Transition Period**. The Corporation shall collect and retain all rents, income, receipts, royalties, profits, issues, fees and other payments related to the Remaining EDC Parcels and attributable to the Transition Period(s), including, without limitation, any and all rents, income, receipts, royalties, profits, issues, fees and other payments related to the use of the existing runways on the Remaining EDC Parcels by third parties. Upon each Closing, all rents, income, receipts, royalties, profits, issues, fees and other payments related to the Remaining EDC Parcels or portions thereof being conveyed or leased shall thereafter belong to LNR.

Section 4.4 **Homeless Assistance Act Requirements**. The Corporation shall comply with the requirements of the Homeless Assistance Act during the Transition Period(s) and shall provide reasonable evidence of such compliance to LNR. Upon the Closing related to the FOST 1 Parcel and the FOST 2 Parcel, the Corporation assigned to LNR, and LNR assumed, all of the Corporation's responsibilities under the Homeless Assistance Act to the extent permitted by Applicable Law related to the FOST 1 Parcel and the FOST 2 Parcel. Upon each

subsequent Closing involving a conveyance by a Deed or by a lease of a portion of the Remaining EDC Parcels, the Corporation shall assign to LNR, and LNR shall assume, all of the Corporation's responsibilities under the Homeless Assistance Act to the extent permitted by Applicable Law related to the applicable portion of the Remaining EDC Parcels then conveyed to LNR.

The parties acknowledge that a June 19, 1998 letter between the Naval Air Station Planning Committee (the "**NASPC**"), predecessor-in-interest to the Corporation, and Work, Inc. states that Work, Inc will own or lease a portion of the property transferred from the Navy to the NASPC at the Base, but does not provide a specific location within the Base. LNR agrees to cooperate with Work, Inc. and the Corporation, in the event any Remaining EDC Parcels are conveyed by a deed to the Corporation from the Navy, to locate Work, Inc. in an appropriate site on the Remaining EDC Parcels. LNR further agrees that if an appropriate site on the Remaining EDC Parcels cannot be found, or if no other Remaining EDC Parcels are conveyed by a deed from the Navy to the Corporation, LNR will locate Work, Inc. on the FOST 1 Parcel or the FOST 2 Parcel. The provisions of this Section 4.4 shall survive the Closings and/or the termination of this Agreement.

Section 4.5 **Regulatory Framework**. Pursuant to the Prior DDA, the Corporation agreed to be responsible for drafting and adopting the Regulatory Framework. The Corporation and LNR acknowledge and agree that prior to the Effective Date and pursuant to the Prior DDA, the Corporation drafted and adopted the Regulatory Framework (except for the Corporation's customary and usual municipal regulations), that included, without limitation, appropriate amendments to the Zoning Bylaws, Zoning Map and Reuse Plan, and obtained Town Approval thereof as required by Applicable Laws. LNR had an opportunity to review drafts of such adopted portions of the Regulatory Framework, and acknowledges the Corporation's compliance with the provisions of the Prior DDA with respect to the adoption of such portions of the Regulatory Framework.

No later than June 30, 2008, the Corporation shall proceed to adopt customary and usual municipal regulations. The Corporation reserves the right to adopt and/or amend regulations from time to time, as may be reasonably necessary or appropriate. So long as LNR continues to own, directly or indirectly, any property at the Base that can still be developed in accordance

with the Reuse Plan, LNR shall have the right to review and approve any such regulation and/or amendment, which approval shall be granted if it is substantially similar to a regulation which has been adopted by any of the Towns, and which approval shall not otherwise be unreasonably withheld or delayed.

Whether or not expressly included within the Regulatory Framework, LNR covenants and agrees, on behalf of LNR and all those claiming by, through or under LNR, to comply with the covenants regarding wetlands set forth in Exhibit D hereto, which shall be incorporated into each deed of the EDC Parcels, shall be covenants running with the land and shall remain in full force and effect in perpetuity and shall survive each Closing and/or the termination of this Agreement.

Section 4.6 **Corporation Office; Naval Air Memorial Grove**. During the Transition Period and Post-Transition Period, the Corporation shall have the right to remain in its current space in Building 20 and Building 141 on the Base pursuant to the terms of the Lease, dated as of June 23, 2006 (the "**Corporation Lease**"), by and between the Corporation and LNR, notice of which is dated June 23, 2006, recorded with the Norfolk County Registry of Deeds in Book 23803, Page 535 and with the Plymouth County Registry of Deeds in Book 32916, Page 172, and subject to the relocation and other provisions set forth herein.

LNR agrees with respect to the park outside Building 141 (the "**Naval Air Memorial Grove**") and a Naval Air Museum to comply with the terms of that certain letter from LNR to the Association of Naval Aviation/Patriot Squadron dated February 21, 2008, a copy of which is attached hereto and incorporated herein by reference as Exhibit O.

The provisions of this Section 4.6 shall survive the Closings and/or the termination of this Agreement.

Section 4.7 **Personal Property**. The Corporation shall be entitled to retain ownership and control over all personal property conveyed by the Navy to the Corporation (the "**Personal Property**"). The Corporation shall be entitled to a reasonable period of time following the conveyance or lease of the EDC Parcels (or applicable portion thereof) to LNR to store any Personal Property not containing Hazardous Substances within the improvements then located on such EDC Parcels until such Personal Property can be sold by the Corporation to third

parties or relocated by the Corporation. If LNR needs to have any of the Personal Property removed from any portion of the EDC Parcels then conveyed or leased to LNR, LNR shall provide the Corporation with not less than ninety (90) days' prior written notice thereof. Any Personal Property not removed by the Corporation prior to the expiration of such notice period shall be deemed abandoned by the Corporation and at LNR's election, shall be removed or shall become the sole property of LNR.

Section 4.8 **Development Activities**. During the Transition Periods, LNR shall be entitled to pursue permits and approvals for the Remaining EDC Parcels, notwithstanding that LNR may not have title to some or all of the Remaining EDC Parcels. During the Transition Periods, however, LNR shall not (a) materially modify or amend or terminate any existing permit, approval, contract, license or other agreement affecting all or any portion of the Remaining EDC Parcels not owned or leased by LNR, (b) enter into any new permit, approval, contract, license or other agreement affecting all or any portion of the Remaining EDC Parcels not owned or leased by LNR, or (c) construct any buildings or other improvements on any portion of the Remaining EDC Parcels not owned or leased by LNR; in each case without the Corporation's prior written consent, not to be unreasonably withheld or delayed.

Section 4.9 **Right of Entry**. At all times during the Transition Periods, LNR may enter upon the Remaining EDC Parcels for the purposes of conducting surveys, collecting soil samples and performing other such studies including borings necessary for determining the suitability of the Remaining EDC Parcels for development. LNR shall obtain any and all required Federal, State and local permits prior to performing work referenced in this Section 4.9. Prior to any such entry, LNR shall notify the Corporation of the purpose of such entry and the location of any sampling or work to be performed and the time such sampling or work shall occur, to which sampling or work the Corporation shall not unreasonably withhold or delay its consent; and, until the affected portion of the Remaining EDC Parcels has been conveyed by the Navy to the Corporation, LNR shall also obtain the Navy's written permission to enter upon the Remaining EDC Parcels and perform such sampling or work. LNR shall indemnify, defend, and hold the Corporation, and the Corporation Parties harmless from and against any Actions or Losses whatsoever arising from any such activity of LNR, its employees, officers, directors, agents, representatives, contractors, subcontractors, or consultants on, under, or adjacent to the

Remaining EDC Parcels. Upon request of the Corporation, LNR shall also provide to the Corporation evidence that LNR and/or its agents, representatives, contractors, subcontractors and consultants are adequately insured regarding such sampling or work. The indemnification provisions of this Section 4.9 shall survive for a period of six (6) years after the expiration of the final Transition Period and/or the termination of this Agreement.

ARTICLE 5

LNR FUNDING OBLIGATIONS

Section 5.1 **In General**. In consideration for the transfer of the EDC Parcels to LNR in accordance with this Agreement, LNR shall pay certain fees to the Corporation, as more particularly provided below.

Section 5.2 **Reimbursement of Prior Closing and Other Costs**. The Corporation and LNR acknowledge and agree that prior to the Effective Date and pursuant to the Prior DDA, LNR paid to the Corporation Four Hundred Thousand Dollars ($400,000) for the Corporation's legal fees and expenses associated with (a) the transfer of the FOST 1 Parcel and FOST 2 Parcel from the Navy to the Corporation and from the Corporation to LNR and (b) costs associated with negotiating various agreements with the Navy; including, without limitation, all negotiations, due diligence review, documentation and related costs and expenses.

Section 5.3 **Operations Funding**. Subject to adjustment as provided in this Section, LNR has made or shall make the following payments (collectively, "**Operations Funding**"):

(a) Pursuant to the Prior DDA, LNR made nine (9) months payments of Forty-Five Thousand Dollars ($45,000), for an aggregate payment of Four Hundred Five Thousand Dollars ($405,000);

(b) Upon the Closing of the FOST 1 Parcel and the FOST 2 Parcel, LNR made a payment to the Corporation of Two Hundred Fifty Thousand Dollars ($250,000);

(c) On the later of (i) thirty (30) days after written request for payment by a Town to LNR, or (ii) June 30, 2006, LNR made payments to the Towns in the aggregate amount of Three Million Dollars ($3,000,000), allocated among the Towns pursuant to the formula set forth in Section 17(a) of the Enabling Legislation;

(d) In connection with the execution of the December 2006 Amendment, LNR made a payment to the Corporation of Two Hundred Fifty Thousand Dollars ($250,000);

(e) On or about January 1, 2007, May 1, 2007, July 1, 2007, and October 1, 2007, LNR made payments to the Corporation of Two Hundred Fifty Thousand Dollars ($250,000) each;

(f) On April 1, 2008, LNR shall make a payment to the Corporation of Seven Hundred Fifty Thousand Dollars ($750,000) (representing Operations Funding payments for October 1, 2006, January 1, 2008 and April 1, 2008);

(g) Commencing on July 1, 2008 and on October 1, 2008, January 1, 2009, April 1, 2009 and July 1, 2009 (or the next succeeding Business Day if such day is not a Business Day), LNR shall make payments to the Corporation of Two Hundred Fifty Thousand Dollars ($250,000) each; and

(h) Commencing on October 1, 2009 and on January 1, 2010, April 1, 2010 and July 1, 2010 (or the next succeeding Business Day if such day is not a Business Day), LNR shall make payments to the Corporation of Three Hundred Twelve Thousand Five Hundred ($312,500) each.

5.3.1 Tolling or Termination of Operations Funding.

(a) In the event that LNR notifies the Corporation that (i) an approval or permit necessary to develop the Project in Substantial Accordance with the Master Plan has been denied (or has failed to be issued) by the Corporation or any other local, State or Federal board, commission, agency or other authority, or (ii) any issued approval or permit necessary to develop the Project in Substantial Accordance with the Master Plan has been appealed (and such denial, failure or appeal under clause (a)(i) or (a)(ii) was not due to an arbitrary or capricious action by LNR), then the obligation of LNR to pay any then unpaid Operations Funding amount shall be tolled as of the date of the delivery of such notice until such time as either (1) in the event of a denial, the previously denied approval or permit has been issued, or (2) in the event of an appeal, the appeal has been resolved in a manner satisfactory to LNR, in the reasonable exercise of its discretion. For purposes of this Section 5.3.1(a), the term "appeal or permit necessary to develop the Project" shall not include liquor licenses or other licenses routinely issued by the Corporation for projects which have already received a building permit.

(b) In the event that LNR notifies the Corporation that LNR has determined (based on an analysis prepared by one of LNR's third party consultants), that the Major

Infrastructure Elements will not be available in capacities sufficient to permit and service the development of the Base in Substantial Accordance with the Master Plan (and such unavailability was not due to an arbitrary or capricious action by LNR), then the obligation of LNR to pay any then unpaid Operations Funding amounts shall be tolled as of the date of the delivery of such notice and a copy of such analysis to the Corporation until such time as LNR has determined, in the reasonable exercise of its discretion, that the Major Infrastructure Elements will be available in capacities sufficient to permit and service the development of the Project in Substantial Accordance with the Master Plan.

(c) In the event that LNR notifies the Corporation that (i) the Corporation is in default under this Agreement, or (ii) any agreement to convey any of the Remaining EDC Parcels to the Corporation, consented to by LNR, is no longer in full force and effect, or (iii) either the United States Navy or the Corporation is in default under any agreement to convey any of the Remaining EDC Parcels or under any LIFOC, then the obligation of LNR to pay any then unpaid Operations Funding amounts shall be tolled as of the date of the delivery of such notice until such time as the failure or default is cured to the satisfaction of LNR in the reasonable exercise of its discretion.

(d) In the event that LNR determines (and notifies the Corporation) that because of the occurrence of an event specified in clause (i) or clause (ii) of Section 5.3.1(a) or because of the occurrence of an event specified in Section 5.3.1(b), the Project can no longer be developed in Substantial Accordance with the Master Plan, LNR and the Corporation shall negotiate, in good faith, an amendment of this Agreement; provided, however, that neither party shall be required to enter into any such amendment.

(e) In the event that this Agreement terminates, LNR shall have no obligation to make any Operations Funding payment not due as of the date of termination.

Section 5.4 Corporation's Additional Operation Expenses and Corporation's Consultant Costs.

5.4.1 **Corporation's Additional Operating Expenses.** LNR and the Corporation have determined that for calendar year 2008, the amount of the Corporation's

anticipated expenses for the next calendar year which the Corporation will not be able to fund out of the Corporation's anticipated revenue sources for the next calendar year ("**Anticipated Shortfall**") is $730,000.00. LNR shall fund one-half of this amount on April 1, 2008 and one-quarter of the amount on each of July 1, 2008 and October 1, 2008. No later than December 1, 2008 and December 1, 2009, LNR and the Corporation shall, in good faith, determine the Anticipated Shortfall for the next calendar year. With respect to calendar year 2009 and calendar year 2010, LNR shall fund one-quarter of the Anticipated Shortfall on January 1, April 1, July 1 and October 1 of such calendar year. No later than March 1, 2009, March 1, 2010 and March 1, 2011, the Corporation and LNR shall determine, in good faith, the amount, if any (calculated excluding the payments received from LNR for the Anticipated Shortfall) by which the Corporation's actual expenses exceeded its actual revenues for the prior calendar year ("**Actual Shortfall**"). If an Anticipated Shortfall for a calendar year exceeded an Actual Shortfall for such calendar year, such excess shall reduce the amount of the Anticipated Shortfall for the next calendar year (or with respect to calendar year 2010, shall be paid to LNR no later than March 1, 2011). This Section 5.4.1 shall not apply to any calendar year after 2010, except for a possible reimbursement to LNR as provided above.

5.4.2 **Corporation's Consultant Costs**. The Corporation shall be solely responsible to provide the redevelopment services set forth on Exhibit E hereto (collectively, "**Redevelopment Services**"). LNR already has paid to the Corporation amounts for Redevelopment Services previously incurred by the Corporation.

LNR shall pay to the Corporation amounts, not to exceed the estimated amount shown on Exhibit E, for Redevelopment Services when and as incurred by the Corporation. LNR and the Corporation acknowledge and agree that the amount shown on Exhibit E is an estimate of the costs to be incurred by the Corporation for future Redevelopment Services, but that actual costs may be less or more than the estimated amount. In no event shall LNR have any obligation to fund any amount for future Redevelopment Services that exceeds the estimated amount set forth on Exhibit E.

Subject to the foregoing limitations, LNR shall make disbursements for Redevelopment Services ("**Payment Amount Advances**") to the Corporation in installments at the Corporation's written request, not more frequently than once per month. Each request for a

Payment Amount Advance shall be in writing and include (a) a detailed schedule of the portion of the Redevelopment Services which will be paid by the Corporation from the proceeds of the requested Payment Amount Advance and (b) evidence that such portion of the Redevelopment Services has been satisfactorily completed. Within ten (10) Business Days after receipt of a written request containing the information set forth in (a) and (b) above, LNR shall send the Payment Amount Advance to the Corporation.

5.4.3 Tolling.

If LNR's obligations to make Operations Funding payments have been tolled (for any reason other than the unavailability of sufficient water supply to service Phase I, as described in the Master Plan, which Phase I is also commonly known as Phase IA and Phase IB) or terminated in accordance with Section 5.3, then LNR's obligations to make the above-referenced payments in Section 5.4.1 and Section 5.4.2 shall be similarly tolled or terminated.

Section 5.5 School Funding. Pursuant to the Corporation's approval of LNR's Master Plan, LNR has agreed to be responsible for the Towns' share of construction costs for school facilities if needed for grades kindergarten through 8th grade for children living on the Base. LNR and the Corporation have agreed to monetize such obligation as a payment by LNR to the Corporation of Nine Million and 00/100 ($9,000,000.00) to be paid by a reduction from $90,000,000 to $81,000,000 in the amount of financing to be paid and/or reimbursed to LNR pursuant to the second sentence of Section 8.1. LNR also agrees, following its conveyance to LNR, to convey to the Corporation land containing approximately five acres, at a site to be selected by LNR and reasonably acceptable to the Corporation. Such conveyance shall be at no cost in the event that (a) the Corporation has committed to, and will construct, a school thereon and (b) the Corporation has so notified LNR no later than the end of Phase II, as described in the Master Plan.

Section 5.6 Entitlement Fees. LNR shall pay fees to the Corporation (the "**Entitlement Fees**") for Development Permits issued by the Corporation pursuant to the Regulatory Framework in connection with any EDC Parcels conveyed by the Corporation to LNR. The Entitlement Fees shall be paid to the Corporation upon the issuance by the

Corporation of a Development Permit pursuant to the Zoning Bylaws and shall be calculated at the rate of Two Thousand Two Hundred Thirty-Six Dollars ($2,236) for each Development Unit.

In no event, however, shall the total amount of Entitlement Fees on the EDC Parcels exceed Four Million Five Hundred Thousand Dollars ($4,500,000), provided, however, that additional Entitlement Fees shall be due and payable in excess of $4,500,000 and pursuant to the formula above in the event additional Development Units are authorized upon any Excess Federal Land conveyed to the Corporation.

The provisions of this Section 5.6 (and its various subsections) shall survive the Closings and/or the termination of this Agreement.

5.6.1 Development Units Allowed as of Right. If a Development Permit, building permit or similar permit or approval is issued by the Corporation pursuant to the Regulatory Framework for a Development Unit that is permitted as of right under the Regulatory Framework, such Development Unit shall nevertheless require payment of Entitlement Fees.

5.6.2 Mitigation. The Entitlement Fees are intended to, and shall be deemed by the Corporation to, mitigate all impacts within the Base from the Horizontal Development and Vertical Development. Accordingly, the Corporation shall not charge any additional fees or payments of any kind, including, without limitation, off-site mitigation or on-site mitigation, related to the Horizontal Development or the Vertical Development; provided, however, that the foregoing shall not prevent the Corporation from charging all other reasonable filing, processing, review and other fees and charges associated with the submission and issuance of other permits and approvals by the Corporation (including, without limitation, for subdivision approvals, building permits and similar licenses, permits and approvals), consistent with a schedule of fees adopted and published by the Corporation, which schedule shall be consistent with similar filing, processing, review and other fees and charges imposed by the Towns and surrounding communities.

Notwithstanding the foregoing, if mitigation measures of any type related to the Development on the EDC Parcels conveyed to LNR by the Corporation in accordance with this Agreement, are properly imposed by any State or Federal Governmental Authorities consistent with Applicable Law ("**Governmental Mitigation**"), either directly upon LNR or upon the

Corporation as a "pass through" to LNR, then LNR shall be solely responsible for any costs, subsidies, liabilities, expenses or work related to such Governmental Mitigation, except as otherwise expressly provided in this Agreement. The cost and expense of any Governmental Mitigation would be in addition to, and without setoff against, any Entitlement Fees or other sums due to the Corporation. LNR also shall be responsible for payment for all other standard and customary filing, processing, review and other fees and charges associated with the submission and issuance of other permits and approvals requested by LNR by any State or Federal Governmental Authorities or by the Towns or the Corporation, including without limitation water and sewer hook-up fees and charges. Obligations of LNR to the Towns expressly set forth in this Agreement or in the Host Agreements remain obligations of LNR, notwithstanding anything set forth above.

5.6.3 **No Double Charge**. Entitlement Fees shall be earned by the Corporation one time in connection with each Development Permit. In no event shall the Corporation charge additional Entitlement Fees for Vertical Development unless, pursuant to the Regulatory Framework and/or Applicable Laws, the applicable Development Permits are terminated or invalidated for cause or the applicable Development Permits expire by their terms, in which event(s) the Corporation may collect the same per Development Unit Entitlement Fee associated with the invalidated or expired Development Permit to the extent LNR or any developer of Vertical Development elects to seek reissuance of the applicable Development Permit.

5.6.4 **Existing Structures**. In the event following a Closing which involves a conveyance or lease to LNR of a portion of the Remaining EDC Parcels LNR renovates any building, structure or improvement existing on the Base as of the Effective Date (an "**Existing Structure**"), the Corporation shall be entitled to Entitlement Fees in connection with such renovation if (a) the use of the Existing Structure is contemplated by the approved Master Plan, (b) the Existing Structure is renovated as of right or via a Development Permit, (c) the renovation costs more than twenty dollars ($20) per square foot, and (d) the renovated Existing Structure is intended to be used or occupied for a period greater than three (3) years.

5.6.5 Use of Entitlement Fees. The Corporation, in its sole and absolute discretion, may waive Entitlement Fees, in whole or in part, and/or use previously

collected Entitlement Fees in order to encourage further economic development at the Base. Appropriate waivers of, and uses of, Entitlement Fees shall include, but are not limited to, situations where the waiver or use of Entitlement Fees would enable LNR to convey property at the Base at a commercially competitive price.

Section 5.7 **Other Permits**. LNR shall be solely responsible for securing any permits necessary for the Horizontal Development and paying any and all other fees associated therewith.

Section 5.8 **[Intentionally Omitted]**.

Section 5.9 **Real Property Taxes**. After an EDC Parcel has been conveyed or leased to LNR in accordance with this Agreement, Taxes shall be assessed and charged thereon consistent with Massachusetts General Laws and the Enabling Legislation.

Section 5.10 **Corporation Investment**. The Corporation agrees that it will use the Operations Funding and Entitlement Fees in compliance with Applicable Laws (including, without limitation, Section 2905(b)(4) of the Defense Base Closure and Realignment Act of 1990, 10 U.S.C. §2687 note, to the extent applicable) and will construct only such improvements on the EDC Parcels owned by the Corporation as are consistent in all material respects with the approved Master Plan.

Section 5.11 **Survival.** The provisions of Article 5 shall survive the Closings.

ARTICLE 6

GENERAL DEVELOPMENT OF THE EDC PARCELS

Section 6.1 **Master Developer**. The Corporation has designated LNR as the master developer of the Project (the "**Master Developer**"). As Master Developer, LNR shall coordinate and manage all aspects of Horizontal Development. In addition, as the Master Developer LNR shall be responsible for the following with respect to the portions of the Base which have been conveyed or leased by the Corporation to LNR prior to the Effective Date and those portions of the Base which are conveyed or leased by the Corporation to LNR in accordance with this Agreement: (a) general oversight and management; (b) facility

management, leasing and licensing; (c) carrying out the Master Plan; (d) securing approved Development Plans; (e) performing all work contemplated by approved Development Plans; (f) demolishing those blighted and unusable existing structures that are to be removed per the approved Master Plan; (g) pursuant to Article 7, acting as project manager for the Parkway, the Water Supply System and the Wastewater Management System (subject to any requirements of Applicable Law); (h) performing marketing and promotional activities; (h) conducting community outreach activities; (i) facilitating job growth associated with the Project; and (j) selling and leasing Improved Parcels. Notwithstanding the foregoing, Horizontal Development does not include (i) securing permits for Vertical Development; (ii) financing any aspects of the Project the Corporation is responsible to finance in accordance with Article 8; or (iii) paying any costs or expenses of the Corporation (including, without limitation, for any consultants or other parties engaged by the Corporation) in connection with the Corporation's performance of its obligations under this Agreement (except as otherwise expressly provided herein). Within fifteen (15) Business Days following the request of the Corporation, or upon its own initiative, LNR shall supply the Corporation with its then projected schedule of the completion of the Horizontal Development, which projected schedule shall represent LNR's best estimate when it is delivered, but which is not binding on the parties hereto.

The parties acknowledge that certain aspects of the Base redevelopment will be undertaken by the Corporation, as more particularly described in this Agreement, and that a high degree of coordination and cooperation between LNR and the Corporation will be required in connection therewith.

Section 6.2 **Regulatory Authority**. As the regulatory authority for the Base, the Corporation shall retain its independent authority for permitting and regulating all aspects of Horizontal Development and Vertical Development within its jurisdiction.

Section 6.3 **The Project**. The Project shall be developed in accordance with the Master Plan and the provisions of this Agreement.

Section 6.4 **Good Faith Processing**. Subject to the terms of this Agreement, the Zoning Bylaws and the other portions of the Regulatory Framework, the Corporation agrees to process expeditiously all permits and approvals within its jurisdiction pursuant to the Regulatory

Framework. The Corporation agrees to use reasonable efforts to establish a system of "one-stop shopping" for permits and approvals within its jurisdiction. The Corporation further agrees to assist (but without expense to the Corporation) in securing any and all permits and approvals required by other Governmental Authorities and consistent with the Master Plan.

Section 6.5 **Master Plan**. The Corporation and LNR acknowledge that the Corporation has approved LNR's Master Plan as of May 5, 2005. LNR shall construct the Horizontal Development on all EDC Parcels which have been conveyed to LNR by the Corporation in accordance with this Agreement consistent with the approved Master Plan (including, without limitation, the Amenity Plan and the Phasing Plan).

Section 6.6 **Payment of Costs**. Except as otherwise set forth in this Agreement, LNR shall be solely responsible for all costs incurred in connection with the Horizontal Development of the EDC Parcels which have been conveyed to LNR by the Corporation in accordance with this Agreement.

Upon completion of any Horizontal Development related to one or more Improved Parcels, LNR shall notify the Corporation thereof (the "**Horizontal Development Completion Notice**") and the Corporation shall have the right to inspect independently the Horizontal Development. Within thirty (30) days after the Horizontal Development Completion Notice, the Corporation shall determine whether, in its reasonable judgment, such portion of the Horizontal Development has been completed in accordance with the terms of this Agreement and the other applicable requirements for the Horizontal Development and, if so determined, shall issue a certificate in recordable form evidencing the satisfactory completion of such portion of the Horizontal Development (the "**Horizontal Development Certificate of Compliance**"). The Horizontal Development Certificate of Compliance shall be a conclusive determination of satisfaction and termination of the agreements and covenants in this Agreement with respect to the obligations of LNR to complete such portion of the Horizontal Development, provided that issuance of the Horizontal Development Certificate of Compliance shall not constitute evidence of compliance with or satisfaction of any other obligation of LNR hereunder or completion of any other portion of the Horizontal Development, including without limitation the requirements of any permits or approvals under the Regulatory Framework. The Corporation may include

within the Horizontal Development Certificate of Compliance references to any or all sections of this Agreement that remain binding upon LNR and/or any developer of Vertical Development.

If, after inspecting the Horizontal Development, the Corporation refuses or fails to provide the Horizontal Development Certificate of Compliance in accordance with the provisions of this Section, the Corporation shall, within such thirty (30) day period, provide LNR with a written statement indicating in adequate detail in what respects LNR has failed to complete the Horizontal Development related to such Improved Parcels in accordance with this Agreement and the other requirements therefor (the "**Horizontal Development Failure Notice**"). LNR shall use diligent efforts to cure all matters described in the Horizontal Development Failure Notice.

Section 6.7 **Public Infrastructure**. Following the completion of any roads which will be public, and utilities located therein, in accordance with a Subdivision Approval, such roads and utilities shall be accepted by the Corporation in accordance with the Regulatory Framework, whereupon the Corporation shall be responsible for maintaining and operating such roads and utilities, either directly or by contract, in a manner generally consistent with the Towns. Attached hereto as Exhibit F is a plan illustrating the anticipated roads which will be public. LNR and the Corporation agree and acknowledge that such plan is illustrative only and is subject to change. In addition, upon the completion of any other portion of the Horizontal Development, which is typically municipally owned in the Towns and the conveyance thereof to the Corporation (to which the Corporation's acceptance, in accordance with the Regulatory Framework, shall be required), the Corporation shall be responsible for maintaining and operating, either directly or by contract, such portion of the Horizontal Development in a manner generally consistent with the Towns. The Corporation shall cooperate with LNR, at no cost to the Corporation, to take all steps necessary to relocate or realign existing utilities and roads in the Base to conform to the locations approved in connection with the Horizontal Development, including, without limitation, through abandonments and dedications as may be required. Without limiting the generality of the foregoing, the Corporation shall cooperate with LNR, at no cost to the Corporation, to facilitate access between the Base and abutting parcels lacking readily available public access. The cost and expense of any relocation or realignment made at LNR's request shall be paid by LNR.

Section 6.8 **Municipal Services**. The Corporation, at its own cost and expense, shall provide or cause to be provided to all EDC Parcels previously or hereinafter conveyed or leased from the Corporation to LNR all police, fire, ambulance, public works, and other customary municipal services appropriate to the level of development then in place, together with such other services as are mutually approved by the Corporation and LNR; provided, however, that the foregoing shall not require the Corporation to provide snowplowing, roadway maintenance or other customary services to roads that the Corporation has not accepted as public ways. The Corporation shall provide weekly trash and recyclable removal services and may assess reasonable fees for the provision thereof. Notwithstanding the foregoing, LNR may elect to provide certain additional services to the EDC Parcels, which additional services shall be at the sole cost and expense of LNR.

Section 6.9 **Job Creation**. LNR and the Corporation shall work cooperatively to promote permanent job creation on the Base. In this connection, LNR agrees to use reasonable efforts to foster the creation of jobs for local residents of the Towns, including, without limitation, by hosting one or more job fairs to provide opportunities for such local residents to meet with representatives of the businesses that will ultimately be located and operate on the EDC Parcels which are conveyed by the Corporation to LNR in accordance with this Agreement. LNR agrees to coordinate the timing and location of such job fairs with representatives of the Corporation. LNR agrees and acknowledges that the Corporation may amend the Regulatory Framework to require that owners of land at the Base provide the Corporation periodically with information regarding job creation, including, without limitation, employment and wage data.

Section 6.10 **Survival**. The provisions of this Article 6 shall survive the Closings.

ARTICLE 7

SPECIFIC ASPECTS OF DEVELOPMENT

Section 7.1 **Water Supply System**.

"**Water Supply System**" shall mean the water supply lines, pipes, conduits, including without limitation, any related water mains and trunk lines, pumping stations, storage tanks, and related fixtures and appurtenances (located both on the Base and off the Base) involved in

bringing water to the Base (in a capacity sufficient to service the Base consistent with the Master Plan) and distributing water, whether potable or recycled, throughout the Base to the parcels on the Base which are, or are anticipated to become, Improved Parcels. Attached hereto as Exhibit G is a plan illustrating certain aspects of the anticipated Water Supply System. LNR and the Corporation agree that such plan is illustrative only and is subject to change.

The Corporation shall be the Proponent of the Water Supply System and shall be responsible for arranging for the availability of water in a capacity sufficient to service the Base consistent with the Master Plan, obtaining financing for the Water Supply System, and procuring services, whether through employee or outside consultant contracts, to provide and manage the design, permitting, construction, and long term operation and maintenance of the Water Supply System. Subject to any requirements of Applicable Law, LNR shall provide project management supervision in connection with the construction of the Water Supply System, pursuant to a construction management agreement in usual and customary form (including, without limitation, a customary management fee), and otherwise in form and substance reasonably acceptable to the Corporation and LNR. The financing of the Water Supply System may, at the Corporation's election, include "hook up fees" reasonably consistent with the "hook up fees" charged by the Towns. LNR shall convey to the Corporation any and all title and/or easement rights necessary to allow the Corporation to meet its responsibilities with regard to the Water Supply System.

LNR and the Corporation shall agree upon a Water Supply System minimum capacity for each phase of the Project and also shall agree upon a schedule by which each such Water Supply System minimum capacity must be available. If the Corporation defaults in its obligation to provide financing or any such Water Supply System minimum capacity, as set forth above (and such default continues beyond applicable notice and cure periods), LNR may, in its sole discretion, elect to finance privately any such component, in which event LNR may withhold any funds due and payable to the Corporation under this Agreement (other than Taxes) and apply such funds to its costs for any such component.

Section 7.2 Wastewater Management System.

"**Wastewater Management System**" shall mean the wastewater collection lines, pipes, conduits, including without limitation, any related sewer mains and trunk lines, pumping

stations, wastewater reclamation and treatment facility and related fixtures and appurtenances (located both on the Base and off the Base) involved in wastewater collection or reclaimed water distribution within the Base (in a capacity sufficient to service the Base consistent with the Master Plan). "Wastewater Management System" shall also include any required groundwater discharge system comprised of a leaching chamber disposal system, limited placement of engineered fill and limited stream restoration/daylighting activities. Attached hereto as Exhibit H is a plan illustrating certain aspects of the anticipated Wastewater Management System. LNR and the Corporation agree that such plan is illustrative and is subject to change.

The Corporation shall be the Proponent of the Wastewater Management System and shall be responsible for arranging for the availability of wastewater management in a capacity sufficient to service the Base consistent with the Master Plan, obtaining financing for the Wastewater Management System, and procuring services, whether through employee or outside consultant contracts, to provide and manage the design, permitting, construction, and long term operation and maintenance of the Wastewater Management System. Subject to any requirements of Applicable Law, LNR shall provide project management supervision in connection with the construction of the Wastewater Management System, pursuant to a construction management agreement in usual and customary form (including, without limitation, a customary management fee), and otherwise in form and substance reasonably acceptable to the Corporation and LNR. The financing of the Wastewater Management System may, at the Corporation's election, include "hook up fees" reasonably consistent with "hook up fees" charged by the Towns. LNR shall convey to the Corporation any and all title and/or easement rights necessary to allow the Corporation to meet its responsibilities described herein with regard to the Wastewater Management System, including but not limited to the ground water discharge system elements within the Golf Course Property.

LNR and the Corporation shall agree upon a Wastewater Management System minimum capacity for each phase of the Project and also shall agree upon a schedule by which each such Wastewater Management System minimum capacity must be available. If the Corporation defaults in its obligation to provide financing or any such Wastewater Management System minimum capacity, as set forth above (and such default continues beyond applicable notice and cure periods), LNR may, in its sole discretion, elect to finance privately any such component, in

which event LNR may withhold any funds due and payable to the Corporation under this Agreement (other than Taxes) and apply such funds to its costs for any such component.

Section 7.3 **Parkway.** **"Parkway"** shall mean the arterial roadway generally running east-west from Route 18, through the Base and connecting to Route 3 which satisfies the specifications set forth in the memoranda of agreement entered into between the Corporation and the State and which have been approved by LNR, copies of which are attached hereto as part of Exhibit I (collectively, the **"Parkway Memoranda of Agreement"**). The Parkway shall include all the components of such roadway which are cross-hatched on the plan attached hereto as part of Exhibit I.

The Corporation shall be the Proponent of the Parkway (except that financing the Parkway shall only be to the extent of any State funds provided under the Parkway Memoranda of Agreement and providing all related guaranties shall only be to the extent required by the Parkway Memoranda of Agreement) and shall be responsible for obtaining all rights needed to construct the Parkway, and procuring services, whether through employee or outside consultant contracts, to provide and manage the design, permitting, construction, and long term operation and maintenance of the Parkway. Additionally, without limiting or expanding the Corporation's obligation to provide financing for the Parkway as set forth above, to the extent the actual cost of the Parkway exceeds the amount provided by the State pursuant to the Parkway Memoranda of Agreement, the Corporation shall cooperate with LNR to pursue any Federal and State grants, earmarks and other sources of funding to pay for any such excess. Subject to any requirements of applicable law, LNR shall provide project management supervision in connection with the construction of the Parkway, pursuant to a construction management agreement in usual and customary form (including, without limitation, a customary management fee), and otherwise in form and substance reasonably acceptable to the Corporation and LNR. LNR shall convey to the Corporation any and all title and/or easement rights necessary to allow the Corporation to meet its responsibilities with regard to the Parkway.

No later than March 31, 2008, LNR and the Corporation shall agree upon a schedule for the construction of the Parkway, which will include, without limitation deadlines for obtaining financing, obtaining payment and performance bonds, commencing construction and completing

construction. If the Corporation defaults in its obligation to provide financing for the Parkway as set forth above (and such default continues beyond applicable notice and cure periods), LNR may, in its sole discretion, elect to finance privately the Parkway, in which event LNR may withhold any funds due and payable to the Corporation under this Agreement (other than Taxes) and apply such funds to its costs thereof.

In the event that LNR unilaterally decides to reduce the development at the Base from the development provided in the Reuse Plan, and such reduction (a) is not simply due to the timing of development, but rather is a permanent reduction in the number of residential units and/or the number of commercial square feet below the maximum levels thereof allowed under the Reuse Plan, (b) results in at least 5% less Net New State Revenues (as defined in the Parkway Memoranda of Agreement) in any fiscal year of the State than the amount projected at the time of issuance of the Parkway Bonds (as defined in the Parkway Memoranda of Agreement), and (c) requires the Corporation, in accordance with the terms of the Parkway Memoranda of Agreement, to provide the Massachusetts Development Finance Agency with an amount necessary to redeem or defease a portion of the Parkway Bonds, then LNR shall pay such amount to the Massachusetts Development Finance Agency on behalf of the Corporation.

Section 7.4 Golf Course Property.

(a) A portion of the Base, generally as shown on Exhibit J (the **"Golf Course Property"**), may be developed into a public access, daily fee non-executive golf course of at least eighteen (18) holes, together with an associated outdoor driving range, recreational facility, maintenance facility, clubhouse and other related facilities (the **"Golf Course"**). LNR shall grant the Corporation a restriction limiting the use of the Golf Course Property, in form and substance reasonably acceptable to the Corporation.

(b) Subject to the provisions of Section 7.4(d) and Section 7.4(e), LNR shall submit a Development Plan for the Golf Course Property. The Development Plan shall include all proposed elements of the Golf Course and a schedule for the construction of the Golf Course. Said schedule shall include the removal of all existing runways, taxiways, traffic control towers and other infrastructure located on the Golf Course Property and the creation of open space on the portions of the Golf Course Property not utilized for the Golf Course.

(c) LNR acknowledges, notwithstanding any provisions of the Regulatory Framework which may entitle LNR to construct other improvements on the Golf Course Property, that the Development Plan for the Golf Course Property shall not include a golf course containing less than eighteen (18) holes, or any passive recreation not related to golfing, without the prior written consent of the Corporation (unless any other passive recreation is required by Federal or State agencies).

(d) In the event that LNR does not complete construction of the Golf Course Property pursuant to an approved Development Plan by the fourth (4^{th}) year after the Golf Course Property has been conveyed to LNR in fee simple and has been cleaned-up in accordance with all Environmental Laws, then the Corporation may, by written notice to LNR, require that LNR reconvey, or reassign the applicable lease of, the Golf Course Property to the Corporation, such reconveyance or reassignment to occur as expeditiously as possible. If the Corporation has not theretofore notified LNR of such reconveyance or reassignment, then LNR may send a notice to the Corporation requesting that the Corporation send such a notice requesting reconveyance or reassignment. If the Corporation fails to send a notice of reassignment or reconveyance within sixty (60) days after receipt of a notice requesting the same from LNR, then the rights granted to the Corporation in this Section 7.4(d) shall be of no further force and effect.

(e) At any time prior to the commencement of construction of a Golf Course on the Golf Course Property, LNR may reconvey, or reassign the applicable lease of, the Golf Course Property to the Corporation.

(f) If pursuant to Section 7.4(d) or Section 7.4(e) the Golf Course Property is reconveyed to the Corporation, or the applicable lease of the Golf Course Property is reassigned to the Corporation, then the Golf Course Property shall not be utilized for any purpose other than a Golf Course or passive recreation until such time as LNR no longer owns, directly or indirectly, any property at the Base that can still be developed in accordance with the Reuse Plan.

(g) In the event that, pursuant to Section 7.4(d) or Section 7.4(e), the Golf Course Property is reconveyed to the Corporation, or the applicable LIFOC of the Golf Course Property is reassigned to the Corporation, and within six (6) months thereafter, the

Corporation notifies LNR that it will construct the Golf Course, and the Golf Course (including a golf course with at least eighteen (18) holes) is constructed and open and operating no later than two (2) years after the Golf Course Property was conveyed or leased to the Corporation, then upon opening and operation of the Golf Course, LNR shall pay to the Corporation an additional Three Million Dollars ($3,000,000.00). If, within such six (6) month period, the Corporation notifies LNR that it will not construct the Golf Course, but instead will keep the Golf Course Property as open space, then LNR shall pay to the Corporation an additional One Million Dollars ($1,000,000.00), provided that the Golf Course Property is restricted for use as open space for passive recreation pursuant to an open space plan reasonably acceptable to LNR. Such One Million Dollar ($1,000,000.00) increase shall be used for the creation and/or maintenance of the Golf Course Property as open space.

Section 7.5 **Amenities**. LNR shall be the Proponent for the Amenities and shall be responsible for the permitting, design, development and construction of the Amenities. The Public Amenities shall be part of the Master Plan and shall be constructed in phases along with the Horizontal Development and in accordance with the approved Amenity Plan. The Private Amenities shall be constructed on a wholly voluntary basis, but in conformity with the approved Amenity Plan; provided, however, that LNR may amend from time to time the Amenity Plan to reflect changes in the Private Amenities (which may take into account any Governmental Mitigation).

Section 7.6 **Survival.** The provisions of Article 7 shall survive the Closings.

ARTICLE 8

FINANCING

Section 8.1 **General**.

(a) As set forth in Article 7, the Corporation shall be responsible for the financing of (i) the Parkway in accordance with the Parkway Memoranda of Agreement; (ii) the Water Supply System; and (iii) the Wastewater Management System. The Corporation also shall be responsible for the financing of up to an additional Eighty-One Million Dollars ($81,000,000.00) (after deduction of any costs of issuance, guaranty and credit enhancement

fees, other eligible expenses and any fees to be paid to the Corporation in accordance with Section 8.1(f)) to be used to pay and/or reimburse LNR for the construction of, or to be expended directly by the Corporation for the construction of, infrastructure improvements located on the Base and off of the Base, including without limitation the PBC Elements. (The Corporation and LNR agree and acknowledge that such obligation is actually $90,000,000, but has been reduced by $9,000,000 pursuant to Section 5.5). The list of such infrastructure improvements and the breakdown of related costs, shall be formulated by LNR, and the parties shall finalize such list and related costs by a date necessary to comply with the schedule for issuance of bonds pursuant to Section 8.1(e) hereof. Without limiting the generality of the foregoing, such list to be formulated shall include all improvements required to be made by the Corporation in the EDC Application or in any other agreement with respect to the transfer of the Remaining EDC Parcels, other than those improvements for which LNR is responsible under this Agreement, and shall include, without limitation, hard and soft costs associated with the Project, wet and dry utilities, traffic improvements, site preparation work, mobilization costs, demolition, irrigation, peat removal and community facilities. LNR acknowledges that the ability of the Corporation to finance the $90,000,000 set forth above (collectively, the "**Bonds**") may be dependent upon the ability of the Corporation to provide third party guaranties or other credit enhancements in connection with the Corporation issuing its Bonds for the Project. In the event that such guaranties or other credit enhancements are necessary, as determined by market conditions, and are not available to the Corporation on a commercially reasonable basis, and LNR does not elect to provide such guaranties or credit enhancements pursuant to Section 8.5 or otherwise, then the Corporation shall be relieved of its obligation to issue the Bonds which required such unavailable guaranties or credit enhancements.

(b) The Corporation shall accomplish the financing referenced in Section 8.1(a) by (i) utilizing bonding available to it under the Enabling Legislation (including, without limitation, bonds which are paid by means of special assessments and betterment fees (collectively, "**Betterments**"), as it may hereinafter be amended from time to time and in accordance with other applicable laws; (ii) pursuing Federal and State grants for the infrastructure improvements referred to in Section 8.1(a); (iii) assessing "hook-up fees" and user fees in connection with the Water Supply System and the Wastewater Management System (the "**User Fees**"); and/or (iv) for the purpose of funding any such bonds, ad valorem real estate

taxes. The Corporation shall develop a taxation plan and a plan for User Fees and Betterments such that User Fees and Betterments to be paid by owners of land at the Base shall be within commercially acceptable market tolerances when measured against other commercial and residential properties in the "South Shore area" and such that Taxes to be paid by owners of land at the Base shall be within commercially acceptable market tolerances when measured against other commercial and residential properties in the "South Shore area." If LNR objects to User Fees or Betterments as being outside such commercially acceptable market tolerances, LNR shall submit such objection to the Corporation in writing, and the Corporation shall thereafter submit revised User Fees and/or Betterments which are within such commercially acceptable market tolerances.

(c) With the exception of public financing solely related to the Corporation's activities not involving the Project (e.g., renovation of the Corporation's office on the Base), the Corporation shall not issue any bonds for the Project without the prior written approval of the owner(s) of the FOST 1 Parcel and the FOST 2 Parcel, not to be unreasonably withheld or delayed. To the extent legally permissible, the Corporation shall provide to the owner(s) of the FOST 1 Parcel and the FOST 2 Parcel copies of all documents associated with its issuance of bonds, which documents shall be reasonably reviewed and approved by the owner(s) of the FOST 1 Parcel and the FOST 2 Parcel.

(d) If the Corporation defaults in its obligation to provide financing as set forth above (and such default continues beyond applicable notice and cure periods), LNR may, in its sole discretion, elect to finance privately any such component, in which event LNR may withhold any funds due and payable to the Corporation under this Agreement (other than Taxes) and apply such funds to its costs for any such component.

(e) Without limiting the foregoing obligation of the Corporation, LNR and the Corporation shall develop a schedule for such timely bond issuances and for any other funding mechanisms to be employed by the Corporation under this Agreement. Such schedule shall set forth program financing obligations and instruments by series, in amounts necessary to fulfill the Corporation's obligations under this Agreement. Such schedule shall be agreed upon within thirty (30) days of the Effective Date. Such schedule shall be attached to, and

incorporated into this Agreement as Exhibit K. In any event, the schedule shall include an initial issuance of bonds by the Corporation for the Project no later than August 31, 2008, which initial issuance shall be in an amount mutually agreed to by the Corporation and LNR and also shall be consistent with market feasibility. It is anticipated that such initial issuance shall cover infrastructure costs expended to the date of such issuance plus estimated infrastructure costs for the next twenty-four (24) months. The deadlines in such schedule shall not be extended without the agreement of LNR and the Corporation.

(f) To the extent it is permitted to be paid out of the Bond proceeds as an "eligible expense" under the Internal Revenue Code of 1986, as amended, the Corporation shall receive a fee equal to two percent (2%) of the amount of the Bonds issued by the Corporation in connection with the $90,000,000 obligation referred to in Section 8.1(a) (the "**Bond Fee**"), in addition to all other amounts due and payable under this Agreement or otherwise. The Corporation may also structure the Betterments such that the Corporation is duly reimbursed for its issuance and administration costs and expenses in connection therewith.

No fee shall be payable to the Corporation in connection with the financing for the Parkway, Water Supply System or Wastewater Management System; provided, however, that the Corporation may structure the financing such that the Corporation is duly reimbursed for its issuance and administration costs and expenses relating to such financing.

Section 8.2 **Economic Development Incentive Program**. Pursuant to the Enabling Legislation, the Base is designated "economic target and economic opportunity areas" pursuant to Chapter 23A of the Massachusetts General Laws. The Corporation may, in its reasonable discretion, elect to make available to the portion of the Base within the Shea Village Commercial District, as shown on the Reuse Plan and Zoning Map, special tax assessments in accordance with Massachusetts General Laws, Chapter 23A, Section 3E(3)(b) (provided, however, that the foregoing special assessments are not intended to include tax increment financing under Massachusetts General Laws, Chapter 23A, Section 3E(3)(a)).

Section 8.3 **Enabling Legislation**. The Corporation agrees to use reasonable efforts to amend Chapter 301 of the 1998 Massachusetts Acts and Resolves as necessary to satisfy its obligations under the EDC and this Agreement to the form attached hereto and

incorporated herein by reference as Exhibit L. In the event that such amendment does not occur by June 30, 2008, then LNR may, in its sole and unreviewable discretion, terminate this Agreement.

Section 8.4 **LNR Private Financing Option**. LNR shall have the option, in its sole and absolute discretion, to finance privately any aspect of the Project even though the Corporation has agreed under this Agreement to be responsible for the financing of such aspect of the Project. If LNR exercises such option (except in the event of a Corporation Event of Default under this Agreement), it shall not be entitled to any offset or reduction in any amounts otherwise payable by LNR under this Agreement.

Section 8.5 **Guaranty of Public Financing**. The Corporation shall have the option of requesting that LNR Property Corporation or another LNR Affiliate issue its guaranty to secure financing for the Bonds, the Water Supply System or the Wastewater Management System. Any such guaranty may include (a) a guaranty of any Losses in the event of default by the issuer of any bonds and/or (b) a guaranty of any interest or other income shortfalls (to the extent any such interest of income shortfalls cannot be capitalized into the principal amount bonded) during years in which Taxes, User Fees or Betterments or other collections by the Corporation are insufficient to service the Bonds, the cost of the Water Supply System and/or the cost of the Wastewater Management System. LNR Property Corporation or another LNR Affiliate may elect, in their sole and unreviewable discretion, to issue or not issue any such guaranty. If any such entity elects to issue any such guaranty with respect to the Water Supply System and/or Wastewater Management System, the guaranty shall only be issued if the issuing authority and the Corporation also agree on a fee to be paid to the issuing entity.

Section 8.6 **LNR Financing; Rights of Mortgagees**. If LNR grants any Mortgage on all or any portion of the EDC Parcels which are conveyed by the Corporation to LNR in accordance with this Agreement, upon written request, the Corporation agrees to enter into an agreement with the Mortgagee, providing reasonable notice and cure rights to the Mortgagee under this Agreement, on commercially reasonable terms and conditions.

Section 8.7 **Survival**. The provisions of Article 8 shall survive the Closings.

ARTICLE 9

CONVEYANCE OF PROPERTY TO CORPORATION

Section 9.1 **Conveyance of Property from LNR to Corporation.** As referenced elsewhere in this Agreement (including without limitation Sections 5.5, 6.7, 7.1, 7.2, 7.3 and 7.4), portions of the EDC Parcels which were conveyed to LNR by the Corporation in accordance with this Agreement may be reconveyed from LNR to the Corporation.

Section 9.2 **Closings**. The conveyance by LNR to the Corporation of any property hereunder shall occur pursuant to the closing procedures set forth in Article 10 and the condition of such property shall be as set forth in Section 3.9, *mutatis mutandis*.

Section 9.3 **Survival**. The provisions of Article 9 shall survive the Closings.

ARTICLE 10

CLOSINGS

Section 10.1 **LNR Closing Deliveries**. At each Closing (or before, if so specified below), LNR shall deliver or cause to be delivered to the Corporation the following items, to the extent applicable:

(a) Such evidence as the Corporation's counsel and/or the Title Company may reasonably require as to the authority of the Person or Persons executing documents on behalf of LNR;

(b) A fully-executed counterpart of the Deed or of the lease;

(c) A properly executed and acknowledged Reciprocal Access Agreement;

(d) An assumption of the Corporation's Homeless Assistance Act obligations and obligations regarding the PBC Elements;

(e) An assumption of Leases and license agreements as permitted by this Agreement, together with notices to the tenants and licensees thereunder;

(f) An amendment to the Supplemental Agreement or other documents reasonably acceptable to the Corporation;

(g) An assumption of all existing permits, licenses, and approvals relating to the EDC Parcels being conveyed or transferred;

(g) A fully executed counterpart of the EDC Pass-Through Agreement; and

(h) Any other instruments as are required by this Agreement or are reasonably required by the Corporation and/or the Title Company to consummate the transactions contemplated by this Agreement.

Section 10.2 **Corporation Closing Deliveries**. At the Closing, the Corporation shall deliver or cause to be delivered to LNR the following items, to the extent applicable:

(a) A properly executed and acknowledged Deed or lease;

(b) A properly executed and acknowledged Reciprocal Access Agreement;

(c) A duly executed assignment, reasonably acceptable to the Corporation and to LNR, of all existing permits, licenses, and approvals relating to the EDC Parcels;

(d) An assignment of the Corporation's Homeless Assistance Act obligations, together with evidence, reasonably satisfactory to LNR, of the Corporation's compliance with its Homeless Assistance Act obligations to date;

(e) An assignment of the Corporation's obligations with respect to the PBC Elements;

(f) Such evidence as LNR and/or the Title Company may reasonably require as to the authority of the Person or Persons executing documents on behalf of the Corporation;

(g) A duly executed Certificate that the Seller is not a foreign Person;

(h) An assignment of Leases and license agreements as permitted by this Agreement, together with notices to the tenants and licensees thereunder;

(i) An amendment to the Supplemental Agreement or other documents reasonably acceptable to the Corporation;

(j) A fully executed counterpart of the EDC Pass-Through Agreement; and

(k) Any other instruments as are required by this Agreement or are reasonably required by LNR and/or the Title Company to consummate the transactions contemplated by this Agreement.

Section 10.3 **Closing Costs and Prorations.**

10.3.1 **Closing Costs.** LNR shall be solely responsible for all costs and expenses payable in connection with each Closing, including, without limitation, (a) the fees of any counsel representing LNR in connection with this transaction; (b) the fees for any title examinations and title commitments and the premium for the owner's policy of title insurance to be issued to LNR by the Title Company at Closing; (c) the cost of any surveys, investigations, engineering reports, or other studies done in connection with the conveyance or leasing of the Base by the Navy and/or the conveyance to the Corporation or to LNR; (d) the fees for recording the Deed and other closing documents; (e) any transfer tax, documentary stamp tax, or similar tax, if any, which becomes payable by reason of the transfer of the EDC Parcels; (f) any escrow fees charged by the Title Company; and (g) any other costs, liabilities, and expenses of any nature and kind incurred by the Corporation or LNR in connection with the closing of this transaction (expressly excluding however, the fees of any counsel representing the Corporation in connection with this transaction, except as set forth in Section 5.2).

10.3.2 **Adjustments and Prorations.** The following shall be apportioned with respect to the Remaining EDC Parcels (or portion thereof) as of 12:01 a.m. on the Closing Date, as if LNR were vested with title to the Remaining EDC Parcels (or portion thereof) during the entire day upon which the Closing occurs:

(a) water, sewer and other utility charges for which the Corporation is liable (including, without limitation, any payments required to the Navy under the Agreement Granting Reciprocal Easements by and between the Navy and the Corporation, dated May 13, 2003, recorded with the Norfolk County Registry of Deeds in Book 18919, Page 1 and with the Plymouth County Registry of Deeds in Book 25152, Page 1), if any, such charges to be apportioned on the basis of the most recent reading occurring prior to Closing;

(b) rents, if any, as and when collected (the term "rents" as used in this Agreement includes all payments due and payable by tenants under the Leases); and

(c) any other operating expenses or other items pertaining to the Remaining EDC Parcels (or portion thereof) which are customarily prorated between a purchaser and a seller in the State.

Notwithstanding anything contained in the foregoing provisions:

(i) At each Closing, (A) the Corporation shall, at the Corporation's option, either deliver to LNR any security deposits related to commercial Leases actually held by the Corporation pursuant to the Leases (together with interest thereon to the extent the Leases require payment of interest to the tenant thereunder), which may be in the form of cash or letter of credit, or credit to the account of LNR the amount of such security deposits (to the extent such security deposits are not, prior to the Closing, applied against delinquent rents or otherwise as provided in the Leases), (B) the Corporation shall deliver to LNR any security deposits related to residential Leases actually held by the Corporation pursuant to the Leases (together with interest thereon to the extent required by the Leases or by Applicable Laws), and (C) LNR shall credit to the account of the Corporation all refundable cash or other deposits posted with utility companies serving the Remaining EDC Parcels or the Navy, or, at the Corporation's option, the Corporation shall be entitled to receive and retain such refundable cash and deposits.

(ii) Charges referred to in Section 10.3.2 (a) and (c) above which are payable by any tenant under a Lease to a third party shall not be apportioned hereunder, and LNR shall accept title subject to any of such charges unpaid and LNR shall look solely to the tenant responsible therefor for the payment of the same. If the Corporation shall have paid any of such charges on behalf of any tenant, and shall not have been reimbursed therefor by the time of Closing, LNR shall credit to the Corporation an amount equal to all such charges so paid by the Corporation.

(iii) As to gas, electricity and other utility charges referred to in Section 10.3.2 (a) above, the Corporation may on notice to LNR elect to pay one or more of all of said items accrued to the date hereinabove fixed for apportionment directly to the person or entity entitled thereto, and to the extent

the Corporation so elects, such item shall not be apportioned hereunder, and the Corporation's obligation to pay such item directly in such case shall survive the Closing.

(iv) Unpaid and delinquent rent collected by LNR and the Corporation after the Closing Date shall be delivered as follows: (a) if the Corporation collects any unpaid or delinquent rent for the Remaining EDC Parcels (or any portion thereof), the Corporation shall, within thirty (30) days after the receipt thereof, deliver to LNR any such rent which LNR is entitled to hereunder relating to the Closing Date and any period thereafter, and (b) if LNR collects any unpaid or delinquent rent from the Remaining EDC Parcels (or any portion thereof), LNR shall, within thirty (30) days after the receipt thereof, deliver to the Corporation any such rent which the Corporation is entitled to hereunder relating to the period prior to the Closing Date. The Corporation and LNR agree that (A) all rent received by the Corporation or LNR within the first ninety (90) day period after the Closing Date shall be applied first to delinquent rentals, if any, in the order of their maturity, and then to current rentals, and (B) all rent received by the Corporation or LNR after the first ninety (90) day period after the Closing Date shall be applied first to current rentals and then to delinquent rentals, if any, in inverse order of maturity. LNR will make a good faith effort after Closing to collect all rents in the usual course of LNR's operation of the Remaining EDC Parcels, but LNR will not be obligated to institute any lawsuit or other collection procedures to collect delinquent rents. In addition, the Corporation, at the Corporation's cost and expense, may institute any actions or proceedings against tenants or occupants for delinquent rents or other sums owed to the Corporation (other than an action seeking eviction or lease termination). In the event that there shall be any rents or other charges under any Leases which, although relating to a period prior to Closing, do not become due and payable until after Closing or are paid prior to Closing but are subject to adjustment after Closing (such as year end common area expense reimbursements and the like), then any rents or charges of such type received by LNR or its agents or the Corporation or its agents subsequent to Closing shall, to the extent applicable to a period extending through the Closing,

be prorated between the Corporation and LNR as of Closing and the Corporation's portion thereof shall be remitted promptly to the Corporation by LNR.

The provisions of this Section 10.3 shall survive the Closings.

ARTICLE 11

DEFAULTS, REMEDIES AND TERMINATION

Section 11.1 **Defaults: General Provisions**. Subject to any extensions of time by mutual consent of the parties, the cure provisions set forth herein, and any other provision of this Agreement, any failure or delay by either party to perform any obligation under this Agreement shall constitute a default.

Section 11.2 **Cure of Default**. In the event of an alleged default or breach of any terms or conditions of this Agreement, the party alleging such default or breach shall give the other party notice in writing specifying the nature of the alleged default and the manner in which said default may be satisfactorily cured and a reasonable period of time in which to cure, that shall in no event be less than thirty (30) days, or if such default cannot reasonably be cured within thirty (30) days, a period of time that is sufficient with the exercise of diligence to allow for such cure. During any such period, the party charged shall not be considered in default for purposes of termination or institution of legal proceedings, but shall use diligent efforts to effect the cure.

Section 11.3 **Remedies After Expiration of Cure Period**. After notice and expiration of the cure period, if the alleged default has not been cured in the manner set forth in the notice (an "**Event of Default**"), the non-defaulting party may at its option:

(a) institute legal proceedings to obtain appropriate judicial relief, including but not limited to mandamus, specific performance, injunctive relief, or termination of this Agreement;

(b) give the defaulting party notice of intent to terminate this Agreement (a "**Notice of Termination**"), which shall be effective thirty (30) days thereafter. If LNR is the defaulting party, the Corporation shall provide to LNR an opportunity to be

heard by the Board of Directors of the Corporation prior to giving the Notice of Termination; or

(c) pursue any other remedy available at law or in equity that is not expressly waived in this Agreement.

Section 11.4 **Specific Performance**. LNR and the Corporation agree that the EDC Parcels are unique and that LNR and the Corporation will be irreparably harmed if the other defaults in its obligation to convey the EDC Parcels, or any portion thereof, pursuant to the terms of this Agreement. LNR and the Corporation further agree that it is impossible to measure in money the damage that will accrue by reason of a refusal by the other to convey the EDC Parcels, or any portion thereof, pursuant to the terms of this Agreement. Therefore, in the event that LNR or the Corporation defaults in its obligation to convey the EDC Parcels, or any portion thereof, pursuant to the terms of this Agreement, LNR and the Corporation acknowledge and agree that the other party does not have an adequate remedy at law and is entitled to specific performance. Moreover, the Corporation agrees that it may not utilize the Letter of Credit provided pursuant to Section 15.1 in connection with LNR's exercise of its rights under this Section.

Section 11.5 **Effect of Termination**. From and after a Notice of Termination from any party under this Agreement or any other termination pursuant to the terms of this Agreement, LNR and the Corporation shall cooperate to ensure an orderly transition of the management and operation of the Project prior to the applicable termination date.

Section 11.6 **Survival.** The provisions of Article 11 shall survive the Closings.

ARTICLE 12

REPRESENTATIONS AND WARRANTIES

Section 12.1 **Representations and Warranties of the Corporation**. To the Actual Knowledge of the Corporation:

(a) The Corporation is a body politic and corporate established under the Enabling Legislation;

(b) The Corporation has taken all actions required by law to approve the execution of this Agreement;

(c) The Corporation's entry into this Agreement and/or the performance of the Corporation's obligations under this Agreement does not violate any contract, agreement, or other legal obligation of the Corporation;

(d) The Corporation's entry into this Agreement and/or the performance of the Corporation's obligations under this Agreement does not constitute a violation of any State or Federal statute or judicial decision to which the Corporation is subject;

(e) There are no pending lawsuits or other actions or proceedings which would prevent or impair the timely performance of the Corporation's obligations under this Agreement;

(f) The Corporation has the legal right, power, and authority to enter into this Agreement and to consummate the transactions contemplated hereby, and the execution, delivery, and performance of this Agreement has been duly authorized and no other action by the Corporation is requisite to the valid and binding execution, delivery, and performance of this Agreement, except as otherwise expressly set forth herein; and

(g) The individual executing this Agreement is authorized to execute this Agreement on behalf of the Corporation.

The representations and warranties set forth above are material consideration to LNR and the Corporation acknowledges that LNR is relying upon the representations set forth above in undertaking LNR's obligations set forth in this Agreement. The Corporation's representations and warranties shall survive the Closings for a period of one (1) year and shall not be deemed merged with any Deed.

Section 12.2 **Representations and Warranties of LNR**. To the Actual Knowledge of LNR:

(a) LNR is a duly formed Delaware limited liability company and is in good standing and qualified to do business under the laws of the State;

(b) LNR has taken all actions required by law to approve the execution of this Agreement;

(c) LNR's entry into this Agreement and/or the performance of LNR's obligations under this Agreement does not violate any contract, agreement or other legal obligation of LNR;

(d) LNR's entry into this Agreement and/or the performance of LNR's obligations under this Agreement does not constitute a violation of any State or Federal statute or judicial decision to which LNR is subject;

(e) There are no pending lawsuits or other actions or proceedings which would prevent or impair the timely performance of LNR's obligations under this Agreement;

(f) LNR has the legal right, power, and authority to enter into this Agreement and to consummate the transactions contemplated hereby, and the execution, delivery, and performance of this Agreement have been duly authorized and no other action by LNR is requisite to the valid and binding execution, delivery, and performance of this Agreement, except as otherwise expressly set forth herein; and

(g) The individual(s) executing this Agreement is/are authorized to execute this Agreement on behalf of LNR.

The representations and warranties set forth above are material consideration to the Corporation and LNR acknowledges that the Corporation is relying upon the representations set forth above in undertaking the Corporation's obligations set forth in this Agreement. LNR's representations and warranties shall survive the Closings for a period of one (1) year and shall not be deemed merged with any Deed.

ARTICLE 13

INDEMNITY

Section 13.1 **LNR Indemnity**. LNR shall defend, indemnify, and hold harmless the Corporation from all Actions and Losses incurred by the Corporation by reason of any negligence, willful misconduct or Event of Default by LNR arising out of or in connection with

the performance of LNR's obligations under this Agreement. LNR agrees at its own cost, expense, and risk to defend any and all Actions against the Corporation arising out of or in connection with LNR's development activities at the Base and to pay and satisfy any resulting Losses provided that in no event shall LNR be liable to indemnify the Corporation or any other party for consequential or punitive damages.

Section 13.2 **Corporation Indemnity**. The Corporation shall defend, indemnify, and hold harmless LNR from all Actions and Losses incurred by LNR by reason of any negligence, willful misconduct or Event of Default by the Corporation arising out of or in connection with the performance of the Corporation's obligations under this Agreement. The Corporation agrees at its own cost, expense, and risk to defend any and all Actions against LNR arising out of or in connection with the Corporation's development activities at the Base and to pay and satisfy any resulting Losses, provided that in no event shall the Corporation be liable to indemnify LNR or any other party for consequential or punitive damages. Moreover, and notwithstanding anything to the contrary set forth above, the Corporation's obligations and liabilities under this Section shall be limited (a) to the extent of any available insurance proceeds (or any insurance proceeds that would have been available but for the failure of the Corporation to maintain required insurance pursuant to Section 3.5.2 hereof), and (b) by any legal immunities, defenses or protections available to the Corporation pursuant to Applicable Laws as a result of the Corporation's status as a body politic and corporate, including, without limitation, the provisions of Massachusetts General Laws, Chapter 258, Section 1 et seq. and the Enabling Legislation.

Section 13.3 **Survival**. The provisions of this Article 13 shall survive the Closings and/or the termination of this Agreement.

ARTICLE 14

ASSIGNMENT AND TRANSFER

Section 14.1 **Transfers of Property.**

14.1.1 **Horizontal Development Certificate of Compliance.** As noted below in Section 15.14, the recording of a Horizontal Development Certificate of Compliance

shall effect a partial release of this Agreement with respect to the portion of the EDC Parcels covered by the Horizontal Development Certificate of Compliance. As noted above in Section 6.6, the Corporation may include in any such Horizontal Development Certificate of Compliance references to any or all sections of this Agreement that remain binding upon LNR and/or any developer of Vertical Development on the land so released. Accordingly, LNR may transfer any land which has been so released from this Agreement without the consent of the Corporation.

14.1.2 Subdivision Approval. In addition to the transfer rights arising under Section 14.1.1, without the consent of the Corporation, LNR may transfer all or any portion of any land designated to become an Improved Parcel following the approval of a Development Plan for such land and following Subdivision Approval for such land, both in accordance with the Regulatory Framework .

14.1.3 Permitted Additional Transfers of Property . In addition to the transfer rights arising under Section 14.1.1 and Section 14.1.2, LNR, at any time, may transfer any property at the Base which is then owned by it without the consent of the Corporation (beyond any consent required by Section 14.2.2) (a) to an LNR Affiliate or (b) to any other third party transferee, provided that in either case LNR also assigns its rights and obligations under this Agreement as pertain to such transferred property to the LNR Affiliate or the other third party transferee in accordance with Section 14.2. Any such assignment shall be made in accordance with Section 14.2, including without limitation the express written assumption, by the Assignee, in a form reasonably approved by the Corporation, of such assigned obligations under this Agreement.

Section 14.2 Assignment of this Agreement by LNR.

14.2.1 Assignment to an LNR Affiliate. LNR may partially or completely assign its rights and obligations under this Agreement to an LNR Affiliate without the Corporation's consent. Upon such assignment, and the express written assumption by the LNR Affiliate, of such assigned obligations, in a form reasonably approved by the Corporation, LNR shall be relieved of its legal duty to perform the assigned obligations set forth in this Agreement, except to the extent LNR is in default hereunder prior to said assignment, in which

case LNR shall not by such assignment be relieved with respect to any such defaulted obligations hereunder.

14.2.2 **Assignment to a Third Party**. LNR may partially or completely assign its rights and obligations under this Agreement to any third party which is not an LNR Affiliate upon the written consent of the Corporation to such assignment (which consent shall not be unreasonably withheld or delayed). Upon such assignment, and the express written assumption in a form reasonably approved by the Corporation of such assigned obligations under this Agreement by the assignee, LNR shall be relieved of its legal duty to perform the assigned obligations set forth in this Agreement, except to the extent LNR is in default hereunder prior to said assignment, in which case LNR shall not by such assignment be relieved with respect to any such defaulted obligations hereunder. For purposes of this Section 14.2.2, the Corporation's consent to any such assignment shall be granted or withheld based upon the transferee's experience and financial resources to fulfill the assigned obligations under this Agreement.

14.2.3 **Assignee Subject to Terms of Agreement.** Following an assignment of any of the rights and interests of LNR set forth in this Agreement in accordance with the terms hereof, the assignee's exercise, use and enjoyment of any land at the Base which is transferred to the assignee pursuant hereto shall be subject to this Agreement to the same extent as if the assignee were LNR.

Section 14.3 **Transfer of Interests in LNR.** There shall be no transfer of any direct or indirect interest in LNR which would result in a party other than an LNR Affiliate being in control of LNR without the written consent of the Corporation to the transfer (which consent shall not be unreasonably withheld or delayed). For purposes of this Section 14.3, the Corporation's consent to any such transfer shall be granted or withheld based upon the transferee's experience and financial resources to fulfill LNR's obligations under this Agreement.

Section 14.4 **Notice of Ownership**. Attached hereto as Exhibit M is a beneficial interest disclosure statement required pursuant to Section 40J of M.G.L. Chapter 7. LNR represents and warrants that the information contained in the disclosure statement is true, correct, and complete. Without derogating from the restrictions on transfer hereunder, an updated

disclosure statement shall be submitted by LNR to the Corporation on or before January 1 of each year.

Section 14.5 Survival. The provisions of this Article 14 shall survive the Closings.

ARTICLE 15

GENERAL PROVISIONS

Section 15.1 Letter of Credit. Within thirty (30) days after the Effective Date, LNR shall deliver to the Corporation an irrevocable standby letter of credit with a major money center bank, reasonably acceptable to the Corporation, in the initial sum of one million dollars ($1,000,000) and otherwise in form and substance reasonably acceptable to the Corporation (the "**Letter of Credit**"), which Letter of Credit shall be available to the Corporation to be applied against the Corporation's Losses upon an Event of Default by LNR under this Agreement and shall replace the Letter of Credit under the Prior DDA. The Letter of Credit amount shall be reduced (a) to six hundred sixty-six thousand dollars ($666,000) when Horizontal Development Certificates of Compliance have been issued for 1/3 of the Development Units shown on the approved Master Plan) and (b) to three hundred thirty-three thousand dollars ($333,000) when two-thirds (2/3) of the Horizontal Development has been completed (as evidenced by the issuance of Horizontal Development Certificates of Compliance for 2/3 of the Development Units shown on the approved Master Plan. In no event shall the Letter of Credit amount be reduced further until the earlier of (a) the termination of this Agreement without LNR then being in default hereunder and (b) Horizontal Development Certificates of Compliance have been issued for all of the Development Units shown on the approved Master Plan. LNR and the Corporations shall cooperate to effect the reduction in the amount of the Letter of Credit through commercially reasonable means at the time the reduction is required. The Letter of Credit shall be renewed or replaced prior to expiry with either a renewal of the then current Letter of Credit or with a replacement of the Letter of Credit satisfying the other requirements of this Section, in either case extending the expiry date of the Letter of Credit for at least twelve (12) months. At least forty-five (45) days prior to expiration of the then current Letter of Credit, LNR shall notify the Corporation in writing of its intention to deliver original renewal or replacement Letters of Credit. LNR shall deliver original renewal or replacement Letters of Credit to the Corporation at

least thirty (30) days prior to expiration of the then current Letter of Credit. If a satisfactory renewal or replacement Letter of Credit has not been delivered to the Corporation at least thirty (30) days prior to expiration of the then current Letter of Credit, the Corporation shall be entitled to draw on the then current Letter of Credit and shall hold the funds in escrow until such time as a replacement Letter of Credit has been provided to the Corporation. The provisions of this Section 5.1 shall survive the Closings and/or the termination of this Agreement.

Section 15.2 **Status of the Parties**. Nothing in this Agreement shall be construed to make the Corporation and LNR joint venturers or partners or to create any relationship of principal and agent. Neither party shall have the authority to commit or bind the other party without such party's prior written consent.

Section 15.3 **Successors and Assigns**. This Agreement shall apply to, bind, and inure to the benefit of the permitted successors-in-interest of the parties hereto.

Section 15.4 **No Third Party Beneficiaries**. This Agreement is solely for the benefit of the parties hereto and nothing contained herein shall confer upon anyone other than the parties hereto and their permitted successors and assigns any right to insist upon or to enforce the performance or observance of any of the rights or obligations contained herein.

Section 15.5 **Severability**. If any term or provision of this Agreement, or the application of any term or provision of this Agreement to a particular situation, is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining terms and provisions of this Agreement, or the application of this Agreement to other situations, shall continue in full force and effect unless amended or modified by mutual written consent of the parties.

Section 15.6 **Other Necessary Acts**. The parties, at any time after the execution of this Agreement, will execute, acknowledge and deliver any further assignments, conveyances and other assurances, documents, estoppels and instruments reasonably requested by the other party for the purpose of performing the obligations created hereunder. The provisions of this Section 15.6 shall survive the Closings and/or the termination of this Agreement.

Section 15.7 **Construction**. Each reference in this Agreement to this Agreement shall be deemed to refer to this Agreement, as it may be amended from time to time, whether or not the particular reference refers to such possible amendment. Each party has had an adequate opportunity to obtain advice with respect to the terms of this Agreement, and matters related to the foregoing, from such financial, legal and other advisors as such party has determined to consult. Further, this Agreement has been reviewed and revised by legal counsel for the Corporation and LNR, and no presumption or rule that ambiguities shall be construed against the drafting party shall apply to the interpretation or enforcement of this Agreement.

Section 15.8 **Notices**. Any notice or communication required hereunder between the parties must be in writing, and may be delivered either personally, by registered or certified mail (return receipt requested), or by nationally recognized overnight courier. If personally delivered, a notice shall be deemed to have been given when delivered to the party to whom it is addressed. If given by registered or certified mail, such notice or communication shall be deemed to have been given and received on the first to occur of (i) actual receipt by any of the addressees designated below as the party to whom notices are to be sent, or (ii) three (3) Business Days after a registered or certified letter containing such notice, properly addressed, with postage prepaid, is deposited in the United States mail. If given by overnight courier, a notice or communication shall be deemed to have been given and received one (1) Business Day after the date delivered to the courier as shown on a receipt issued by the courier. Any party hereto may at any time, by giving ten (10) Business Days written notice to the other party hereto, designate any other address in substitution of the address to which such notice or communication shall be given. Such notices or communications shall be given to the parties at their addresses set forth below:

If to Corporation:	Chairman of the Board of Directors South Shore Tri-Town Development Corporation 223 Shea Memorial Drive South Weymouth, MA 02190
With copies to:	Executive Director South Shore Tri-Town Development Corporation 223 Shea Memorial Drive South Weymouth, MA 02190

and

Nutter, McClennen & Fish, LLP
World Trade Center West
155 Seaport Boulevard
Boston, MA 02210
Attn: Beth H. Mitchell, Esq.

If to LNR:

LNR South Shore, LLC
4350 Von Karman Avenue, Suite 200
Newport Beach, CA 92660
Attn: Mr. David O. Team
Attn: J. Patrick Galvin, Esq.

With copies to:

LNR South Shore, LLC
1900 Crown Colony Drive, Suite 401
Quincy, MA 02169
Attn: Kevin Chase

and

LNR Property Corporation
1601 Washington Avenue, Suite 800
Miami Beach, FL 33139
Attn: General Counsel

and

Brown Rudnick Berlack Israels LLP
One Financial Center
Boston, MA 02111
Attn: Edward S. Hershfield, Esq.

Section 15.9 **Obligations Non-Recourse**. No elective or appointive board, commission, officer, director, agent or employee of the Corporation, and no Person who is, directly or indirectly, a partner, member, officer, director, shareholder, trustee, beneficiary, employee or agent of LNR, shall be personally liable with respect to any of the obligations of the Corporation or LNR herein, and each party shall look solely to the assets of the Corporation or LNR (as the case may be) and shall have no right of recourse against the assets of any such other Person herein specified. The provisions of this Section 15.9 shall survive the Closings and/or the termination of this Agreement.

Section 15.10 **Enforced Delay; Extension of Times of Performance**. In addition to the specific provisions of this Agreement, performance by any party hereunder shall not be deemed to be in default where delays or defaults are due to Force Majeure; provided, however, that the party claiming the extension notifies the other party of the nature of the matter causing the delay. An extension of time for any such cause shall only be for the period of the enforced delay, which period shall commence to run from the time of the commencement of the cause. If, however, notice by the party claiming such extension is sent to the other parties more than thirty (30) days after the commencement of the cause, the period shall commence to run only thirty (30) days prior to the giving of such notice. Times of performance under this Agreement may also be extended in writing by the Corporation and LNR.

Section 15.11 **Confidentiality**. The Corporation shall treat all financial documents forwarded by LNR to the Corporation and marked "Confidential — LNR Proprietary Information" (or with similar language) as exempt from public disclosure, to the extent allowed by law, and the Corporation shall take all steps reasonably necessary to avoid such public disclosure, including but not limited to, the return of all such documents to LNR after the Corporation has completed its review thereof. The provisions of this Section 15.11 shall survive the Closings and/or the termination of this Agreement.

Section 15.12 **Amendments to Agreement**. This Agreement may be amended or modified only by a writing signed by the Corporation and LNR.

Section 15.13 **Governing Law/Venue**. This Agreement shall be governed by and construed in accordance with the laws of the State. All legal actions under this Agreement shall be brought only in a court of competent jurisdiction within the State.

Section 15.14 **Entire Agreement**. This Agreement integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes all negotiations or previous agreements between the parties with respect all or any part of the subject matter hereof, including, without limitation, the Prior DDA. All waivers of the provisions of this Agreement must be in writing and signed by the appropriate authorities of the Corporation and LNR. An amendment to the memorandum of this Agreement reasonably acceptable to the parties (the "**Memorandum of Agreement**") shall be recorded by the Corporation against the EDC Parcels

within thirty (30) days of the Effective Date. Upon the recording of a Horizontal Development Certificate of Compliance, such certificate shall effect a partial release of this Agreement with respect to the portion of the EDC Parcels covered by the Horizontal Development Certificate of Compliance. Further, upon the written request made following the expiration or termination of this Agreement, either party shall execute in recordable form any documents which may be necessary to remove the relevant portions of the Memorandum of Agreement from record title to the EDC Parcels.

Section 15.15 **Counterparts**. This Agreement may be executed in multiple counterpart originals which, when taken together, shall constitute but one and the same instrument.

Section 15.16 **Broker's Representation**. Each party represents to the other that there has been no broker or finder engaged on such party's behalf in connection with the transactions contemplated by this Agreement. Each party agrees that should any claim be made for brokerage commissions or finder's fees by any broker or finder by, through or on account of any acts of said party or its representatives, said party will indemnify and hold the other party free and harmless from and against any and all loss, liability, cost, damage and expense in connection therewith. The provisions of this Section shall survive the Closings and/or the termination of this Agreement.

Section 15.17 **Estoppel Certificates**.

15.17.1 **By Corporation**. The Corporation shall, with reasonable promptness, but in no event less than thirty (30) days after receipt of a written request therefor by LNR, any Mortgagee, any lessee or any purchaser of the Improved Parcels, provide a certificate in writing stating that, to the Corporation's Actual Knowledge, this Agreement, or any particular section hereof or exhibit hereto specified by the requesting party, is in full force and effect and unmodified, or stating in what respects the Agreement is no longer in force and effect or has been modified, and whether or not the Corporation has Actual Knowledge of any default of LNR or any lessee or any purchaser of the Improved Parcels under this Agreement and, if so, in what respects.

15.17.2 **By LNR**. LNR shall, with reasonable promptness, after receipt of a written request therefor by the Corporation, provide a certificate in writing stating that, to LNR's Actual Knowledge, this Agreement, or any particular section hereof or exhibit hereto specified by the Corporation, is in full force and effect and unmodified, or stating in what respects the Agreement is no longer in force and effect or has been modified, and whether or not LNR has Actual Knowledge of any default of the Corporation under this Agreement and, if so, in what respects.

15.17.3 **Regulatory Framework.** The Corporation shall, with reasonable promptness, but in no event less than thirty (30) days after receipt of a written request therefor by LNR, any Mortgagee, any lessee or any purchaser of the Improved Parcels, provide a certificate of the Zoning Enforcement Officer under the Regulatory Framework, in writing, stating to the best of the Zoning Enforcement Officer's knowledge, and without waiving any rights or remedies of the Corporation, the status of the permits issued under the Regulatory Framework with respect to all or any portion of the Project and stating, to the best of the Zoning Enforcement Officer's knowledge, and without waiving any rights or remedies of the Corporation, whether there are any outstanding violations under the Regulatory Framework with respect to the Project or such portion thereof.

Section 15.18 **Survival**. Any provision of this Agreement that is intended to be performed following a Closing shall survive the Closing, whether or not such survival is expressly stated herein.

Section 15.19 **Certain Uses.** The Corporation hereby confirms that uses of the Base for homeless, governmental or other non-profit purposes are not commercial uses governed by the limitations on commercial use set forth in the Master Plan.

Section 15.20 **LNR Property Corporation Guaranty**. The Corporation hereby releases and terminates that certain Guaranty dated as of May 5, 2004 executed by LNR Property Corporation for the benefit of the Corporation. The Corporation agrees that LNR Property Corporation has no liability or obligations under said guaranty, that said guaranty is of no further force or effect, and that all originals of said guaranty in the Corporation's possession or control shall be marked "cancelled" and delivered to LNR.

Section 15.21 **Uses of PBC Parcels.** The Corporation shall notify the National Park Service of the uses of the PBC Parcels as required by the PBC Application and/or Applicable Law.

Section 15.22 **Utility Services.** Until separately metered utilities are available directly to any parcels which have been leased or conveyed to LNR, the Corporation shall facilitate the delivery of utility services from the Navy to LNR and such parcels by continuing to purchase from the Navy the utilities pursuant to the Utility Services Sales Contract Memorandum of Understanding N62470-03-M-4156 dated July 1, 2003, to the extent in force and effect; and LNR agrees to reimburse the Corporation for any payments due thereunder within ten (10) Business Days after receipt of an invoice therefor. The parties acknowledge that the Corporation's ability to facilitate the delivery of utility services from the Navy to LNR and any such parcels is dependent upon the Navy's willingness to provide such services.

Section 15.23 **LNR Financial Information**. Upon the request of the Corporation, annually and at such other reasonable times, LNR shall provide the Corporation with a financial statement of LNR and other relevant information regarding LNR's financial condition. LNR also shall comply with any Federal or State public disclosure law which is applicable to LNR.

Section 15.24 **Survival**. The provisions of Article 15 shall survive the Closings.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Corporation and LNR have executed this Agreement under seal effective as of the date first set forth hereinabove.

CORPORATION:

SOUTH SHORE TRI-TOWN DEVELOPMENT CORPORATION, a body politic and corporate established under Chapter 301 of the 1998 Massachusetts Acts and Resolves

By: _____
Name: James W. Lowe
Its: Chairman

[Seal]

ATTEST:

_____
Secretary
South Shore Tri-Town Development Corporation

LNR:

LNR SOUTH SHORE, LLC, a Delaware limited liability company

By: LNR South Shore Development, Inc.
a Massachusetts corporation
its sole member

By: _____
Name: **CURTIS J. STEPHENSON**
Its: **VICE PRESIDENT**