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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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**FORM 8-K**

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**CURRENT REPORT**

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

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**Date of report (Date of earliest event reported): March 10, 2013**

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**BOSTON PROPERTIES, INC.**

(Exact Name of Registrant As Specified in Charter)

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**Delaware**  
(State or Other Jurisdiction  
of Incorporation)

**1-13087**  
(Commission  
File Number)

**04-2473675**  
(IRS Employer  
Identification No.)

**800 Boylston Street, Suite 1900, Boston, Massachusetts 02199-8103**  
(Address of Principal Executive Offices) (Zip Code)

**(617) 236-3300**  
(Registrant's telephone number, including area code)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

On March 11, 2013, Boston Properties, Inc. (the “Company”), the sole general partner of Boston Properties Limited Partnership (the “Operating Partnership”), announced the appointment of Owen D. Thomas as the Company’s Chief Executive Officer to succeed Mortimer B. Zuckerman, effective April 2, 2013. Mr. Zuckerman will continue to serve as Executive Chairman of the Company for a transition period and thereafter will continue to serve as the Non-Executive Chairman of the Board of Directors (the “Board”) of the Company. In connection with the appointment of Mr. Thomas as the Chief Executive Officer, the Board approved an increase in the size of the Board from ten to eleven directors and appointed Mr. Thomas effective April 2, 2013 as a director of the Company to fill the vacancy. Mr. Thomas’ term as a director will run until the Company’s 2013 annual meeting of stockholders.

Mr. Thomas, 51, has served as Chairman of the Board of Directors of Lehman Brothers Holdings Inc. since March 2012. From 1987 until 2011, Mr. Thomas held various positions at Morgan Stanley, including Chief Executive Officer of Morgan Stanley Asia Ltd., President of Morgan Stanley Investment Management, Head of Morgan Stanley Real Estate and Managing Director. Mr. Thomas was also a member of Morgan Stanley’s Management Committee from 2005 to 2011. He is a Director of the University of Virginia Investment Management Company, a Trustee of the Urban Land Institute and the former Chairman of the Pension Real Estate Association. He received a B.A. in Mechanical Engineering from the University of Virginia and an M.B.A. from Harvard Business School.

***Employment Agreement***

The Company and Mr. Thomas entered into an Employment Agreement dated as of March 10, 2013. During the term of the employment agreement, Mr. Thomas will devote substantially all of his business time to the Company’s business and affairs, but will be allowed to continue certain outside positions. The initial term of the agreement is three years beginning on April 2, 2013 with automatic one-year renewals commencing on the third and fourth anniversary date unless written notice of termination is given at least 90 days prior to such date by either party. In the event of a “change in control,” the term of Mr. Thomas’ employment shall be automatically extended until 24 months following the date of the “change in control.” Apart from base salary, which is \$750,000 per year, Mr. Thomas’ annual target bonus is 230% of his base salary, which will be pro-rated for any partial year of employment. With respect to the bonus payable for 2013, Mr. Thomas has elected to receive such bonus in the form of equity of the Company. The base salary is to be reviewed annually by the Company’s Compensation Committee and may be increased but not decreased at its discretion.

The Employment Agreement provides that Mr. Thomas will purchase shares of common stock of the Company at market value with an aggregate value of \$1.0 million as promptly as practicable following April 2, 2013 consistent with the Company’s policies and applicable law. The Employment Agreement also provides for initial equity awards to be granted to Mr. Thomas on April 2, 2013 with an aggregate fair value of \$4,500,000. The initial equity awards will consist of 55% in time-based full value shares (restricted stock or long term incentive plan units of the Operating Partnership, or LTIP units), 20% in the form of time-based stock options, and 25% in performance-based LTIP units. The time-based awards will vest in four equal annual installments on each of January 15, 2014, January 15, 2015, January 15, 2016, and January 15, 2017, subject to Mr. Thomas’ continued employment other than as described below. The performance-based LTIP units will be based on the Company’s total shareholder return over the performance period beginning February 5, 2013 and ending on February 4, 2016 and shall include an additional two-year time-based vesting after the end of the performance period other than as described below. Going forward, Mr. Thomas will be entitled to participate in the Company’s long-term incentive equity program and will be eligible to receive equity-based incentive compensation, to be determined in

the discretion of the Company's Compensation Committee. Mr. Thomas is also entitled to participate in all employee benefit plans or programs of the Company generally available to its senior level executive employees as well as the use of a Company-owned or leased automobile.

Mr. Thomas' employment with the Company is at-will and may be terminated by the Company with or without "cause" (as defined in the employment agreement) and may be terminated by Mr. Thomas with or without "good reason" (as defined in the employment agreement) upon prior written notice to the other party.

If the employment of Mr. Thomas is terminated by the Company "without cause" or by Mr. Thomas for "good reason" prior to a "change in control," then Mr. Thomas will be entitled to a severance amount payable over a 24-month period equal to two times the sum of (x) his base salary plus (y) the amount of his cash bonus, if any, received or payable in respect of the immediately preceding year. Mr. Thomas is also entitled to a pro rata target bonus for the year of termination and full vesting of the initial equity awards with time-based vesting, an additional 24 months of vesting in his other time-based equity awards, acceleration of vesting of his performance-based awards to the extent provided in the relevant award agreements, and, subject to payment of premiums at the active employees' rate, may also participate in the Company's health plan for up to 24 months.

If Mr. Thomas' employment with the Company ends upon the end of the initial three-year term or the first year of the extended term following a non-renewal by the Company, he is not entitled to receive any cash severance or benefits continuation, but he will receive accelerated vesting of his equity awards to the same extent as described above for a termination without "cause" or for "good reason."

If the employment of Mr. Thomas is terminated by the Company "without cause" or by Mr. Thomas for "good reason" upon or within 24 months after a "change in control" of the Company, then Mr. Thomas will be entitled to his pro rata target cash bonus for the year of termination and a lump sum severance amount equal to three times the sum of (x) his base salary plus (y) the amount of his average annual cash bonus. Mr. Thomas will also be entitled to full vesting of his time-based equity awards, acceleration of vesting of his performance-based awards to the extent provided in the relevant award agreements, 36 months of financial counseling, tax preparation assistance and outplacement counseling, and, subject to payment of premiums at the active employees' rate, may also participate in the Company's health plan for up to 36 months. The employment agreement does not have any provision that will entitle Mr. Thomas to receive any tax gross-up payment from the Company.

The employment agreement prohibits Mr. Thomas, while he is an officer of the Company and for one year thereafter, from (1) engaging, directly or indirectly, in the acquisition, development, construction, operation, management, or leasing of any commercial real estate property of a type which is the subject of a significant portion of the Company's business (measured as at least 10% of the Company's revenues on a trailing 12-month basis) at the time of termination of his employment, (2) intentionally interfering with the Company's relationships with its tenants, suppliers, contractors, lenders or employees or with any governmental agency, or (3) competing for, soliciting or diverting the Company's tenants or employees, either for himself or any other business, person or entity. Pursuant to the employment agreement, however, Mr. Thomas may engage in certain "minority interest passive investments" (as defined in the employment agreement). In addition, the employment agreement provides that the non-competition provision shall not apply if Mr. Thomas' employment is terminated following a change of control of the Company.

### ***Indemnification Agreement***

In connection with Mr. Thomas' appointment as Chief Executive Officer and to the Board, the Company, the Operating Partnership and Mr. Thomas entered into an indemnification agreement in substantially the same form as the Company and the Operating Partnership have entered into with each of the Company's existing officers and directors. The indemnification agreement requires, among other matters, that the Company and the Operating Partnership indemnify Mr. Thomas to the fullest extent permitted by law for all expenses and liabilities arising out of any proceeding involving Mr. Thomas by reason of his service as the Chief Executive Officer or as a member of the Board and advance to him all related expenses, subject to reimbursement if it is subsequently determined that indemnification is not permitted.

### ***Transition Benefits Agreement***

In connection with Mr. Thomas succeeding Mr. Zuckerman as Chief Executive Officer, the Company and Mr. Zuckerman entered into a transition benefits agreement (the "Transition Benefits Agreement") to recognize his extraordinary services previously rendered, ensure a well-managed transition and encourage Mr. Zuckerman to remain with the Company as Non-Executive Chairman after he ceases to be an employee of the Company and as a consultant to the Company thereafter. Under the terms of the Transition Benefits Agreement, Mr. Zuckerman agreed to transition some of his current responsibilities to the new Chief Executive Officer and to resign as an employee of the Company no later than January 1, 2015. However, the parties anticipate that Mr. Zuckerman will remain as the Non-Executive Chairman of the Company (subject to nomination by the Board and election by the stockholders in accordance with the Company's charter and bylaws and applicable law) and will continue to provide substantial services to the Company as a consultant after he ceases to be an employee, on economic terms to be established by the parties at that time.

If Mr. Zuckerman remains employed by the Company through July 1, 2014, he will be entitled to receive on January 1, 2015 a lump sum cash payment of \$6,700,000 and an equity award with a targeted value of \$11,062,500. The amount of the cash payment will be reduced by any severance payments that may be due Mr. Zuckerman under his Employment Agreement with the Company, or change in control payments under his Senior Executive Severance Agreement with the Company; provided, however, that to the extent that any such severance payment under either agreement consists in whole or in part of a pro rata bonus or other payment that relates to a period of time during which Mr. Zuckerman performed services for the Company prior to the termination of his employment, the cash payment will not be reduced by the amount of such pro rata bonus or other payment. Additionally, while Mr. Zuckerman remains as Chairman of the Company (whether Executive or Non-Executive), the Company will provide him with the same perquisites provided to him on March 10, 2013.

Under the terms of the Transition Benefits Agreement, the cash payment and equity award vest one-third on each of March 10, 2013, October 1, 2013 and July 1, 2014. If Mr. Zuckerman voluntarily terminates his employment for any reason before July 1, 2014, he will be entitled to receive only the vested percentage of the cash payment and the vested percentage of his equity award, which will be paid or awarded on January 1, 2015. If the Company terminates Mr. Zuckerman's employment other than for "cause", including for death or disability, prior to July 1, 2014, he will become fully vested in the cash payment and equity award which will be paid or awarded on January 1, 2015.

The Transition Benefit Agreement provides that, without regard to whether Mr. Zuckerman is entitled to any other supplemental benefits under such agreement, if he terminates his employment with the Company for any reason, voluntarily or involuntarily, after March 10, 2013, he will become fully vested in any outstanding equity awards with time-based vesting and become vested on a pro-rated basis in any outstanding equity awards with performance-based vesting subject to attainment of performance goals.

## ***Amendment to Employment Agreement***

In connection with entering into the Transition Benefits Agreement, the Company and Mr. Zuckerman entered into a third amendment (the "Third Amendment") to the employment agreement between the Company and Mr. Zuckerman, which provides that the term of Mr. Zuckerman's employment will run through July 1, 2014 unless further extended by mutual agreement.

The foregoing summaries of the Employment Agreement, Transition Benefits Agreement and Third Amendment do not purport to be complete and are subject to, and qualified in their entirety by reference to, the full text of such documents, which are included as Exhibits 10.1, 10.2 and 10.3 hereto, respectively, and are incorporated herein by reference.

The accounting impact of the Employment Agreement, Transition Benefits Agreement and Third Amendment was not included in the Company's most recent earnings guidance included in its press release dated January 29, 2013.

### **Item 9.01 Financial Statements and Exhibits.**

#### (d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
10.1	Employment Agreement by and between Owen D. Thomas and Boston Properties, Inc. dated March 10, 2013
10.2	Transition Benefits Agreement by and between Mortimer B. Zuckerman and Boston Properties, Inc. dated March 10, 2013
10.3	Third Amendment to Employment Agreement by and between Mortimer B. Zuckerman and Boston Properties, Inc. dated March 10, 2013
99.1	Press Release dated March 11, 2013

**SIGNATURES**

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

BOSTON PROPERTIES, INC.

Date: March 11, 2013

By: /s/ Michael E. LaBelle  
Name: Michael E. LaBelle  
Title: Senior Vice President, Chief Financial  
Officer and Treasurer

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## Exhibits

<u>Exhibit No.</u>	<u>Description</u>
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10.3	Third Amendment to Employment Agreement by and between Mortimer B. Zuckerman and Boston Properties, Inc. dated March 10, 2013
99.1	Press Release dated March 11, 2013

## EMPLOYMENT AGREEMENT

THIS AGREEMENT (the "Agreement") is made the 10<sup>th</sup> day of March, 2013, by and between Owen D. Thomas (the "Executive") and Boston Properties, Inc., a Delaware corporation, with its principal executive office located at 800 Boylston Street, Boston, Massachusetts 02199 (together with its subsidiaries, the "Company").

### WITNESSETH THAT:

WHEREAS, the Company desires to employ Executive as its Chief Executive Officer, subject to the terms and conditions of this Agreement, to provide services to the Company and Boston Properties Limited Partnership ("BPLP"), of which the Company is General Partner and owner of the majority economic interest;

NOW, THEREFORE, in consideration of the mutual covenants and premises set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and Executive hereby agree as follows:

1. Term. The term of Executive's employment with the Company shall commence on April 2, 2013 (the "Effective Date") and shall continue until and including the third anniversary of the Effective Date unless earlier terminated as provided herein or extended as described in this paragraph (the "Initial Term"). The Initial Term shall be renewed automatically for periods of one (1) year (each, an "Extended Term") commencing at the third and fourth anniversary of the Effective Date, unless written notice of non-renewal is given by either party to the other not less than ninety (90) days prior to the end of the Initial Term or any Extended Term. As used herein, "Term" shall include the Initial Term and any Extended Term, but the Term shall end upon any termination of Executive's employment with the Company as provided herein. Notwithstanding the foregoing, in the event a Change in Control (as defined in Paragraph 9(d)) occurs during the Initial Term or any Extended Term, the Term shall be extended until twenty-four (24) months after the Change in Control.

2. Employment; Duties; Location.

(a) During the Term, Executive shall be employed by the Company as its Chief Executive Officer. Executive will be elected as a member of the Board of Directors of the Company (the "Board of Directors") as of the Effective Date, to serve under the same terms as the other Directors, with no additional compensation. While Executive remains Chief Executive Officer of the Company, he will be nominated for re-election to the Board of Directors each year. Executive agrees he will resign from the Board of Directors upon his termination of employment from the Company at the request of the Board. Executive's duties and authority shall be commensurate with his title and position with the Company, and shall include the performance of services in respect of BPLP. Executive shall report directly to the Chairman of the Board of Directors, so long as he is an executive of the Company, and the Board of Directors. Executive shall be principally located at the Company's New York office.



(b) Executive agrees to his employment as described in this Paragraph 2 and agrees to devote substantially all of his working time and efforts to the performance of his duties hereunder, except as otherwise approved by the Board of Directors or as specifically otherwise provided in this Agreement. Executive shall be permitted to continue such outside positions as set forth in Exhibit A. Executive may also engage in religious, charitable or other community activities as long as such activities do not materially interfere with Executive's performance of his duties to the Company under this Agreement. Other than as set forth in Exhibit A, Executive may not serve on other boards of directors of for-profit companies without the consent of the Board of Directors. Notwithstanding the foregoing, nothing herein shall be interpreted to preclude Executive from (i) engaging in Minority Interest Passive Investments (as defined below), including Minority Interest Passive Investments in, or relating to the ownership, development, operation, management, or leasing of, commercial real estate properties or (ii) participating as an officer or director of, or advisor to, any organization that is not engaged in the acquisition, development, construction, operation, management, or leasing of any commercial real estate property; provided that such activities and related duties and pursuits do not materially restrict Executive's ability to fulfill his obligations as an officer and employee of the Company as set forth herein.

Engaging in a "Minority Interest Passive Investment" means acquiring, holding, and exercising the voting rights associated with an investment made through (i) the purchase of securities (including partnership interests) that represent a non-controlling, minority interest in an entity or (ii) the lending of money, in either case with the purpose or intent of obtaining a return on such investment but without management by Executive of the property or business to which such investment directly or indirectly relates and without any business or strategic consultation by Executive with such entity.

### 3. Compensation.

(a) Base Salary. The Company shall pay Executive during the Term an annual salary of \$750,000 (the "Base Salary"), payable in accordance with the Company's normal business practices for senior executives (including tax withholding), but in no event less frequently than monthly. Executive's Base Salary shall be reviewed at least annually by the Compensation Committee of the Board of Directors (the "Compensation Committee") and may be increased in its discretion but, once increased, may not decreased (with any such increased Base Salary being considered thereafter the Base Salary for all purposes of this Agreement).

(b) Bonus. Executive's annual target bonus shall be 230 percent of his Base Salary, pro-rated for any partial calendar year of employment. On each annual compensation determination date established by the Company during the Term in respect of the Company's senior executive team, the Company shall review the performance of the Company and of Executive during the prior year, and the Company may provide Executive with additional compensation as a bonus if the Compensation Committee, in its discretion and with consideration of the target bonus described above, determines that Executive's contribution to the Company warrants such additional payment and the Company's anticipated financial performance for the present period permits such payment. Cash bonus for any calendar year shall be paid no later than March 15 of the following calendar year. With respect to the bonus payable for 2013, Executive has elected to receive such bonus in the form of fully vested shares

of common stock of the Company or fully vested Long Term Incentive Units ("LTIP Units"), with each share (or if LTIP Unit, the share represented by such LTIP Unit) valued on the date of payment at its "Fair Market Value" (as defined in Boston Properties, Inc. 2012 Stock Option and Incentive Plan or any successor stock incentive plan adopted by the Company from time to time (the "Stock Plan").

(c) Initial Equity Awards. As a material inducement to Executive's accepting employment with the Company, as of the Effective Date, Executive shall be granted equity awards with an aggregate fair value of \$4,500,000 at the time of grant (the "Initial Equity"). The Initial Equity shall be provided 55% in time-based full value shares (restricted stock or LTIP Units, at the election of Executive), 20% in the form of time-based stock options, and 25% in performance-based LTIP Units. For purposes of the preceding sentence, the fair value of the time-based full value shares shall be the Fair Market Value of such shares (or, if LTIP Units, the shares represented by such LTIP Units); the fair value of the time-based stock options shall be computed using the Black-Scholes method consistently used by the Company for financial reporting purposes; and the fair value of the performance-based LTIP Units shall be the Fair Market Value of the shares underlying such LTIP Units at target performance, each as measured as of the Effective Date. The time-based option and full value award will vest in four equal annual installments on each of January 15, 2014, January 15, 2015, January 15, 2016, and January 15, 2017, respectively, subject to continued employment of Executive other than as stated herein. The performance-based LTIP Units will be based on the Company's total shareholder return over the performance period beginning February 5, 2013 and ending on February 4, 2016 and shall include an additional two-year time-based vesting after the end of the performance period, other than as stated herein. In the discretion of the Compensation Committee, such equity awards may be made in whole or in part pursuant to the inducement grant exception set forth in New York Stock Exchange Rule 303A.08.

(d) Equity Compensation. For each calendar year during the Term, Executive will be eligible to participate in the Company's long-term incentive program, with the size of equity grants to be determined at the discretion of the Compensation Committee based on Company and individual performance and competitive peer group information. Long term incentive may be provided in the form of stock options, restricted stock and/or LTIP units in accordance with the terms of the Stock Plan. Such awards will be pro-rated for any partial year of employment. Such awards will be subject to either time-based and/or performance-based vesting as determined by the Compensation Committee. The terms and conditions of equity grants to Executive in respect of any calendar year, including vesting, and types of awards, shall be no less favorable than the terms and conditions of equity grants provided to other executives of the Company, generally, in respect of such calendar year.

4. Benefits. During the Term, Executive shall be entitled to receive the following benefits:

(a) Medical/Dental Insurance. Executive shall be entitled to participate in any and all health plans, including all medical and dental insurance plans, as in effect from time to time for senior executives of the Company. Such participation shall be subject to (i) the terms of the applicable plan documents, (ii) generally applicable policies of the Company, and (iii) the discretion of the Board of Directors, the Compensation Committee or any administrative or other

committee provided for in, or contemplated by, such plan; provided that the terms and conditions of Executive's participation in such plans shall be no less favorable to Executive in any manner than such terms and conditions applicable to other senior executives of the Company. Nothing contained in this Agreement shall be construed to create any obligation on the part of the Company to establish any such plan or to maintain the effectiveness of any such plan which may be in effect from time to time.

(b) Life Insurance; Disability Insurance. The Company shall provide Executive with such life and/or disability insurance as the Company may from time to time make available to senior executives of the Company, with the level of benefits applicable to Executive commensurate with Executive's compensation as compared to that of other senior executives.

(c) Expenses. The Company shall promptly reimburse Executive for all reasonable business expenses incurred by Executive in accordance with the practices of the Company for senior executives of the Company, as in effect from time to time.

(d) Vacation. Executive shall receive paid vacation annually in accordance with terms determined for such Executive by the Company, but in no event shall Executive receive less than four weeks of paid vacation per year.

(e) Deferred Compensation. Executive shall be entitled to participate in any deferred compensation plan or arrangement that the Company may have in place for its senior executives, directors and/or officers.

(f) Automobile. The Company shall provide Executive with the use of a Company-owned or leased automobile.

(g) Other Benefits. The Company shall provide to Executive such other benefits, including the right to participate in such retirement or pension plans, as are made generally available to senior executives of the Company from time to time. Such participation shall be subject to (i) the terms of the applicable plan documents, (ii) generally applicable policies of the Company, and (iii) the discretion of the Board of Directors, the Compensation Committee or any administrative or other committee provided for in, or contemplated by, such plan; provided that the terms and conditions of Executive's participation in such plans shall be no less favorable to Executive in any manner than such terms and conditions applicable to other senior executives of the Company.

(h) Taxation of Payments and Benefits. The Company shall undertake to make deductions, withholdings and tax reports with respect to payments and benefits under this Agreement to the extent that it reasonably and in good faith believes that it is required to make such deductions, withholdings and tax reports. Payments under this Agreement shall be in amounts net of any such deductions or withholdings. Nothing in this Agreement shall be construed to require the Company to make any payments to compensate Executive for any adverse tax effect associated with any payments or benefits or for any deduction or withholding from any payment or benefit.

5. Indemnification. To the full extent permitted by law and subject to the Company's Certificate of Incorporation and Bylaws, and under terms and conditions no less

favorable to Executive in any regard than to any other officer or director of the Company, the Company shall indemnify Executive with respect to any actions commenced against Executive in his capacity as a director or officer or former director or officer of the Company, or any affiliate thereof for which he may serve in such capacity, and the Company shall advance on a timely basis any expenses incurred in defending such actions. The obligation to indemnify hereunder shall survive the termination of this Agreement indefinitely. The Company agrees to secure and maintain directors' and officers' liability insurance with respect to Executive. Executive shall be designated as a "covered person" under the Company's Director's and Officer's insurance coverage and shall be covered to the same extent as other directors and executive officers, including following the termination of Executive's employment for the maximum statute of limitations period which could apply to any claim against Executive which otherwise would be covered by such insurance.

6. Company Authority/Policies. Executive agrees to observe and comply with the rules and regulations of the Company as adopted by its Board of Directors respecting the performance of his duties and to carry out and perform orders, directions and policies communicated to him from time to time by the Board of Directors, to the extent consistent with Executive's duties pursuant to Paragraph 2 above. Executive agrees to purchase shares of common stock of the Company at market value with an aggregate value of \$1 million as promptly as practicable following the Effective Date consistent with the Company's policies and applicable law. Executive also agrees to comply with the Company's stock ownership guidelines in effect from time to time.

7. Records/Nondisclosure/Company Policies.

(a) General. All records, financial statements and similar documents obtained, reviewed or compiled by Executive in the course of the performance by him of services for the Company, whether or not confidential information or trade secrets, shall be the exclusive property of the Company. Executive shall have no rights in such documents upon any termination of Executive's employment.

(b) Confidential Information. Executive will not disclose to any person or entity (except as required by applicable law, the rules of the New York Stock Exchange, or otherwise in connection with the performance of his duties and responsibilities hereunder), or use for his own benefit or gain, any confidential information of the Company obtained by him incident to his employment with the Company. Executive shall take all reasonable steps to safeguard any confidential information and to protect such confidential information against disclosure, misuse, loss, or theft. The term "confidential information" includes, without limitation, financial information, business plans, prospects, and opportunities which have been discussed or considered by the management of the Company, but does not include any information which has become part of the public domain by means other than Executive's non-observance of his obligations hereunder.

This Paragraph 7 shall survive the termination of this Agreement.

## 8. Termination/Severance.

### (a) General.

(i) At Will Employment. Executive's employment hereunder is "at will" and, therefore, may be terminated at any time, with or without cause, at the option of the Company or Executive, subject only to the severance obligations under this Paragraph 8.

(ii) Notice of Termination. Except for termination as a result of Executive's death as specified in Subparagraph 8(b), during the Term, any termination of Executive's employment by the Company or any such termination by Executive shall be communicated by written Notice of Termination to the other party hereto. For purposes of this Agreement, a "Notice of Termination" shall mean a notice which shall indicate the specific termination provision hereunder relied upon by the terminating party.

(iii) Date of Termination. "Date of Termination" shall mean: (A) if Executive's employment is terminated by his death, the date of his death; (B) if Executive's employment is terminated on account of disability under Subparagraph 8(c), the date on which Notice of Termination is given by the Company, or such later date as is indicated in the Notice of Termination; (C) if Executive's employment is terminated by the Company for Cause under Subparagraph 8(d), the date on which a Notice of Termination is given by the Company, or such later date as is indicated in the Notice of Termination; (D) if Executive's employment is terminated by the Company without Cause under Subparagraph 8(e)(i), thirty (30) days after the date on which a Notice of Termination is given by the Company, or such later date as is indicated in the Notice of Termination; (E) if Executive's employment is terminated by Executive under Subparagraph 8(f), thirty (30) days after the date on which a Notice of Termination is given by the Executive, or such other date as is mutually agreed by Executive and the Company; and (F) if Executive's employment is terminated by Executive under Subparagraph 8(e)(ii) for Good Reason, the date on which the Notice of Termination is given by the Executive after the end of the thirty (30) day cure period, or such other date as is mutually agreed by Executive and the Company.

(b) Death. If Executive dies during the Term, the Term shall terminate as of the date of death, and the Company shall, within ninety (90) days of death, pay in a lump sum amount to such person as Executive shall designate in a notice filed with the Company or, if no such person is designated, to Executive's estate, Executive's accrued and unpaid Base Salary to his date of death, plus his target bonus for the calendar year of termination, prorated for the number of days actually employed in the then current calendar year, to the extent unpaid on the Date of Termination. All unvested stock options and stock-based grants with time-based vesting shall vest and become exercisable by Executive's estate or other legal representatives or nonforfeitable, as applicable, on the Date of Termination, and all unvested stock options and stock-based grants with performance-based vesting shall vest and become exercisable by Executive's estate or other legal representatives or nonforfeitable, as applicable, to the extent provided in the applicable award agreements, and Executive's estate or other legal representatives shall have such period of time to exercise the stock options as is provided in the Stock Plan and agreements with Executive pursuant thereto. For a period of eighteen (18) months following the Date of Termination and subject to the continued copayment of premium

amounts by Executive's spouse and dependents in amounts consistent with that applicable to active employees, Executive's spouse and dependents shall continue to participate in the Company's health insurance plan (medical, dental and vision) upon the same terms and conditions in effect for other executives of the Company; provided, however, that (i) the continuation of health benefits under this Subparagraph shall reduce and count against the rights of Executive's spouse and dependents under the Consolidated Omnibus Budget Reconciliation Act of 1986, as amended ("COBRA"), and (ii) the value of premiums paid by the Company shall be reportable as taxable income to Executive's spouse to the extent required by applicable law in order for the benefits received by Executive's spouse and dependents to be non-taxable or to avoid imposition of penalty taxes on the Company pursuant to the Patient Protection and Affordable Care Act. In addition to the foregoing, any payments to which Executive's spouse, beneficiaries, or estate may be entitled under any employee benefit plan shall also be paid in accordance with the terms of such plan or arrangement. Such payments, in the aggregate, shall fully discharge the Company's obligations hereunder.

(c) Disability. If during the Term, as a result of Executive's incapacity due to physical or mental illness, Executive shall have been absent from his duties hereunder on a full-time basis for one hundred eighty (180) calendar days in the aggregate in any twelve (12) month period, the Company may terminate Executive's employment hereunder and the Company shall, within ninety (90) days of such termination, pay in a lump sum amount to Executive, Executive's accrued and unpaid Base Salary to his Date of Termination, plus his target bonus for the calendar year of termination, prorated for the number of days actually employed in the then current calendar year, to the extent unpaid on the Date of Termination. During any period during the Term that Executive fails to perform his duties hereunder as a result of incapacity due to physical or mental illness, but prior to Executive's termination in accordance with the preceding sentence or otherwise under this Agreement, Executive shall continue to be treated as an active employee for all purposes under this Agreement and any other benefit and compensation arrangements of the Company. All unvested stock options and stock-based grants with time-based vesting shall vest and become exercisable or nonforfeitable, as applicable, as of the Date of Termination, and all unvested stock options and stock-based grants with performance-based vesting shall become exercisable or nonforfeitable, as applicable, to the extent provided in the applicable award agreements, and Executive shall have such period of time to exercise the stock options as is provided in the Stock Plan and agreements with Executive pursuant thereto. For a period of eighteen (18) months following the Date of Termination and subject to Executive's continued copayment of premium amounts in amounts consistent with that applicable to active employees, Executive, Executive's spouse and dependents shall continue to participate in the Company's health insurance plan (medical, dental and vision) upon the same terms and conditions in effect for other executives of the Company; provided, however, that (i) the continuation of health benefits under this Subparagraph shall reduce and count against the rights of Executive, Executive's spouse and dependents under COBRA, and (ii) the value of premiums paid by the Company shall be reported as taxable income to Executive to the extent required by applicable law in order for the benefits received by Executive's spouse and dependents to be non-taxable or to avoid imposition of penalty taxes on the Company pursuant to the Patient Protection and Affordable Care Act. Such payment will be made within sixty (60) days of Executive's termination of employment. In addition to the foregoing, any payments to which Executive may be entitled under any employee benefit plan shall also be paid in accordance with the terms of such plan or arrangement. Such payments, in the aggregate, shall fully discharge the Company's obligations hereunder.

(d) Termination by the Company for Cause.

(i) The Company may terminate Executive's employment hereunder for Cause. "Cause" shall mean: (A) gross negligence or willful misconduct by Executive in connection with the performance of his material duties hereunder; (B) a breach by Executive of any of his material duties hereunder (for reasons other than physical or mental illness) and the failure of Executive to cure such breach within thirty (30) days after written notice thereof by the Company; or (C) indictment of Executive of a felony and such indictment has a material adverse effect on the interests or reputation of the Company. Termination for Cause may only occur at a meeting of the Board of Directors called for this purpose and at which Executive has the opportunity to be represented by counsel.

(ii) If during the Term, Executive's employment is terminated by the Company for Cause, then the Company shall, through the Date of Termination, pay Executive his accrued and unpaid Base Salary. Thereafter, the Company shall have no further obligations to Executive except as otherwise provided hereunder; provided that any such termination shall not adversely affect or alter Executive's rights under any employee benefit plan of the Company in which Executive, at the Date of Termination, has a vested interest. Notwithstanding the foregoing and in addition to whatever other rights or remedies the Company may have at law or in equity, all stock options and other stock-based grants held by Executive, whether vested or unvested as of the Date of Termination, shall immediately expire on the Date of Termination if Executive's employment is terminated by the Company for Cause.

(e) Termination by the Company without Cause or by Executive for Good Reason.

(i) The Company may terminate Executive's employment hereunder without Cause if such termination is approved by the Board of Directors. Any termination by the Company of Executive's employment hereunder which does not (A) constitute a termination for Cause under Subparagraph (d) (i), (B) result from the death or disability of Executive under Subparagraph (b) or (c), or (C) result from the expiration of the Initial Term or any extended Term shall be deemed a termination without Cause.

(ii) Executive may terminate his employment hereunder for Good Reason. "Good Reason" shall mean: (A) a material adverse change, not consented to by Executive, in the nature or scope of Executive's responsibilities, authorities, powers, functions, or duties under this Agreement; (B) a breach by the Company of any of its material obligations hereunder; or (C) a material change in the geographic location at which Executive must perform his services. To constitute a Good Reason termination, Executive (1) must provide written notice to the Company within ninety (90) days of Executive's initial actual knowledge of the existence of the event constituting Good Reason, (2) may not terminate his employment pursuant to this Subparagraph unless the Company fails to remedy the event constituting Good Reason within thirty (30) days after such notice has been deemed given pursuant to this Agreement (the "Cure Period"), and (3) Executive must terminate employment with the Company no later than thirty (30) days after the end of the Cure Period, and only if the Company has failed to remedy the event constituting Good Reason within the Cure Period.

(iii) If during the Term and prior to a Change in Control Executive's employment is terminated by the Company without Cause or if Executive terminates his employment for Good Reason in accordance with this Subparagraph (e), then the Company shall, through the Date of Termination, pay Executive his accrued and unpaid Base Salary and his target bonus for the calendar year of termination, prorated for the number of days actually employed in the then current calendar year, to the extent unpaid on the Date of Termination. In addition, subject to signing by Executive of a general release of claims in a form attached hereto as Exhibit B (the "Release") and the Release becoming irrevocable, all within thirty (30) days after the Date of Termination, Executive shall be entitled to the following:

(A) Salary continuation in an amount (the "Severance Amount") equal to two (2) times the sum of (x) his annual Base Salary under Subparagraph 3(a) and (y) the amount of his cash bonus, if any, received in respect of the immediately preceding calendar year under Subparagraph 3(b) (or, if such termination occurs prior to the date on which such bonus has been paid in respect of such immediately preceding calendar year, Executive's target bonus for such immediately preceding calendar year, with the bonus for 2013 annualized for this purpose). The Severance Amount shall be paid in equal installments in accordance with the Company's then payroll practice over a twenty-four (24) month period beginning with the first payroll date that occurs at least thirty (30) days after the Date of Termination. Solely for purposes of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), each installment payment is considered a separate payment;

(B) For a period of twenty-four (24) months following the Date of Termination or until Executive becomes covered under a group health plan of another employer, whichever is earlier, subject to Executive's continued copayment of premium amounts in amounts consistent with that applicable to active employees, Executive, Executive's spouse and dependents shall continue to participate in the Company's health insurance plan (medical, dental and vision) upon the same terms and conditions in effect for other executives of the Company; provided, however, that (x) the continuation of health benefits under this Subparagraph shall reduce and count against the rights of Executive, Executive's spouse and dependents under COBRA, and (y) the value of premiums paid by the Company shall be reported as taxable income to Executive to the extent required by applicable law in order for the benefits received by Executive's spouse and dependents to be non-taxable or to avoid imposition of penalty taxes on the Company pursuant to the Patient Protection and Affordable Care Act; and

(C) The Initial Equity subject to time-based vesting shall vest and become exercisable or nonforfeitable, as applicable as of the Date of Termination. Further, all other stock options and other stock-based awards with time-based vesting in which Executive would have vested if he had remained employed for a period of twenty-four (24) months commencing on the Date of Termination shall vest and become exercisable or nonforfeitable, as applicable, as of the Date of Termination, and all stock options and other stock-based awards with performance-based vesting held by Executive shall become exercisable or nonforfeitable to the extent provided in the applicable award agreements.



(f) Voluntary Termination by Executive. Executive may terminate his employment hereunder for any reason, including, but not limited to, Good Reason in accordance with Subparagraph (e)(ii). If Executive's employment is terminated by Executive other than for Good Reason, then the Company shall, through the Date of Termination, pay Executive his accrued and unpaid Base Salary. Thereafter, the Company shall have no further obligations to Executive except as otherwise expressly provided hereunder; provided any such termination shall not adversely affect or alter Executive's rights under any employee benefit plan of the Company in which Executive, at the Date of Termination, has a vested interest. The vesting and exercise of any stock options and the forfeitability of any stock-based grants held by Executive shall be governed by the terms of the Stock Plan and the related agreements between Executive and the Company.

(g) Expiration/Non-Renewal of Term by the Company. For the avoidance of doubt, a non-renewal of the Term of this Agreement by the Company (in accordance with Section 1(a) above) will not constitute a termination of employment by the Company without Cause, and Executive acknowledges that the severance provisions of Paragraphs 8 and 9 shall not apply. Notwithstanding the foregoing, if Executive's employment with the Company ends upon the end of the Initial Term or the first year of the Extended Term following a non-renewal by the Company beyond the third anniversary or the fourth anniversary of the Effective Date, Executive shall receive accelerated vesting in his equity awards to the extent provided in Subparagraph 8(e)(iii)(C).

(h) No Mitigation. Without regard to the reason for the termination of Executive's employment hereunder, Executive shall be under no obligation to mitigate damages with respect to such termination under any circumstances and in the event Executive is employed or receives income from any other source, there shall be no offset against the amounts due from the Company hereunder.

9. Change in Control Payment. The provisions of this Paragraph 9 set forth certain terms of an agreement reached between Executive and the Company regarding Executive's rights and obligations upon the occurrence of a Change in Control of the Company. These provisions are intended to assure and encourage in advance Executive's continued attention and dedication to his assigned duties and his objectivity during the pendency and after the occurrence of any such event. These provisions shall apply in lieu of, and expressly supersede, the provisions of Subparagraph 8(e) regarding severance pay and benefits upon an involuntary termination of employment, if such termination of employment occurs during the Term upon or within twenty-four (24) months after the occurrence of the first event constituting a Change in Control. These provisions shall terminate and be of no further force or effect beginning twenty-four (24) months after the occurrence of a Change in Control, at which point the provisions of Subparagraph 8(e) shall again become effective in accordance with their terms. For the avoidance of doubt, Executive's Change in Control benefits shall be governed solely by this Paragraph 9, and Executive shall not participate in any Change in Control severance plans or programs maintained by the Company.

(a) Vesting of Equity Awards. Upon a Change in Control, all stock options and other stock-based awards with time-based vesting held by Executive shall immediately accelerate and become fully exercisable or nonforfeitable and all stock options and other stock-based awards with performance-based vesting held by Executive shall become exercisable or nonforfeitable to the extent provided in the applicable award agreements.

(b) Change in Control Benefits. During the Term, if upon or within twenty-four (24) months after a Change in Control, Executive's employment is terminated by the Company without Cause or Executive terminates his employment for Good Reason, then the Company shall, through the Date of Termination, pay Executive his accrued and unpaid Base Salary and his target bonus for the calendar year of termination, prorated for the number of days actually employed in the then current calendar year, to the extent unpaid on the Date of Termination. In addition,

(i) the Company shall pay Executive a lump sum in cash in an amount equal to three (3) times the sum of (x) his annual Base Salary under Subparagraph 3(a) (or Executive's Base Salary in effect immediately prior to the Change in Control, if higher) and (y) Executive's average annual cash bonus under Subparagraph 3(b) received with respect to the three (3) calendar years preceding the Change in Control, or the average of such bonus over the number of calendar years preceding the Change in Control in respect of which such bonus was paid if less than three (3) calendar years, with the bonus for 2013 being annualized for this purpose and the bonus in respect of the calendar year immediately preceding the Change in Control being deemed the target bonus for such year if the Change in Control occurs before the bonus in respect of such calendar year has been paid. Such amount shall be paid in one lump sum payment on the Date of Termination; provided, however, that if the Change in Control does not constitute a change in the ownership or effective control of the Company, or in the ownership of a substantial portion of the assets of the Company, within the meaning of Section 409A of the Code, the amount of cash severance payable under this Subparagraph equal to the Severance Amount under Subparagraph 8(e)(iii)(A) shall be paid in equal installments in accordance with the Company's then payroll practice over a twenty-four (24) month period beginning with the first payroll date that occurs thirty (30) days after the Date of Termination, and the balance shall be paid in a lump sum payment on the Date of Termination. Solely for purposes of Section 409A of the Code, each installment payment is considered a separate payment;

(ii) for a period of thirty-six (36) months following the Date of Termination or until Executive becomes covered under a group health plan of another employer, whichever is earlier, subject to Executive's continued copayment of premium amounts in amounts consistent with that applicable to active employees, Executive, Executive's spouse and dependents shall continue to participate in the Company's health insurance plan (medical, dental and vision) upon the same terms and conditions in effect for other executives of the Company; provided, however, that (x) the continuation of health benefits under this Subparagraph shall reduce and count against the rights of Executive, Executive's spouse and dependents under COBRA, and (y) the value of premiums paid by the Company shall be reported as taxable income to Executive to the extent required by applicable law in order for the benefits received by Executive's spouse and dependents to be non-taxable or to avoid imposition of penalty taxes on the Company pursuant to the Patient Protection and Affordable Care Act; and

(iii) the Company shall reimburse Executive for financial counseling, tax preparation assistance and out-placement counseling for thirty-six (36) months after the Date of Termination.

(c) Additional Limitation.

(i) Anything in this Agreement to the contrary notwithstanding, in the event that the amount of any compensation, payment or distribution by the Company to or for the benefit of Executive, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise, calculated in a manner consistent with Section 280G of the Code and the applicable regulations thereunder (the "Payments"), would be subject to the Excise Tax, the following provisions shall apply:

(A) If the Payments, reduced by the sum of (1) the Excise Tax and (2) the total of the Federal, state, and local income and employment taxes payable by Executive on the amount of the Payments which are in excess of the Threshold Amount, are greater than or equal to the Threshold Amount, Executive shall be entitled to the full benefits payable under this Agreement.

(B) If the Threshold Amount is less than (x) the Payments, but greater than (y) the Payments reduced by the sum of (1) the Excise Tax and (2) the total of the Federal, state, and local income and employment taxes on the amount of the Payments which are in excess of the Threshold Amount, then the Payments shall be reduced (but not below zero) to the minimum extent necessary so that the sum of all Payments shall not exceed the Threshold Amount. In such event, the Severance Payments shall be reduced in the following order: (1) cash payments not subject to Section 409A of the Code; (2) cash payments subject to Section 409A of the Code (to the extent such reduction does not result in tax penalties to Executive); (3) equity-based payments and acceleration; and (4) non-cash forms of benefits. To the extent any payment is to be made over time (e.g., in installments, etc.), then the payments shall be reduced in reverse chronological order. No reductions shall be made under this Subclause (B) unless agreed by Executive.

(ii) For the purposes of this Subparagraph 9(c), "Threshold Amount" shall mean three times Executive's "base amount" within the meaning of Section 280G(b)(3) of the Code and the regulations promulgated thereunder less one dollar (\$1.00); and "Excise Tax" shall mean the excise tax imposed by Section 4999 of the Code, and any interest or penalties incurred by Executive with respect to such excise tax.

(iii) The determination as to which of the alternative provisions of Subparagraph 9(c)(i) shall apply to Executive shall be made by a nationally recognized accounting firm selected by the Company, which does not provide services to the acquirer or other counter-party in the transaction to which this Paragraph 9(c) applies (the "Accounting Firm"), which shall provide detailed supporting calculations both to the Company and Executive within 15 business days of the Date of Termination, if applicable, or at such earlier time as is reasonably requested by the Company or Executive. For purposes of determining which of the alternative provisions of Subparagraph 9(c)(i) shall apply, Executive shall be deemed to pay

federal income taxes at the highest marginal rate of federal income taxation applicable to individuals for the calendar year in which the determination is to be made, and state and local income taxes at the highest marginal rates of individual taxation in the state and locality of Executive's residence on the Date of Termination, net of the maximum reduction in federal income taxes which could be obtained from deduction of such state and local taxes. In making its determinations under this Paragraph 9(c), the Accounting Firm shall value the noncompetition obligations of Executive described in Section 10 and take into account the maximum extent to which such value may be used to reduce the value of the Payments which otherwise could be subject to the Excise Tax. Subject to the last sentence of Subclause 9(c)(i)(B), any determination by the Accounting Firm shall be binding upon the Company and Executive.

(d) "Change in Control" shall have the same meaning as defined in the Stock Plan, as amended from time to time.

10. Noncompetition. Because Executive's services to the Company are special and because Executive has access to the Company's confidential information, Executive covenants and agrees that during Executive's employment with the Company and until the end of a one-year period following the termination of Executive's employment with the Company for any reason, Executive shall not, without the prior written consent of the Company (which shall be authorized by approval of the Board of Directors of the Company, including the approval of a majority of the independent Directors of the Company), directly or indirectly:

(a) engage, participate or assist in, either individually or as an owner, partner, employee, consultant, director, officer, trustee, or agent of any business that engages or attempts to engage in, directly or indirectly, the acquisition, development, construction, operation, management, or leasing of any commercial real estate property of a type which is the subject of a significant portion of the Company's business (measured as at least 10% of the Company's revenues on a trailing 12-month basis) on the Date of Termination;

(b) intentionally interfere with, disrupt or attempt to disrupt the relationship, contractual or otherwise, between the Company or its affiliates and any tenant, supplier, contractor, lender, employee, or governmental agency or authority; or

(c) call upon, compete for, solicit, divert, or take away, or attempt to divert or take away any of the tenants or employees of the Company or its affiliates, either for himself or for any other business, operation, corporation, partnership, association, agency, or other person or entity.

This Paragraph 10 shall not be interpreted to prevent Executive from engaging in Minority Interest Passive Investments or any other activity permitted under Subparagraph 2(b). This Paragraph 10 shall survive the termination of this Agreement.

Notwithstanding anything to the contrary herein, the noncompetition provision of this Paragraph 10 shall not apply if Executive's employment terminates after a Change in Control.

11. Conflicting Agreements. Executive hereby represents and warrants that the execution of this Agreement and the performance of his obligations hereunder will not breach or be in conflict with any other agreement to which he is a party or is bound, and that he is not now subject to any covenants against competition or similar covenants which would affect the performance of his obligations hereunder.

12. Notices. All notices, requests, demands, and other communications under this Agreement shall be in writing and shall be deemed duly given (i) if delivered by hand and receipted for by the party addressee, on the date of such receipt or (ii) if mailed by domestic certified or registered mail with postage prepaid, on the third business day after the date postmarked. Address for notice for the Company is as shown above, or as subsequently modified by written notice. Address for notice for Executive is the address shown on the records of the Company.

13. Integration. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements between the parties with respect to any related subject matter, provided, however, that the Indemnification Agreement by and among the Company, BBLP and Executive of even date hereof, as amended from time to time, shall remain in full force and effect hereafter.

14. Assignment; Successors and Assigns, etc. Neither the Company nor Executive may make any assignment of this Agreement or any interest herein, by operation of law or otherwise, without the prior written consent of the other party; provided that the Company may assign its rights under this Agreement without the consent of Executive to a successor to substantially all of the business of the Company in the event that the Company shall effect a reorganization, consolidate with or merge into any other corporation, partnership, organization or other entity, or transfer all or substantially all of its properties or assets to any other corporation, partnership, organization or other entity. This Agreement shall inure to the benefit of and be binding upon the Company and Executive, their respective successors, executors, administrators, heirs and permitted assigns.

15. Miscellaneous. Headings herein are for convenience of reference only and shall not define, limit or interpret the contents hereof.

16. Amendment. This Agreement may be amended, modified or supplemented by the mutual consent of the parties in writing, but no oral amendment, modification or supplement shall be effective.

17. Arbitration; Other Disputes. Any dispute or controversy arising under or in connection with this Agreement shall be settled exclusively by arbitration in Boston, Massachusetts, in accordance with the rules of the American Arbitration Association then in effect. Judgment may be entered in any court having jurisdiction. Notwithstanding the above, the Company shall be entitled to seek a restraining order or injunction in any court of competent jurisdiction to prevent any continuation of any violation of Paragraph 7 or 10 hereof. In the event that the Company terminates Executive's employment for Cause under Subparagraph 8(d)(i) and Executive only contention is that Cause did not exist, then the Company's only obligation shall be to submit such claim to arbitration and the only issue before the arbitrator will be whether Executive was in fact terminated for Cause. If the arbitrator determines that Executive was not terminated for Cause by the Company, then the only remedies that the arbitrator may award are the payments and benefits provided under Paragraph 8 or

Paragraph 9, whichever is applicable, and reasonable legal fees. If the arbitrator finds that Executive was terminated for Cause, the arbitrator will be without authority to award Executive anything, and the parties will each be responsible for their own attorneys' fees, and they will divide the costs of arbitration equally. Furthermore, should a dispute occur concerning Executive's mental or physical capacity as described in Subparagraph 8(c), a doctor selected by Executive and a doctor selected by the Company shall be entitled to examine Executive. If the opinion of the Company's doctor and Executive's doctor conflict, the Company's doctor and Executive's doctor shall together agree upon a third doctor, whose opinion shall be binding. Notwithstanding the foregoing, Executive shall be entitled to all reasonable legal and arbitration fees incurred in obtaining or enforcing any right or benefit under this Agreement (i) prior to a Change in Control, if Executive prevails on at least one material issue in dispute, and (ii) on or after a Change in Control, except in cases involving frivolous or bad faith claims initiated by Executive. This Paragraph 17 shall survive the termination of this Agreement.

18. Litigation and Regulatory Cooperation. During and after Executive's employment, Executive shall reasonably cooperate with the Company in the defense or prosecution of any claims or actions now in existence or which may be brought in the future against or on behalf of the Company which relate to events or occurrences that transpired while Executive was employed by the Company; provided that such cooperation shall not materially and adversely affect Executive or expose Executive to an increased probability of civil or criminal litigation. Executive's cooperation in connection with such claims or actions shall include, without limitation, being available to meet with counsel to prepare for discovery or trial and to act as a witness on behalf of the Company at mutually convenient times. During and after Executive's employment, Executive also shall cooperate fully with the Company in connection with any investigation or review of any federal, state or local regulatory authority as any such investigation or review relates to events or occurrences that transpired while Executive was employed by the Company. The Company shall also provide Executive with compensation on an hourly basis calculated at his final base compensation rate for requested litigation and regulatory cooperation that occurs after his termination of employment, and reimburse Executive for all costs and expenses incurred in connection with his performance under this Paragraph 18, including, without limitation, reasonable attorneys' fees and costs.

19. Severability. If any provision of this Agreement shall to any extent be held void or unenforceable (as to duration, scope, activity, subject or otherwise) by a court of competent jurisdiction, such provision shall be deemed to be modified so as to constitute a provision conforming as nearly as possible to the original provision while still remaining valid and enforceable. In such event, the remainder of this Agreement (or the application of such provision to persons or circumstances other than those in respect of which it is deemed to be void or unenforceable) shall not be affected thereby. Each other provision of this Agreement, unless specifically conditioned on the voided aspect of such provision, shall remain valid and enforceable to the fullest extent permitted by law; any other provisions of this Agreement that are specifically conditioned on the voided aspect of such invalid provision shall also be deemed to be modified so as to constitute a provision conforming as nearly as possible to the original provision while still remaining valid and enforceable to the fullest extent permitted by law.

20. Governing Law. This Agreement shall be construed and regulated in all respects under the laws of the State of Delaware without reference to principles of conflict of laws.

21. Section 409A.

(a) Anything in this Agreement to the contrary notwithstanding, if at the time of Executive's separation from service within the meaning of Section 409A of the Code, the Company determines that Executive is a "specified employee" within the meaning of Section 409A(a)(2)(B)(i) of the Code, then to the extent any payment or benefit that Executive becomes entitled to under this Agreement on account of Executive's separation from service would be considered "non-qualified deferred compensation" otherwise subject to the 20 percent additional tax imposed pursuant to Section 409A(a) of the Code as a result of the application of Section 409A(a)(2)(B)(i) of the Code, such payment shall not be payable and such benefit shall not be provided until the date that is the earlier of (A) six months and one day after Executive's separation from service, or (B) Executive's death. If any such delayed cash payment is otherwise payable on an installment basis, the first payment shall include a catch-up payment covering amounts that would otherwise have been paid during the six-month period but for the application of this provision, and the balance of the installments shall be payable in accordance with their original schedule.

(b) All in-kind benefits provided and expenses eligible for reimbursement under this Agreement shall be provided by the Company or incurred by Executive during the time periods set forth in this Agreement. All reimbursements shall be paid as soon as administratively practicable, but in no event shall any reimbursement be paid after the last day of the taxable year following the taxable year in which the expense was incurred. The amount of in-kind benefits provided or reimbursable expenses incurred in one taxable year shall not affect the in-kind benefits to be provided or the expenses eligible for reimbursement in any other taxable year (except for any lifetime or other aggregate limitation applicable to medical expenses). Such right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit.

(c) To the extent that any payment or benefit described in this Agreement constitutes "non-qualified deferred compensation" under Section 409A of the Code, and to the extent that such payment or benefit is payable upon Executive's termination of employment, then such payments or benefits shall be payable only upon Executive's "separation from service." The determination of whether and when a separation from service has occurred shall be made in accordance with the presumptions set forth in Treasury Regulation Section 1.409A-1(h).

(d) The parties intend that this Agreement will be administered in accordance with Section 409A of the Code. To the extent that any provision of this Agreement is ambiguous as to its compliance with Section 409A of the Code, the provision shall be read in such a manner so that all payments hereunder comply with Section 409A of the Code. Each payment pursuant to this Agreement is intended to constitute a separate payment for purposes of Treasury Regulation Section 1.409A-2(b)(2). The parties agree that this Agreement may be amended, as reasonably requested by either party, and as may be necessary to fully comply with Section 409A of the Code and all related rules and regulations in order to preserve the payments and benefits provided hereunder without additional cost to either party.

(e) The Company makes no representation or warranty and shall have no liability to Executive or any other person if any provisions of this Agreement are determined to constitute deferred compensation subject to Section 409A of the Code but do not satisfy an exemption from, or the conditions of, such Section.

22. Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be taken to be an original; but such counterparts shall together constitute one and the same document.

23. Advisor's Fees. The Company shall pay Executive's reasonable advisor fees (legal and tax) incurred in connection with the contemplation, preparation, negotiation and execution of this Agreement up to a maximum of \$50,000.

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IN WITNESS WHEREOF, this Agreement is entered into as of the date and year first above written.

BOSTON PROPERTIES, INC.

By: /s/ Mortimer B. Zuckerman

Name: Mortimer B. Zuckerman

Title: Chairman and CEO

/s/ Owen D. Thomas

Owen D. Thomas

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**EXHIBIT A**

Lehman Brothers Holdings Inc. Director

University of Virginia Investment Management Company Director

Woodbury Forest School Trustee

Urban Land Institute Director

Grosvenor Group Limited Director through no later than June 30, 2013

**EXHIBIT B**

**Release of Claims**

In exchange for and as a condition to the post-employment benefits provided to me contained in the Employment Agreement between the Company and me dated March 10, 2013 (the "Employment Agreement"), I agree as follows:

I voluntarily release and forever discharge the Company, its affiliated and/or related entities, its and their respective predecessors, successors and assigns, its and their respective employee benefit plans and fiduciaries of such plans, and the current and former officers, directors, shareholders (but solely in their capacity as shareholders) and employees of each of the foregoing, and except as to shareholders, in their official and personal capacities (collectively referred to as the "Releasees") generally from all claims, demands, debts, damages and liabilities of every name and nature, known or unknown ("Claims"), that, as of the date when I sign this Release of Claims, I have, ever had, now claim to have or ever claimed to have had against any or all of the Releasees relating to my employment by and separation from service with the Company, including without limitation any claim of:

- wrongful discharge;
- breach of any employment, compensation or related contract with any of the Releasees;
- of retaliation or discrimination under federal, state or local law (including, without limitation, Claims of age discrimination or retaliation under the Age Discrimination in Employment Act, Claims of disability discrimination or retaliation under the Americans with Disabilities Act, Claims of discrimination or retaliation under Title VII of the Civil Rights Act of 1964 and Claims of discrimination or retaliation under the fair employment practices laws of the state or states in which I have been employed by the Company or its affiliates, each as amended from time to time;
- under any other federal or state statute (including, but not limited to, the Employee Retirement Income Security Act of 1974, as amended);
- of defamation or other torts;
- of violation of public policy;
- for wages, bonuses, incentive compensation, stock, stock options, vacation pay or any other compensation or benefits; and
- for damages or other remedies of any sort, including, without limitation, compensatory damages, punitive damages, injunctive relief and attorney's fees;

provided, however, that this Release of Claims shall not affect my rights as a terminated employee as of the date of termination of employment under the Company's benefit and

incentive plans and governing practices, including, but not limited to, my stock options, restricted stock, LTIP Units, performance awards, deferred compensation, employee stock purchase plans or my rights under the Employment Agreement. This Release of Claims will also not release the following claims: (a) any claim to enforce the Employment Agreement or for breach of the Employment Agreement; (b) any claim for vested benefits pursuant to any Employee Retirement Income Security Act (ERISA) plan or other employee benefit plan, policy or arrangement in which I participate; (c) any claim for Workers' Compensation benefits or COBRA benefits; (d) any right of indemnification or contribution that I have pursuant to the Indemnification Agreement between the Company and me dated March , 2013 or any successor thereto, or pursuant to the Company's Certificate of Incorporation, By-laws or other governance documents, or (e) any right to coverage I may have under any insurance coverage maintained by the Company or any of its affiliates, including without limitation directors and officers coverage.

I further agree that I shall not seek or accept damages of any nature, other equitable or legal remedies for my own benefit, attorney's fees or costs from any of the Releasees with respect to any Claim released hereunder.

I acknowledge that I have been advised to consult with an attorney before signing this Release of Claims.

I further understand that I have been given an adequate opportunity, if I so desired, to consider this Release of Claims for up to twenty-one (21) days before deciding whether to sign it. If I signed this Release of Claims before the expiration of that twenty-one (21) day period, I acknowledge that such decision was entirely voluntary. I understand that for a period of seven (7) days after I execute this Release of Claims I have the right to revoke it by a written notice to be received by the General Counsel of the Company by the end of that period. I also understand that this Release of Claims shall not be effective or enforceable until the expiration of that period.

I represent and agree that I have carefully read and fully understand all of the provisions of this Release of Claims and that I am voluntarily agreeing to such provisions.

\_\_\_\_\_  
Owen D. Thomas

\_\_\_\_\_  
Date

**TRANSITION BENEFITS AGREEMENT**

This Transition Benefits Agreement (the "Agreement") is entered into this 10<sup>th</sup> day of March, 2013 (the "Effective Date") by and between Boston Properties, Inc., a Delaware corporation, with its principal executive office in Boston, Massachusetts (the "Company") and Mortimer B. Zuckerman (the "Executive").

**WITNESSETH THAT**

WHEREAS, the Executive has served as Chairman of the Company's Board of Directors (the "Board") for many years;

WHEREAS, the Executive has not expressed any plan to leave the Company;

WHEREAS, the Company has entered into an agreement with Owen D. Thomas whereby Mr. Thomas will become the Company's new Chief Executive Officer;

WHEREAS, the Board wishes to enter into this Agreement with the Executive to recognize the Executive for his extraordinary services previously rendered by the Executive, to ensure a smooth transition and to encourage the Executive to remain with the Company as Non-Executive Chairman after he ceases to be an employee of the Company and as a consultant to the Company thereafter; and

WHEREAS, the Executive also wishes to enter into this Agreement;

NOW, THEREFORE, in consideration of the mutual promises and considerations contained herein and for other good and valuable consideration, the payment and adequacy of which is hereby acknowledged, the parties hereto agree as follows:

1. Transition Benefits

(a) In the event the Executive remains employed by the Company through July 1, 2014 and subject to the terms and conditions set forth herein, he shall become entitled to receive a lump sum cash payment of \$6,700,000 (the "Cash Payment") and an equity award with a targeted value of \$11,062,500 (the "Equity Award"). The Cash Payment shall be paid and the Equity Award shall be awarded to the Executive on January 1, 2015 (the "Fixed Date").

(b) No later than the Fixed Date, the Executive shall resign as Executive Chairman and employee of the Company. The parties anticipate that Mr. Zuckerman shall remain as the Non-Executive Chairman of the Company (subject to nomination by the Board and election by the stockholders in accordance with the Company's charter and bylaws and applicable law) and shall continue to provide substantial services to the Company as a consultant after he ceases to be an employee, on economic terms to be established by the parties at that time. Accordingly, it is not anticipated that Mr. Zuckerman will incur a "separation from service" (within the meaning of

Section 409A of the Internal Revenue Code of 1986, as amended) upon his resignation as Executive Chairman and employee, but in any event the timing of any payment or award pursuant to this Agreement is in no way intended to depend upon his having occurred a separation from service at any particular time, whether before or after the Fixed Date.

(c) In the event the Executive's employment is terminated by the Executive voluntarily for any reason after the Effective Date and before July 1, 2014, the Executive shall be entitled to receive only the vested percentage of his Cash Payment and the vested percentage of his Equity Award on the Fixed Date as determined in accordance with the following table:

<u>Vesting Dates</u>	<u>Vested Percentage</u>
Effective Date	33 <sup>1</sup> / <sub>3</sub> %
October 1, 2013	66 <sup>2</sup> / <sub>3</sub> %
July 1, 2014	100%

(d) If the Executive is terminated by the Company other than for Cause, including for death or Disability, prior to July 1, 2014, he shall become fully vested in his Cash Payment and Equity Award which shall be payable or awarded on the Fixed Date. If the Executive is terminated by the Company for Cause, he shall forfeit the non-vested percentage of his Cash Payment and the non-vested percentage of his Equity Award as determined in Sub-Paragraph 1(c) above.

(e) Notwithstanding anything to the contrary in the foregoing, the amount of the Cash Award to which the Executive may be entitled under this Agreement shall be reduced by any severance payments that may be due the Executive under the Employment Agreement between the Executive and the Company dated as of January 17, 2003, as subsequently amended (the "Employment Agreement"), or change in control payments that may be due the Executive under the Senior Executive Severance Agreement between the Executive and the Company dated as of July 30, 1998, as subsequently amended; provided, however, that to the extent that any such severance payment under either such agreement shall consist in whole or in part of a pro rata bonus or other payment that relates to a period of time during which the Executive performed services for the Company prior to the termination of his employment, the Cash Award shall not be reduced by the amount of such pro rata bonus or other payment. The terms "Cause" and "Disability" as used herein shall have the same meanings as defined in the Employment Agreement. To the extent that any provision in this Agreement shall conflict with any provision in the Executive's Employment Agreement, then, except as provided herein, this Agreement shall control.

(f) In addition to the foregoing, and without regard to whether the Executive is entitled to any other supplemental benefits under this Agreement, if the Executive terminates his employment with the Company for any reason, voluntarily or involuntarily, after the Effective Date he shall become fully vested in any outstanding equity awards with time-based vesting and become vested on a pro-rated basis in any outstanding equity awards with performance-based vesting subject to attainment of performance goals.

(g) The Executive acknowledges that upon Mr. Thomas' commencement of employment with the Company, the Executive will transition some of his current responsibilities to the new Chief Executive Officer. The Executive hereby consents to such changes in the nature or scope of his responsibilities, authority, powers, functions and duties and specifically waives his rights to resign for "Good Reason" under his Employment Agreement on account of such changes.

(h) While the Executive remains as Chairman of the Company (whether Executive or Non-Executive), he shall be provided with the same perquisites provided to him on the Effective Date, including, without limitation, his office, secretarial and other technical assistance, automobile and driver.

2. Notices

All notices, requests, demands, and other communications under this Agreement shall be in writing and shall be deemed duly given (i) if delivered by hand and receipted for by the party addressee, on the date of such receipt or (ii) if mailed by domestic certified or registered mail with postage prepaid, on the third business day after the date postmarked. Address for notice for the Company is as shown above, or as subsequently modified by written notice. Address for notice for the Executive is the address shown on the records of the Company.

3. Restrictive Covenants

The Executive acknowledges that he is subject to certain restrictive covenants pursuant to paragraph 9 of the Employment Agreement, and he hereby confirms that he will be bound by such covenants until the end of a one-year period following the termination of the Executive's employment with the Company for any reason.

4. Assignment; Successors and Assigns, etc.

Neither the Company nor the Executive may make any assignment of this Agreement or any interest herein, by operation of law or otherwise, without the prior written consent of the other party; provided that the Company may assign its rights under this Agreement without the consent of the Executive in the event that the Company shall effect a reorganization, consolidate with or merge into any other corporation, partnership, organization or other entity, or transfer all or substantially all of its properties or assets to any other corporation, partnership, organization or other entity. This Agreement shall inure to the benefit of and be binding upon the Company and the Executive, their respective successors, executors, administrators, heirs and permitted assigns.

5. Amendment

This Agreement may be amended, modified or supplemented by the mutual consent of the parties in writing, but no oral amendment, modification or supplement shall be effective.

6. Arbitration; Other Disputes

Any dispute or controversy arising under or in connection with this Agreement shall be settled exclusively by arbitration in Boston, Massachusetts, in accordance with the rules of the American Arbitration Association then in effect. Judgment may be entered in any court having jurisdiction.

7. Severability

If any provision of this Agreement shall to any extent be held void or unenforceable (as to duration, scope, activity, subject or otherwise) by a court of competent jurisdiction, such provision shall be deemed to be modified so as to constitute a provision conforming as nearly as possible to the original provision while still remaining valid and enforceable. In such event, the remainder of this Agreement (or the application of such provision to persons or circumstances other than those in respect of which it is deemed to be void or unenforceable) shall not be affected thereby. Each other provision of this Agreement, unless specifically conditioned on the voided aspect of such provision, shall remain valid and enforceable to the fullest extent permitted by law; any other provisions of this Agreement that are specifically conditioned on the voided aspect of such invalid provision shall also be deemed to be modified so as to constitute a provision conforming as nearly as possible to the original provision while still remaining valid and enforceable to the fullest extent permitted by law.

8. Governing Law

This Agreement shall be construed and regulated in all respects under the laws of the State of Delaware.

9. Counterparts

This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be taken to be an original; but such counterparts shall together constitute one and the same document.

IN WITNESS WHEREOF, this Agreement is entered into as of the day and year first above written.

BOSTON PROPERTIES, INC.

By: /s/ Eric G. Kevorkian

Name: Eric G. Kevorkian

Title: Senior Vice President,  
Senior Corporate Counsel

/s/ Mortimer B. Zuckerman

Mortimer B. Zuckerman



**THIRD AMENDMENT  
TO  
EMPLOYMENT AGREEMENT**

This Third Amendment ("Amendment") is made as of the 10<sup>th</sup> day of March, 2013 to the Employment Agreement ("Employment Agreement") dated as of January 17, 2003, as subsequently amended, by and between Boston Properties, Inc., a Delaware corporation with its principal executive office in Boston, Massachusetts (the "Company"), and Mortimer B. Zuckerman ("Employee").

WHEREAS, the parties hereto desire to amend the Employment Agreement to extend the term; and

WHEREAS, the parties hereto desire that this Amendment be deemed a modification and an amendment to the Employment Agreement.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the Company and Employee agree as follows:

1. Paragraph 1 of the Employment Agreement is amended by deleting said Paragraph in its entirety and substituting therefor the following:

"1. TERM. Subject to the provisions of Paragraph 8, the term of employment pursuant to this Agreement (the 'Term') shall run through July 1, 2014 unless further extended by mutual agreement."

2. All other provisions of the Employment Agreement shall remain in full force and effect according to their respective terms, and nothing contained herein shall be deemed a waiver of any right or abrogation of any obligation otherwise existing under the Employment Agreement except to the extent specifically provided for herein.

IN WITNESS WHEREOF, this Amendment has been executed as a sealed instrument by the Company and by Employee as of the date first above written.

BOSTON PROPERTIES, INC.

By: /s/ Eric G. Kevorkian

Name: Eric G. Kevorkian

Title: Senior Vice President,  
Senior Corporate Counsel

/s/ Mortimer B. Zuckerman

Mortimer B. Zuckerman

news



800 Boylston Street  
Boston, MA 02199

**AT THE COMPANY**

Michael Walsh  
Senior Vice President, Finance  
(617) 236-3410

Arista Joyner  
Investor Relations Manager  
(617) 236-3343

**BOSTON PROPERTIES ANNOUNCES CEO SUCCESSION PLAN**

**Owen D. Thomas Will Become Chief Executive Officer in April 2013**

**Mortimer B. Zuckerman Will Continue to Serve as Executive Chairman**

**Boston, MA, March 11, 2013 – Boston Properties, Inc. (NYSE: BXP)**, – Boston Properties, Inc. (NYSE:BXP), a real estate investment trust, today announced that Owen D. Thomas will succeed Mortimer B. Zuckerman as Chief Executive Officer and join the Board of Directors, effective April 2, 2013. Mr. Zuckerman will remain as Executive Chairman and return to his original role in company activities.

Mr. Thomas is a seasoned industry veteran with over 25 years of real estate experience and an extensive financial and operational background. He is currently the Chairman of the Board of Lehman Brothers Holdings Inc., the successor company to Lehman Brothers. At Lehman Brothers Holdings, Mr. Thomas has overseen the successful disposition of a range of assets, including the sale of Archstone Enterprise LP to Equity Residential (NYSE: EQR) and AvalonBay Communities, Inc. (NYSE: AVB) for \$15 billion. Mr. Thomas also held various senior positions at Morgan Stanley for over 20 years, including serving as Head of Morgan Stanley Real Estate and as Chief Executive Officer of Morgan Stanley Asia Ltd.

Said Mr. Zuckerman, “As part of our succession planning process with the Board, we have been focused on identifying the right person to take over as CEO of the Company – a role I inherited in 2010 after my long-time business partner and Boston Properties co-founder Ed Linde passed away. I could not be more pleased that, after a very thorough process, Owen Thomas will become our new CEO. He is an accomplished executive and well known throughout our industry, and he is the right person to lead the company for the future and to build on our success. Boston Properties has tremendous momentum as we adhere to a disciplined strategy of focusing on high-quality, iconic assets in attractive markets. Together with Doug Linde, Ray Ritchey and our other talented colleagues, Owen will build on that legacy and we look forward to his contributions.”

—more—

Douglas T. Linde, President of Boston Properties, added, “Owen is an outstanding, seasoned executive with a long track record of success. We have known each other for many years and I look forward to a strong partnership with him as we drive the next phase of the Company’s growth.”

Mr. Thomas commented, “Boston Properties has been at the forefront of real estate investing for over four decades, and the Company’s strong reputation and track record of successful investing and development speaks for itself. I’m honored to have the opportunity to join such an accomplished company and also to work closely with Mort and the rest of the outstanding leadership team.”

**Biography of Owen D. Thomas**

Owen D. Thomas, 51, has served as Chairman of the Board of Directors of Lehman Brothers Holdings Inc. since March 2012. From 1987 until 2011, Mr. Thomas held various positions at Morgan Stanley, including Chief Executive Officer of Morgan Stanley Asia Ltd., President of Morgan Stanley Investment Management, Head of Morgan Stanley Real Estate and Managing Director. Mr. Thomas was also a member of Morgan Stanley’s Management Committee from 2005 to 2011. He is a Director of the University of Virginia Investment Management Company, a Trustee of the Urban Land Institute and the former Chairman of the Pension Real Estate Association. He received a B.A. in Mechanical Engineering from the University of Virginia and an M.B.A. from Harvard Business School.

Boston Properties is a fully integrated, self-administered and self-managed real estate investment trust that develops, redevelops, acquires, manages, operates and owns a diverse portfolio of Class A office space, one hotel, three residential properties and four retail properties. The Company is one of the largest owners and developers of Class A office properties in the United States, concentrated in five markets – Boston, New York, Princeton, San Francisco and Washington, DC.

For more information visit the Company’s web site at <http://www.bostonproperties.com>.

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