

COMMONWEALTH OF MASSACHUSETTS

IN THE MATTER OF)	BROWNFIELDS COVENANT
)	NOT TO SUE AGREEMENT
)	
OZZY PROPERTIES, INC. AND)	
1600 OSGOOD STREET LLC)	DEP RTNs:
)	3-00174; 3-21863; 3-23204

I. STATEMENT OF PURPOSE

A. This Brownfields Covenant Not to Sue Agreement ("Agreement") is made and entered into by and between the Office of the Attorney General (the "OAG"), on behalf of the Commonwealth of Massachusetts (the "Commonwealth"), and Ozzy Properties, Inc. and 1600 Osgood Street LLC (two entities collectively referred to as "Ozzy"). Collectively, the OAG, on behalf of the Commonwealth, and Ozzy will be referred to as the "Parties."

B. This Agreement is entered into pursuant to the Massachusetts Oil and Hazardous Material Release Prevention and Response Act, as amended, Massachusetts General Laws Chapter 21E ("G.L. c. 21E") and the OAG's Brownfields Covenant Not to Sue Agreement Regulations at 940 CMR 23.00 *et seq.* ("Brownfields Covenant Regulations"), with reference to the Massachusetts Contingency Plan, 310 CMR 40.0000 *et seq.* (the "MCP"), and involves the remediation and redevelopment of 1600 Osgood Street, North Andover, Massachusetts (the "1600 Osgood Street Project" or "Project").

C. It is the intent of the Parties entering into this Agreement to set forth herein their respective duties, obligations and understanding so that the Project can contribute to the physical and economic revitalization of an area of North Andover, Massachusetts. To that end, the Parties hereby agree that this Agreement, pursuant to G.L. c. 21E, § 3A(j)(3), addresses potential claims by the Commonwealth as to Ozzy and is predicated upon Ozzy's compliance with the terms and conditions of this Agreement. This Agreement also addresses potential claims brought by third parties for contribution, Response Action costs or property damage pursuant to G.L. c. 21E, §§ 4 and 5 or for property damage under common law, except for liability arising under a contract.

D. The Parties agree that Ozzy's ability to conduct the 1600 Osgood Street Project, as proposed herein, may be contingent upon independent approval processes of other departments, agencies and instrumentalities of the federal, state and local governments. Nothing in this Agreement should be construed as an endorsement by the OAG of the proposed project for such approval processes.

E. The Commonwealth believes that this Agreement is fair, consistent with G.L. c. 21E and in the public interest, and has entered into this Agreement as part of an effort to revitalize an area of North Andover, Massachusetts.

II. THE PARTIES

A. The OAG is a duly constituted agency of the Commonwealth of Massachusetts charged with the legal representation of the Commonwealth and maintains offices at One Ashburton Place, Boston, Massachusetts. Included within the OAG's authority is the authority to enter into Brownfields Covenants Not to Sue Agreements pursuant to G.L. c. 21E, §3A(j)(3), which provides liability relief under G.L. c. 21E, as amended.

B. Ozzy Properties, Inc. is a corporation, duly organized and existing pursuant to the general laws of the Commonwealth of Massachusetts and located at 3 Dundee Park, Andover, Massachusetts. 1600 Osgood Street LLC is a limited liability company, duly organized and existing pursuant to the general laws of the Commonwealth of Massachusetts, located at 3 Dundee Park, Andover, Massachusetts. In accordance with this Agreement, Ozzy Properties Inc. and 1600 Osgood Street LLC shall undertake the 1600 Osgood Street Project as discussed in Section IV, Paragraph A, subparagraph 2, below.

III. STATEMENT OF FACT AND LAW

A. The Commonwealth enters into this Agreement pursuant to its authority under G.L. c. 21E, § 3A(j)(3) and the Brownfields Covenant Regulations.

B. Unless otherwise expressly provided herein, terms used in this Agreement which are defined in the Brownfields Covenant Regulations shall have the meaning assigned to them under such regulations. Terms used in this Agreement not defined in Brownfields Covenant Regulations but defined under G.L. c. 21E and the MCP shall have the meanings assigned to them under G.L. c. 21E and the MCP.

C. The Project involves a 169 acre parcel located at 1600 Osgood Street, North Andover, including approximately 55 manufacturing, warehouse and/or office-type buildings with over 1.9 million square feet of floor space (the "Property"). The Property was and is known as the location of Lucent Technologies' ("Lucent's") Merrimack Valley Works, and is depicted more particularly in Exhibit 1, which is attached and incorporated into this Agreement. From 1956 through 2002, the Property was used by Lucent and its predecessors for manufacturing and research and development purposes. The Property continues to be leased and operated for research and light manufacturing by Lucent under a short term occupancy agreement, through which Lucent retains a five-year option to lease 300,000 square feet in order to facilitate wind down, relocation or consolidation of its operations.

D. In the 1980s, environmental investigations revealed Releases of solvents to soil and groundwater. Over the years, a number of additional Releases of Oil and/or Hazardous Materials have been detected on the Property. The Department of Environmental Protection ("DEP") has assigned seven (7) Release Tracking Numbers ("RTNs") to the Releases of Oil and/or Hazardous Material at the Property. Lucent and/or its predecessors have filed Class A-1

Response Action Outcome Statements ("RAO Statements") for four (4) of the seven (7) RTNs: 3-10815 (1994); 3-11048 (1994); 3-12462 (1995); and 3-19831 (2000). These RAO Statements indicate that Permanent Solutions have been achieved for these RTNs. RTN 3-10815 concerned approximately 16 gallons of gasoline that was released from a vehicle to the North Parking Lot (Class A-1 RAO completed June 1994). RTN 3-11048 concerned approximately 5 pounds of industrial F006 sludge released to the on-site wastewater treatment plant in the Building 50 loading dock area (Class A-1 RAO completed July 1994). RTN 3-12462 concerned approximately 35 gallons of wax stripper containing ethylene glycol monobutyl ether and monoethanolamine and water that was released east of Building 34 to a storm drain (Class A-1 RAO completed July 1995). RTN 3-19831 concerned a 10 gallon sodium hypochlorite spill to pavement near Building 44 (Class A-1 RAO completed October 2000). Release reporting history and associated documentation are described in greater detail in Exhibit 2, which is attached and incorporated into this Agreement. To the extent that these four (4) disposal sites have achieved Permanent Solutions, and those Permanent Solutions are maintained, Ozzy, as an Eligible Person, would be eligible for liability endpoints pursuant to provisions of G.L. c. 21E, §5C. The Releases described in this Paragraph are not to be included in the "Site," as defined in Section III, Paragraph E, below.

E. The remaining three (3) RTNs – 3-00174 (1986), 3-21863 (2002), and 3-23204 (2003) – constitute the "Site" that is the subject of this Agreement, as further defined by the definition of "Site" in the MCP at 310 CMR 40.0006. RTN 3-00174, reported in 1986, relates to Releases of solvents to soil and groundwater. RTN 3-21863, reported in 2002, is associated with a release of cyanide to groundwater north of Building 30. RTN 3-23204, reported in 2003, relates to a Release of solvents to soil and groundwater from a separate area not contiguous to the areas related to the first two RTNs. Release reporting history and associated documentation are described in greater detail in Exhibit 2.

IV. COMMITMENTS AND OBLIGATIONS

NOW THEREFORE, in consideration of the representations made and promises exchanged by and between the Parties, each of them does hereby covenant and agree to the terms and conditions which follow.

A. REPRESENTATIONS AND COMMITMENTS BY OZZY

1. Ozzy makes the following representations, which the Commonwealth relies upon for the purposes of this Agreement:

- a. that Ozzy is an Eligible Person;
- b. that Ozzy is not at the time of execution of this Agreement a person with potential liability for the Site pursuant to G.L. c. 21E;

c. that Ozzy is not now nor has it ever been previously affiliated with any person having potential liability for the Site pursuant to G.L. c. 21E, except as set forth below.

d. that Ozzy's involvement with the Site has been limited to the following:

- i. evaluating the Property for purposes of acquiring the Property;
- ii. negotiating to acquire and acquiring the Property; and
- iii. communicating with the Commonwealth and local authorities with respect to the design and planning of improvement projects and various permitting issues with respect to the Property.

e. that none of Ozzy's activities has caused or contributed to the release or threatened release of Oil and/or Hazardous Material at the Site under G.L. c. 21E.

2. Ozzy agrees to the following terms and conditions:

a. Ozzy shall conduct an Eligible Brownfields Project, as defined by G.L. c. 21E §3A(j)(3) and 940 CMR 23.02: Eligible Brownfields Project. In particular, Ozzy shall revitalize and redevelop the Property by marketing it to prospective tenants in accordance with its marketing program, a copy of which is provided in Exhibit 3, which is attached and incorporated into this Agreement. Ozzy shall use best efforts to retain a significant number of jobs and to create a substantial number of new, permanent jobs at the Property. Ozzy shall undertake the Project in a way that is consistent with regional and local economic development plans, and that provides significant public benefits by returning the Property to productive use. Documentation presenting local and regional support for the Project, and outlining the significant role the Property plays in economic development plans for North Andover and the greater Merrimack Valley, is provided in Exhibit 4.

b. Ozzy shall either achieve and maintain, or arrange for the achievement and maintenance of, a Permanent Solution or a Remedy Operation-Status in accordance with G.L. c. 21E and the MCP. In the event that a Permanent Solution or Remedy Operation Status is not feasible pursuant to 310 CMR 40.0860, Ozzy shall either achieve and maintain, or arrange for the achievement and maintenance, of a Temporary Solution at the Site in accordance with G.L. c. 21E and the MCP. Ozzy shall demonstrate, or arrange for the demonstration, that a Permanent Solution is not feasible pursuant to 310 CMR 40.0860 and shall prepare, or arrange for the preparation of, a plan which outlines definitive and enterprising steps to be taken toward achieving a Permanent Solution pursuant to 310 CMR 40.1050(5). Ozzy shall also conduct Periodic Evaluations of the Temporary Solution every 5 years to assess whether or not achievement of a Permanent Solution is feasible pursuant to 310 CMR

40.1050(5), or arrange that such Periodic Evaluations be conducted.

c. Ozzy shall cooperate fully with DEP. To cooperate fully includes, without limitation:

1. providing prompt and reasonable access to the Property to DEP for any purpose consistent with G.L. c. 21E and the MCP;

ii. complying with the Release notification provisions established by G.L. c. 21E and the MCP;

iii. responding in a timely manner to any request made by the DEP or OAG to produce information as required pursuant to G.L. c. 21E;

iv. to the extent necessary, (a) preventing the Exposure of people to Oil and/or Hazardous Material by fencing or otherwise preventing access to the Property, and (b) containing any further Release or Threat of Release of Oil and/or Hazardous Material from a structure or container, upon obtaining knowledge of a Release or Threat of Release of Oil and/or Hazardous Material; and

v. conducting, or causing to be conducted, Response Actions at the Site in accordance with G.L. c. 21E, the Standard of Care defined therein, and the MCP.

3. Ozzy is not at the time of execution of this Agreement subject to any outstanding administrative or judicial environmental enforcement action arising under any applicable federal, state or local law or regulation.

B. THE COMMONWEALTH'S COVENANT NOT TO SUE

1. Covenant as to Ozzy Properties, Inc. and 1600 Osgood Street LLC

In consideration of the Representations and Commitments by Ozzy set forth in Section IV, Paragraph A of this Agreement, and subject to Ozzy's compliance with the terms and conditions of this Agreement and the Termination for Cause provisions described below in Section IV, Paragraph B, subparagraph 5, the Commonwealth covenants not to sue Ozzy, pursuant to G.L. c. 21E, for Response Action Costs, contribution, natural resource damages occurring prior to execution of this Agreement, or injunctive relief for the Matters Addressed at the Property Addressed by this Agreement. This covenant shall vest on the effective date of this Agreement as defined in Section IV, Paragraph E, subparagraph 5. This Agreement shall not affect any liability established by contract. For purposes of this Agreement, the "Property Addressed" shall be the Site as defined in Section III, Paragraph E, and the "Matters Addressed" shall be defined as those Releases of Oil and/or Hazardous Material at the Site which are fully described and delineated in any RAO Statement submitted to DEP with respect to the Site, so long as the Response Actions upon which the RAO Statement relies meet

the Standard of Care in effect as of the time of submittal of the RAO Statement.

2. Covenant as to Subsequent Owners and/or Operators

The Commonwealth also covenants not to sue Eligible Persons who are successors, assigns, lessees or licensees of the real property interests of Ozzy, or who are lessees or licensees of its successors and assigns (hereinafter the "Subsequent Owners and/or Operators") having rights in the Property for which Ozzy receives covenants herein, with respect to the Matters Addressed at the Property Addressed, as described in Section IV, Paragraph B, subparagraphs 1 and 2, above. The liability relief available to such Subsequent Owners and/or Operators shall be subject to the same terms and conditions as those that apply to Ozzy.

3. Duration of the Agreement

This Agreement shall be in effect unless the statutory protections available to Ozzy or Subsequent Owners and/or Operators pursuant to G.L. c. 21E, § 5C are otherwise in effect. This Agreement is subject to the Termination for Cause provisions, described below in Section IV, Paragraph B, subparagraph 5.

4. Reservations of Rights

The Commonwealth's covenants in this Agreement shall not apply to the following:

a. any new Release of Oil and/or Hazardous Material at or from the Property that occurs after the effective date of this Agreement;

b. any Release of Oil and/or Hazardous Material which Ozzy or any Subsequent Owner and/or Operator causes or contributes to or causes to become worse than it otherwise would have been had Ozzy or any Subsequent Owner and/or Operator not engaged in such activities;

c. any Release of Oil and/or Hazardous Material at the Site that has not been discovered as of the time of submittal of the RAO Statement to DEP that could have been discovered had an assessment of the Site covered by or addressed in the RAO Statement been performed consistent with the Standard of Care in effect at the time of submittal of the RAO Statement;

d. any Release or Threat of Release of Oil and/or Hazardous Material from which there is a new Exposure that results from any action or failure to act pursuant to G.L. c. 21E during Ozzy's or Subsequent Owners' and/or Operators' ownership or operation of the Property;

e. any Release of Oil and/or Hazardous Material not expressly

described in Section III, Paragraph E above; and

f. any claims for damages for injury to, destruction of, or loss of natural resources occurring after the execution of this Agreement, and for the costs of any associated natural resource damage assessment.

5. Termination for Cause

a. In the event that the OAG or DEP determines that Ozzy submitted materially false or misleading information as part of their Application to Enter into a Brownfields Covenant Not to Sue Agreement, the OAG may terminate the liability protection offered by this Agreement in accordance with subparagraph 5.c., below. A statement made by Ozzy regarding the anticipated benefits or impacts of the proposed project will not be considered false or misleading for purposes of this subparagraph if such statement was asserted in good faith at the time it was made.

b. In the event that the OAG or DEP determines that Ozzy or a Subsequent Owner and/or Operator has violated the terms and conditions of this Agreement, including but not limited to failure to achieve and maintain (or failure to arrange for achieving and maintaining) the Permanent Solution or Remedy Operation Status ("ROS") at the Site, or failure to respond (or failure to arrange for a response) in a timely manner to a Notice of Audit Finding or any such other notice requiring additional work to achieve and/or maintain a Permanent Solution or ROS at the Site, the OAG may terminate the liability protection offered by this Agreement in accordance with subparagraph 5.c., below. In the event that the liability protection is terminated solely because of a violation of one or more of the conditions set forth in 940 CMR 23.08(3)(a) through (d) by a Subsequent Owner and/or Operator, such termination shall affect the liability protection applicable only to such Subsequent Owner and/or Operator.

c. Before terminating the liability relief provided by this Agreement, the OAG will provide Ozzy or a Subsequent Owner and/or Operator, as appropriate, with written notice of the proposed basis for, and a 60-day opportunity to comment on, the proposed termination. The OAG, in its discretion, may provide in such notice a reasonable period of time for Ozzy or a Subsequent Owner and/or Operator, as appropriate, to cure an ongoing violation in lieu of termination of the liability relief provided by this Agreement.

d. Termination of liability relief pursuant to this section shall not affect any defense that Ozzy or a Subsequent Owner and/or Operator might otherwise have pursuant to G.L. c. 21E.

C. COVENANT NOT TO SUE BY OZZY OR SUBSEQUENT OWNER AND/OR OPERATOR

In consideration of the Commonwealth's covenants in Section IV, Paragraph B of this Agreement, Ozzy and/or a Subsequent Owner and/or Operator hereby covenant not to sue and

not to assert any claims or causes of action against the Commonwealth, including any department, agency, or instrumentality, and its authorized officers, employees, or representatives with respect to the Site or this Agreement, including but not limited to:

1. any direct or indirect claims for reimbursement, recovery, injunctive relief, contribution or equitable share of Response Action Costs or for property damage pursuant to G.L. c. 21E;
2. any claims under the Fifth Amendment to the United States Constitution or under the Massachusetts Constitution for any "takings," provided that such claims relate to the performance of Response Actions under G.L. c. 21E or CERCLA;
3. any claims arising out of Response Actions at the Property, including claims based on DEP's selection of Response Actions, oversight of Response Actions, or approval of plans for such activities;
4. any claims or causes of action for interference with contracts, business relations or economic advantage; or
5. any claims for costs, attorneys fees, other fees or expenses incurred.

D. CONTRIBUTION PROTECTION AND RIGHTS OF AFFECTED THIRD PARTIES

With regard to claims for contribution, cost recovery or equitable share brought by third parties pursuant to G.L. c. 21E, §§ 4 and 5, or third party claims brought for property damage claims under common law or G.L. c. 21E, §5, against Ozzy or a Subsequent Owner and/or Operator, based solely on their status as owner or operator of the Site, the Commonwealth and Ozzy agree that Ozzy and Subsequent Owners and/or Operators are entitled to such protection from such actions or claims as provided by G.L. c. 21E for the Matters Addressed at the Property Addressed, provided, however:

1. that Ozzy has satisfied the notification provisions of G.L. c. 21E, § 3A(j)(3) and 940 CMR 23.06(1);
2. that the OAG has made its determination regarding the nature and extent of the opportunity that Affected Third Parties will have to join this Agreement pursuant to 940 CMR 23.06(3); and
3. that the OAG has provided Affected Third Parties an appropriate opportunity to join this Agreement pursuant to 940 CMR 23.06(2) and (3).

E. GENERAL PROVISIONS

1. This Agreement may be modified only upon the written consent of all Parties.

2. Should any term or condition of this Agreement or its application to any person or circumstance be found to be unenforceable by any court of competent jurisdiction, the remainder of this Agreement shall not be affected and each remaining term and provision shall be valid and enforceable to the full extent permitted by law.

3. Each Party warrants and represents to the others that it has the authority to enter into this Agreement and to carry out its terms and conditions.

4. This Agreement may be fully executed by all Parties in one or more counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument.

5. The terms of this Agreement in Section IV, Paragraph B, subparagraph 1 with respect to the Commonwealth's covenant not to sue Ozzy shall be effective as of the date the OAG executes this Agreement, subject to the conditions contained herein. The terms of this Agreement in Section IV, Paragraph D with respect to the Contribution Protection and Rights of Affected Third Parties, are subject to the OAG's determination that Affected Third Parties have had an appropriate opportunity to join this Agreement. The OAG may modify or withdraw the provisions in Section IV, Paragraph D regarding the Contribution Protection and Rights of Affected Third Parties if comments received from Affected Third Parties disclose facts or considerations which indicate that such protection is inappropriate, improper or inadequate. The provisions of this Agreement in Section IV, Paragraph D with respect to the Contribution Protection and Rights of Affected Third Parties, shall be effective as of the date the OAG executes this Agreement, subject to the conditions contained herein.

6. The Commonwealth reserves the right to withdraw from this Agreement if comments received during the public comment period disclose facts or considerations which indicate that this Agreement is inappropriate, improper, or inadequate.


In the Matter of Ozzy Properties, Inc. and 1600 Osgood Street LLC
Brownfields Covenant Not to Sue Agreement

IT IS SO AGREED:

OFFICE OF THE ATTORNEY GENERAL

OZZY PROPERTIES, INC. AND 1600
OSGOOD STREET LLC

BY:



Benjamin J. Ericson
Assistant Attorney General
Environmental Protection Division
Office of the Attorney General
200 Portland Street
Boston, MA 02114

BY:



Orit Goldstein
3 Dundee Park
Andover, MA 01810
*President/
Manager*

Date:

9/1/05

Date:

5/25/05

In the Matter of Ozzy Properties, Inc. and 1600 Osgood Street LLC
Brownfields Covenant Not to Sue Agreement

EXECUTIVE OFFICE OF ENVIRONMENTAL AFFAIRS

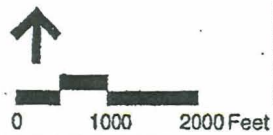
BY:


Ellen Roy Herzfelder
Secretary
Executive Office of Environmental Affairs
Commonwealth of Massachusetts

Date:

7/5/05

EXHIBIT 1



Source: USGS Digital Raster Graphic

Vanasse Hangen Brustlin, Inc.

Site Location Map

Figure 1

1600 Osgood Street

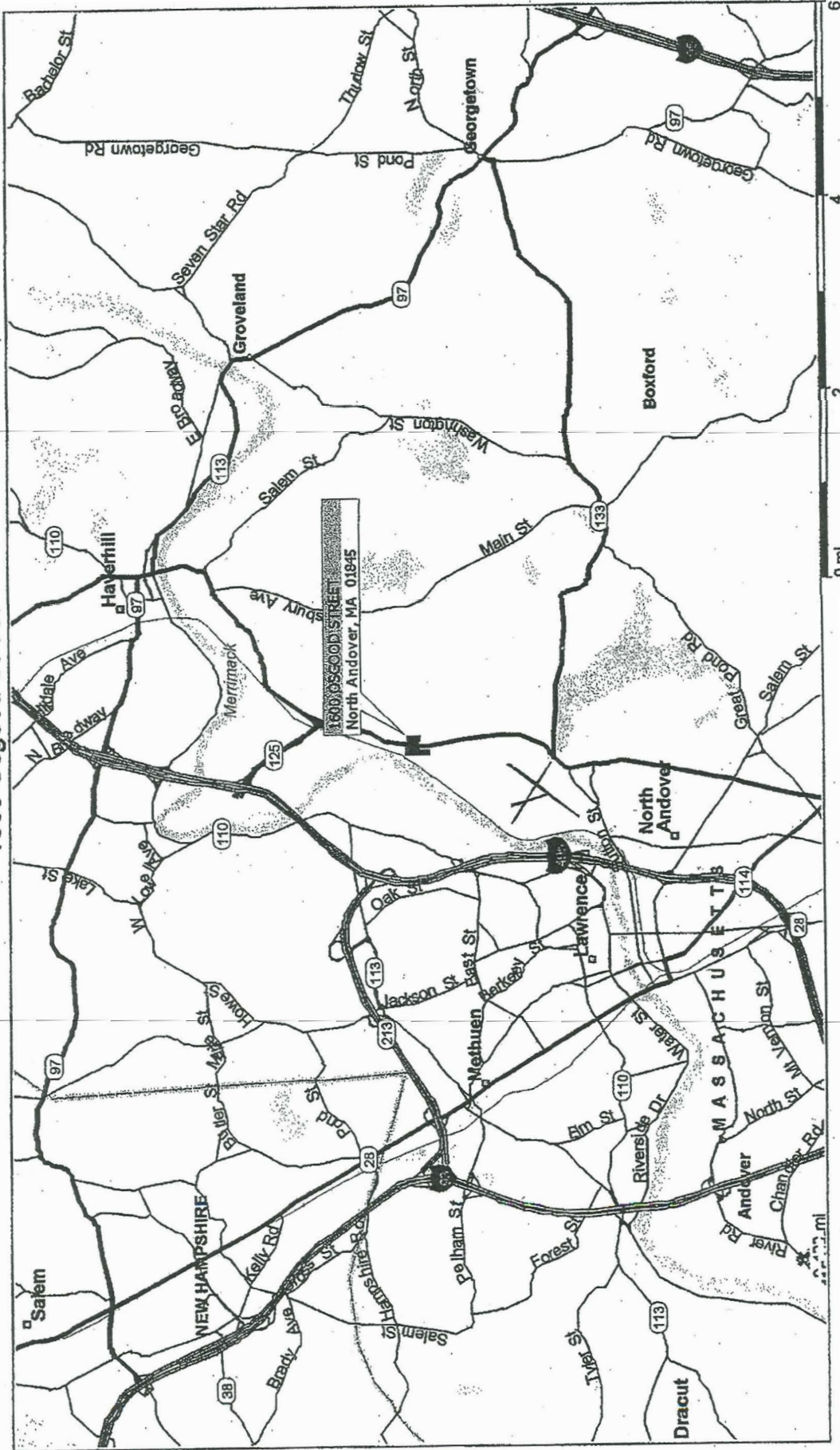


EXHIBIT 2

Summary Description of Release Tracking Numbers

A. Open RTN's:

1. RTN 3-00174 (1986): This RTN relates to Releases of solvents to soil and ground water. Releases that are tracked under this RTN include chlorinated solvent contamination detected in the four groundwater production wells, the two extraction wells for Building 51 remediation system, the Building 70/71 tank farm release, the Building 30 maintenance/tool shop release and the No. 6 fuel oil release from the 10,000-gallon UST removed at the power house.
2. RTN 3-21863 (2002): This RTN is associated with a release of cyanide to ground water to the north of Building 30. This release was first detected in ground water in January 2002 and is currently being further investigated.
3. RTN 3-23204 (2003): This RTN relates to a Release of solvents to soil and ground water from a separate area not contiguous to the areas related to the first two RTNs.

B. RTN's which are closed:

1. RTN 3-10185 (1994): On April 7, 1994, approximately 16 gallons of gasoline was released from a vehicle to the North Parking Lot. Response actions included application of granulated activated carbon and off-Site disposal of the carbon wastes. A Class A-1 RAO was completed in June 1994. The Class A-1 RAO indicates that a Permanent Solution has been achieved.
2. RTN 3-11048 (1994): On May 23, 1994, approximately 5 pounds of industrial F006 sludge was released to the SITE WWTP (Building 50, loading dock area). Response actions including containment of the spill area, along with washing the area with water and recovering approximately 100 gallons of the water mixture and foam. A Class A-1 RAO was completed in July 1994. The Class A-1 RAO indicates that a Permanent Solution has been achieved.
3. RTN 3-12462 (1995): On May 10, 1989, approximately 35 gallons of wax Stripper (containing ethylene glycol monobutyl ether and monoethanolamine) and water was released east of Building 34 to a storm drain. Response actions included the recovery of approximately 60 gallons of liquid from the catch basin and off-site disposal. A Class A-1 RAO was submitted in July 1995. The Class A-1 RAO indicates that a Permanent Solution has been achieved.
4. RTN 3-19831 (2002): This 2000 release is associated with a 10 gallon sodium hypochlorite spill. The spill occurred when a hose ruptured and released the sodium hypochlorite to pavement near Building 44, west of the cooling towers. The spill was

fully contained to pavement, was absorbed using speed-dri, and did not flow into any catch basins. A Class A-1 RAO was submitted in October 2000. The Class A-1 RAO indicates that a Permanent Solution has been achieved.

List of Technical Reports

Description	Prepared By	Date
Tank Removal report	Lucent	October 1986
Phase I Hydrogeologic Investigation	Camp Dresser & McKee	November 1986
Final Report Underground Storage Tank Removal Program	Camp Dresser & McKee	March 1987
AT&T Merrimack Valley Works: Phase II Hydrogeologic Investigation Final Report	Camp Dresser & McKee	February 1988
AT&T Merrimack Valley Works: Phase II Hydrogeologic Investigation Appendices	Camp Dresser & McKee	February 1988
Hydrogeologic Investigation at the AT&T Merrimack Valley Works	Camp Dresser & McKee	April 1988
Draft Aquifer Remediation Program	AT&T Merrimack Valley Works	May 1988
Soil Chromium Assessment AT&T Technologies	Camp Dresser & McKee	August 1988
Tank Cleaning, Decommissioning and Removal	Lucent	November 1988
Tank Removal and Storage Vault Cleaning and Decommissioning Compilation of Field Notes	Camp Dresser & McKee Clean Harbors, Inc.	January 1989
Aquifer Remediation Program	AT&T Merrimack Valley Works	September 1989
Groundwater Remediation System	Camp Dresser & McKee	April 1991
AT&T Merrimack Valley Works: Building 30 Subsurface Investigation	Camp Dresser & McKee	1993
AT&T Merrimack Valley Works: Groundwater Remediation Program Monthly Report	Camp Dresser & McKee	May 1993
Response Action Outcome Statement and Regulatory Information Concerning RTN 3-10815	AT&T Merrimack Valley Works	June 1994
Response Action Outcome Statement and Regulatory Information Concerning RTN 3-11048	AT&T Merrimack Valley Works	July 1994
Response Action Outcome Statement and regulatory Information Concerning RTN 3-12462	AT&T Merrimack Valley Works	July 1995
Sodium Hypochlorite information for RTN 3-19831. Complete RAO not available for review	Lucent	August 11, 2000
AT&T Merrimack Valley Works: Groundwater Remediation Program Monthly Report	Camp Dresser & McKee	October 1995
Initial Site Assessment / Comprehensive Site Assessment	EMCON	July 1996
Updated Phase II Report, Lucent Technologies	Camp Dresser & McKee	February 1999
Phase III Report, Lucent Technologies	Camp Dresser & McKee	February 1999
Phase IV Remedy Implementation Plan	Camp Dresser & McKee	January 2001

Phase IV Remedy Implementation Plan Appendices	Camp Dresser & McKee	January 2001
Partial Draft Subsurface Assessment of Printed Wiring Board Shop / Wastewater Treatment Plant Areas	Camp Dresser & McKee	March 2002
Investigation of Historical Indoor Environmental Conditions in Basement Level Offices, Building 20, Lucent Technologies	Environmental Health and Engineering	October 2002

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EXHIBIT 3

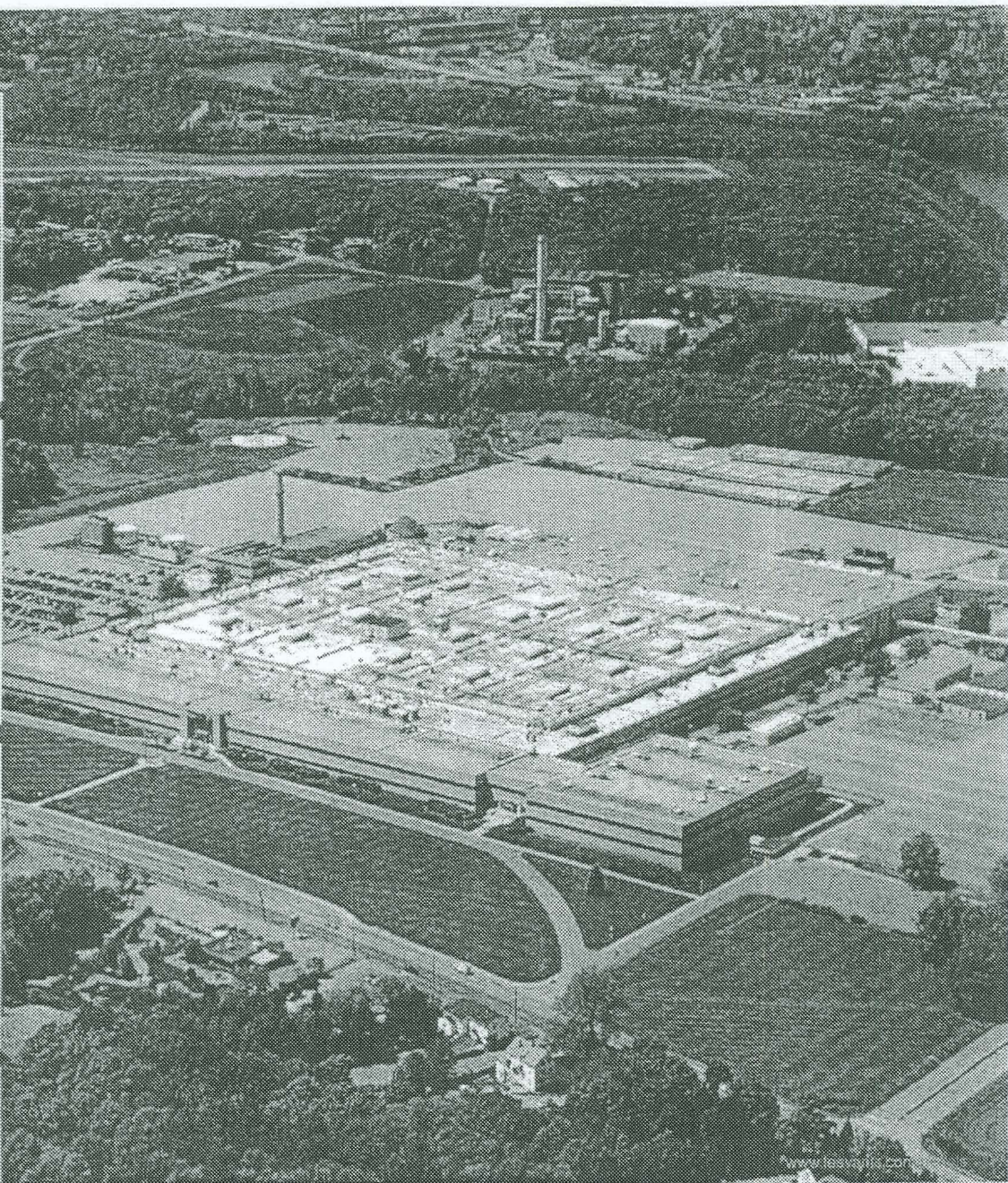
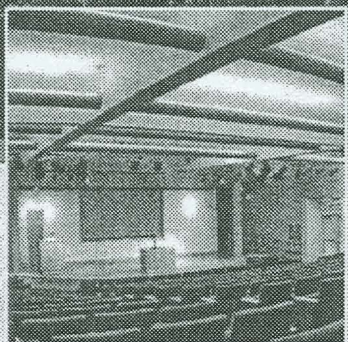
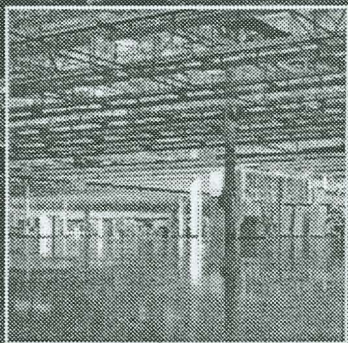
PURCHASER'S MARKETING PROGRAM

OBJECTIVES:

- To re-position the address as a center for research and development, manufacturing and management & administration in the increasingly demanding bio-pharmaceutical/technology arena. This area continues to thrive despite economic downturns and the need for top quality space at affordable rental rates is critical to corporate success.
- To open the address to multi-tenant opportunities.
- To re-establish the property as a major employer in the Merrimack Valley.

STRATEGY:

- Attract high-value, compatible tenants by delivering the first class, state-of-the-art facility their industry demands
 - Top quality industrial flex space
 - Built in technological redundancies eliminates down-time
 - Amenities include in-house cafeteria and financial institutions
- Attract high-value, compatible tenants by offering excellent value
 - Regional market affords aggressive rental rates
 - Regional market affords suburban quality of life
 - Regional market affords excellent access to major market transit, such as commuter rail, interstate highway system, and international airports.
- Utilize major national real estate brokerage firms and capitalize on commercial networks



1.5 Million Square Feet Available For Lease - Subdividable

R&D • MANUFACTURING • OFFICE • WAREHOUSE/DISTRIBUTION

1600
OSGOOD

COMMERCE
CENTER

CB Richard Ellis/Whittier Partners is pleased to announce the availability of 1600 Osgood Commerce Center in North Andover, Massachusetts. Formerly owned by Lucent Technologies, this unique complex is comprised of 1.5 million square feet of first class office and manufacturing space. Renowned as one of the largest high tech facilities in New England, the project offers unparalleled infrastructure and amenities. The 1600 Osgood Commerce Center is poised to attract innovators from the life science, biotech, medical device, and high tech manufacturing/assembly sectors.

CBRE | Whittier Partners
CB RICHARD ELLIS

1.5 Million Square Feet Available For Lease - Subdividable

R&D • MANUFACTURING • OFFICE • WAREHOUSE/DISTRIBUTION

LOCATION

- One mile from I-495 via Exit 48 (the Ward Hill Connector); 25 miles North of Boston, MA and 30 miles South of Manchester, NH

LAND AREA

- 169 Acres, significant on-site expansion possible

BUILDING AREA

- 1,500,000 SF of R&D, manufacturing, office, and warehouse/distribution space

ZONING

- Industrial

PARKING

- 41 Acres of paved parking/6,000 spaces

POWER

- 50 MVA of clean power via two separate feeds
- 33 watts/square foot - manufacturing

HVAC

- 10,000 ton total capacity from modernized central chilled water plant

CLEAR HEIGHT

- 17' - 25' Manufacturing Area
- 17' - 36' Warehouse Area
- 9' - 11' Office Area

FLOOR LOAD

- Up to 500 lbs/square foot

FIRE PROTECTION

- Full building wet system

AMENITIES

- 500-seat full-service cafeteria
- 300-seat auditorium
- Extensive access control/security systems
- Extensive multi-media conference facilities
- On-site MVRTA public bus service

BUILDING AUTOMATION/MONITORING SYSTEM

- VAV system
- Direct digital control

ECONOMIC INCENTIVES

- State designated economic target area/certified project
- North Andover tax increment finance agreement



1600 OSGOOD

COMMERCE CENTER

CBRE
CB RICHARD ELLIS

Whittier Partners

Mark Reardon
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David Connolly
617.867.2472
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Jason Levendusky
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Steven Druth
978.474.1144
steven@druthcommercial.com

EXHIBIT 4



MERRIMACK
VALLEY
ECONOMIC
DEVELOPMENT
COUNCIL, INC.

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July 30, 2003

Thomas Reilly, Attorney General
Commonwealth of Massachusetts
One Ashburton Place
Boston, MA. 02108-1698

Dear Attorney General Reilly:

There is no more urgent economic development priority in the Merrimack Valley region than the redevelopment of the Lucent Technologies *Merrimack Valley Works* facility in North Andover. This facility represents more than two million square feet of industrial space with some of the most sophisticated high technology manufacturing infrastructure available in New England today. Today most of this productive capacity lies nearly completely idle and Lucent Technologies is in the process of selling the facility.

Over the past several years Lucent Technologies found it necessary to reduce its manufacturing work force by more than four thousand people. The impacts of those layoffs ripple throughout the Merrimack Valley economy. Understanding that Lucent itself will not likely approach anything close to its past employment levels, this highly skilled work force eagerly awaits the redevelopment and reuse of this facility by a qualified real estate services company.

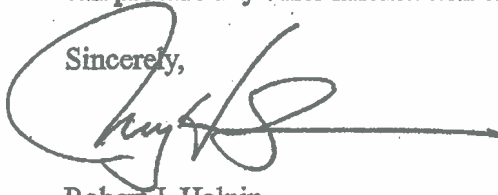
Lucent Technologies is in the final stages of selling the Merrimack Valley Works facility to just such a qualified company. Ozzy Properties, Inc. is a full service real estate development and services firm with a solid track in the Merrimack Valley and possesses all of the knowledge and expertise require to redevelop and reuse this outstanding facility at its highest and best use – high skilled manufacturing and emerging process-oriented technologies.

Unfortunately, as is the case with many older industrial sites in Massachusetts, the site is burdened with significant environmental contamination. As you well know the risks associated in taking over a site with such contamination are often a deterrent to redevelopment. The result is that such sites often fail to be redeveloped to the full potential and become chronically under utilized. The Attorney General's *Covenant Not to Sue* program is intended to address such barriers to redevelopment. The Merrimack Valley Economic Development Council urges that you act favorably on Ozzy Properties, Inc.'s application for such a covenant.

Ozzy Properties, Inc. has a solid track record for redeveloping such properties in both Andover and Lawrence. Based on the company's success stories at Dundee Park in Andover and Heritage Place in Lawrence, I am confident in their ability to redevelop this property and we further believe that the successful redevelopment of this property would restore, at a minimum, the 4,000 jobs lost through recent layoffs at Lucent Technologies. By way of evidence of the enormous public benefit that such a redevelopment would create, recent economic impact report prepared by the Merrimack Valley Planning Commission concluded that the creation of 4,000 such high skilled manufacturing jobs would have a secondary impact of creating an addition 2,100 jobs throughout the Merrimack Valley.

I urge you to act favorably on this application. Please let me know if I can provide any other information or assistance.

Sincerely,

A handwritten signature in black ink, appearing to read 'R. Halpin', with a long horizontal line extending to the right.

Robert J. Halpin
President and CEO
Merrimack Valley Economic Development Council



July 22, 2003

Attorney Robert Lavoie
Devine Millimet and Branch
300 Brickstone Square
Andover, MA 01810

60 Island Street
Lawrence, MA 01840
Phone: 978-682-7099
Fax: 978-794-1901

Dear Mr. Lavoie,

It was a pleasure to meet with you yesterday. I hope the following information is helpful to you in the preparation of a response to the questions in the Application to Enter into a Brownfields Covenant Not to Sue Agreement which we discussed at the meeting.

The attached chart shows the occupations and education levels of a group of 582 former Lucent and A Plus workers from the Merrimack Valley Works. The workers in this sample are reflective of the education and occupations of the more than 4,000 workers who have been laid off from Lucent and its contract manufacturing partner A Plus in the past three years.

These workers represent a technically skilled, highly educated manufacturing workforce. Nearly 50% of workers in production or technical support occupations have at least one year of post-secondary education. Furthermore, many of the technical skills, gained through formal education and Lucent's extensive internal training systems, are transferable to occupations in research and development, bio-technology, and manufacturing in growing niche spaces.

The location of employers in these industries at the Merrimack Valley Works would be a tremendous boon for the former Lucent and A Plus workers. Most of the workers laid off from Lucent and A Plus and who are still in the labor force are looking for work. For many, transportation to jobs outside of the Lawrence, North Andover, Haverhill transportation hub is problematic, making the location of new employers at the Merrimack Valley Works even more critical.

Please contact me if there is anything more the Merrimack valley Workforce Investment Board can do to be helpful in this matter.

Sincerely,

A handwritten signature in cursive script that reads "Shaw Rosen".

Shaw Rosen
Executive Director

OCCUPATION AND EDUCATION OF A SAMPLE OF LUCENT AND A PLUS WORKERS
formerly employed at North Andover plant

			EDUCATION LEVEL					Total
			High School Dropout	High School Graduate / GED	One Year Post-High School	Two - Three Years Post-High School	Bachelor's/Graduate (16+)	
OCCUPATIONAL GROUP	I. Production / Technical Support Jobs	Count	32	280	77	89	26	504
		% within OCCGROUP	6.3%	55.6%	15.3%	17.7%	5.2%	100.0%
		% within EDUC2	91.4%	89.5%	85.6%	86.4%	63.4%	86.6%
		% of Total	5.5%	48.1%	13.2%	15.3%	4.5%	86.6%
	II. Engineering, Management, and Other Professionals	Count	1	8	6	7	13	35
		% within OCCGROUP	2.9%	22.9%	17.1%	20.0%	37.1%	100.0%
		% within EDUC2	2.9%	2.6%	6.7%	6.8%	31.7%	6.0%
		% of Total	.2%	1.4%	1.0%	1.2%	2.2%	6.0%
	III. Administrative / Clerical Support	Count	1	13	3	3	2	22
		% within OCCGROUP	4.5%	59.1%	13.6%	13.6%	9.1%	100.0%
		% within EDUC2	2.9%	4.2%	3.3%	2.9%	4.9%	3.8%
		% of Total	.2%	2.2%	.5%	.5%	.3%	3.8%
	IV. Other	Count	1	12	4	4	0	21
		% within OCCGROUP	4.8%	57.1%	19.0%	19.0%	.0%	100.0%
		% within EDUC2	2.9%	3.8%	4.4%	3.9%	.0%	3.6%
		% of Total	.2%	2.1%	.7%	.7%	.0%	3.6%
Total		Count	35	313	90	103	41	582
		% within OCCGROUP	6.0%	53.8%	15.5%	17.7%	7.0%	100.0%
		% within EDUC2	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
		% of Total	6.0%	53.8%	15.5%	17.7%	7.0%	100.0%

"Economic Impacts of Losing 4000 Durable Manufacturing Jobs at Lucent Technologies"

Prepared by the Merrimack Valley Planning Commission
using regionally specific Regional Econometric Model (REM): 2003

PRIMARY ECONOMIC IMPACTS

<u>Variable</u>	<u>2004</u>
Employment*	-6171
Gross Regional Product (Chained 96\$)	-646500000
Real Disp Pers Inc (Fixed 96\$)	-508300
Population	-133
Econ Migrants	-198
Output (Fixed 96\$)	-1557000000
Exports to Rest of Nation (Fixed 96\$)	83040000
Exp to Rest of World (Fixed 96\$)	-887500000
Wage Rate Decrease in All Jobs (Nom\$)	-675

EMPLOYMENT DECREASES BY SECTOR

<u>Variable</u>	<u>2003</u>
Durables	-4279
Non-Durables	-97
Construction	-253
Trans.&Public Util.	-58
Fin&Ins&Real Est	-45
Retail Trade	-97
Wholesale Trade	-262
Services	-983
Agri&For&Fish Serv	-90
Government	-7
<u>Total</u>	<u>-6171</u>

*Note: The total employment shows a decrease of 6171 jobs in 2003. This is explained by the model taking into account secondary job losses (a direct loss of 4000 durable jobs plus 2171 secondary job loss equals -6171).

**Note: The total decreases in Durable Manufacturing are 4279 jobs. This shows 4000 direct losses from Lucent plus an additional 279 secondary jobs (ex. suppliers of Lucent).

Methodology: The simulation subtracts 4000 jobs from non-durable manufacturing and holds all else constant.

See following page for glossary of terms.

Glossary of Terms

Employment - Bureau of Economic Analysis (BEA) concept based on place of work; includes full-time and part-time employees; county-based models all include the self-employed, but state models may or may not include the self-employed depending on which concept the client requested; individuals may have more than one job and, therefore be counted twice.

Gross Regional Product - Gross Regional Product as a value added concept is analogous to the national concept of Gross Domestic Product. It is equal to output excluding the intermediate inputs. It represents compensation and profits.

Personal Income - This is a BEA concept based on place of residence; the sum of wage and salary disbursements, other labor income, proprietors' income, rental income, personal dividend income, personal interest income, and transfer payments, less personal contributions for social insurance. Reported as a nominal dollar concept.

Real Disposable Income - Disposable income divided by the PCE-Price Index, based in 1996 dollars; amount of real dollars available for consumption and savings.

Population - Mid-year estimates of population, including survivors from the previous year, births, special populations, and three types of migrants (economic, international, and retired).

Economic Migrants - Migrants under age 65 (who were part of the civilian population in the US the preceding year) who respond to economic and amenity factors; if value is negative, then more people are moving out of a region than moving in and vice versa; the rate of migration is determined by REO, RWR, RWM, and the amenity term.

Labor Force - The number of people in the labor force, i.e., employed or seeking work; calculated with participation rates by age cohort. One component of an industry's factor costs of production; reflects the nominal wage rate the industry faces.

Demand - The amount of goods and services demanded by the local region; demand equals imports plus self-supply.

Output - The amount of production in dollars, including all intermediate goods purchased as well as value-added (compensation and profit). Can also be thought of as sales. $\text{Output} = \text{Self-Supply} + \text{Exports} + \text{Intraregional Trade} + \text{Exogenous Production}$.

Imports - The amount of goods and services produced outside the area and consumed locally; a component of demand.

Self Supply - The amount of local demand supplied locally; equals the Regional Purchase Coefficient multiplied by Demand.

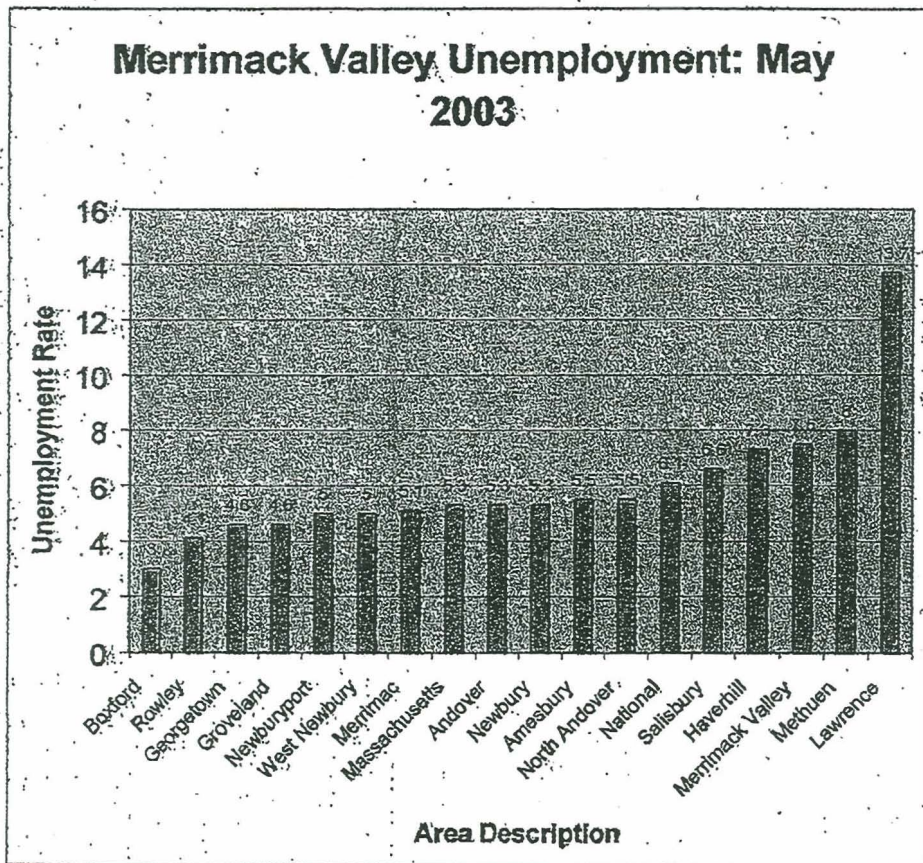
Exports to the US/Rest of World Induced Employment - Private Non-Farm employment needed to satisfy the demand for exports to the rest of the US and the rest of the world.

Wage Rate - Increase in average annual wage rate, calculated by dividing wage and salary disbursements by employment then subtracting the baseline wage (before new jobs).

Source: Prepared by the Merrimack Valley Planning Commission using the regionally specific Regional Econometric Model (REMI) 2003.

Unemployment Rates of Nearby Lucent Communities

The following chart shows the current unemployment rates for the Merrimack Valley region. Prior to 2001, the Lucent Technologies facility was the largest employer in the Merrimack Valley region employing over 5000 workers. The severe and sudden displacement of over 4000 jobs at Lucent over the past two years has exerted extensive damage to the region as reflected in these rates.



Town of North Andover
OFFICE OF
COMMUNITY DEVELOPMENT AND SERVICES

27 Charles Street
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HEIDI GRIFFIN
Director
(978) 688-9531



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July 16, 2003

Mr. Robert J. Halpin
President & CEO
Merrimack Valley Economic Development Council, Inc.
60 Island Street
Lawrence, MA 01840-1835

Re: North Andover Community Development Plan
Economic Development

Dear Mr. Halpin:

The town has contracted with Community Opportunities Group (COG) for part of this Plan. Enclosed is **Section II Economic Development of North Andover's Community Development Plan**. Please review briefly in advance of a meeting we hope to schedule with you.

Heidi Griffin would like to meet with you and Mary Coolidge of COG preferably on a Monday or Wednesday to tour the Lucent facility. Mary Coolidge is on vacation the first two weeks in August. Hopefully, you have a contact at Lucent that would allow you, Heidi and Mary to tour the facility in order for COG to complete the work required.

Please advise at your earliest convenience. Thank you for your anticipated support assisting us in the project.

Sincerely,

Donna Mae D'Agata
Admin. Assistant to CDS Director

Encl.

C: CDP File

Public Benefits and Job Creation

Merrimack Valley Planning Commission

REMI Analysis Supporting Grant of Covenant Not to Sue by Massachusetts Attorney General's Office

The Merrimack Valley region has been specifically designated an *Economic Development District* (EDD) by the U.S. Economic Development Administration (EDA) owing to problems of chronic high unemployment and underemployment and a resulting high poverty rate. In addition, the Massachusetts Office of Business Development has selected seven communities in the Merrimack Valley region for Economic Target Areas (19 percent of the ETA's state-wide) due to deficient socio-economic variables such as high unemployment, decreases in gross regional product, and most notably, the severe and sudden displacement of its workforce.

Merrimack Valley Planning Commission's attached REMI Model (Regional Econometric Made) indicates that even if the Lucent facility were to employ half of its year 2000 employment (which was over 5000), it would have a tremendous positive impact in the regional employment outlook. As the model shows now, the loss of 4000 jobs has had devastating secondary impacts on the region. The project would also have direct impacts to North Andover's economy by increasing the tax base and providing additional consumer spending for nearby Route 125 businesses.

The economic downturn felt throughout the state has been greatly magnified in the Merrimack Valley region due to severe and sudden workforce reductions among the region's largest employers. Here is a snapshot of the crippling job loss seen in the Valley recently: Lucent Technologies (North Andover) has had nearly 4000 layoffs, a 77 *percent* reduction since June 2001. Permanent relocation outside the region is being considered; Raytheon (Andover), the region's second largest employer, has cut back its workforce by 350; Malden Mills (Lawrence) decreased its workforce by 200 each of the past two years and has announced the expectation of additional layoffs in the coming months; Bradford College (Haverhill) closed its doors permanently in 2000, with a loss of over 200 jobs; CMGI (Andover), one of the fastest growing companies in the state two years ago, had reduced its workforce by 50 percent and had its stock plummet from \$60 to less than \$2 a share; in September 2002, Lawrence Paperboard Co. closed, costing 130 workers their jobs. Secondary impacts of these major corporate closings and down-sizings are still being realized and the full extent of the damage to the region's already ailing economy is unknown.

The site has a great number of assets that make it an excellent prospect for immediate reuse. The site has superior existing infrastructure, utilities, and accessibility. Millions of public and private dollars have been spent on improving access to Lucent such as improvements to Route 125 and the construction of the Ward Hill Connector which provides easy access to I-495. The regional airport is nearby. Bus routes to both Lawrence and Haverhill pass in front of the site. Excellent worker training programs are in place to maximize the productivity of available labor. The site environmental remediation risk is manageable. This area is also the population and geographic center of the region, which has helped it become a hub of regional employment. In sum, reuse of