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As filed with the Securities and Exchange Commission on January 5, 2022

Registration No. 333-

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM S-3
REGISTRATION STATEMENT

UNDER
THE SECURITIES ACT OF 1933

FEDERAL REALTY INVESTMENT TRUST

FEDERAL REALTY OP LP

(Exact name of registrant as specified in its charter)

Maryland (Federal Realty Investment Trust) **Delaware (Federal Realty OP LP)**	**87-3916363** **52-0782497**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

909 Rose Avenue, Suite 200
North Bethesda, Maryland 20852
Telephone: (301) 998-8100
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Dawn M. Becker, Executive Vice President, General Counsel and Secretary
Federal Realty Investment Trust
909 Rose Avenue, Suite 200
North Bethesda, Maryland 20852
Telephone: (301) 998-8100
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

Justin J. Bintrim, Esq.
Pillsbury Winthrop Shaw Pittman LLP
1200 Seventeenth Street, N.W.
Washington, D.C. 20036
(202) 663-8000

Approximate date of commencement of proposed sale of the securities to the public: From time to time following the effective date of this registration statement.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box. ☐

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box. ☒

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box. ☒

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act:

Federal Realty Investment Trust:

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

Federal Realty OP LP:

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act. **Federal Realty Investment Trust** ☐

Federal Realty OP LP ☐

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CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered(1)	Proposed Maximum Offering Price Per Unit(1)	Proposed Maximum Aggregate Offering Price(1)	Amount of Registration Fee(1)
Federal Realty Investment Trust:				
Common Shares, $0.01 par value				
Preferred Shares, $0.01 par value				
Depositary Shares (2)				
Share Purchase Contracts				
Warrants (3)				
Guarantees of Debt Securities of Federal Realty OP LP (4)				
Units (5)				
Federal Realty OP LP				
Debt Securities (6)				

(1) An indeterminate aggregate offering price or number of securities of each identified class is being registered as may from time to time be offered at indeterminate prices. Separate consideration may or may not be received for securities that are issuable on exercise, conversion or exchange of other securities. In accordance with Rules 456(b) and 457(r) under the Securities Act, the registrants are deferring payment of the entire registration fee.

(2) Each depositary share will be issued under a deposit agreement and will be evidenced by a depositary receipt.

(3) The warrants covered by this registration statement may be warrants for common shares of beneficial interest, preferred shares of beneficial interest or depositary shares representing interests in preferred shares of beneficial interest.

(4) No separate consideration will be received for the guarantees. Pursuant to Rule 457(n) under the Securities Act, no separate fee is payable with respect to the guarantees being registered hereby.

(5) Each unit will be issued under a unit agreement and will represent an interest in two or more other securities, which may or may not be separable from each other.

(6) The debt securities offered by Federal Realty OP LP may be accompanied by guarantees issued by Federal Realty Investment Trust.

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PROSPECTUS

FEDERAL REALTY INVESTMENT TRUST

Common Shares, Preferred Shares, Depositary Shares, Share Purchase Contracts, Warrants, Guarantees and Units

FEDERAL REALTY OP LP

Debt Securities

Federal Realty Investment Trust, which we refer to as the Company, may from time to time offer, in one or more classes or series, separately or together, common shares of beneficial interest, preferred shares of beneficial interest, depositary shares representing interests in preferred shares of beneficial interest, share purchase contracts to purchase or sell our common shares of beneficial interest or preferred shares of beneficial interest, warrants to purchase common shares of beneficial interest or preferred shares of beneficial interest, guarantees of debt securities issued by Federal Realty OP LP, and units consisting of two or more securities described in this prospectus. The Company's common shares of beneficial interest and depositary shares representing interests in the Company's Series C preferred shares are listed on the New York Stock Exchange under the symbols "FRT" and "FRTPRC," respectively.

Federal Realty OP LP, which we refer to as the Partnership, may from time to time offer debt securities in one or more classes or series.

We will offer our securities in amounts, at prices and on terms to be determined at the time we offer such securities. When we sell a particular class or series of securities, we will prepare a prospectus supplement describing the offering and the terms of that class or series of securities. Such terms may include limitations on direct or beneficial ownership and restrictions on transfer that we believe are appropriate to preserve the Company's status as a real estate investment trust for federal income tax purposes.

The applicable prospectus supplement will also contain information, where applicable, about certain United States federal income tax considerations relating to the securities covered by such prospectus supplement.

We may offer our securities directly, through agents we may designate from time to time, or to or through underwriters or dealers. If any agents or underwriters are involved in the sale of any of our securities, their names and any applicable purchase price, fee, commission or discount arrangement between or among them will be set forth or will be calculable from the information set forth in the applicable prospectus supplement.

Investing in our securities involves risks. See "Risk Factors" on page 4 of this prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is January 5, 2022.

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ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement that we filed with the Securities and Exchange Commission, or the "SEC," using a "shelf" registration process. Under this shelf process, we may sell any combination of the securities described in this prospectus either separately or in units, in one or more offerings. Our prospectus provides you with a general description of these securities. Each time we sell securities, we will provide a prospectus supplement that will contain specific information about all of the terms of that offering. Our prospectus supplement may also add, update or change information contained in this prospectus. Before purchasing any securities, you should read both this prospectus and the applicable prospectus supplement and any applicable free writing prospectus, together with additional information described under the heading "Where You Can Find More Information."

Except as otherwise noted, references herein to "we," "us," "our" or "ours" refer to Federal Realty Investment Trust and its directly or indirectly owned subsidiaries, including Federal Realty OP LP, unless the context otherwise requires. The term "you" refers to a prospective investor. The term "Company" refers to Federal Realty Investment Trust. The term "Partnership" refers to Federal Realty OP LP.

FORWARD-LOOKING STATEMENTS

This prospectus and the documents incorporated by reference into this prospectus contain statements that are not based on historical facts, including statements or information with words such as "may," "will," "could," "should," "plans," "intends," "expects," "believes," "estimates," "anticipates," "continues" and other similar words. These statements constitute forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, or the "Securities Act," Section 21E of the Securities Exchange Act of 1934, as amended, or the "Exchange Act," and the Private Securities Litigation Reform Act of 1995. In particular, the risk factors included and incorporated by reference into this prospectus describe forward-looking information. The risk factors, including those in our Annual Report on Form 10-K for the year ended December 31, 2020, filed with the SEC on February 11, 2021, describe risks that may affect these statements but are not exhaustive, particularly with respect to possible future events. Many things can happen that can cause actual results to be different from those we describe. These factors include, but are not limited to:

- risks that our tenants will not pay rent, may vacate early or may file for bankruptcy, or that we may be unable to renew leases or re-let space at favorable rents as leases expire;
- risks that we may not be able to proceed with or obtain necessary approvals for any redevelopment or renovation project, and that completion of anticipated or ongoing property redevelopment or renovation projects that we do pursue may cost more, take more time to complete or fail to perform as expected;
- risk that we are investing a significant amount in ground-up development projects that may be dependent on third parties to deliver critical aspects of certain projects, requires spending a substantial amount upfront in infrastructure, and assumes receipt of public funding which has been committed but not entirely funded;
- risks normally associated with the real estate industry, including risks that occupancy levels at our properties and the amount of rent that we receive from our properties may be lower than expected, that new acquisitions may fail to perform as expected, that competition for acquisitions could result in increased prices for acquisitions, that costs associated with the periodic maintenance and repair or renovation of space, insurance and other operations may increase, that environmental issues may develop at our properties and result in unanticipated costs, and, because real estate is illiquid, that we may not be able to sell properties when appropriate;
- risks that our growth will be limited if we cannot obtain additional capital;
- risks associated with general economic conditions, including local economic conditions in our geographic markets;

- risks of financing on terms which are acceptable to us, our ability to meet existing financial covenants and the limitations imposed on our operations by those covenants, and the possibility of increases in interest rates that would result in increased interest expense;
- risks related to the Company's status as a real estate investment trust, commonly referred to as a REIT, for federal income tax purposes, such as the existence of complex tax regulations relating to the Company's status as a REIT, the effect of future changes in REIT requirements as a result of new legislation, and the adverse consequences of the failure to qualify as a REIT; and
- risks related to natural disasters, climate change and public health crises (such as the outbreak and worldwide spread of COVID-19), and the measures that international, federal, state and local governments, agencies, law enforcement and/or health authorities implement to address them, may precipitate or materially exacerbate one or more of the above-mentioned risks, and may significantly disrupt or prevent us from operating our business in the ordinary course for an extended period.

Given these uncertainties, readers are cautioned not to place undue reliance on these forward-looking statements or those contained in or incorporated by reference into this prospectus. We also make no promise to update any of the forward-looking statements, or to publicly release the results if we revise any of them.

PROSPECTUS SUMMARY

The following summary is qualified in its entirety by the more detailed information and consolidated financial statements and notes thereto contained elsewhere in or incorporated by reference into this prospectus.

Federal Realty Investment Trust and Federal Realty OP LP

Federal Realty Investment Trust, which we refer to as the Company, is an equity real estate investment trust, or "REIT," specializing in the ownership, management, and redevelopment of retail and mixed-use properties. Our properties are located primarily in communities where we believe retail demand exceeds supply, in strategically selected metropolitan markets in the Mid-Atlantic and Northeast regions of the United States, California, and South Florida.

Prior to January 1, 2022, the Company's business was conducted through a predecessor entity also known as Federal Realty Investment Trust (the "Predecessor"). The Predecessor was founded in 1962 as a REIT under the laws of the District of Columbia and re-formed as a real estate investment trust under the laws of the State of Maryland in 1999. On December 2, 2021, the Predecessor's Board of Trustees approved the reorganization of the Predecessor's business into an umbrella partnership real estate investment trust, or "UPREIT." To effect the UPREIT reorganization, the Predecessor formed a wholly-owned subsidiary real estate investment trust ("Holdco"), and Holdco formed its own wholly-owned subsidiary real estate investment trust ("Merger Sub"). Holdco also formed a wholly-owned subsidiary limited liability company known as Federal Realty GP LLC (the "General Partner"). Effective as of January 1, 2022, Merger Sub merged with and into the Predecessor, with the Predecessor being the surviving entity and becoming a wholly-owned subsidiary of Holdco (the "Merger"). At the effective time of the Merger, each outstanding capital share of the Predecessor was converted into one equivalent capital share of Holdco. Effective as of January 5, 2022, the Predecessor converted into a Delaware limited partnership known as Federal Realty OP LP, the entity we refer to herein as the Partnership. In connection with the UPREIT reorganization, Holdco changed its name to Federal Realty Investment Trust, the entity we refer to herein as the Company. The Company had the same consolidated assets and liabilities immediately following the Merger as the Predecessor immediately before the Merger. The General Partner is the sole general partner of the Partnership, and the Company owns 100% of the limited liability company interests of, is the sole member of and exercises exclusive control over the General Partner. Following the UPREIT reorganization described above, the Company expects to conduct its business through the Partnership and does not expect to have substantial assets or liabilities other than through its investment in the Partnership.

As of September 30, 2021, we owned or had a majority interest in community and neighborhood shopping centers and mixed-use properties which are operated as 106 predominantly retail real estate projects comprising approximately 25.4 million square feet. In total, the real estate projects were 92.8% leased and 90.2% occupied at September 30, 2021. We have paid quarterly dividends to our shareholders continuously since our founding in 1962 and have increased our dividends per common share for 54 consecutive years.

The Company qualifies for taxation as a REIT pursuant to the Internal Revenue Code of 1986, as amended, or the "Code," and we intend to operate in a manner that will allow us to maintain such qualification.

Our principal executive offices are located at 909 Rose Ave., Suite 200, North Bethesda, MD 20852. Our telephone number is (301) 998-8100. Our website address is *www.federalrealty.com*. The information contained on our website is not a part of this prospectus and is not incorporated herein by reference.

RISK FACTORS

Investing in our securities involves risks. Before making an investment decision, please consider the risks described under the caption "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2020, on file with the SEC, which is incorporated herein by reference, in addition to any risks and additional information included in this prospectus, in an applicable prospectus supplement and in any subsequent filing with the SEC that is incorporated herein by reference. The risks and uncertainties we have described are those we believe to be the principal risks that could affect us, our business or our industry, and which could result in a material adverse impact on our financial condition, results of operation or the market price of our securities. However, additional risks and uncertainties not currently known to us or that we currently deem immaterial may affect our business operations and the market price of our securities.

USE OF PROCEEDS

Unless otherwise specified in the applicable prospectus supplement, we will use the net proceeds from the sale of securities pursuant to this prospectus for one or more of the following:

- repayment of debt;
- acquisition of additional properties;
- funding our development and redevelopment pipeline;
- redemption of preferred shares; and
- working capital and general corporate purposes.

DESCRIPTION OF SECURITIES THAT MAY BE OFFERED BY FEDERAL REALTY INVESTMENT TRUST

In the following section, references to "we," "us," "our" and "ours" refer only to Federal Realty Investment Trust and not to the Partnership or its subsidiaries unless the context requires otherwise.

Shares of Beneficial Interest of Federal Realty Investment Trust

We are a Maryland real estate investment trust. Your rights as a shareholder are governed by the Code of Maryland, including Title 8 of the Corporations and Associations Article, or "Maryland REIT Law," our declaration of trust, which sets forth the terms of our shares of beneficial interest, and our bylaws. The following summary of the material terms, rights and preferences of the shares of beneficial interest is not complete and is subject to and qualified in its entirety by reference to the laws of the State of Maryland, including the Maryland REIT law, our declaration of trust and our bylaws.

Authorized Shares

Our declaration of trust allows us to issue up to 100,000,000 common shares of beneficial interest, par value $.01 per share, and 15,000,000 preferred shares of beneficial interest, par value $.01 per share. As of December 30, 2021, the Predecessor had issued and outstanding 78,603,441 common shares, 399,896 preferred shares designated as 5.417% Series 1 Cumulative Convertible Preferred Shares, which we refer to as the "Series 1 preferred shares," and 6,000 preferred shares designated as 5.000% Series C Cumulative Redeemable Preferred Shares, which we refer to as the "Series C preferred shares." In connection with the Merger, each outstanding capital share of the Predecessor was converted into one equivalent capital share of the Company. See "Prospectus Summary – Federal Realty Investment Trust and Federal Realty OP LP." The Company is treated as the successor to the Predecessor with respect to the common shares, Series 1 preferred shares and Series C preferred shares for all purposes hereunder.

Authority of the Board of Trustees Relating to Authorization and Classification of Shares. Our declaration of trust allows our Board of Trustees to take the following actions without approval by you or any shareholder:

- classify or reclassify any authorized but unissued common shares or preferred shares into one or more classes or series of shares of beneficial interest;
- amend the declaration of trust to change the total number of shares of beneficial interest authorized; and
- amend the declaration of trust to change the authorized number of shares of any class or series of shares of beneficial interest.

If there are any laws or stock exchange rules which require us to obtain shareholder approval in order for us to take these actions, however, we will contact you and other shareholders to solicit that approval.

We believe that the power of the Board of Trustees to issue additional shares of beneficial interest will provide us with greater flexibility in structuring possible future financings and acquisitions and in meeting other future needs. Although the Board of Trustees does not currently intend to do so, it has the ability to issue a class or series of beneficial shares that could have the effect of delaying or preventing a change of our control that might involve a premium price for holders of our common shares or otherwise be favorable to them.

Common Shares of the Company

All common shares offered through this prospectus will be duly authorized, fully paid and nonassessable. As a shareholder, you will be entitled to receive distributions, or dividends, on the shares you own if the Board of Trustees authorizes a dividend to the holders of our common shares out of our legally available assets. Your right to receive those dividends may be affected, however, by the preferential rights of the Series 1 preferred shares and Series C preferred shares or any other class or series of shares of beneficial interest and the provisions of our declaration of trust regarding restrictions on the transfer of shares of beneficial interest. For example, you may not receive dividends if no funds are available for distribution after we pay dividends to holders of preferred shares. In the event of our liquidation, dissolution or winding up, holders of our common shares will be entitled to share pro rata in all of our assets remaining after payment or provision for all of our debts and other liabilities and preferential amounts owing in respect of our Series 1 preferred shares, Series C preferred shares and any other shares of beneficial interest having a priority over our common shares in the event of our liquidation, dissolution or winding up. As noted above under "—Authorized Shares," our outstanding Series 1 preferred shares and Series C preferred shares rank senior to our common shares with respect to the payment of dividends and as to the distribution of assets in the event of our liquidation, dissolution or winding up.

Voting Rights. Each outstanding common share owned by a shareholder entitles that holder to one vote on all matters submitted to a vote of common shareholders, including the election of trustees. The right to vote is subject to the provisions of our declaration of trust regarding the restriction of the transfer of shares of beneficial interest, which we describe under "— Restrictions on Ownership and Transfer of Company Shares," below. There is no cumulative voting in the election of trustees, which means that, under Maryland law and our bylaws, the holders of a plurality of all of the votes cast at a meeting of shareholders duly called and at which a quorum is present can elect a trustee. The holders of the remaining shares will not be able to elect any trustees.

As a holder of a common share, you will not have any right to:

- convert your shares into any other security;
- have any funds set aside for future payments;
- require us to repurchase your shares; or
- purchase any of our securities, if other securities are offered for sale, other than as a member of the general public.

Subject to the terms of our declaration of trust regarding the restrictions on transfer of shares of beneficial interest, each common share has the same dividend, distribution, liquidation and other rights as each other common share.

According to the terms of our declaration of trust and bylaws, and Maryland law, all matters submitted to the shareholders for approval, except for those matters listed below, are approved if a majority of all the votes cast at a meeting of shareholders duly called and at which a quorum is present are voted in favor of approval. The following matters require approval other than by a majority of all votes cast:

- the election of trustees (which requires a plurality of all the votes cast at a meeting of our shareholders at which a quorum is present), provided, however, that if any trustee does not receive a majority of all the votes cast where the number of nominees is the same as the number of trustees to be elected, such trustee shall tender his or her resignation within five business days after certification of the vote and such resignation shall be acted upon by our Board of Trustees within sixty days of such certification;
- the removal of trustees (which requires the affirmative vote of the holders of two-thirds of the number of shares outstanding and entitled to vote on such a matter if the removal is approved or recommended by a vote of at least two-thirds of the Board of Trustees or the affirmative vote of the holders of not less than 80% of the number of shares then outstanding and entitled to vote on such matter if the removal is not approved or recommended by a vote of at least two-thirds of the Board of Trustees);
- the amendment of our declaration of trust by shareholders (which requires the affirmative vote of two-thirds of all votes entitled to be cast on the matter only if the amendment was not approved by a unanimous vote of the Board of Trustees, but requires the affirmative vote of only a majority of votes entitled to be cast on the matter if the amendment was approved by a unanimous vote of the Board of Trustees);
- our termination, winding up of affairs and liquidation (which requires, after approval by a majority of the entire Board of Trustees, the affirmative vote of two-thirds of all the votes entitled to be cast on the matter); and
- subject to certain exceptions under Maryland law, our merger or consolidation with another entity or sale of all or substantially all of our property (which requires the approval of the Board of Trustees and an affirmative vote of two-thirds of all the votes entitled to be cast on the matter).

Our declaration of trust permits the Board of Trustees to revoke our election to be taxed as a REIT under the Code or to determine that compliance with any restriction or limitations on ownership and transfers of shares set forth in the declaration of trust is no longer required in order for us to qualify as a REIT. Our declaration of trust also permits the Board of Trustees to amend the declaration of trust from time to time, without approval by you or the other shareholders, to:

- qualify as a real estate investment trust under Maryland REIT law or the Code; or
- to increase or decrease the authorized aggregate number of shares and number of authorized shares of any class or series.

In addition, any provision of our bylaws may be adopted, altered or repealed either by our Board of Trustees, subject to certain limitations contained in our bylaws, without any action by the shareholders or by the shareholders at any meeting of shareholders called for that purpose, by the affirmative vote of holders of not less than a majority of the shares then outstanding and entitled to vote.

Preemptive Rights. Under the declaration of trust, no holder of shares of beneficial interest has any preemptive rights to subscribe to any issuance of additional shares. The Board of Trustees, in classifying or reclassifying any unissued shares of beneficial interest, however, has the right to grant holders of shares preemptive rights to purchase or subscribe for additional shares of beneficial interest or other securities.

Stock Exchange Listing. The common shares are traded on the New York Stock Exchange under the trading symbol “FRT.”

Transfer Agent and Registrar. The transfer agent and registrar for the common shares is American Stock Transfer & Trust Company, LLC, New York, New York.

Series 1 Preferred Shares of the Company

In March 2007, the Predecessor issued 399,896 Series 1 preferred shares and filed articles supplementary to its declaration of trust setting forth the terms of the Series 1 preferred shares. At the effective time of the Merger, each Series 1 preferred share of the Predecessor was converted into a Series 1 preferred share of the Company, having the same designations, rights, powers and preferences, and the same qualifications, limitations, restrictions and other terms as the corresponding Series 1 preferred shares of the Predecessor immediately prior to the Merger.

Below is a brief description of the terms of the Series 1 preferred shares, which is subject to and qualified in its entirety by reference to our declaration of trust, which sets forth the terms of the Series 1 preferred shares.

Rank. The Series 1 preferred shares rank pari pasu with the Series C preferred shares and senior to the common shares with respect to the payment of dividends and the distribution of assets upon our liquidation, dissolution or winding up. Our declaration of trust provides that, unless full cumulative dividends on all outstanding Series 1 preferred shares and any other class or series of our shares of beneficial interest ranking, as to the payment of dividends and the distribution of assets upon liquidation, dissolution or winding up, on a parity with the Series 1 preferred shares, or "Parity Shares," shall have been declared and paid or declared and set apart for payment for all past dividend periods, then no dividends, other than dividends paid solely in common shares, or options, warrants or rights to subscribe for or purchase common shares, or any other shares of beneficial interest which rank junior to the Series 1 preferred shares with respect to the payment of dividends and the distribution of assets upon our liquidation, dissolution or winding up, or "Junior Shares," shall be declared or paid or set apart for payment on the common shares nor shall any Junior Shares be redeemed, purchased or otherwise acquired (other than a redemption, purchase or other acquisition of common shares made for purposes of any employee incentive or benefit plan of ours) for any consideration by us, directly or indirectly (except by conversion into or exchange for shares of Junior Shares).

Dividends. Each Series 1 preferred share is entitled to receive, when, as and if authorized by our Board of Trustees out of funds legally available for that purpose, cumulative preferential dividends payable in cash at a rate of 5.417% of the liquidation price of $25, which is equivalent to $1.35425 per annum.

Liquidation Preference. In the event of our liquidation, dissolution or winding up, the holders of Series 1 preferred shares shall be entitled to receive $25 per share, plus all accrued and unpaid dividends, before any distribution shall be made with respect to the common shares.

Voting Rights. The Series 1 preferred shares shall have no voting rights.

Conversion Rights. Subject to other applicable provisions within our declaration of trust pertaining to the Series 1 preferred shares, the Series 1 preferred shares shall be convertible, at the option of each holder, into a number of fully paid and nonassessable common shares determined by dividing (A) the product obtained by multiplying (i) the number of Series 1 preferred shares being converted by (ii) liquidation price; by (B) the option conversion price as in effect immediately prior to the close of business on the option conversion date.

Transfer Agent and Registrar. The transfer agent and registrar for the Series 1 preferred shares is American Stock Transfer & Trust Company, LLC, New York, New York.

Series C Preferred Shares of the Company

In September 2017, the Predecessor issued 6,000 Series C preferred shares and filed articles supplementary to its declaration of trust setting forth the terms of the Series C preferred shares. At the effective time of the Merger, each Series C preferred share of the Predecessor was converted into a Series C preferred share of the Company, having the same designations, rights, powers and preferences, and the same qualifications, limitations, restrictions and other terms as the corresponding Series C preferred shares of the Predecessor immediately prior to the Merger.

Below is a brief description of the terms of the Series C preferred shares, which is subject to and qualified in its entirety by reference to our declaration of trust, which sets forth the terms of the Series C preferred shares.

Rank. The Series C preferred shares rank pari pasu with the Series 1 preferred shares and senior to the common shares with respect to the payment of dividends and the distribution of assets upon our liquidation, dissolution or winding up. Our declaration of trust provides that, unless full cumulative dividends on all outstanding Series C preferred shares and any Parity Shares shall have been declared and paid or declared and set apart for payment for all past dividend periods, then no dividends, other than dividends paid solely in common shares, or options, warrants or rights to subscribe for or purchase common shares, or any Junior Shares, shall be declared or paid or set apart for payment on the common shares nor shall any Junior Shares be redeemed, purchased or otherwise acquired (other than a redemption, purchase or other acquisition of common shares made for purposes of any employee incentive or benefit plan of ours) for any consideration by us, directly or indirectly (except by conversion into or exchange for Junior Shares).

Dividends. Each Series C preferred share is entitled to receive, when, as and if authorized by our Board of Trustees out of funds legally available for that purpose, cumulative preferential dividends payable in cash at a rate of 5.000% of the liquidation price of $25,000, which is equivalent to $1,250 per annum.

Liquidation Preference. In the event of our liquidation, dissolution or winding up, the holders of Series C preferred shares shall be entitled to receive $25,000 per share, plus all accrued and unpaid dividends, before any distribution shall be made with respect to the common shares.

Voting Rights. The Series C preferred shares generally have no voting rights. However, if and whenever dividends payable on the Series C preferred shares are in arrears for six or more dividend periods, whether or not declared or consecutive, holders of the depositary shares representing Series C preferred shares (voting together as a class with holders of any other classes or series of preferred shares upon which like voting rights have been conferred and are exercisable) will be entitled to elect two additional trustees to serve on our Board of Trustees until we pay all accrued and unpaid dividends on the Series C preferred shares to which the holders thereof are entitled.

Conversion Rights. The Series C preferred shares have no conversion rights.

Redemption by the Company. The Series C preferred shares may be redeemed for cash, in whole or from time to time in part, on any date on or after September 29, 2022 at the option of the Company at a price per share equal to $25,000.00 plus accrued and unpaid dividends thereon, if any, to, but excluding, the redemption date.

Depositary Shares. Interests in the Series C preferred shares are represented by depositary shares, which we refer to as the “Series C depositary shares.” Each Series C depositary share represents a 1/1000th fractional interest in a Series C preferred share. The Series C preferred shares have been deposited with American Stock Transfer & Trust Company, LLC, as depositary, under a deposit agreement between us, the depositary and the holders from time to time of the depositary receipts issued by the depositary thereunder. The depositary receipts evidence the Series C depositary shares. Subject to the terms of the deposit agreement, each holder of a depositary receipt representing a Series C depositary share will be entitled to all the rights and preferences of a fractional interest in a Series C preferred share (including dividends, voting, redemption and liquidation rights and preferences).

Stock Exchange Listing. The Series C depositary shares are traded on the New York Stock Exchange under the trading symbol “FRTPRC.”

Transfer Agent and Registrar. The transfer agent and registrar for the Series C preferred shares is American Stock Transfer & Trust Company, LLC, New York, New York.

Preferred Shares of the Company

In addition to the Series 1 preferred shares and Series C preferred shares, the terms of which are described above, we may issue one or more series of preferred shares. The following is a general description of the preferred shares that we may offer from time to time. The particular terms of the preferred shares being offered and the extent to which such general provisions may apply will be set forth in the applicable prospectus supplement.

General. Preferred shares may be offered and sold from time to time, in one or more series, as authorized by the Board of Trustees. The Board of Trustees is authorized by Maryland law and our declaration of trust to set for each series the terms, preferences, conversion or other rights, voting powers, restrictions, limitations as to distributions, qualifications and terms or conditions of redemption. The Board of Trustees has the power to set preferences, powers and rights, voting or other terms of preferred shares that are senior to, or better than, the rights of holders of common shares or other series of preferred shares. The offer and sale of preferred shares could have the effect of delaying or preventing a change of our control that might involve a premium price for holders of our common shares or otherwise be favorable to them.

Terms. You should refer to the prospectus supplement relating to the offering of any preferred shares for specific terms, including the following terms:

- the title of those preferred shares;
- the number of preferred shares offered and the offering price of those preferred shares;
- the dividend rate(s), period(s), amounts and/or payment date(s) or method(s) of calculation of any of those terms that apply to those preferred shares;
- the date from which dividends on those preferred shares will accumulate, if applicable;
- the terms and amount of a sinking fund, if any, for the purchase or redemption of those preferred shares;
- the redemption rights, including conditions, time(s) and the redemption price(s), if applicable, of those preferred shares;
- the voting rights, if any, of those preferred shares;
- any listing of those preferred shares on any securities exchange;
- the terms and conditions, if applicable, upon which those preferred shares will be convertible into common shares or any of our other securities, including the conversion price or rate (or manner of calculation thereof);
- the relative ranking and preference of those preferred shares as to dividend rights and rights upon liquidation, dissolution or the winding up of our affairs;
- any limitations on issuance of any series of preferred shares ranking senior to or on a parity with that series of preferred shares as to dividend rights and rights upon liquidation, dissolution or the winding up of our affairs;
- the procedures for any auction and remarketing, if any, for those preferred shares;
- any other specific terms, preferences, rights, limitations or restrictions of those preferred shares;
- a discussion of any additional federal income tax consequences applicable to those preferred shares; and
- any limitations on direct or beneficial ownership and restrictions on transfer in addition to those described in "— Restrictions on Ownership and Transfer of Company Shares," in each case as may be appropriate to preserve our status as a REIT.

The terms of any preferred shares we issue through this prospectus will be set forth in articles supplementary to our declaration of trust or in an amendment to our declaration of trust. We will file the articles supplementary or any such amendment as an exhibit to the registration statement that includes this prospectus, or as an exhibit to a filing with the SEC that is incorporated by reference into this prospectus. The description of preferred shares in any prospectus supplement will not describe all of the terms of the preferred shares in detail. You should read the applicable articles supplementary or amendment to our declaration of trust for a complete description of all of the terms.

Rank. Unless we say otherwise in a prospectus supplement, the preferred shares offered through that supplement will, with respect to dividend rights and rights upon our liquidation, dissolution or winding up, rank:

- senior to all classes or series of our common shares, and to all other equity securities ranking junior to those preferred shares;
- on a parity with all of our equity securities ranking on a parity with the preferred shares; and
- junior to all of our equity securities ranking senior to the preferred shares.

For purposes of this description of our preferred shares, the term "equity securities" does not include convertible debt securities that we may offer from time to time.

Dividends. Subject to any preferential rights of any outstanding shares or series of shares and to the provisions of our declaration of trust regarding ownership of shares in excess of the ownership limitation described below under "— Restrictions on Ownership and Transfer of Company Shares," our preferred shareholders are entitled to receive dividends, when and as authorized by our Board of Trustees, out of legally available funds.

Redemption. If we provide for a redemption right in a prospectus supplement, the preferred shares offered through that supplement will be subject to mandatory redemption or redemption at our option, in whole or in part, in each case upon the terms, at the times and at the redemption prices set forth in that supplement.

Liquidation Preference. As to any liquidation preference applicable to preferred shares offered through this prospectus, the applicable supplement shall provide that, upon the voluntary or involuntary liquidation, dissolution or winding up of our affairs, the holders of those preferred shares shall receive, before any distribution or payment shall be made to the holders of any other class or series of shares ranking junior to those preferred shares in our distribution of assets upon any liquidation, dissolution or winding up, and after payment or provision for payment of our debts and other liabilities, out of our assets legally available for distribution to shareholders, liquidating distributions in the amount of any liquidation preference per share (set forth in the applicable supplement), plus an amount, if applicable, equal to all distributions accrued and unpaid thereon (not including any accumulation in respect of unpaid distributions for prior distribution periods if those preferred shares do not have a cumulative distribution). After payment of the full amount of the liquidating distributions to which they are entitled, the holders of those preferred shares will have no right or claim to any of our remaining assets. In the event that, upon our voluntary or involuntary liquidation, dissolution or winding up, the legally available assets are insufficient to pay the amount of the liquidating distributions on all of those outstanding preferred shares and the corresponding amounts payable on all of our shares of other classes or series of equity security ranking on a parity with those preferred shares in the distribution of assets upon liquidation, dissolution or winding up, then the holders of those preferred shares and all other such classes or series of equity security shall share ratably in any such distribution of assets in proportion to the full liquidating distributions to which they would otherwise be respectively entitled.

If the liquidating distributions are made in full to all holders of preferred shares entitled to receive those distributions prior to any other classes or series of equity security ranking junior to the preferred shares upon our liquidation, dissolution or winding up, then our remaining assets shall be distributed among the holders of those junior classes or series of equity shares, in each case according to their respective rights and preferences and their respective number of shares.

Voting Rights. Unless otherwise indicated in the applicable supplement, holders of preferred shares we issue in the future will not have any voting rights, except as may be required by applicable law or any applicable rules and regulations of the New York Stock Exchange.

Conversion Rights. The terms and conditions, if any, upon which any series of preferred shares is convertible into common shares will be set forth in the prospectus supplement relating to the offering of those preferred shares. These terms typically will include:

- the number of common shares into which the preferred shares are convertible;
- the conversion price or rate (or manner of calculation thereof);
- the conversion period;

- provisions as to whether conversion will be at the option of the holders of the preferred shares or at our option;
- the events requiring an adjustment of the conversion price; and
- provisions affecting conversion in the event of the redemption of that series of preferred shares.

Transfer Agent and Registrar. We will identify the transfer agent and registrar for any additional series of preferred shares issued through this prospectus in a prospectus supplement.

Restrictions on Ownership and Transfer of Company Shares

Restrictions on ownership and transfer of shares are important to ensure that we meet certain conditions under the Code to qualify as a REIT. For example, the Code contains the following requirements.

- No more than 50% in value of a REIT's shares may be owned, actually or constructively (based on attribution rules in the Code), by five or fewer individuals during the last half of a taxable year or a proportionate part of a shorter taxable year, which we refer to as the 5/50 Rule. Under the Code, individuals include certain tax-exempt entities except that qualified domestic pension funds are not generally treated as individuals.
- If a REIT, or an owner of 10% or more of a REIT, is treated as owning 10% or more of a tenant of the REIT's property, the rent received by the REIT from the tenant will not be "qualifying income" for purposes of the REIT gross income tests of the Code.
- A REIT's shares or beneficial interests must be owned by 100 or more persons during at least 335 days of a taxable year of 12 months or during a proportionate part of a shorter taxable year.

In order to maintain our qualification as a REIT, our declaration of trust, subject to certain exceptions described below, provides that no person may own, or be deemed to own by virtue of the attribution provisions of the Code, more than 9.8% (in value or in number of shares, whichever is more restrictive) of the outstanding common shares or more than 9.8% in value of our outstanding capital shares. In this prospectus, the term "ownership limitation" is used to describe this provision of our declaration of trust.

Any transfer of shares will be null and void, and the intended transferee will acquire no rights in such shares if the transfer:

- results in any person owning, directly or indirectly, shares in excess of the ownership limitation;
- results in the shares being owned by fewer than 100 persons (determined without reference to any rules of attribution);
- results in our being "closely held" (within the meaning of Section 856(h) of the Code);
- causes us to own, directly or constructively, 10% or more of the ownership interests in a tenant of our real property (within the meaning of Section 856(d)(2)(B) of the Code); or
- otherwise results in our failure to qualify as a REIT.

Automatic Transfer of Shares to Trust. With certain exceptions described below, if any purported transfer of shares would violate any of the restrictions described in the immediately preceding paragraph, then the transfer will be null and void, and those shares will be designated as "shares-in-trust" and transferred automatically to a charitable trust. The transfer to the trust is effective as of the end of the business day before the purported transfer of such shares. The record holder of the shares that are designated as shares-in-trust must deliver those shares to us for registration in the name of the trust. We will designate a trustee who is not affiliated with us. The beneficiary of the trust will be one or more charitable organizations named by us.

Any shares-in-trust remain issued and outstanding shares and are entitled to the same rights and privileges as all other shares of the same class or series. The trust receives all dividends and distributions on the shares-in-trust and holds such dividends and distributions in trust for the benefit of the beneficiary. The trustee votes all shares-in-trust. The trustee shall also designate a permitted transferee of the shares-in-trust. The permitted transferee must purchase the shares-in-trust for valuable consideration and acquire the shares-in-trust without resulting in the transfer being null and void.

The record holder with respect to shares-in-trust must pay the trust any dividends or distributions received by such record holder that are attributable to any shares-in-trust if the record date for those shares-in-trust was on or after the date that such shares became shares-in-trust. Upon sale or other disposition of the shares-in-trust to a permitted transferee, the record holder generally will receive from the trustee, the lesser of:

- the price per share, if any, paid by the record holder for the shares; or
- if no amount was paid for such shares (e.g., if such shares were received through a gift or devise),
  - the price per share equal to the market price (which is calculated as defined in our declaration of trust) on the date the shares were received, or
  - the price per share received by the trustee from the sale of such shares-in-trust.

Any amounts received by the trustee in excess of the amounts paid to the record owner will be distributed to the beneficiary. Unless sooner sold to a permitted transferee, upon our liquidation, dissolution or winding up, the record owner generally will receive from the trustee its share of the liquidation proceeds but in no case more than the price per share paid by the record owner or, in the case of a gift or devise, the market price per share on the date such shares were received by the trust.

The shares-in-trust will be offered for sale to us, or our designee, at a price per share equal to the lesser of the price per share in the transaction that created the shares-in-trust (or, in the case of a gift or devise, the market price per share on the date of such transfer) or the market price per share on the date that we, or our designee, accepts such offer. We may accept such offer until the trustee has sold the shares-in-trust as provided above.

Any person who acquires or attempts to acquire shares which would be null and void under the restrictions described above, or any person who owned common shares or preferred shares that were transferred to a trust, must both give us immediate written notice of such event and provide us such other information as requested in order to determine the effect, if any, of such transfer on our status as a REIT.

If a shareholder owns more than 5% of the outstanding common shares or preferred shares, then the shareholder must notify us of its share ownership by January 30 of each year.

The ownership limitation generally does not apply to the acquisition of shares by an underwriter that participates in a public offering of such shares. In addition, the Board of Trustees may exempt a person from the ownership limitation under certain circumstances and conditions. The restrictions on ownership and transfer described in this section of this prospectus will continue to apply until the Board of Trustees determines that it is no longer in our best interests to attempt to qualify, or to continue to qualify, as a REIT.

The Board of Trustees has agreed to exempt from the ownership limitation BlackRock, Inc., or BlackRock, for itself, its subsidiaries and on behalf of investment funds and accounts for whom BlackRock acts as manager or investment advisor with respect to ownership of our equity shares. The Board of Trustees approved an exemption for BlackRock which permits BlackRock and its subsidiaries and investment funds and accounts combined, to the extent they comprise a group under SEC rules, to own up to 15.0% of our outstanding equity or common shares. BlackRock and each of its subsidiaries and investment funds and accounts will remain individually subject to the ownership limitation. The exemption will terminate upon at least 30 days notice given by us.

The Board of Trustees has also agreed to exempt from the ownership limitation Cohen & Steers Capital Management, Inc., or Cohen & Steers, for itself, its affiliates and on behalf of the mutual funds and institutional investor client accounts it advises with respect to ownership of our common shares. The Board of Trustees approved an exemption for Cohen & Steers which permits Cohen & Steers and its affiliates and mutual funds and investor client accounts, combined, to own up to 15.0% of our outstanding common shares. The exemption will expire upon prior notice given by us to Cohen & Steers in the event its mutual funds and investor client accounts no longer own at least 7.0% of our common shares for 180 days in any calendar year.

The ownership limitation could have the effect of delaying, deferring or preventing a transaction or a change in our control that might involve a premium price for the common shares or preferred shares or otherwise be in the best interest of our shareholders. All certificates representing shares will bear a legend referring to the restrictions described above.

Depositary Shares of the Company

General. We may issue depositary shares, each of which will represent a fractional interest of a share of a particular series of preferred shares. We will deposit the preferred shares of any series represented by depositary shares with a depositary under a deposit agreement. We will identify the depositary in a prospectus supplement. Subject to the terms of the deposit agreement, if you own a depositary share, you will be entitled, in proportion to the fraction of the preferred share represented by your depositary share, to all of the rights and preferences to which you would be entitled if you owned the preferred share represented by your depositary share directly (including dividend, voting, redemption, conversion, subscription and liquidation rights). As of December 31, 2021, we had 6,000,000 depositary shares issued and outstanding, each representing a 1/1000th fractional interest in a Series C preferred share. See "—Series C Preferred Shares of the Company."

The depositary shares will be represented by depositary receipts issued pursuant to the applicable deposit agreement. Immediately following the issuance and delivery of our preferred shares to the depositary, we will cause the depositary to issue, on our behalf, the depositary receipts. Upon request, we will provide you with copies of the applicable form of deposit agreement and depositary receipt.

Dividends and Other Provisions. If you are a "record holder" (as defined below) of depositary receipts and we pay a cash dividend or other cash distribution with respect to the preferred share represented by your depositary share, the depositary will distribute all cash dividends or other cash distributions it receives in respect of the preferred shares represented by your depositary receipts in proportion to the number of depositary shares you owned on the record date for that dividend or distribution.

If we make a distribution in a form other than cash, the depositary will distribute the property it receives to you and all other record holders of depositary receipts in an equitable manner, unless the depositary determines that it is not feasible to do so. If the depositary decides it cannot feasibly distribute the property, it may sell the property and distribute the net proceeds from the sale to you and the other record holders. The amount the depositary distributes in any of the foregoing cases may be reduced by any amounts that we or the depositary is required to withhold on account of taxes.

A "record holder" is a person who holds depositary receipts on the record date for any dividend, distribution or other action. The record date for depositary shares will be the same as the record date for the preferred shares represented by those depositary receipts.

Withdrawal of Preferred Shares. If you surrender your depositary receipts, the depositary will be required to deliver certificates to you evidencing the number of preferred shares represented by those receipts (but only in whole shares). If you deliver depositary receipts representing a number of depositary shares that is greater than the number of whole shares to be withdrawn, the depositary will deliver to you, at the same time, a new depositary receipt evidencing the fractional shares.

Redemption of Depositary Shares. If we redeem a series of preferred shares represented by depositary receipts, the depositary will redeem depositary shares from the proceeds it receives after redemption of the preferred shares. The redemption price per depositary share will equal the applicable fraction of the redemption price per share payable with respect to that series of preferred shares. If fewer than all the depositary shares are to be redeemed, the depositary will select shares to be redeemed by lot, pro rata or by any other equitable method it may determine. After the date fixed for redemption, the depositary shares called for redemption will no longer be outstanding. All rights of the holders of those depositary shares will cease, except the right to receive the redemption price that the holders of the depositary shares were entitled to receive upon redemption. Payments will be made when holders surrender their depositary receipts to the depositary.

Voting the Preferred Shares. When the depositary receives notice of any meeting at which the holders of preferred shares are entitled to vote, the depositary will mail information contained in the notice to you as a record holder of the depositary shares relating to the preferred shares. As a record holder of the depositary shares on the
record date (which will be the same date as the record date for the preferred shares), you will be entitled to instruct the depositary as to how you would like your votes to be exercised. The depositary will endeavor, insofar as practicable, to vote the number of preferred shares represented by your depositary shares in accordance with your instructions. We will agree to take all reasonable action that the depositary may deem necessary to enable the depositary to do this. If you do not send specific instructions the depositary will not vote the preferred shares represented by your depositary shares.

Liquidation Preference. In the event of our liquidation, dissolution or winding up, whether voluntary or involuntary, you will be entitled, as a record holder of depositary shares, to the fraction of the liquidation preference accorded each applicable preferred share, as has been set forth in a prospectus supplement.

Conversion of Preferred Shares. Our depositary shares, as such, are not convertible into common shares or any of our other securities or property. Nevertheless, if so specified in a prospectus supplement, the depositary receipts may be surrendered by their holders to the depositary with written instructions to the depositary to instruct us to cause conversion of the preferred shares represented by the depositary shares into whole common or preferred shares, as the case may be. We will agree that, upon receipt of this type of instructions and any amounts payable, we will convert the depositary shares using the same procedures as those provided for delivery of preferred shares to effect such conversion. If the depositary shares are to be converted in part only, one or more new depositary receipts will be issued for any depositary shares not to be converted. No fractional common shares will be issued upon conversion, and if such conversion will result in issuance of a fractional share, we will pay an amount of cash equal to the value of the fractional interest based upon the closing price of the common shares on the last business day prior to the conversion.

Amendment and Termination of the Deposit Agreement. We and the depositary may amend the form of depositary receipt and any provision of the deposit agreement at any time. However, any amendment which materially and adversely alters your rights as a holder of depositary shares will not be effective unless the holders of at least a majority of the depositary shares then outstanding approve the amendment. The deposit agreement will only terminate if:

- we redeem all outstanding depositary shares;
- we make a final distribution in respect of the preferred shares to which the depositary shares and agreement relate, including in connection with any liquidation, dissolution or winding up and the distribution has been distributed to the holders of depositary shares; or
- each preferred share to which the depositary shares and agreement relate shall have been converted into shares of beneficial interest not represented by depositary shares.

Resignation and Removal of Depositary. The depositary may resign at any time by delivering a notice to us of its election to do so. Additionally, we may remove the depositary at any time. Any resignation or removal will take effect when we appoint a successor depositary and the successor accepts the appointment. We must appoint a successor depositary within 60 days after delivery of the notice of resignation or removal. A successor depositary must be a bank or trust company having its principal office in the U.S. and having a combined capital and surplus of at least $50 million.

Charges of Depositary. We will pay all transfer and other taxes and governmental charges arising solely from the existence of the depositary arrangements. We will pay charges of the depositary in connection with the initial deposit of the preferred shares and issuance of depositary receipts, all withdrawals of preferred shares by owners of the depositary shares and any redemption of the preferred shares. You will pay other transfer and other taxes, governmental charges and other charges expressly provided for in the deposit agreement.

Miscellaneous. The depositary will forward to you all reports and communications from us that we are required, or otherwise determine, to furnish to the holders of the preferred shares. The holders of depositary receipts shall have the right to inspect the transfer books of the depositary and the list of holders of depositary receipts as provided in the applicable deposit agreement or as required by law.

Neither we nor the depositary will be liable under the deposit agreement to you other than for the depositary's gross negligence, willful misconduct or bad faith. Neither we nor the depositary will be obligated to prosecute or defend any legal proceeding in respect of any depositary shares or preferred shares unless satisfactory indemnity is furnished. We and the depositary may rely upon written advice of counsel or accountants, or upon information provided by persons presenting preferred shares for deposit, holders of depositary receipts or other persons believed to be competent and on documents believed to be genuine.

Description of Share Purchase Contracts that may be offered by Federal Realty Investment Trust

Share Purchase Contracts. We may issue share purchase contracts, which are contracts obligating holders to purchase from or sell to us, and obligating us to purchase from or sell to the holders, a specified number of our common shares of beneficial interest or preferred shares of beneficial interest at a future date or dates. If we offer share purchase contracts, we will describe the terms in a prospectus supplement. Share purchase contracts may be offered independently, together with other securities offered by any prospectus supplement, or through a dividend or other distribution to shareholders and may be attached to or separate from other securities. The price per common share of beneficial interest or preferred share of beneficial interest may be fixed at the time the share purchase contracts are issued or may be determined by reference to a specific formula contained in the share purchase contracts. We may issue share purchase contracts in such amounts and in as many distinct series as we wish.

The following are some of the share purchase contract terms that could be described in a prospectus supplement:

- whether the share purchase contracts obligate the holder to purchase or sell, or both purchase and sell, common shares of beneficial interest or preferred shares of beneficial interest and the nature and amount of common shares of beneficial interest or preferred shares of beneficial interest, or the method of determining that amount;
- whether the share purchase contracts are to be prepaid or not;
- whether the share purchase contracts are to be settled by delivery, or by reference or linkage to the value, performance or level of our common shares of beneficial interest or preferred shares of beneficial interest;
- a discussion of any material U.S. federal income tax considerations applicable to the share purchase contracts;
- any acceleration, cancellation, termination or other provisions relating to the settlement of the share purchase contracts; and
- whether the share purchase contracts will be issued in fully registered or global form.

Description of Warrants that may be offered by Federal Realty Investment Trust

Warrants. We may issue warrants for the purchase of common shares, preferred shares or depositary shares representing interests in preferred shares. If we offer warrants, we will describe the terms in a prospectus supplement. Warrants may be offered independently, together with other securities offered by any prospectus supplement, or through a dividend or other distribution to shareholders and may be attached to or separate from other securities. Warrants may be issued under a written warrant agreement to be entered into between us or the holder or beneficial owner, or we could issue warrants pursuant to a written warrant agreement with a warrant agent specified in a prospectus supplement. A warrant agent would act solely as our agent in connection with the warrants of a particular series and would not assume any obligation or relationship of agency or trust for or with any holders or beneficial owners of such warrants.

The following are some of the warrant terms that could be described in a prospectus supplement:

- the title of the warrant;
- the aggregate number of warrants;
- the price or prices at which the warrant will be issued;
- the designation, number and terms of the common shares, preferred shares or depositary shares representing interests in preferred shares that may be purchased on exercise of the warrant;
- the date, if any, on and after which the warrant and the related securities will be separately transferable;
- the price at which each security purchasable on exercise of the warrant may be purchased;
- the dates on which the right to purchase the securities purchasable on exercise of the warrant will begin and end;
- the minimum or maximum number of securities that may be purchased at any one time;
- any anti-dilution protection;
- information with respect to book-entry procedures, if any;
- a discussion of certain federal income tax considerations; and
- any other warrant terms, including terms relating to transferability, exchange or exercise of the warrant.

Description of Guarantees that may be offered by Federal Realty Investment Trust

We may guarantee (either fully or unconditionally or in a limited manner) the due and punctual payment of the principal of, and any premium and interest on, one or more classes or series of debt securities of the Partnership, whether at maturity, by acceleration, redemption, repayment or otherwise, in accordance with the terms of such guarantee and the applicable indenture. In case of the failure of the Partnership punctually to pay any principal, premium or interest on any guaranteed debt security, we will cause any such payment to be made as it becomes due and payable, whether at maturity, upon acceleration, redemption, repayment or otherwise, and as if such payment were made by the Partnership. The particular terms of the guarantee, if any, will be set forth in a prospectus supplement relating to the guaranteed debt securities.

Description of Units that may be offered by Federal Realty Investment Trust

We may issue units from time to time in such amounts and in as many distinct series as we determine. We will issue each series of units under a unit agreement to be entered into between us and a unit agent to be identified in the applicable prospectus supplement. When we refer to a series of units, we mean all units issued as part of the same series under the applicable unit agreement.

We may issue units consisting of any combination of two or more securities described in this prospectus. Each unit will be issued so that the holder of the unit is also the holder of each security included in the unit. Thus, the holder of a unit will have the rights and obligations of a holder of each included security. These units may be issuable as, and for a specified period of time may be transferable as, a single security only, rather than as the separate constituent securities comprising such units.

The following are some of the unit terms that could be described in a prospectus supplement:

- the title of any series of units;
- the designation and terms of the units and of the securities comprising the units;
- the aggregate number of, and the price at which we will issue, the units and any provisions for the issuance, payment, settlement, transfer or exchange of the units or of the securities comprising the units;

- the date, if any, on and after which the constituent securities comprising the units will be separately transferable;
- whether the units will be issued in fully registered or global form;
- a description of the terms of any unit agreement to be entered into between us and a bank or trust company, as unit agent, governing the units;
- a discussion of the material U.S. federal income tax considerations applicable to the units;
- whether the units will be listed on any securities exchange; and
- any other terms of the units and their constituent securities.

Certain Provisions of Maryland Law and our Declaration of Trust and Bylaws

The following summary of certain provisions of the Maryland General Corporation Law and our declaration of trust and bylaws is not complete. You should read the Maryland General Corporation Law and our declaration of trust and bylaws for more complete information.

The following provisions, together with the ability of the Board of Trustees to increase the number of authorized shares, in the aggregate or by class, and to issue preferred shares without further shareholder action, the transfer restrictions described under "— Restrictions on Ownership and Transfer of Company Shares" and the supermajority voting rights described under "— Common Shares of the Company — Voting Rights," may delay or frustrate the removal of incumbent trustees or the completion of transactions that would be beneficial, in the short term, to our shareholders. The provisions may also discourage or make more difficult a merger, tender offer, other business combination or proxy contest, the assumption of control by a holder of a large block of our securities or the removal of incumbent management, even if these events would offer our shareholders a premium price on their securities or otherwise be favorable to the interests of our shareholders.

Business Combinations. Applicable Maryland law, as set forth in the Maryland General Corporation Law, limits our ability to enter into "business combinations" and other corporate transactions, including a merger, consolidation, share exchange, or, in certain circumstances, an asset transfer or issuance of equity securities when the combination is between us and an "interested shareholder" (as defined below) or an affiliate of an "interested shareholder." An interested shareholder is:

- any person who beneficially owns 10% or more of the voting power of our outstanding voting shares; or
- any of our affiliates that beneficially owned, directly or indirectly, 10% or more of the voting power of our outstanding voting shares at any time within two years immediately prior to the applicable date in question.

We may not engage in a business combination with an interested shareholder or any of its affiliates for five years after the interested shareholder becomes an interested shareholder. This prohibition does not apply to business combinations involving us that are exempted by the Board of Trustees before the interested shareholder becomes an interested shareholder.

We may engage in business combinations with an interested shareholder if at least five years have passed since the person became an interested shareholder, but only if the transaction is:

- recommended by our Board of Trustees; and
- approved by at least,
  - 80% of our outstanding shares entitled to vote; and
  - two-thirds of our outstanding shares entitled to vote that are not held by the interested shareholder or any of its affiliates.

Shareholder approval will not be required if our common shareholders receive a minimum price (as defined in the statute) for their shares and our shareholders receive cash or the same form of consideration as the interested shareholder paid for its shares.

Control Share Acquisitions. Our bylaws exempt acquisitions of our shares of beneficial interest by any person from "control share acquisition" requirements discussed below. With the approval of our Board of Trustees, and of shareholders holding at least a majority of shares outstanding and entitled to vote on the matter, however, we could modify or eliminate the exemption in the future. If the exemption were eliminated, "control share acquisitions" would be subject to the following provisions.

The Maryland General Corporation Law provides that "control shares" of a Maryland REIT acquired in a "control share acquisition" have no voting rights unless two-thirds of the shareholders (excluding shares owned by the acquirer and by the officers and trustees who are employees of the Maryland REIT) approve their voting rights.

"Control Shares" are shares that, if added to all other shares previously acquired, would entitle that person to exercise voting power, in electing trustees, within one of the following ranges of voting power:

- one-tenth or more but less than one-third;
- one-third or more but less than a majority, or
- a majority or more of all voting power.

Control shares do not include shares the acquiring person is entitled to vote with shareholder approval. A "control share acquisition" means the acquisition of control shares, subject to certain exceptions.

If this provision becomes applicable to us, a person who has made or proposes to make a control share acquisition could, under certain circumstances, compel our Board of Trustees to call a special meeting of shareholders to consider the voting rights of the control shares. We could also present the question at any shareholders' meeting on our own.

If this provision becomes applicable to us, subject to certain conditions and limitations, we would be able to redeem any or all control shares. If voting rights for control shares were approved at a shareholders' meeting and the acquirer were entitled to vote a majority of the shares entitled to vote, all other shareholders could exercise appraisal rights and exchange their shares for a fair value as defined by statute.

Duties of Trustees. Under Maryland law, there is a presumption that the act of a trustee satisfies the required standard of care. An act of a trustee relating to or affecting an acquisition or a potential acquisition of control is not subject under Maryland law to a higher duty or greater scrutiny than is applied to any other act of a trustee.

Number of Trustees. The number of trustees may be increased or decreased pursuant to the bylaws, provided that the total number of trustees may not be less than five or more than 10. Under Maryland law and our declaration of trust, trustees are elected for one-year terms.

Removal of Trustees. Under the declaration of trust, and subject to the rights of any holders of preferred shares, our trustees may remove a trustee with cause, as defined in our declaration of trust, by the vote of all the other trustees or the shareholders may remove a trustee, with or without cause, at any meeting of shareholders called for that purpose, either by:

- the affirmative vote of the holders of two-thirds of the number of shares outstanding and entitled to vote on that matter if the removal is approved or recommended by a vote of at least two-thirds of the Board of Trustees; or
- the affirmative vote of the holders of not less than 80% of the number of shares then outstanding and entitled to vote on that matter if the removal is not approved or recommended by a vote of at least two-thirds of the Board of Trustees.

Vacancies on the Board of Trustees. The bylaws provide that, subject to the rights of any holders of preferred shares, any vacancy on the Board of Trustees, including a vacancy created by an increase in the number of trustees, may be filled by vote of a majority of the remaining trustees, or, if the trustees fail to act, at a meeting called for that purpose by the vote of a majority of the shares entitled to vote on the matter. Each trustee so elected shall serve for the unexpired term of the trustee he is replacing.

Meetings of Shareholders. Our bylaws provide for an annual meeting of shareholders, to be held in May after delivery of the annual report to shareholders, to elect individuals to the Board of Trustees and transact such other business as may properly be brought before the meeting. Special meetings of shareholders may be called by our Chairman of the Board of Trustees, Chief Executive Officer, President or by one-third of the Board of Trustees, and shall be called at the request in writing of the holders of 25% of all votes entitled to be cast at the meeting.

Our declaration of trust provides that any action required or permitted to be taken at a meeting of shareholders may be taken without a meeting, if a majority of shares entitled to vote on the matter (or such larger proportion as shall be required to take the action) consent to the action in writing and the written consents are filed with the records of the meetings of shareholders.

Advance Notice for Shareholder Nominations and Shareholder New Business Proposals. Our bylaws require advance written notice for shareholders to nominate a trustee or bring other business before a meeting of shareholders. For an annual meeting, to nominate a trustee or bring other business before a meeting of shareholders, a shareholder must deliver notice to our Secretary not later than the close of business on the 120th day and not earlier than the 150th calendar day prior to the first anniversary of the date of the proxy statement relating to the preceding year's annual meeting. If the date of the annual meeting is changed by more than 30 days from the date of the preceding year's meeting or if we did not hold an annual meeting the preceding year, notice must be delivered within a reasonable time before we begin to print and mail our proxy materials.

For a special meeting, to nominate a trustee, a shareholder must deliver notice to our Secretary not earlier that the close of business on the 120th day prior to the special meeting and not later than the close of business on the later of the 90th day prior to the special meeting or the 10th day following the date on which public announcement is first made of the special meeting. Nominations for elections to the Board of Trustees may be made at a special meeting by shareholders of record both at the time of giving of notice of the special meeting and at the time of the special meeting and who are entitled to vote at the special meeting and who complied with the notice procedures in our bylaws only (a) pursuant to the notice of special meeting, (b) by or at the direction of the Board of Trustees or (c) if the Board of Trustees has determined that trustees shall be elected at the special meeting.

Our bylaws provide that we will include in our proxy statement for any annual meeting individuals nominated to stand for election to our board of trustees by any shareholder or group of up to 20 shareholders who have owned at least three percent of our outstanding common shares of beneficial interest for at least three years. The number of potential nominees shareholders can submit for any annual meeting is limited to the greater of two nominees or 20% of the total number of trustees on the board. Proxy access is subject to procedural and other conditions and requirements as described more fully in our bylaws.

The postponement or adjournment of an annual or special meeting to a later date or time shall not commence any new time periods for the giving of notice as described above. Our bylaws contain detailed requirements for the contents of shareholder notices of trustee nominations and new business proposals.

Shareholder Liability and Indemnification. Under Maryland law, you will not be personally liable for any obligation of ours solely because you are a shareholder. Under our declaration of trust, our shareholders are not liable for our debts or obligations by reason of being a shareholder and will not be subject to any personal liability, in tort, contract or otherwise, to any person in connection with our property or affairs by reason of being a shareholder. Under our bylaws, our shareholders shall have similar indemnification and expense advancement rights as our trustees and officers.

In some jurisdictions other than Maryland, however, with respect to tort claims, contractual claims where shareholder liability is not negated by the express terms of the contract, claims for taxes and certain statutory liabilities, our shareholders may be personally liable to the extent that those claims are not satisfied by us. In addition, common law theories of "piercing the corporate veil" may be used to impose liability on shareholders in certain instances.

Limitation of Liability of Trustees and Officers. Our declaration of trust, to the maximum extent permitted under Maryland law in effect from time to time with respect to liability of trustees and officers of a REIT, provides that no trustee or officer of ours shall be liable to us or to any shareholder for money damages. The Maryland General Corporation Law provides that we may restrict or limit the liability of trustees or officers for money damages except to the extent:

- it is proved that the trustee or officer actually received an improper benefit or profit in money, property or services; or
- a judgment or other final adjudication adverse to the person is entered in a proceeding based on a finding that the person's action, or failure to act, was material to the cause of action adjudicated and was the result of active and deliberate dishonesty.

Our declaration of trust provides that neither amendment nor repeal or any provision of our declaration of trust, nor adoption of any other provision, shall apply to or affect in any respect the applicability of such limitation of liability with respect to any act or failure to act which occurred prior to such amendment, repeal or adoption.

Indemnification of Directors and Officers. Our declaration of trust permits us to indemnify and advance expenses to, to the maximum extent permitted by Maryland law in effect from time to time, any individual who is a present or former trustee or officer of ours or to any individual who, while a trustee of ours, serves or has served as a director, officer, partner, trustee, employee or agent of another REIT, corporation partnership, joint venture, trust, employee benefit plan or any other enterprise, in connection with any claim or liability to which such person may become subject or which such person may incur by reason of such status.

Our bylaws require us to indemnify: (a) any trustee, officer or former trustee or officer, including any individual who, while a trustee or officer at our express request, serves or served for another REIT, corporation, partnership, limited liability company, joint venture, trust, employee benefit plan or any other enterprise as a director, officer, shareholder, manager, member, partner or trustee of such entity, who has been successful, on the merits or otherwise, in the defense of a proceeding to which he or she was made a party by reason of service in such capacity, against reasonable expenses incurred by him or her in connection with the proceeding; and (b) any trustee or officer or any former trustee or officer against any claim or liability to which he or she may become subject by reason of such status unless it is established that: (i) his or her act or omission was material to the matter giving rise to the proceeding and was committed in bad faith or was the result of active and deliberative dishonesty; (ii) he or she actually received an improper personal benefit in money, property or services; or (iii) in the case of a criminal proceeding, he or she had reasonable cause to believe that his or her act or omission was unlawful. In addition, our bylaws require us, without requiring a preliminary determination of the ultimate entitlement to indemnification, to pay or reimburse expenses incurred by a trustee, officer or former trustee or officer made a party to a proceeding by reason of such status, provided that we have received from any such trustee or officer an affirmation and written undertaking as required by our bylaws. Our bylaws provide that neither amendment nor repeal or any provision of our bylaws, nor adoption of any other provision, shall apply to or affect in any respect the applicability of such indemnification and expense advancement rights with respect to any act or failure to act which occurred prior to such amendment, repeal or adoption.

DESCRIPTION OF DEBT SECURITIES THAT MAY BE OFFERED BY FEDERAL REALTY OP LP

References in this section to "we," "us," "our" and "ours" refer only to Federal Realty OP LP and not to the Company unless the context requires otherwise.

We will prepare and distribute a prospectus supplement that describes the specific terms of the debt securities. In this section of the prospectus, we describe the general terms we expect all debt securities to have. We also identify some of the specific terms that will be described in a prospectus supplement. Although we expect that any debt securities we offer with this prospectus will have the general terms we describe in this section, our debt securities may have terms that are different from or inconsistent with the general terms we describe here. Therefore, you should read the prospectus supplement carefully.

General Terms of Debt Securities

Unless we say otherwise in a prospectus supplement, debt securities we offer through this prospectus:

- will be our general, direct and unsecured obligations; and
- may be either senior debt securities or subordinated debt securities.

Senior debt securities will rank equally with all of our other unsecured and unsubordinated obligations. Subordinated debt securities will be subordinate and junior in right of payment to all of our present and future senior debt in the manner we describe in a prospectus supplement.

We may incur additional debt, subject to limitations in the agreements governing our credit and other debt facilities and other notes we may have issued.

Unless we say otherwise in a prospectus supplement:

- debt securities we offer through this prospectus will not limit the amount of other debt that we may incur;
- you will not have any protection if we engage in a highly leveraged transaction, a restructuring, a transaction involving a change in control, or a merger or similar transaction that may adversely affect holders of the debt securities; and
- we will not list the debt securities on any securities exchange.

The Indentures

Any debt securities we offer through this prospectus will be issued under one or more indentures, including the senior indenture between us and U.S. Bank National Association, successor to Wachovia Bank National Association, formerly First Union National Bank, as trustee. We have filed with the SEC the senior indenture that is an exhibit to the registration statement that includes this prospectus. The senior indenture describes the general terms of senior debt securities we may issue. The general terms of any subordinated debt securities that we may issue will be included in a subordinated indenture, which will also include additional terms describing the subordination provisions of these securities. The senior indenture is subject to the Trust Indenture Act of 1939, as amended.

Unless we say otherwise in a prospectus supplement, each indenture does not or will not include all the terms of debt securities we may issue through this prospectus. If we issue debt securities through this prospectus, the Board of Trustees of the Company, or any committee thereof, will establish the additional terms for each class or series of debt securities. The additional terms will be either established pursuant to, and set forth in, a supplemental indenture, or established pursuant to a resolution of the Board of Trustees of the Company, or any committee thereof, and set forth in an officer's certificate. Each indenture describes or will describe the additional terms that may be established and we summarize the additional terms that may be established under "— Additional Terms of Debt Securities," below.

We have summarized the provisions of the senior indenture and any subordinated indenture that we may enter into below. The summary is not complete. You should read the senior indenture and any other indenture that we may enter into for provisions that may be important to you. The extent, if any, to which the provisions of the base senior indenture or any other base indenture that we may enter into apply to particular debt securities will be described in the prospectus supplement relating to those securities. You should read the prospectus supplement for more information regarding any particular issuance of debt securities.

Additional Terms of Debt Securities

As described above, the terms of a particular class or series of debt securities we offer through this prospectus will be established by the Board of Trustees of the Company, or any committee thereof, when we issue the class or series. We will describe the terms of the class or series in a prospectus supplement. Unless we say otherwise in a prospectus supplement, each indenture provides or will provide that the terms that may be established include the following:

- ***Title.*** The title of the debt securities offered.
- ***Amount.*** Any limit upon the total principal amount of the class or series of debt securities offered.
- ***Maturity.*** The date or dates on which the principal of and premium, if any, on the offered debt securities will mature or the method of determining such date or dates.
- ***Interest Rate.*** The rate or rates (which may be fixed or variable) at which the offered debt securities will bear interest, if any, or the method of calculating such rate or rates.
- ***Interest Accrual.*** The date or dates from which interest will accrue or the method by which such date or dates will be determined.
- ***Interest Payment Dates.*** The date or dates on which interest will be payable and the record date or dates to determine the persons who will receive payment, and the basis upon which interest shall be calculated if other than that of a 360-day year of twelve 30-day months.
- ***Place of Payment.*** The place or places where principal of, premium, if any, and interest, on the offered debt securities will be payable or at which the offered debt securities may be surrendered for registration of transfer or exchange.
- ***Optional Redemption.*** The period or periods within which, the price or prices at which, the currency or currencies (if other than in U.S. dollars), including currency unit or units, in which, and the other terms and conditions upon which, the offered debt securities may be redeemed, in whole or in part, at our option, if we have that option.
- ***Mandatory Redemption.*** The obligation, if any, we have to redeem or repurchase the offered debt securities pursuant to any sinking fund or similar provisions or upon the happening of a specified event or at the option of a holder; and the period or periods within which, the price or prices at which, the currency or currencies (if other than in U.S. dollars), including currency unit or units, in which, and the other terms and conditions upon which, such offered debt securities shall be redeemed or purchased, in whole or in part.
- ***Denominations.*** The denominations in which the offered debt securities are authorized to be issued.
- ***Currency.*** The currency or currency unit in which the offered debt securities may be denominated and/or the currency or currencies, including currency unit or units, in which principal of, premium, if any, and interest, if any, on the offered debt securities will be payable and whether we or the holders of the offered debt securities may elect to receive payments in respect of the offered debt securities in a currency or currency unit other than that in which the offered debt securities are stated to be payable.
- ***Indexed Principal.*** If the amount of principal of, or premium, if any, or interest on, the offered debt securities may be determined with reference to an index or pursuant to a formula or other method, the manner in which such amounts will be determined.
- ***Payment on Acceleration.*** If other than the principal amount, the amount which will be payable upon declaration of the acceleration of the maturity or the method by which such portion shall be determined.
- ***Special Rights.*** Provisions, if any, granting special rights to the holders of the offered debt securities if certain specified events occur.
- ***Modifications to Indentures.*** Any addition to, or modification or deletion of, any event of default or any of the covenants specified in the indenture with respect to the offered debt securities.
- ***Tax "Gross-Up."*** The circumstances, if any, under which we will pay additional amounts on the offered debt securities held by non-U.S. persons for taxes, assessments or similar charges.
- ***Registered or Bearer Form.*** Whether the offered debt securities will be issued in registered or bearer form or both.

- ***Dates of Certificates.*** The date as of which any offered debt securities in bearer form and any temporary global security representing outstanding securities are dated, if other than the original issuance date of the offered debt securities.
- ***Forms.*** The forms of the securities and interest coupons, if any, of the class or series.
- ***Registrar and Paying Agent.*** If other than the trustee under the applicable indenture, the identity of the registrar and any paying agent for the offered debt securities.
- ***Defeasance.*** Any means of defeasance or covenant defeasance that may be specified for the offered debt securities.
- ***Global Securities.*** Whether the offered debt securities are to be issued in whole or in part in the form of one or more temporary or permanent global securities and, if so, the identity of the depositary or its nominee, if any, for the global security or securities and the circumstances under which beneficial owners of interests in the global security may exchange those interests for certificated debt securities to be registered in the names of or to be held by the beneficial owners or their nominees.
- ***Documentation.*** If the offered debt securities may be issued or delivered, or any installment of principal or interest may be paid, only upon receipt of certain certificates or other documents or satisfaction of other conditions in addition to those specified in the applicable indenture, the form of those certificates, documents or conditions.
- ***Payees.*** If other than as provided in the applicable indenture, the person to whom any interest on any registered security of the class or series will be payable and the manner in which, or the person to whom, any interest on any bearer securities of the class or series will be payable.
- ***Definitions.*** Any definitions for the offered debt securities of that class or series that are different from or in addition to the definitions included in the applicable indenture, including, without limitation, the definition of “unrestricted subsidiary” to be used for such class or series.
- ***Subordination.*** In the case of any subordinated indenture that we may enter into, the relative degree to which the offered debt securities shall be senior to or junior to other debt securities, whether currently outstanding or to be offered in the future, and to other debt, in right of payment.
- ***Guarantees.*** Whether the offered debt securities are guaranteed and, if so, the identity of the guarantors and the terms of the offered guarantees (including whether and the extent to which the guarantees are subordinated to other debt of the guarantors).
- ***Conversion.*** The terms, if any, upon which the offered debt securities may be converted or exchanged into or for the Company’s common shares, preferred shares or other securities or property, including, without limitation, the initial conversion price or rate, the conversion period, any adjustment of the applicable conversion price and any requirements relative to the reservation of such shares for purposes of conversion.
- ***Restrictions.*** Any restrictions on the registration, transfer or exchange of the offered debt securities.
- ***Other Terms.*** Any other terms not inconsistent with the terms of the applicable indenture pertaining to the offered debt securities or which may be required or advisable under U.S. laws or regulations or advisable, as we determine, in connection with marketing of securities of the class or series.

Form of Securities and Related Matters

Registered or Bearer Form. Debt securities may be offered in either registered or bearer form.

- If the debt securities are in registered form, we may treat the person named in the register as the owner of the debt securities for all purposes, including payment, exchange and transfer.
- If we issue debt securities in bearer form, we will issue those debt securities only to non-U.S. persons and may treat the bearer of the securities as the owner for all purposes, including payment, exchange and transfer. If we issue debt securities in bearer form, we will describe special offering restrictions and material U.S. federal income tax considerations relating to the offered debt securities in a prospectus supplement.

Denominations. Unless we say otherwise in a prospectus supplement, we will issue debt securities in denominations of:

- U.S. $1,000 (or multiples of $1,000) if we issue the debt securities in registered form; and
- U.S. $5,000 (or multiples of $5,000) if we issue debt securities in bearer form.

Payment Currencies and Indexed Securities. We may offer debt securities for which:

- the purchase price is payable in a currency other than U.S. dollars;
- the securities are denominated in a currency other than U.S. dollars; or
- the principal or interest of, or any other amount due on, the offered debt securities in a currency other than U.S. dollars.

The other currency may be a currency unit composed of various currencies. Payments on debt securities may also be based on an index.

Payment, Transfer and Exchange. Unless we say otherwise in a prospectus supplement, the office for paying principal, interest and other amounts on the debt securities is U.S. Bank National Association, 214 North Tryon Street, 27th Floor, Charlotte, North Carolina 28202. We will notify you of any change in the office's location. At our option, however, we may make any interest payments on debt securities issued in registered form by:

- mailing checks to you at the address as it appears in the applicable register for the class or series of debt securities; or
- wire transfer of immediately available funds to an account you maintain located in the United States.

Unless we say otherwise in a prospectus supplement, we will pay interest to the person whose name is in the register at the close of business on the regular record date for such interest.

Unless we say otherwise in a prospectus supplement, payment of interest on bearer securities may be made by transfer to an account you maintain with a bank located outside the United States.

Unless we say otherwise in a prospectus supplement, you may transfer or exchange debt securities issued in registered form at an office or agency that we designate. You may transfer or exchange debt securities without service charge, although we may require you to pay any related tax or other governmental charge.

Global Securities

We may issue debt securities of a class or series in the form of one or more fully registered global securities. Each registered global security will:

- be registered in the name of a depositary or a nominee for the depositary;
- be deposited with the depositary or nominee or a custodian therefor; and
- bear a legend regarding the restrictions on exchanges and registration of transfer and any such other appropriate matters.

Global securities may be issued in either registered or bearer form and in either temporary or permanent form. The specific terms and procedures, including the specific terms of the depositary arrangement, with respect to any portion of a class or series of debt securities will be described in a prospectus supplement.

Certain Covenants

Unless we say otherwise in a prospectus supplement, each indenture contains or will contain the following covenants. Any additional material covenants applicable to any class or series of debt securities will be set forth in a prospectus supplement.

Existence. Except as permitted under "Consolidation, Merger or Sale of Assets," we will do or cause to be done all things necessary to preserve and keep in full force and effect our corporate existence, rights (charter and statutory) and franchises; provided, however, we are not required to preserve any right or franchise if we determine that the preservation of the right or franchise is no longer desirable in the conduct of our business.

Maintenance of Properties. We will cause all of our material properties used or useful in the conduct of our business to be maintained and kept in good condition, repair and working order and supplied with all necessary equipment and will cause to be made all necessary repairs, renewals, replacements, betterments and improvements of our material properties to be made, all as in our judgment may be necessary so that the business carried on at, or in connection with, our material properties may be properly and advantageously conducted at all times.

Payment of Taxes and Other Claims. We will pay or discharge or cause to be paid or discharged, before they shall become delinquent:

- all taxes, assessments and governmental charges levied or imposed upon us or upon our income, profits or property, and
- all lawful claims for labor, materials and supplies which, if unpaid, might by law become a lien upon our property;

provided, however, that we shall not be required to pay or discharge or cause to be paid or discharged any such tax, assessment, charge or claim whose amount, applicability or validity is being contested in good faith.

Provision of Financial Information. Whether or not we are subject to Section 13 or 15(d) of the Exchange Act, we will, within 15 days of each of the respective dates by which we would have been required to file annual reports, quarterly reports and other documents with the SEC if we were so subject:

- transmit by mail to all holders of debt securities, as their names and addresses appear in the register, without cost to such holders, copies of the annual reports, quarterly reports and other documents that we would have been required to file with the SEC pursuant to Section 13 or 15(d) of the Exchange Act if we were subject to Section 13 or 15(d);
- file with the trustee copies of the annual reports, quarterly reports and other documents that we would have been required to file with the SEC pursuant to Section 13 or 15(d) of the Exchange Act if we were subject to Section 13 or 15(d); and
- promptly, upon written request and payment of the reasonable cost of duplication and delivery, supply copies of those documents to any prospective holder.

Consolidation, Merger or Sale of Assets

We may consolidate with, or sell, lease or convey all or substantially all of our assets, or merge with or into any other corporation, association, partnership, company or business trust, each of which we refer to herein as an entity, provided that we satisfy all of the following conditions:

- either
  - we must be the continuing entity, or
  - the surviving entity must be an entity duly organized and validly existing under U.S. laws, any state or the District of Columbia, and the surviving entity must assume, by a supplemental indenture in a form reasonably satisfactory to the trustee, all obligations under the applicable debt securities and the related indenture;

- immediately after giving effect to such transactions, no default or event of default under the debt securities shall have occurred and be continuing; and
- we or the surviving entity has delivered, or caused to be delivered, to the trustee, in form and substance reasonably satisfactory to the trustee, an officers' certificate and an opinion of counsel, each to the effect that each consolidation, merger, transfer, sale, assignment, lease or other transaction and the supplemental indenture relating to such transaction comply with the provisions of the applicable indenture and that all conditions precedent provided for in the indenture relating to the transaction have been met.

Subordination

Generally. Unless we say otherwise in a prospectus supplement, the payment of principal, premium, if any, and interest on subordinated debt securities will be subordinated, or junior, to the prior payment in full of all or any of our present and future "senior debt." This means that we must pay all present and future senior debt before we pay amounts due to holders of subordinated debt securities if we liquidate, dissolve, reorganize or go through a similar process. After making these payments, we may not have sufficient assets remaining to pay the amounts due to holders of subordinated debt securities or equity securities.

Unless we say otherwise in a prospectus supplement, senior debt will be defined as the principal of and interest on, or substantially similar payments to be made by us in respect of, the following, whether outstanding at the date of execution of any subordinated indenture or thereafter incurred, created or assumed:

- indebtedness for money borrowed or represented by purchase-money obligations;
- indebtedness evidenced by notes, debentures, or bonds, or other securities issued under the provisions of an indenture, fiscal agency agreement or other instrument;
- our obligations as lessee under leases of property whether made as part of any sale and leaseback transaction to which we are a party or otherwise;
- indebtedness of partnerships and joint ventures which is included in our consolidated financial statements;
- indebtedness, obligations and liabilities of others in respect of which we are liable, contingently or otherwise, for payment or advances of money or property, or as guarantor, endorser or otherwise, or which we have agreed to purchase or otherwise acquire; and
- any binding commitment to fund any real estate investment or to fund any investment in any entity making a real estate investment, in each case other than
  - any such indebtedness, obligation or liability of a type described or referred to in the bullets above as to which, in the instrument creating or evidencing the same or pursuant to which the same is outstanding, it is provided that such indebtedness, obligation or liability is not superior in right of payment to the subordinated debt securities or ranks pari passu with the subordinated debt securities;
  - any such indebtedness, obligation or liability which is subordinated to our indebtedness to substantially the same extent as or to a greater extent than the subordinated debt securities are subordinated to our indebtedness; and
  - the subordinated debt securities.

Unless we say otherwise in a prospectus supplement, there will be no restrictions in any subordinated indenture upon the creation of additional senior debt.

Payment Blockage for Payment Defaults. Unless we say otherwise in a prospectus supplement, if we have defaulted in the payment of any senior debt, we may not:

- pay any principal, premium, if any, or interest on subordinated debt securities; or
- purchase, redeem, defease, or otherwise acquire any subordinated debt securities.

This prohibition will not affect any payment we have already made to defease debt securities, as described under "— Defeasance or Covenant Defeasance of Indentures," below.

We must resume payment on our subordinated debt securities, and make any payments we have missed, when one of the following has occurred:

- the senior debt has been discharged or paid in full;
- the holders of senior debt have waived payment; or
- the payment default has otherwise been cured or ceased to exist.

Payment Blockage for Non-Payment Defaults. Unless we say otherwise in a prospectus supplement, we will also be prohibited from paying any amounts or distributing any assets if:

- we have defaulted on senior debt in a way that does not involve a failure to pay amounts but accelerates payment; and
- we and the trustee for the subordinated debt securities have received written notice of this default.

Unless we say otherwise in a prospectus supplement, we will be required to suspend payments and distributions on our subordinated debt securities starting when we receive notice of the applicable default. We may resume payments on our subordinated debt securities, and make any payments we have missed, upon the earliest of:

- the date that is 179 days after receipt of notice (unless we have previously been required to pay all amounts owing on the applicable senior debt);
- the date the default and all other similar defaults as to which notice has been given shall have been cured, waived or shall have ceased to exist;
- the date the applicable senior debt (and all other senior debt as to which notice has been given) shall have been discharged or paid in full; and
- the date on which we or the trustee receives written notice from the representative of holders of senior debt or the holders of at least a majority of the senior debt terminating the blockage period.

Any number of notices of non-payment defaults may be given, but during any 365-day consecutive period only one blockage period may commence, and the period may not exceed 179 days. No non-payment default with respect to senior debt that existed or was continuing on the date a blockage period for our subordinated debt securities commenced may be made the basis of another blockage period for those securities whether or not within a period of 365 consecutive days, unless at least 90 consecutive days have elapsed since the default was cured or waived.

Default Provisions

Events of Default. Unless we say otherwise in a prospectus supplement, each of the following is an event of default as to any of our senior or subordinated debt securities:

1. A default in the payment of any interest or any additional amounts on any debt security of that class or series or of any coupon appertaining thereto when it becomes due and payable, if the default continues for a period of 30 days.

2. A default in the payment of the principal of (or premium, if any, on) any debt security of that class or series at its maturity (upon acceleration, optional or mandatory redemption, required purchase or otherwise).

3. A default in the deposit of any sinking fund payment as required by the terms of any debt security of that class or series.

4. A default in the performance, or a breach, of any covenant or agreement by us under the applicable indenture (other than a default in the performance, or a breach of a covenant or agreement which is specifically dealt with in clause (1) through (8) hereof) if such default or breach continues for a period of 60 days after written notice has been given, by registered or certified mail:

(a) to us by the trustee; or

(b) to us and the trustee by the holders of at least 25% in aggregate principal amount of the outstanding debt securities of the class or series.

5. The occurrence of one or more defaults under any bond, debenture, note or other evidence of indebtedness for money borrowed by us (including obligations under leases required to be capitalized on the balance sheet of the lessee under generally accepted accounting principles but not including any indebtedness or obligations for which recourse is limited to property purchased) in an aggregate principal amount in excess of $50,000,000 or under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any indebtedness for money borrowed by us (including such leases but not including such indebtedness or obligations for which recourse is limited to property purchased) in an aggregate principal amount in excess of $50,000,000, whether such indebtedness now exists or shall hereafter be created, if the default has resulted in such indebtedness becoming or being declared due and payable prior to the date on which it would otherwise have become due and payable or in the acceleration of such obligations, without such acceleration having been rescinded or annulled.

6. The entry by a court of competent jurisdiction under any applicable bankruptcy law that:

(a) is for relief against us or any of our significant subsidiaries in an involuntary case,

(b) appoints a receiver in respect of us or any of our significant subsidiaries or for all or substantially all of the property of any of us; or

(c) orders our liquidation or the liquidation of any of our significant subsidiaries, and the order or decree remains unstayed and in effect for 90 days.

7. We or any of our significant subsidiaries do any of the following:

(a) commence a voluntary case or proceeding under any applicable bankruptcy law;

(b) consent to the entry of a decree or order for relief in respect of us or any of our significant subsidiaries in an involuntary case or proceeding under any applicable bankruptcy law;

(c) consent to the appointment of a receiver in respect of us or any of our significant subsidiaries for all or substantially all of our or its property; or

(d) makes a general assignment for the benefit of our creditors or the creditors of any of our significant subsidiaries.

8. Any other event of default provided with respect to the debt securities of that class or series.

Waiver of Default. Unless we say otherwise in a prospectus supplement, holders of not less than a majority of the debt securities of a class or series may waive any past default except for:

- a payment default; or
- a default on any provision that requires the consent of all holders to modify.

Acceleration of Payment. Unless we say otherwise in a prospectus supplement, each indenture provides or will provide that if an event of default occurs and continues, the trustee or the holders of not less than 25% in aggregate principal amount of the debt securities of the applicable class or series outstanding may declare all unpaid principal of, premium, if any, and accrued interest on, all the debt securities of the applicable class or series to be due and payable immediately by a notice given in writing to us (and to the trustee if given by the holders of the debt securities of the applicable class or series). The trustee may, then, at its discretion, proceed to protect and enforce the rights of the holders of the applicable debt securities by appropriate judicial proceeding.

Waiver of Acceleration. Unless we say otherwise in a prospectus supplement, each indenture provides or will provide that, after a declaration of acceleration, but before a judgment or decree for payment of the money due has been obtained by the trustee, the holders of a majority in aggregate principal amount of the debt securities, by written notice to us and the trustee, may rescind and annul such declaration if:

- we have paid, or deposited with the trustee a sum sufficient to pay:
  - all overdue interest and any additional amounts payable on all outstanding debt securities of the applicable class or series and any related coupons,
  - the principal of and premium, if any, on any debt securities of the applicable class or series which have become due other than by such declaration of acceleration, plus interest thereon at the rate borne by the debt securities,
  - to the extent that payment of such interest is lawful, interest upon overdue interest at the rate borne by the debt securities, and
  - all sums paid or advanced by the trustee under the indenture and the reasonable compensation, expenses, disbursements and advances of the trustee, its agents and counsel; and
- all events of default, other than the non-payment of principal of the debt securities which have become due solely by such declaration of acceleration, have been cured or waived.

Notices of Default. Unless we say otherwise in a prospectus supplement, we are required to deliver to the trustee, on or before a date not more than 120 days after the end of each fiscal year, a certificate of compliance with the indenture, and, in the event of any noncompliance, specifying such noncompliance, including whether or not any default has occurred. The trustee is required to give notice to the holders of debt securities within 90 days of a default under the applicable indenture unless such default shall have been cured or waived; provided, however, that the trustee may withhold notice to the holders of any class or series of debt securities of any default with respect to such class or series (except a default in the payment of the principal of, and premium, if any, or interest on or any additional amounts with respect to any debt security of such class or series or in the payment of any sinking fund installment in respect of any debt security of such class or series) if the trustee considers such withholding to be in the interest of the holders.

Limitation on Suits. Unless we say otherwise in a prospectus supplement, each indenture provides or will provide that no holders of debt securities of any class or series may institute any proceedings, judicial or otherwise, with respect to the indenture or for any remedy thereunder unless the trustee has failed to act for a period of 60 days after it has received a written request to institute proceedings in respect of an event of default from the holders of not less than 25% in aggregate principal amount of the debt securities of the applicable class or series outstanding together with an offer of indemnity from such holders that is reasonably satisfactory to the trustee and the trustee has received no direction inconsistent with such written request during such 60-day period from the holders of a majority in aggregate principal amount of the debt securities of the applicable class or series outstanding. This provision will not prevent, however, any holder of debt securities from instituting suit for the enforcement of payment of the principal of, and premium, if any, and interest on such debt securities at the respective due dates of the securities.

Obligations of Trustee. Unless we say otherwise in a prospectus supplement, the trustee is under no obligation to exercise any of the rights or powers vested in it by the indenture at the request or direction of any of the holders of the debt securities unless they shall have offered to the trustee security or indemnity satisfactory to the trustee against the costs, expenses and liabilities that might be incurred thereby.

The Trust Indenture Act limits the trustee, should it become a creditor of ours or of any guarantor, from obtaining payment of claims in certain cases or realizing certain property received by it in respect of those claims, as security or otherwise. The trustee is permitted to engage in certain other transactions as long as, if it acquires any conflicting interest and an event of default occurs, it either cures the conflict or resigns as trustee.

For information regarding the acceleration of a portion of the principal amount of any original issue discount securities on the occurrence of an event of default, please read the prospectus supplement relating to the issuance of those securities.

Defeasance or Covenant Defeasance of Indenture

Unless we say otherwise in a prospectus supplement, we will be able to discharge our obligations under debt securities at any time by taking the actions described below. The discharge of all obligations using this process is known as "defeasance." If we defease debt securities, all obligations under the class or series of debt securities that is defeased will be deemed to have been discharged, except for:

- the rights of holders of outstanding debt securities to receive, solely from funds deposited for this purpose, payments in respect of the principal of, premium, if any, and interest on those debt securities when the payments are due;
- the obligations with respect to the debt securities concerning issuing temporary debt securities, registration of debt securities, mutilated, destroyed, lost or stolen debt securities, and the maintenance of an office or agency for payment and money for security payments held in trust;
- the rights, powers, trusts, duties and immunities of the trustee; and
- the defeasance provisions of the indenture.

We will also be able to free ourselves from certain covenants that are described in an indenture by taking the actions described below. The discharge of obligations using this process is known as "covenant defeasance." If we defease covenants under debt securities, then certain events (not including non-payment, enforceability of any guarantee, bankruptcy and insolvency events) described under "— Events of Default" will no longer constitute an event of default with respect to the debt securities.

Unless we say otherwise in a prospectus supplement, in order to exercise either defeasance or covenant defeasance as to the outstanding debt securities of a class or series:

- we must irrevocably deposit with the trustee, in trust, for the benefit of the holders of the debt securities of the applicable class or series, an amount in (i) currency, currencies or currency units in which those debt securities are then specified as payable at maturity, (ii) government obligations (as defined in the applicable indenture) or (iii) any combination thereof, as will be sufficient, without consideration of reinvestment of principal and interest, in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification thereof delivered to the trustee, to pay and discharge the principal of, premium, if any, and interest on the debt securities of the applicable class or series on the stated maturity of such principal or installment of principal or interest and any mandatory sinking fund payments;
- in the case of defeasance, we will deliver to the trustee an opinion of counsel confirming that either:
  - we have received from, or there has been published by, the Internal Revenue Service a ruling, or
  - since the date of execution of the indenture, there has been a change in the applicable federal income tax law,

the effect of either being that the holders of the outstanding debt securities of the applicable class or series will not recognize income, gain or loss for federal income tax purposes as a result of such defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such defeasance had not occurred;

- in the case of covenant defeasance, we will deliver to the trustee an opinion of counsel to the effect that the holders of the debt securities of the applicable class or series will not recognize income, gain or loss for federal income tax purposes as a result of such covenant defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such covenant defeasance had not occurred;
- no default, event of default or event which with notice or lapse of time or both would become an event of default shall have occurred and be continuing on the date of such deposit or insofar as clause 6 or 7 of "— Default Provisions — Events of Default" is concerned, at any time during the period ending on the 91st day after the date of deposit;
- the defeasance or covenant defeasance shall not result in a breach or violation of, or constitute a default under, the indenture or any other material agreement or instrument to which we are a party or by which we are bound;
- we will deliver to the trustee an officers' certificate and an opinion of counsel, each stating that all conditions precedent provided for that relate to either the defeasance or the covenant defeasance, as the case may be, have been met; and
- we will deliver to the trustee an opinion of counsel to the effect that either (i) as a result of the deposit pursuant to the first bullet in this paragraph and the election to defease, registration is not required under the Investment Company Act of 1940, as amended, with respect to the trust funds representing the deposit, or (ii) all necessary registrations under the Investment Company Act have been effected.

Modifications and Amendments

Unless we say otherwise in a prospectus supplement, we and the trustee may modify and amend either indenture with the consent of the holders of a majority in aggregate principal amount of the outstanding debt securities of all classes or series affected by the modification or amendment; provided, however, that no modification or amendment may, without the consent of the holder of each outstanding debt security of all classes or series affected by the modification or amendment:

- change the stated maturity of the principal of, or any installment of interest on, any debt security;
- reduce the principal amount thereof or the rate of interest thereon or any premium payable upon the redemption thereof, or change any obligation of ours to pay additional amounts under the indenture, except as contemplated in the indenture, or reduce the amount of the principal of an original issue discount security that would be due and payable upon a declaration of acceleration of the maturity thereof or the amount thereof provable in bankruptcy;
- adversely affect any right of repayment at the option of the holder of any class or series of outstanding debt security;
- change the place of repayment where, or the currency, currency unit or composite currency in which, the principal or premium, if any, of any debt security or the interest thereon is payable;
- impair the right to institute suit for the enforcement of any such payment after the stated maturity of the debt security (or in the case of redemption, on or after the redemption date);
- reduce the percentage in principal amount of outstanding debt securities of any class or series for which the consent of the holders is required for any such supplemental indenture, or for any waiver of compliance with certain provisions of the indenture or certain defaults, or reduce the requirements for quorum or voting as provided in the indenture; or
- modify any of the provisions that relate to supplemental indentures and that require the consent of holders, that relate to the waiver of past defaults, that relate to the waiver of certain covenants, except to increase the percentage in principal amount of outstanding debt securities required to take such actions or to provide that certain other provisions of the indenture cannot be modified or waived without the consent of the holder of each debt security affected thereby.

Unless we say otherwise in a prospectus supplement, we and the trustee may modify and amend either indenture without the consent of the holders if the modification or amendment does only the following:

- evidences the succession of another person to us and the assumption by any such successor of any covenants under the indenture and in the debt securities of any class or series;
- adds to our covenants for the benefit of the holders of all or any class or series of debt securities or surrenders any of our rights or powers;
- adds any additional event of default for the benefit of the holders of all or any class or series of debt securities;
- secures the debt securities of any class or series;
- adds or changes any provisions to the extent necessary to provide that bearer securities may be registrable as to principal, to change or eliminate any restrictions on the payment of principal of or any premium or interest on bearer securities, to permit bearer securities to be issued in exchange for registered securities or bearer of securities of other authorized denominations, or to permit or facilitate the issuance of securities in uncertificated form, provided that any such action shall not adversely affect the interests of the holders of any class or series of outstanding debt securities in any material respect;
- changes or eliminates any provision affecting only debt securities not yet issued;
- establishes the form or terms of debt securities of any class or series not yet issued;
- evidences and provides for successor trustees or adds or changes any provisions of the indenture to the extent necessary to permit or facilitate the appointment of a separate trustee or trustees for specific classes or series of debt securities;
- cures any ambiguity, corrects or supplements any provisions which may be defective or inconsistent with any other provision, or makes any other provisions with respect to matters or questions arising under the indenture which shall not be inconsistent with the provisions of the indenture; provided, however, that no such modification or amendment may adversely affect the interest of holders of debt securities of any class or series then outstanding in any material respect; or
- supplements any provision of the indenture to such extent as shall be necessary to permit the facilitation of defeasance and discharge of any class or series of debt securities; provided, however, that any such action may not adversely affect the interest of holders of debt securities of any class or series then outstanding in any material respect.

The holders of a majority in aggregate principal amount of the debt securities of a class or series outstanding may waive compliance with certain restrictive covenants and provisions of either indenture with respect to that class or series.

Original Issue Discount

We may issue debt securities under either indenture for less than their stated principal amount. Such securities may be treated as “original issue discount securities,” and they may be subject to special tax consequences. In addition, some debt securities that are offered and sold at their stated principal amount may, under certain circumstances, be treated as issued at an original issue discount for federal income tax purposes. We will describe the federal income tax consequences and other special consequences applicable to securities treated as original issue discount securities in the prospectus supplement relating to such securities. “Original issue discount security” generally means any debt security that:

- does not provide for the payment of interest prior to maturity; or
- is issued at a price lower than its face value and provides that upon redemption or acceleration of its stated maturity an amount less than its principal amount shall become due and payable.

Notices

Unless we say otherwise in a prospectus supplement, we will send notices to holders of debt securities by mail to the holder's address as it appears in the register.

Governing Law

Unless we say otherwise in a prospectus supplement, each indenture and the debt securities will be governed by the laws of the State of New York.

MATERIAL FEDERAL INCOME TAX CONSIDERATIONS

The following section summarizes the material federal income tax issues that you may consider relevant relating to our taxation as a REIT under the Code, and the acquisition, ownership, and disposition of our common, preferred, and depositary shares. In this section, references to the "Company," "we," "us," "our" and "ours" refer only to Federal Realty Investment Trust and not to the Partnership or its subsidiaries unless the context requires otherwise. If we offer one or more additional series of common shares or preferred shares, depositary shares, shares pursuant to share purchase contracts or warrants to purchase equity securities, or the Partnership offers debt securities, the applicable prospectus supplement would include information about additional material U.S. federal income tax considerations relevant to holders of any of the offered securities.

Because this section is a summary, it does not address all of the tax issues that may be important to you. For example, the discussion of the tax treatment of our shareholders addresses only common or preferred shares held as capital assets (generally property held for investment) within the meaning of Section 1221 of the Code. This discussion is based on current law and does not purport to deal with all aspects of U.S. federal income taxation that may be relevant to a prospective shareholder in light of its particular circumstances. In addition, this section does not address the tax issues that may be important to certain types of shareholders that are subject to special treatment under the federal income tax laws, such as financial institutions, brokers, dealers in securities and commodities, insurance companies, former U.S. citizens or long-term residents, regulated investment companies, real estate investment trusts, tax-exempt organizations (except to the extent discussed in "— Taxation of Tax-Exempt U.S. Shareholders" below), controlled foreign corporations, passive foreign investment companies, persons that acquire shares in connection with employment or other performance of personal services, persons subject to the alternative minimum tax, beneficial owners of shares subject to the special tax accounting rules under Section 451(b) of the Code, persons that are, or that hold their shares through, partnerships or other pass-through entities, United States persons within the meaning of Section 7701(a)(30) of the Code ("United States persons") whose functional currency is not the U.S. dollar, persons that hold shares as part of a straddle, hedge, conversion, synthetic security or constructive sale transaction for U.S. federal income tax purposes, persons that purchase or sell shares as part of a wash sale for tax purposes, or non-U.S. individuals and foreign corporations (except to the extent discussed in "— Taxation of Non-U.S. Shareholders" below). In addition, this discussion is general in nature and is not exhaustive of all possible tax considerations, nor does it address any aspect of state, local or foreign taxation or any U.S. federal tax other than the income tax and, only to the extent specifically provided herein, certain excise taxes potentially applicable to REITs.

This summary is based upon the Code, the regulations of the U.S. Department of Treasury ("Treasury") promulgated thereunder and judicial and administrative rulings now in effect, all of which are subject to change or differing interpretations, possibly with retroactive effect.

If a partnership, including an entity or arrangement that is treated as a partnership for U.S. federal income tax purposes, is a beneficial owner of our shares, the treatment of the partnership, and partners in the partnership, will generally depend on the status of the partner and the activities of the partnership. Partnerships holding shares, and partners in such partnerships, should consult their tax advisors with regard to the U.S. federal income tax treatment of an investment in our shares.

PROSPECTIVE INVESTORS SHOULD CONSULT THEIR TAX ADVISORS REGARDING THE SPECIFIC FEDERAL, STATE, LOCAL, FOREIGN AND OTHER TAX CONSEQUENCES TO THEM OF THE ACQUISITION, OWNERSHIP AND DISPOSITION OF OUR SECURITIES, OUR ELECTION TO BE TAXED AS A REIT AND THE EFFECT OF POTENTIAL CHANGES IN APPLICABLE TAX LAWS.

Taxation of the Company

The statements in this section are based on the current federal income tax laws governing our qualification as a REIT. We cannot assure you that new laws, interpretations of laws or court decisions, any of which may take effect retroactively, will not cause any statement in this section to be inaccurate.

The Predecessor elected to be taxed as a REIT under the federal income tax laws when it filed its 1962 federal income tax return and was organized and operated in a manner intended to qualify as a REIT. We have been organized in a manner intended to qualify as a REIT and we intend to operate in a manner to qualify as a REIT. This section discusses the laws governing the federal income tax treatment of a REIT and its shareholders. These laws are highly technical and complex.

In the opinion of our tax counsel, Pillsbury Winthrop Shaw Pittman LLP, (i) the Predecessor qualified as a REIT under Sections 856 through 860 of the Code with respect to each of its taxable years ended through December 31, 2021; and (ii) we are organized in conformity with the requirements for qualification as a REIT under the Code and our current and proposed method of operation and ownership will enable us to meet the requirements for qualification and taxation as a REIT for the current taxable year and for future taxable years, provided that we and the Predecessor have operated and we continue to operate in accordance with various assumptions and factual representations made by us concerning our diversity of share ownership, business, properties and operations. The Predecessor may not, however, have met, and we may not continue to meet, such requirements. You should be aware that opinions of counsel are not binding on the Internal Revenue Service ("IRS") or any court. Our qualification as a REIT depends on the Predecessor having met and our ability to meet, on a continuing basis, certain qualification tests set forth in the federal tax laws. Those qualification tests involve the percentage of income earned from specified sources, the percentage of assets that fall within certain categories, the diversity of the ownership of the Predecessor's and our shares, and the percentage of earnings distributed. We describe the current REIT qualification tests in more detail below. Pillsbury Winthrop Shaw Pittman LLP will not monitor our compliance with the requirements for REIT qualification on an ongoing basis. Accordingly, our actual operating results may not satisfy the qualification tests. Pillsbury Winthrop Shaw Pittman LLP's opinion does not foreclose the possibility that we may have to use one or more of the REIT savings provisions described below, which would require us to pay an excise or penalty tax (which could be material) in order for us to maintain our REIT qualification. For a discussion of the tax treatment of us and our shareholders if we fail to qualify as a REIT, see "— Requirements for REIT Qualification — Failure to Qualify."

As a REIT, we generally will not be subject to federal income tax on the taxable income that we distribute to our shareholders as a result of a deduction we receive for such distributions (the "dividends paid deduction"). The benefit of that tax treatment is that it avoids the "double taxation" (i.e., at both the corporate and shareholder levels) that generally results from owning shares in a subchapter C corporation. However, we will be subject to federal tax in the following circumstances:

- we will pay federal income tax on taxable income (including net capital gain) that we do not distribute to our shareholders during, or within a specified time period after, the calendar year in which the income is earned;
- we will pay income tax at the highest corporate rate on (i) net income from the sale or other disposition of property acquired through foreclosure or after a default on a loan secured by the property or a lease of the property ("foreclosure property") that we hold primarily for sale to customers in the ordinary course of business and (ii) other non-qualifying income from foreclosure property;
- we will pay a 100% tax on net income from certain sales or other dispositions of property (other than foreclosure property) that we hold primarily for sale to customers in the ordinary course of business ("prohibited transactions");
- our subsidiaries that are C corporations, including our "taxable REIT subsidiaries," generally will be required to pay federal corporate income tax on their earnings;
- we will pay a 100% excise tax on transactions with a "taxable REIT subsidiary" that are not conducted on an arm's-length basis;

- if we fail to satisfy the 75% gross income test or the 95% gross income test (as described below under "—Requirements for REIT Qualification — Income Tests"), but nonetheless continue to qualify as a REIT because we meet certain other requirements, we will pay a 100% tax on (i) the gross income attributable to the greater of the amount by which we fail, respectively, the 75% or 95% gross income test, multiplied, in either case, by (ii) a fraction intended to reflect our profitability;
- if we fail, in more than a de minimis fashion, to satisfy one or more of the asset tests for any quarter of a taxable year, but nonetheless continue to qualify as a REIT because we qualify under certain relief provisions, we may be required to pay a tax of the greater of $50,000 or a tax computed at the highest corporate rate on the amount of net income generated by the assets causing the failure from the date of failure until the assets are disposed of or we otherwise return to compliance with the asset test;
- if we fail to satisfy one or more of the requirements for REIT qualification (other than the income tests or the asset tests), we nevertheless may avoid termination of our REIT election in such year if the failure is due to reasonable cause and not due to willful neglect, but we would also be required to pay a penalty of $50,000 for each failure to satisfy the REIT qualification requirements;
- if we fail to distribute during a calendar year at least the sum of (i) 85% of our REIT ordinary income for such year, (ii) 95% of our REIT capital gain net income for such year, and (iii) any undistributed taxable income from prior periods, we will pay a nondeductible 4% excise tax on the excess of such required distribution over (A) the amount we actually distributed, plus (B) retained amounts on which corporate-level tax was paid by us;
- we may be required to pay monetary penalties to the IRS in certain circumstances, including if we fail to meet record-keeping requirements intended to monitor our compliance with the rules relating to the composition of a REIT's shareholders;
- we may elect to retain and pay income tax on our net long-term capital gain; or
- if we acquire any asset from a C corporation (i.e., a corporation generally subject to full corporate-level tax) in a merger or other transaction in which we acquire a "carryover" basis in the asset (i.e., basis determined by reference to the C corporation's basis in the asset (or another asset)) and no election is made for the transaction to be taxable on a current basis, then if we recognize gain on the sale or disposition of such asset during the 5-year period after we acquire such asset, we will pay tax at the highest regular corporate rate applicable on the lesser of (i) the amount of gain that we recognize at the time of the sale or disposition and (ii) the amount of gain that we would have recognized if we had sold the asset at the time we acquired the asset.

Requirements for REIT Qualification

To qualify as a REIT, we must meet the following requirements:

1. we are managed by one or more trustees or directors;
2. our beneficial ownership is evidenced by transferable shares, or by transferable certificates of beneficial interest;
3. we would be taxable as a domestic corporation, but for Sections 856 through 860 of the Code;
4. we are neither a financial institution nor an insurance company subject to certain provisions of the Code;
5. at least 100 persons are beneficial owners of our shares or ownership certificates;
6. not more than 50% in value of our outstanding shares or ownership certificates is owned, directly or indirectly, by five or fewer individuals (as defined in the Code to include certain entities) during the last half of any taxable year (the "5/50 Rule");
7. we elect to be a REIT (or have made such election for a previous taxable year) and satisfy all relevant filing and other administrative requirements established by the IRS that must be met to elect and maintain REIT status;

8. we use a calendar year for federal income tax purposes and comply with the record keeping requirements of the Code and the related regulations of the Treasury; and

9. we meet certain other qualification tests, described below, regarding the nature of our income and assets and the amount of our distributions to shareholders.

We must meet requirements 1 through 4 during our entire taxable year and must meet requirement 5 during at least 335 days of a taxable year of 12 months, or during a proportionate part of a taxable year of less than 12 months. If we comply with all the requirements for ascertaining the ownership of our outstanding shares in a taxable year and have no reason to know that we violated the 5/50 Rule, we will be deemed to have satisfied the 5/50 Rule for such taxable year. For purposes of determining share ownership under the 5/50 Rule, an "individual" generally includes a supplemental unemployment compensation benefits plan, a private foundation, or a portion of a trust permanently set aside or used exclusively for charitable purposes. An "individual," however, generally does not include a trust that is a qualified employee pension or profit-sharing trust under Code Section 401(a), and beneficiaries of such a trust will be treated as holding our shares in proportion to their actuarial interests in the trust for purposes of the 5/50 Rule.

We believe we have issued sufficient shares with sufficient diversity of ownership to satisfy requirements 5 and 6 set forth above. In addition, our declaration of trust restricts the ownership and transfer of our shares so that we should continue to satisfy requirements 5 and 6. The provisions of our declaration of trust restricting the ownership and transfer of our shares are described in "Shares of Beneficial Interest of Federal Realty Investment Trust–Restrictions on Ownership and Transfer of Company Shares."

We currently have no direct corporate subsidiaries but may have corporate subsidiaries in the future. A corporation that is a "qualified REIT subsidiary" is not treated as a corporation separate from its parent REIT. All assets, liabilities, and items of income, deduction, and credit of a qualified REIT subsidiary are treated as assets, liabilities, and items of income, deduction, and credit of the REIT. A qualified REIT subsidiary is a corporation, all the capital shares of which are owned by the parent REIT, unless we and the subsidiary have jointly elected to have it treated as a "taxable REIT subsidiary." A REIT is not treated as directly holding the assets of a taxable REIT subsidiary or as directly receiving any income that the taxable REIT subsidiary earns. Rather, the stock issued by each of our taxable REIT subsidiaries is an asset in our hands, and we generally recognize as income the dividends, if any, that we receive from our taxable REIT subsidiaries. A taxable REIT subsidiary is treated separately from us and will be subject to federal corporate income taxation. In contrast, in applying the requirements described herein, any qualified REIT subsidiary of ours will be ignored, and all assets, liabilities, and items of income, deduction, and credit of such subsidiary will be treated as our assets, liabilities, and items of income, deduction, and credit. Accordingly, any qualified REIT subsidiaries we could have in the future would not be subject to federal corporate income taxation, though they might be subject to state and local taxation.

An unincorporated domestic entity, such as a partnership or limited liability company, that has a single beneficial owner generally is not treated as an entity separate from its owner for federal income tax purposes. Similar to a qualified REIT subsidiary, all assets, liabilities, and items of income, deduction, and credit of such a disregarded entity are treated as assets, liabilities, and items of income, deduction, and credit of the owner. Initially, the Partnership will be treated as a disregarded entity for federal income tax purposes (but not necessarily for other tax purposes such as employment and excise taxation) because we initially own 100% of the interests in the Partnership, either directly or indirectly through other disregarded entities. We may in the future admit other partners to the Partnership in property contribution transactions, at which time the Partnership will become a partnership for federal income tax purposes, with the consequences described below.

An unincorporated domestic entity, such as a partnership or a limited liability company, with two or more beneficial owners is generally treated as a partnership for federal income tax purposes and the owners are treated as partners for such purposes. For purposes of this discussion as it relates to federal income tax status, references to "partnership" also include a limited liability company treated as a partnership for U.S. federal income tax purposes, and references to "partner" include a member in such a limited liability company. A REIT is treated as owning its proportionate share of the assets of any partnership in which it is a partner and as earning its allocable share of the gross income of the partnership for purposes of the applicable REIT qualification tests. Thus, once the Partnership becomes a regarded entity and a partnership for federal income tax purposes, our proportionate share of the assets

and items of income of the Partnership and any other partnership in which we have acquired or will acquire an interest, directly or indirectly (a "Subsidiary Partnership"), are treated as our assets and gross income for purposes of applying the various REIT qualification requirements. Generally, except where the context indicates otherwise, references to the Partnership in this discussion will include Subsidiary Partnerships, although until the Partnership becomes regarded the Partnership will follow the disregarded entity rules described in the prior paragraph while the existing Subsidiary Partnerships that are currently regarded entities will be treated as partnerships. Our proportionate share of an entity treated as a partnership is generally determined, for REIT purposes, based on our percentage interest in partnership equity capital, subject to special rules relating to the 10% asset test described below.

We have control of the Partnership and, through the Partnership, intend to control any Subsidiary Partnerships, and we intend to operate them in a manner consistent with the requirements for our qualification as a REIT. However, the Partnership may from time to time be a limited partner or non-managing member in some of the Subsidiary Partnerships. If a Subsidiary Partnership in which the Partnership owns an interest but does not have control takes or expects to take actions that could jeopardize our status as a REIT or require us to pay tax, we may be forced to have the Partnership dispose of its interest in such entity. In addition, it is possible that a Subsidiary Partnership could take an action which could cause us to fail a gross income or asset test and that we would not become aware of such action in time for the Partnership to dispose of its interest in the Subsidiary Partnership or take other corrective action on a timely basis. In that case, we could fail to qualify as a REIT unless we were able to qualify for a statutory REIT "savings" provision, which could require us to pay a significant penalty tax to maintain our REIT qualification.

Income Tests. We must satisfy two gross income tests annually to maintain our qualification as a REIT:

- At least 75% of our gross income (excluding gross income from prohibited transactions, cancellation of indebtedness, certain real estate liability hedges, and certain foreign currency hedges entered into, and certain recognized real estate foreign exchange gains) for each taxable year must consist of defined types of income that we derive, directly or indirectly, from investments relating to real property or mortgages on real property or qualified temporary investment income (the "75% gross income test"). Qualifying income for purposes of the 75% gross income test includes "rents from real property," interest on debt secured by mortgages on real property or on interests in real property, gain from the sale of real estate assets other than debt instruments of "publicly offered" REITs (REITs that are required to file annual and periodic reports with the Securities and Exchange Commission under the Securities Exchange Act of 1934) that qualify as real estate assets solely for that reason, and dividends or other distributions on and gain from the sale of shares in other REITs; and
- At least 95% of our gross income (excluding gross income from prohibited transactions, cancellation of indebtedness, certain real estate liability hedges, and certain foreign currency hedges entered into, and certain recognized passive foreign exchange gains) for each taxable year must consist of income that is qualifying income for purposes of the 75% gross income test, dividends, other types of interest, gain from the sale or disposition of stock or securities, or any combination of the foregoing (the "95% gross income test"). In general, interest from any of our taxable REIT subsidiaries is qualifying income for purposes of the 95% gross income test, but is not qualifying income for purposes of the 75% gross income test unless such interest derives from debt secured by real property.

The following paragraphs discuss the specific application of these tests to us.

Rental Income. The Partnership's primary source of income derives from leasing properties. There are various limitations on whether rent that the Partnership receives from real property that it owns and leases to tenants will qualify as "rents from real property" (which is qualifying income for purposes of the 75% and 95% gross income tests) under the REIT tax rules:

- If the rent is based, in whole or in part, on the income or profits of any person although, generally, rent may be based on a fixed percentage or percentages of receipts or sales, the rent will not qualify as "rents from real property." Our leases provide for either fixed rent, sometimes with scheduled escalations, or a fixed minimum rent and a percentage of gross receipts in excess of some threshold. The Partnership has not entered into any lease based in whole or part on the net income of any person and on an ongoing basis will use its best efforts to avoid entering into such arrangements unless, in either instance, we have determined or we determine in our discretion that such arrangements will not jeopardize our status as a REIT;

- Except in certain limited circumstances involving taxable REIT subsidiaries, if we or someone who owns 10% or more of our shares owns 10% or more of a tenant from whom the Partnership receives rent, the tenant is deemed a "related party tenant," and the rent paid by the related party tenant will not qualify as "rents from real property." Our ownership and the ownership of a tenant is determined based on direct, indirect and constructive ownership. The constructive ownership rules generally provide that if 10% or more in value of our shares are owned, directly or indirectly, by or for any person, we are considered as owning the shares owned, directly or indirectly, by or for such person. The applicable attribution rules, however, are highly complex and difficult to apply, and the Partnership may inadvertently enter into leases with tenants who, through application of such rules, will constitute "related party tenants." In such event, rent paid by the related party tenant will not qualify as "rents from real property," which may jeopardize our status as a REIT. We believe that the Partnership has not leased property to any related party tenant, except where it may rent to certain taxable REIT subsidiaries as described below, or where we have determined in our discretion that the rent received from such related party tenant is not material and will not jeopardize our status as a REIT. On an ongoing basis, we will use our best efforts to ensure that the Partnership does not rent any property to a related party tenant (taking into account the applicable constructive ownership rules), unless we determine in our discretion that the rent received from such related party tenant will not jeopardize our status as a REIT;
- In the case of certain rent from a taxable REIT subsidiary which would, but for this exception, be considered rent from a related party tenant, the space leased to the taxable REIT subsidiary must be part of a property at least 90% of which is rented to persons other than taxable REIT subsidiaries and related party tenants, and the amounts of rent paid to the Partnership by the taxable REIT subsidiary must be substantially comparable to the rents paid by such other persons for comparable space. On an ongoing basis we use and will use our best efforts to ensure that all space leased to our taxable REIT subsidiaries by the Partnership meets these conditions, unless we determine in our discretion that the related party rent received from a taxable REIT subsidiary will not jeopardize our status as a REIT;
- If the rent attributable to any personal property leased in connection with a lease of property is more than 15% of the total rent received under the lease, all of the rent attributable to the personal property will fail to qualify as "rents from real property." If the rent attributable to personal property leased in connection with a lease of real property is 15% or less of the total rent received under the lease, then the rent attributable to personal property will qualify as rents from real property. In general, the Partnership has not leased a significant amount of personal property under its current leases. If any incidental personal property has been leased, we believe that rent under each lease from the personal property has been no more than 15% of total rent from that lease, and on an ongoing basis we will use our best efforts to avoid having the Partnership lease personal property in connection with a future lease except where rent from the personal property is no more than 15% of total rent from that lease, unless, in either instance, we have determined or we determine in our discretion that the amount of disqualified rent attributable to the personal property will not jeopardize our status as a REIT; and
- In general, if the Partnership furnishes or renders services to its tenants, other than through a taxable REIT subsidiary or an "independent contractor" who is adequately compensated and from whom the Partnership does not derive revenue, the income received from the tenants may not be deemed "rents from real property." In general, the Partnership may provide services directly, if the services are "usually or customarily rendered" in connection with the rental of space for occupancy only and are not otherwise considered to be provided for the tenant's convenience. In addition, the Partnership may render directly a de minimis amount of "non-customary" services to the tenants of a property without disqualifying the income as "rents from real property," as long as its income from the services does not exceed 1% of the income from the related property. We believe that the Partnership has not provided services to leased properties that have caused rents to be disqualified as rents from real property, and on an ongoing basis in the future, we will use our best efforts to determine in our discretion that any services provided by the Partnership will not cause rents to be disqualified as rents from real property, unless, in either instance, we have determined or we determine in our discretion that the amount of disqualified rent resulting from such services will not jeopardize our status as a REIT.

Based on, and subject to, the foregoing, we believe that rent from the Partnership's leases should generally qualify as "rents from real property" for purposes of the 75% and 95% gross income tests, except in amounts that should not jeopardize our status as a REIT. As described above, however, the IRS may assert successfully a contrary position and, therefore, prevent us from qualifying as a REIT.

Interest. For purposes of the gross income tests, the term "interest" generally does not include any amount received or accrued, directly or indirectly, if the determination of all or some of the amount depends in any way on the income or profits of any person. However, an amount received or accrued generally will not be excluded from the term "interest" solely by reason of being based on a fixed percentage or percentages of receipts or sales. If a loan contains a provision that entitles us to a percentage of the borrower's gain upon the sale of the real property securing the loan or a percentage of the appreciation in the property's value as of a specific date, income attributable to that loan provision will be treated as gain from the sale of the property securing the loan, which generally is qualifying income for purposes of both gross income tests.

The Partnership may from time to time hold mortgage debt. Interest on debt secured by a mortgage on real property or on interests in real property, including, for this purpose, discount points, prepayment penalties, loan assumption fees, and late payment charges that are not compensation for services, generally is qualifying income for purposes of the 75% gross income test. Interest on, and gains from the sale or other disposition of, debt secured by a mortgage on both real and personal property is qualifying income for purposes of both the 95% and 75% gross income tests if the fair market value of the personal property securing the debt does not exceed 15% of the total fair market value of all property securing the debt. However, in the case of acquisition of an existing loan secured by both real property and other property that does not meet the requirements of the previous sentence, if the highest principal amount of the loan outstanding during a taxable year exceeds the fair market value of the real property securing the loan as of the date the Partnership agreed to acquire the loan, then a portion of the interest income from such loan will not be qualifying income for purposes of the 75% gross income test, but will be qualifying income for purposes of the 95% gross income test. The portion of the interest income that will not be qualifying income for purposes of the 75% gross income test will be equal to the portion of the principal amount of the loan that is not secured by real property — that is, the amount by which the loan principal exceeds the value of the real estate that is security for the loan as of the date the Partnership agreed to acquire the loan.

Dividends. Our share of any dividends received from any corporation (including any taxable REIT subsidiary, but excluding any REIT) in which we own an equity interest will qualify for purposes of the 95% gross income test but not for purposes of the 75% gross income test. Our share of any dividends received from any other REIT in which we own an equity interest, if any, will be qualifying income for purposes of both gross income tests.

Tax on Income from Property Acquired in Foreclosure. We will be subject to tax at the maximum corporate rate on any income from foreclosure property (other than income that would be qualifying income for purposes of the 75% gross income test), less expenses directly connected to the production of such income. However, gross income from foreclosure property will qualify under the 75% and 95% gross income tests.

"Foreclosure property" is any real property (including interests in real property) and any personal property incident to such real property:

- that is acquired by a REIT at a foreclosure sale, or having otherwise become the owner or in possession of the property by agreement or process of law, after a default (or imminent default) on a lease of such property or on a debt owed to the REIT secured by the property;
- for which the related loan was acquired by the REIT at a time when default was not imminent or anticipated; and
- for which the REIT makes a proper election to treat the property as foreclosure property.

A REIT will not be considered to have foreclosed on a property where it takes control of the property as a mortgagee-in-possession and cannot receive any profit or sustain any loss except as a creditor of the mortgagor. Generally, property acquired as described above ceases to be foreclosure property on the earlier of:

- the last day of the third taxable year following the taxable year in which the REIT acquired the property (or longer if an extension is granted by the Secretary of the Treasury);
- the first day on which a lease is entered into with respect to such property that, by its terms, will give rise to income that does not qualify under the 75% gross income test or any amount is received or accrued, directly or indirectly, pursuant to a lease entered into on or after such day that will give rise to income that does not qualify under the 75% gross income test;
- the first day on which any construction takes place on such property (other than completion of a building, or any other improvement, where more than 10% of the construction of such building or other improvement was completed before default became imminent); or
- the first day that is more than 90 days after the day on which such property was acquired by the REIT and the property is used in a trade or business that is conducted by the REIT (other than through an independent contractor from whom the REIT itself does not derive or receive any income or through a taxable REIT subsidiary).

Tax on Prohibited Transactions. A REIT will incur a 100% tax on net income (taking into account foreign currency gains and losses) derived from any "prohibited transaction." A "prohibited transaction" generally is a sale or other disposition of property (other than foreclosure property) that the REIT holds primarily for sale to customers in the ordinary course of a trade or business. The prohibited transaction rules do not apply to property held by a taxable REIT subsidiary of a REIT. We believe that none of the Partnership's assets (other than certain assets held through our taxable REIT subsidiaries) are held for sale to customers and that a sale of any such asset would not be in the ordinary course of our business. Whether a REIT holds an asset "primarily for sale to customers in the ordinary course of a trade or business" depends, however, on the facts and circumstances in effect from time to time, including those related to a particular asset.

The Code provides a safe harbor that, if met by us (including with respect to properties held by the Partnership), allows us to avoid being treated as engaged in a prohibited transaction. In order to meet the safe harbor, (i) we must have held the property for at least 2 years (and, in the case of property which consists of land or improvements not acquired through foreclosure, we must have held the property for 2 years for the production of rental income), (ii) we must not have made aggregate expenditures includible in the basis of the property during the 2-year period preceding the date of sale that exceed 30% of the net selling price of the property, and (iii) during the taxable year the property is disposed of, we must not have made more than 7 property sales or, alternatively, the aggregate adjusted basis or fair market value of all of the properties sold by us during the taxable year must not exceed 10% of the aggregate adjusted basis or 10% of the fair market value, respectively, of all of our assets as of the beginning of the taxable year. With respect to clause (iii) above, if we rely on one of the alternative percentage tests rather than the 7-sale limitation, (A) we are permitted to sell properties with an aggregate adjusted basis (or fair market value) of up to 20% of the aggregate bases in (or fair market value of) our assets as long as the 10% standard is satisfied on average over the three-year period comprised of the taxable year at issue and the two immediately preceding taxable years, and (B) substantially all of the marketing and development expenditures with respect to the property must be made through a taxable REIT subsidiary or an independent contractor from whom we do not derive or receive any income. We believe we have complied with the terms of the safe harbor provision and we will attempt to comply with the terms of the safe harbor in the future, except where we determine in our discretion that a particular transaction will avoid prohibited transaction treatment regardless of the safe harbor. We may fail to comply with the safe harbor provision and may sell or dispose of property that could be characterized as property held "primarily for sale to customers in the ordinary course of a trade or business."

Tax and Deduction Limits on Certain Transactions with Taxable REIT Subsidiaries. A REIT will incur a 100% tax on certain transactions between a REIT and a taxable REIT subsidiary to the extent the transactions are not on an arms-length basis. In addition, under certain circumstances the interest paid by a taxable REIT subsidiary to the REIT may not be deductible by the taxable REIT subsidiary. We believe that none of the transactions the Partnership has had with our taxable REIT subsidiaries will give rise to the 100% tax, but recent changes to the interest deduction rules may affect interest deductions of our taxable REIT subsidiaries under some circumstances.

Hedging Transactions. Except to the extent provided by Treasury regulations, any income we derive from a hedging transaction (which may include entering into interest rate swaps, caps, and floors, options to purchase these items, and futures and forward contracts) which (i) is clearly identified as such as specified in the Code and Treasury regulations, and (ii) hedges indebtedness incurred or to be incurred by us to acquire or carry real estate assets or is entered into primarily to manage the risk of foreign currency fluctuations with respect to qualifying income under the 75% or 95% gross income test, including gain from the sale or disposition of such a transaction and certain income from hedging transactions entered into to hedge existing hedging positions after any portion of the hedged indebtedness or property is disposed of, will not constitute gross income for purposes of either the 75% or 95% gross income test, and therefore will be exempt from these tests. Income from any hedging transaction not described above will likely be treated as nonqualifying for both the 75% and 95% gross income tests.

Like-Kind Exchanges. The Partnership may dispose of properties in transactions intended to qualify as like-kind exchanges under the Code. Such like-kind exchanges are intended to result in the deferral of gain for federal income tax purposes. The failure of any such transaction to qualify as a like-kind exchange could require us to pay federal income tax, possibly including the 100% prohibited transaction tax, depending on the facts and circumstances surrounding the particular transaction. Legislative changes have eliminated like-kind exchanges for most personal property.

Relief from Consequences of Failing to Meet Income Tests. If we fail to satisfy one or both of the 75% and 95% gross income tests for any taxable year, we nevertheless may qualify as a REIT for such year if we qualify for relief under certain provisions of the Code. Those relief provisions generally will be available if our failure to meet such tests is due to reasonable cause and not due to willful neglect, and we file a schedule of the sources of our income in accordance with regulations prescribed by the Treasury. We may not qualify for the relief provisions in all circumstances. In addition, as discussed above in " — Taxation of the Company," even if the relief provisions apply, we would incur a 100% tax on gross income to the extent we fail the 75% or 95% gross income test (whichever amount is greater), multiplied by a fraction intended to reflect our profitability.

Asset Tests. To maintain our qualification as a REIT, we also must satisfy the following asset tests at the close of each quarter of each taxable year:

- At least 75% of the value of our total assets must consist of cash or cash items (including certain receivables and money market funds), U.S. government securities, "real estate assets," or qualifying temporary investments (the "75% asset test").
    - "Real estate assets" include interests in real property, interests in mortgages on real property and on interests in real property, stock in other REITs, and debt instruments of publicly offered REITs. Real estate assets also include personal property to the extent that rent attributable to such personal property qualifies as rents from real property because it does not exceed 15% of the total rent received under the lease. We believe that the Partnership's properties qualify as real estate assets.
    - "Interests in real property" include an interest in mortgage loans or land and improvements thereon, such as buildings or other inherently permanent structures (including items that are structural components of such buildings or structures), a leasehold of real property, and an option to acquire real property (or a leasehold of real property).
    - Qualifying temporary investments are investments in stock or debt instruments during the one-year period following our receipt of new capital that we raise through equity or long-term (at least five-year) debt offerings.
- For investments not included in the 75% asset test, (A) the value of our interest in any one issuer's securities (which does not include our equity ownership in other REITs, the Partnership, any taxable REIT subsidiary or any qualified REIT subsidiary) may not exceed 5% of the value of our total assets (the "5% asset test"), (B) we may not own more than 10% of the voting power or value of any one issuer's outstanding securities (which does not include our equity ownership in other REITs, the Partnership, any taxable REIT subsidiary or any qualified REIT subsidiary) (the "10% asset test"), and (C) no more than 25% of the value of our total assets may consist of securities that are not qualifying assets for purposes of the 75% asset test (including securities of any taxable REIT subsidiary that would not otherwise be treated as real estate assets). For purposes of the 10% asset test that relates to value, the following are not treated as securities: (i) loans to individuals and estates, (ii) securities issued by REITs, (iii) accrued obligations to pay rent; (iv) certain debt meeting the definition of "straight debt" if neither we nor a taxable REIT

subsidiary that we control hold more than 1% of the issuer's securities that do not qualify as "straight debt," and (v) debt issued by a partnership if the partnership meets the 75% gross income test with respect to its own gross income. In addition, solely for purposes of the 10% asset test that relates to value, the determination of our interest in the assets of a partnership in which we own an interest will be based on our proportionate interest in any securities issued by the partnership, excluding for this purpose certain securities described in the Code.

- The value of our securities in one or more taxable REIT subsidiaries (unless they would otherwise be treated as real estate assets) may not exceed 20% of the value of our total assets.
- The value of our holdings in debt instruments of publicly offered REITs (unless they would otherwise be treated as real estate assets) may not exceed 25% of the value of our total assets.

We intend to select future investments so as to comply with the asset tests.

As described above, the Partnership may from time to time hold mortgage debt. Mortgage loans will generally qualify as real estate assets for purposes of the 75% asset test to the extent that they are secured by real property. Further, a loan secured by a mortgage on both real and personal property qualifies as a real estate asset for purposes of the 75% asset test if the fair market value of the personal property securing the loan does not exceed 15% of the total fair market value of all property securing the loan. However, for a loan secured by both real property and other property that does not meet the requirements of the previous sentence, if the highest principal amount of the loan outstanding during a taxable year exceeds the fair market value of the real property securing the loan as of the date the Partnership agreed to acquire the loan, then a portion of such loan likely will not be a qualifying real estate asset. Under Revenue Procedure 2014-51, the IRS has stated that it will not challenge a REIT's treatment of a loan as being, in part, a real estate asset for purposes of the 75% asset test if the REIT treats the loan as being a qualifying real estate asset in an amount equal to the lesser of (i) the greater of (a) the current fair market value of the real property securing the loan or (b) the fair market value of such real property on the date the REIT acquires the loan, or (ii) the current fair market value of the loan.

If we fail to satisfy the asset tests at the end of a calendar quarter, we would not lose our REIT status if (i) we satisfied the asset tests at the close of the preceding calendar quarter and (ii) the discrepancy between the value of our assets and the asset test requirements arose from changes in the market values of our assets and was not wholly or partly caused by the acquisition of one or more non-qualifying assets. If we did not satisfy the condition described in clause (ii) of the preceding sentence, we still could avoid disqualification as a REIT by eliminating any discrepancy within 30 days after the close of the calendar quarter in which the discrepancy arose.

Relief from Consequences of Failing to Meet Asset Tests. If we fail to satisfy one or more of the asset tests for any quarter of a taxable year, we nevertheless may qualify as a REIT for such year if we qualify for relief under certain provisions of the Code. Those relief provisions are available for failures of the 5% asset test and the 10% asset test if (i) the failure is due to the ownership of assets that do not exceed the lesser of 1% of our total assets or $10 million, and (ii) the failure is corrected or we otherwise return to compliance with the applicable asset test within 6 months following the quarter in which it was discovered. In addition, should we fail to satisfy any of the asset tests other than failures addressed in the previous sentence, we may nevertheless qualify as a REIT for such year if (i) the failure is due to reasonable cause and not due to willful neglect, (ii) we file a schedule with a description of each asset causing the failure in accordance with regulations prescribed by the Treasury, (iii) the failure is corrected or we otherwise return to compliance with the asset tests within 6 months following the quarter in which the failure was discovered, and (iv) we pay a tax consisting of the greater of $50,000 or a tax computed at the highest corporate rate on the amount of net income generated by the assets causing the failure from the date of failure until the assets are disposed of or we otherwise return to compliance with the asset tests. We may not qualify for the relief provisions in all circumstances.

Distribution Requirements. Each taxable year, we must distribute dividends (other than capital gain dividends and deemed distributions of retained capital gain) to our shareholders in an aggregate amount at least equal to (1) the sum of 90% of (A) our "REIT taxable income" (computed without regard to the dividends paid deduction and our net capital gain) and (B) our net income (after tax), if any, from foreclosure property, minus (2) certain items of non-cash income.

We generally must pay such distributions in the taxable year to which they relate, or in the following taxable year if we (i) declare a dividend in one of the last three months of the calendar year to which the dividend relates which is payable to shareholders of record as determined in one of such months, and pay the distribution during January of the following taxable year, or (ii) declare the distribution before we timely file our federal income tax return for such year and pay the distribution on or before the first regular dividend payment date after such declaration.

Further, with respect to our 2014 and prior taxable years, in order for distributions made by the Predecessor to have been counted as satisfying the annual distribution requirements for REITs and to provide it with a dividends paid deduction, its distributions must not have been "preferential dividends." A dividend is not a preferential dividend if that distribution is (1) pro rata among all outstanding shares within a particular class and (2) in accordance with the preferences among different classes of shares as set forth in the REIT's organizational documents. For taxable years beginning after December 31, 2014, the preferential dividend rule does not apply to publicly offered REITs. The Predecessor was and we are a publicly offered REIT. Thus, so long as we continue to qualify as a publicly offered REIT, the preferential dividend rule does not apply to the Predecessor's taxable years from 2015 and our taxable years. However, subsidiary REITs we may own from time to time may not be publicly offered REITs and the preferential dividend rules would apply to such subsidiary REITs, although the IRS has issued multiple private letter rulings, which may not be relied upon as precedent, that a subsidiary REIT that meets certain conditions may be treated as a publicly offered REIT for these purposes.

We will pay federal income tax at regular corporate rates on taxable income (including net capital gain) that we do not distribute to shareholders. Furthermore, we will incur a 4% nondeductible excise tax if we fail to distribute during a calendar year (or, in the case of distributions with declaration and record dates falling in the last three months of the calendar year, by the end of January following such calendar year) at least the sum of (1) 85% of our REIT ordinary income for such year, (2) 95% of our REIT capital gain income for such year, and (3) any undistributed taxable income from prior periods. The excise tax is on the excess of such required distribution over the amounts we actually distributed. We may elect to retain and pay income tax on the net long-term capital gain we receive in a taxable year. See "— Taxation of Taxable U.S. Shareholders." For purposes of the 4% excise tax, we will be treated as having distributed any such retained amount. We have made, and we intend to continue to make, timely distributions sufficient to satisfy the annual distribution requirements.

It is possible that, from time to time, we may experience timing differences between (1) the actual receipt of income and actual payment of deductible expenses and (2) the inclusion of that income and deduction of such expenses in arriving at our REIT taxable income. For example, we may not deduct recognized capital losses from our REIT taxable income. Further, it is possible that, from time to time, we may be allocated a share of partnership net capital gain attributable to the sale of depreciated property that exceeds our allocable share of cash attributable to that sale. As a result of the foregoing, we may have less cash than is necessary to distribute taxable income sufficient to avoid corporate income tax and the excise tax imposed on certain undistributed income or even to meet the 90% distribution requirement. In such a situation, we may need to borrow funds, issue additional preferred or common shares to raise the cash necessary to make required distributions or, if possible, pay taxable dividends of our shares or debt securities.

We may satisfy the 90% distribution requirement with taxable distributions of our shares or debt securities. The IRS has issued private letter rulings to other REITs treating certain distributions that are paid partly in cash and partly in shares as dividends that would satisfy the REIT annual distribution requirement and qualify for the dividends paid deduction for federal income tax purposes. Those rulings may be relied upon only by taxpayers to whom they were issued, but we could request a similar ruling from the IRS. The IRS has also issued a revenue procedure applicable to publicly offered REITs that provides that the IRS will treat distributions that, at the election of each shareholder, are paid partly in cash and partly in shares as dividends that satisfy the REIT annual distribution requirement and as distributions that qualify for the dividends paid deduction for federal income tax purposes, provided certain conditions are satisfied, including a requirement that at least 20% of the total dividend is available in cash. In late 2021, the IRS issued additional guidance temporarily reducing, through June 30, 2022, the minimum amount of the distribution that must be available in cash to 10% to respond to economic disruptions and allow REITs to conserve capital and enhance their liquidity. We have no current intention to make such an elective cash/shares distribution or a distribution of debt securities, but in the event of an elective cash/shares distribution we expect to structure it so as to comply with the applicable revenue procedure. If we were to choose to make a cash/shares distribution, shareholders may be required to pay tax in excess of the cash that they receive or may be subject to withholding taxes, including with respect to all or a portion of such dividend that is payable in shares.

Under certain circumstances, we may be able to correct a failure to meet the distribution requirement for a year by paying deficiency dividends to our shareholders in a later year. We may include such deficiency dividends in our deduction for dividends paid for the earlier year. Although we may be able to avoid income tax on amounts distributed as deficiency dividends, we will be required to pay interest to the IRS based upon the amount of any deduction we take for deficiency dividends.

Record Keeping Requirements. We must maintain certain records in order to qualify as a REIT. In addition, to avoid a monetary penalty, we must request on an annual basis certain information from our shareholders designed to disclose the actual ownership of our outstanding shares. We have complied, and intend to continue to comply, with such requirements.

Relief from Other Failures of the REIT Qualification Provisions. If we fail to satisfy one or more of the requirements for REIT qualification (other than the income tests or the asset tests), we nevertheless may avoid termination of our REIT election in such year if the failure is due to reasonable cause and not due to willful neglect and we pay a penalty of $50,000 for each failure to satisfy the REIT qualification requirements. We may not qualify for this relief provision in all circumstances.

Failure to Qualify. If we fail to qualify as a REIT in any taxable year, and no relief provision applied, we would be subject to federal income tax on our taxable income at regular corporate rates. In calculating our taxable income in a year in which we fail to qualify as a REIT, we would not be able to deduct amounts paid out to shareholders and we would not be required to distribute any amounts to shareholders in such year. In such event, to the extent of our current and accumulated earnings and profits, all distributions to shareholders would be taxable as ordinary income. Any such dividends should, however, be "qualified dividend income," which is taxable at long-term capital gain rates for individual shareholders who satisfy certain holding period requirements. See "— Taxation of Taxable U.S. Shareholders — Current Tax Rates." Furthermore, subject to certain limitations of the Code, corporate shareholders might be eligible for the dividends received deduction. Unless we qualified for relief under specific statutory provisions, we also would be disqualified from taxation as a REIT for the four taxable years following the year during which we ceased to qualify as a REIT. We cannot predict whether in all circumstances we would qualify for such statutory relief.

Taxation of Taxable U.S. Shareholders

As used herein, the term "taxable U.S. shareholder" means a taxable beneficial owner of our common or preferred shares that for U.S. federal income tax purposes is:

- a citizen or resident of the United States;
- a corporation (including an entity treated as a corporation for federal income tax purposes) created or organized in or under the laws of the United States, any of its states or the District of Columbia;
- an estate whose income is subject to U.S. federal income taxation regardless of its source; or
- a trust if (A) a U.S. court is able to exercise primary supervision over the administration of such trust and one or more United States persons have the authority to control all substantial decisions of the trust, or (B) it has a valid election in effect to be treated as a United States person.

For U.S. federal income tax purposes, holders of depositary share receipts will be treated as if they held the equivalent fraction of the underlying preferred shares. Accordingly, the discussion below with respect to the consequences of holding our preferred shares applies equally to holders of depositary receipts.

Dividends and Other Taxable U.S. Shareholder Distributions. As long as we qualify as a REIT, a taxable U.S. shareholder must take into account distributions on our common or preferred shares out of our current or accumulated earnings and profits (and that we do not designate as capital gain dividends or retained long-term capital gain) as ordinary income. Such distributions will not qualify for the dividends received deduction generally

available to corporations. In addition, dividends paid to taxable U.S. shareholders generally will not qualify for the maximum 20% tax rate for "qualified dividend income." However, for taxable years prior to 2026, generally non-corporate shareholders are allowed to deduct 20% of the aggregate amount of ordinary dividends distributed by us, subject to certain limitations, including a requirement that the taxable U.S. shareholder receiving such dividends hold the dividend-paying REIT shares for at least 46 days (taking into account certain special holding period rules) of the 91-day period beginning 45 days before the shares become ex-dividend and not be under an obligation to make related payments with respect to a position in substantially similar or related property.

In determining the extent to which a distribution constitutes a dividend for U.S. federal income tax purposes, our earnings and profits will be allocated first to distributions with respect to our preferred shares and then to distributions with respect to our common shares. If, for any taxable year, we elect to designate as capital gain dividends any portion of the distributions paid for the year to our shareholders, the portion of the amount so designated (not in excess of our net capital gain for the year) that will be allocable to the holders of each class or series of preferred shares will be the amount so designated, multiplied by a fraction, the numerator of which will be the total dividends (within the meaning of the Code) paid to the holders of such class or series of preferred shares for the year and the denominator of which will be the total dividends paid to the holders of all classes of our shares for the year. The remainder of the designated capital gain dividends will be allocable to holders of our common shares.

A taxable U.S. shareholder will recognize distributions that we designate as capital gain dividends as long-term capital gain (to the extent they do not exceed our actual net capital gain for the taxable year) without regard to the period for which the taxable U.S. shareholder has held its common or preferred shares. See "— Capital Gains and Losses" below. Subject to certain limitations, we will designate whether our capital gain dividends are taxable at the usual capital gains rate or at the higher rate applicable to depreciation recapture. A corporate taxable U.S. shareholder, however, may be required to treat up to 20% of certain capital gain dividends as ordinary income.

We may elect to retain and pay income tax on the net long-term capital gain that we receive in a taxable year. In that case, a taxable U.S. shareholder would be taxed on its proportionate share of our undistributed long-term capital gain. The taxable U.S. shareholder would receive a credit or refund for its proportionate share of the tax we paid. The taxable U.S. shareholder would increase the basis in its shares by the amount of its proportionate share of our undistributed long-term capital gain, minus its share of the tax we paid.

A taxable U.S. shareholder will not incur tax on a distribution to the extent it exceeds our current and accumulated earnings and profits if such distribution does not exceed the adjusted basis of the taxable U.S. shareholder's common or preferred shares. Instead, such distribution in excess of earnings and profits will reduce the adjusted basis of such common or preferred shares. To the extent a distribution exceeds both our current and accumulated earnings and profits and the taxable U.S. shareholder's adjusted basis in its common or preferred shares, the taxable U.S. shareholder will recognize long-term capital gain (or short-term capital gain if the shares have been held for one year or less), assuming the shares are a capital asset in the hands of the taxable U.S. shareholder. In addition, if we declare a distribution in October, November, or December of any year that is payable to a taxable U.S. shareholder of record on a specified date in any such month, such distribution shall be treated as both paid by us and received by the taxable U.S. shareholder on December 31 of such year to the extent of our earnings and profits, provided that we actually pay the distribution during January of the following calendar year. We will notify taxable U.S. shareholders after the close of our taxable year as to the portions of the distributions attributable to that year that constitute return of capital, ordinary income or capital gain dividends.

Taxation of Taxable U.S. Shareholders on the Disposition of Our Shares. In general, a taxable U.S. shareholder must treat any gain or loss realized upon a taxable disposition of our common or preferred shares as long-term capital gain or loss if the taxable U.S. shareholder has held the shares for more than one year and otherwise as short-term capital gain or loss. In general, a taxable U.S. shareholder will realize gain or loss in an amount equal to the difference between the sum of the fair market value of any property and the amount of cash received in such disposition and the taxable U.S. shareholder's adjusted tax basis. A taxable U.S. shareholder's adjusted tax basis generally will equal the taxable U.S. shareholder's acquisition cost, increased by the excess of net capital gains deemed distributed to the taxable U.S. shareholder (discussed above) less tax deemed paid on such gains and reduced by any returns of capital. However, a taxable U.S. shareholder must treat any loss upon a sale or exchange of common or preferred shares held by such shareholder for six months or less (after applying certain holding period rules) as a long-term capital loss to the extent of capital gain dividends and other distributions from us that such taxable U.S. shareholder treats as long-term capital gain.

Capital Gains and Losses. A taxpayer generally must hold a capital asset for more than one year for gain or loss derived from its sale or exchange to be treated as long-term capital gain or loss. The highest marginal individual income tax rate on ordinary income significantly exceeds the maximum tax rate on long-term capital gain applicable to non-corporate taxpayers. The maximum tax rate on long-term capital gain from the sale or exchange of "Section 1250 property" (i.e., depreciable real property) is, to the extent that such gain would have been treated as ordinary income if the property were "Section 1245 property," higher than the maximum long-term capital gain rate otherwise applicable. With respect to distributions that we designate as capital gain dividends and any retained capital gain that is deemed to be distributed, we may designate (subject to certain limits) whether such a distribution is taxable to our non-corporate shareholders at the lower or higher rate. A taxable U.S. shareholder required to include retained long-term capital gains in income will be deemed to have paid, in the taxable year of the inclusion, its proportionate share of the tax paid by us in respect of such undistributed net capital gains. Taxable U.S. shareholders subject to these rules will be allowed a credit or a refund, as the case may be, for the tax deemed to have been paid by such shareholders. Taxable U.S. shareholders will increase their basis in their shares by the difference between the amount of such includible gains and the tax deemed paid by the taxable U.S. shareholder in respect of such gains. In addition, the characterization of income as capital gain or ordinary income may affect the deductibility of capital losses. A non-corporate taxpayer may generally deduct capital losses not offset by capital gains against its ordinary income only up to a maximum annual amount of $3,000. A non-corporate taxpayer may carry forward unused capital losses indefinitely. A corporate taxpayer must pay tax on its net capital gain at ordinary corporate rates. A corporate taxpayer can deduct capital losses only to the extent of capital gains, with unused losses being carried back three years and forward five years.

Redemption of Preferred Shares for Cash. The treatment accorded to any redemption by us for cash (as distinguished from a sale, exchange or other disposition) of preferred shares can only be determined on the basis of particular facts as to each holder at the time of redemption. As stated above, in general a taxable U.S. shareholder of preferred shares will recognize capital gain or loss measured by the difference between the amount received upon the redemption and such holder's adjusted tax basis in the preferred shares redeemed (provided the preferred shares are held as a capital asset) if such redemption (i) results in a "complete termination" of the holder's interest in all classes of our shares under Section 302(b)(3) of the Code, (ii) is "substantially disproportionate'" with respect to the holder's interest in our shares under Section 302(b)(2) of the Code (which will not be the case if only preferred shares are redeemed, since they generally do not have voting rights), or (iii) is "not essentially equivalent to a dividend" with respect to the holder of preferred shares under Section 302(b)(1) of the Code. In applying these tests, there must be taken into account not only the preferred shares owned by the taxable U.S. shareholder, but also such holder's ownership of our common shares and any other options (including share purchase rights) to acquire any of the foregoing. The holder of preferred shares also must take into account any such securities (including options) which are considered to be owned by such holder by reason of the constructive ownership rules set forth in Sections 318 and 302(c) of the Code.

If a particular taxable U.S. shareholder of preferred shares owns (actually or constructively) none of our common shares or an insubstantial percentage of our outstanding common shares, then based upon current law, it is probable that the redemption of preferred shares from such a holder would be considered "not essentially equivalent to a dividend." However, whether a dividend is "not essentially equivalent to a dividend" depends on all of the facts and circumstances, and a taxable U.S. shareholder of preferred shares intending to rely on any of these tests at the time of redemption should consult the holder's own tax advisor to determine their application to the holder's particular situation. If the redemption does not meet any of the tests under Section 302 of the Code, then the redemption proceeds received from the preferred shares will be treated as a distribution on the preferred shares. If the redemption is taxed as a dividend, the taxable U.S. shareholder's adjusted tax basis in the preferred shares will be transferred to any other shares held by the holder. If the holder of preferred shares owns none of our other shares, under certain circumstances, such basis may be transferred to a related person, or it may be lost entirely.

Under previously proposed Treasury regulations, if any portion of the amount received by a taxable U.S. shareholder on a redemption of our preferred shares is treated as a distribution with respect to our shares but not as a taxable dividend, then such portion would be allocated to all shares held by the taxable U.S. shareholder just before the redemption on a pro rata, share-by-share, basis. The amount applied to each share would first reduce the taxable

U.S. shareholder's basis in that share and any excess after the basis is reduced to zero would result in taxable gain. If the holder had different basis in its shares, then the amount allocated could reduce some of the basis in certain shares while reducing all the basis and giving rise to taxable gain in others. Thus, the taxable U.S. shareholder could have gain even if the holder's basis in all its shares exceeded such portion. The proposed Treasury regulations permitted the transfer of basis in the redeemed shares of the preferred shares to the taxable U.S. shareholder's remaining, unredeemed preferred shares (if any), but not to any other class of shares held (directly or indirectly) by the taxable U.S. shareholder. Instead, any unrecovered basis in the preferred shares would be treated as a deferred loss to be recognized when certain conditions are satisfied. As of March 28, 2019, these proposed Treasury regulations have been withdrawn. As a result, the treatment of adjustments to basis of a taxable U.S. shareholder's preferred shares with respect to amounts treated as a distribution with respect to preferred shares, but not a dividend, as well as the treatment of the basis of any unredeemed shares, may be less certain. We urge you to consult your tax advisor concerning the treatment of a cash redemption of our preferred shares.

Redemption or Conversion of Preferred Shares to Common Shares. Assuming that preferred shares will not be redeemed or converted at a time when there are distributions in arrears, in general, no gain or loss will be recognized for U.S. federal income tax purposes upon the redemption or conversion of our preferred shares at the option of the holder solely into common shares. The basis that a taxable U.S. shareholder will have for U.S. federal income tax purposes in the common shares received will be equal to the adjusted basis the holder had in the preferred shares so redeemed or converted and, provided that the preferred shares were held as a capital asset, the holding period for the common shares received will include the holding period for the preferred shares redeemed or converted. A holder, however, will generally recognize gain or loss on the receipt of cash in lieu of a fractional common share in an amount equal to the difference between the amount of cash received and the holder's adjusted basis in such fractional share.

If a redemption or conversion occurs when there is a dividend arrearage on the preferred shares and the fair market value of the common shares exceeds the issue price of the preferred shares, a portion of the common shares received might be treated as a dividend distribution taxable as ordinary income.

If, pursuant to the terms of a class of preferred shares, a taxable U.S. shareholder receives alternative consideration such as cash, securities or other property or assets (including any combination thereof) in lieu of common shares in connection with the conversion of the taxable U.S. shareholder's preferred shares, the tax treatment of the receipt of any such other consideration will depend on the nature of the consideration and the structure of the transaction that gives rise to the right to receive such alternative consideration, and it may be a taxable exchange. Taxable U.S. shareholders converting their preferred shares should consult their tax advisors regarding the U.S. federal income tax consequences of any such conversion and of the ownership and disposition of the consideration received upon any such conversion.

Adjustments to Conversion Price. Under Section 305 of the Code, holders of preferred shares may be deemed to have received a constructive distribution of shares that is taxable as a dividend where the conversion ratio is adjusted to reflect a cash or property distribution with respect to the common shares into which it is convertible. An adjustment to the conversion price made pursuant to a *bona fide*, reasonable adjustment formula that has the effect of preventing dilution of the interest of the holders, however, will generally not be considered to result in a constructive distribution of shares. Certain of the possible adjustments that may be provided in issuances of our preferred shares may not qualify as being pursuant to a *bona fide*, reasonable adjustment formula. In such a case, if a nonqualifying adjustment were made, the holders of preferred shares might be deemed to have received a taxable share dividend.

Passive Activity and Investment Income Limitations. Distributions from us and gain from the disposition of our common or preferred shares will not be treated as passive activity income and, therefore, taxable U.S. shareholders will not be able to apply any passive activity losses against such income. Dividends from us (to the extent they do not constitute a return of capital or capital gain dividends) and, on an elective basis, capital gain dividends and gain from the disposition of common or preferred shares generally will be treated as investment income for purposes of the investment income limitation.

Medicare Tax on Unearned Income. Certain taxable U.S. shareholders who are individuals, estates or trusts are subject to a 3.8% Medicare tax on all or a portion of their "net investment income," which may include all or a portion of their dividends on our common or preferred shares and net gains from the taxable disposition of their shares. Taxable U.S. shareholders that are individuals, estates or trusts should consult their tax advisors regarding the applicability of the Medicare tax to any of their income or gains in respect of our common or preferred shares.

Current Tax Rates. The maximum tax rate on the long-term capital gains of domestic non-corporate taxpayers is 20%. The maximum tax rate on "qualified dividend income" is the same as the capital gains rate, and is substantially lower than the maximum rate on ordinary income. Because, as a REIT, we are not generally subject to tax on the portion of our REIT taxable income or capital gains distributed to our shareholders, our distributions are not generally eligible for the tax rate on qualified dividend income. As a result, our ordinary REIT distributions are taxed at the higher tax rates applicable to ordinary income. However, for taxable years prior to 2026, generally non-corporate shareholders are allowed to deduct 20% of the aggregate amount of ordinary dividends distributed by us for purposes of determining their U.S. federal income tax (but not for purposes of the 3.8% Medicare tax), subject to certain limitations, including a requirement that the taxable U.S. shareholder receiving such dividends hold the dividend-paying REIT shares for at least 46 days (taking into account certain special holding period rules) of the 91-day period beginning 45 days before the shares become ex-dividend and not be under an obligation to make related payments with respect to a position in substantially similar or related property. Further, with respect to non-corporate taxpayers, the lower qualified dividend income/capital gains tax rate (at a maximum of 20%) does generally apply to:

- a shareholder's long-term capital gain, if any, recognized on the disposition of our shares;
- distributions we designate as long-term capital gain dividends (except to the extent attributable to real estate depreciation, in which case the 25% tax rate applies);
- distributions attributable to dividends we receive from non-REIT corporations (including our taxable REIT subsidiaries); and
- distributions to the extent attributable to income upon which we have paid corporate tax (for example, the tax we would pay if we distributed less than all of our taxable REIT income).

In general, to qualify for the reduced tax rate on qualified dividend income, a shareholder must hold our shares for more than 60 days during the 121-day period beginning on the date that is 60 days before the date on which our shares become ex-dividend.

Information Reporting and Backup Withholding. Taxable U.S. shareholders that are "exempt recipients" (such as corporations) generally will not be subject to U.S. backup withholding and related information reporting on payments of dividends on, and the proceeds from the disposition of, our common or preferred shares unless, when required, they fail to demonstrate their status as exempt recipients. In general, we will report to our other shareholders and to the IRS the amount of distributions we pay during each calendar year, and the amount of tax we withhold, if any. Under the backup withholding rules, a shareholder may be subject to backup withholding (currently at the rate of 24%) with respect to dividends unless such holder (1) is a corporation or comes within certain other exempt categories and, when required, demonstrates this fact, or (2) provides a taxpayer identification number, certifies as to no loss of exemption from backup withholding, and otherwise complies with the applicable requirements of the backup withholding rules. A shareholder who does not provide us with its correct taxpayer identification number also may be subject to penalties imposed by the IRS. In addition, we may be required to withhold a portion of capital gain distributions to any shareholders who fail to certify their non-foreign status to us. Backup withholding is not an additional tax and may be credited against a shareholder's regular U.S. federal income tax liability or refunded by the IRS provided that the shareholder provides the required information to the IRS in a timely manner.

Taxation of Tax-Exempt U.S. Shareholders

Tax-exempt entities, including qualified employee pension and profit-sharing trusts and individual retirement accounts and annuities ("exempt organizations"), generally are exempt from federal income taxation. However, they are subject to taxation on their unrelated business taxable income ("UBTI"). While many investments in real estate generate UBTI, the IRS has issued a published ruling that dividend distributions from a REIT to an exempt employee pension trust do not constitute UBTI, provided that the exempt employee pension trust does not otherwise

use the shares of the REIT in an unrelated trade or business of the pension trust. Based on that ruling, amounts that we distribute to exempt organizations generally should not constitute UBTI. However, if an exempt organization were to finance its acquisition of shares with debt, a portion of the income that they receive from us would constitute UBTI pursuant to the "debt-financed property" rules. Furthermore, social clubs, voluntary employee benefit associations, and supplemental unemployment benefit trusts that are exempt from taxation under paragraphs (7), (9), and (17), respectively, of Code Section 501(c) are subject to different UBTI rules, which generally will require them to characterize distributions that they receive from us as UBTI unless the organization is able to properly claim a deduction for amounts set aside or placed in reserve for specific purposes so as to offset the income generated by its investment in our shares. Finally, in certain circumstances, a qualified employee pension or profit-sharing trust that owns more than 10% of our shares is required to treat a percentage of the dividends that it receives from us as UBTI (the "UBTI Percentage"). The UBTI Percentage is equal to the gross income we derive from an unrelated trade or business (determined as if we were a pension trust) divided by our total gross income for the year in which we pay the dividends. The UBTI rule applies to a pension trust holding more than 10% of our shares only if:

- the UBTI Percentage is at least 5%;
- we qualify as a REIT by reason of the modification of the 5/50 Rule that allows the beneficiaries of the pension trust to be treated as holding our shares in proportion to their actuarial interests in the pension trust; and
- we are a "pension-held REIT" (i.e., either (1) one pension trust owns more than 25% of the value of our shares or (2) a group of pension trusts individually holding more than 10% of the value of our shares collectively owns more than 50% of the value of our shares).

Tax-exempt entities will be subject to the rules described above, under the heading "— Taxation of Taxable U.S. Shareholders" concerning the inclusion of our designated undistributed net capital gains in the income of our shareholders. Thus, such entities will, after satisfying filing requirements, be allowed a credit or refund of the tax deemed paid by such entities in respect of such includible gains.

Taxation of Non-U.S. Shareholders

The rules governing U.S. federal income taxation of non-U.S. shareholders (defined below) are complex. This section is only a summary of such rules. We urge non-U.S. shareholders to consult their tax advisors to determine the impact of the U.S. federal, state, and local income tax laws on ownership of our common or preferred shares, including any reporting requirements. As used herein, the term "non-U.S. shareholder" means any taxable beneficial owner of our shares (other than a partnership or entity that is treated as a partnership for U.S. federal income tax purposes) that is not a taxable U.S. shareholder or exempt organization.

Ordinary Dividends. A non-U.S. shareholder that receives a distribution that is not attributable to gain from our sale or exchange of "U.S. real property interests" (as defined below) and that we do not designate as a capital gain dividend or retained capital gain will recognize ordinary income to the extent that we pay such distribution out of our current and accumulated earnings and profits. A withholding tax equal to 30% of the gross amount of the distribution ordinarily will apply to such distribution unless an applicable tax treaty reduces or eliminates the tax. Under some treaties, however, rates below 30% that are applicable to ordinary income dividends from U.S. corporations may not apply to ordinary income dividends from a REIT or may apply only if the REIT meets certain additional conditions. However, if a distribution is treated as effectively connected with the non-U.S. shareholder's conduct of a U.S. trade or business (and, if required by an applicable income tax treaty, attributable to a U.S. permanent establishment maintained by the non-U.S. shareholder), the non-U.S. shareholder generally will be subject to federal income tax on the distribution at graduated rates, in the same manner as taxable U.S. shareholders are taxed with respect to such distributions (and also may be subject to the 30% branch profits tax in the case of a non-U.S. shareholder that is a non-U.S. corporation unless the tax is reduced or eliminated by an applicable income tax treaty). We plan to withhold U.S. income tax at the rate of 30% on the gross amount of any such distribution paid to a non-U.S. shareholder unless (i) a lower treaty rate applies and the non-U.S. shareholder timely provides an IRS Form W-8BEN or W-8BEN-E to us evidencing eligibility for that reduced rate, or (ii) the non-U.S. shareholder timely provides an IRS Form W-8ECI to us claiming that the distribution is effectively connected income.

Return of Capital. A non-U.S. shareholder will not incur tax on a distribution to the extent it exceeds our current and accumulated earnings and profits if such distribution does not exceed the adjusted basis of its common or preferred shares. Instead, such distribution in excess of earnings and profits will reduce the adjusted basis of such shares. A non-U.S. shareholder will be subject to tax to the extent a distribution exceeds both our current and accumulated earnings and profits and the adjusted basis of its common or preferred shares, if the non-U.S. shareholder otherwise would be subject to tax on gain from the sale or disposition of its shares, as described below. Because we generally cannot determine at the time we make a distribution whether or not the distribution will exceed our current and accumulated earnings and profits, we normally will withhold tax on the entire amount of any distribution just as we would withhold on a dividend. However, a non-U.S. shareholder may obtain a refund of amounts that we withhold if we later determine that a distribution in fact exceeded our current and accumulated earnings and profits.

If we are treated as a "United States real property holding corporation," we will be required to withhold 15% of any distribution that exceeds our current and accumulated earnings and profits, unless the non-U.S. shareholder is a "qualified foreign pension fund" (or is wholly-owned by one or more qualified foreign pension funds) or a non-U.S. shareholder that is publicly-traded and meets certain record-keeping and other requirements (a "qualified shareholder"), each as defined in the Code. Consequently, although we intend to withhold at a rate of 30% on the entire amount of any distribution, to the extent we do not do so, we may withhold at a rate of 15% on any portion of a distribution not subject to withholding at a rate of 30% that is not made to a qualified foreign pension fund or a qualified shareholder.

Non-U.S. shareholders are urged to consult their tax advisors as to their qualification as a "qualified foreign pension fund" or a "qualified shareholder." The qualified shareholder provisions do not apply to the extent owners of such qualified shareholders that are not also qualified shareholders own, actually or constructively, more than 10% of the class of shares of the REIT held by the qualified shareholders ("applicable investors"). To the extent distributions not allocable to an applicable investor exceed both our current and accumulated earnings and profits and the adjusted basis of the qualified shareholder's shares, or result from certain redemptions or liquidating distributions, such distributions are treated as ordinary dividends taxable as described above under "— Ordinary Dividends."

Capital Gain Dividends. Provided that a particular class of our shares is "regularly traded" on an established securities market in the United States, and the non-U.S. shareholder does not own more than 10% of the shares of such class at any time during the one-year period preceding the distribution, then amounts distributed with respect to those shares that are designated as capital gains from our sale or exchange of U.S. real property interests (defined below) are treated as ordinary dividends taxable as described above under "— Ordinary Dividends."

If the foregoing exception does not apply, for example because the non-U.S. shareholder owns more than 10% of the relevant class of our shares, or because our shares are not regularly traded on an established securities market, the non-U.S. shareholder will incur tax on distributions that are attributable to gain from our sale or exchange of U.S. real property interests under the provisions of the Foreign Investment in Real Property Tax Act of 1980 ("FIRPTA"). The FIRPTA rules described in this paragraph do not apply to such distributions to a qualified foreign pension fund or a qualified shareholder (other than distributions allocable to an applicable investor), although such distributions to a qualified shareholder not allocable to an applicable investor are treated as ordinary dividends taxable as described above under "— Ordinary Dividends." The term "U.S. real property interests" includes certain interests in real property and stock in corporations at least 50% of whose assets consists of interests in real property, but excludes mortgage loans and mortgage-backed securities. Under FIRPTA, a non-U.S. shareholder is taxed on distributions attributable to gain from sales of U.S. real property interests as if such gain were effectively connected with a U.S. business of the non-U.S. shareholder. A non-U.S. shareholder thus would be taxed on such a distribution at the normal capital gain rates applicable to taxable U.S. shareholders (subject to applicable alternative minimum tax and a special alternative minimum tax in the case of a nonresident alien individual). A corporate non-U.S. shareholder may also be subject to the 30% branch profits tax unless the tax is reduced or eliminated by an applicable income tax treaty. We must withhold 21% of any distribution that we could designate as a capital gain dividend. However, if we make a distribution and later designate it as a capital gain dividend, then (although such distribution may be taxable to a non-U.S. shareholder) it is not subject to withholding under FIRPTA. Instead, we must make up the 21% FIRPTA withholding from distributions made after the designation, until the amount of distributions withheld at 21% equals the amount of the distribution designated as a capital gain dividend. A non-U.S. shareholder may receive a credit against its FIRPTA tax liability for the amount we withhold.

Distributions to a non-U.S. shareholder that we designate at the time of distribution as capital gain dividends which are not attributable to or treated as attributable to our disposition of a U.S. real property interest generally will not be subject to U.S. federal income taxation, except as described below under "— Sale of Shares."

Retention of Net Capital Gains. Although the law is not clear on the matter, it appears that amounts we designate as retained capital gains in respect of our shares held by shareholders generally should be treated with respect to non-U.S. shareholders in the same manner as actual distributions by us of capital gain dividends. Under this approach, a non-U.S. shareholder would be able to offset as a credit against its U.S. federal income tax liability resulting from its proportionate share of the tax paid by us on such retained capital gains, and to receive from the IRS a refund to the extent the non-U.S. shareholder's proportionate share of such tax paid by us exceeds its actual U.S. federal income tax liability, provided that the non-U.S. shareholder furnishes required information to the IRS on a timely basis. If we were to designate any portion of our net capital gain as retained net capital gain, a non-U.S. shareholder should consult its tax advisor regarding the taxation of such retained net capital gain.

Sale of Shares. A non-U.S. shareholder generally will not incur tax under FIRPTA on gain from the sale of its common or preferred shares as long as we are a "domestically controlled REIT." A "domestically controlled REIT" is a REIT in which at all times during a specified testing period foreign persons held, directly or indirectly, less than 50% in value of our shares (after applying specified presumptions regarding the ownership of our shares). We anticipate that we will continue to be a domestically controlled REIT, but there is no assurance that we will continue to be so. However, even if we are not, or cease to be, a domestically controlled REIT, a non-U.S. shareholder that owns, actually or constructively, 10% or less of a class of our outstanding shares at all times during a specified testing period will not incur tax under FIRPTA on a sale of such shares if shares of such class are "regularly traded" on an established securities market. If neither of these exceptions were to apply, a non-U.S. shareholder that is not a qualified foreign pension fund or a qualified shareholder (other than with respect to an applicable investor) would be taxed under FIRPTA on the gain on the sale of the shares, in which case such non-U.S. shareholder would be required to file a U.S. federal income tax return and would be taxed in generally the same manner as taxable U.S. shareholders with respect to such gain (subject to applicable alternative minimum tax and a special alternative minimum tax in the case of nonresident alien individuals), and if the shares sold were not regularly traded on an established securities market or we were not a domestically-controlled REIT, the purchaser of the shares may be required to withhold and remit to the IRS 15% of the purchase price.

A non-U.S. shareholder will incur tax on gain not subject to FIRPTA if (1) the gain is effectively connected with the non-U.S. shareholder's U.S. trade or business (and, if required by an applicable income tax treaty, is attributable to a U.S. permanent establishment maintained by the non-U.S. shareholder), in which case the non-U.S. shareholder will be subject to the same treatment as taxable U.S. shareholders with respect to such gain, or (2) the non-U.S. shareholder is a nonresident alien individual who was present in the U.S. for 183 days or more during the taxable year, in which case the non-U.S. shareholder will incur a 30% tax on his capital gains. Capital gains dividends not subject to FIRPTA will be subject to similar rules. A non-U.S. shareholder that is treated as a corporation for U.S. federal income tax purposes and has effectively connected income (as described in the first point above) may also, under certain circumstances, be subject to an additional branch profits tax, which is generally imposed on a foreign corporation on the deemed repatriation from the United States of effectively connected earnings and profits, at a 30% rate, unless the rate is reduced or eliminated by an applicable income tax treaty.

Wash Sales. In general, special wash sale rules apply if a shareholder owning more than 5% of our common or preferred shares avoids a taxable distribution of gain recognized from the sale or exchange of U.S. real property interests by selling our shares before the ex-dividend date of the distribution and then, within a designated period, enters into an option or contract to acquire shares of the same or a substantially identical class of our shares. If a wash sale occurs, then the seller/repurchaser will be treated as having gain recognized from the sale or exchange of U.S. real property interests in the same amount as if the avoided distribution had actually been received. Non-U.S. shareholders should consult their own tax advisors on the special wash sale rules that apply to non-U.S. shareholders.

Conversion of Preferred Shares to Common Shares. The conversion of preferred shares into our common shares may be a taxable exchange for a non-U.S. shareholder if our preferred shares constitute a U.S. real property interest under FIRPTA. Even if our preferred shares constitute a U.S. real property interest, provided our common shares also constitute a U.S. real property interest, a non-U.S. shareholder generally will not recognize gain or loss upon a conversion of preferred shares into our common shares so long as certain FIRPTA-related reporting requirements are satisfied. If our preferred shares constitute a U.S. real property interest and such requirements are not satisfied, however, a conversion will be treated as a taxable exchange of preferred shares for our common shares. Such a deemed taxable exchange will be subject to tax under FIRPTA at the rate of tax, including any applicable capital gains rates, that would apply to a taxable U.S. shareholder of the same type (e.g., a corporate or a non-corporate shareholder, as the case may be) on the excess, if any, of the fair market value of such non-U.S. shareholder's common shares received over such non-U.S. shareholder's adjusted basis in its preferred shares.

Non-U.S. shareholders should consult with their tax advisors regarding the federal income tax consequences of any transaction by which such non-U.S. shareholder exchanges our common shares received on a conversion of preferred shares for cash or other property.

Information Reporting and Backup Withholding. We must report annually to the IRS and to each non-U.S. shareholder the amount of distributions paid to such holder and the tax withheld with respect to such distributions, regardless of whether withholding was required. Copies of the information returns reporting such distributions and withholding may also be made available to the tax authorities in the country in which the non-U.S. shareholder resides under the provisions of an applicable income tax treaty.

Backup withholding (currently at the rate of 24%) and additional information reporting will generally not apply to distributions to a non-U.S. shareholder provided that the non-U.S. shareholder certifies under penalty of perjury that the shareholder is a non-U.S. shareholder, or otherwise establishes an exemption. Notwithstanding the foregoing, backup withholding may apply if either we or our paying agent has actual knowledge, or reason to know, that the holder is a United States person that is not an exempt recipient. As a general matter, backup withholding and information reporting will not apply to a payment of the proceeds of a sale of common or preferred shares effected at a foreign office of a foreign broker. Information reporting (but not backup withholding) will apply, however, to a payment of the proceeds of a sale of common or preferred shares by a foreign office of a broker that:

- is a United States person;
- derives 50% or more of its gross income for a specified three-year period from the conduct of a trade or business in the United States;
- is a "controlled foreign corporation" (generally, a foreign corporation controlled by stockholders that are United States persons) for U.S. tax purposes; or
- that is a foreign partnership, if at any time during its tax year more than 50% of its income or capital interests are held by United States persons or if it is engaged in the conduct of a trade or business in the United States,

unless the broker has documentary evidence in its records that the holder or beneficial owner is a non-U.S. shareholder and certain other conditions are met, or the shareholder otherwise establishes an exemption. Payment of the proceeds of a sale of common or preferred shares effected at a U.S. office of a broker is subject to both backup withholding and information reporting unless the shareholder certifies under penalty of perjury that the shareholder is a non-U.S. shareholder, or otherwise establishes an exemption. Backup withholding is not an additional tax, and may be credited against a non-U.S. shareholder's U.S. federal income tax liability or refunded to the extent excess amounts are withheld, provided that the required information is timely supplied to the IRS.

Reporting and Withholding on Foreign Financial Accounts. Under sections 1471 through 1474 of the Code, Treasury regulations and related guidance (commonly referred to as "FATCA"), a 30% U.S. withholding tax will be imposed in certain circumstances on payments of (i) dividends on the shares and (ii) subject to the proposed Treasury regulations discussed below, gross proceeds from the sale or other disposition of the shares. Proposed Treasury regulations would, when finalized, eliminate FATCA withholding on the gross proceeds from a sale or other disposition of instruments, such as the shares, that produce withholdable payments. In the preamble to such

proposed Treasury regulations, the IRS stated that taxpayers and withholding agents may generally rely on the proposed Treasury regulations until final Treasury regulations are issued. In the case of payments made to a "foreign financial institution" (such as a bank, a broker, an investment fund or, in certain cases, a holding company), as a beneficial owner or as an intermediary, this tax generally will be imposed, subject to certain exceptions, unless such institution (i) has agreed to (and does) comply with the requirements of an agreement with the United States (an "FFI Agreement") or (ii) is required by (and does comply with) applicable foreign law enacted in connection with an intergovernmental agreement between the United States and a foreign jurisdiction (an "IGA") to, among other things, collect and provide to the U.S. tax authorities or other relevant tax authorities certain information regarding U.S. account holders of such institution and, in either case, such institution provides the withholding agent with a certification as to its FATCA status. In the case of payments made to a foreign entity that is not a financial institution (as a beneficial owner), the tax generally will be imposed, subject to certain exceptions, unless such entity provides the withholding agent with a certification as to its FATCA status and, in certain cases, identifies any "substantial" U.S. owner (generally, any specified United States person that directly or indirectly owns more than a specified percentage of such entity). If shares are held through a foreign financial institution that has agreed to comply with the requirements of an FFI Agreement or is subject to similar requirements under applicable foreign law enacted in connection with an IGA, such foreign financial institution (or, in certain cases, a person paying amounts to such foreign financial institution) generally will be required, subject to certain exceptions, to withhold tax on payments made to (i) a person (including an individual) that fails to provide any required information or documentation or (ii) a foreign financial institution that has not agreed to comply with the requirements of an FFI Agreement and is not subject to similar requirements under applicable foreign law enacted in connection with an IGA. If we determine withholding is appropriate with respect to the payments of dividends on the shares or other payments in respect of the shares, we will withhold tax at the applicable statutory rate, and we will not pay any additional amounts in respect of such withholding. Under certain circumstances, a holder may be eligible for refunds or credits of such withheld taxes. Prospective investors are urged to consult with their own tax advisors regarding the possible implications of FATCA on their investment in the shares.

Tax Aspects of Our Investments in the Partnership and Subsidiary Partnerships

The following discussion summarizes certain federal income tax considerations applicable to our direct or indirect investments in the Partnership and the Subsidiary Partnerships. As described above under "Taxation of the Company — Requirements for REIT Qualification," initially the Partnership (but not the Subsidiary Partnerships) is a disregarded entity for federal income tax purposes. Accordingly, the discussion below initially only applies to the Subsidiary Partnerships and references to the Partnership should not be taken into account. Once the Partnership admits one or more partners that are not disregarded entities of ours, the discussion below will also apply to the Partnership. Also, the discussion below does not cover state or local tax laws or any federal tax laws other than income tax laws.

Classification as Partnerships. We are entitled to include in our income our distributive share of the Partnership's and Subsidiary Partnerships' income and to deduct our distributive share of the Partnership's and Subsidiary Partnerships' losses only if the applicable partnership is classified for federal income tax purposes as a partnership rather than as a corporation or association taxable as a corporation. An organization will be classified as a partnership, rather than as a corporation, for federal income tax purposes if it (1) is treated as a partnership under Treasury regulations, effective January 1, 1997, relating to entity classification (the "check-the-box regulations") and (2) is not a "publicly traded" partnership.

Under the check-the-box regulations, an unincorporated entity with at least two members may elect to be classified either as an association taxable as a corporation or as a partnership. If such an entity fails to make an election, it generally will be treated as a partnership for federal income tax purposes. We believe that the Partnership (once it admits one or more partners that are not disregarded entities of ours) and its Subsidiary Partnerships will be classified as partnerships for federal income tax purposes.

A publicly traded partnership is a partnership whose interests are traded on an established securities market or are readily tradable on a secondary market (or the substantial equivalent thereof). While the Partnership units will not be traded on an established securities market, they could possibly be deemed to be traded on a secondary market or its equivalent due to the redemption rights enabling the limited partners to dispose of their units. A publicly traded partnership will not, however, be treated as a corporation for any taxable year if 90% or more of the

partnership's gross income for such year consists of certain passive-type income, including (as may be relevant here) real property rents, gains from the sale or other disposition of real property, interest, and dividends (the "90% Passive Income Exception"). The income requirements applicable to us in order for us to qualify as a REIT under the Code and the definition of qualifying income under the Passive Income Exception are very similar. Although differences exist between these two income tests, we do not believe that these differences would cause the Partnership not to satisfy the 90% Passive Income Exception applicable to publicly traded partnerships.

Treasury has issued regulations (the "PTP Regulations") that provide limited safe harbors from the definition of a publicly traded partnership. Pursuant to one of those safe harbors (the "Private Placement Exclusion"), interests in a partnership will not be treated as readily tradable on a secondary market or the substantial equivalent thereof if (i) all interests in the partnership were issued in a transaction (or transactions) that was not required to be registered under the Securities Act, and (ii) the partnership does not have more than 100 partners at any time during the partnership's taxable year. In determining the number of partners in a partnership, a person owning an interest in a flow-through entity (i.e., a partnership, grantor trust, or S corporation) that owns an interest in the partnership is treated as a partner in such partnership only if (i) substantially all of the value of the owner's interest in the flow-through entity is attributable to the flow-through entity's interest (direct or indirect) in the partnership and (ii) a principal purpose of the use of the flow-through entity is to permit the partnership to satisfy the 100-partner limitation.

The Partnership agreement has provisions intended to facilitate and permit us to take actions to avoid loss of the Private Placement Exclusion. We believe that the Partnership, from the point it is treated as a regarded entity, will qualify for the Private Placement Exclusion and thereafter intends to qualify for the Private Placement Exclusion unless it qualifies for another safe harbor or the 90% Passive Income Exception as described below. It is possible, however, that in the future the Partnership might not qualify for the Private Placement Exclusion.

If the Partnership is considered a publicly traded partnership under the PTP Regulations because it is deemed to have more than 100 partners, the Partnership would need to qualify under another safe harbor in the PTP Regulations or for the 90% Passive Income Exception. We believe that the Partnership will qualify for another safe harbor in the PTP Regulations or for the 90% Passive Income Exception. It is possible, however, that in the future the Partnership might not qualify for one of these exceptions.

If, however, for any reason the Partnership were taxable as a corporation, rather than as a partnership, for federal income tax purposes, we would not be able to qualify as a REIT. See "—Requirements for REIT Qualification—Income Tests" and "—Requirements for REIT Qualification—Asset Tests." In addition, any change in the Partnership's status for tax purposes might be treated as a taxable event, in which case we might incur tax liability without any related cash distribution. See "—Requirements for REIT Qualification—Distribution Requirements." Further, items of income and deduction of the Partnership would not pass through to its partners, and its partners would be treated as shareholders for tax purposes. Consequently, the Partnership would be required to pay income tax at corporate tax rates on its net income, and distributions to its partners would constitute dividends that would not be deductible in computing such Partnership's taxable income.

Partners, Not the Partnership, Subject to Tax. The partners of the Partnership are subject to taxation. Except as discussed below in "—Revised Partnership Audit Rules," the Partnership itself is not a taxable entity for federal income tax purposes. Rather, we are required to take into account our allocable share of the Partnership's income, gains, losses, deductions and credits for any taxable year of the Partnership ending during our taxable year, without regard to whether we have received or will receive any distribution from the Partnership.

Partnership Allocations. Although a partnership agreement generally will determine the allocation of income and losses among partners, such allocations will be disregarded for tax purposes if they do not comply with the provisions of Section 704(b) of the Code and the Treasury regulations promulgated thereunder. If an allocation is not recognized for federal income tax purposes, the item subject to the allocation will be reallocated in accordance with the partners' interests in the partnership, which will be determined by taking into account all of the facts and circumstances relating to the economic arrangement of the partners with respect to such item. The Partnership's allocations of taxable income, gain and loss are intended to comply with the requirements of Section 704(b) of the Code and the Treasury regulations promulgated thereunder.

Tax Allocations with Respect to Contributed Properties. Pursuant to Section 704(c) of the Code, income, gain, loss and deduction attributable to appreciated or depreciated property that is contributed to a partnership in exchange for an interest in the partnership must be allocated in a manner such that the contributing partner is charged with, or benefits from, respectively, the unrealized gain or unrealized loss associated with the property at the time of the contribution. The amount of such unrealized gain or unrealized loss is generally equal to the difference between the fair market value of contributed property at the time of contribution and the adjusted tax basis of such property at the time of contribution (a "Book-Tax Difference"). Such allocations are solely for federal income tax purposes and do not affect the book capital accounts or other economic or legal arrangements among the partners. The Partnership, once regarded, will be deemed to be formed by way of contributions of appreciated property. Consequently, the Partnership's partnership agreement requires such allocations to be made in a manner permitted under Section 704(c) of the Code.

In general, the partners who contribute property to the Partnership will be allocated depreciation deductions for tax purposes which are lower than such deductions would be if determined on a pro rata basis. In addition, in the event of the disposition of any of the contributed assets (including our properties) which have a Book-Tax Difference, all income attributable to such Book-Tax Difference (to the extent not previously taken into account) will generally be allocated to the contributing partners, including us, and other partners will generally be allocated only their share of income attributable to appreciation, if any, occurring after such contribution. This will tend to eliminate the Book-Tax Difference over the life of the Partnership. However, the special allocation rules of Section 704(c) do not always entirely eliminate the Book-Tax Difference on an annual basis or with respect to a specific taxable transaction such as a sale. Thus, the carryover basis of the contributed assets in the hands of the Partnership may cause us to be allocated lower depreciation and other deductions, and possibly an amount of taxable income in the event of a sale of such contributed assets in excess of the economic or book income allocated to us as a result of such sale.

A Book-Tax Difference may also arise as a result of the revaluation of property owned by the Partnership in connection with certain types of transactions, including in connection with certain non-pro rata contributions or distributions of assets by the Partnership in exchange for interests in the Partnership. In the event of such a revaluation, the partners (including us) who were partners in the Partnership immediately prior to the revaluation will be required to take any Book-Tax Difference created as a result of such revaluation into account in substantially the same manner as under the Section 704(c) rules discussed above. This would result in us being allocated income, gain, loss and deduction for tax purposes in amounts different than the economic or book income allocated to us by the Partnership.

The application of Section 704(c) to the Partnership may cause us to recognize taxable income in excess of cash proceeds, which might adversely affect our ability to comply with the REIT distribution requirements. See "—Requirements for REIT Qualification—Distribution Requirements." The foregoing principles also apply in determining our earnings and profits for purposes of determining the portion of distributions taxable as dividend income. The application of these rules over time may result in a higher portion of distributions being taxed as dividends than would have occurred had we purchased the contributed or revalued assets at their agreed values.

Treasury has issued regulations requiring partnerships to use a "reasonable method" for allocating items affected by Section 704(c) of the Code and outlining several reasonable allocation methods. The general partner of the Partnership has the discretion to determine which of the methods of accounting for Book-Tax Differences (specifically approved in the Treasury regulations) will be elected with respect to any properties contributed to or revalued by the Partnership. We have not determined which method of accounting for Book-Tax Differences will be elected for properties contributed to or revalued by the Partnership in the future.

Basis in Partnership Interest. Our adjusted tax basis in our partnership interest in the Partnership generally is equal to:

- the amount of cash and the adjusted tax basis of any other property contributed by us to the Partnership;
- increased by
    - our allocable share of the Partnership's income, and
    - our allocable share of debt of the Partnership; and

- reduced, but not below zero, by
  - our allocable share of the Partnership's loss,
  - the amount of cash and the basis of any property distributed to us, and
  - constructive distributions resulting from a reduction in our share of debt of the Partnership.

If the allocation of our distributive share of the Partnership's loss would reduce the adjusted tax basis of our partnership interest in the Partnership below zero, the recognition of such loss will be deferred until such time as the recognition of such loss would not reduce our adjusted tax basis below zero. To the extent that the Partnership's distributions, or any decrease in our share of the debt of the Partnership (such decrease being considered a constructive cash distribution to the partners), would reduce our adjusted tax basis below zero, such distributions (including such constructive distributions) would constitute taxable income to us. Such distributions and constructive distributions normally will be characterized as capital gain (including Section 1250 "depreciation recapture"), and, if our interest in the Partnership has been held for longer than the long-term capital gain holding period (currently one year), the distributions and constructive distributions will constitute long-term capital gain.

Sale of the Partnership's Property. Generally, any gain realized by the Partnership on the sale of property held by the Partnership for more than one year will be long-term capital gain, except for any portion of such gain that is treated as depreciation or cost recovery recapture. Any gain recognized by the Partnership on the disposition of contributed properties will be allocated first to the partners of the Partnership under Section 704(c) of the Code to the extent of their "built-in gain" on those properties for federal income tax purposes. The partners' "built-in gain" on the contributed properties sold will equal the excess of the partners' proportionate share of the book value of those properties over the partners' tax basis allocable to those properties at the time of the contribution. Any remaining gain recognized by the Partnership on the disposition of the contributed properties, and any gain recognized by the Partnership on the disposition of the other properties, will be allocated among the partners in accordance with their respective percentage interests in the Partnership.

Our share of any gain realized by the Partnership on the sale of any property held by the Partnership (other than property held indirectly through a taxable REIT subsidiary) as inventory or other property held primarily for sale to customers in the ordinary course of the Partnership's trade or business will be treated as income from a prohibited transaction that is subject to a 100% penalty tax. Such prohibited transaction income also may have an adverse effect upon our ability to satisfy the income tests for REIT status. See "—Requirements for REIT Qualification—Income Tests." We, however, do not presently intend to allow the Partnership to acquire or hold any property (other than through a taxable REIT subsidiary) that represents inventory or other property held primarily for sale to customers in the ordinary course of our or the Partnership's trade or business.

Revised Partnership Audit Rules. Under partnership audit changes generally effective for audits in 2018 and later, a partnership (and not the partners) must pay any "imputed underpayments," consisting of delinquent taxes, interest, and penalties deemed to arise out of an audit of the partnership, unless certain alternative methods are available and the partnership elects to utilize them. The IRS has issued regulations providing details on many of these provisions, but it is still not entirely clear how all of these new rules will be implemented. Accordingly, it is possible that in the future, we and/or any partnership in which we are a partner could be subject to, or otherwise bear the economic burden of, federal income tax, interest, and penalties resulting from a federal income tax audit.

Other Tax Considerations

State and Local Taxes. We and/or you may be subject to state and local tax in various states and localities, including those states and localities in which we or you transact business, own property or reside. The state and local tax treatment in such jurisdictions may differ from the federal income tax treatment described above. Consequently, you should consult your tax advisors regarding the effect of state and local tax laws upon an investment in our securities.

Changes to Tax Laws and Regulations. The rules dealing with federal income taxation are subject to revision by the U.S. Congress, the IRS and the Treasury, and statutory changes, new regulations, revisions to existing regulations and revised interpretations of established concepts are issued frequently. In particular, technical corrections legislation and implementing regulations may be enacted or promulgated in response to the Tax Cuts and Jobs Act of 2017. In addition, legislation, regulations and other guidance has been enacted to respond to the COVID-19 pandemic, including the 2020 CARES Act, and further legislative enactments and other IRS or Treasury action is possible. We cannot assure you that a change in law, including the possibility of major tax legislation in 2022 or later, possibly with retroactive application, will not alter significantly the tax considerations (including applicable tax rates) that we describe herein. No prediction can be made as to the likelihood of passage of new tax legislation or other provisions, or the direct or indirect effect on us and our shareholders. Revisions to tax laws and interpretations of these laws could adversely affect our ability to qualify and be taxed as a REIT, as well as the tax or other consequences of an investment in our common or preferred shares.

PLAN OF DISTRIBUTION

We may sell the securities being offered by this prospectus in one or more of the following ways from time to time: (1) through underwriters or dealers; (2) through agents; (3) in “at the market offerings” to or through a market maker or into an existing trading market or securities exchange or otherwise; (4) directly to purchasers or shareholders, (5) through a combination of any of these methods of sale or (6) through any other legally available means. In addition, the sales will be made at market prices prevailing at the time of sale, at prices related to such prevailing market prices, at a fixed price or prices, which may be changed or at negotiated prices. We will identify any underwriter, dealer or agent involved in the offer and sale of securities, and any applicable commissions, discounts and other items constituting compensation to such underwriters, dealers or agents, in a prospectus supplement.

The methods by which we may distribute securities include:

- a block trade (which may involve crosses) in which the dealer so engaged will attempt to sell the securities as agent but may position and resell a portion of the block as principal to facilitate the transaction;
- purchases by a dealer as principal and resale by such dealer for its account pursuant to this prospectus or any prospectus supplement;
- ordinary broker transactions and transactions in which the broker solicits purchasers; or
- any other legally available means.

Unless we say otherwise in a prospectus supplement, the obligations of any underwriters to purchase securities will be subject to certain conditions and the underwriters will be obligated to purchase all of the applicable securities if any are purchased. If a dealer is used in a sale, we may sell the securities to the dealer as principal. The dealer may then resell the securities to the public at varying prices to be determined by the dealer at the time of resale.

In connection with the sale of securities, underwriters or agents may receive compensation (in the form of discounts, concessions or commissions) from us or from purchasers of securities for whom they may act as agents. Underwriters may sell securities to or through dealers, and such dealers may receive compensation in the form of discounts, concessions or commissions, that may be in excess of those customary in the types of transactions involved, from the underwriters and/or commissions from the purchasers for whom they may act as agents. Underwriters, dealers and agents that participate in the distribution of securities may be deemed to be underwriters as that term is defined in the Securities Act, and any discounts or commissions received by them from us and any profits on the resale of the securities by them may be deemed to be underwriting discounts and commissions under the Securities Act. We will identify any such underwriter or agent, and we will describe any such compensation we pay, in the related prospectus supplement.

Underwriters, dealers and agents may be entitled, under agreements with us, to indemnification against and contribution toward certain civil liabilities, including liabilities under the Securities Act.

If we tell you in a prospectus supplement, we will authorize agents and underwriters to solicit offers by certain specified institutions or other persons to purchase securities at the public offering price set forth in the prospectus supplement pursuant to delayed delivery contracts providing for payment and delivery on a specified date in the future. Institutions with whom such contracts may be made include commercial and savings banks, insurance companies, pension funds, investment companies, educational and charitable institutions, and other institutions but shall in all cases be subject to our approval. Such contracts will be subject only to those conditions set forth in the prospectus supplement and the prospectus supplement will set forth the commission payable for solicitation of such contracts. The obligations of any purchaser under any such contract will be subject to the condition that the purchase of the securities shall not be prohibited at the time of delivery under the laws of the jurisdiction to which the purchaser is subject. The underwriters and other agents will not have any responsibility in respect of the validity or performance of such contracts.

The securities may or may not be listed on a national securities exchange or traded in the over-the-counter market (other than the common shares and Series C depositary shares, which are quoted on the New York Stock Exchange). No assurance can be given as to the liquidity of the trading market for any such securities.

If underwriters or dealers are used in the sale, until the distribution of the securities is completed, SEC rules may limit the ability of any such underwriters and selling group members to bid for and purchase the securities. As an exception to these rules, representatives of any underwriters are permitted to engage in certain transactions that stabilize the price of the securities. Such transactions may consist of bids or purchases for the purpose of pegging, fixing or maintaining the price of the securities. If the underwriters create a short position in the securities in connection with the offerings (in other words, if they sell more securities than are set forth on the cover page of the prospectus supplement) the representatives of the underwriters may reduce that short position by purchasing securities in the open market. The representatives of the underwriters may also elect to reduce any short position by exercising all or part of any over-allotment option described in the prospectus supplement. The representatives of the underwriters may also impose a penalty bid on certain underwriters and selling group members. This means that if the representatives purchase securities in the open market to reduce the underwriters' short position or to stabilize the price of the securities, they may reclaim the amount of the selling concession from the underwriters and selling group members who sold those securities as part of the offering. In general, purchases of a security for the purpose of stabilization or to reduce a short position could cause the price of the security to be higher than it might be in the absence of such purchases. The imposition of a penalty bid might also have an effect on the price of the securities to the extent that it discourages resales of the securities. We make no representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of the securities. In addition, the representatives of any underwriters may determine not to engage in such transactions and such transactions, once commenced, may be discontinued without notice.

Certain of the underwriters or agents and their affiliates may engage in transactions with and perform services for us or our affiliates in the ordinary course of their respective businesses.

LEGAL MATTERS

The validity of the offered securities and the accuracy of the discussion under "Material Federal Income Tax Considerations" contained in this prospectus will be passed upon for us by Pillsbury Winthrop Shaw Pittman LLP, Washington D.C. If any portion of the offered securities is distributed in an underwritten offering or through agents, certain legal matters may be passed upon for any agents or underwriters by counsel for such agents or underwriters identified in the applicable prospectus supplement.

EXPERTS

The audited consolidated financial statements, schedules and management's assessment of the effectiveness of internal control over financial reporting incorporated by reference in this prospectus and elsewhere in the registration statement have been so incorporated by reference in reliance upon the reports of Grant Thornton LLP, independent registered public accountants, upon the authority of said firm as experts in accounting and auditing.

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and current reports, proxy statements and other information with the SEC. Our SEC filings are available to the public at the SEC's website at *www.sec.gov*.

The SEC allows us to "incorporate by reference" the information we file with them, which means we can disclose important information to you by referring you to those documents. The information we incorporate by reference is an important part of this prospectus, and all information that we will later file with the SEC will automatically update and supersede this information. Any statement contained in this prospectus or a document incorporated or deemed to be incorporated by reference in this prospectus will be deemed to have been modified or superseded to the extent that a statement contained in this prospectus, or in any subsequently filed document that also is or is deemed to be incorporated by reference in this prospectus, modifies or supersedes that statement. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this prospectus. We incorporate by reference the documents listed below as well as any future documents that are deemed to be "filed" by us with the SEC under Sections 13(a), 13(c), 14, or 15(d) of the Exchange Act from the date of this prospectus until the termination of the offering of the securities described in this prospectus or the expiration of the registration statement.

- Our Annual Report on Form 10-K for the fiscal year ended December 31, 2020, filed with the SEC on February 11, 2021;
- Our Definitive Proxy Statement for our 2021 Annual Meeting of Shareholders, filed with the SEC on March 25, 2021;
- Our Quarterly Reports on Form 10-Q for the fiscal quarters ended March 31, 2021, June 30, 2021 and September 30, 2021, filed with the SEC on May 5, 2021, August 4, 2021 and November 4, 2021;
- Our Current Reports on Form 8-K filed with the SEC on February 12, 2021, February 24, 2021, April 19, 2021, May 6, 2021, May 7, 2021, August 5, 2021, December 2, 2021 and January 3, 2022;
- Description of the Company's common shares contained in Exhibit 4.8 to the Predecessor's Annual Report on Form 10-K filed with the SEC on February 10, 2020; and
- Description of the Company's Series C depositary shares contained in the Registration Statement on Form 8-A, filed with the SEC on September 29, 2017.

We have filed with the SEC a registration statement, of which this prospectus is a part, with respect to the securities to be offered by this prospectus. This prospectus and any accompanying prospectus supplement do not contain all of the information set forth in the registration statement and its exhibits and schedules, certain parts of which are omitted as permitted by the rules and regulations of the SEC. For further information with respect to us or the securities offered by this prospectus, please review the registration statement and its exhibits and schedules. Statements contained in this prospectus and any accompanying prospectus supplement regarding the contents of any contract or other document are not necessarily complete and, in each instance, we refer you to the copy of the contract or document filed as an exhibit to the registration statement. Each of these statements is qualified in its entirety by this reference.

Copies of our SEC filings are available at no cost at our website, *www.federalrealty.com*. In addition, you may request a copy of any report or document incorporated by reference in this prospectus, except the exhibits, unless such exhibits are specifically incorporated by reference in this prospectus or in those documents, at no cost. Any such request may be made by writing or by telephone and shall be directed to the following address:

Federal Realty Investment Trust
909 Rose Avenue
Suite 200
North Bethesda, MD 20852
Attention: Investor Relations
(301) 998-8100

You should rely only on the information in our prospectus, any prospectus supplement and the documents that are incorporated by reference. We have not authorized anyone else to provide you with different information. We are not offering these securities in any state or jurisdiction where the offer is prohibited by law. You should not assume that the information in this prospectus, any prospectus supplement or any incorporated document is accurate as of any date other than the date of the document.

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 14. Other Expenses of Issuance and Distribution

Set forth below are the amounts of fees and expenses (other than underwriting discounts and commissions) we will pay in connection with the offering of our securities.

SEC Registration Fee	$	(1)
Printing and Mailing Costs		(2)
Accounting Fees and Expenses		(2)
Legal Fees and Expenses		(2)
Trustee fees and expenses		(2)
Miscellaneous		(2)
Total	$	(2)

(1) In accordance with Rules 456(b) and 457(r), we are deferring payment of the registration fee for the securities offered by this prospectus.
(2) The amounts of such fees and expenses are based on the securities offered and the number of issuances and accordingly are presently unknown.

Item 15. Indemnification of Directors and Officers

The Company's declaration of trust authorizes the Company, to the maximum extent permitted by Maryland law, to obligate itself to indemnify and to pay or reimburse reasonable expenses in advance of final disposition of a proceeding to (i) any individual who is a present or former shareholder, trustee or officer of the Company or (ii) any individual who, while a trustee of the Company and at the request of the Company, serves or has served as a director, officer, partner, trustee, employee or agent of another corporation, real estate investment trust, partnership, joint venture, trust, employee benefit plan or any other enterprise from and against any claim or liability to which such person may become subject or which such person may incur by reason of his or her status. The Company's declaration of trust also permits the Company, with approval of the Company's Board of Trustees, to indemnify and advance expenses to any person who served a predecessor of the Company in any of the capacities described above and to any employee or agent of the Company or a predecessor of the Company.

The Company's bylaws obligate it, to the maximum extent permitted by Maryland law, to indemnify (a) any trustee, officer or shareholder or any former trustee, officer or shareholder, including any individual who, while a trustee, officer or shareholder and at the express request of the Company, serves or has served another real estate investment trust, corporation, partnership, limited liability company joint venture, trust, employee benefit plan or any other enterprise as a director, officer, shareholder, manager, member, partner or trustee of such real estate investment trust, corporation, partnership, limited liability company, joint venture, trust, employee benefit plan or other enterprise, who has been successful, on the merits or otherwise, in the defense of a proceeding to which he was made a party by reason of service in such capacity, against reasonable expenses incurred by him in connection with the proceeding, (b) any trustee or officer or any former trustee or officer against any claim or liability to which he may become subject by reason of such status unless it is established that (i) his act or omission was material to the matter giving rise to the proceeding and was committed in bad faith or was the result of active and deliberate dishonesty, (ii) he actually received an improper personal benefit in money, property or services or (iii) in the case of a criminal proceeding, he had reasonable cause to believe that his act or omission was unlawful and (c) each shareholder or former shareholder against any claim or liability to which he may become subject by reason of such status. In addition, the Company's bylaws obligate it, without requiring a preliminary determination of the ultimate entitlement to indemnification, to pay or reimburse, in advance of final disposition of a proceeding, reasonable expenses incurred by a trustee, officer or shareholder or former trustee, officer or shareholder made a party to a proceeding by reason of such status, provided that, in the case of a trustee or officer, the Company must have received from such trustee or officer (i) a written affirmation by the trustee or officer of his good faith belief that he has met the applicable standard of conduct necessary for indemnification by the Company and (ii) a written

undertaking by or on his behalf to repay the amount paid or reimbursed by the Company if it shall ultimately be determined that the applicable standard of conduct was not met. The Company may, with the approval of its trustees, provide such indemnification or payment or reimbursement of expenses to any trustee, officer or shareholder or any former trustee, officer or shareholder who served a predecessor of the Company and to any employee or agent of the Company or a predecessor of the Company. Any indemnification or payment or reimbursement of the expenses permitted by the Company's bylaws will be furnished in accordance with the procedures provided for indemnification or payment or reimbursement of expenses, as the case may be, under Section 2-418 of the Maryland General Corporation Law (the "MGCL") for directors of Maryland corporations. The Company may provide to trustees, officers and shareholders such other and further indemnification or payment or reimbursement of expenses, as the case may be, to the fullest extent permitted by the MGCL, as in effect from time to time, for directors of Maryland corporations.

Title 8 of the Corporations and Associations Code of the State of Maryland, as amended, provides that a shareholder or trustee of a Maryland real estate investment trust is not personally liable for the obligations of the real estate investment trust, except that a trustee will be liable in any case in which a trustee otherwise would be liable and the trustee's act constitutes bad faith, willful misfeasance, gross negligence or reckless disregard of the trustee's duties. Title 8 further provides that a Maryland real estate investment trust may indemnify or advance expenses to trustees, officers, employees, and agents of the trust to the same extent as is permitted for directors, officers, employees, and agents of a Maryland corporation. Title 2 of the Corporations and Associations Code of the State of Maryland, as amended, permits a Maryland corporation to indemnify its present and former directors and officers, among others, against judgments, penalties, fines, settlements and reasonable expenses actually incurred by them in connection with any proceeding to which they may be made a party by reason of their service in those or certain related capacities unless it is established that (a) the act or omission of the director or officer was material to the matter giving rise to the proceeding and (i) was committed in bad faith or (ii) was the result of active and deliberate dishonesty, (b) the director or officer actually received an improper personal benefit in money, property or services or (c) in the case of any criminal proceeding, the director or officer had reasonable cause to believe that the act or omission was unlawful. However, a Maryland corporation may not indemnify a director or officer in a suit by or in the right of the trust if such director or officer has been adjudged to be liable to the corporation.

The partnership agreement of the Partnership provides that the Partnership is required to indemnify to the fullest extent permitted by law, subject to certain limitations set forth in such partnership agreement, (a) any person made, or threatened to be made, a party to any proceeding by reason of its status as (i) a general partner of the Partnership, (ii) the Company or an affiliate of the Company, (iii) an officer, employee or agent of the Partnership, or (iv) a director, trustee, officer, employee, member, manager, managing member or agent of a general partner of the Partnership, the Company or an affiliate of the Company, and (b) such other persons (including affiliates of the Company, a general partner of the Partnership or the Partnership) as the General Partner may designate from time to time (whether before or after the event giving rise to potential liability), in its sole and absolute discretion.

Insofar as indemnification for liabilities arising under the Securities Act of 1933, as amended, may be permitted to trustees, officers or persons controlling the Company or the Partnership pursuant to the foregoing provisions, the Company and the Partnership have been informed that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

Item 16. Exhibits

Exhibit No.	Description
1.1	Form of Underwriting Agreement for Debt Securities*
1.2	Form of Underwriting Agreement for Equity Securities*
3.1	Amended and Restated Declaration of Trust of Federal Realty Investment Trust effective January 1, 2022 (previously filed as Exhibit 3.1 to the Current Report on Form 8-K filed by the Company on January 3, 2022) and incorporated herein by reference)

3.2	Articles of Amendment to Amended and Restated Declaration of Trust of Federal Realty Investment Trust effective January 1, 2022 (previously filed as Exhibit 3.2 to the Current Report on Form 8-K filed by the Company on January 3, 2022 and incorporated herein by reference)
3.3	Amended and Restated Bylaws of Federal Realty Investment Trust effective January 1, 2022 (previously filed as Exhibit 3.3 to the Current Report on Form 8-K filed by the Company on January 3, 2022 and incorporated herein by reference)
3.4	Certificate of Limited Partnership of Federal Realty OP LP
3.5	Agreement of Limited Partnership of Federal Realty OP LP, dated as of January 5, 2022
4.1	Deposit Agreement, dated as of September 29, 2017, by and among the Predecessor, American Stock Transfer and Trust Company, LLC, as Depository, and all holders from time to time of Receipt (previously filed as Exhibit 4.1 to the Predecessor's Registration Statement on Form 8-A (File No. 1-07533), filed on September 29, 2017 and incorporated herein by reference)
4.2	Specimen certificate relating to the 5.000% Series C Cumulative Redeemable Preferred Shares of Beneficial Interest (previously filed as Exhibit 4.3 to the Predecessor's Registration Statement on Form 8-A (File No. 1-07533), filed on September 29, 2017 and incorporated herein by reference)
4.3	**Indenture dated December 1, 1993 related to the Partnership's 7.48% Debentures due August 15, 2026; and 6.82% Medium Term Notes due August 1, 2027; (previously filed as Exhibit 4(a) to the Predecessor's Registration Statement on Form S-3 (File No. 33-51029), and amended on Form S-3 (File No. 33-63687), filed on December 13, 1993 and incorporated herein by reference) (p)
4.4	**Indenture dated as of September 1, 1998 related to the Partnership's 2.75% Notes due 2023, 3.95% Notes due 2024, 4.50% Notes due 2044, 3.625% Notes due 2046, 3.25% Notes due 2027, 3.20% Notes due 2029, 3.50% Notes due 2030 and 1.25% Notes due 2026 (previously filed as Exhibit 4(a) to the Predecessor's Registration Statement on Form S-3 (File No. 333-63619), filed on filed on September 17, 1998 and incorporated herein by reference)
4.5	First Supplemental Indenture, dated as of January 5, 2022, by and between the Partnership and U.S. Bank, National Association, with respect to the Partnership's Indenture dated December 1, 1993.
4.6	First Supplemental Indenture, dated as of January 5, 2022, by and between the Partnership and U.S. Bank, National Association, with respect to the Partnership's Indenture dated September 1, 1998.
4.7	Form of Subordinated Indenture*
4.8	Form of Warrant Agreement*
4.9	Form of Certificate for Preferred Shares*
4.10	Form of Deposit Agreement and Depositary Receipt*
4.11	Form of Share Purchase Contract*
4.12	Form of Unit Agreement (including form of Unit Certificate)*
5.1	Opinion of Pillsbury Winthrop Shaw Pittman LLP regarding the legality of the securities being registered (filed herewith)

8.1	Opinion of Pillsbury Winthrop Shaw Pittman LLP regarding certain federal income tax matters (filed herewith)
23.1	Consent of Grant Thornton LLP (filed herewith)
23.2	Consent of Pillsbury Winthrop Shaw Pittman LLP (included in Exhibits 5.1 and 8.1).
24.1	Power of Attorney (filed herewith)
25.1	Statement of Eligibility of Trustee on Form T-1 (filed herewith)

* To be filed by amendment or incorporated by reference in connection with the offering of the offered securities.

** Pursuant to Regulation S-K Item 601(b)(4)(iii), the Company and the Partnership by this filing agree, upon request, to furnish to the Securities and Exchange Commission a copy of other instruments defining the rights of holders of long-term debt of the Company and the Partnership.

Item 17. Undertakings.

(a) The undersigned registrants hereby undertake:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) to include any prospectus required by Section 10(a)(3) of the Securities Act of 1933, as amended;

(ii) to reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement; notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Securities and Exchange Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20 percent change in the maximum aggregate offering price set forth in the “Calculation of Registration Fee” table in the effective registration statement; and

(iii) to include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

provided, however, that paragraphs (a)(1)(i), (a)(1)(ii) and (a)(1)(iii) herein do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in reports filed with or furnished to the Securities and Exchange Commission by the undersigned registrant pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the registration statement, or is contained in a form of prospectus filed pursuant to Rule 424(b) that is part of the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, as amended, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(4) That, for the purpose of determining liability under the Securities Act of 1933, as amended, to any purchaser:

(i) each prospectus filed by the registrant pursuant to Rule 424(b)(3) shall be deemed to be part of the registration statement as of the date the filed prospectus was deemed part of and included in the registration statement; and

(ii) each prospectus required to be filed pursuant to Rule 424(b)(2), (b)(5) or (b)(7) as part of a registration statement in reliance on Rule 430B relating to an offering made pursuant to Rule 415(a)(1)(i), (vii) or (x) for the purpose of providing the information required by Section 10(a) of the Securities Act of 1933, as amended, shall be deemed to be part of and included in the registration statement as of the earlier of the date such form of prospectus is first used after effectiveness or the date of the first contract of sale of securities in the offering described in the prospectus. As provided in Rule 430B, for liability purposes of the issuer and any person that is at that date an underwriter, such date shall be deemed to be a new effective date of the registration statement relating to the securities in the registration statement to which the prospectus relates, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof. *Provided*, *however*, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such effective date, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such effective date.

(5) That, for the purpose of determining liability of the registrant under the Securities Act of 1933, as amended, to any purchaser in the initial distribution of the securities:

the undersigned registrants undertake that in a primary offering of securities of the undersigned registrants pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned registrant will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser:

(i) any preliminary prospectus or prospectus of the undersigned registrants relating to the offering required to be filed pursuant to Rule 424;

(ii) any free writing prospectus relating to the offering prepared by or on behalf of the undersigned registrants or used or referred to by the undersigned registrants;

(iii) the portion of any other free writing prospectus relating to the offering containing material information about the undersigned registrants or their securities provided by or on behalf of the undersigned registrants; and

(iv) any other communication that is an offer in the offering made by the undersigned registrants to the purchaser.

(b) The undersigned registrants hereby undertake that, for purposes of determining any liability under the Securities Act of 1933, as amended, each filing of the registrants' annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(c) Insofar as indemnification for liabilities arising under the Securities Act of 1933, as amended, may be permitted to directors, officers and controlling persons of the registrants pursuant to the foregoing provisions, or otherwise, the registrants have been advised that, in the opinion of the Securities and Exchange Commission, such indemnification is against public policy as expressed in the Securities Act of 1933, as amended, and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than for the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in

connection with the securities being registered, the registrants will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act of 1933, as amended, and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrants certify that they have reasonable grounds to believe that they meets all of the requirements for filing on Form S-3 and have duly caused this registration statement to be signed on their behalf by the undersigned, thereunto duly authorized, in the city of North Bethesda, State of Maryland, on January 5, 2022.

FEDERAL REALTY INVESTMENT TRUST

By: /s/ Dawn M. Becker
Dawn M. Becker
Executive Vice President-General Counsel and Secretary

FEDERAL REALTY OP LP

By: /s/ Dawn M. Becker
Dawn M. Becker
Executive Vice President-General Counsel and Secretary

Pursuant to the requirements of the Securities Act of 1933, the registration statement has been signed by the following persons in the capacities and on the dates indicated.

SIGNATURE	TITLE	DATE
/s/ Donald C. Wood Donald C. Wood	Chief Executive Officer of the Company and the Partnership (principal executive officer) and Trustee of the Company	January 5, 2022
/s/ Daniel Guglielmone Daniel Guglielmone	Executive Vice President-Chief Financial Officer and Treasurer of the Company and the Partnership (principal financial and accounting officer)	January 5, 2022
* David W. Faeder	Trustee and Non-Executive Chairman of the Company	January 5, 2022
* Elizabeth I. Holland	Trustee of the Company	January 5, 2022
* Nicole Y. Lamb-Hale	Trustee of the Company	January 5, 2022
* Anthony P. Nader III	Trustee of the Company	January 5, 2022
* Mark S. Ordan	Trustee of the Company	January 5, 2022
* Gail P. Steinel	Trustee of the Company	January 5, 2022

*By: /s/ Dawn M. Becker
Dawn M. Becker
Attorney-in-fact

Exhibit 3.4

STATE OF DELAWARE
CERTIFICATE OF LIMITED PARTNERSHIP

The undersigned, desiring to form a limited partnership pursuant to the Delaware Revised Uniform Limited Partnership Act, 6 Delaware Code, Chapter 17, does hereby certify as follows:

1. The name of the limited partnership is Federal Realty OP LP.

2. The address of its registered office in the State of Delaware is c/o Corporation Service Company, 251 Little Falls Drive, Wilmington, Delaware 19808. The name of the registered agent at such address is Corporation Service Company.

3. The name and mailing address of each general partner is as follows:

   Federal Realty GP LLC
   909 Rose Ave., Suite 200
   North Bethesda, MD 20852

4. The limited partnership shall be formed at 12:00 am Eastern Standard Time on January 5, 2022.

[Signature page follows.]

IN WITNESS WHEREOF, the undersigned person, being the general partner of the limited partnership, has executed this Certificate of Limited Partnership as of January 4, 2022.

FEDERAL REALTY GP LLC, general partner

By: /s/ Dawn M. Becker
Name: Dawn M. Becker
Title: Executive Vice President-Corporate

AGREEMENT OF LIMITED PARTNERSHIP
OF
FEDERAL REALTY OP LP
a Delaware limited partnership

January 5, 2022

THE SECURITIES EVIDENCED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "*SECURITIES ACT*"), OR THE SECURITIES LAWS OF ANY STATE AND MAY NOT BE SOLD, TRANSFERRED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION, UNLESS IN THE OPINION OF COUNSEL SATISFACTORY TO THE PARTNERSHIP THE PROPOSED SALE, TRANSFER OR OTHER DISPOSITION MAY BE EFFECTED WITHOUT REGISTRATION UNDER THE SECURITIES ACT AND UNDER APPLICABLE STATE SECURITIES OR "BLUE SKY" LAWS.

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Annexes

AGREEMENT OF LIMITED PARTNERSHIP
OF FEDERAL REALTY OP LP

THIS AGREEMENT OF LIMITED PARTNERSHIP OF FEDERAL REALTY OP LP, effective as of January 5, 2022, is made and entered into by and among Federal Realty GP LLC, a Delaware limited liability company, as the General Partner, Federal Realty Investment Trust, a Maryland real estate investment trust, as a Limited Partner, and any Additional Limited Partner that is admitted from time to time to the Partnership and listed in the books and records of the Partnership.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

ARTICLE 1
DEFINED TERMS

The following definitions shall be for all purposes, unless otherwise clearly indicated to the contrary, applied to the terms used in this Agreement:

"*Act*" means the Delaware Revised Uniform Limited Partnership Act, as it may be amended from time to time, and any successor to such statute.

"*Additional Limited Partner*" means a Person who is admitted to the Partnership as a limited partner pursuant to Section 12.2A and listed in the books and records of the Partnership.

"*Adjusted Capital Account*" means, in respect of any Partner, at any time, balance in the Capital Account of a Partner, after giving effect to the following adjustments:

(a) credit to such Capital Account any amounts that such Partner is obligated to restore pursuant to any provisions of this Agreement or is deemed to be obligated to restore pursuant to the penultimate sentences of Treasury Regulation §1.704-2(g)(1) and Treasury Regulation §1.704-2(i)(5), or any successor provisions; and

(b) debit to such Capital Account the items described in Treasury Regulation §§1.704-1(b)(2)(ii)(d)(4), (5), and (6). The foregoing definition of Adjusted Capital Account is intended to comply with the provisions of §1.704-1(b)(2)(ii)(d) of the Treasury Regulations and shall be interpreted consistently therewith.

"*Adjustment Events*" has the meaning set forth in Section 4.10.A.

"*Adjustment Factor*" means 1.0; provided, however, that in the event that:

(a) Federal Realty: (i) declares or pays a dividend on its outstanding REIT Shares wholly or partly in REIT Shares or makes a distribution to all holders of its outstanding REIT Shares wholly or partly in REIT Shares; (ii) splits or subdivides its outstanding REIT Shares; or (iii) effects a reverse share split or otherwise combines its outstanding REIT Shares into a smaller number of REIT Shares, the Adjustment Factor shall be adjusted by multiplying the Adjustment Factor previously in effect by a fraction, (A) the numerator of which shall be the number of REIT Shares issued and outstanding on the record date for such dividend, distribution, split, subdivision, reverse split or combination (assuming for such purposes that such dividend, distribution, split, subdivision, reverse split or combination has occurred as of such time) and (B) the denominator of which shall be the actual number of REIT Shares (determined without the above assumption) issued and outstanding on the record date for such dividend, distribution, split, subdivision, reverse split or combination; or

(b) Federal Realty distributes any rights, options or warrants to all holders of its REIT Shares to subscribe for or to purchase or to otherwise acquire REIT Shares, or other securities or rights convertible into, exchangeable for or exercisable for REIT Shares, at a price per share less than the Value of a REIT Share on the record date for such distribution (each a "*Distributed Right*"), then, as of the distribution date of such Distributed Rights or, if later, the date such Distributed Rights become exercisable, the Adjustment Factor shall be adjusted by multiplying the Adjustment Factor previously in effect by a fraction (i) the numerator of which shall be the number of REIT Shares issued and outstanding on the record date (or, if later, the date such Distributed Rights become exercisable) plus the maximum number of REIT Shares purchasable under such Distributed Rights and (ii) the denominator of which shall be the number of REIT Shares issued and outstanding on the record date (or, if later, the date such Distributed Rights become exercisable) plus a fraction (A) the numerator of which is the maximum number of REIT Shares purchasable under such Distributed Rights times the minimum purchase price per REIT Share under such Distributed Rights and (B) the denominator of which is the Value of a REIT

Share as of the record date (or, if later, the date such Distributed Rights become exercisable); provided, however, that, if any such Distributed Rights expire or become no longer exercisable, then the Adjustment Factor shall be adjusted, effective retroactive to the date of distribution of the Distributed Rights (or if applicable, the later date that the Distributed Rights became exercisable), to reflect a reduced maximum number of REIT Shares or any change in the minimum purchase price for the purposes of the above fraction.

Any adjustments to the Adjustment Factor shall become effective immediately after such event, retroactive to the record date, if any, for such event. For illustrative purposes, examples of adjustments to the Adjustment Factor are set forth on Exhibit A attached hereto.

Notwithstanding the foregoing, there shall be no adjustment to the Adjustment Factor: (1) in connection with any REIT Shares acquired or issued through an employee benefit plan, employee compensation arrangement, dividend reinvestment plan, dividend reinvestment and optional cash purchase plan or similar plan; (2) in connection with any Distributed Rights which may be issued pursuant to a "Shareholder Rights Plan" unless a "triggering event" has occurred thereunder (i.e., if such Distributed Rights have been issued pursuant thereto and are no longer "attached" to the REIT shares and are able to trade independently); or (3) if the General Partner makes a distribution to all holders of outstanding Units in Units, subdivides the outstanding Units, combines the outstanding Units into a smaller number of Units at the same time as a distribution, subdivision or combination, as the case may be, occurs with respect to REIT Shares, in such manner as to prevent enlargement or dilution of the right to redeem one Unit for one share of REIT Share.

In the event Federal Realty engages in an Extraordinary Transaction, and as a result thereof, REIT Shares are issued or exchanged into the equity interests of any successor Person, then the Adjustment Factor shall be equitably adjusted in a manner to avoid unintended dilution or anti-dilution as a result of any such transactions in which REIT Shares are issued, redeemed or exchanged without a corresponding issuance, redemption or exchange of Units at such time.

"*Affiliate*" means, with respect to any Person, any Person directly or indirectly controlling or controlled by or under common control with such Person. For the purposes of this definition, "control" when used with respect to any Person means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise, and the terms "controlling," "controlled by" and "under common control" have meanings correlative to the foregoing.

"*Agreed Value*" means the fair market value of a Partner's non-cash Capital Contribution as of the date of contribution as agreed to by such Partner and the General Partner and set forth on the Partner Schedule of such Partner.

"*Agreement*" means this Agreement of Limited Partnership of Federal Realty OP LP, as it may be amended, restated, modified or supplemented from time to time.

"*Applicable Percentage*" has the meaning set forth in Section 8.6.B.

"*Assignee*" means a Person to whom one or more Units have been Transferred in a manner permitted under this Agreement, but who has not become a Substituted Limited Partner, and who has the rights set forth in Section 11.5.

"*Business Day*" means any day except a Saturday, Sunday or other day on which commercial banks in New York, New York are authorized or required by law to close.

"*Capital Account*" has the meaning set forth in Section 4.9.

"*Capital Account Limitation*" has the meaning set forth in Section 4.11.B.

"*Capital Contribution*" means the total amount of cash, cash equivalents and the Agreed Value of any Property or other asset contributed or agreed to be contributed, as the context requires, to the Partnership by each Partner pursuant to the terms of the Agreement. Any reference to the Capital Contribution of a Partner shall include the Capital Contribution made by a predecessor holder of the Partnership Interest of such Partner.

"*Capital Share*" means a share of any class or series of shares of Federal Realty now or hereafter authorized other than a REIT Share.

"*Cash Amount*" means an amount of cash equal to the product of: (a) the Value of a REIT Share; and (b) the REIT Shares Amount determined as of the applicable Valuation Date.

"*Certificate*" means the Certificate of Limited Partnership of the Partnership filed with the office of the Secretary of State of Delaware, as amended from time to time in accordance with the terms hereof and the Act.

"*Claims*" has the meaning set forth in Section 7.7.A.

"*Code*" means the Internal Revenue Code of 1986, as amended and in effect from time to time or any successor statute thereto, as interpreted by the applicable Regulations thereunder. Any reference herein to a specific section or sections of the Code shall be deemed to include a reference to any corresponding provision of future law.

"*Common Unit*" means a fractional, undivided share of the Partnership Interests of all Partners issued pursuant to Sections 4.1 and 4.2, but does not include any Preferred Unit.

"*Common Unit Economic Balance*" has the meaning set forth in Section 6.7.

"*Common Unit Transaction"* has the meaning provided in Section 4.11.F.

"*Consent*" means the consent to, approval of, or vote in favor of a proposed action by a Partner given in accordance with Article 14.

"*Consent of the General Partner*" means the Consent of the sole General Partner, which Consent, except as otherwise specifically required by this Agreement, may be obtained prior to or after the taking of any action for which it is required by this Agreement and may be given or withheld by the General Partner in its sole and absolute discretion.

"*Consent of the Limited Partners*" means the Consent of Limited Partners holding in the aggregate greater than fifty percent (50%) of the outstanding Common Units, which Consent shall be obtained prior to the taking of any action for which it is required by this Agreement and, except as otherwise provided in this Agreement, may be given or withheld by each Limited Partner owning Common Units in its sole and absolute discretion.

"*Constituent Person*" has the meaning provided in Section 4.11.F.

"*Conversion Date*" means the date specified in a Conversion Notice for conversion of LTIP Units into Common Units as provided in Section 4.11.B.

"*Conversion Notice*" has the meaning provided in Section 4.11.B.

"*Conversion Right*" has the meaning provided in Section 4.11.A.

"*Covered Audit Adjustment*" means an adjustment to any partnership-related item (within the meaning of Section 6241(2)(B) of the Code) to the extent such adjustment results in an "imputed underpayment" as described in Section 6225(b) of the Code or any analogous provision of state or local law.

"*Cut-Off Date*" means the fifth (5th) Business Day after the General Partner's receipt of a Notice of Redemption.

"*Debt*" means, as to any Person, as of any date of determination: (a) all indebtedness of such Person for borrowed money or for the deferred purchase price of property or services; (b) all amounts owed by such Person to banks or other Persons in respect of reimbursement obligations under letters of credit, surety bonds and other similar instruments guaranteeing payment or other performance of obligations by such Person; (c) all indebtedness for borrowed money or for the deferred purchase price of property or services secured by any lien on any property owned by such Person, to the extent attributable to such Person's interest in such property, even though such Person has not assumed or become liable for the payment thereof; and (d) lease obligations of such Person that, in accordance with generally accepted accounting principles, should be capitalized.

"*Disregarded Entity*" means, with respect to any Person: (a) any "qualified REIT subsidiary" (within the meaning of Code Section 856(i)(2)) of such Person; (b) any entity treated as a disregarded entity for federal income tax purposes with respect to such Person; or (c) any grantor trust if the sole owner of the assets of such trust for federal income tax purposes is such Person.

"*Distributed Right*" has the meaning set forth in the definition of Adjustment Factor.

"*Economic Capital Account Balance*" has the meaning set forth in Section 6.7.

"*Equity Incentive Plan*" means any equity incentive plan now or hereafter adopted by the Partnership or Federal Realty.

"*Equivalent Units*" has the meaning set forth in Section 4.7.A.

"*ERISA*" means the Employee Retirement Income Security Act of 1974, as amended.

"*Exchange Act*" means the Securities Exchange Act of 1934, as amended, and any successor statute thereto, and the rules and regulations of the SEC promulgated thereunder.

"*Extraordinary Transaction*" means, with respect to Federal Realty, the General Partner or the Partnership, as the case may be, the occurrence of one or more of the following events: (a) a merger (including a triangular merger), consolidation or other combination with or into another Person; (b) the direct or indirect sale, disposition, lease, exchange or other transfer of all or substantially all of the assets in one transaction or a series of transactions; (c) any reclassification or recapitalization of its outstanding equity interests; or (d) the adoption of any plan of liquidation or dissolution.

"*Federal Realty*" means Federal Realty Investment Trust, a Maryland real estate investment trust.

"*Federal Realty Declaration*" means the Amended and Restated Declaration of Trust of Federal Realty, as the same may be amended, restated, modified, supplemented or replaced from time to time, or the declaration of trust, certificate of incorporation, articles of incorporation or other governing instrument of any successor to Federal Realty.

"*Federal Realty Subsidiary*" means any direct or indirect wholly-owned subsidiary of Federal Realty, excluding the Partnership, but including, without limitation, the General Partner.

"*Fiscal Year*" means the fiscal year of the Partnership, which shall be the calendar year.

"*Flow-Through Partners*" has the meaning set forth in Section 3.4.C.

"*Flow-Through Entity*" has the meaning set forth in Section 3.4.C.

"*Forced Conversion*" has the meaning set forth in in Section 4.11.C.

"*Forced Conversion Notice*" has the meaning set forth in in Section 4.11.C.

"*General Partner*" means Federal Realty GP LLC, a Delaware limited liability company, and its successors and assigns as a general partner of the Partnership, in such Person's capacity as a general partner of the Partnership.

"*General Partner Interest*" means the entire Partnership Interest held by a General Partner hereof, which Partnership Interest may be expressed as a number of one or more types of Units.

"*Holder*" means either a Partner or an Assignee owning a Partnership Interest that is treated as a member of the Partnership for federal income tax purposes..

"*Imputed Underpayment Modification*" means any modification under Section 6225(c) of the Code (or any analogous provision of state or local law) to the extent that such modification is available and would reduce any Partnership Level Taxes attributable to a Covered Audit Adjustment.

"*Immediate Family*" means, as to a Person that is an individual, such Person's spouse, parents, descendants, nephews, nieces, brothers and sisters and trusts for the benefit of any of the foregoing. For purposes of this definition, descendants shall include all descendants whether by blood or adoption or step-descendants by marriage, civil union, domestic partnership or equivalent status.

"*Incapacity*" or "*Incapacitated*" means: (a) as to any Partner who is an individual, death, total physical disability or entry by a court of competent jurisdiction adjudicating such Partner incompetent to manage his or her person or his or her estate; (b) as to any Partner that is a corporation or limited liability company, the filing of a certificate of dissolution, or its equivalent, for the corporation or limited liability company or the revocation of its charter; (c) as to any Partner that is a partnership, the dissolution and commencement of winding up of the partnership; (d) as to any Partner that is an estate, the distribution by the fiduciary of the estate's entire interest in the Partnership; (e) as to any trustee of a trust that is a Partner,

the termination of the trust (but not the substitution of a new trustee); or (f) as to any Partner, the bankruptcy of such Partner. For purposes of this definition, bankruptcy of a Partner shall be deemed to have occurred when: (i) the Partner commences a voluntary proceeding seeking liquidation, reorganization or other relief of or against such Partner under any bankruptcy, insolvency or other similar law now or hereafter in effect; (ii) the Partner is adjudged as bankrupt or insolvent, or a final and non-appealable order for relief under any bankruptcy, insolvency or similar law now or hereafter in effect has been entered against the Partner; (iii) the Partner executes and delivers a general assignment for the benefit of the Partner's creditors; (iv) the Partner files an answer or other pleading admitting or failing to contest the material allegations of a petition filed against the Partner in any proceeding of the nature described in clause (ii) above; (v) the Partner seeks, consents to or acquiesces in the appointment of a trustee, receiver or Liquidator for the Partner or for all or any substantial part of the Partner's properties; (vi) any proceeding seeking liquidation, reorganization or other relief under any bankruptcy, insolvency or other similar law now or hereafter in effect has not been dismissed within one hundred twenty (120) days after the commencement thereof; (vii) the appointment without the Partner's consent or acquiescence of a trustee, receiver or liquidator has not been vacated or stayed within ninety (90) days of such appointment; or (vii) an appointment referred to in clause (vii) above is not vacated within ninety (90) days after the expiration of any such stay.

"*Indemnitee*" means: (a) any Person made, or threatened to be made, a party to a proceeding by reason of its status as: (i) a General Partner; (ii) Federal Realty or an Affiliate of Federal Realty; (iii) an officer, employee or agent of the Partnership; or (iv) a director, trustee, officer, employee, member, manager, managing member or agent of the General Partner, Federal Realty or an Affiliate of Federal Realty; and (b) such other Persons (including Affiliates of Federal Realty, the General Partner or the Partnership) as the General Partner may designate from time to time (whether before or after the event giving rise to potential liability), in its sole and absolute discretion.

"*Indemnity Obligation*" has the meaning set forth in Section 3.4.G.

"*IRS*" means the United States Internal Revenue Service.

"*Limited Partner*" means any Person that is admitted from time to time to the Partnership as a limited partner pursuant to the Act and this Agreement and is listed as a limited partner in the books and records of the Partnership, including any Substituted Limited Partner or Additional Limited Partner, in such Person's capacity as a limited partner of the Partnership.

"*Limited Partner Interest*" means a Partnership Interest of a Limited Partner in the Partnership representing a fractional part of the Partnership Interests of all Limited Partners and includes any and all benefits to which the holder of such a Partnership Interest may be entitled as provided in this Agreement, together with all obligations of such Person to comply with the terms and provisions of this Agreement. A Limited Partner Interest may be expressed as a number of one or more types of Units.

"*Liquidating Event*" has the meaning set forth in Section 13.1.

"*Liquidating Gains*" has the meaning set forth in Section 6.7.

"*Liquidating Losses*" has the meaning set forth in Section 6.7.

"*Liquidator*" has the meaning set forth in Section 13.2.A.

"*LTIP Unit*" means a Partnership Unit which is designated as an LTIP Unit and which has the rights, preferences and other privileges designated in Section 4.10 and elsewhere in this Agreement in respect of holders of LTIP Units, including both Vested LTIP Units and Unvested LTIP Units.

"*LTIP Unitholder*" means a Partner that holds LTIP Units.

"*Loss*" has the meaning set forth in Section 6.8.

"*New Securities*" means: (a) any rights, options, warrants or convertible or exchangeable securities having the right to subscribe for or purchase REIT Shares or Preferred Shares, excluding grants under the Equity Incentive Plans, or (b) any Debt issued by Federal Realty that provides any of the rights described in clause (a).

"*Nonrecourse Deductions*" has the meaning ascribed to the term "nonrecourse deductions" in Regulations Section 1.704-2(b)(1), and the amount of Nonrecourse Deductions for a Fiscal Year shall be determined in accordance with the rules of Regulations Section 1.704-2(c).

"*Notice of Redemption*" means the Notice of Redemption substantially in the form of Exhibit B attached to this Agreement.

"*Partner*" means the General Partner or a Limited Partner, and "*Partners*" means the General Partner and the Limited Partners.

"*Partner Nonrecourse Debt Minimum Gain*" has the meaning ascribed to the term "partner nonrecourse debt minimum gain" in Regulations Section 1.704-2(i)(2).

"*Partner Nonrecourse Debt*" has the meaning set forth in Regulations Section 1.704-2(b)(4).

"*Partner Nonrecourse Deductions*" has the meaning ascribed to the term "partner nonrecourse deductions" in Regulations Section 1.704-2(i)(1), and the amount of Partner Nonrecourse Deductions with respect to a Partner Nonrecourse Debt for a Fiscal Year shall be determined in accordance with the rules of Regulations Section 1.704-2(i)(2).

"*Partner Schedule*" means a schedule executed by the General Partner and a Limited Partner that sets forth the terms and conditions of the Units issued to such Limited Partner and any undertakings and agreements of the General Partner with respect to such Units, which terms, conditions and undertakings may include, without limitation: (a) the Capital Contribution to be made by such Limited Partner; (b) the Agreed Value for any Property contributed by such Limited Partner; (c) the number of Units issued to the Limited Partner; (d) the earliest date that the Partnership may exercise its right to redeem the Partnership Interest of such Limited Partner; and (e) any additional terms and conditions as may be agreed upon by the General Partner in its sole and absolute discretion.

"*Partnership*" means the limited partnership formed under the Act and pursuant to this Agreement, and any successor thereto.

"*Partnership Interest*" means an ownership interest in the Partnership held by either a Limited Partner or a General Partner and includes any and all benefits to which the holder of such a Partnership Interest may be entitled as provided in this Agreement, together with all obligations of such Person to comply with the terms and provisions of this Agreement. There may be one or more classes or series of Partnership Interests and a Partnership Interest may be expressed as a number of Common Units, Preferred Units or other Units.

"*Partnership Level Taxes*" means any federal, state or local taxes and any additions to tax, penalties and interest payable by the Partnership as a result of a Tax Audit under the Partnership Tax Audit Rules.

"*Partnership Minimum Gain*" has the meaning ascribed to the term "partnership minimum gain" in Regulations Section 1.704-2(b)(2), and the amount of Partnership Minimum Gain, as well as any net increase or decrease in Partnership Minimum Gain, for a Fiscal Year shall be determined in accordance with the rules of Regulations Section 1.704-2(d).

"*Partnership Record Date*" means the record date established by the General Partner for a distribution pursuant to Section 5.1, which record date shall generally be the same as the record date established by Federal Realty for a distribution to its shareholders of its regular quarterly dividend on its REIT Shares or other distribution to its shareholders.

"*Partnership Representative*" has the meaning set forth in Section 10.3.A.

"*Partnership Tax Audit Rules*" means Sections 6221 through 6241 of the Code, as amended, together with any final or temporary Treasury Regulations, Revenue Rulings, other administrative guidance and case law interpreting Sections 6221 through 6224 of the Code, as amended (and any analogous provision of state or local tax law), as in effect following the enactment of the Bipartisan Budget Act of 2015.

"*Percentage Interest*" means, as to a Partner, its interest in the Partnership determined by dividing: (a) the number of Preferred Units, Common Units, or other type, class or series of Units owned by such Partner by (b) the total number of Preferred Units, Common Units or other type, class or series of Units, as applicable, then outstanding as reflected on the books and records of the Partnership.

"*Permitted Transfer*" means the following Transfers which may be accomplished by a Limited Partner at any time without the consent or approval of the General Partner but subject to satisfaction of the conditions set forth in Section 11.3 and any other conditions set forth in this Agreement:
(a) Transfer all or part of its Partnership Interest to any Immediate Family or one or more trusts for their benefit pursuant to applicable laws of descent and distribution, gift or otherwise; or

(b) if the Limited Partner is a trust, Transfer to the beneficiaries of the trust or to another trust that is established by the grantor of Limited Partner and whose beneficiaries consist of members of the Immediate Family of such grantor; (c) if the Limited Partner is an entity, Transfer to the direct and indirect holders of equity interests in the Limited Partner; (d) Transfer to another Limited Partner; or (e) pledge all or any portion of its Partnership Interest to a lending institution as collateral or security for a bona fide loan or other extension of credit, and Transfer such pledged Partnership Interest to such lending institution in connection with the exercise of remedies under such loan or extension of credit.

"*Person*" means an individual or a corporation, partnership, trust, unincorporated organization, association, limited liability company or other entity.

"*Preferred Share*" means a share beneficial interest, par value $.01 per share, of Federal Realty of any class or series now or hereafter authorized or reclassified that has dividend rights, or rights upon liquidation, winding up and dissolution, that are superior or prior to the REIT Shares.

"*Preferred Unit*" means any Partnership Interest in the Partnership hereafter authorized, issued or outstanding from time to time that are expressly designated by the Partnership or the General Partner to rank senior to the Common Units with respect to distributions, and/or rights upon liquidation, winding up or dissolution of the Partnership. There may be more than one series of Preferred Units and each class or series of Preferred Units shall be described in a Preferred Unit Designation.

"*Preferred Unit Designation*" means a document setting forth the economic and other rights of any class or series of Preferred Units, including, without limitation, distribution, redemption and conversion rights and sinking fund provisions. Every Preferred Unit Designation shall be attached to this Agreement as an Annex, shall be considered an amendment to this Agreement and shall be incorporated herein by this reference.

"*Profit*" has the meaning set forth in Section 6.8.

"*Properties*" means any assets and property of the Partnership such as, but not limited to, interests in real property and personal property, including, without limitation, fee interests, interests in ground leases, easements and rights of way, interests in limited liability companies, joint ventures, partnerships or other entities, interests in mortgages, and Debt instruments as the Partnership may hold from time to time and "*Property*" means any one such asset or property.

"*PTP Safe Harbors*" has the meaning set forth in Section 11.3.F.

"*Push-Out Election*" means the election to apply the alternative method provided by Section 6226 of the Code (or any analogous provision of state or local tax law).

"*Qualified Transferee*" means an "accredited investor" as defined in Rule 501 promulgated under the Securities Act.

"*Qualifying Party*" means: (a) a Limited Partner; or (b) a Person, including a lending institution as the pledgee of any pledge, who is the transferee of a Limited Partner Interest in a Permitted Transfer; provided, however, that a Qualifying Party shall not include a Federal Realty Subsidiary.

"*Redemption*" has the meaning set forth in Section 8.6.A.

"*Regulations*" means the income tax regulations under the Code, whether such regulations are in proposed, temporary or final form, as such regulations may be amended from time to time (including corresponding provisions of succeeding regulations).

"*REIT*" means a real estate investment trust qualifying under Code Section 856.

"*REIT Partner*" means: (a) Federal Realty or any Affiliate of Federal Realty to the extent such person has in place an election to qualify as a REIT; and (b) any Disregarded Entity with respect to any such Person.

"*REIT Payment*" has the meaning set forth in Section 15.11.

"*REIT Requirements*" has the meaning set forth in Section 5.1.

"*REIT Share*" means a common share of beneficial interest, par value $.01 per share, of Federal Realty or its successors or assigns.

"*REIT Share Ownership Limit*" means the restriction or restrictions on the ownership and transfer of shares of Federal Realty imposed under the Federal Realty Declaration.

"*REIT Shares Amount*" means a number of REIT Shares equal to the product obtained by multiplying: (a) the number of Tendered Units; by (b) the Adjustment Factor; provided, however, that, in the event that Federal Realty issues to all holders of REIT Shares as of a certain record date Distributed Rights, with the record date for such Distributed Rights issuance falling within the period starting on the date of the Notice of Redemption and ending on the day immediately preceding the Specified Redemption Date, which Distributed Rights will not be distributed before the relevant Specified Redemption Date, then the REIT Shares Amount shall also include such Distributed Rights that a holder of that number of REIT Shares would be entitled to receive, expressed, where relevant hereunder, in a number of REIT Shares determined by Federal Realty.

"*Related Party*" means, with respect to any Person, any other Person to whom ownership of shares of Federal Realty's shares by the first such Person would be attributed under Code Section 544 (as modified by Code Section 856(h)(1)(B)) or Code Section 318(a) (as modified by Code Section 856(d)(5)).

"*Restricted Period*" means, as to any Qualifying Party, a twelve (12) month period ending on (but including) the day before the first twelve-month anniversary of such Qualifying Party's first becoming a Holder of Common Units; provided, however, that the General Partner may, in its sole and absolute discretion, by written agreement with a Qualifying Party, shorten or lengthen the applicable Restricted Period, without the consent of any other Partner and such written agreement shall govern the Restricted Period with respect to such Qualifying Party notwithstanding Section 14.2.

"*SEC*" means the Securities and Exchange Commission.

"*Securities Act*" means the Securities Act of 1933, as amended, and any successor statute thereto, and the rules and regulations of the SEC promulgated thereunder.

"*Specified Redemption Date*" means the tenth (10th) Business Day after the receipt by the General Partner of a Notice of Redemption; provided, however, that no Specified Redemption Date shall occur during the Restricted Period, if any, applicable to the Tendering Party unless agreed to by the General Partner in its sole and absolute discretion.

"*Subsidiary*" means, with respect to any Person, any corporation or other entity of which a majority of the voting power of the voting equity securities or the outstanding equity interests is owned, directly or indirectly, by such Person; provided, however, that, with respect to the Partnership, "*Subsidiary*" means solely a partnership or limited liability company (taxed, for federal income tax purposes, as a partnership or as a Disregarded Entity and not as an association or publicly traded partnership taxable as a corporation) of which the Partnership is a member or any "taxable REIT subsidiary" of Federal Realty in which the Partnership owns shares of stock, unless the ownership of shares of stock of a corporation or other entity (other than a "taxable REIT subsidiary") will not jeopardize Federal Realty's status as a REIT or any Federal Realty Affiliate's status as a "qualified REIT subsidiary" (within the meaning of Code Section 856(i)(2)), in which event the term "Subsidiary" shall include such corporation or other entity.

"*Substituted Limited Partner*" means a Person who is admitted as a Limited Partner to the Partnership pursuant to Section 11.4.

"*Target Balance*" has the meaning set forth in Section 6.7.

"*Tax Audit*" has the meaning set forth in Section 10.3.A.

"*Tendered Units*" has the meaning set forth in Section 8.6.A.

"*Tendering Party*" has the meaning set forth in Section 8.6.A.

"*Transfer*" means any sale, assignment, bequest, conveyance, devise, gift (outright or in trust), pledge, encumbrance, hypothecation, mortgage, exchange, transfer or other disposition or act of alienation, whether voluntary, involuntary or by operation of law*;* provided, however, that when the term is used in Article 11, except as otherwise expressly provided, "*Transfer*" does not include: (a) any Redemption of Units, or acquisition of Tendered Units by Federal Realty pursuant to Section 8.6; or (b) any pledge, encumbrance, hypothecation or mortgage by the General Partner of all or any portion of its Partnership Interest. The terms "*Transferred*" and "*Transferring*" have correlative meanings.

"*Unit*" means a Common Unit, a Preferred Unit or any other unit of the fractional, undivided share of the Partnership Interests that the General Partner has caused the Partnership to issue; provided, however, that Units comprising a General Partner Interest or a Limited Partner Interest shall have the differences in rights and privileges as specified in this Agreement. The ownership of Units may (but need not, in the sole and absolute discretion of the General Partner) be evidenced by a certificate of Units in such form as the General Partner may determine.

"*Unvested LTIP Units*" means all LTIP Units other than Vested LTIP Units.

"*Valuation Date*" means the date of receipt by the General Partner of a Notice of Redemption pursuant to Section 8.6 herein, or such other date as specified herein, or, if such date is not a Business Day, the immediately preceding Business Day.

"*Value*" means, with respect to a REIT Share, on any Valuation Date, the weighted average of the daily market prices for ten (10) consecutive trading days immediately preceding the Valuation Date. The market price for any such trading day shall be:

(a) if the REIT Shares are listed or admitted to trading on any securities exchange or The Nasdaq Stock Market's National Market System, the last reported sale price on such day, or if no such sale takes place on such day, the average of the closing bid and asked prices on such day, in either case as reported in the principal consolidated transaction reporting system;

(b) if the REIT Shares are not listed or admitted to trading on any securities exchange or The Nasdaq Stock Market's National Market System, the last reported sale price on such day, or if no sale takes place on such day, the average of the closing bid and asked prices on such day as reported by a reliable quotation source designated by the General Partner; or

(c) if the REIT Shares are not listed or admitted to trading on any securities exchange or The Nasdaq Stock Market's National Market System, and no such last reported sale price or closing bid and asked prices are available, the average of the reported high bid and low asked prices on such day, as reported by a reliable quotation source designated by the General Partner, or if there are no bid and asked prices on such day, the average of the high bid and low asked prices, as so reported, on the most recent day (not more than ten (10) days prior to the date in question) for which prices have been so reported; provided, however, that, if there are no bid and asked prices reported during the ten (10) days prior to the Valuation Date, the Value shall be determined by the General Partner acting in good faith on the basis of such quotations and other information as it considers, in its reasonable judgment, appropriate.

"V*ested LTIP Units*" means LTIP Units that have vested under the terms of a Vesting Agreement.

"*Vesting Agreement*" means each or any, as the context implies, agreement or instrument other than this Agreement, entered into by an LTIP Unitholder upon acceptance of an award of LTIP Units under an Equity Incentive Plan.

ARTICLE 2
ORGANIZATIONAL MATTERS

Section 2.1 *Formation*. The Partnership is a limited partnership organized pursuant to the provisions of the Act and upon the terms and subject to the conditions set forth in this Agreement. Except as expressly provided herein to the contrary, the rights and obligations of the Partners and the administration and termination of the Partnership shall be governed by the Act. The Partnership Interest of each Partner shall be personal property for all purposes.

Section 2.2 *Name*. The name of the Partnership is "Federal Realty OP LP." The Partnership's business may be conducted under any other name or names deemed advisable by the General Partner, including the name of the General Partner or any Affiliate thereof. The words "Limited Partnership," "LP," L.P.," "Ltd." or similar words or letters shall be included in the Partnership's name where necessary for the purposes of complying with the laws of any jurisdiction that so requires. The General Partner in its sole and absolute discretion may change the name of the Partnership at any time and from time to time and shall notify the Partners of such change in the next regular communication to the Partners.

Section 2.3 *Registered Office and Registered Agent; Principal Executive Office*. The address of the registered office of the Partnership in the State of Delaware is located at c/o Corporation Service Company, 215 Little Falls Drive, Wilmington, DE 19808, or such other place as the General Partner may from time to time designate by amendment to the Certificate, and the name and address of the registered agent of the Partnership in the State of Delaware is Corporation

Service Company, 215 Little Falls Drive, Wilmington, DE 19808, or such other registered agent as the General Partner may from time to time designate by amendment to the Certificate. The principal office of the Partnership is located at 909 Rose Avenue, Suite 200, North Bethesda, Maryland 20852, or such other place as the General Partner may from time to time designate by notice to the Limited Partners. The Partnership may maintain offices at such other place or places as the General Partner deems advisable.

Section 2.4 *Term*. The term of the Partnership commenced on the date of the filing of the Certificate with the Secretary of State of Delaware and shall continue indefinitely unless the Partnership is dissolved sooner pursuant to the provisions of Article 13 or as otherwise provided by law.

Section 2.5 *Partnership Interests Are Securities*. Each Partnership Interest in the Partnership shall constitute a "security" within the meaning of, and shall be governed by: (a) Article 8 of the Uniform Commercial Code (including Section 8-102(a)(15) thereof) as in effect from time to time in the State of Delaware; and (b) the corresponding provisions of the Uniform Commercial Code of any other applicable jurisdiction that now or hereafter substantially includes the 1994 revisions to Article 8 thereof as adopted by the American Law Institute and the National Conference of Commissioners on Uniform State Laws and approved by the American Bar Association on February 14, 1995.

Section 2.6 *Admission*. The General Partner has been admitted as the general partner of the Partnership upon its execution of this Agreement. A Person shall be admitted as a limited partner of the Partnership at the time that: (a) this Agreement or a counterpart hereof is executed by or on behalf of such Person; and (b) such Person is listed by the General Partner as a limited partner of the Partnership in the books and records of the Partnership.

ARTICLE 3
PURPOSE

Section 3.1 *Purpose and Business*. The purpose and nature of the Partnership is to conduct any business that may lawfully be conducted by a limited partnership pursuant to the Act, including, without limitation: (a) the ownership, construction, reconstruction, development, redevelopment, alteration, improvement, maintenance, operation, sale, leasing, transfer, encumbrance, financing, refinancing, conveyance and exchange of the Properties; (b) to acquire and invest in any securities and/or loans relating to the Properties; (c) to enter into any partnership, joint venture, business or statutory trust arrangement, limited liability company or other similar arrangement to engage in any business permitted by or under the Act, or to own interests in any entity engaged in any business permitted by or under the Act; (d) to conduct the business of providing property and asset management and brokerage services, whether directly or through one or more partnerships, joint ventures, Subsidiaries, business trusts, limited liability companies or similar arrangements; (e) to conduct the business of the Partnership in a manner as part of, and in conjunction with, the business activities and in furtherance of the business purposes of Federal Realty; and (f) to do anything necessary or incidental to the foregoing; provided, however, such business and arrangements and interests shall be limited to and conducted in such a manner as to permit Federal Realty at all times to be classified as a REIT, unless Federal Realty voluntarily, knowingly and intentionally terminates its REIT status by the action of its governing body.

Section 3.2 *Powers*. The Partnership shall be empowered to do any and all acts and things necessary, appropriate, proper, advisable, incidental to or convenient for the furtherance and accomplishment of the purposes and business described herein and for the protection and benefit of the Partnership; provided, however, the Partnership may not, without the Consent of the General Partner, take or refrain from taking, any action that, in the General Partner's judgment, in its sole and absolute discretion: (a) could adversely affect Federal Realty's ability to continue to qualify as a REIT; (b) could subject Federal Realty to any taxes under Sections 857 or 4981 of the Code or any other related or successor provision under the Code; or (c) could violate any law or regulation of any governmental body or agency having jurisdiction over Federal Realty, Federal Realty's securities or the Partnership. The General Partner shall also be empowered to do any and all acts and things necessary or prudent to ensure that Federal Realty will qualify as a REIT (unless Federal Realty voluntarily terminates or revokes its REIT status), and that the Partnership will not be classified as a "publicly traded partnership" for purposes of Section 7704(b) of the Code, including but not limited to imposing restrictions on transfers and redemptions.

Section 3.3 *Partnership Only for Purposes Specified*. The Partnership shall be a limited partnership formed pursuant to the Act to conduct its business in accordance with this Agreement, and this Agreement shall not be deemed to create a company, venture or partnership between or among the Partners or any other Persons with respect to any activities whatsoever other than the activities within the purposes of the Partnership as specified in Section 3.1. Except as otherwise provided in this Agreement, no Partner shall have any authority to act for, bind, commit or assume any obligation or responsibility on behalf of the Partnership, its Properties or any other Partner. No Partner, in its capacity as a Partner under this Agreement, shall be responsible or liable for any indebtedness or obligation of another Partner, nor shall the Partnership be responsible or liable for any indebtedness or obligation of any Partner, incurred either before or after the execution and delivery of this Agreement by such Partner, except as to those responsibilities, liabilities, indebtedness or obligations incurred pursuant to and as limited by the terms of this Agreement and the Act.

Section 3.4 *Representations and Warranties by the Partners*.

A. Each Partner that is an individual (including, without limitation, each Additional Limited Partner or Substituted Limited Partner as a condition to becoming an Additional Limited Partner or a Substituted Limited Partner) represents and warrants to, and covenants with, each other Partner that: (i) this Agreement is binding upon and enforceable against such Partner in accordance with its terms; (ii) consummation of the transactions contemplated by this Agreement to be performed by such Partner will not result in a breach or violation of, or a default under, any material agreement by which such Partner or any of such Partner's property is bound, or any statute, regulation, order or other law to which such Partner is subject; (iii) if five percent (5%) or more (by value) of the Partnership's interests are or will be owned by such Partner within the meaning of Code Section 7704(d)(3), such Partner does not, and for so long as it is a Partner will not, own, directly or indirectly: (a) stock of any corporation that is a tenant of: (I) Federal Realty or any Disregarded Entity with respect to Federal Realty; (II) the Partnership; or (III) any partnership, venture or limited liability company of which Federal Realty, any Disregarded Entity with respect to Federal Realty, or the Partnership is a direct or indirect member; or (b) an interest in the assets or net profits of any non-corporate tenant of: (I) Federal Realty or any Disregarded Entity with respect to Federal Realty; (II) the Partnership; or (III) any partnership, venture, or limited liability company of which Federal Realty, any Disregarded Entity with respect to Federal Realty, or the Partnership is a direct or indirect member; (iv) such Partner is not a "foreign person" within the meaning of Code Section 1445(f) or "foreign partner" within the meaning of Code Section 1446(e); and (v) such Partner has the legal capacity to enter into this Agreement and perform such Partner's obligations hereunder.

B. Each Partner that is not an individual (including, without limitation, each Additional Limited Partner or Substituted Limited Partner as a condition to becoming an Additional Limited Partner or a Substituted Limited Partner) represents and warrants to, and covenants with, each other Partner that: (i) all transactions contemplated by this Agreement to be performed by it have been duly authorized by all necessary action, including, without limitation, that of its general partner(s), manager(s), committee(s), trustee(s), beneficiaries, directors and/or stockholder(s) (as the case may be) as required; (ii) the consummation of such transactions shall not result in a breach or violation of, or a default under, its partnership or operating agreement, trust agreement, charter or bylaws (as the case may be), any material agreement by which such Partner or any of such Partner's properties or any of its partners, members, beneficiaries, trustees or stockholders (as the case may be) is or are bound, or any statute, regulation, order or other law to which such Partner or any of its partners, members, trustees, beneficiaries or stockholders (as the case may be) is or are subject; (iii) if five percent (5%) or more (by value) of the Partnership's interests are or will be owned by such Partner within the meaning of Code Section 7704(d)(3), such Partner does not, and for so long as it is a Partner will not, own, directly or indirectly: (a) stock of any corporation that is a tenant of: (I) Federal Realty or any Disregarded Entity with respect to Federal Realty; (II) the Partnership; or (III) any partnership, venture or limited liability company of which Federal Realty, Disregarded Entity with respect to Federal Realty, or the Partnership is a direct or indirect member; or (b) an interest in the assets or net profits of any non-corporate tenant of: (I) Federal Realty or any Disregarded Entity with respect to Federal Realty; (II) the Partnership; or (III) any partnership, venture or limited liability company for which Federal Realty, any Disregarded Entity with respect to Federal Realty, or the Partnership is a direct or indirect member; (iv) such Partner is not a "foreign person" within the meaning of Code Section 1445(f) or "foreign partner" within the meaning of Code Section 1446(e); and (v) this Agreement is binding upon, and enforceable against, such Partner in accordance with its terms.

C. Each Partner (including, without limitation, each Additional Limited Partner or Substituted Limited Partner as a condition to becoming an Additional Limited Partner or Substituted Limited Partner) represents, warrants and agrees that: (i) it is an "accredited investor" as defined in Rule 501 promulgated under the Securities Act; (ii) it has acquired and continues to hold its interest in the Partnership for its own account for investment purposes only and not for the purpose of, or with a view toward, the resale or distribution of all or any part thereof in violation of applicable laws, and not with a view toward selling or otherwise distributing such interest or any part thereof at any particular time or under any predetermined circumstances in violation of applicable laws; (iii) it is a sophisticated investor, able and accustomed to handling sophisticated financial matters for itself, particularly real estate investments, and that it has a sufficiently high net worth that it does not anticipate a need for the funds that it has invested in the Partnership in what it understands to be a highly speculative and illiquid investment; and (iv) without the Consent of the General Partner, it shall not take any action that would cause: (a) the Partnership at any time to have more than 100 partners, including as partners those persons ("*Flow-Through Partners*") indirectly owning an interest in the Partnership through an entity treated as a partnership, Disregarded Entity, S corporation or grantor trust (each such entity, a "*Flow-Through Entity*"), but only if: (1) substantially all of the value of such person's interest in the Flow-Through Entity is attributable to the Flow-Through Entity's interest (direct or indirect)

in the Partnership; and (2) a principal purpose of the use of the Flow-Through Entity (as determined by the General Partner in its sole and absolute discretion) is to permit the Partnership to satisfy the 100 partner limitation in Treasury Regulations Section 1-7704-1(h)(1)(ii); or (b) the Partnership Interest initially issued to such Partner or its predecessors to be held by more than one partner, including as partners any Flow-Through Partners.

D. The representations and warranties contained in Sections 3.4.A, 3.4.B and 3.4.C shall survive the execution and delivery of this Agreement by each Partner (and, in the case of an Additional Limited Partner or a Substituted Limited Partner, the admission of such Additional Limited Partner or Substituted Limited Partner as a Limited Partner in the Partnership) and the dissolution, winding up and termination of the Partnership.

E. Each Partner (including, without limitation, each Additional Limited Partner or Substituted Limited Partner as a condition to becoming an Additional Limited Partner or Substituted Limited Partner) hereby acknowledges that no representations as to potential profit, tax consequences of any sort (including, without limitation, the tax consequences resulting from making a capital contribution, being admitted to the Partnership or being allocated tax items), cash flows, funds from operations or yield, if any, in respect of the Partnership, Federal Realty or the General Partner have been made by the Partnership, any Partner or any employee or representative or Affiliate of the Partnership, and that projections and any other information, including, without limitation, financial and descriptive information and documentation, that may have been in any manner submitted to such Partner shall not constitute any representation or warranty of any kind or nature, express or implied.

F. The General Partner may, in its sole and absolute discretion, grant a waiver or exception to any of the representations and warranties contained in Sections 3.4.A, 3.4.B and 3.4.C as applicable to any Partner (including, without limitation any Additional Limited Partner or Substituted Limited Partner or any transferee of either), provided that such waiver or exception must be in writing, must refer to this Section 3.4.F and must describe with particularity the representation or warranty as to which such waiver or exception shall apply.

G. Each Partner shall indemnify the Partnership and the General Partner from and against any and all losses, claims, damages, liabilities, joint or several, expenses (including, without limitation, attorneys' fees and other legal fees and expenses), judgments, fines, settlement and other amounts arising from any and all claims, demands, actions, suits or proceeding that relate to, or arise from in any manner whatsoever, a breach of any representation or warranty made by such Partner in this Section 3.4, a default of any covenant or undertaking in this Agreement by such Partner or default under any agreement pursuant to which a Partner contributes a Property to the Partnership (collectively, "*Indemnity Obligation*").

ARTICLE 4
CAPITAL CONTRIBUTIONS

Section 4.1 *Capital Contributions of the Partners*. The Partners have made Capital Contributions to the Partnership as reflected in the records of the Partnership. Each Partner owns Units in the amount set forth for such Partner in the books and records of the Partnership, as the same may be amended or updated from time to time by the General Partner to the extent necessary to reflect accurately sales, exchanges or other Transfers, redemptions, Capital Contributions, the issuance of additional Units, or similar events having an effect on a Partner's ownership of Units. Except as provided by law or in Section 4.2, 4.3, or 10.4, the Partners shall have no obligation or, except with the prior Consent of the General Partner, right to make any additional Capital Contributions or loans to the Partnership.

Section 4.2 *Issuances of Additional Partnership Interests*.

A. *General*. The General Partner is hereby authorized to cause the Partnership to issue additional Partnership Interests for any Partnership purpose, at any time or from time to time, to the Partners (including the General Partner, Federal Realty and Federal Realty Subsidiaries) or to other Persons, and to admit such Persons as Additional Limited Partners, for such consideration and on such terms and conditions as shall be established by the General Partner in its sole and absolute discretion, all without the approval of any Limited Partner or any other Person. Without limiting the foregoing, the General Partner is expressly authorized to cause the Partnership to issue Partnership Interests: (i) upon the conversion, redemption or exchange of any Debt, Partnership Interests, or other securities issued by the Partnership; (ii) for less than fair market value; (iii) for no consideration; and (iv) in connection with any merger or consolidation of any other Person into the Partnership. Any additional Partnership Interests may be issued in one or more classes, or one or more series of any of such classes, with such designations, preferences, conversion or other rights, voting powers or rights, restrictions, limitations as to distributions, qualifications or terms or conditions of redemption (including, without limitation, terms that may be senior or otherwise entitled to preference over existing Partnership Interests) as shall be determined by the General Partner, in its sole and absolute discretion and without the approval of any Limited Partner or any other Person. Without limiting the generality of the foregoing, the General Partner shall have authority to specify, in its sole and absolute discretion:

(a) the allocations of items of Partnership income, gain, loss, deduction and credit to each such class or series of Partnership Interests; (b) the right of each such class or series of Partnership Interests to share (on a *pari passu*, junior or preferred basis) in Partnership distributions; (c) the rights of each such class or series of Partnership Interests upon dissolution and liquidation of the Partnership; (d) the voting rights, if any, of each such class or series of Partnership Interests; and (e) the conversion, redemption or exchange rights applicable to each such class or series of Partnership Interests. Upon the issuance of any additional Partnership Interest, the General Partner shall update the books and records of the Partnership as appropriate to reflect such issuance.

B. *Issuances to Federal Realty, the General Partner or any Federal Realty Subsidiary*. No additional Units shall be issued to Federal Realty, the General Partner or any Federal Realty Subsidiary unless: (i) the additional Units are issued to all Partners holding Units of a specified class or series in proportion to their respective Percentage Interests in the Units of such class or series; (ii) (a) the additional Units: are (x) Common Units issued in connection with an issuance of REIT Shares; or (y) Equivalent Units (other than Common Units) issued in connection with an issuance of Preferred Shares, New Securities or other interests in Federal Realty (other than REIT Shares), with corresponding economic terms; and (b) Federal Realty, the General Partner or the Federal Realty Subsidiary (as the case may be) contributes directly or indirectly to the Partnership the cash proceeds (net of its expenses relating to such issuance) or other consideration received in connection with the issuance of such REIT Shares, Preferred Shares, New Securities or other interests in Federal Realty; (iii) the additional Units are issued upon the conversion, redemption or exchange of Debt, Units or other securities issued by the Partnership; or (iv) the additional Units are issued pursuant to Section 4.3.B, Section 4.3.D, Section 4.4, Section 4.5 or Section 4.7.

C. *No Preemptive Rights*. No Person shall have any preemptive, preferential, participation or similar right with respect to additional Capital Contributions or loans to the Partnership or the issuance or sale of any Partnership Interests.

Section 4.3 *Additional Funds and Capital Contributions*.

A. *General*. The General Partner may, at any time and from time to time, determine that the Partnership requires additional funds for the acquisition or development of Properties, for the redemption of Partnership Interests or for such other purposes as the General Partner may determine, in its sole and absolute discretion. Additional funds may be obtained by the Partnership, at the election of the General Partner, in any manner provided in, and in accordance with, the terms of this Section 4.3 without the approval of any Limited Partner or any other Person.

B. *Additional Capital Contributions*. The General Partner, on behalf of the Partnership, may obtain any additional funds or Properties by accepting Capital Contributions from any Partners or other Persons. In connection with any such Capital Contribution (of cash or property), the General Partner is hereby authorized, in its sole and absolute discretion, to cause the Partnership from time to time to issue additional Partnership Interests (as set forth in Section 4.2) in consideration therefor and the Percentage Interests of the General Partner and the Limited Partners shall be adjusted to reflect the issuance of such additional Partnership Interests.

C. *Loans*. The General Partner, in its sole and absolute discretion on behalf of the Partnership, may obtain any additional funds by causing the Partnership to incur Debt to any Person (including Federal Realty or any Federal Realty Subsidiary) upon such terms as the General Partner determines appropriate in its sole and absolute discretion, including making such Debt convertible, redeemable or exchangeable for Units or REIT Shares; provided, however, that the Partnership shall not incur any such Debt if any Limited Partner would be personally liable for the repayment of such Debt (unless such Limited Partner otherwise agrees).

D. *Issuance of Securities by Federal Realty*. Federal Realty shall not issue any additional REIT Shares, Capital Shares or New Securities unless Federal Realty contributes the cash proceeds or other consideration received from the issuance of such additional REIT Shares, Capital Shares or New Securities (as the case may be) and from the exercise of the rights contained in any such additional Capital Shares or New Securities directly or indirectly to the Partnership in exchange for: (i) in the case of an issuance of REIT Shares, Common Units; or (ii) in the case of an issuance of Capital Shares or New Securities, Equivalent Units; provided, however, that notwithstanding the foregoing, Federal Realty may issue REIT Shares, Capital Shares or New Securities: (a) pursuant to Sections 4.4, 4.5 or 4.7; (b) pursuant to a dividend or distribution (including any share split) of REIT Shares, Capital Shares or New Securities to all of the holders of REIT Shares, Capital Shares or New Securities (as the case may be); (c) upon a conversion, redemption or exchange of Capital Shares; (d) upon a conversion, redemption, exchange or exercise of New Securities; or (e) in connection with an acquisition of Partnership Interests or a property or other asset to be owned, directly or indirectly, by Federal Realty. In the event of any issuance of additional REIT Shares, Capital Shares or New Securities by Federal Realty, and the contribution to the Partnership, directly or indirectly, by Federal Realty, of the cash proceeds or other consideration received from such issuance (or property acquired with such proceeds), if any, if the cash proceeds actually received by Federal Realty are

less than the gross proceeds of such issuance as a result of any expenses paid or incurred in connection with such issuance, then Federal Realty shall be deemed to have made a Capital Contribution to the Partnership in the amount equal to the sum of the cash proceeds of such issuance plus the amount of such expenses paid by Federal Realty (which discount and expense shall be treated as an expense for the benefit of the Partnership for purposes of Section 7.4). In the event that Federal Realty issues any additional REIT Shares, Capital Shares or New Securities and contributes, directly or indirectly, the cash proceeds or other consideration received from the issuance thereof to the Partnership, the Partnership is expressly authorized to issue a number of Common Units or Equivalent Units to Federal Realty equal to the number of REIT Shares, Capital Shares or New Securities so issued, divided by the Adjustment Factor then in effect, in accordance with this Section 4.3.D without any further act, approval or vote of any Partner or any other Persons.

Section 4.4 *Equity Incentive Plans*. Nothing in this Agreement shall be construed or applied to preclude or restrain Federal Realty, the General Partner, any Federal Realty Subsidiary or the Partnership from adopting, modifying or terminating equity incentive plans for the benefit of employees, trustees, directors, service providers or other business associates of Federal Realty, the General Partner, any Federal Realty Subsidiary, the Partnership or any of their Affiliates. Federal Realty may implement such plans (such as the grant or exercise of options to acquire REIT Shares, or the issuance of restricted or unrestricted REIT Shares) and any actions taken under such plans, whether taken with respect to or by an employee or other service provider of Federal Realty, the General Partner, any Federal Realty Subsidiary, the Partnership or its Subsidiaries, in a manner reasonably determined by Federal Realty, which may be set forth in any such plan or in plan implementation guidelines that Federal Realty may adopt or amend from time to time. The Partners acknowledge and agree that, in the event that any such plan or plan implementation guideline is adopted, modified or terminated by Federal Realty, the General Partner, any Federal Realty Subsidiary or the Partnership, amendments to this Agreement may become necessary or advisable and that any such amendments requested by Federal Realty, the General Partner, any Federal Realty Subsidiary or the Partnership shall not require any Consent or approval by the Limited Partners or any other Person. The Partnership is expressly authorized to issue Units and Federal Realty is expressly authorized to issue REIT Shares, Capital Shares or New Securities as contemplated by this Section 4.4 or any plan or plan implementation guidelines referred to above without any further act, approval or vote of any Partner or any other Persons.

Section 4.5 *Dividend Reinvestment Plan, Cash Option Purchase Plan, Share Incentive or Other Plan*. Except as may otherwise be provided in this Article 4, all amounts received or deemed received by Federal Realty in respect of any dividend reinvestment plan, cash option purchase plan, share incentive or other share or subscription plan or agreement, either: (a) shall be utilized by Federal Realty to effect purchases of REIT Shares; or (b) if Federal Realty elects instead to issue new REIT Shares with respect to such amounts, shall be contributed by Federal Realty to the Partnership in exchange for additional Common Units. Upon such contribution, the Partnership will issue to Federal Realty a number of Common Units equal to the quotient of: (i) the new REIT Shares so issued, divided by (ii) the Adjustment Factor then in effect. The Partnership is expressly authorized to issue Common Units as contemplated by this Section 4.5 without any further act, approval or vote of any Partner or any other Persons.

Section 4.6 *No Interest; No Return*. No Partner shall be entitled to interest on its Capital Contribution or on such Partner's Capital Account. Except as provided herein or by law, no Partner shall have any right to demand or receive the return of its Capital Contribution from the Partnership.

Section 4.7 *Conversion or Redemption of REIT Shares and Capital Shares*.

A. *Conversion of Capital Shares*. If, at any time, any of the Capital Shares are converted into REIT Shares, in whole or in part, then a number of Units directly or indirectly held by Federal Realty with preferences, conversion and other rights (other than redemption and voting rights), restrictions (other than restrictions on transfer), rights and limitations as to dividends and other distributions and qualifications that are substantially the same as the preferences, conversion and other rights (other than redemption and voting rights), restrictions (other than restrictions on transfer), rights and limitations as to dividends and other distributions and qualifications of such Capital Shares ("*Equivalent Units*") (for the avoidance of doubt, Equivalent Units need not have voting rights, redemption rights or restrictions on transfer that are substantially equivalent to such Capital Shares) equal to the number of Capital Shares so converted shall automatically be converted into a number of Common Units equal to the quotient of: (i) the number of REIT Shares issued upon such conversion divided by (ii) the Adjustment Factor then in effect, and the Percentage Interests of the General Partner and the Limited Partners shall be adjusted to reflect such conversion.

B. *Redemption of Capital Shares or REIT Shares*. Except as otherwise provided in Section 7.4.C, if, at any time, any Capital Shares are redeemed or otherwise repurchased (whether by exercise of a put or call, automatically or by means of another arrangement) by Federal Realty for cash, immediately prior to such redemption or repurchase of Capital Shares, an equal number of the corresponding Equivalent Units held by Federal Realty shall automatically be redeemed by the Partnership upon the same terms and for the same price per Equivalent Unit as such Capital Shares are redeemed or

repurchased. If, at any time, any REIT Shares are forfeited or redeemed or otherwise repurchased or reacquired by Federal Realty, immediately prior to such forfeiture, redemption, reacquisition or repurchase of REIT Shares, a number of Common Units held by Federal Realty equal to the quotient of: (i) the REIT Shares so forfeited, redeemed, reacquired or repurchased, divided by (ii) the Adjustment Factor then in effect, shall automatically be redeemed by the Partnership, such redemption to be upon the same terms and for the same price per Common Unit (after giving effect to application of the Adjustment Factor) as such REIT Shares are redeemed, repurchased or otherwise reacquired, or, in the case of a forfeiture of REIT Shares, shall automatically be forfeited by Federal Realty for no consideration.

Section 4.8 *Other Contribution Provisions*. In the event that any Partner is admitted to the Partnership and is given a Capital Account in exchange for services rendered to the Partnership, such transaction shall be treated by the Partnership and the affected Partner as if the Partnership had compensated such Partner in cash and such Partner had contributed the cash that the Partner would have received to the capital of the Partnership. In addition, with the Consent of the General Partner, one or more Partners may enter into contribution agreements with the Partnership which have the effect of providing a guarantee of certain obligations of the Partnership (and/or a wholly-owned Subsidiary of the Partnership).

Section 4.9 *Capital Accounts*. A separate capital account (a "*Capital Account*") shall be established and maintained for each Partner in accordance with Regulations Section 1.704-1(b)(2)(iv). If: (a) a new or existing Partner acquires an additional Partnership Interest in exchange for more than a de minimis Capital Contribution, (b) the Partnership distributes to a Partner more than a de minimis amount of Partnership property as consideration for a Partnership Interest, (c) the Partnership is liquidated within the meaning of Regulation Section 1.704-1(b)(2)(ii)(g), or (d) the Partnership grants a Partnership Interest (other than a de minimis Partnership Interest) as consideration for the provision of services to or for the benefit of the Partnership to an existing Partner acting in a Partner capacity, or to a new Partner acting in a Partner capacity or in anticipation of being a Partner, the General Partner shall revalue the property of the Partnership to its fair market value (as determined by the General Partner, in its sole and absolute discretion, and taking into account Section 7701(g) of the Code) in accordance with Regulations Section 1.704-1(b)(2)(iv)(f); provided that: (i) the issuance of any LTIP Unit shall be deemed to require a revaluation pursuant to this Section 4.9; and (ii) the General Partner may elect not to revalue the property of the Partnership in connection with the issuance of additional Partnership Interests pursuant to Section 4.2 to the extent it determines, in its sole and absolute discretion, that revaluing the Property of the Partnership is not necessary or appropriate to reflect the relative economic interests of the Partners. When the Partnership's Property is revalued by the General Partner, the Capital Accounts of the Partners shall be adjusted in accordance with Regulations Sections 1.704-1(b)(2)(iv)(f), (g) and (s), which generally require such Capital Accounts to be adjusted to reflect the manner in which the unrealized gain or loss inherent in such property (that has not been reflected in the Capital Accounts previously) would be allocated among the Partners pursuant to Section 6.1 if there were a taxable disposition of such property for its fair market value (as determined by the General Partner, in its sole and absolute discretion, and taking into account Section 7701(g) of the Code) on the date of the revaluation

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Section 4.10 *LTIP Units*

A. *Issuance of LTIP Units.* The General Partner may from time to time issue LTIP Units to Persons who provide services to or for the benefit of the Partnership, the General Partner or Federal Realty for such consideration as the General Partner may determine to be appropriate, and admit such Persons as Limited Partners. Subject to the following provisions of this Section 4.10 and the special provisions of Sections 4.11 and 6.7, LTIP Units shall be treated as Common Units for all purposes, with all of the rights, privileges and obligations attendant thereto. In particular, the Partnership shall maintain at all times a one-to-one correspondence between the LTIP Units and Common Units with respect to conversion, distribution and other purposes, including, without limitation, by complying with the following procedures:

(1) If an Adjustment Event occurs, then the General Partner shall make a corresponding adjustment to the LTIP Units to maintain a one-for-one conversion and economic equivalence ratio between Common Units and LTIP Units. The following shall be "*Adjustment Events*": (i) the Partnership makes a distribution on all outstanding Common Units in the form of Units; (ii) the Partnership subdivides the outstanding Common Units into a greater number of Units or combines the outstanding Common Units into a smaller number of Units; or (iii) the Partnership issues any Units in exchange for its outstanding Common Units by way of a reclassification or recapitalization of its Common Units. If more than one Adjustment Event occurs, the adjustment to the LTIP Units need be made only once using a single formula that takes into account each and every related Adjustment Event as if all Adjustment Events occurred simultaneously. For the avoidance of doubt, the following shall not be Adjustment Events: (x) the issuance of Units in a financing, reorganization, acquisition or other similar business Common Unit Transaction; (y) the issuance of Units pursuant to any employee benefit or compensation plan or distribution reinvestment plan; or (z) the issuance of any Units to the General Partner, Federal Realty or any Federal Realty Subsidiary in respect of a capital contribution to the Partnership of proceeds from the sale of REIT Shares, Capital Shares or New Securities. If the Partnership takes an action affecting the Common Units other than actions

specifically described above as Adjustment Events and in the opinion of the General Partner such action would require an adjustment to the LTIP Units to maintain the one-to-one correspondence described above, the General Partner shall have the right to make such adjustment to the LTIP Units, to the extent permitted by law and by any Equity Incentive Plan and Vesting Agreement, in such manner and at such time as the General Partner, in its sole discretion, may determine to be appropriate under the circumstances. If an adjustment is made to the LTIP Units, as herein provided, the Partnership shall promptly file in the books and records of the Partnership an officer's certificate or other documentation setting forth such adjustment and a brief statement of the facts requiring such adjustment, which documentation shall be conclusive evidence of the correctness of such adjustment absent manifest error. Promptly after the filing of such documentation, the Partnership shall deliver a notice to each LTIP Unitholder setting forth the adjustment to his or her LTIP Units and the effective date of such adjustment; provided, that the failure to deliver such notice shall not invalidate the adjustment or the authority granted hereunder; and

(2) The LTIP Unitholders shall be entitled to receive distributions in an amount per LTIP Unit equal to the distributions per Common Unit paid to holders of Common Units on such Partnership Record Date established by the General Partner with respect to any distribution to holders of Common Units authorized and declared by the General Partner; provided, however, that until the Economic Capital Account Balance of the LTIP Units is equal to the Target Balance, the LTIP Units shall be entitled to distributions attributable to the sale or other disposition of an asset of the Partnership only to the extent of any appreciation in value of such asset subsequent to the award date of such LTIP Unit, as determined by the Partnership. So long as any LTIP Units are outstanding, no distributions (whether in cash or in kind) shall be authorized, declared or paid on Common Units, unless equal distributions have been or contemporaneously are authorized, declared and paid on the LTIP Units; provided, that the distributions of assets on liquidation, dissolution or winding up shall be made solely in accordance with the Partners' positive Capital Account balances as provided in Section 13.2.

B. *Priority*. Subject to the provisions of this Section 4.10, the special provisions of Section 4.11 and Section 6.7 and any Vesting Agreement, the LTIP Units shall rank *pari passu* with the Common Units as to the payment of regular and special periodic or other distributions; provided that distributions of assets on liquidation, dissolution or winding up shall be made solely in accordance with the Partners' positive Capital Account balances as provided in Section 13.2. As to the payment of distributions and as to distribution of assets upon liquidation, dissolution or winding up, any class or series of Units which by its terms specifies that it shall rank junior to, on a parity with, or senior to the Common Units shall also rank junior to, on a parity with, or senior to, as the case may be, the LTIP Units; provided that distributions of assets on liquidation, dissolution or winding up shall be made solely in accordance with the Partners' positive Capital Account balances as provided in Section 13.2. Subject to the terms of any Vesting Agreement, an LTIP Unitholder shall be entitled to transfer his or her LTIP Units to the same extent, and subject to the same restrictions, as holders of Common Units are entitled to transfer their Common Units pursuant to Article 11.

C. *Special Provisions*. LTIP Units shall be subject to the following special provisions:

(1) *Vesting Agreements*. LTIP Units may, in the sole discretion of the General Partner, be issued subject to vesting, forfeiture and additional restrictions on transfer pursuant to the terms of a Vesting Agreement. The terms of any Vesting Agreement may be modified by the General Partner from time to time in its sole discretion, subject to any restrictions on amendment imposed by the relevant Vesting Agreement or by the Equity Incentive Plan, if applicable. Upon grant, the grantee of any LTIP Unit shall be treated as a Partner for all purposes. The Partners acknowledge that the liquidation value of each LTIP Unit and the Capital Account balance of such LTIP Unit shall be zero upon grant for all purposes (including Section 10.3.D).

(2) *Forfeiture*. Unless otherwise specified in the Vesting Agreement, upon the occurrence of any event specified in a Vesting Agreement as resulting in either the right of the Partnership or the General Partner to repurchase LTIP Units at a specified purchase price or some other forfeiture of any LTIP Units, then if the Partnership or the General Partner exercises such right to repurchase or forfeiture in accordance with the applicable Vesting Agreement, the relevant LTIP Units shall immediately, and without any further action, be treated as cancelled and no longer outstanding for any purpose. Unless otherwise specified in the Vesting Agreement, no consideration or other payment shall be due with respect to any LTIP Units that have been forfeited, other than any distributions declared with respect to a Partnership Record Date prior to the effective date of the forfeiture. In connection with any repurchase or forfeiture of LTIP Units, the balance of the portion of the Capital Account of the LTIP Unitholder that is attributable to all of such LTIP Unitholder's LTIP Units shall be reduced by the amount, if any, by which it exceeds the Target Balance contemplated by Section 6.7, calculated with respect to the LTIP Unitholder's remaining LTIP Units, if any.

(3) *Allocations*. LTIP Unitholders shall be entitled to certain special allocations of gain under Section 6.7.

(4) *Redemption*. The Redemption right provided to Limited Partners under Section 8.6 shall not apply with respect to LTIP Units unless and until they are converted to Common Units as provided in clause (5) below and Section 4.11.

(5) *Conversion to Common Units*. Vested LTIP Units are eligible to be converted into Common Units in accordance with Section 4.11.

D. *Voting*. LTIP Unitholders shall: (a) have the same voting rights as the holders of Common Units, with all LTIP Units voting as a single class with the Common Units and having one vote per LTIP Unit; and (b) have the additional voting rights that are expressly set forth below. So long as any LTIP Units remain outstanding, the Partnership shall not, without the affirmative vote of the holders of a majority of the LTIP Units outstanding at the time, given in person or by proxy, either in writing or at a meeting, amend, alter or repeal, whether by merger, consolidation or otherwise, the provisions of this Agreement applicable to LTIP Units so as to materially and adversely affect (as determined in good faith by the General Partner) any right, privilege or voting power of the LTIP Units or the LTIP Unitholders as such, unless such amendment, alteration, or repeal affects equally, ratably and proportionately the rights, privileges and voting powers of the holders of Common Units; but subject, in any event, to the following provisions:

(1) With respect to any Common Unit Transaction, so long as the LTIP Units are treated in accordance with Section 4.11.F, the consummation of such Common Unit Transaction shall not be deemed to materially and adversely affect such rights, preferences, privileges or voting powers of the LTIP Units or the LTIP Unitholders as such; and

(2) Any creation or issuance of any Partnership Units or of any class or series of Partnership Interests, including without limitation additional Common Units or LTIP Units, whether ranking senior to, junior to, or on a parity with the LTIP Units with respect to distributions and the distribution of assets upon liquidation, dissolution or winding up, shall not be deemed to materially and adversely affect such rights, preferences, privileges or voting powers of the LTIP Units or the LTIP Unitholders as such.

The foregoing voting provisions will not apply if, at or prior to the time when the act with respect to which such vote would otherwise be required will be effected, all outstanding LTIP Units shall have been converted into Common Units.

Section 4.11 *Conversion of LTIP Units*

A. An LTIP Unitholder shall have the right (the "*Conversion Right*"), at such holder's option, at any time to convert all or a portion of such holder's Vested LTIP Units into Common Units; provided, however, that a holder may not exercise the Conversion Right for less than 1,000 Vested LTIP Units or, if such holder holds less than 1,000 Vested LTIP Units, all of the Vested LTIP Units then held by such holder. LTIP Unitholders shall not have the right to convert Unvested LTIP Units into Common Units until they become Vested LTIP Units; provided, however, that when an LTIP Unitholder is notified of the expected occurrence of an event that will cause such LTIP Unitholder's Unvested LTIP Units to become Vested LTIP Units, such LTIP Unitholder may give the Partnership a Conversion Notice conditioned upon and effective as of the time of vesting and such Conversion Notice, unless subsequently revoked by the LTIP Unitholder, shall be accepted by the Partnership subject to such condition. The General Partner shall have the right at any time to cause a conversion of Vested LTIP Units into Common Units. In all cases, the conversion of any LTIP Units into Common Units shall be subject to the conditions and procedures set forth in this Section 4.11.

B. A holder of Vested LTIP Units may convert such LTIP Units into an equal number of fully paid and non-assessable Common Units, giving effect to all adjustments (if any) made pursuant to Section 4.10. Notwithstanding the foregoing, in no event may a holder of Vested LTIP Units convert a number of Vested LTIP Units that exceeds: (i) the Economic Capital Account Balance of such Limited Partner, to the extent attributable to its ownership of LTIP Units, divided by (ii) the Common Unit Economic Balance, in each case as determined as of the effective date of conversion (the "*Capital Account Limitation*"). In order to exercise the Conversion Right, an LTIP Unitholder shall deliver a notice (a "*Conversion Notice*") in a form to be provided by the Partnership upon request (with a copy to the General Partner) not less than ten (10) nor more than 60 days prior to the Conversion Date; provided that if the General Partner has not given to the LTIP Unitholders notice of a proposed or upcoming Common Unit Transaction at least 30 days prior to the effective date of such Common Unit Transaction, then LTIP Unitholders shall have the right to deliver a Conversion Notice until the earlier of (x) the tenth (10th) day after such notice from the General Partner of a Common Unit Transaction or (y) the third (3rd) business day immediately preceding the effective date of such Common Unit Transaction. A Conversion Notice shall be provided in the manner provided in Section 15.1. Each LTIP Unitholder covenants and agrees with the Partnership that all Vested LTIP Units to be converted pursuant to this Section 4.11.B shall be free and clear of all liens, claims and encumbrances. Notwithstanding anything herein to the contrary, a holder of LTIP Units may deliver a Notice of Redemption pursuant to Section 8.6 relating to those Common Units that will be issued to such holder upon conversion of such LTIP

Units into Common Units in advance of the Conversion Date; provided, however, that the redemption of such Common Units by the Partnership shall in no event take place until after the Conversion Date. For clarity, it is noted that the objective of this paragraph is to put an LTIP Unitholder in a position where, if such holder so wishes, the Common Units into which such holder's Vested LTIP Units will be converted can be tendered to the Partnership for redemption simultaneously with such conversion, with the further consequence that, if Federal Realty elects to assume the Partnership's redemption obligation with respect to such Common Units under Section 8.6.B by delivering to such holder the REIT Shares, then such holder can have the REIT Shares issued to such holder simultaneously with the conversion of such holder's Vested LTIP Units into Common Units. The General Partner and LTIP Unitholder shall reasonably cooperate with each other to coordinate the timing of the events described in the foregoing sentence.

C. The Partnership, at any time at the election of the General Partner, may cause any number of Vested LTIP Units held by an LTIP Unitholder to be converted (a "*Forced Conversion*") into an equal number of Common Units, giving effect to all adjustments (if any) made pursuant to Section 4.10; provided, however, that the Partnership may not cause Forced Conversion of any LTIP Units that would not at the time be eligible for conversion at the option of such LTIP Unitholder pursuant to this Section 4.11. In order to exercise its right of Forced Conversion, the Partnership shall deliver a notice (a "*Forced Conversion Notice*") to the applicable LTIP Unitholder not less than ten (10) nor more than 60 days prior to specified Conversion Date. A Forced Conversion Notice shall be provided in the manner provided in Section 15.1 and shall be revocable by the General Partner at any time prior to the Forced Conversion.

D. A conversion of Vested LTIP Units for which the holder thereof has given a Conversion Notice or the Partnership has given a Forced Conversion Notice shall occur automatically after the close of business on the applicable Conversion Date without any action on the part of such LTIP Unitholder, as of which time such LTIP Unitholder shall be credited on the books and records of the Partnership with the issuance as of the opening of business on the next day of the number of Common Units issuable upon such conversion. After the conversion of LTIP Units as aforesaid, the Partnership shall deliver to such LTIP Unitholder, upon his or her written request, a certificate of the General Partner certifying the number of Common Units and remaining LTIP Units, if any, held by such person immediately after such conversion. The Assignee of any Limited Partner pursuant to Article 11 may exercise the rights of such Limited Partner pursuant to this Section 4.11 and such Limited Partner shall be bound by the exercise of such rights by the Assignee.

E. For purposes of making future allocations under Section 6.7 and applying the Capital Account Limitation, the portion of the Economic Capital Account Balance of the applicable LTIP Unitholder that is treated as attributable to his or her LTIP Units shall be reduced, as of the date of conversion, by the product of the number of LTIP Units converted and the Common Unit Economic Balance.

F. If the Partnership, the General Partner or Federal Realty shall be a party to any Extraordinary Transaction (excluding any Extraordinary Transaction which constitutes an Adjustment Event) as a result of which Common Units shall be exchanged for or converted into the right, or the holders of Common Units shall otherwise be entitled, to receive cash, securities or other property or any combination thereof (each of the foregoing being referred to herein as a "*Common Unit Transaction*"), then the General Partner shall, subject to the terms of any applicable Vesting Agreement, exercise immediately prior to the Common Unit Transaction its right to cause a Forced Conversion with respect to the maximum number of LTIP Units then eligible for conversion, taking into account any allocations that occur in connection with the Common Unit Transaction or that would occur in connection with the Common Unit Transaction if the assets of the Partnership were sold at the Common Unit Transaction price or, if applicable, at a value determined by the General Partner in good faith using the value attributed to the Partnership Units in the context of the Common Unit Transaction (in which case the Conversion Date shall be the effective date of the Common Unit Transaction). In anticipation of such Forced Conversion and the consummation of the Common Unit Transaction, the Partnership shall use commercially reasonable efforts to cause each LTIP Unitholder to be afforded the right to receive in connection with such Common Unit Transaction in consideration for the Common Units into which such LTIP Unitholder's LTIP Units will be converted the same kind and amount of cash, securities and other property (or any combination thereof) receivable upon the consummation of such Common Unit Transaction by a holder of the same number of Common Units, assuming such holder of Common Units is not a Person with which the Partnership consolidated or into which the Partnership merged or which merged into the Partnership or to which such sale or transfer was made, as the case may be (a "*Constituent Person*"), or an affiliate of a Constituent Person. In the event that holders of Common Units have the opportunity to elect the form or type of consideration to be received upon consummation of the Common Unit Transaction, prior to such Common Unit Transaction, the General Partner shall give prompt written notice to each LTIP Unitholder of such election, and shall use commercially reasonable efforts to afford the LTIP Unitholders the right to elect, by written notice to the General Partner, the form or type of consideration to be received upon conversion of each LTIP Unit held by such holder into Common Units in connection with such Common Unit Transaction. If an LTIP Unitholder fails to make such an election, such holder (and any of its transferees) shall receive upon conversion of each LTIP Unit held by such LTIP Unitholder (or by any of such LTIP Unitholder's transferees) the same kind and amount of consideration that a holder of a Common Unit would receive if such

Common Unit holder failed to make such an election. Subject to the rights of the Partnership and the General Partner under any Vesting Agreement and any Equity Incentive Plan, the Partnership shall use commercially reasonable efforts to cause the terms of any Common Unit Transaction to be consistent with the provisions of this Section 4.11.F and to enter into an agreement with the successor or purchasing entity, as the case may be, for the benefit of any LTIP Unitholders whose LTIP Units will not be converted into Common Units in connection with the Common Unit Transaction that will (1) contain provisions enabling the holders of LTIP Units that remain outstanding after such Common Unit Transaction to convert their LTIP Units into securities as comparable as reasonably possible under the circumstances to the Common Units; and (2) preserve as far as reasonably possible under the circumstances the distribution, special allocation, conversion, and other rights set forth in this Agreement for the benefit of the LTIP Unitholders.

ARTICLE 5
DISTRIBUTIONS

Section 5.1 *Requirement and Characterization of Distributions*. The General Partner may cause the Partnership to distribute such amounts, at such times, as the General Partner may, in its sole and absolute discretion, determine to the Holders as of any Partnership Record Date: (i) first, with respect to any Units that are entitled to any preference in distribution, in accordance with the rights of Holders of such class(es) of Units (and, except as otherwise set forth on a Partner Schedule, within each such class, among the Holders of each such class, pro rata in proportion to their respective Percentage Interests of such class on such Partnership Record Date); and (ii) second, with respect to any Units that are not entitled to any preference in distribution, in accordance with the rights of Holders of such class(es) of Units, as applicable (and, except as otherwise set forth on a Partner Schedule, within each such class, among the Holders of each such class, pro rata in proportion to their respective Percentage Interests of such class on such Partnership Record Date). Except for any Units issued to the General Partner, Federal Realty or any Federal Realty Subsidiary in connection with the issuance of REIT Shares by Federal Realty, distributions payable with respect to any Units that were not outstanding during the entire quarterly period for which any distribution is made shall be prorated based on the portion of the period that such Units were outstanding and in no event shall a distribution associated with any Partnership Record Date be made with respect to both a Unit and the related REIT Share issued in redemption thereof. The General Partner shall use commercially reasonable efforts, as determined by it in its sole and absolute discretion and consistent with Federal Realty's qualification as a REIT, to cause the Partnership to distribute, at a minimum, sufficient amounts to enable Federal Realty to pay shareholder dividends that will: (a) satisfy the requirements for qualifying as a REIT under the Code and Regulations (the "*REIT Requirements*"); and (b) except to the extent otherwise determined by Federal Realty, including to the extent Federal Realty elects to retain and pay income tax on its net capital gain, eliminate any federal income or excise tax liability of Federal Realty.

Section 5.2 *Distributions in Kind*. Except as expressly provided herein, no Holder has any right to demand or receive property other than cash as provided in this Agreement. The General Partner may determine, in its sole and absolute discretion, to cause the Partnership to make a distribution in kind of Partnership assets to the Holders, and such assets shall be distributed in such a fashion as to ensure that the fair market value is distributed and allocated in accordance with Articles 5, 6 and 13; provided, however, that the General Partner shall not make a distribution in kind to any Holder unless the Holder has been given ninety (90) days prior written notice of such distribution.

Section 5.3 *Amounts Withheld*. All amounts withheld pursuant to the Code or any provisions of any state, local or non-United States tax law and Section 10.4 with respect to any allocation, payment or distribution to any Holder shall be treated as amounts paid or distributed to such Holder pursuant to Section 5.1 for all purposes under this Agreement.

Section 5.4 *Distributions upon Liquidation*. Notwithstanding the other provisions of this Article 5, net proceeds from any sale or other disposition of all or substantially all of the assets of the Partnership or a related series of transactions that, taken together, result in the sale or other disposition of all or substantially all of the assets of the Partnership, in any case, not in the ordinary course of the Partnership's business, and any other amounts distributed after the occurrence of a Liquidating Event, shall be distributed to the Holders in accordance with Section 13.2.

Section 5.5 *Distributions to Reflect Additional Units*. In the event that the Partnership issues additional Units pursuant to the provisions of Article 4, the General Partner is hereby authorized to amend this Agreement as it determines, in its sole and absolute discretion, is necessary or desirable to reflect the issuance of such additional Units, including, without limitation, making preferential distributions to Holders of certain classes of Units, all without the consent of any Partner or any other Person.

Section 5.6 *Restricted Distributions*. Notwithstanding any provision to the contrary contained in this Agreement, neither the Partnership nor the General Partner, on behalf of the Partnership, shall be required to make a distribution to any Holder if such distribution would violate the Act or other applicable law.

Section 5.7 *Indemnity Obligations.* During any period in which there are any unpaid Indemnity Obligations, all distributions otherwise due to any of the obligors on account of the Indemnity Obligations shall be retained by the Partnership and applied to satisfy or discharge such unpaid Indemnity Obligations. For the avoidance of doubt, any distributions which would have otherwise been distributed to a Partner who is an obligor on with respect to an unpaid Indemnity Obligation but are retained by the Partnership and distributed to the General Partner in accordance with this Section 5.7, shall, for all other purposes under this Agreement, be deemed to have been distributed to such Partner.

ARTICLE 6
ALLOCATIONS

Section 6.1 *Profit*. Profit of the Partnership for each fiscal year of the Partnership shall be allocated to the Partners: (A) first, to the Partners in the same ratio and reverse order as Loss was allocated to such Partners pursuant to Sections 6.2.B through D for all fiscal years until the aggregate amount allocated to such Partners pursuant to such provisions of Section 6.2.B equals the aggregate amount allocated pursuant to this Section 6.1; and (B) thereafter to the Partners in accordance with their respective Partnership Interests determined with respect to Common Units.

Section 6.2 *Loss*. Loss of the Partnership for each fiscal year of the Partnership shall be allocated to the Partners in the following order:

A. First, in the same ratio and reverse order as Profits was allocated to the Partners pursuant to the provisions of Section 6.1.B for all fiscal years until the aggregate amount of Profit previously allocated to such Partners pursuant to such provisions of Section 6.1.B equals the aggregate amount of Loss allocation to such Partners pursuant to this Section 6.2.

B. Second, to the Partners in proportion to the balances of their Adjusted Capital Accounts until their Adjusted Capital Account Balances have been reduced to zero, excluding for this purpose the portion of any Adjusted Capital Account attributable to Capital Contributions made with respect to Preferred Units.

C. Third, to the holders of each class of Preferred Units, on a class-by-class basis, in the reverse priority in which each such class is entitled to distributions pursuant to the terms of the Preferred Unit Designation for such Preferred Units, and within such class to each holder of Preferred Units, *pro rata*, in proportion to their Adjusted Capital Accounts until their Adjusted Capital Accounts have been reduced to zero.

D. Fourth, to the General Partner.

Section 6.3 *Minimum Gain Chargeback*. Notwithstanding any provision to the contrary: (A) any expense of the Partnership that is a "nonrecourse deduction" within the meaning of Regulations Section 1.704-2(b)(1) shall be allocated in accordance with the Partners' respective Percentage Interests as determined with respect to Common Units; (B) any expense of the Partnership that is a "partner nonrecourse deduction" within the meaning of Regulations Section 1.704-2(i)(2) shall be allocated to the Partner that bears the "economic risk of loss" of such deduction in accordance with Regulations Section 1.704-2(i)(1); (C) if there is a net decrease in Partnership Minimum Gain within the meaning of Regulations Section 1.704-2(f)(1) for any Partnership taxable year, then, subject to the exceptions set forth in Regulations Section 1.704-2(f)(2),(3), (4) and (5), items of gain and income shall be allocated among the Partners in accordance with Regulations Section 1.704-2(f) and the ordering rules contained in Regulations Section 1.704-2(j); and (D) if there is a net decrease in Partner Nonrecourse Debt Minimum Gain within the meaning of Regulations Section 1.704-2(i)(4) for any Partnership taxable year, then, subject to the exceptions set forth in Regulations Section 1.704(2)(g), items of gain and income shall be allocated among the Partners in accordance with Regulations Section 1.704-2(i)(4) and the ordering rules contained in Regulations Section 1.704-2(j). For purposes of determining a Partner's proportional share of the "excess nonrecourse liabilities" of the Partnership within the meaning of Regulations Section 1.752-3(a)(3), except as otherwise determined by the General Partner, each Partner's respective interest in Partnership profits shall be equal to such Partner's Percentage Interest determined with respect to Common Units.

Section 6.4 *Qualified Income Offset*. If a Partner receives in any taxable year an adjustment, allocation or distribution described in subparagraphs (4), (5) or (6) of Regulations Section 1.704-1(b)(2)(ii)(d) that causes or increases a deficit balance in such Partner's Capital Account that exceeds the sum of such Partner's shares of Partnership Minimum Gain and Partner Nonrecourse Debt Minimum Gain, as determined in accordance with Regulations Sections 1.704-2(g) and 1.704-2(i), such Partner shall be allocated specially for such taxable year (and, if necessary, later taxable years) items of income and gain in an amount and manner sufficient to eliminate such deficit Capital Account balance as quickly as possible as provided in Regulations Section 1.704-1(b)(2)(ii)(d). After the occurrence of an allocation of income or gain to a Partner in accordance with this Section 6.4, to the extent permitted by Regulations Section 1.704-1(b), items of expense or loss shall be allocated to such Partner in an amount necessary to offset the income or gain previously allocated to such Partner under this Section 6.4.

Section 6.5 *Capital Account Deficits*. Loss shall not be allocated to a Limited Partner to the extent that such allocation would cause a deficit in such Partner's Capital Account (after reduction to reflect the items described in Regulations Section 1.704-1(b)(2)(ii)(d)(4), (5) and (6)) to exceed the sum of such Partner's shares of Partnership Minimum Gain and Partner Nonrecourse Debt Minimum Gain. Any Loss in excess of that limitation shall be allocated to the General Partner. After the occurrence of an allocation of Loss to the General Partner in accordance with this Section 6.5, to the extent permitted by Regulations Section 1.704-1(b), Profit first shall be allocated to the General Partner in an amount necessary to offset the Loss previously allocated to the General Partner under this Section 6.5.

Section 6.6 *Allocations Between Transferor and Transferee*. If a Partner transfers any part or all of its Partnership Interest, the distributive shares of the various items of Profit and Loss allocable among the Partners during such fiscal year of the Partnership shall be allocated between the transferor and the transferee Partner either: (A) as if the Partnership's fiscal year had ended on the date of the transfer; or (B) based on the number of days of such fiscal year that each was a Partner without regard to the results of Partnership activities in the respective portions of such fiscal year in which the transferor and the transferee were Partners. The General Partner, in its sole and absolute discretion, shall determine which method shall be used to allocate the distributive shares of the various items of Profit and Loss between the transferor and the transferee Partner.

Section 6.7 *Special Allocations Regarding LTIP Units*. Notwithstanding the provisions of Sections 6.1 and 6.2, Liquidating Gains shall first be allocated to the LTIP Unitholders until their Economic Capital Account Balances, to the extent attributable to their ownership of LTIP Units, are equal to: (A) the Common Unit Economic Balance, multiplied by (B) the number of their LTIP Units (the "*Target Balance*") and thereafter shall be allocated in accordance with Section 6.1; provided, however, that unless otherwise specified by the General Partner in the grant of specific LTIP Units, no such Liquidating Gains will be allocated with respect to any particular LTIP Unit unless and to the extent that such Liquidating Gains, when aggregated with other Liquidating Gains realized since the issuance of such LTIP Unit, exceed Liquidating Losses realized since the issuance of such LTIP Unit. Liquidating Gains that cannot be allocated to LTIP Unitholders by reason of the proviso in the immediately preceding sentence shall be allocated to the holders of Common Units. Liquidating Gains otherwise allocable to the LTIP Unitholders pursuant to the second preceding sentence shall be allocated (1) on a "first-in, first-out" basis with respect to LTIP Units issued on different dates and (2) on an equal basis with respect to LTIP Units issued on the same date (i.e., Liquidating Gains shall be allocated first to the LTIP Units that were issued on the earliest date, and then with respect to such LTIP Units, equally among such LTIP Units). For this purpose, "*Liquidating Gains*" means net capital gains realized in connection with the actual or hypothetical sale of all or substantially all of the assets of the Partnership, including but not limited to net capital gain realized in connection with an adjustment to the value of Partnership assets under Section 704(b) of the Code. "*Liquidating Losses*" means any net capital loss realized in connection with any such event. The "*Economic Capital Account Balances"* of the LTIP Unitholders will be equal to their Capital Account balances plus shares of Partner Nonrecourse Debt Minimum Gain or Partnership Minimum Gain (after reduction to reflect the items described in Regulations Section 1.704-1(b)(2)(ii)(d)(4), (5) and (6)) to the extent attributable to their ownership of LTIP Units. Similarly, the "*Common Unit Economic Balance*" shall mean (a) the Capital Account balance of Federal Realty, plus the amount of Federal Realty's share of any Partner Nonrecourse Debt Minimum Gain or Partnership Minimum Gain (after reduction to reflect the items described in Regulations Section 1.704-1(b)(2)(ii)(d)(4), (5) and (6)), in either case to the extent attributable to Federal Realty's direct or indirect ownership of Common Units and computed on a hypothetical basis after taking into account all allocations through the date on which any allocation is made under this Section 6.7, divided by (b) the number of Common Units directly or indirectly owned by Federal Realty. Any such allocations shall be made among the LTIP Unitholders in proportion to the amounts required to be allocated to each under this Section 6.7. The parties agree that the intent of this Section 6.7 is to make the Capital Account balance associated with each LTIP Unit to be economically equivalent to the Capital Account balance associated with Common Units directly or indirectly owned by Federal Realty (on a per-Unit basis). The General Partner shall be permitted to interpret this Section 6.7 or to amend this Agreement to the extent necessary and consistent with this intention.

Section 6.8 *Definition of Profit and Loss*. "*Profit*" and "*Loss*" and any items of income, gain, expense or loss referred to in this Agreement shall be determined in accordance with federal income tax accounting principles, as modified by Regulations Section 1.704-1(b)(2)(iv), except that Profit and Loss shall not include items of income, gain and expense that are specially allocated pursuant to Sections 6.3, 6.4 or 6.5. All allocations of income, Profit, gain, Loss and expense (and all items contained therein) for federal income tax purposes shall be identical to all allocations of such items set forth in this Article 6, except as otherwise required by Section 704(c) of the Code and Regulations Section 1.704-1(b)(4). With respect to properties acquired by the Partnership, the General Partner shall have the authority to elect the method to be used by the Partnership for allocating items of income, gain and expense as required by Section 704(c) of the Code with respect to such properties, and such election shall be binding on all Partners.

Section 6.9 *Preferred Units*. Notwithstanding Sections 6.1 and 6.2, after giving effect to the special allocations set forth in Sections 6.3, 6.4 and 6.5 of this Agreement, each year gross income of the Partnership shall be allocated first to the holders of Preferred Units until the cumulative amount allocated under this Section 6.9 to such holders for the current year and all prior years is equal to the cumulative amount for the current year and all prior years of the sum of: (A) the accrued distributions payable to the holders of Preferred Units under the applicable Preferred Unit Designation; (B) for the year in which a distribution is to be made to the holders of Preferred Units upon liquidation, dissolution or winding up, the portion of the distribution payable to the holders (if any) pursuant to the applicable Preferred Unit Designation that exceeds the Liquidation Preference of such Preferred Units; and (C) the portion of the distributions made to the holders of Preferred Units in redemption of their Preferred Units (if any) pursuant to a Preferred Unit Designation that exceeds the Liquidation Preference of the Preferred Units. The General Partner shall amend this agreement from time to time to reflect the allocation of profit and loss in connection with priority distributions on any Preferred Units or otherwise created pursuant to a Partner Schedule.

Section 6.10 *Profits Interests*. LTIP Units are intended to constitute "profits interests" within the meaning of Revenue Procedure 93-27, 1993-2 C.B. 343 (June 9, 1993), and Revenue Procedure 2001-43, 2001-2 C.B. 191 (August 3, 2001) and the provisions of this Agreement shall be interpreted in a manner consistent with this intent. For any fiscal year in which distributions are actually made to holders of LTIP Units, after all other allocations have been tentatively made pursuant to this Article 6, if necessary to cause the Capital Accounts relating to any LTIP Units to be equal (immediately before such distributions and so as to avoid negative Capital Accounts) to the amounts distributed to the holders of the LTIP Units, the General Partner, in its discretion, may allocate appropriate items of gross income that are accrued and realized following the issuance of the relevant LTIP Units to the holders of such LTIP Units. If there are insufficient items of gross income to be allocated to the holders of the LTIP Units, then such distributions shall, to the extent of such excess, be treated as "guaranteed payments" within the meaning of Section 707(c) of the Code.

Section 6.11 *Allocations to Reflect Rights in Partner Schedules.* The General Partner shall be permitted to amend this Agreement from time to time as needed to reflect any distribution rights and liquidation preferences that are granted to Limited Partners pursuant to any Partner Schedules as permitted by this Agreement.

ARTICLE 7
MANAGEMENT AND OPERATIONS OF BUSINESS

Section 7.1 *Management*.

A. All management powers over the business and affairs of the Partnership are and shall be exclusively vested in the General Partner; provided, however, as further described in Section 7.1.G, the General Partner shall have full, right, power and authority to delegate its management powers over the business and affairs of the Partnership to officers of the Partnership designated by the General Partner or Federal Realty. No Limited Partner shall have any right to participate in or exercise control or management power over the business and affairs of the Partnership or Federal Realty. No General Partner may be removed by the Partners, with or without cause, except with the Consent of the General Partner. In addition to the powers now or hereafter granted a general partner of a limited partnership under applicable law or that are granted to the General Partner under any other provision of this Agreement, subject only to the provisions of this Agreement, including, without limitation, Section 3.2 and Section 7.3, the General Partner shall have full and exclusive power and authority, in its sole and absolute discretion, without the consent or approval of any Limited Partner, to do or authorize all things deemed necessary or desirable by it to conduct the business and affairs of the Partnership and the General Partner, to exercise or direct the exercise of all of the powers of the Partnership under the Act and this Agreement and to effectuate the purposes of the Partnership including, without limitation:

(1) the making of any expenditures, the lending or borrowing of money or selling of assets (including, without limitation, making prepayments on loans and borrowing money to permit the Partnership to make distributions to the Holders in such amounts as will permit Federal Realty): (a) to prevent the imposition of any federal income tax on Federal Realty (including, for this purpose, any excise tax pursuant to Code Section 4981); (b) to make distributions to its shareholders and payments to any taxing authority sufficient to permit Federal Realty to maintain REIT status or otherwise to satisfy the REIT Requirements; (c) the assumption or guarantee of, or other contracting for, indebtedness and other liabilities, the issuance of evidences of indebtedness (including the securing of same by deed to secure debt, mortgage, deed of trust or other lien or encumbrance on the Partnership's assets); and (d) the incurring of any obligations that the General Partner deems necessary for the conduct of the activities of the Partnership or Federal Realty;

(2) the making of tax, regulatory and other filings, or rendering of periodic or other reports to governmental or other agencies having jurisdiction over the business or assets of the Partnership;

(3) the taking of any and all acts necessary or prudent to ensure that the Partnership will not be classified as a "publicly traded partnership" under Code Section 7704(b) or be taxed as a corporation under the Code;

(4) subject to Section 11.2.B, the acquisition, sale, transfer, exchange or other disposition of any, all or substantially all of the assets (including the goodwill) of the Partnership (including, but not limited to, the exercise or grant of any conversion, option, privilege or subscription right or any other right available in connection with any assets at any time held by the Partnership) or undertaking an Extraordinary Transaction with respect to the Partnership;

(5) the mortgage, cross-collateralization, pledge, encumbrance or hypothecation of any assets of the Partnership, the assignment of any assets of the Partnership in trust for creditors or on the promise of the assignee to pay the debts of the Partnership, the use of the assets of the Partnership (including, without limitation, cash on hand) for any purpose consistent with the terms of this Agreement and on any terms that the General Partner sees fit, including, without limitation, the financing of the operations and activities of the General Partner, Federal Realty, the Partnership or any of the Partnership's Subsidiaries, the lending of funds to other Persons (including, without limitation, the General Partner, Federal Realty and/or the Partnership's Subsidiaries) and the repayment of obligations of the Partnership, Federal Realty, the Partnership's Subsidiaries and any other Person in which the Partnership has an equity investment, and the making of capital contributions to and equity investments in the Partnership's Subsidiaries;

(6) the management, operation, leasing, landscaping, repair, alteration, demolition, replacement or improvement of any Property;

(7) the negotiation, execution and performance of any contracts, including leases, ground leases, easements, management agreements, consulting agreements, rights of way and other property-related agreements, conveyances or other instruments that the General Partner considers useful or necessary to the conduct of the Partnership's operations or the implementation of the General Partner's powers under this Agreement, including contracting with contractors, developers, consultants, governmental authorities, accountants, legal counsel, other professional advisors and other agents (including, without limitation, contracting with Federal Realty and its Subsidiaries) and the payment of their expenses, fees and compensation out of the Partnership's assets;

(8) the distribution of Partnership cash or other Partnership assets in accordance with this Agreement, the holding, management, investment and reinvestment of cash and other assets of the Partnership, and the collection and receipt of revenues, rents and income of the Partnership;

(9) the selection and dismissal of employees of the Partnership (if any) or the General Partner (if any) (including, without limitation, employees having titles or offices such as "president," "vice president," "secretary" and "treasurer"), and agents, outside attorneys, accountants, consultants and contractors of the Partnership or the General Partner and the determination of their compensation and other terms of employment or hiring;

(10) the maintenance of such insurance (including, without limitation, directors and officers insurance) for the benefit of the Partnership and the Partners as the General Partner deems necessary or appropriate (which may be provided through the blanket insurance coverages maintained by Federal Realty with an appropriate reimbursement by the Partnership for its appropriate share of the insurance premiums, as determined by the General Partner and Federal Realty);

(11) the merger of the Partnership with or into, the consolidation of the Partnership with, the formation of, or acquisition of an interest in, and the contribution of property to, any other limited or general partnerships, limited liability companies, joint ventures or other entities that it deems desirable (including, without limitation, the acquisition of interests in, and the contributions of property to, any Affiliate, Subsidiary and any other Person in which the General Partner has an equity investment from time to time); provided, however, that the Partnership will not engage in any such formation, acquisition or contribution that would cause Federal Realty to fail to qualify as a REIT or to satisfy the REIT Requirements;

(12) the control of any matters affecting the rights and obligations of the Partnership, including the settlement, compromise, submission to arbitration or any other form of dispute resolution, or abandonment, of any claim, cause of action, liability, debt or damages, due or owing to or from the Partnership, the commencement or defense of suits, legal proceedings, administrative proceedings, arbitrations or other forms of dispute resolution, and the representation of the Partnership in all suits or legal proceedings, administrative proceedings, arbitrations or other forms of dispute resolution, the incurring of legal expense, and the indemnification of any Person against liabilities and contingencies to the extent permitted by law;

(13) the undertaking of any action in connection with the Partnership's direct or indirect investment in any Subsidiary or any other Person (including, without limitation, the contribution or loan of funds by the Partnership to such Persons);

(14) the determination of the fair market value of any Partnership property distributed in kind using such reasonable method of valuation as the General Partner may adopt; provided, that such methods are otherwise consistent with the requirements of this Agreement;

(15) the enforcement of any rights against any Partner pursuant to representations, warranties, covenants and indemnities relating to such Partner's contribution of property or assets to the Partnership;

(16) the exercise, directly or indirectly, through any attorney-in-fact acting under a general or limited power of attorney, of any right, including the right to vote, appurtenant to any asset or investment held by the Partnership;

(17) the exercise of any of the powers of the General Partner enumerated in this Agreement on behalf of or in connection with any Subsidiary of the Partnership or any other Person in which the Partnership has a direct or indirect interest, or jointly with any such Subsidiary or other Person;

(18) the exercise of any of the powers of the General Partner enumerated in this Agreement on behalf of any Person in which the Partnership does not have an interest, pursuant to contractual or other arrangements with such Person;

(19) the making, execution and delivery of any and all deeds, leases, notes, deeds to secure debt, mortgages, deeds of trust, security agreements, conveyances, contracts, guarantees, warranties, indemnities, waivers, releases, confessions of judgment or any other legal instruments or agreements in writing necessary or appropriate in the sole judgment of the General Partner for the accomplishment of any of the powers of the General Partner enumerated in this Agreement;

(20) the issuance of additional Units in connection with Capital Contributions by Additional Limited Partners and additional Capital Contributions by Partners pursuant to Article 4;

(21) an election to dissolve the Partnership pursuant to Section 13.1.B;

(22) the distribution of cash to acquire Common Units held by a Limited Partner in connection with a Redemption under Section 8.6;

(23) an election to require Federal Realty to acquire Tendered Units in exchange for REIT Shares;

(24) any update to the books and records of the Partnership to reflect accurately at all times the Capital Contributions and Percentage Interests of the Partners as the same are adjusted from time to time to the extent necessary to reflect redemptions, Capital Contributions, the issuance of Units, the admission of any Additional Limited Partner or any Substituted Limited Partner or otherwise, which update, notwithstanding anything in this Agreement to the contrary, shall not be deemed an amendment to this Agreement, as long as the matter or event being reflected in the books and records of the Partnership otherwise is authorized by this Agreement; and

(25) the registration of any offering or any class of securities of the Partnership under the Securities Act or the Exchange Act, and the listing of any debt securities of the Partnership on any exchange.

B. Except as provided in Section 7.3, each of the Limited Partners agrees that the General Partner, in its sole and absolute discretion, is authorized to execute, deliver and perform the above-mentioned agreements and transactions on behalf of the Partnership, and otherwise to exercise any power of the General Partner under this Agreement and the Act, without any further act, approval or vote of the Partners or any other Persons, notwithstanding any other provision of the Act or any applicable law, rule or regulation. The execution, delivery or performance by the General Partner or the Partnership of any agreement authorized or permitted under this Agreement shall not constitute a breach by the General Partner of any duty that the General Partner may owe the Partnership or the Limited Partners or any other Persons under this Agreement or of any duty stated or implied by law or equity.

C. At all times from and after the date hereof, the General Partner may cause the Partnership to obtain and maintain casualty, liability and other insurance on the Properties and liability insurance for the Indemnitees hereunder.

D. At all times from and after the date hereof, the General Partner may cause the Partnership to establish and maintain working capital and other reserves in such amounts as the General Partner, in its sole and absolute discretion, deems appropriate and reasonable from time to time.

E. In exercising its authority under this Agreement, except as may be required for Federal Realty to qualify as a REIT, the General Partner may, but shall be under no obligation to, take into account the tax consequences to any Partner of any action taken (or not taken) by it. None of the General Partner, Federal Realty, any Federal Realty Subsidiary, the Partnership or any Person within the definition of Indemnitee shall have liability to a Limited Partner under any circumstances as a result of any income tax liability incurred by such Limited Partner as a result of an action (or inaction) by the General Partner pursuant to its authority under this Agreement.

F. The determination as to any matter relating to the business and affairs of the Partnership made by or at the direction of the General Partner consistent with this Agreement and the Act shall be final and conclusive and shall be binding upon the Partnership and every Limited Partner and shall not constitute a breach of this Agreement, of any agreement contemplated herein or therein, or of any fiduciary or other duty hereunder or otherwise existing at law, in equity or otherwise. The foregoing shall apply, without limitation, to the following: the amount of assets at any time available for distribution or the redemption of Common Units; the amount and timing of any distribution; the amount, purpose, time of creation, increase or decrease, alteration or cancellation of any reserves or charges and the propriety thereof (whether or not any obligation or liability for which such reserves or charges shall have been created shall have been paid or discharged); the amount of any Partner's Capital Account; the amount of Profit or Loss for any period; the value of any Partnership asset; the Value of any REIT Share; the amount of the Adjustment Factor at any time; any election, or failure to elect, to require Federal Realty to acquire Tendered Units in exchange for REIT Shares; whether any acquisition of Tendered Units in exchange for REIT Shares would or might cause any Person to violate the REIT Shares Ownership Limit; the REIT Shares Amount at any time; whether the transfer of any Units would cause the Partnership to be classified as a "publicly traded partnership " under Code Section 7704(b); any interpretation of this Agreement or the terms, preferences, conversion or other rights, voting powers or rights, restrictions, limitations as to dividends or distributions, qualifications or terms or conditions of redemption of any class or series of Partnership Interest; the fair value, or any sale, bid or asked price to be applied in determining the fair value, of any asset owned or held by the Partnership or of any Partnership Interest; the number of authorized or outstanding Units of any class or series; any matter relating to the acquisition, holding and disposition of any assets by the Partnership; or any other matter relating to the business and affairs of the Partnership or required or permitted by applicable law, this Agreement or otherwise to be determined by the General Partner. The foregoing shall not apply to any intentional or willful violation by the General Partner of any restriction contained in a Partner Schedule restricting the sale or disposition of specified Partnership property or requiring that the Partnership maintain a minimum amount of specified indebtedness of the Partnership.

G. The General Partner shall have the authority to appoint, remove and replace such officers of the Partnership and to establish such titles, duties and authority for such officers as it shall determine from time to time in its sole discretion. Any number of offices may be held by the same Person. Without limiting the generality of the foregoing in this Section 7.1, the General Partner may delegate to one or more other Persons any or all of the General Partner's rights, powers and duties to manage and control the business and affairs of the Partnership. Any such delegation may be to agents, committees of one or more Persons, officers or employees of the General Partner, the Partnership or Federal Realty. Any such delegation by the General Partner shall not cause the General Partner to cease to be a general partner of the Partnership or cause the Person to whom any such rights, powers and duties have been delegated to be a general partner of the Partnership. No other provision of this Agreement shall be construed to restrict the General Partner's power and authority to delegate any or all of its rights, powers and duties to manage and control the business and affairs of the Partnership. Any act by any such other Person to whom the General Partner has delegated any of its rights, powers or duties pursuant to this Section 7.1.G., which act is within the scope of such delegation, shall be deemed to be an act of the General Partner for all purposes under this Agreement and the Act.

Section 7.2 *Certificate of Limited Partnership*. The General Partner shall file such amendments to and restatements of the Certificate as the General Partner deems necessary and appropriate and shall do all things it deems necessary and appropriate to maintain the Partnership as a limited partnership (or a partnership in which the limited partners have limited liability) under the laws of the State of Delaware and each other state, the District of Columbia or any other jurisdiction, in which the Partnership may elect to do business or own property. The General Partner shall not be required at any time to deliver or mail a copy of the Certificate or any amendment thereto to any Limited Partner. The General Partner shall use all reasonable efforts to cause to be filed such other certificates or documents as may be reasonable and necessary or appropriate for the formation, continuation, qualification and operation of a limited partnership (or a partnership in which the limited partners have limited liability to the extent provided by applicable law) in the State of Delaware and any other state, or the District of Columbia or other jurisdiction, in which the Partnership may elect to do business or own property.

Section 7.3 *Restrictions on General Partner's Authority*.

A. The General Partner may not take any action in contravention of an express prohibition or limitation of this Agreement without the Consent of the Limited Partners, and may not, without limitation perform any act that would subject a Limited Partner to liability as a general partner in any jurisdiction in which the Partnership is formed or does business except as provided herein or under the Act.

B. Except as provided in Section 7.3.C, the General Partner shall not, without the prior Consent of the Limited Partners, amend, modify or terminate this Agreement.

C. Notwithstanding Sections 7.3.B and 14.2, the General Partner shall have the power, without the consent of any Limited Partner or other Person, to amend this Agreement as may be required to facilitate or implement any of the following purposes:

(1) to add to the obligations of the General Partner or surrender any right or power granted to the General Partner or any Affiliate of the General Partner for the benefit of the Limited Partners;

(2) to reflect the admission, substitution or withdrawal of Partners, a Transfer or any other redemption, conversion or purchase of any Partnership Interest, the termination of the Partnership in accordance with this Agreement and to update the books and records of the Partnership in connection with such admission, substitution, withdrawal, Transfer, adjustment or other event, including, without limitation, the admission of Federal Realty or any Federal Realty Subsidiary as a Partner upon a merger or consolidation of any Federal Realty Subsidiary with and into Federal Realty or another Federal Realty Subsidiary, with Federal Realty or such Federal Realty Subsidiary continuing as the surviving entity, or any Transfer by any Federal Realty Subsidiary of its interest in the Partnership to Federal Realty or any other Federal Realty Subsidiary;

(3) to reflect a change that is of an inconsequential nature or does not adversely affect the Limited Partners in any material respect, or to cure any ambiguity, correct or supplement any provision in this Agreement not inconsistent with law or with other provisions, or make other changes with respect to matters arising under this Agreement that will not be inconsistent with law or with the provisions of this Agreement or any Partner Schedule;

(4) to set forth or amend the designations, preferences, conversion or other rights, voting powers, restrictions, limitations as to distributions, qualifications or terms or conditions of redemption of the Holders of any additional Partnership Interests issued pursuant to Article 4, including as contemplated by Section 4.2.A and Section 5.5;

(5) to satisfy any requirements, conditions or guidelines contained in any order, directive, opinion, ruling or regulation of a federal or state agency or contained in federal or state law;

(6) to reflect such changes as are reasonably necessary for Federal Realty to maintain its status as a REIT or to satisfy the REIT Requirements, to prevent the Partnership from becoming a "publicly traded partnership" as defined in Section 7704(b) of the Code, or to reflect the Transfer of all or any part of a Partnership Interest among any Federal Realty Subsidiary and any Disregarded Entity with respect to any Federal Realty Subsidiary;

(7) to modify either or both of the manner in which items of Profit or Loss are allocated pursuant to Article 6 or the manner in which Capital Accounts are adjusted, computed, or maintained (but in each case only to the extent otherwise provided in this Agreement and as may be permitted under applicable law);

(8) to reflect the issuance of additional Partnership Interests in accordance with Article 4;

(9) to reflect any modification to this Agreement permitted by any provision of this Agreement that authorizes the General Partner to make amendments without the consent of any other Person;

(10) to reflect any modification to this Agreement as is necessary or desirable (as determined by the General Partner in its sole and absolute discretion) in connection with any merger or consolidation of any Federal Realty Subsidiary with and into Federal Realty or any wholly-owned subsidiary of Federal Realty, or any Transfer by any Federal Realty Subsidiary of its interest in the Partnership to Federal Realty or any wholly-owned subsidiary of Federal Realty;

(11) to reflect any modification to this Agreement as is necessary or desirable (as determined by the General Partner in its sole and absolute discretion) to reflect the direct ownership of assets by the General Partner or any Federal Realty Subsidiary as contemplated by Section 7.5), including, without limitation, any related modification to the definition of Adjustment Factor; and

(12) to reflect any other modification to this Agreement as is reasonably necessary for the business or operations of the Partnership which does not violate Section 7.3.D.

D. Notwithstanding Sections 7.3.B, 7.3.C and 14.2, this Agreement shall not be amended, and no action may be taken by the General Partner, without the Consent of each Partner materially adversely affected, if such amendment or action would: (i) convert a Limited Partner Interest in the Partnership into a General Partner Interest (except any Limited Partner Interest held or acquired by the General Partner); (ii) adversely modify the limited liability of a Limited Partner; (iii) alter the rights of any Partner to receive the distributions to which such Partner is entitled pursuant to Article 5 or Section 13.2.A(4), or alter the allocations specified in Article 6 (except, in any case, as permitted pursuant to Articles 4 or 6 or Sections 5.5 or 7.3.C); (iv) alter or modify the Redemption rights, Cash Amount or REIT Shares Amount as set forth in Section 8.6, or amend or modify any related definitions; (v) subject to Sections 7.3(C)(6) and 7.9.C, remove, alter or amend the powers and restrictions related to REIT Requirements or permitting Federal Realty to avoid paying tax under Code Sections 857 or 4981 contained in Sections 3.2, 7.1 and 7.3; or (vi) amend this Section 7.3.D. Any such amendment or action consented to by any Partner shall be effective as to that Partner, notwithstanding the absence of such consent by any other Partner. Further, no amendment may alter the restrictions on the General Partner's powers expressly set forth elsewhere in this Agreement (including, without limitation, this Section 7.3) without the Consent specified therein.

Section 7.4 *Reimbursement of the General Partner, Federal Realty and Federal Realty Subsidiaries*.

A. Neither the General Partner, Federal Realty nor any Federal Realty Subsidiary shall be compensated for its services as general partner or limited partner of the Partnership except as provided in this Agreement (including the provisions of Articles 5 and 6 regarding distributions, payments and allocations to which any of such Persons be entitled in its capacity as the General Partner or a Partner, as applicable).

B. Subject to Sections 7.4.D and 15.11, the Partnership shall be responsible for and shall pay all expenses relating to the Partnership's, the General Partner's, any Federal Realty Subsidiary's and Federal Realty's organization and the ownership of each of their assets and operations. The General Partner is hereby authorized to cause the Partnership to pay compensation for accounting, administrative, legal, technical, management and other services rendered to the Partnership. The Partnership shall be liable for, and shall reimburse the General Partner, any Federal Realty Subsidiary or Federal Realty, as applicable, on a monthly basis, or such other basis as the General Partner may determine in its sole and absolute discretion, for all sums expended in connection with the Partnership's business, including, without limitation: (i) expenses relating to the ownership of interests in and management and operation of the Partnership; (ii) compensation of officers and employees, including, without limitation, payments under future compensation plans of Federal Realty, any Federal Realty Subsidiary, the General Partner or the Partnership that may provide for shares, units, LTIP Units or phantom shares, pursuant to which employees, officers or directors of Federal Realty, any Federal Realty Subsidiary, the General Partner and the Partnership will receive payments based upon dividends on or the value of REIT Shares; (iii) director or trustee fees and expenses of Federal Realty, any Federal Realty Subsidiary and their respective Affiliates; (iv) any expenses (other than the purchase price) incurred by Federal Realty or any Federal Realty Subsidiary in connection with the redemption or other repurchase of REIT Shares, Capital Shares or Partnership Interests; and (v) all costs and expenses of Federal Realty of being a public company, including, without limitation, costs of filings with the SEC, reports and other distributions to its shareholders; provided, however, that the amount of any reimbursement shall be reduced by any interest earned by the General Partner, any Federal Realty Subsidiary or Federal Realty with respect to bank accounts or other instruments or accounts held by it on behalf of the Partnership. The Partners acknowledge that all such expenses of the General Partner, each Federal Realty Subsidiary and Federal Realty are deemed to be for the benefit of the Partnership. Such reimbursements shall be in addition to any reimbursement of the General Partner, each Federal Realty Subsidiary and Federal Realty as a result of indemnification pursuant to Section 7.7.

C. If Federal Realty shall elect to purchase from its shareholders REIT Shares or Capital Shares for the purpose of delivering such REIT Shares or Capital Shares to satisfy an obligation under any dividend reinvestment program adopted by Federal Realty, any employee stock purchase plan adopted by Federal Realty or any similar obligation or arrangement undertaken by Federal Realty in the future, in lieu of the treatment specified in Section 4.7.B, the purchase price paid by Federal Realty for such REIT Shares or Capital Shares shall be considered expenses of the Partnership and shall be advanced to Federal Realty or reimbursed to Federal Realty, subject to the condition that: (1) if such REIT Shares subsequently are sold by Federal Realty, Federal Realty shall pay or cause to be paid to the Partnership any proceeds received by Federal Realty for such REIT Shares (which sales proceeds shall include the amount of dividends reinvested under any dividend reinvestment or similar program); and (2) if such REIT Shares are not retransferred by Federal Realty within thirty (30) days after the purchase thereof, or Federal Realty otherwise determines not to retransfer such REIT

Shares, the Partnership shall redeem from Federal Realty a number of Common Units determined in accordance with Section 4.7.B, as adjusted, to the extent the General Partner determines is necessary or advisable in its sole and absolute discretion: (x) pursuant to Section 7.5 (in the event Federal Realty acquires material assets, other than on behalf of the Partnership) and (y) for stock dividends and distributions, stock splits and subdivisions, reverse stock splits and combinations, distributions of rights, warrants or options, and distributions of evidences of indebtedness or assets relating to assets not received by Federal Realty pursuant to a pro rata distribution by the Partnership (in which case such advancement or reimbursement of expenses shall be treated as having been made as a distribution in redemption of such number of Units held by Federal Realty).

D. To the extent practicable, Partnership expenses shall be billed directly to and paid by the Partnership and, subject to Section 15.11, if and to the extent any reimbursements to the General Partner, any Federal Realty Subsidiary or any of its Affiliates by the Partnership pursuant to this Section 7.4 constitute gross income to such Person (as opposed to the repayment of advances made by such Person on behalf of the Partnership), such amounts shall be treated as "guaranteed payments" within the meaning of Code Section 707(c) and shall not be treated as distributions for purposes of computing the Partners' Capital Accounts.

Section 7.5 *Outside Activities of Federal Realty*. Federal Realty shall not directly or indirectly enter into or conduct any business, other than in connection with: (a) the ownership, acquisition and disposition of Partnership Interests; (b) the management of the business and affairs of the Partnership and its Affiliates; (c) the offering, sale or issuance of stock, bonds, securities or other interests; (d) financing or refinancing of any type related to the Partnership or its assets or activities; and (e) such activities as are incidental thereto; provided, however, that Federal Realty may, in its sole and absolute discretion, from time to time hold or acquire assets directly or indirectly in its own name or otherwise other than through the Partnership so long as Federal Realty takes commercially reasonable measures to ensure that the economic benefits and burdens of such Property are otherwise vested in the Partnership, through assignment, mortgage loan or otherwise or, if it is not commercially reasonable to vest such economic interests in the Partnership, Federal Realty shall make such amendments to this Agreement as Federal Realty determines are necessary or desirable, including, without limitation, the definition of Adjustment Factor, to reflect such activities and the direct or indirect ownership of assets by Federal Realty. Nothing contained herein shall be deemed to prohibit any or all of Federal Realty, the General Partner, the Federal Realty Subsidiaries and all Disregarded Entities with respect to Federal Realty, taken as a group, from executing guarantees of Partnership debt. Unless otherwise determined by the General Partner in its sole and absolute discretion, Federal Realty shall not own any assets or take title to assets (other than temporarily in connection with an acquisition prior to contributing such assets to the Partnership) other than: (i) as permitted by the proviso in the first sentence of this paragraph; (ii) interest in Disregarded Entities with respect to Federal Realty (including the Federal Realty Subsidiaries); (iii) Partnership Interests as the General Partner or a Limited Partner and other interests, rights, options, warrants or convertible or exchangeable securities of the Partnership and of the General Partner; (iv) debt of the Partnership or any subsidiary of the Partnership; (v) a minority interest in any Subsidiary of the Partnership that Federal Realty holds directly or indirectly to maintain such Subsidiary's status as a partnership for federal income tax purposes or otherwise; (vi) cash held for payment of administrative expenses or pending distribution to security holders of Federal Realty or any wholly owned Subsidiary thereof or pending contribution to the Partnership; (vii) such cash and cash equivalents, bank accounts or similar instruments or accounts as Federal Realty deems reasonably necessary, taking into account Section 7.1.D and the requirements necessary for Federal Realty to qualify as a REIT and for Federal Realty and the General Partner to carry out their respective responsibilities contemplated under this Agreement; and (viii) other tangible and intangible assets that, taken as a whole, are de minimis in relation to the net assets of the Partnership and its Subsidiaries. Any Limited Partner Interests acquired by the General Partner shall be automatically converted into a General Partner Interest comprised of an identical number of Units with the same terms as the class or series so acquired. Any Affiliates of the General Partner may acquire Limited Partner Interests and shall, except as expressly provided in this Agreement, be entitled to exercise all rights of a Limited Partner relating to such Limited Partner Interests.

Section 7.6 *Transactions with Affiliates*.

A. The Partnership may lend or contribute funds to, and borrow funds from, Persons in which the Partnership has an equity investment and Persons who own equity or other interests in the Partnership, including the General Partner, Federal Realty or any Federal Realty Subsidiary, and such Persons may borrow funds from, and lend or contribute funds to, the Partnership, on terms and conditions established in the sole and absolute discretion of the General Partner. The foregoing authority shall not create any right or benefit in favor of any Person.

B. The Partnership may transfer assets to joint ventures, limited liability companies, partnerships, corporations, business trusts, statutory trusts or other business entities in which it is or thereby becomes a participant upon such terms and subject to such conditions consistent with this Agreement and applicable law.

C. The General Partner, Federal Realty, the Federal Realty Subsidiaries and their respective Affiliates may sell, transfer or convey any property to, or purchase any property from, the Partnership, directly or indirectly, on terms and conditions established by the General Partner in its sole and absolute discretion.

D. The General Partner, Federal Realty and the Federal Realty Subsidiaries in their respective sole and absolute discretion and without the approval of the Partners or any of them or any other Persons, may propose and adopt (on behalf of the Partnership) employee benefit plans funded by the Partnership for the benefit of trustees, directors, officers, employees or agents of Federal Realty, any Federal Realty Subsidiary, the General Partner, the Partnership, Subsidiaries of the Partnership or any Affiliate of any of them in respect of services performed, directly or indirectly, for the benefit of Federal Realty, the General Partner, any Federal Realty Subsidiary, the Partnership or any of the Partnership's Subsidiaries.

Section 7.7 *Indemnification*.

A. To the fullest extent permitted by applicable law but subject to Section 7.1.D, the Partnership shall indemnify each Indemnitee from and against any and all losses, claims, damages, liabilities, joint or several, expenses (including, without limitation, reasonable attorney's fees and other legal fees and expenses), judgments, fines, settlements and other amounts arising from any and all claims, demands, actions, suits or proceedings, civil, criminal, administrative or investigative, whether by or in the right of the Partnership or otherwise, that relate to the operations of the Partnership as set forth in this Agreement in which such Indemnitee may be involved, or is threatened to be involved, as a party or otherwise ("*Claims*"); provided, however, that the Partnership shall not indemnify an Indemnitee: (i) if the act or omission of the Indemnitee was material to the matter giving rise to the Claim and either was committed in bad faith or was the result of active and deliberate dishonesty; (ii) in the case of any criminal proceeding, if the Indemnitee had reasonable cause to believe that the act or omission was unlawful; or (iii) for any loss resulting from any transaction for which such Indemnitee actually received an improper personal benefit in money, property or services in violation or breach of any provision of this Agreement; and provided, further, that no payments pursuant to this Agreement shall be made by the Partnership: (x) to indemnify or advance expenses to any Indemnitee with respect to any Claim initiated or brought voluntarily by such Indemnitee (and not by way of defense) unless approved or authorized by the General Partner or incurred to establish or enforce such Indemnitee's right to indemnification under this Agreement; or (y) to indemnify an Indemnitee in connection with one or more claims or actions involving such Indemnitee if such Indemnitee is found liable to the Partnership with respect to such claim or Claim. If Indemnitee is entitled to indemnification hereunder with respect to one or more but less than all claims, issues or matters in any Claim, the Partnership shall provide indemnification hereunder in connection with each such claim, issue or matter, allocated on a reasonable and proportionate basis. Without limitation, the foregoing indemnity shall extend to any liability of any Indemnitee, pursuant to a loan guaranty or otherwise, for any indebtedness of the Partnership or any Subsidiary of the Partnership (including, without limitation, any indebtedness which the Partnership or any Subsidiary of the Partnership has assumed or taken subject to), and the General Partner is hereby authorized and empowered, in its sole and absolute discretion on behalf of the Partnership, to enter into one or more indemnity agreements consistent with the provisions of this Section 7.7 in favor of any Indemnitee having or potentially having liability for any such indebtedness. It is the intention of this Section 7.7.A that the Partnership indemnify each Indemnitee to the fullest extent permitted by law and this Agreement. The termination of any proceeding by judgment, order or settlement does not create a presumption that the Indemnitee did not meet the requisite standard of conduct set forth in this Section 7.7.A. The termination of any proceeding by conviction of an Indemnitee or upon a plea of *nolo contendere* or its equivalent by an Indemnitee, or an entry of an order of probation against an Indemnitee prior to judgment, does not create a presumption that such Indemnitee acted in a manner contrary to that specified in this Section 7.7.A with respect to the subject matter of such proceeding. Any indemnification pursuant to this Section 7.7 shall be made only out of the assets of the Partnership, and neither the General Partner nor any other Holder shall have any obligation to pay or otherwise satisfy such indemnification obligation or to contribute to the capital of the Partnership or otherwise provide funds to enable the Partnership to fund its obligations under this Section 7.7.

B. To the fullest extent permitted by law, expenses incurred by an Indemnitee who is a party to a proceeding or otherwise subject to or the focus of or is involved in any Claim shall be paid or reimbursed by the Partnership as incurred by the Indemnitee in advance of the final disposition of the Claim upon receipt by the Partnership of: (i) a written affirmation by the Indemnitee of the Indemnitee's good faith belief that the standard of conduct necessary for indemnification by the Partnership as authorized in Section 7.7.A has been met; and (ii) a written undertaking by or on behalf of the Indemnitee to repay the amount if it shall ultimately be determined that the standard of conduct has not been met.

C. The indemnification provided by this Section 7.7 shall be in addition to any other rights to which an Indemnitee or any other Person may be entitled under any agreement, pursuant to any Consent of the Partners, as a matter of law or otherwise, and shall continue as to an Indemnitee who has ceased to serve in such capacity and shall inure to the benefit of the heirs, successors, assigns and administrators of the Indemnitee unless otherwise provided in a written agreement with such Indemnitee or in the writing pursuant to which such Indemnitee is indemnified.

D. The Partnership may, but shall not be obligated to, purchase and maintain insurance or arrange for other coverage under a blanket insurance policy or policies maintained by Federal Realty, on behalf of any of the Indemnitees and such other Persons as the General Partner shall determine, against any liability that may be asserted against or expenses that may be incurred by such Person in connection with the Partnership's activities, regardless of whether the Partnership would have the power to indemnify such Person against such liability under the provisions of this Agreement.

E. Any liabilities which an Indemnitee incurs as a result of acting on behalf of the Partnership, the General Partner, Federal Realty or any Federal Realty Subsidiary (whether as a fiduciary or otherwise) in connection with the operation, administration or maintenance of an employee benefit plan or any related trust or funding mechanism (whether such liabilities are in the form of excise taxes assessed by the IRS, penalties assessed by the U.S. Department of Labor, restitutions to such a plan or trust or other funding mechanism or to a participant or beneficiary of such plan, trust or other funding mechanism, or otherwise) shall be treated as liabilities or judgments or fines under this Section 7.7, unless such liabilities arise as a result of: (i) an act or omission of such Indemnitee that was material to the matter giving rise to the Claim and either was committed in bad faith or was the result of active and deliberate dishonesty; (ii) in the case of any criminal proceeding, an act or omission that such Indemnitee had reasonable cause to believe was unlawful; or (iii) any transaction in which such Indemnitee actually received an improper personal benefit in violation or breach of any provision of this Agreement.

F. In no event may an Indemnitee subject any of the Holders to personal liability by reason of the indemnification provisions set forth in this Agreement.

G. An Indemnitee shall not be denied indemnification in whole or in part under this Section 7.7 because the Indemnitee had an interest (including a conflicted interest) in the transaction with respect to which the indemnification applies if the transaction was otherwise permitted by the terms of this Agreement.

H. The provisions of this Section 7.7 are for the benefit of the Indemnitees, their heirs, successors, assigns and administrators and shall not be deemed to create any rights for the benefit of any other Persons. Any amendment, modification or repeal of this Section 7.7 or any provision hereof shall be prospective only and shall not in any way affect the limitations on the Partnership's liability to any Indemnitee under this Section 7.7 as in effect immediately prior to such amendment, modification or repeal with respect to claims arising from or relating to matters occurring, in whole or in part, prior to such amendment, modification or repeal, regardless of when such claims may arise or be asserted.

I. It is the intent of the parties that any amounts paid by the Partnership to Federal Realty, the General Partner or any Federal Realty Subsidiary pursuant to this Section 7.7 shall be treated as "guaranteed payments" within the meaning of Code Section 707(c) and shall not be treated as distributions for purposes of computing the Partners' Capital Accounts.

Section 7.8 *Liability of the General Partner and its Affiliates*.

A. To the fullest extent permitted by law: (i) each of the General Partner, Federal Realty and their respective officers, directors, trustees, shareholders, members, managers, and any other Indemnitee, is acting for the benefit of not only the Partnership and the Partners, but also Federal Realty's shareholders, collectively; (ii) in the event of a conflict between the interests of the Partnership or any Partner, on the one hand, and the separate interests of Federal Realty or its shareholders, on the other hand, the General Partner, Federal Realty and their officers, directors, trustees, shareholders, members and managers, and any other Indemnitees, are under no obligation and have no duty (fiduciary or otherwise) not to give priority to the separate interests of Federal Realty or the shareholders of Federal Realty, and may give priority to the separate interests of Federal Realty or the shareholders of Federal Realty, in a manner that is adverse to the Partnership and its Partners, and any action or failure to act on the part of the General Partner or its officers, directors and trustees, or any other Indemnitees, that gives priority to the separate interests of Federal Realty or the shareholders of Federal Realty, does not violate any duty hereunder or otherwise owed by the General Partner, Federal Realty or their respective officers, directors, trustees, shareholders, members or managers, or any other Indemnitees, to the Partnership and/or the Partners or any other Person bound by this Agreement; and (iii) none of the General Partner, Federal Realty or their respective officers, directors, trustees, shareholders, members or managers, or any other Indemnitee, shall be liable to the Partnership or to any Partner or any other Person bound by this Agreement for monetary damages for losses sustained, liabilities incurred or benefits not derived by the Partnership or any Partner in connection with such decisions, except for liability for acts of the General Partner committed in bad faith or resulting from the active and deliberate dishonesty of the General Partner. In furtherance and not in limitation of the foregoing, to the fullest extent permitted by law and notwithstanding any other provision of this Agreement or any other agreement contemplated herein or applicable provisions of law or equity or otherwise, whenever a conflict arises between the interests of Federal Realty or the shareholders of Federal Realty, on one hand, and any Limited Partner, on the other hand, the General Partner will endeavor in good faith to resolve the conflict in

a manner not adverse to Federal Realty or the shareholders of Federal Realty or any Limited Partner; provided, however, that for so long as Federal Realty owns a direct or indirect controlling interest in the Partnership any conflict that cannot be resolved in a manner not adverse to Federal Realty or the shareholders of Federal Realty and any Limited Partner shall be resolved in favor of Federal Realty or the shareholders of Federal Realty, as the case may be, and any action taken by the General Partner or any other Indemnitee in connection with any such conflict of interests shall not constitute a breach of this Agreement or any duty at law, in equity or otherwise. Any benefit received by any Indemnitee as a result of any transaction that does not violate this Section 7.8A shall not be deemed to be an "improper" personal benefit for purposes of Section 7.7, Section 7.8 or Section 8.1.

B. Subject to its obligations and duties as General Partner set forth in this Agreement and applicable law, the General Partner may exercise any of the powers granted to it by this Agreement and perform any of the duties imposed upon it hereunder either directly or by or through the employees or agents of the General Partner or the Partnership (subject to the supervision and control of the General Partner). The General Partner shall not be liable to the Partnership or any Partner for any misconduct or negligence on the part of any such employee or agent appointed by it in good faith. The General Partner may consult with legal counsel, accountants, appraisers, management consultants, investment bankers and other consultants and advisers selected by it, and any act taken or omitted to be taken in reliance upon the opinion of such Persons as to matters that the General Partner believes to be within such Person's professional or expert competence shall be conclusively presumed to have been taken or omitted to be taken in good faith and shall not constitute a breach of any duty (including any fiduciary duty) or obligation arising at law or in equity or under this Agreement.

C. Any obligation or liability whatsoever of the General Partner or the Partnership which may arise at any time under this Agreement or any other instrument, transaction, or undertaking contemplated hereby shall be satisfied, if at all, out of the assets of the General Partner or the Partnership only. To the fullest extent permitted by law, no such obligation or liability shall be personally binding upon, nor shall resort for the enforcement thereof be had to, any of the General Partner's, Federal Realty's or the Partnership's directors, trustees, officers, shareholders, members, managers, employees or agents, regardless of whether such obligation or liability is in the nature of contract, tort or otherwise. Notwithstanding anything to the contrary set forth in this Agreement, none of the directors, trustees, officers, shareholders, members, managers, employees or agents of the General Partner, Federal Realty, the Partnership or any other Indemnitee shall be liable or accountable in damages or otherwise to the Partnership, any Partners, or any other Person bound by this Agreement for losses sustained, liabilities incurred or benefits not derived as a result of errors in judgment or mistakes of fact or law or of any act or omission, except for any such losses sustained, liabilities incurred or benefits not derived as a result of: (i) an act or omission on the part of such Person that was committed in bad faith or was the result of active and deliberate dishonesty; (ii) in the case of any criminal proceeding, an act or omission on the part of such Person that such Person had reasonable cause to believe was unlawful; or (iii) for any loss resulting from any transaction for which such Person actually received an improper personal benefit in money, property or services in violation or breach of any provision of this Agreement.

D. Any amendment, modification or repeal of this Section 7.8 or any provision hereof shall be prospective only and shall not in any way affect the limitations on the liability of the General Partner, Federal Realty or their respective directors, trustees, officers, shareholders, members, managers, employees or agents or the Indemnitees to the Partnership, the Partners or any other Person bound by this Agreement under this Section 7.8 as in effect immediately prior to such amendment, modification or repeal with respect to claims arising from or relating to matters occurring, in whole or in part, prior to such amendment, modification or repeal, regardless of when such claims may arise or be asserted.

E. Notwithstanding anything herein to the contrary, except for liabilities resulting from: (i) an act or omission on the part of such Partner that was committed in bad faith or was the result of active and deliberate dishonesty; (ii) in the case of any criminal proceeding, an act or omission on the part of such Partner that such Partner had reasonable cause to believe was unlawful; or (iii) any transaction for which such Partner actually received an improper personal benefit in money, property or services in violation or breach of any provision of this Agreement, or pursuant to any express indemnities given to the Partnership by any Partner pursuant to any other written instrument to the fullest extent permitted by law, no Partner shall have any personal liability whatsoever, to the Partnership or to the other Partners or to any other Person bound by this Agreement, including any damages arising out of the breach of any such Partner's fiduciary duties as such duties may have been modified by this Agreement. Without limitation of the foregoing, no property or assets of such Partner, other than its interest in the Partnership, shall be subject to levy, execution or other enforcement procedures for the satisfaction of any judgment (or other judicial process) in favor of any other Partner(s) or any other Person bound by this Agreement and arising out of, or in connection with, this Agreement. This Agreement is executed by the officers of General Partner solely as officers of General Partner and not in their own individual capacities.

F. To the extent that, at law or in equity, the General Partner, Federal Realty or any other Indemnitee, has duties (including fiduciary duties) and liabilities relating thereto to the Partnership or the Limited Partners, none of the General Partner, Federal Realty or any other Indemnitee shall be liable to the Partnership or to any Partner for its good faith reliance on the provisions of this Agreement. Notwithstanding anything to the contrary set forth in this Agreement or any otherwise applicable provision of law or in equity, neither the General Partner nor any other Indemnitee shall have any fiduciary duties, or, to the fullest extent permitted by law, except to the extent expressly provided in this Agreement, other duties, obligations or liabilities, to the Partnership, any Limited Partner or any other Person who has acquired an interest in a Partnership Interest, and, to the fullest extent permitted by law, the General Partner and the other Indemnitees shall only be subject to any contractual standards imposed and existing under this Agreement.

G. To the fullest extent permitted by law and notwithstanding any other provision of this Agreement or any other agreement contemplated herein or applicable provisions of law or equity or otherwise, whenever in this Agreement any Person is permitted or required to make a decision: (i) in its "sole and absolute discretion," "sole discretion", "discretion", "at its election" or under a grant of similar authority or latitude, such Person shall be entitled to consider only such interests and factors as it desires, including its own interests, shall have no duty or obligation to give any consideration to any interest or factors affecting the Partnership, the Partners, or any other Person bound by this Agreement, and shall be entitled to act in a manner adverse to the interests of the Partnership, the Partners or any other Person bound by this Agreement; or (ii) in its "good faith" or under another expressed standard, such Person shall act under such express standard and shall not be subject to any other or different standards imposed by this Agreement or any other agreement contemplated herein or by relevant provisions of law or in equity or otherwise. If any question should arise with respect to the operation of the Partnership, which is not otherwise specifically provided for in this Agreement or the Act, or with respect to the interpretation of this Agreement, the General Partner is hereby authorized to make a final determination with respect to any such question and to interpret this Agreement in such a manner as it shall deem, in its sole discretion, to be fair and equitable, and its determination and interpretations so made shall be final and binding on all parties and shall not constitute a breach of this Agreement, of any agreement contemplated herein or therein, or of any duty existing at law, in equity or otherwise, including any fiduciary duty.

H. To the fullest extent permitted by applicable law, no Indemnitee shall be liable to the Partnership, any Partner or any other Person bound by this Agreement for any loss, damage or claim incurred by reason of any act or omission performed or omitted by such Indemnitee in good faith on behalf of the Partnership and in a manner reasonably believed to be within the scope of the authority conferred on such Indemnitee by this Agreement, except that an Indemnitee shall be liable for any such loss, damage or claim incurred if: (i) such act or omission was committed in bad faith or was the result of active and deliberate dishonesty; (ii) in the case of any criminal proceeding, if such Indemnitee had reasonable cause to believe that such act or omission was unlawful; or (iii) such loss, damage or claim incurred resulted from any transaction for which such Indemnitee actually received an improper personal benefit in money, property or services in violation or breach of any provision of this Agreement.

I. Notwithstanding anything to the contrary in this agreement, it is understood and/or agreed that the term "good faith" as used in this agreement shall, in each case, mean "subjective good faith" as understood and interpreted under Delaware law; provided, however, that for the avoidance of doubt, any resolution of a conflict of interest between Federal Realty or the interests of shareholders of Federal Realty, on the one hand, and the Partnership or any Limited Partner on the other hand, in a manner favorable to Federal Realty or the interests of the shareholders of Federal Realty shall not be deemed a violation of such "subjective good faith" standard.

Section 7.9 *Other Matters Concerning the General Partner.*

A. The General Partner may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, bond, debenture or other paper or document believed by it in good faith to be genuine and to have been signed or presented by the proper party or parties.

B. The General Partner shall have the right, in respect of any of its powers or obligations hereunder, to act through any duly authorized agents or a duly appointed attorney or attorneys-in-fact. Each such agent or attorney shall, to the extent authorized by the General Partner, have full power and authority to do and perform all and every act and duty that is permitted or required to be done by the General Partner hereunder.

C. Notwithstanding any other provision of this Agreement or the Act, any action of the General Partner on behalf of the Partnership or any decision of the General Partner to refrain from acting on behalf of the Partnership, undertaken in the good faith belief that such action or omission is necessary or advisable in order: (i) to protect the ability of Federal Realty to continue to qualify as a REIT; (ii) for Federal Realty otherwise to satisfy the REIT Requirements; or (iii) for Federal Realty to avoid incurring any taxes under Code Section 857 or Code Section 4981, is expressly authorized under this Agreement and is deemed approved by all of the Limited Partners and each other Person bound by this Agreement and shall not constitute a breach of this Agreement, of any agreement contemplated herein or therein, or of any duty existing at law, in equity or otherwise, including any fiduciary duty.

D. To the extent Federal Realty or its officers, directors or trustees, or any other Indemnitee, take any action in the name or on behalf of the General Partner, in the General Partner's capacity as the sole general partner of the Partnership, Federal Realty and its officers, directors and trustees, or any other Indemnitee, shall be entitled to the same protection as the General Partner and its members, managers and agents.

Section 7.10 *Title to Partnership Assets*. Title to Partnership assets, whether real, personal or mixed and whether tangible or intangible, shall be deemed to be owned by the Partnership as an entity, and no Partner, individually or collectively with other Partners or Persons, shall have any ownership interest in such Partnership assets or any portion thereof. Title to any or all of the Partnership assets may be held in the name of the Partnership, any Subsidiary of the Partnership, the General Partner, or one or more nominees, as the General Partner may determine, including Affiliates of the General Partner. The General Partner hereby declares and warrants that any Partnership assets for which legal title is held in the name of the General Partner, or any nominee or Affiliate of the General Partner shall be held by the General Partner or such nominee or Affiliate for the use and benefit of the Partnership in accordance with the provisions of this Agreement. All Partnership assets shall be recorded as the property of the Partnership in its books and records, irrespective of the name in which legal title to such Partnership assets is held.

Section 7.11 *Reliance by Third Parties*. Notwithstanding anything to the contrary in this Agreement, any Person dealing with the Partnership shall be entitled to assume that the General Partner has full power and authority, without the consent or approval of any other Partner or Person, to encumber, sell or otherwise use in any manner any and all assets of the Partnership and to enter into any contracts on behalf of the Partnership, and take any and all actions on behalf of the Partnership, and such Person shall be entitled to deal with the General Partner as if it were the Partnership's sole party in interest, both legally and beneficially. To the fullest extent permitted by law, each Limited Partner and each other Person bound by this Agreement hereby waives any and all claims, defenses or other remedies that may be available to such Person to contest, negate or disaffirm any action of the General Partner in connection with any such dealing. In no event shall any Person dealing with the General Partner or its representatives be obligated to ascertain that the terms of this Agreement have been complied with or to inquire into the necessity or expediency of any act or action of the General Partner or its representatives. Each and every certificate, document or other instrument executed on behalf of the Partnership by the General Partner or its representatives shall be conclusive evidence in favor of any and every Person relying thereon or claiming thereunder that: (i) at the time of the execution and delivery of such certificate, document or instrument, this Agreement was in full force and effect; (ii) the Person executing and delivering such certificate, document or instrument was duly authorized and empowered to do so for and on behalf of the Partnership; and (iii) such certificate, document or instrument was duly executed and delivered in accordance with the terms and provisions of this Agreement and is binding upon the Partnership.

ARTICLE 8
RIGHTS AND OBLIGATIONS OF LIMITED PARTNERS

Section 8.1 *Limitation of Liability*. No Limited Partner, including any Federal Realty Subsidiary, acting in its capacity as such, shall have any liability under this Agreement except for liability resulting from: (i) an act or omission on the part of such Limited Partner that was committed in bad faith or was the result of active and deliberate dishonesty; (ii) in the case of any criminal proceeding, an act or omission that such Limited Partner had reasonable cause to believe was unlawful; or (iii) any transaction for which such Limited Partner actually received an improper personal benefit in money, property or services in violation or breach of any provision of this Agreement, or as expressly provided in this Agreement (including, without limitation, Section 10.4) or under the Act.

Section 8.2 *Management of Business*. No Limited Partner or Assignee (other than the General Partner, any of its Affiliates or any member, manager, officer, employee, partner or agent of the General Partner, the Partnership, any Federal Realty Subsidiary or their Affiliates, in their capacity as such) shall take part in the operations, management or control (within the meaning of the Act) of the Partnership's business, transact any business in the Partnership's name or have the power to sign documents for or otherwise bind the Partnership. The transaction of any such business by the General Partner, any of its Affiliates, or any officer, director, employee, member, manager or agent of the General Partner, the Partnership or their Affiliates, in their capacity as such, shall not affect, impair or eliminate the limitations on the liability of the Limited Partners or Assignees under this Agreement.

Section 8.3 *Outside Activities of Limited Partners*. To the fullest extent permitted by law and notwithstanding any other provision of this Agreement or any other agreement contemplated herein or applicable provisions of law or equity or otherwise, subject to any agreements entered into pursuant to Section 7.6 and any other agreements entered into by a Limited Partner or any of its Affiliates with the General Partner, the Partnership or a Subsidiary (including, without limitation, any employment agreement), any Limited Partner (including any Federal Realty Subsidiary) and any Assignee, officer, director, employee, agent, trustee, Affiliate, member or shareholder of any Limited Partner shall be entitled to and may have business interests and engage in business activities in addition to those relating to the Partnership, including business interests and activities that are in direct or indirect competition with the Partnership or that are enhanced by the activities of the Partnership. To the fullest extent permitted by law and notwithstanding any other provision of this Agreement or any other agreement contemplated herein or applicable provisions of law or equity or otherwise, neither the Partnership nor any Partner shall have any rights by virtue of this Agreement in any business ventures of any Limited Partner or Assignee. Subject to such agreements, none of the Limited Partners nor any other Person shall have any rights by virtue of this Agreement or the partnership relationship established hereby in any business ventures of any other Person (other than the General Partner or any Federal Realty Subsidiary, to the extent expressly provided herein), and such Person shall have no obligation pursuant to this Agreement, subject to Section 7.6 and any other agreements entered into by a Limited Partner or its Affiliates with the General Partner, the Partnership or a Subsidiary, to offer any interest in any such business ventures to the Partnership, any Limited Partner, or any such other Person, even if such opportunity is of a character that, if presented to the Partnership, any Limited Partner or such other Person, could be taken by such Person. Notwithstanding any other provision of this Agreement, or any other agreement contemplated herein or applicable provisions of law or equity or otherwise, to the fullest extent permitted by law, including without limitation Section 7.1.A and Section 7.6, one or more Affiliates of Federal Realty may own membership interests or similar equity interests in one or more Subsidiaries.

Section 8.4 *Return of Capital*. Except pursuant to the rights of Redemption set forth in Section 8.6, no Limited Partner shall be entitled to the withdrawal or return of its Capital Contribution, except to the extent of distributions made pursuant to this Agreement or upon termination of the Partnership as provided herein. Except to the extent provided in Article 5 and Article 6 or otherwise expressly provided in this Agreement, no Limited Partner or Assignee shall have priority over any other Limited Partner or Assignee either as to the return of Capital Contributions or as to profits, losses or distributions.

Section 8.5 *Rights of Limited Partners Relating to the Partnership*.

A. *Copies of Business Records*. In addition to other rights provided by this Agreement or by the Act, and except as limited by Section 8.5.C, each Limited Partner shall be provided the following, at the Partnership's expense:

(i) promptly after becoming available and without demand by a Limited Partner, a copy of the most recent annual, quarterly and current reports and proxy statements filed with the Securities and Exchange Commission by Federal Realty and the Partnership pursuant to the Securities Exchange Act of 1934, if any;

(ii) promptly after becoming available and without demand by a Limited Partner, a copy of the Partnership's federal, state and local income tax returns for each Fiscal Year;

(iii) after written demand and for a purpose reasonably related to such Limited Partner's interest as a Limited Partner in the Partnership, a current list of the name and last known business, residence or mailing address of each Partner;

(iv) after written demand, a copy of this Agreement and the Certificate and all amendments hereto or to the Certificate, together with executed copies of all powers of attorney pursuant to which this Agreement, the Certificate and all amendments hereto and thereto have been executed; and

(v) after written demand, true and full information regarding the amount of cash and a description and statement of any other property or services contributed by Federal Realty or the General Partner.

The General Partner may satisfy its obligations under Sections 8.5.A(i) and (ii) by posting or making available the information required on the website maintained from time to time by the Partnership or Federal Realty, provided that such reports are able to be printed or downloaded from such website.

B. The Partnership shall notify any Limited Partner that is a Qualifying Party, on request, of the then current Adjustment Factor.

C. Notwithstanding any other provision of this Section 8.5, the General Partner may keep confidential from the Limited Partners (or any of them), for such period of time as the General Partner determines in its sole and absolute discretion to be reasonable, any information that: (i) the General Partner believes to be in the nature of trade secrets or other information the disclosure of which the General Partner in good faith believes is not in the best interests of the Partnership, Federal Realty or the General Partner; or (ii) the Partnership, Federal Realty or the General Partner is required by law or by agreement to keep confidential.

D. Upon written request by any Limited Partner, the General Partner shall cause the ownership of Partnership Interests by such Limited Partner to be evidenced by a certificate in such form as the General Partner may determine with respect to any class of Partnership Interests issued from time to time under this Agreement. Any officer of the General Partner or the Partnership may direct a new certificate or certificates to be issued in place of any certificate or certificates theretofore issued by the Partnership alleged to have been lost, destroyed, stolen or mutilated, upon the making of an affidavit of that fact by the person claiming the certificate to be lost, destroyed, stolen or mutilated. Unless otherwise determined by an officer of the General Partner or the Partnership, the owner of such lost, destroyed, stolen or mutilated certificate or certificates, or his or her legal representative, shall be required, as a condition precedent to the issuance of a new certificate or certificates, to give the Partnership a bond in such sum as the General Partner may direct as indemnity against any claim that may be made against the Partnership.

Section 8.6 *Redemption Rights of Qualifying Parties*.

A. Subject to any applicable Restricted Period, a Qualifying Party shall have the right (subject to the terms and conditions set forth herein) to require the Partnership to redeem all or a portion of the Common Units held by such Tendering Party (Common Units that have in fact been tendered for redemption being hereafter referred to as "*Tendered Units")* in exchange (a "*Redemption*") for the Cash Amount payable on or before the Specified Redemption Date. The Partnership may, in the General Partner's sole and absolute discretion, redeem Tendered Units at the request of the Holder thereof prior to the end of the applicable Restricted Period (subject to the terms and conditions set forth herein); provided that the General Partner first receives a legal opinion to the same effect as the legal opinion described in Section 8.6.G(4). Any Redemption shall be exercised pursuant to a Notice of Redemption delivered to the General Partner and Federal Realty by the Qualifying Party when exercising the Redemption right (the "*Tendering Party*"). The Partnership's obligation to effect a Redemption, however, shall not arise or be binding against the Partnership: (i) unless and until Federal Realty declines or fails to exercise its purchase rights under Section 8.6.B following receipt of a Notice of Redemption; or (ii) prior to the close of business on the Cut-Off Date. In the event of a Redemption, the Cash Amount shall be delivered as a certified or bank check payable to the Tendering Party or, in the General Partner's sole and absolute discretion, in immediately available funds, in each case, on or before the Specified Redemption Date.

B. Notwithstanding the provisions of Section 8.6.A, on or before the close of business on the Cut-Off Date, Federal Realty may, in its sole and absolute discretion but subject to the REIT Share Ownership Limit and any other limitations in the Federal Realty Declaration, elect to acquire some or all (such percentage being referred to as the "*Applicable Percentage*") of the Tendered Units from the Tendering Party in exchange for REIT Shares. If Federal Realty elects to acquire some or all of the Tendered Units pursuant to this Section 8.6.B, the Partnership shall give written notice thereof to the Tendering Party on or before the close of business on the Cut-Off Date and Federal Realty shall deliver such REIT Shares to the Tendering Party pursuant to the terms of this Section 8.6.B, in which case: (1) Federal Realty shall assume directly the obligation with respect thereto and shall satisfy the Tendering Party's exercise of its Redemption right with respect to such Tendered Units; and (2) such transaction shall be treated, for federal income tax purposes, as a transfer by the Tendering Party of such Tendered Units to Federal Realty in exchange for the REIT Shares Amount. If Federal Realty so elects, on the Specified Redemption Date, the Tendering Party shall sell such number of the Tendered Units to Federal Realty in exchange for a number of REIT Shares equal to the product of the REIT Shares Amount and the Applicable Percentage. The Tendering Party shall submit: (a) such information, certification or affidavit as Federal Realty may reasonably require in connection with the application of the REIT Share Ownership Limit to any such acquisition; and (b) such written representations, investment letters, legal opinions or other instruments necessary, in Federal Realty's view, to effect compliance with the Securities Act. In addition, upon Federal Realty's election to purchase the Tendered Units pursuant to this Section 8.6.B, the Tendering Party shall no longer have the right to cause the Partnership to effect a Redemption of such Tendered Units and the obligation of the Partnership to effect a Redemption of the Tendered Units as to which the General Partner's notice relates shall not accrue or arise. A number of REIT Shares equal to the product of the Applicable Percentage and the REIT Shares Amount, if applicable, shall be delivered by Federal Realty as duly authorized, validly issued, fully paid and non-assessable REIT Shares and, if applicable, Distributed Rights, free of any pledge, lien, encumbrance or restriction, other than the REIT Share Ownership Limit, other restrictions in the Federal Realty Declaration or Bylaws of Federal Realty, the Securities Act and relevant state securities or "blue sky" laws. Neither any Tendering Party whose Tendered Units are acquired by Federal Realty pursuant to this Section 8.6.B, any Partner, any Assignee nor any other interested Person shall have any right to require or cause Federal Realty to register, qualify or list any REIT Shares owned or held by such Person, whether or not such REIT Shares are issued pursuant to this Section 8.6.B, with the SEC, with any state securities commissioner, department or agency, under the Securities Act or the Exchange Act or with any stock exchange unless otherwise provided in a Partner Schedule or other agreement. Notwithstanding any

delay in such delivery, the Tendering Party shall be deemed the owner of such REIT Shares and Distributed Rights for all purposes, including, without limitation, rights to vote or consent, receive dividends, and exercise rights, as of the Specified Redemption Date. REIT Shares delivered upon an acquisition of the Tendered Units by Federal Realty pursuant to this Section 8.6.B may contain such legends regarding restrictions under the Securities Act and applicable state securities laws as Federal Realty in good faith determines to be necessary or advisable in order to ensure compliance with such laws.

C. Notwithstanding the provisions of Sections 8.6.A and 8.6.B, no Tendering Party shall have any rights under this Agreement that would otherwise be prohibited by the Federal Realty Declaration and shall have no rights to require the Partnership to redeem Tendered Units or require Federal Realty to acquire Tendered Units if such a redemption or the acquisition of such Tendered Units by Federal Realty pursuant to Section 8.6.B would cause any Person to violate the REIT Share Ownership Limit or cause the Partnership to be treated as a "publicly traded partnership" as defined in Section 7704(b) of the Code. To the extent that any attempted Redemption or acquisition of the Tendered Units by Federal Realty pursuant to Section 8.6.B hereof would be in violation of this Section 8.6.C, to the fullest extent permitted by law, it shall be null and void *ab initio*, and the Tendering Party shall not acquire any rights or economic interests in REIT Shares otherwise deliverable by Federal Realty under Section 8.6.B or cash otherwise payable under Section 8.6.A.

D. If Federal Realty does not elect to acquire the Tendered Units pursuant to Section 8.6.B:

(1) The Partnership may, in the sole and absolute discretion of the General Partner, elect to raise funds for the payment of the Cash Amount either: (a) by requiring that Federal Realty contribute to the Partnership funds from the proceeds of a sale by Federal Realty of REIT Shares sufficient to purchase the Tendered Units in which event Federal Realty shall make a Capital Contribution of any such amounts to the Partnership in exchange for additional Units. The Partnership is hereby authorized from time to time to issue such additional Units in consideration therefor without any further act, approval or vote of any Partner or other Persons and any such contribution shall entitle Federal Realty to an equitable Percentage Interest adjustment; or (b) from any other sources (including, but not limited to, the sale of any Property and the incurrence of additional Debt) available to the Partnership.

(2) If the full Cash Amount is not paid on or before the Specified Redemption Date, interest shall accrue with respect to any unpaid portion of the Cash Amount from the day after the Specified Redemption Date to and including the date on which the full Cash Amount is paid at a rate equal to the base rate on corporate loans at large United States money center commercial banks, as published from time to time in the Wall Street Journal (but not higher than the maximum lawful rate).

E. Notwithstanding the provisions of Section 8.6.B, Federal Realty shall not acquire any Tendered Units in exchange for REIT Shares if such exchange would be prohibited under the Federal Realty Declaration or result in a violation of the REIT Share Ownership Limit or cause the Partnership to be treated as a "publicly traded partnership" as defined in Section 7704(b) of the Code.

F. Notwithstanding anything herein to the contrary (but subject to Section 8.6.C), with respect to any Redemption (or any tender of Common Units for purchase by Federal Realty if the Tendered Units are acquired by Federal Realty pursuant to Section 8.6.B) pursuant to this Section 8.6:

(1) All Common Units acquired by Federal Realty pursuant to Section 8.6.B shall, without further action required, continue to be a Limited Partner's Partnership Interest comprised of the same number of Common Units.

(2) Subject to the REIT Share Ownership Limit, no Tendering Party may effect a Redemption for less than one thousand (1,000) Common Units or, if such Tendering Party holds (as a Limited Partner or, economically, as an Assignee) less than one thousand (1,000) Common Units, all of the Common Units held by such Tendering Party, without, in each case, the Consent of the General

(3) If (i) a Tendering Party surrenders its Tendered Units during the period after the Partnership Record Date with respect to a distribution and before the record date established by Federal Realty for a distribution to its shareholders of some or all of its portion of such Partnership distribution; and (ii) Federal Realty elects to acquire any of such Tendered Units in exchange for REIT Shares pursuant to Section 8.6.B, such Tendering Party shall pay to Federal Realty on the Specified Redemption Date an amount in cash equal to the portion of the Partnership distribution in respect of the Tendered Units exchanged for REIT Shares, insofar as such distribution relates to the same period for which such Tendering Party would receive a distribution in respect of such REIT Shares.

(4) The consummation of such Redemption (or an acquisition of Tendered Units by Federal Realty pursuant to Section 8.6.B, as the case may be) shall be subject to the expiration or termination of the applicable waiting period, if any, under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.

(5) The Tendering Party shall continue to own (subject, in the case of an Assignee, to the provisions of Section 11.5) all Common Units subject to any Redemption, and be treated as a Limited Partner or an Assignee, as applicable, with respect to such Common Units for all purposes of this Agreement, until such Common Units are either paid for by the Partnership pursuant to Section 8.6.A or transferred to Federal Realty and paid for, by the delivery of the REIT Shares pursuant to Section 8.6.B. Until a Specified Redemption Date and an acquisition of the Tendered Units by Federal Realty pursuant to Section 8.6.B, the Tendering Party shall have no rights as a shareholder of Federal Realty with respect to the REIT Shares deliverable in connection with such acquisition.

(6) No Partner may effect a Redemption more than two (2) times during any calendar year.

(7) A Tendering Party shall pay to the General Partner the then-applicable administrative processing fee for Redemptions consistent with the General Partner's fee schedule at the time.

G. In connection with an exercise of Redemption rights pursuant to this Section 8.6, except as otherwise Consented to by the General Partner, in its sole and absolute discretion, the Tendering Party shall submit the following to the General Partner, in addition to the Notice of Redemption:

(1) A written affidavit, dated the same date as the Notice of Redemption: (a) disclosing the actual and constructive ownership, as determined for purposes of Code Sections 856(a)(6) and 856(h), of REIT Shares by (i) such Tendering Party; and (ii) to the best of their knowledge any Related Party; and (b) representing that, after giving effect to the Redemption or an acquisition of the Tendered Units by Federal Realty pursuant to Section 8.6.B, neither the Tendering Party nor to the best of their knowledge any Related Party will own REIT Shares in violation of the REIT Share Ownership Limit;

(2) A written representation that neither the Tendering Party nor to the best of their knowledge any Related Party has any intention to acquire any additional REIT Shares prior to the closing of the Redemption or an acquisition of the Tendered Units by Federal Realty pursuant to Section 8.6.B on the Specified Redemption Date;

(3) An undertaking to certify, at and as a condition to the closing of the Redemption or the acquisition of the Tendered Units by Federal Realty pursuant to Section 8.6.B on the Specified Redemption Date, that either: (a) the actual and constructive ownership of REIT Shares by the Tendering Party and to the best of their knowledge any Related Party remain unchanged from that disclosed in the affidavit required by Section 8.6.G(1); or (b) that after giving effect to the Redemption or an acquisition of the Tendered Units by Federal Realty pursuant to Section 8.6.B, neither the Tendering Party nor to the best of their knowledge any Related Party shall own REIT Shares in violation of the REIT Share Ownership Limit; and

(4) In connection with any Redemption prior to the end of any applicable Restricted Period, Federal Realty shall have the right to receive an opinion of counsel reasonably satisfactory to it to the effect that the proposed Redemption will not cause Federal Realty, the Partnership, the General Partner or any Federal Realty Subsidiary to violate any federal or state securities laws or regulations applicable to the Redemption, the issuance and sale of the Tendered Units to the Tendering Party or the issuance and sale of REIT Shares to the Tendering Party pursuant to this Section 8.6.B.

Section 8.7 *Partnership Right to Call Limited Partner Interests.* Notwithstanding any other provision of this Agreement, the Partnership shall have the right, but not the obligation, from time to time and at any time to redeem some or all of the outstanding Limited Partner Interests of any Limited Partner, subject to any restrictions or limitations set forth in the Partner Schedule for such Limited Partner. In the event of such a redemption by the Partnership, the Limited Partner shall be treated as a Tendering Party who will be deemed to have delivered a Notice of Redemption pursuant to Section 8.6 hereof for the amount of Partnership Units to be specified by the General Partner, in its sole and absolute discretion, by notice to such Limited Partner that the Partnership has elected to exercise its rights under this Section 8.7. Such notice given by the General Partner to a Limited Partner pursuant to this Section 8.7 shall be treated as if it were a Notice of Redemption delivered to the General Partner by such Limited Partner. For purposes of this Section 8.7, any Limited Partner (whether or not otherwise a Qualifying Party) may, in the General Partner's sole and absolute discretion, be treated as a Qualifying Party that is a Tendering Party and the provisions of Sections 8.6.F(2), 8.6(F)(3), 8.6(F)(6) and 8.6.F(7) shall not apply, but the remainder of Section 8.6 hereof shall apply with such adjustments as shall be necessary in the circumstances.

Section 8.8 *Other Redemptions*. Notwithstanding the provisions of Section 8.6, nothing in this Agreement shall preclude the redemption of a Limited Partner Interest or Partnership Units by the Partnership upon such terms and conditions as may be negotiated between the Limited Partner or Assignee holding such Limited Partner Interest or Partnership Units, on the one hand, and the General Partner, the Partnership or Federal Realty, on the other hand, in their sole and absolute discretion. Such a redemption may include, without limitation, the payment of cash by the Partnership to the Limited Partner or Assignee, in a lump sum or in installments, or the distribution in kind of Partnership assets to such Limited Partner or Assignee (which assets may be encumbered), including assets to be designated by the Limited Partner or Assignee and acquired (with or without debt financing) by the Partnership. Upon any such redemption, the Partnership Units and Limited Partner Interest redeemed and the applicable Partner Schedule shall be cancelled and General Partner shall reflect such redemption on the books and records of the Partnership. In effecting any such redemption by negotiated agreement, none of the Partnership, the General Partner, the Limited Partner and the Assignee, as the case may be, shall incur any liability to any other Holder of Partnership Units or have any duty to offer the same or similar terms for redemption of any other Limited Partner Interest or Partnership Units.

ARTICLE 9
BOOKS, RECORDS, ACCOUNTING AND REPORTS

Section 9.1 *Records and Accounting*.

A. The General Partner shall keep or cause to be kept at the principal place of business of the Partnership those records and documents, if any, required to be maintained by the Act and any other books and records deemed by the General Partner to be appropriate with respect to the Partnership's business, including, without limitation, all books and records necessary to provide to the Limited Partners any information, lists and copies of documents required to be provided pursuant to Section 9.3 or Article 13. Any records maintained by or on behalf of the Partnership in the regular course of its business may be kept on any information storage device, provided that the records so maintained are convertible into clearly legible written form within a reasonable period of time.

B. The books of the Partnership shall be maintained, for financial and tax reporting purposes, on an accrual basis in accordance with generally accepted accounting principles, or on such other basis as the General Partner determines to be necessary or appropriate. To the extent permitted by sound accounting practices and principles, the Partnership, the General Partner and Federal Realty may operate with integrated or consolidated accounting records, operations and principles.

Section 9.2 *Tax Year*. For purposes of this Agreement, the fiscal year of the Partnership shall be the same as the tax year of the Partnership. The tax year shall be the calendar year unless otherwise required by the Code.

Section 9.3 *Reports*.

A. As soon as practicable, but in no event later than one hundred five (105) days after the close of each Fiscal Year, the General Partner shall cause to be mailed to each Limited Partner of record as of the close of the Fiscal Year, financial statements of the Partnership, or Federal Realty if such statements are prepared solely on a consolidated basis with Federal Realty for such Fiscal Year, presented in accordance with generally accepted accounting principles, such statements to be audited by a nationally recognized firm of independent public accountants selected by the General Partner.

B. If and to the extent that Federal Realty mails quarterly reports to Federal Realty's shareholders, as soon as practicable, but in no event later than sixty (60) days after the close of each calendar quarter (except the last calendar quarter of each year), the General Partner shall cause to be mailed to each Limited Partner of record as of the last day of the calendar quarter, a report containing unaudited financial statements of the Partnership for such calendar quarter, or of Federal Realty if such statements are prepared solely on a consolidated basis with Federal Realty and such other information as may be required by applicable law or regulation or as the General Partner determines to be appropriate.

C. The General Partner shall have satisfied its obligations under Section 9.3.A and Section 9.3.B by posting or making available the reports required by this Section 9.3 on the website maintained from time to time by the Partnership or Federal Realty, provided that such reports are able to be printed or downloaded from such website.

D. At the request of any Limited Partner, for any purpose reasonably related to such Limited Partner's interest in the Partnership, the General Partner shall, subject to Section 17-305(b) of the Act, provide access to the books, records and workpapers upon which the reports required by this Section 9.3 are based, to the extent required by the Act.

ARTICLE 10
TAX MATTERS

Section 10.1 *Preparation of Tax Returns*. The Partnership shall timely cause to be prepared and transmitted to the Partners federal and appropriate state and local Partnership Income Tax Schedules "K-1" of any substitute therefor with respect to any Fiscal Year on appropriate forms prescribed. The Partnership shall make reasonable efforts to prepare and submit such forms on or before August 15 of the year following the Fiscal Year in question.

Section 10.2 *Tax Elections*. Except as otherwise provided herein, the General Partner shall, in its sole and absolute discretion, determine whether to make any available election pursuant to the Code, including, but not limited to, the election under Code Section 754. The General Partner shall have the right to seek to revoke any such election (including, without limitation, any election under Code Section 754) upon the General Partner's determination in its sole and absolute discretion that such revocation is in the best interests of the Partners.

Section 10.3 *Tax Partner*.

A. The General Partner shall designate each year a "partnership representative" (within the meaning of Section 6223(a) of the Code) (the "*Partnership Representative*") of the Partnership which shall be the General Partner if no other Person is designated. The General Partner shall have the right to retain professional assistance in respect of any audit of the Partnership by the IRS or to retain the services of a Partnership Representative, and all out-of-pocket expenses and fees incurred by the Partnership Representative shall constitute Partnership expenses. Any person who serves as Partnership Representative shall not be liable to the Partnership or any Partner for any action it takes or fails to take in such capacity, unless such action or failure to act constitutes bad faith, willful misconduct, gross negligence, fraud or a material breach of this Agreement. The Partnership Representative is authorized to and shall represent the Partnership (at the Partnership's expense) in connection with all examinations of the Partnership's affairs by any federal, state, or local tax authorities, including resulting administrative and judicial proceedings (each a "*Tax Audit*" and collectively, "*Tax Audits*"), and to expend Partnership funds for professional services and costs associated therewith.

(1) In its capacity as such, the Partnership Representative shall have the authority and discretion to exercise any and all authority of the Partnership Representative under the Code, including, without limitation: (a) binding the Partnership and its Partners with respect to tax matters, including, but not limited to, by entering into any settlement offer, agreeing to extend statutes of limitation, and initiating litigation; and (b) in cases where the IRS, in connection with a Tax Audit governed by the Partnership Tax Audit Rules, proposes a Covered Audit Adjustment, determining, in its sole discretion, whether, to the extent that such election is available under the Partnership Tax Audit Rules, to make a Push-Out Election.

(2) If the Partnership Representative changes its address, the Partnership Representative shall promptly notify the IRS of such occurrence. If the Partnership Representative is replaced pursuant to this Section 10.3A, the outgoing Partnership Representative shall take all actions required by the Partnership Tax Audit Rules to revoke or resign its prior designation as the Partnership Representative.

(3) To the maximum extent permitted by applicable law, the Partnership Representative will not be liable for, and will be indemnified and held harmless by the Partnership from and against, any and all loss, liability, damage, cost or expense, including reasonable attorneys' and accountants' fees, suffered or incurred in defense of any demands, claims or lawsuits against the Partnership Representative in or as a result of or relating to his or its capacity, actions or omissions as the Partnership Representative, or concerning the Partnership or any activities undertaken on behalf of the Partnership; provided that the acts or omissions of the Partnership Representative are not found by a court of competent jurisdiction upon entry of a final judgment to have been the result of fraud or willful misconduct or, with respect to criminal matters, that the Partnership Representative had reason to believe that his conduct was unlawful.

(4) If the Partnership Representative makes a Push-Out Election with respect to a Covered Audit Adjustment, each Partner (including transferees or successors of any Partner) covenants and agrees that it shall: (a) pay any and all resulting taxes, additions to tax, penalties and interest in a timely fashion; and (b) cooperate with the Partnership and the Partnership Representative in good faith. Notwithstanding the foregoing, if the Partnership is required to pay any tax, addition to tax, penalty, or interest because any portion of the applicable Covered Audit Adjustment would otherwise be subject to withholding by the Partnership under Chapters 3 or 4 of Subtitle A of the Code, any such amounts shall be considered Partnership Level Taxes with respect to the applicable Partners subject to the provisions of Section 10.4.

(5) To the extent that the Partnership Representative does not make a Push-Out Election with respect to a Covered Audit Adjustment, the Partnership Representative may make Imputed Underpayment Modifications (taking into account whether the Partnership Representative has received all requisite information on a timely basis from the Partners), and each Partner shall, as requested by the Partnership Representative, take such actions as may be necessary or prudent for the Partnership Representative to seek an Imputed Underpayment Modification (including, for the avoidance of doubt, filing an amended federal income tax return or following an alternative procedure to filing an amended federal income tax return, as described in Section 6225(c)(2) of the Code, paying any and all resulting federal income taxes in a timely fashion, providing all necessary information to the Partnership to support the modification of the tax rate applicable to any Imputed Underpayment Modification pursuant to Section 6225(c)(4) of the Code, and providing an affidavit to the Partnership Representative that such actions have been taken). If not otherwise sought by the Partnership Representative and if reasonably requested by a Partner, the Partnership Representative shall use commercially reasonable efforts to provide to such Partner information allowing such Partner to file an amended federal income tax return or to follow an alternative procedure to filing an amended federal income tax return, as described in Section 6225(c)(2) of the Code, to the extent that such amended return or alternative procedure and payment of any related taxes, additions to tax, penalties, and interest would reduce any Partnership Level Taxes attributable to the Covered Audit Adjustment.

(6) To the extent that the Partnership Representative does not make a Push-Out Election with respect to a Covered Audit Adjustment, the Partnership Representative is authorized, pursuant to Section 4.3.C, to obtain a loan on behalf of the Partnership to pay any Partnership Level Taxes.

(7) Each Partner agrees to cooperate with the Partnership Representative and to do or refrain from doing any or all things reasonably requested by the Partnership Representative in connection with any Tax Audit. If reasonably requested by the Partnership Representative, each Partner shall deliver to the Partnership Representative: (a) any certificates, forms, affidavits, or instruments reasonably requested by the Partnership Representative relating to such Partner's status under any tax laws, (including, but limited to, evidence of the filing of tax returns and/or payment of tax); and (b) any information reasonably requested by the Partnership Representative in connection with the Partnership Tax Audit Rules (including, but not limited to, upper-tier shareholder specific information if a Partner is or becomes an S corporation for federal income tax purposes, upper-tier partner specific information if a Partner is or becomes a partnership for federal income tax purposes, tax returns, information regarding the character of income as capital gain or qualified dividend income, and information regarding passive activity losses).

(8) Notwithstanding anything herein to the contrary, nothing in this Agreement shall obligate the Partnership Representative to provide notice to the Partners regarding any Tax Audit other than as required by the Partnership Tax Audit Rules. The Partners shall have no right to participate in any Tax Audit, unless the Partnership Representative gives its written consent otherwise.

(9) Each Partner agrees to promptly update and supplement its contact information as necessary to keep such information up-to-date, even if such Partner's interest in the Partnership is transferred or terminated.

(10) The provisions of this Section 10.3, including the Partnership Representative's authority under this section, shall survive the termination, dissolution, liquidation and winding up of the Partnership and the termination or transfer of any Partner's interest in the Partnership and shall remain binding on each Partner for the period of time necessary to resolve any Tax Audit involving or related to the Partnership.

(11) All third-party costs and expenses incurred by the Partnership Representative in performing its duties as such (including legal and accounting fees and expenses) shall be borne by the Partnership. Nothing herein shall be construed to restrict the Partnership from engaging an accounting firm to assist the Partnership Representative in discharging its duties hereunder, so long as the compensation paid by the Partnership for such services is reasonable.

B. All elections required or permitted to be made by the Partnership under the Code or any applicable state or local tax law shall be made by the General Partner in its sole and absolute discretion.

C. In the event of a transfer of all or any part of the Partnership Interest of any Partner, the Partnership, at the option of the General Partner, may elect pursuant to Section 754 of the Code to adjust the basis of the Properties. Notwithstanding anything contained in Article V of this Agreement, any adjustments made pursuant to Section 754 shall affect only the successor in interest to the transferring Partner and in no event shall be taken into account in establishing, maintaining or computing Capital Accounts for the other Partners for any purpose under this Agreement. Each Partner will furnish the Partnership with all information necessary to give effect to such election.

D. The Partners, intending to be legally bound, hereby authorize the Partnership to make an election (the "*Safe Harbor Election*") to have the "liquidation value" safe harbor provided in Proposed Treasury Regulation §1.83-3(1) and the Proposed Revenue Procedure set forth in IRS Notice 2005-43, as such safe harbor may be modified when such proposed guidance is issued in final form or as amended by subsequently issued guidance (the "*Safe Harbor*"), apply to any interest in the Partnership transferred to a service provider while the Safe Harbor Election remains effective, to the extent such interest meets the Safe Harbor requirements (collectively, such interests are referred to as "*Safe Harbor Interests*"). The Partnership Representative is authorized and directed to execute and file the Safe Harbor Election on behalf of the Partnership and the Partners. The Partnership and the Partners (including any person to whom an interest in the Partnership is transferred in connection with the performance of services) hereby agree to comply with all requirements of the Safe Harbor (including forfeiture allocations) with respect to all Safe Harbor Interests and to prepare and file all U.S. federal income tax returns reporting the tax consequences of the issuance and vesting of Safe Harbor Interests consistent with such final Safe Harbor guidance. The Partnership is also authorized to take such actions as are necessary to achieve, under the Safe Harbor, the effect that the election and compliance with all requirements of the Safe Harbor referred to above would be intended to achieve under Proposed Treasury Regulation §1.83-3, including amending this Agreement. In the event the Safe Harbor Election is rendered moot or obsolete by future legislation that amends Section 83 of the Code, this Section 10.3.D shall have no effect. The liquidation value of each LTIP Unit shall be zero upon grant as provided in Section4.10.C(1).

E. Each Limited Partner shall be required to provide such information as reasonably requested by the Partnership in order to determine whether such Limited Partner: (i) owns, directly or constructively (within the meaning of Section 318(a) of the Code, as modified by Section 856(d)(5) of the Code and Section 7704(d)(3) of the Code), 5% or more of the value of the Partnership; or (ii) owns, directly or constructively (within the meaning of Section 318(a) of the Code, as modified by Section 856(d)(5) of the Code and Section 7704(d)(3) of the Code),10% or more of (a) the stock, by voting power or value, of a tenant (other than a "taxable REIT subsidiary" within the meaning of Section 856(d) of the Code) of the Partnership that is a corporation or (b) the assets or net profits of a tenant of the Partnership that is a noncorporate entity.

Section 10.4 *Withholding*. Each Holder hereby authorizes the Partnership to withhold from or pay on behalf of or with respect to such Holder any amount of federal, state, local or foreign taxes that the General Partner determines, in its sole and absolute discretion, the Partnership is required to withhold or pay with respect to any amount distributable or allocable to such Holder pursuant to this Agreement, including, without limitation, any taxes required to be withheld or paid by the Partnership pursuant to Code Section 1441, Code Section 1442, Code Section 1445 or Code Section 1446, plus any costs or expenses incurred by the General Partner or the Partnership reasonably related to such withholding or payment (a "*Tax Advance*"). Any amount withheld with respect to a Holder pursuant to this Section 10.4 shall be treated as paid or distributed, as applicable, to such Holder for all purposes under this Agreement. Any amount paid on behalf of or with respect to a Holder, in excess of any such withheld amount, shall constitute a loan by the Partnership to such Holder, which loan shall be repaid by such Holder within thirty (30) days after the affected Holder receives written notice from the General Partner that such payment must be made, provided that the Holder shall not be required to repay such deemed loan if either: (i) the Partnership withholds such payment from a distribution that would otherwise be made to the Holder; or (ii) the General Partner determines, in its sole and absolute discretion, that such payment may be satisfied out of the funds of the Partnership that would, but for such payment, be distributed to the Holder. Each Limited Partner hereby unconditionally and irrevocably grants to the Partnership a security interest in such Limited Partner's Partnership Interest to secure such Limited Partner's obligation to pay to the Partnership any amounts required to be paid pursuant to this Section 10.4. In the event that a Limited Partner fails to pay any amounts owed to the Partnership pursuant to this Section 10.4 when due, the General Partner may, in its sole and absolute discretion, elect to make the payment to the Partnership on behalf of such defaulting Limited Partner, and in such event shall be deemed to have loaned such amount to such defaulting Limited Partner and shall succeed to all rights and remedies of the Partnership as against such defaulting Limited Partner (including, without limitation, the right to receive distributions). Each Holder hereby agrees to indemnify and hold harmless the Partnership and the General Partner and each other Partner from and against any liability, claim or expense with respect to any Tax Advance withheld or required to be withheld on behalf of or with respect to such Partner. In the event the Partnership is liquidated and a liability or claim is asserted against, or expense borne by, the General Partner or any Holder for any Tax Advance, the Partnership shall have the right to be reimbursed from the Holder on whose behalf such withholding or tax payment was made or required to be made. Each Limited Partner shall take such actions as the Partnership or the General Partner shall request in order to perfect or enforce the security interest created hereunder. Any amounts payable by a Holder hereunder shall constitute a recourse obligation of the Holder, shall not be limited to the Holder's Partnership Interest, shall survive the Holder's transfer of its Partnership Interest or withdrawal from the Partnership and shall bear interest at the base rate on corporate loans at large United States money center commercial banks, as published from time to time in the Wall Street Journal plus four (4) percentage points (but not higher than the maximum lawful rate) from the date such amount is due (i.e., thirty (30) days after the Holder receives written notice of such amount) until such amount is paid in full.

Section 10.5 *Organizational Expenses*. The General Partner may cause the Partnership to elect to deduct expenses, if any, incurred by it in organizing the Partnership ratably over a 180-month period as provided in Section 709 of the Code.

Section 10.6 *Treatment of Partnership as Disregarded Entity*. Notwithstanding anything to the contrary in this Agreement, if the Partnership is treated as a Disregarded Entity with respect to Federal Realty during any period, then the other provisions of this Agreement shall be applied (or not applied) in a manner consistent with such treatment with respect to such period, as determined by the General Partner in its sole and absolute discretion. In the event of any conflict between this Section 10.6 and any other provision of this Agreement, this Section 10.6 shall control.

ARTICLE 11
PARTNER TRANSFERS AND WITHDRAWALS

Section 11.1 *Transfer*.

A. To the fullest extent permitted by law, no part of the Partnership Interest of a Partner shall be subject to the claims of any creditor, to any spouse for alimony or support, or to legal process, and may not be voluntarily or involuntarily alienated or encumbered except as may be specifically provided for in this Agreement.

B. No Partnership Interest shall be Transferred, in whole or in part, except in accordance with the terms and conditions set forth in this Article 11. To the fullest extent permitted by law, any Transfer or purported Transfer of a Partnership Interest not made in accordance with this Article 11 shall be null and void *ab initio*.

C. No Transfer of any Partnership Interest may be made to a lender to the Partnership or any Person who is related (within the meaning of Section 1.752-4(b) of the Regulations) to any lender to the Partnership whose loan constitutes a Nonrecourse Liability (as defined in Regulations Sections 1.704-2(b)(3) and 1.752-1(a)(2)), without the Consent of the General Partner; provided, however, that, as a condition to such Consent, the lender will be required to enter into an arrangement with the Partnership and the General Partner to redeem or exchange for the REIT Shares Amount any Units in which a security interest is held by such lender simultaneously with the time at which such lender would be deemed to be a partner in the Partnership for purposes of allocating liabilities to such lender under Section 752 of the Code.

Section 11.2 *Transfer of Federal Realty's and General Partner's Partnership Interests*.

A. Neither the General Partner nor Federal Realty may Transfer all or any portion of its Partnership Interests or withdraw as General Partner without the Consent of the Limited Partners except: (i) in connection with an Extraordinary Transaction as provided in Section 11.2.B; or (ii) in connection with any merger (including a triangular merger), consolidation or other combination with or into another Person following the consummation of which the equity holders of the surviving entity are substantially identical to the shareholders of Federal Realty; or (iii) to any Person that is, at the time of such transfer, an Affiliate of Federal Realty that is controlled by Federal Realty, including any Qualified REIT Subsidiary. It is a condition to any Transfer of a General Partner Interest permitted hereunder that: (a) coincident with such Transfer, the transferee is admitted as a General Partner pursuant to Section 12.1 hereof; (b) the transferee assumes, by operation of law or express agreement, all of the obligations of the transferor General Partner under this Agreement with respect to such Transferred Partnership Interest; and (c) the transferee has executed such instruments as may be necessary to effectuate such admission and to confirm the agreement of such transferee to be bound by all the terms and provisions of this Agreement with respect to the Partnership Interest so acquired and the admission of such transferee as a General Partner.

B. The Partnership, the General Partner and/or Federal Realty may from time to time engage in an Extraordinary Transaction; provided, that one of the following conditions has been satisfied:

(i) As a result of such Extraordinary Transaction, all Limited Partners (other than Federal Realty and any Federal Realty Subsidiary) will receive, or have the right to receive, for each Partnership Unit an amount of cash, securities or other property equal in value to the product of the Adjustment Factor and the greatest amount of cash, securities or other property paid in the Extraordinary Transaction to a holder of one REIT Share in consideration of one REIT Share, provided that if, in connection with such Extraordinary Transaction, a purchase, tender or exchange offer ("Offer") shall have been made to and accepted by the holders of more than 50% of the outstanding REIT Shares, each holder of Partnership Units (other than Federal Realty and any Federal Realty Subsidiary) shall be given the option to exchange its Partnership Units for the greatest amount of cash, securities or other property that such Limited Partner would have received had it: (a) exercised its Redemption Right pursuant to Section 8.6; and (b) sold, tendered or exchanged pursuant to the Offer the REIT Shares received upon exercise of the Redemption Right immediately prior to the Offer; or

(ii) Federal Realty or a Federal Realty Subsidiary is the surviving entity in the Transaction and either: (a) the holders of REIT Shares do not receive cash, securities or other property in the Transaction; or (b) all Limited Partners (other than Federal Realty or any Federal Realty Subsidiary) receive for each Partnership Unit an amount of cash, securities or other property (expressed as an amount per REIT Share) that is no less in value than the product of the Adjustment Factor and the greatest amount of cash, securities or other property (expressed as an amount per REIT Share) received in the Transaction by any holder of REIT Shares; or

(iii) such Extraordinary Transaction does not result in the transfer of more than fifty percent (50%) of the total voting power of voting securities of Federal Realty or a Transfer of more than eighty percent (80%) of the assets of Federal Realty in one or a series of related transactions; or

(iv) Consent of the Limited Partners, excluding Federal Realty and any Federal Realty Subsidiary, has been obtained

C. Except in connection with Transfers permitted in this Section 11.2 and as otherwise provided in Section 12.1 in connection with the Transfer of the General Partner's entire Partnership Interest, the General Partner may not voluntarily withdraw as a general partner of the Partnership without a successor General Partner having been approved and the Consent of the Limited Partners obtained.

Section 11.3 *Limited Partners' Rights to Transfer*.

A. *General*. Except for Permitted Transfers pursuant to Section 11.3.B, no Limited Partner shall Transfer all or any portion of its Partnership Interest to any transferee without the Consent of the General Partner, which may be given or withheld in its sole and absolute discretion. It is expressly understood and agreed that the General Partner will not consent to any proposed Transfer of all or any portion of any Partnership Interest pursuant to this Section 11.3.A unless such Transfer satisfies each of the conditions set forth in Section 11.3.C.

B. *Permitted Transfers*. Any Limited Partner may, at any time, without the consent or approval of the General Partner, engage in a Permitted Transfer; provided that: (i) the transferor provides notice as provided below; (ii) the transferee assumes by operation of law or express agreement all of the obligations of the transferor Limited Partner under this Agreement with respect to such Transferred Partnership Interest; (iii) no such Transfer (other than pursuant to a statutory merger or consolidation wherein all obligations and liabilities of the transferor Partner are assumed by a successor corporation by operation of law) shall relieve the transferor Partner of its obligations under this Agreement without the Consent of the General Partner; and (iv) such Transfer satisfies each of the conditions set forth in Section 11.3.C. At least ten (10) Business Days prior to any Transfer, the transferring Limited Partner shall provide the General Partner with written notice of the proposed Transfer that includes the identity of the transferor, the number of Limited Partnership Units being transferred, the effective date of the proposed Transfer and all of the items required pursuant to Section 11.3.C below. The General Partner shall advise the transferring Limited Partner within ten (10) Business Days after receipt of such notice whether General Partner agrees that the proposed Transfer is a Permitted Transfer, requires more information to determine whether it is a Permitted Transfer or whether the General Partner otherwise consents to such proposed Transfer. If the General Partner determines that the proposed Transfer is a Permitted Transfer or otherwise consents, the Transfer can proceed as provided in the notice. If the General Partner requires more information, determines the proposed Transfer is not a Permitted Transfer or does not otherwise consent, then the requesting Limited Partner cannot Transfer the Partnership Interest. Failure of the General Partner to respond within such 10-Business Day period shall be deemed confirmation that the proposed Transfer can proceed in accordance with the information included in the notice.

C. *Conditions for Transfers*.

(1) *Opinion of Counsel*. The transferor Limited Partner shall deliver or cause to be delivered to the General Partner an opinion of a qualified securities counsel in a form reasonably satisfactory to the General Partner to the effect that the proposed Transfer may be effected without registration under the Securities Act and will not otherwise violate the registration provisions of the Securities Act and the regulations promulgated thereunder or violate any state securities laws or regulations applicable to the Partnership or the Partnership Interests Transferred. If, in the opinion of such counsel, such Transfer would require the filing of a registration statement under the Securities Act or would otherwise violate any federal or state securities laws or regulations applicable to the Partnership or the Transferred Partnership Interests, the General Partner may prohibit any Transfer otherwise permitted under this Section 11.3.

(2) *Minimum Transfer Restriction*. Any Transferring Partner must Transfer not less than the lesser of: (a) one thousand (1,000) Units; or (b) all of the remaining Units owned by such Transferring Partner, without, in each case, the Consent of the General Partner; provided, however, that, for purposes of determining compliance with the foregoing restriction, all Units owned by Affiliates of a Limited Partner shall be considered to be owned by such Limited Partner.

(3) *No Adverse Tax Consequences*. No Limited Partner shall be permitted to engage in a Permitted Transfer or other Transfer of its Partnership Interests if: (a) in the opinion of legal counsel for the Partnership, such Permitted Transfer or other Transfer would result in the Partnership being treated as an association taxable as a corporation (other than a qualified REIT subsidiary within the meaning of Section 856(i) of the Code); (b) in the opinion of legal counsel for the Partnership, it would adversely affect the ability of Federal Realty to continue to qualify as a REIT or subject Federal Realty to any additional taxes under Section 857 or Section 4981 of the Code; (c) the General Partner determines, in its sole and absolute discretion, that such Permitted Transfer or other Transfer, along or in connection with other Transfers, could cause the Partnership Interests to be treated as readily tradable on "established securities market" or a "secondary market (or the substantial equivalent thereof)" within the meaning of Section 7704 of the Code; or (d) in the opinion of legal counsel for the Partnership, such Permitted Transfer or other Transfer is reasonably likely to cause the Partnership to fail to satisfy the 90% qualifying income test described in Section 7704(c) of the Code.

(4) *Other Requirements.* The transferee must assume by operation of law or express agreement all of the obligations of the transferor Limited Partner under this Agreement with respect to such Transferred Partnership Interest, and no such Permitted Transfer or other Transfer (other than pursuant to a statutory merger or consolidation wherein all obligations and liabilities of the transferor Partner are assumed by a successor corporation by operation of law) shall relieve the transferor Partner of its obligations under this Agreement without the Consent of the General Partner. In addition, prior to the consummation of any Permitted Transfer or other Transfer, the transferor and/or the transferee shall deliver to the General Partner such other opinions, certificates and other documents as the General Partner shall request in connection with such Transfer. The General Partner may require, as a condition to consenting to any Transfer or for confirming satisfaction of the conditions relating to any Permitted Transfer that the transferor pay all costs incurred by the Partnership in connection with such consent or confirmation, including, without limitation, attorneys' fees and costs and an administrative processing fee for the request consistent with the General Partner's fee schedule at the time.

(5) *Qualified Transferee.* The transferor Limited Partner shall deliver evidence showing that the proposed transferee of any Limited Partnership Interest is a Qualified Transferee. No Limited Partnership Interest can be Transferred to any Person other than a Qualified Transferee without the General Partner's prior written consent, in its sole and absolute discretion.

(6) *Other Conditions.* The General Partner shall have the ability to add such other conditions to as it deems reasonable or necessary, in its sole and absolute discretion.

D. *Incapacity*. If a Limited Partner is subject to Incapacity, the executor, administrator, trustee, committee, guardian, conservator or receiver of such Limited Partner's estate shall have all the rights of a Limited Partner, but not more rights than those enjoyed by other Limited Partners, for the purpose of settling or managing the estate, and such power as the Incapacitated Limited Partner possessed to Transfer all or any part of its interest in the Partnership. The Incapacity of a Limited Partner, in and of itself, shall not dissolve or terminate the Partnership.

E. *Transferee Obligations*. Any transferee of any Transferred Partnership Interest shall be subject to any and all restrictions on ownership and transfer of stock of Federal Realty contained in the Federal Realty Declaration that may limit or restrict such transferee's ability to exercise its Redemption rights, including, without limitation, the REIT Share Ownership Limit. Any transferee, whether or not admitted as a Substituted Limited Partner, shall take subject to the obligations of the transferor hereunder. Unless admitted as a Substituted Limited Partner, no transferee, whether by a voluntary Transfer, by operation of law or otherwise, shall have any rights hereunder, other than the rights of an Assignee as provided in Section 11.5.

F. *Adverse Tax Consequences*. Notwithstanding anything to the contrary in this Agreement, the General Partner shall have the authority (but shall not be required) to take any steps it determines are necessary or appropriate in its sole and absolute discretion to prevent the Partnership from being taxable as a corporation for federal income tax purposes. In furtherance of the foregoing, except with the Consent of the General Partner, no Transfer by a Limited Partner of its Partnership Interests (including any Redemption, any other acquisition of Units by Federal Realty or the General Partner or any acquisition of Units by the Partnership) may be made to or by any Person if such Transfer could: (i) result in the Partnership being treated as an association taxable as a corporation; (ii) be treated as effectuated through an "established securities market" or a "secondary market (or the substantial equivalent thereof)" within the meaning of Code Section 7704 and the Regulations promulgated thereunder; (iii) result in the Partnership being unable to qualify for one or more of the "safe harbors" set forth in Regulations Section 1.7704-1 (or such other guidance subsequently published by the IRS setting forth safe harbors under which interests will not be treated as "readily tradable on a secondary market (or the substantial equivalent thereof)" within the meaning of Section 7704 of the Code) ("PTP Safe Harbors"); (iv) cause the Partnership to fail to satisfy the 90% qualifying income test described in Section 7704(c) of the Code; or (v) in the General Partner's judgment in its sole and absolute discretion, adversely affect the ability of Federal Realty to continue to qualify as a REIT or subject Federal Realty to any additional taxes under Code Section 857 or Code Section 4981.

Section 11.4 *Admission of Substituted Limited Partners*.

A. No Limited Partner shall have the right to substitute a transferee (including any transferees pursuant to Transfers permitted by Section 11.3) as a Limited Partner in its place. A transferee of a Limited Partner Interest may be admitted as a Substituted Limited Partner only with the Consent of the General Partner. The failure or refusal by the General Partner to permit a transferee of any such interests to become a Substituted Limited Partner shall not give rise to any cause of action against the Partnership or the General Partner. Subject to the foregoing, an Assignee shall not be admitted as a Substituted Limited Partner until and unless it furnishes to the General Partner: (i) evidence of acceptance, in form and substance satisfactory to the General Partner, of all the terms, conditions and applicable obligations of this Agreement and the terms of any Partner Schedule relating to the Limited Partnership Interest being transferred; (ii) a counterpart signature page to this Agreement executed by such Assignee; and (iii) such other documents and instruments as may be required or advisable, in the sole and absolute discretion of the General Partner, to effect such Assignee's admission as a Substituted Limited Partner.

B. Concurrently with, and as evidence of, the admission of a Substituted Limited Partner, the General Partner shall update the books and records of the Partnership to reflect the name, address and number and class and/or series of Units of such Substituted Limited Partner and to eliminate or adjust, if necessary, the name, address and number of Units of the predecessor of such Substituted Limited Partner.

C. A transferee who has been admitted as a Substituted Limited Partner in accordance with this Article 11 shall have all the rights and powers and be subject to all the restrictions and liabilities of a Limited Partner under this Agreement.

Section 11.5 *Assignees*. If the General Partner, in its sole and absolute discretion, does not Consent to the admission of any transferee following a Transfer that was permitted under Section 11.3 in a Permitted Transfer or otherwise as a Substituted Limited Partner or in the event that any Partnership Interest is deemed to have been Transferred notwithstanding the restrictions set forth in this Article 11, such transferee shall be considered an Assignee for purposes of this Agreement. An Assignee shall be entitled to all the rights of an assignee of a limited partnership interest under the Act, including the right to receive distributions from the Partnership and the share of Profit, Loss and other items of income, gain, loss, deduction and credit of the Partnership attributable to the Partnership Interest assigned to such transferee and the rights to Transfer the Partnership Interest provided in this Article 11, but shall not be deemed to be a holder of a Partnership Interest for any other purpose under this Agreement, and shall not be entitled to effect a Consent or vote with respect to such Partnership Interest on any matter presented to the Partners for approval (such right to Consent or vote, to the extent provided in this Agreement or under the Act, fully remaining with the transferor Limited Partner). In the event that any such transferee desires to make a further Transfer of any such Partnership Interest, such transferee shall be subject to all the provisions of this Article 11 to the same extent and in the same manner as any Limited Partner desiring to make a Transfer of a Limited Partner Interest.

Section 11.6 *General Provisions*.

A. No Limited Partner may withdraw from the Partnership other than as a result of: (i) a Permitted Transfer or other approved Transfer of all of such Limited Partner's Units in accordance with this Article 11 with respect to which the transferee becomes a Substituted Limited Partner; (ii) pursuant to a redemption of all of its Units; or (iii) the acquisition by the General Partner or a Federal Realty Subsidiary of all of such Limited Partner's Partnership Interest.

B. Any Limited Partner who Transfers all of its Units in a Transfer: (i) permitted pursuant to this Article 11 where such transferee was admitted as a Substituted Limited Partner; (ii) pursuant to the exercise of its rights to effect a redemption of all of its Units; or (iii) to Federal Realty, shall cease to be a Limited Partner.

C. Transfers pursuant to Section 11.3 may only be made on the first day of a fiscal quarter of the Partnership, unless the General Partner, in its sole and absolute discretion, otherwise Consents.

D. If any Unit is Transferred in compliance with the provisions of this Article 11, or is redeemed by the Partnership, or acquired directly or indirectly pursuant to Section 8.6, on any day other than the first day of a Fiscal Year, then Profit, Loss, each item thereof and all other items of income, gain, loss, deduction and credit attributable to such Unit for such Fiscal Year shall be allocated to the transferor Partner or the Tendering Party (as the case may be) and, in the case of a Transfer other than a Redemption, to the transferee Partner, by taking into account their varying interests during

the Fiscal Year in accordance with Code Section 706(d), using the "daily proration" or "interim closing of the books" method or another permissible method selected by the General Partner in its sole and absolute discretion. Solely for purposes of making such allocations, unless the General Partner decides in its sole and absolute discretion to use another method permitted under the Code, each of such items for the calendar month in which a Transfer occurs shall be allocated to the transferee Partner and none of such items for the calendar month in which a Transfer or a Redemption occurs shall be allocated to the Person who is a Partner as of midnight on the last day of said month. All distributions of funds attributable to such Unit with respect to which the Partnership Record Date is before the date of such Transfer, assignment or Redemption shall be made to the transferor Partner or the Tendering Party (as the case may be) and all distributions of funds attributable to such Unit thereafter shall be made to the transferee Partner.

E. In addition to any other restrictions on Transfer herein contained, in no event may any Transfer of a Partnership Interest by any Partner (including any Redemption or any other acquisition of Units by the Partnership) be made: (i) to any person or entity who lacks the legal right, power or capacity to own a Partnership Interest; (ii) in violation of applicable law; (iii) except with the Consent of the General Partner, of any component portion of a Partnership Interest, such as the Capital Account, or rights to distributions, separate and apart from all other components of a Partnership Interest; (iv) in the event that such Transfer could cause any of Federal Realty or any Federal Realty Affiliate to cease to comply with the REIT Requirements or to cease to qualify as a "qualified REIT subsidiary" (within the meaning of Code Section 856(i)(2)); (v) if such Transfer could, based on the advice of legal counsel to the Partnership or the General Partner, cause the Partnership to cease to be classified as a partnership for federal income tax purposes except as a result of the Redemption (or acquisition by Federal Realty) of all Common Units held by all Limited Partners (other than the Federal Realty Subsidiaries); (vi) if such Transfer would cause the Partnership to become, with respect to any employee benefit plan subject to Title I of ERISA, a "party-in-interest" (as defined in ERISA Section 3(14)) or a "disqualified person" (as defined in Code Section 4975(c)); (vii) if such Transfer could, based on the advice of legal counsel to the Partnership or the General Partner, cause any portion of the assets of the Partnership to constitute assets of any employee benefit plan pursuant to Department of Labor Regulations Section 2510.3-101; (viii) if such Transfer requires the registration of such Partnership Interest pursuant to any applicable federal or state securities laws (including, without limitation, the Securities Act or the Securities Exchange Act of 1934, as amended) or other non-U.S. securities laws (including Canadian provincial or territorial securities laws) or would constitute a non-exempt distribution pursuant to applicable provincial or state securities laws; (ix) except with the Consent of the General Partner, if such Transfer could (1) be treated as effectuated through an "established securities market" or a "secondary market" (or the substantial equivalent thereof) within the meaning of Section 7704 of the Code and the Regulations promulgated thereunder, (2) cause the Partnership to become a "publicly traded partnership," as such term is defined in Section 7704(b) of the Code, (3) could be in violation of Section 3.4.C(iv), or (4) could cause the Partnership to fail one or more of the PTP Safe Harbors; (x) could cause the partnership to fail to satisfy the 90% qualifying income test described in Section 7704(c) of the Code; (xi) if such Transfer causes the Partnership to become a reporting company under the Exchange Act; or (xii) if such Transfer subjects the Partnership to regulation under the Investment Company Act of 1940, the Investment Advisors Act of 1940 or ERISA, each as amended. Any attempted Transfer of a Limited Partnership Interest in violation of this Section 11.6.E, shall be null and void *ab initio*, to the fullest extent permitted by law, and the transferee shall not acquire any rights or economic interests in the Partnership. The General Partner shall, in its sole and absolute discretion, be permitted to take all action necessary to prevent the Partnership from being classified as a "publicly traded partnership" under Code Section 7704.

ARTICLE 12
ADMISSION OF PARTNERS

Section 12.1 *Admission of Successor General Partner*. A successor to all of the General Partner's General Partner Interest pursuant to a Transfer permitted by Section 11.2 who is proposed to be admitted as a successor General Partner shall be admitted to the Partnership as the General Partner, effective immediately upon such Transfer whereupon the transferor General Partner shall be relieved of its obligations under this Agreement and shall cease to be a general partner of the Partnership without any separate Consent of the Limited Partners or the consent or approval of any other Partners. Any such successor General Partner shall carry on the business and affairs of the Partnership without dissolution. In each case, the admission shall be subject to the successor General Partner executing and delivering to the Partnership an acceptance of all of the terms and conditions of this Agreement and such other documents or instruments as may be required to effect the admission of such Person as a General Partner. Upon any such Transfer, the transferee shall become the successor General Partner for all purposes herein, and shall be vested with the powers and rights of the transferor General Partner, and shall be liable for all obligations and responsible for all duties of the General Partner. Concurrently with, and as evidence of, the admission of a successor General Partner, the General Partner shall update the books and records of the Partnership to reflect the name, address and number and classes and/or series of Units of such successor General Partner.

Section 12.2 *Admission of Additional Limited Partners*.

A. A Person who is not already a Partner who makes a Capital Contribution to the Partnership in exchange for Partnership Interests and in accordance with this Agreement shall be admitted to the Partnership as an Additional Limited Partner upon furnishing to the General Partner: (i) evidence of acceptance, in form and substance satisfactory to the General Partner, of all of the terms and conditions of this Agreement, including, without limitation, the power of attorney granted in Section 14.4; and (ii) such other documents or instruments as may be required in the sole and absolute discretion of the General Partner in order to effect such Person's admission as an Additional Limited Partner. Concurrently with, and as evidence of, the admission of an Additional Limited Partner, the General Partner shall update the books and records of the Partnership to reflect the name, address and number and classes and/or series of Partnership Interests of such Additional Limited Partner.

B. Notwithstanding anything to the contrary in this Section 12.2, no Person shall be admitted as an Additional Limited Partner without the Consent of the General Partner. The admission of any Person as an Additional Limited Partner shall become effective on the date upon which the name of such Person is recorded on the books and records of the Partnership, following the Consent of the General Partner to such admission and the satisfaction of all the conditions set forth in Section 12.2.A.

C. If any Additional Limited Partner is admitted to the Partnership on any day other than the first day of a Fiscal Year, then Profit, Loss, each item thereof and all other items of income, gain, loss, deduction and credit allocable among Holders for such Fiscal Year shall be allocated among such Additional Limited Partner and all other Holders by taking into account their varying interests during the Fiscal Year in accordance with Code Section 706(d), using the "daily proration" or "interim closing of the books" method or another permissible method selected by the General Partner, in its sole and absolute discretion. Solely for purposes of making such allocations, each of such items for the calendar month in which an admission of any Additional Limited Partner occurs shall be allocated among all the Holders including such Additional Limited Partner, in accordance with the principles described in Section 11.6.D. All distributions of funds with respect to which the Partnership Record Date is before the date of such admission shall be made solely to the Partners and Assignees other than the Additional Limited Partner, and all distributions thereafter shall be made to all of the Partners and Assignees including the Additional Limited Partner.

D. Any Additional Limited Partner admitted to the Partnership that is an Affiliate of Federal Realty shall be deemed to be an Affiliate of Federal Realty hereunder and shall be reflected as such on the books and records of the Partnership.

Section 12.3 *Amendment of Agreement and Certificate of Limited Partnership*. For the admission to the Partnership of any Partner, the General Partner shall take all steps necessary and appropriate under the Act to update the records of the Partnership and, if necessary, to prepare as soon as practical an amendment of this Agreement (and to update the books and records of the Partnership) and, if required by law, shall prepare and file an amendment to the Certificate and may for this purpose exercise the power of attorney granted pursuant to Section 14.4.

Section 12.4 *Limit on Number of Partners*. Unless otherwise permitted by the General Partner in its sole and absolute discretion, no Person shall be admitted to the Partnership as an Additional Limited Partner if the effect of such admission would be to cause the Partnership to have a number of Partners that would cause the Partnership to become or remain a reporting company under the Exchange Act.

Section 12.5 *Admission*. A Person shall be admitted to the Partnership as a limited partner of the Partnership or a general partner of the Partnership only upon strict compliance, and not upon substantial compliance, with the requirements set forth in this Agreement for admission to the Partnership as a Limited Partner or a General Partner.

ARTICLE 13
DISSOLUTION, LIQUIDATION AND TERMINATION

Section 13.1 *Dissolution*. The Partnership shall not be dissolved by the admission of Substituted Limited Partners or Additional Limited Partners or by the admission of a successor General Partner in accordance with the terms of this Agreement. Upon the withdrawal of the General Partner, any successor General Partner is hereby authorized to and shall, continue the business and affairs of the Partnership without dissolution. Notwithstanding the foregoing, the Partnership shall dissolve, and its affairs shall be wound up, upon the first to occur of any of the following (each a "Liquidating Event"):

A. An event of withdrawal, as defined in Section 17-402 of the Act (including, without limitation, bankruptcy), or the withdrawal in violation of this Agreement, of the last remaining General Partner unless, within ninety (90) days after the withdrawal, Partners holding in the aggregate Percentage Interests that are greater than fifty percent (50%) of the aggregate Percentage Interests of all Partners entitled to vote on such matter agree in writing, each in its sole and absolute discretion, to continue the business of the Partnership and to the appointment, effective as of the date of such withdrawal, of a successor General Partner;

B. An election to dissolve the Partnership made by the General Partner in its sole and absolute discretion, with or without the Consent of the Limited Partners;

C. Entry of a decree of judicial dissolution of the Partnership pursuant to the provisions of the Act; and

D. At any time that there are no limited partners of the Partnership unless the business of the Partnership is continued in accordance with the Act.

Section 13.2 *Winding Up*.

A. Upon the occurrence of a Liquidating Event, the Partnership shall continue solely for the purposes of winding up its affairs in an orderly manner, liquidating its assets and satisfying the claims of its creditors and the Holders. After the occurrence of a Liquidating Event, no Holder shall take any action that is inconsistent with, or not necessary to or appropriate for, the winding up of the Partnership's business and affairs. The General Partner (or, in the event that there is no remaining General Partner or the General Partner has dissolved, become bankrupt within the meaning of the Act or ceased to operate, any Person elected by Partners holding in the aggregate Percentage Interests that are greater than fifty percent (50%) of the aggregate Percentage Interests of all Partners entitled to vote on such matter (the General Partner or such other Person being referred to herein as the "*Liquidator*")) shall be responsible for overseeing the winding up and termination of the Partnership and shall take full account of the Partnership's liabilities and property, and the Partnership property shall be liquidated as promptly as is consistent with obtaining the fair value thereof, and the proceeds therefrom shall be applied and distributed in the following order:

(1) First, to the satisfaction of all of the Partnership's debts and liabilities to creditors other than the Holders;

(2) Second, to the satisfaction of all of the Partnership's debts and liabilities to the General Partner, Federal Realty and each Federal Realty Subsidiary, including, but not limited to, amounts due as reimbursements under Section 7.4;

(3) Third, to the satisfaction of all of the Partnership's debts and liabilities to the other Holders; and

(4) Fourth, to the Partners in accordance with their positive Capital Account balances, determined after taking into account all Capital Account adjustments for all prior periods and the Partnership taxable year during which the liquidation occurs (other than those made as a result of the liquidating distribution set forth in this Section 13.2.A(4).

The General Partner shall not receive any additional compensation for any services performed pursuant to this Article 13 other than reimbursement of its expenses as set forth in Section 7.4.

B. Notwithstanding the provisions of Section 13.2.A that require liquidation of the assets of the Partnership, but subject to the order of priorities set forth therein, if prior to the termination of the Partnership, the Liquidator determines that an immediate sale of part or all of the Partnership's assets would be impractical or would cause undue loss to the Holders, the Liquidator may, in its sole and absolute discretion, defer for a reasonable time the liquidation of any assets except those necessary to satisfy liabilities of the Partnership (including to those Holders as creditors) and/or distribute to the Holders, in lieu of cash, as tenants in common and in accordance with the provisions of Section 13.2.A, undivided interests in such Partnership assets as the Liquidator deems not suitable for liquidation. Any such distributions in kind shall be made only if, in the subjective good faith judgment of the Liquidator, such distributions in kind are in the best interest of the Holders, and shall be subject to such conditions relating to the disposition and management of such properties as the Liquidator deems reasonable and equitable and to any agreements governing the operation of such properties at such time. The Liquidator shall determine the fair market value of any property distributed in kind using such reasonable method of valuation as it may adopt.

C. If any Holder has a deficit balance in its Capital Account (after giving effect to all contributions, distributions and allocations for all taxable years, including the year during which such liquidation occurs), such Holder shall have no obligation to make any contribution to the capital of the Partnership with respect to such deficit, and such deficit shall not be considered a debt owed to the Partnership or to any other Person for any purpose whatsoever, except as otherwise set forth in this Section 13.2.C, or as otherwise expressly agreed in writing by the affected Holder and the Partnership after the date hereof.

D. In the sole and absolute discretion of the Liquidator, a pro rata portion of the distributions that would otherwise be applied and distributed in the order of priority set forth in Section 13.2.A may be:

(1) distributed to a trust established for the Partnership for the purpose of liquidating Partnership assets, collecting amounts owed to the Partnership, and paying any contingent, conditional or unmatured liabilities or obligations of the Partnership or of the General Partner arising out of or in connection with the Partnership and/or Partnership activities. The assets of any such trust shall be applied and distributed, from time to time, in the sole and absolute discretion of the Liquidator, in the same proportions and amounts as would otherwise have been applied and distributed as set forth in Section 13.2.A; or

(2) withheld or escrowed to provide a reasonable reserve for Partnership liabilities (contingent, conditional or unmatured) and to reflect the unrealized portion of any installment obligations owed to the Partnership, provided that such withheld or escrowed amounts shall be applied and distributed in the manner and order of priority set forth in Section 13.2.A hereof as soon as practicable.

Section 13.3 *Rights of Holders*. Except as otherwise provided in this Agreement and subject to the rights of any Holder of any Partnership Interest set forth in a Partner Schedule, each Holder shall look solely to the assets of the Partnership for the return of its Capital Contribution and shall not have the right or power to demand or receive property other than cash from the Partnership. Further, except as specifically provided in this Agreement or a Partner Schedule or Preferred Unit Designation, no Holder shall have priority over any other Holder as to the return of its Capital Contributions, distributions or allocations.

Section 13.4 *Notice of Dissolution*. In the event that a Liquidating Event occurs, the General Partner shall provide, within thirty (30) days thereafter, written notice thereof to each Holder and, in the General Partner's sole and absolute discretion or as required by the Act, to all other parties with whom the Partnership regularly conducts business (as determined in the sole and absolute discretion of the General Partner), and the General Partner may publish notice thereof in a newspaper of general circulation in each place in which the Partnership regularly conducts business (as determined in the sole and absolute discretion of the General Partner).

Section 13.5 *Cancellation of Certificate of Limited Partnership*. Upon the completion of the winding up of the Partnership, the Certificate shall be canceled in the manner required by the Act.

Section 13.6 *Reasonable Time for Winding-Up*. A reasonable time shall be allowed for the orderly winding-up of the business and affairs of the Partnership and the liquidation of its assets pursuant to Section 13.2, in order to minimize any losses otherwise attendant upon such winding-up, and the provisions of this Agreement shall remain in effect between and among the Partners during the period of winding up; provided, however, reasonable efforts shall be made to complete such winding-up within twenty-four (24) months after the adoption of a plan of liquidation of the General Partner, as provided in Section 562(b)(1)(B) of the Code, if necessary, in the sole and absolute discretion of the General Partner.

ARTICLE 14
PROCEDURES FOR ACTIONS AND CONSENTS OF PARTNERS; AMENDMENTS; MEETINGS, POWER OF ATTORNEY

Section 14.1 *Procedures for Actions and Consents of Partners*. The actions requiring Consent of any Partner or Partners pursuant to this Agreement, including Section 7.3, or otherwise pursuant to applicable law, are subject to the procedures set forth in this Article 14.

Section 14.2 *Amendments*. Amendments to this Agreement may be proposed only by the General Partner and, except as set forth in Section 7.3.C and subject to Section 7.3.D, shall be approved by the Consent of the Limited Partners. Following such proposal, the General Partner shall submit to the Partners entitled to vote thereon any proposed amendment that, pursuant to the terms of this Agreement, requires the consent, approval or vote of such Partners. The General Partner shall seek the consent, approval or vote of the Partners entitled to vote thereon on any such proposed amendment in accordance with Section 14.3 hereof. Notwithstanding any provision of this Agreement otherwise to the contrary, the General Partner may, without the consent or approval of any other Partner or any other Person, amend this Agreement and the Certificate to effect the creation or establishment of a series of the Partnership pursuant to Section 17-218 of the Act and/or to terminate such series.

Section 14.3 *Actions and Consents of the Partners*.

A. Meetings of the Partners may be called only by the General Partner to transact any business that the General Partner determines. The call shall state the nature of the business to be transacted. Notice of any such meeting shall be given to all Partners entitled to act at the meeting not less than seven (7) days or more than sixty (60) days prior to the date of such meeting. Partners may vote in person or by proxy at such meeting. Unless approval by a different number or proportion of the Partners is required by this Agreement, the Consent of the General Partner and the Consent of the Limited Partners shall be required to approve such proposal at a meeting of the Partners. Whenever the Consent of Partners is permitted or required under this Agreement, such Consent may be given at a meeting of Partners or in accordance with the procedure prescribed in Section 14.3.B.

B. Any action requiring the Consent of any Partner or group of Partners pursuant to this Agreement or that is required or permitted to be taken at a meeting of the Partners may be taken without a meeting if a Consent in writing or by electronic transmission (as defined in Section 17-405(d) of the Act) setting forth the action so taken or consented to is given by Partners whose Consent would be sufficient to approve such action at a meeting of the Partners. Such Consent may be in one instrument or in several instruments, and shall have the same force and effect as the affirmative vote of such Partners at a meeting of the Partners. Such Consent shall be filed with the General Partner. An action so taken shall be deemed to have been taken at a meeting held on the effective date so certified. For purposes of obtaining a Consent in writing or by electronic transmission, the General Partner may require a response within a reasonable specified time, but not less than fifteen (15) days, and failure to respond in such time period shall constitute a Consent that is consistent with the General Partner's recommendation with respect to the proposal; provided, however, that an action shall become effective at such time as requisite Consents are received even if prior to such specified time.

C. Each Partner entitled to act at a meeting of the Partners may authorize any Person or Persons to act for it by proxy on all matters in which a Partner is entitled to participate, including waiving notice of any meeting, or voting or participating at a meeting. Each proxy must be signed by the Partner or its attorney-in-fact. No proxy shall be valid after the expiration of eleven (11) months from the date thereof unless otherwise provided in the proxy (or there is receipt of a proxy authorizing a later date). Every proxy shall be revocable at the pleasure of the Partner executing it, such revocation to be effective upon the Partnership's receipt of written notice of such revocation from the Partner executing such proxy, unless such proxy states that it is irrevocable and is coupled with an interest.

D. The General Partner may set, in advance, a record date for the purpose of determining the Partners: (i) entitled to Consent to any action; (ii) entitled to receive notice of any meeting of the Partners; or (iii) in order to make a determination of Partners for any other proper purpose. Such date, in any case, shall not be prior to the close of business on the day the record date is fixed and shall be not more than ninety (90) days and, in the case of a meeting of the Partners, not less than five (5) days, before the date on which the meeting is to be held. If no record date is fixed, the record date for the determination of Partners entitled to notice of a meeting of the Partners shall be at the close of business on the day on which the notice of the meeting is sent, and the record date for any other determination of Partners shall be the effective date of such Partner action, distribution or other event. When a determination of the Partners entitled to Consent at any meeting of the Partners has been made as provided in this section, such determination shall apply to any adjournment thereof.

E. Each meeting of Partners shall be conducted by the General Partner or such other Person as the General Partner may appoint pursuant to such rules for the conduct of the meeting as the General Partner or such other Person deems appropriate in its sole and absolute discretion. Without limitation, meetings of Partners may be conducted in the same manner as meetings of Federal Realty's shareholders and may be held at the same time as, and as part of, the meetings of Federal Realty's shareholders.

Section 14.4 *Power of Attorney*.

A. Each Limited Partner and Assignee hereby irrevocably constitutes and appoints the General Partner, any Liquidator, and authorized officers and attorneys-in-fact of the General Partner, any Liquidator or the Partnership (the "*Attorney in Fact*"), and each of those acting singly, in each case with full power of substitution, as its true and lawful agent and attorney-in-fact, with full power and authority in its name, place and stead to:

(1) execute, swear to, seal, acknowledge, deliver, file and record in the appropriate public offices: (a) all certificates, documents and other instruments (including, without limitation, this Agreement and the Certificate and all amendments, supplements or restatements thereof) that the Attorney in Fact deems appropriate or necessary to form, qualify or continue the existence or qualification of the Partnership as a limited partnership (or a partnership in which the limited partners have limited liability to the extent provided by applicable law) in the State of Delaware and in all other jurisdictions in which the Partnership may conduct business or own property; (b) all instruments that the Attorney in Fact deems appropriate or necessary to reflect any amendment, change, modification or restatement of this Agreement duly adopted in accordance with its terms; (c) all conveyances and other instruments or documents that the Attorney in Fact deems appropriate or necessary to reflect the winding up, dissolution and liquidation of the Partnership pursuant to the terms of this Agreement, including, without limitation, a certificate of cancellation; (d) all conveyances and other instruments or documents that the Attorney in Fact deems appropriate or necessary to reflect the distribution or exchange of assets of the Partnership pursuant to the terms of this Agreement; (e) all instruments relating to the admission, acceptance, withdrawal, removal or substitution of any Partner pursuant to the terms of this Agreement or the Capital Contribution of any Partner; and (f) all certificates, documents and other instruments relating to the determination of the rights, preferences and privileges relating to Partnership Interests; and

(2) execute, swear to, acknowledge and file all ballots, consents, approvals, waivers, certificates and other instruments appropriate or necessary, in the sole and absolute discretion of the Attorney in Fact, to make, evidence, give, confirm or ratify any vote, consent, approval, agreement or other action that is made or given by the Partners hereunder or is consistent with the terms of this Agreement or appropriate or necessary, in the sole and absolute discretion of the Attorney in Fact to effectuate the terms or intent of this Agreement.

Nothing contained herein shall be construed as authorizing the Attorney in Fact to amend this Agreement except in accordance with Section 14.2 or as may be otherwise expressly provided for in this Agreement.

B. The foregoing power of attorney is hereby declared to be irrevocable and a special power coupled with an interest, in recognition of the fact that each of the Limited Partners and Assignees will be relying upon the power of the Attorney in Fact to act as contemplated by this Agreement in any filing or other action by it on behalf of the Partnership, and it shall survive and not be affected by the subsequent Incapacity of any Limited Partner or Assignee and the Transfer of all or any portion of such Person's Partnership Interest and shall extend to such Person's heirs, successors, assigns, transferees and personal representatives. Each such Limited Partner and Assignee hereby agrees to be bound by any representation made by the Attorney in Fact, acting in good faith pursuant to such power of attorney; and, to the fullest extent permitted by law, each such Limited Partner and Assignee hereby waives any and all defenses that may be available to contest, negate or disaffirm the action of the General Partner or the Liquidator, taken in good faith under such power of attorney. Each Limited Partner and Assignee shall execute and deliver to the General Partner or the Liquidator, within fifteen (15) days after receipt of the General Partner's or the Liquidator's request therefor, such further designation, powers of attorney and other instruments as the General Partner or the Liquidator (as the case may be) deems necessary to effectuate this Agreement and the purposes of the Partnership. Notwithstanding anything else set forth in this Section 14.4.B, no Limited Partner shall incur any personal liability for any action of the Attorney in Fact taken under such power of attorney.

ARTICLE 15
GENERAL PROVISIONS

Section 15.1 *Addresses and Notice*. Any notice, demand, request or report required or permitted to be given or made to a Partner or Assignee under this Agreement shall be in writing and shall be deemed given or made when delivered in person or when sent by first class United States mail or by other means of written or electronic communication (including by telecopy, facsimile, electronic mail or commercial courier service) to the Partner, or Assignee at the address set forth in the books and records of the partnership or such other address of which the Partner shall notify the General Partner in accordance with this Section 15.1.

Section 15.2 *Titles and Captions*. All article or section titles or captions in this Agreement are for convenience only. They shall not be deemed part of this Agreement and in no way define, limit, extend or describe the scope or intent of any provisions hereof. Except as specifically provided otherwise, references to "Articles" or "Sections" are to Articles and Sections of this Agreement.

Section 15.3 *Pronouns and Plurals*. Whenever the context may require, any pronouns used in this Agreement shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns, pronouns and verbs shall include the plural and vice versa.

Section 15.4 *Further Action*. The parties shall execute and deliver all documents, provide all information and take or refrain from taking action as may be necessary or appropriate to achieve the purposes of this Agreement.

Section 15.5 *Binding Effect*. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their heirs, executors, administrators, successors, legal representatives and permitted assigns.

Section 15.6 *Waiver*.

A. To the fullest extent permitted by law, no failure by any party to insist upon the strict performance of any covenant, duty, agreement or condition of this Agreement or to exercise any right or remedy consequent upon a breach thereof shall constitute waiver of any such breach or any other covenant, duty, agreement or condition.

B. The restrictions, conditions and other limitations on the rights and benefits of the Limited Partners contained in this Agreement, and the duties, covenants and other requirements of performance or notice by the Limited Partners, are for the benefit of the Partnership and, except for an obligation to pay money to the Partnership, may be waived or relinquished by the General Partner, in its sole and absolute discretion, on behalf of the Partnership in one or more instances from time to time and at any time; provided, however, that any such waiver or relinquishment may not be made if it would have the effect of: (i) creating liability for any other Limited Partner; (ii) causing the Partnership to cease to qualify as a limited partnership; (iii) reducing the amount of cash otherwise distributable to the Limited Partners (other than any such reduction that affects all of the Limited Partners holding the same class or series of Units on a uniform or pro rata basis, if approved by Limited Partners holding in the aggregate Percentage Interests that are greater than fifty percent (50%) of the aggregate Percentage Interests of all Limited Partners holding such class or series of Units); (iv) resulting in the classification of the Partnership as an association or publicly traded partnership taxable as a corporation for federal income tax purposes; or (v) violating the Securities Act, the Exchange Act or any state “blue sky” or other securities laws; and provided, further, that any waiver relating to compliance with the REIT Share Ownership Limit or other restrictions in the Federal Realty Declaration shall be made and shall be effective only as provided in the Federal Realty Declaration.

Section 15.7 *Counterparts*. This Agreement may be executed in counterparts, all of which together shall constitute one agreement binding on all the parties hereto, notwithstanding that all such parties are not signatories to the original or the same counterpart. Each party shall become bound by this Agreement immediately upon affixing its signature hereto or upon execution of a Partner Schedule.

Section 15.8 *Applicable Law; Consent to Jurisdiction; Waiver of Jury Trial*.

A. This Agreement shall be construed and enforced in accordance with and governed by the laws of the State of Delaware, without regard to the principles of conflicts of law. In the event of a conflict between any provision of this Agreement and any non-mandatory provision of the Act, the provisions of this Agreement shall control and take precedence.

B. Each Partner hereby: (i) submits to the exclusive jurisdiction of any state or federal court sitting in the State of Maryland, with respect to any dispute arising out of this Agreement or any transaction contemplated hereby to the extent such courts would have subject matter jurisdiction with respect to such dispute; (ii) to the fullest extent permitted by law, irrevocably waives, and agrees not to assert by way of motion, defense, or otherwise, in any such action, any claim that it is not subject personally to the jurisdiction of any state or federal court sitting in the State of Maryland, that its property is exempt or immune from attachment or execution, that the action is brought in an inconvenient forum, or that the venue of the action is improper; (iii) to the fullest extent permitted by law, agrees that notice or the service of process in any action, suit or proceeding arising out of or relating to this Agreement or the transactions contemplated hereby shall be properly served or delivered if delivered to such Partner at such Partner’s last known address as set forth in the Partnership’s books and records; and (iv) to the fullest extent permitted by law, irrevocably waives any and all right to trial by jury in any legal proceeding arising out of or related to this Agreement or the transactions contemplated hereby.

Section 15.9 *Entire Agreement*. This Agreement contains all of the understandings and agreements between and among the Partners with respect to the subject matter of this Agreement and the rights, interests and obligations of the Partners with respect to the Partnership. Notwithstanding anything to the contrary in this Agreement, the Partners hereby acknowledge and agree that the General Partner, on its own behalf and/or on behalf of the Partnership, without the approval of any Limited Partner, may enter into Partner Schedules, Preferred Unit Designations, side letters or similar written agreements with Limited Partners that are not Affiliates of the General Partner, executed contemporaneously with the admission of such Limited Partner to the Partnership, which have the effect of establishing rights under, or altering or supplementing, the terms hereof, as negotiated with such Limited Partner and which the General Partner in its sole discretion deems necessary, desirable or appropriate. The parties hereto agree that any terms, conditions or provisions contained in such Partner Schedule or Preferred Unit Designations, side letters or similar written agreements with a Limited Partner shall govern with respect to such Limited Partner notwithstanding the provisions of this Agreement, including Sections 7.3 and 14.2.

Section 15.10 *Invalidity of Provisions*. If any provision of this Agreement is or becomes invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not be affected thereby.

Section 15.11 *Limitation to Preserve REIT Status*. Notwithstanding anything else in this Agreement, to the extent that the amount to be paid, credited, distributed or reimbursed by the Partnership to any REIT Partner or its officers, directors, trustees, employees or agents, whether as a reimbursement, fee, expense or indemnity (a "*REIT Payment*"), would constitute gross income to the REIT Partner for purposes of Code Section 856(c)(2) or Code Section 856(c)(3), then, notwithstanding any other provision of this Agreement, the amount of such REIT Payments, as selected by the General Partner in its sole and absolute discretion from among items of potential distribution, reimbursement, fees, expenses and indemnities, shall be reduced for any Fiscal Year so that the REIT Payments, as so reduced, for or with respect to such REIT Partner shall not exceed the lesser of:

(i) an amount equal to the excess, if any, of: (a) four and nine-tenths percent (4.9%) of the REIT Partner's total gross income (but excluding the amount of any REIT Payments and amounts excluded from gross income pursuant to Section 856(c)(5)(G) of the Code) for the Fiscal Year that is described in subsections (A) through (I) of Code Section 856(c)(2) over (b) the amount of gross income (within the meaning of Code Section 856(c)(2)) derived by the REIT Partner from sources other than those described in subsections (A) through (I) of Code Section 856(c)(2) (but not including the amount of any REIT Payments and amounts excluded from gross income pursuant to Section 856(c)(5)(G) of the Code); or

(ii) an amount equal to the excess, if any, of: (a) twenty-four percent (24%) of the REIT Partner's total gross income (but excluding the amount of any REIT Payments and amounts excluded from gross income pursuant to Section 856(c)(5)(G) of the Code) for the Fiscal Year that is described in subsections (A) through (I) of Code Section 856(c)(3) over (b) the amount of gross income (within the meaning of Code Section 856(c)(3)) derived by the REIT Partner from sources other than those described in subsections (A) through (I) of Code Section 856(c)(3) (but not including the amount of any REIT Payments and amounts excluded from gross income pursuant to Section 856(c)(5)(G) of the Code);

provided, however, that REIT Payments in excess of the amounts set forth in clauses (i) and (ii) above may be made if the General Partner, as a condition precedent, obtains an opinion of tax counsel that the receipt of such excess amounts should not adversely affect the REIT Partner's ability to qualify as a REIT. To the extent that REIT Payments may not be made in a Fiscal Year as a consequence of the limitations set forth in this Section 15.11, such REIT Payments shall carry over and shall be treated as arising in the following Fiscal Year if such carry over does not adversely affect the REIT Partner's ability to qualify as a REIT, provided, however, that any such REIT Payment shall not be carried over more than three Fiscal Years, and any such remaining payments shall no longer be due and payable. The purpose of the limitations contained in this Section 15.11 is to prevent any REIT Partner from failing to qualify as a REIT under the Code by reason of such REIT Partner's share of items, including distributions, reimbursements, fees, expenses or indemnities, receivable directly or indirectly from the Partnership, and this Section 15.11 shall be interpreted and applied to effectuate such purpose.

Section 15.12 *Administrative Fees.* The General Partner shall have the right to charge Limited Partners a reasonable administrative fee for responding to any requests by Limited Partners for actions requiring the General Partner's consent or requiring the General Partner to review materials submitted by a Limited Partner. Such administrative fee shall be payable in advance of the General Partner's responding to any request for approval or review of materials. The General Partner shall have no obligation to respond to any request for consent or review any materials provided by a Limited Partner unless and until the administrative fee has been paid and shall have no liability for failing to respond or delaying any response to a request for consent or review of materials as a result of the Limited Partner's failure to timely pay such administrative fee. In addition, if the General Partner deems it necessary or appropriate, in its sole and absolute discretion, to seek assistance from attorneys, accountants or other professionals for purposes of responding to any requests by Limited Partners for actions requiring the General Partner's consent or requiring the General Partner to review materials submitted by a Limited Partner, the appliable Limited Partner shall reimburse the General Partner promptly on demand for the reasonable fees and expenses incurred by the General Partner in engaging such attorneys, accountants or other professionals. If a Limited Partner fails to reimburse the General Partner when due, the General Partner shall have the right to withhold the required reimbursement amount from any disbursements or other payments payable to such Limited Partner under this Agreement.

Section 15.13 *No Partition*. No Partner nor any successor-in-interest to a Partner shall have the right while this Agreement remains in effect to have any property of the Partnership partitioned, or to file a complaint or institute any proceeding at law or in equity to have such property of the Partnership partitioned, and each Partner, on behalf of itself and its successors and assigns hereby waives any such right. It is the intention of the Partners that the rights of the parties hereto and their successors-in-interest to Partnership property, as among themselves, shall be governed by the terms of this Agreement, and that the rights of the Partners and their respective successors-in-interest shall be subject to the limitations and restrictions as set forth in this Agreement.

Section 15.14 *No Third-Party Rights Created Hereby*. The provisions of this Agreement are solely for the purpose of defining the interests of the Holders, inter se; and no other person, firm or entity (i.e., a party who is not a signatory hereto or a permitted successor to such signatory hereto) shall have any right, power, title or interest by way of subrogation or otherwise, in and to the rights, powers, title and provisions of this Agreement; provided, that Indemnitees are intended third-party beneficiaries of Section 7.7. No creditor or other third party having dealings with the Partnership shall have the right to enforce the right or obligation of any Partner to make Capital Contributions or loans to the Partnership or to pursue any other right or remedy hereunder or at law or in equity. None of the rights or obligations of the Partners herein set forth to make Capital Contributions or loans to the Partnership shall be deemed an asset of the Partnership for any purpose by any creditor or other third party, nor may any such rights or obligations be sold, transferred or assigned by the Partnership or pledged or encumbered by the Partnership to secure any debt or other obligation of the Partnership or any of the Partners.

Section 15.15 *No Rights as Shareholders*. Nothing contained in this Agreement shall be construed as conferring upon the Holders of Partnership Interests any rights whatsoever as shareholders of Federal Realty, including without limitation any right to receive dividends or other distributions made to shareholders of Federal Realty or to vote or to consent or receive notice as shareholders in respect of any meeting of shareholders for the election of trustees of Federal Realty or any other matter.

[Remainder of Page Left Blank Intentionally]

IN WITNESS WHEREOF, this Agreement has been executed as of the date first written above.

GENERAL PARTNER:

FEDERAL REALTY GP LLC
a Delaware limited liability company

By: /s/ Dawn M. Becker
Dawn M. Becker
Executive Vice President-General Counsel and Secretary

LIMITED PARTNER:

FEDERAL REALTY INVESTMENT TRUST
a Maryland real estate investment trust

By: /s/ Dawn M. Becker
Dawn M. Becker
Executive Vice President-General Counsel and Secretary

EXHIBIT A

EXAMPLES REGARDING ADJUSTMENT FACTOR

For purposes of the following examples, it is assumed that (a) the Adjustment Factor in effect on January 5, 2022 is 1.0 and (b) on July 1, 2022 (the "*Partnership Record Date*" for purposes of these examples), prior to the events described in the examples, there are 100 REIT Shares issued and outstanding.

Example 1

On the Partnership Record Date, Federal Realty declares a dividend on its outstanding REIT Shares in REIT Shares. The amount of the dividend is one REIT Share paid in respect of each REIT Share owned. Pursuant to Paragraph (a) of the definition of Adjustment Factor, the Adjustment Factor shall be adjusted on the Partnership Record Date, effective immediately after the stock dividend is declared, as follows:

1.0 * 200/100 = 2.0

Accordingly, the Adjustment Factor after the stock dividend is declared is 2.0.

Example 2

On the Partnership Record Date, Federal Realty distributes options to purchase REIT Shares to all holders of its REIT Shares. The amount of the distribution is one option to acquire one REIT Share in respect of each REIT Share owned. The strike price is $4.00 a share. The Value of a REIT Share on the Partnership Record Date is $5.00 per share. Pursuant to Paragraph (b) of the definition of Adjustment Factor, the Adjustment Factor shall be adjusted on the Partnership Record Date, effective immediately after the options are distributed, as follows:

1.0 * (100 + 100)/(100 + [(100 * $4.00)/$5.00]) = 1.1111

Accordingly, the Adjustment Factor after the options are distributed is 1.1111. If the options expire or become no longer exercisable, then the retroactive adjustment specified in Paragraph (b) of the definition of Adjustment Factor shall apply.

Example 3

On the Partnership Record Date, Federal Realty distributes assets to all holders of REIT Shares. The amount of the distribution is one asset with a fair market value (as determined by the General Partner) of $1.00 in respect of each REIT Share owned. It is also assumed that the assets do not relate to assets received by Federal Realty pursuant to a pro rata distribution by the Partnership. The Value of a REIT Share on the Partnership Record Date is $5.00 a share. Pursuant to Paragraph (c) of the definition of Adjustment Factor, the Adjustment Factor shall be adjusted on the Partnership Record Date, effective immediately after the assets are distributed, as follows:

1.0 * $5.00/($5.00 - $1.00) = 1.25

Accordingly, the Adjustment Factor after the assets are distributed is 1.25.

EXHIBIT B
FORM NOTICE OF REDEMPTION

To: Federal Realty OP LP
909 Rose Avenue, Suite 200
North Bethesda, Maryland 20852

The undersigned Limited Partner hereby irrevocably tenders for Redemption Common Units in Federal Realty OP LP in accordance with the terms of the Agreement of Limited Partnership of Federal Realty OP LP dated effective as of January 5, 2022 (the "*Agreement*"), and the Redemption rights referred to therein. The undersigned Limited Partner:

(a) undertakes (i) to surrender such Common Units and any certificate therefor at the closing of the Redemption; and (ii) to furnish to the General Partner, prior to the Specified Redemption Date, the documentation, instruments and information required under Section 8.6.G of the Agreement;

(b) directs that the certified check representing the Cash Amount, or the REIT Shares, as applicable, deliverable upon the closing of such Redemption be delivered to the address specified below;

(c) represents, warrants, certifies and agrees that as of the date of this Notice of Redemption and as of the closing of the Redemption (or the acquisition of the Tendered Units by Federal Realty pursuant to Section 8.6.B) that:

(i) the undersigned Limited Partner is a Qualifying Party,

(ii) the undersigned Limited Partner has, and at the closing of the Redemption will have, good, marketable and unencumbered title to such Common Units, free and clear of the rights or interests of any other person or entity,

(iii) the undersigned Limited Partner has, and at the closing of the Redemption will have, the full right, power and authority to tender and surrender such Common Units as provided herein, and

(iv) the undersigned Limited Partner has obtained the consent or approval of all persons and entities, if any, having the right to consent to or approve such tender and surrender;

(v) after giving effect to the Redemption or the acquisition of the Tendered Units by Federal Realty pursuant to Section 8.6.B, the representations and warranties made by the undersigned Limited Partner as set forth in Section 3.4 of the Agreement remain true and accurate in all material respects; and

(vi) after giving effect to the Redemption or the acquisition of the Tendered Units by Federal Realty pursuant to Section 8.6.B, the undersigned Limited Partner (or any related Party) will not own REIT Shares in excess of the REIT Share Ownership Limit taking into account: (A) the actual and constructive stock ownership rules of the Code; and (B) any other additional REIT Shares which the undersigned Limited Partner has acquired or intends to acquire prior to the closing hereunder.

(d) acknowledges that the undersigned will continue to own such Common Units until and unless such redemption transaction closes.

All capitalized terms used herein and not otherwise defined shall have the same meaning ascribed to them respectively in the Agreement

Dated: _____

Name of Limited Partner:

_____

_____

(Signature of Limited Partner)

_____

(Street Address

_____

(City) (State) (Zip Code)

Signature Medallion Guaranteed by:

_____

Issue Check Payable to: _____

Please insert social security
or identifying number: _____

Annex A

PREFERRED UNIT DESIGNATION
SERIES 1 PREFERRED UNITS

Federal Realty GP LLC, as General Partner of Federal Realty OP LP, a Delaware limited partnership (the "Partnership"), hereby designates a series of Preferred Units with the following preferences, rights, powers, restrictions, limitations, qualifications and other terms as permitted by the Agreement of Limited Partnership of the Partnership, effective as of January 5, 2022 (the "Agreement").

1. Designation and Number. The General Partner hereby establishes the terms of a series of Preferred Units that shall be known as the "Series 1 Preferred Units" with the preferences, rights, powers, restrictions, limitations, qualifications and other terms set forth herein. The Series 1 Preferred Units are intended to have designations, preferences and other rights such that the economic interests represented thereby are substantially similar to the economic interests represented by the 5.417% Series 1 Cumulative Convertible Preferred Shares of Beneficial Interest of Federal Realty (the "Series 1 Preferred Shares"), and the terms of this Unit Designation shall be interpreted in a fashion consistent with such intent. The number of Series 1 Preferred Units shall be 399,896.

2. Definitions. Capitalized terms used but not defined in this Preferred Unit Designation shall have the meanings given to them in the Agreement. Unless the context otherwise requires, the terms defined in this paragraph shall have the following meanings:

(a) Constituent Person shall have the meaning set forth in Section 7(d).

(b) Distribution Payment Date shall mean: (i) the date on which a regular, quarterly distribution (excluding any special or other extraordinary distributions) is paid on the Common Units or, if no regular, quarterly distribution is paid on the Common Units in respect of a given Distribution Period, then (ii) the fifteenth (15th) calendar day (or, if such day is not a Business Day, the next Business Day thereafter) of the month following the end of the applicable Distribution Period.

(c) Distribution Period shall mean quarterly distribution periods commencing on the first (1st) day of each calendar quarter of each year and ending on and including the last day of each calendar quarter of each year.

(d) Junior Units shall mean the Common Units and any other class or series of Units now or hereafter issued and outstanding over which the Series 1 Preferred Units have preference or priority in the payment of distributions or in the distribution of assets on any liquidation, dissolution or winding up of the Partnership.

(e) Liquidation Price shall mean twenty-five dollars ($25.00) per Series 1 Preferred Unit.

(f) Non-Electing Unit shall have the meaning set forth in Section 7(d).

(g) Parity Units shall have the meaning set forth in Section 3(b).

(h) Preferred Units shall mean the preferred units of the Partnership.

(i) Transaction shall have the meaning set forth in Section 7(d).

3. Rank. Any class or series of Units of the Partnership shall be deemed to rank:

(a) Prior to the Series 1 Preferred Units, as to any distributions, including any distribution of assets upon liquidation, dissolution or winding up, if the holders of such class or series shall be entitled to the receipt of distributions, including amounts distributable upon liquidation, dissolution or winding up, as the case may be, in preference or priority to the holders of Series 1 Preferred Units;

(b) On a parity with the Series 1 Preferred Units, as to the payment of distributions, including distributions of assets upon liquidation, dissolution or winding up, whether or not the distribution rates, Distribution Payment Dates or redemption or liquidation prices per Unit thereof be different from those of the Series 1 Preferred Units, if the holders of such class or series of Units, which shall include the Series 1 Preferred Units, shall be entitled to the receipt of distributions, including amounts distributable upon liquidation, dissolution or winding up, in proportion to their respective amounts of accrued and unpaid distributions per Unit or liquidation preferences, without preference or priority one over the other ("Parity Units"); and

(c) Junior to the Series 1 Preferred Units, as to the payment of distributions, including distribution of assets upon liquidation, dissolution or winding up, if such Units shall be Junior Units.

4. Distributions.

(a) The holders of Series 1 Preferred Units shall be entitled to receive, when, as and if authorized by the General Partner out of funds legally available for that purpose, cumulative, preferential distributions payable in cash at the rate of 5.417% of the Liquidation Price per year (an amount of $1.35425 per annum per unit). Such distributions shall accrue and shall be fully cumulative, whether or not the Partnership has earnings, and whether or not in any Distribution Period or Periods there shall be funds of the General Partner legally available for the payment of such distributions, and shall be payable quarterly, when, as and if authorized by the General Partner, in arrears, on Distribution Payment Dates. Such distributions shall be payable in arrears to the holders of record of Series 1 Preferred Units, as they appear on the records of the Partnership at the close of business on the record date as shall be fixed by the General Partner. Unless specifically designated otherwise by the General Partner, each record date for the payment of distributions on the Series 1 Preferred Units shall be the same as the applicable record date with respect to the payment of dividends on the Series 1 Preferred Shares. Accrued and unpaid distributions for any past Distribution Periods may be declared and paid on any date and for such interim periods, without reference to any regular Distribution Payment Date, to holders of record on such date, as may be fixed by the General Partner. Any distribution payment made on the Series 1 Preferred Units shall first be credited against the earliest accrued but unpaid distribution due with respect to the Series 1 Preferred Units which remains payable.

(b) The amount of distributions referred to in Section 4(a) payable for each full Distribution Period for the Series 1 Preferred Units shall be computed by dividing any annual distribution rate by four, except that the amount of distributions payable for any Distribution Period shorter than a full Distribution Period, shall be computed for the Series 1 Preferred Units on the basis of the actual number of days in such Distribution Period. Holders of Series 1 Preferred Units shall not be entitled to any distributions, whether payable in cash, property or otherwise, in excess of cumulative distributions, as herein provided, on the Series 1 Preferred Units. No interest, or sum of money in lieu of interest, shall be payable in respect of any distribution payment or payments on the Series 1 Preferred Units that may be in arrears.

(c) So long as any Series 1 Preferred Units are outstanding, no distributions, except as described in the immediately following sentence, shall be declared or paid or set apart for payment on any class or series of Parity Units for any period unless full cumulative distributions have been or contemporaneously are declared and paid or declared and a sum sufficient for the payment thereof set apart for such payment on the Series 1 Preferred Units for all Distribution Periods terminating on or prior to the distribution payment date for such class or series of Parity Units. When distributions are not paid in full or a sum sufficient for such payment is not set apart, as aforesaid, all distributions declared upon Series 1 Preferred Units and all distributions declared upon any other class or series of Parity Units shall be declared ratably in proportion to the respective amounts of distributions accumulated and unpaid on the Series 1 Preferred Units and accumulated and unpaid on such Parity Units.

(d) So long as any Series 1 Preferred Units are outstanding, no distributions (other than distributions paid solely in units of, or options, warrants or rights to subscribe for or purchase shares of, Junior Units) shall be declared or paid or set apart for payment or other distribution declared or made upon Junior Units, nor shall any Junior Units be redeemed, purchased or otherwise acquired (other than a redemption, purchase or other acquisition of Common Units made for purposes of any employee incentive or benefit plan of the Partnership, the General Partner, Federal Realty or any subsidiary) for any consideration (or any moneys be paid to or made available for a sinking fund for the redemption of any such units) by the Partnership, directly or indirectly (except by conversion into or exchange for shares of Junior Units), unless in each case: (i) the full cumulative distributions on all outstanding Series 1 Preferred Units and any other Parity Units of the Partnership shall have been or contemporaneously are declared and paid or declared and set apart for payment for all past Distribution Periods with respect to the Series 1 Preferred Units and all past distribution periods with respect to such Parity Units; and (ii) sufficient funds shall have been or contemporaneously are declared and paid or declared and set apart for payment of the distribution for the current Distribution Period with respect to the Series 1 Preferred Units and the current distribution period with respect to such Parity Units.

(e) No distributions on Series 1 Preferred Units shall be authorized by the General Partner or paid or set apart for payment by the Partnership at such time as the terms and provisions of any agreement of the Partnership, including any agreement relating to its indebtedness, prohibits such authorization, payment or setting apart for payment or provides that such authorization, payment or setting apart for payment would constitute a breach thereof or a default thereunder, or if such authorization or payment shall be restricted or prohibited by law.

5. Liquidation Preference.

(a) In the event of any liquidation, dissolution or winding up of the Partnership, whether voluntary or involuntary, before any payment or distribution of the assets of the Partnership (whether capital or surplus) shall be made to or set apart for the holders of Junior Units, the holders of the Series 1 Preferred Units shall be entitled to receive the Liquidation Price per unit of Series 1 Preferred Unit plus an amount equal to all distributions (whether or not earned or declared) accrued and unpaid thereon to the date of final distribution to such holders; but such holders shall not be entitled to any further payment. If, upon any liquidation, dissolution or winding up of the Partnership, the assets of the Partnership, or proceeds thereof, distributable among the holders of the Series 1 Preferred Units shall be insufficient to pay in full the preferential amount aforesaid and liquidating payments on any other shares of any class or series of Parity Units, then such assets, or the proceeds thereof, shall be distributed among the holders of the Series 1 Preferred Units and any such other Parity Units ratably in accordance with the respective amounts that would be payable on such Series 1 Preferred Units and any such other Parity Units if all amounts payable thereon were paid in full. For the purposes of this Section 5: (i) a consolidation or merger of the Partnership with one or more corporations, real estate investment trusts or other entities; (ii) a sale, lease or transfer of all or substantially all of the Partnership's assets; or (iii) a statutory unit exchange shall not be deemed to be a liquidation, dissolution or winding up, voluntary or involuntary, of the Partnership.

(b) Subject to the rights of the holders of Units of any series or class ranking on a parity with or prior to the Series 1 Preferred Units upon liquidation, dissolution or winding up, upon any liquidation, dissolution or winding up of the Partnership, after payment shall have been made in full to the holders of the Series 1 Preferred Units, as provided in this Section 5, any other series or class of Junior Units shall, subject to the respective terms and provisions (if any) applying thereto, be entitled to receive any and all assets remaining to be paid or distributed, and the holders of the Series 1 Preferred Units shall not be entitled to share therein.

6. Voting Rights. The Series 1 Preferred Units shall have no voting rights.

7. Conversion.

(a) Conversion by Holders or by the Partnership. Generally, unless determined otherwise by the General Partner, all Common Units issued on conversion will be issued in the same name as the name in which the Series 1 Preferred Units are issued. In the event the holder of any Series 1 Preferred Shares exercises its right to convert any of its Series 1 Preferred Shares to Common Shares in accordance with the terms of the Series 1 Preferred Shares, the Partnership shall convert an equal number of Series 1 Preferred Units into Common Units. In the event Federal Realty exercises its right to convert any of the Series 1 Preferred Shares into Common Shares in accordance with the terms of the Series 1 Preferred Shares, the Partnership shall convert an equal number of Series 1 Preferred Units into Common Units. As promptly as practicable after the conversion of Series 1 Preferred Units into Common Units, the Partnership shall issue and shall deliver to the applicable holder any cash amounts payable to such holder as a result of any fractional interest in respect of a Common Unit arising upon such conversion as determined in accordance with Section 7(d) of the terms of the Series 1 Preferred Shares.

(b) Distributions. Holders of Series 1 Preferred Units at the close of business on a record date for any distribution payment shall be entitled to receive the distribution payable on such Units on the corresponding Distribution Payment Date notwithstanding the conversion thereof following such distribution payment record date and prior to such Distribution Payment Date. However, Series 1 Preferred Units converted during the period between the close of business on any distribution payment record date and the opening of business on the corresponding Distribution Payment Date must be accompanied by payment of an amount equal to the distribution payable on such Units on such Distribution Payment Date. A holder of Series 1 Preferred Units on a distribution payment record date who tenders any such Units for conversion into Common Units on such Distribution Payment Date will receive the distribution payable by the Partnership on such Series 1 Preferred Units on such date, and the converting holder need not include payment of the amount of such distribution upon conversion of Series 1 Preferred Units. Except as provided above, the Partnership shall make no payment or allowance for unpaid distributions, whether or not in arrears, on converted Units or for distributions on the Common Units issued upon such conversion.

(d) Transactions. If the Partnership shall be a party to any transaction (including without limitation a merger, consolidation, statutory share exchange, self tender offer for all or substantially all of the Common Units, sale of all or substantially all of the Partnership's assets or recapitalization of the Common Units) (each of the foregoing being referred to herein as a "Transaction"), in each case as a result of which Common Units shall be converted into the right to receive shares, stock, securities or other property (including cash or any combination thereof), each Series 1 Preferred Unit which is not converted into the right to receive shares, stock, securities or other property in connection with such Transaction shall thereafter be convertible into the kind and amount of shares, stock, securities and other property (including cash or any

combination thereof) receivable upon the consummation of such Transaction by a holder of that number of Common Units into which one Series 1 Preferred Unit was convertible immediately prior to such Transaction, assuming such holder of Common Units: (1) is not a Person with which the Partnership consolidated or into which the Partnership merged or which merged into the Partnership or to which such sale or transfer was made, as the case may be (a "Constituent Person"), or an affiliate of a Constituent Person; and (2) failed to exercise his rights of election, if any, as to the kind or amount of shares, stock, securities and other property (including cash) receivable upon such Transaction (each a "Non-Electing Unit") (provided that if the kind or amount of shares, stock, securities and other property (including cash) receivable upon such Transaction by each Non-Electing Unit is not the same for each Non-Electing Unit, then the kind and amount of shares, stock, securities and other property (including cash) receivable upon such Transaction for each Non-Electing Unit shall be deemed to be the kind and amount so receivable per share by a plurality of the Non-Electing Units). The Partnership shall not be a party to any Transaction unless the terms of such Transaction are consistent with the provisions of this Section 7(d), and it shall not consent or agree to the occurrence of any Transaction until the Partnership has entered into an agreement with the successor or purchasing entity, as the case may be, for the benefit of the holders of the Series 1 Preferred Units that will require such successor or purchasing entity, as the case may be, to make provision in its certificate or articles of incorporation or other constituent documents to the end that the provisions of this Section 7(d) shall thereafter correspondingly be made applicable, as nearly as may reasonably be, in relation to any shares of stock or other securities or property thereafter deliverable upon conversion of the Series 1 Preferred Units. The provisions of this Section 7(d) shall similarly apply to successive Transactions.

8. Allocation of Tax Items. Allocations of Profit, Loss and items thereof shall be made pursuant to Article 6 of the Agreement (including, for avoidance of doubt, Section 6.9 thereof). Allocations pursuant to this provision and the Agreement will be subject to any prior allocations to be made to any class of Units entitled to the receipt of distributions and of amounts distributable upon liquidation, dissolution or winding up, as the case may be, in preference or in priority to the holders of the Series 1 Preferred Units to the extent set forth in the Agreement or the allocation provisions in any Preferred Unit Designation or Partner Schedule relating to such class of Units.

IN WITNESS WHEREOF, the General Partner has caused this Preferred Unit Designation to be executed effective as of the date first set forth above.

GENERAL PARTNER:

FEDERAL REALTY GP LLC

By: /s/ Dawn M. Becker
Dawn M. Becker
Executive Vice President-General Counsel & Secretary

Annex B

PREFERRED UNIT DESIGNATION
SERIES C PREFERRED UNITS

Federal Realty GP LLC, as General Partner of Federal Realty Operating Partnership, LP, hereby designates a series of Preferred Units with the following preferences, rights, powers, restrictions, limitations, qualifications and other terms as permitted by the Agreement of Limited Partnership of Federal Realty OP LP, a Delaware limited partnership (the "*Partnership*"), effective as of January 5, 2022 (the "*Agreement*").

1. Designation and Number. The General Partner hereby establishes the terms of a series of Preferred Units that shall be known as the "*Series C Preferred Units*" with the preferences, rights, powers, restrictions, limitations, qualifications and other terms set forth herein. The Series C Preferred Units are intended to have designations, preferences and other rights such that the economic interests represented thereby are substantially similar to the economic interests represented by the 5.000% Series C Cumulative Redeemable Preferred Shares of Federal Realty (the "*Series C Preferred Shares*"), and the terms of this Preferred Unit Designation shall be interpreted in a fashion consistent with such intent. The number of Series C Preferred Units shall be 6,000.

2. Definitions. Capitalized terms used but not defined in this Preferred Unit Designation shall have the meanings given to them in the Agreement. Unless the context otherwise requires, the terms defined in this paragraph shall have the following meanings:

(a) Distribution Payment Date shall have the meaning set forth in Paragraph 3(b).

(b) Distribution Period shall mean each quarterly period from, and including, the Distribution Payment Date commencing such period to, but excluding, the succeeding Distribution Payment Date.

(c) Junior Units shall mean, as the case may be: (i) the Common Units and any other class or series of Units which are not entitled to receive any distribution in any Distribution Period unless all distributions required to have been paid or authorized and set apart for payment on the Series C Preferred Units shall have been so paid or authorized and set apart for payment; or (ii) the Common Units and any other class or series of Units which are not entitled to receive any assets upon liquidation, dissolution or winding up of the affairs of the Partnership until the Series C Preferred Units shall have received the entire amount to which such Series C Preferred Units are entitled upon such liquidation, dissolution or winding up.

(d) Liquidation Preference shall mean $25,000.00 per Series C Preferred Unit.

(e) Parity Units shall mean, as the case may be: (i) any class or series of Units which are entitled to receive payment of distributions on a parity with the Series C Preferred Units; or (ii) any class or series of Units which are entitled to receive assets upon liquidation, dissolution or winding up of the affairs of the Partnership on a parity with the Series C Preferred Units.

(f) Record Date shall mean the date designated by the General Partner as the date for determining holders of Series C Preferred Units entitled to payment of a distribution thereon; provided, however, that such Record Date shall be the first day of the calendar month in which the applicable Distribution Payment Date falls or such other date designated by the General Partner that is not more than thirty (30) days nor less than ten (10) days prior to such Distribution Payment Date. Unless specifically designated otherwise by the General Partner, each Record Date for the payment of distributions on the Series C Preferred Units shall be the same as the applicable record date with respect to the payment of dividends on the Series C Preferred Shares.

(g) Redemption Date shall have the meaning set forth in Paragraph 5(b).

(h) Redemption Price shall mean a price per Series C Preferred Unit being redeemed equal to $25,000.00 plus accrued and unpaid distributions thereon, if any, to, but excluding, the Redemption Date, and as adjusted in Paragraph 5(b).

(i) Senior Units shall mean any class or series of Units the terms of which expressly provide that such class or series ranks senior to the Series C Preferred Units as to distribution rights and rights on liquidation, dissolution or winding up of the affairs of the Partnership.

3. Distributions.

(a) Subject to the prior preferences and other rights of any Senior Units, the record holders of Series C Preferred Units shall be entitled to receive distributions, when, as and if authorized by the General Partner, out of funds legally available for payment of distributions. Such distributions shall be payable by the Partnership in cash at the rate of 5.000% per annum of the Liquidation Preference.

(b) Distributions shall be payable, subject to authorization by the General Partner, quarterly in arrears on January 15, April 15, July 15 and October 15 of each year (each, a "*Distribution Payment Date*"). If any Distribution Payment Date occurs on a day that is not a Business Day, any accrued distribution otherwise payable on such Distribution Payment Date shall be paid on the next succeeding Business Day. The amount of distribution payable for each Distribution Period will be computed on the basis of a 360-day year consisting of twelve 30-day months. Distributions shall be paid to the holders of record of the Series C Preferred Units as their names shall appear on the Unit transfer records of the Partnership at the close of business on the Record Date for such distributions. Distributions in respect of any past Distribution Periods that are in arrears may be authorized and paid at any time to holders of record on the Record Date therefor. Any distribution payment made on Series C Preferred Units shall be first credited against the earliest accrued but unpaid distribution due with respect to the Series C Preferred Units which remains payable

(c) If any Series C Preferred Units are outstanding, no full distributions shall be authorized or paid or set apart for payment on any Parity Unit or Junior Unit for any period unless full cumulative distributions have been or contemporaneously are authorized and paid (contemporaneously with the respective dates that the distributions on the Parity Unit or Junior Unit are so authorized and so paid) or authorized and a sum sufficient for the payment thereof set apart for such payment on the Series C Preferred Units for all past Distribution Periods. When distributions are not paid in full (or a sum sufficient for such full payment is not so set apart) upon the Series C Preferred Units and any Parity Units, all distributions authorized upon the Series C Preferred Units and any such Parity Units shall be authorized pro rata so that the amount of distributions authorized per Unit on the Series C Preferred Unit and all other such Parity Units shall in all cases bear to each other the same ratio that accrued and unpaid distributions per Unit on the Series C Preferred Units and all other such Parity Units bear to each other. No interest, or sum of money in lieu of interest, shall be payable in respect of any Distribution on the Series C Preferred Units which may be in arrears.

(d) Except as provided in Paragraph 3(c), unless full cumulative distributions on the Series C Preferred Units for all past Distribution Periods for which distributions remain unpaid have been or contemporaneously are authorized and paid or authorized and a sum sufficient for the payment thereof set apart for payment, no distributions (other than in the form of Common Units or other Junior Units) shall be authorized or paid or set apart for payment or other distribution shall be authorized or made upon any Junior Units or Parity Units nor shall any Junior Units or Parity Units be redeemed, purchased or otherwise acquired for any consideration (or any moneys be paid to or made available for a sinking fund for the redemption of any such Junior Units or Parity Units) by the Partnership (except by conversion into or exchange for Junior Units).

(e) Notwithstanding anything contained herein to the contrary, no distributions on Series C Preferred Units shall be authorized by the General Partner or paid or set apart for payment by the Partnership at such time as the terms and provisions of any agreement of the Partnership, including any agreement relating to its indebtedness, prohibits such authorization, payment or setting apart for payment or provides that such authorization, payment or setting apart for payment would constitute a breach thereof or a default thereunder, or to the extent such authorization or payment shall be restricted or prohibited by law.

(f) Notwithstanding anything contained herein to the contrary, distributions on the Series C Preferred Units will accrue whether or not the Partnership has earnings, whether or not there are funds legally available for the payment of the distributions and whether or not the distributions are authorized. Accrued but unpaid distributions on the Series C Preferred Units will not bear interest.

4. Distributions Upon Liquidation, Dissolution or Winding Up.

(a) Upon any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Partnership, subject to the prior preferences and other rights of any Senior Units, but before any distribution or payment shall be made to the holders of any Junior Units, the holders of Series C Preferred Units shall be entitled to be paid out of the assets of the Partnership legally available for distribution to the holders of its Units liquidating distributions in cash or property at its fair market value as determined by the General Partner in the amount of the Liquidation Preference plus an amount equal to all accrued and unpaid distributions to, but excluding, the date of such liquidation, dissolution or winding up. After payment of the full amount of the liquidating distributions to which they are entitled, the holders of Series C Preferred Units will have no right or claim to any of the remaining assets of the Partnership and shall not be entitled to any other distribution in the event of liquidation, dissolution or winding up of the affairs of the Partnership.

(b) In the event that, upon any such voluntary or involuntary liquidation, dissolution or winding up, the legally available assets of the Partnership are insufficient to pay the amount of the Liquidation Preference plus an amount equal to all accrued and unpaid distributions on the Series C Preferred Units and the corresponding amounts payable on Parity Units upon any such liquidation, dissolution or winding up, then the holders of the Series C Preferred Units and the holders of such Parity Units shall share ratably in any such distribution of assets in proportion to the full liquidating distributions to which they otherwise would be respectively entitled. Neither the consolidation or merger of the Partnership into or with another entity or entities nor the sale, lease, transfer or conveyance of all or substantially all of the property or business of the Partnership to another trust or any other entity, individually or as part of a series of transactions, shall be deemed a liquidation, dissolution or winding up of the affairs of the Partnership within the meaning of this Paragraph 4.

5. Redemption by the Partnership.

(a) In the event Federal Realty properly exercises its right to redeem any Series C Preferred Shares in accordance with the Articles Supplementary with respect thereto, the Partnership shall redeem an equal number of Series C Preferred Units from Federal Realty. In addition, in the event of the liquidation, dissolution or winding up of Federal Realty prior to the occurrence of a Liquidating Event pursuant to Section 13.1 of the Agreement, Federal Realty shall have the right to redeem, on any payment date established by Federal Realty for liquidating distributions to the holders of the Series C Preferred Shares, Series C Preferred Units. Upon any such redemption, the Partnership shall pay cash to Federal Realty in an amount equal to the Redemption Price.

(b) Each date fixed for redemption pursuant to Paragraph 5(a) is called a "*Redemption Date*." If the Redemption Date is after the Record Date and before the related Distribution Payment Date, the distribution payable on such Distribution Payment Date shall be paid to the holder in whose name the Series C Preferred Units to be redeemed is registered at the close of business on such Record Date notwithstanding the redemption thereof between such Record Date and the related Distribution Payment Date or the Partnership's default in the payment of the distribution due, and the Redemption Price shall not include the amount of such distribution payable on such Distribution Payment Date.

(c) All Series C Preferred Units redeemed pursuant to this Paragraph 5 shall no longer be outstanding, and all rights of the holders of such Series C Preferred Units shall terminate.

6. Voting Rights. The Series C Preferred Units do not have any voting rights with respect to the Partnership.

7. Allocations of Tax Items. Allocations of Profit, Loss and items thereof shall be made pursuant to Article 6 of the Agreement (including, for avoidance of doubt, Section 6.9 thereof). Allocations pursuant to this provision and the Agreement will be subject to any prior allocations to be made to any class of Units entitled to the receipt of distributions and of amounts distributable upon liquidation, dissolution or winding up, as the case may be, in preference or in priority to the holders of the Series C Preferred Units to the extent set forth in the Agreement or the allocation provisions in any Preferred Unit Designation or Partner Schedule relating to such class of Units.

IN WITNESS WHEREOF, the General Partner has executed this Preferred Unit Designation as of the date first set forth above.

GENERAL PARTNER:

Federal Realty GP LLC

By: /s/ Dawn M. Becker
Dawn M. Becker
Executive Vice President-General Counsel & Secretary

Exhibit 4.5

FIRST SUPPLEMENTAL INDENTURE

This First Supplemental Indenture (this "***Supplemental Indenture***"), dated as of January 5, 2022, among Federal Realty OP LP, a Delaware limited partnership (the "***Company***"), and U.S. Bank National Association, as trustee under the Indenture referred to below (the "***Trustee***").

BACKGROUND

A. The Company, formerly known as Federal Realty Investment Trust, a Maryland real estate investment trust, has undertaken a reorganization (the "***Reorganization***") pursuant to which:

(1) The Company formed a wholly-owned subsidiary Maryland real estate investment trust ("***Holdco***").

(2) Holdco formed a wholly-owned subsidiary Maryland real estate investment trust ("***Merger Sub***").

(3) Effective as of 12:00 a.m. on January 1, 2022, Merger Sub merged with and into the Company, with the Company being the surviving entity (the "***Merger***"), and the Company changed its name to Federal Realty Interim Real Estate Investment Trust.

(4) Following the Merger, Holdco changed its name to "Federal Realty Investment Trust" (the former name of the Company), and the Company converted to a Delaware limited partnership named "Federal Realty OP LP" (the "***Conversion***").

(5) Holdco will be the sole initial limited partner of the Company following the Conversion. Federal Realty GP LLC, a Delaware limited liability company and wholly-owned subsidiary of Holdco, will be the initial general partner of the Company.

B. The Company and the Trustee are parties to that certain Indenture dated as of December 1, 1993 (the "***Indenture***").

C. The Reorganization is permitted by the Indenture, including Section 801 thereof, without the consent of the Holders, and the Company will deliver to the Trustee an Officers' Certificate and Opinion of Counsel to that effect.

D. In connection with the Reorganization, the Company and the Trustee desire to enter into this Supplemental Indenture pursuant to Section 901(9) of the Indenture, which provides that, without the consent of any Holders of Securities or coupons, the Company, when authorized by or pursuant to a Board Resolution, and the Trustee, at any time and from time to time, may enter into one or more indentures supplemental to the Indenture, in form satisfactory to the Trustee, to cure any ambiguity or to correct defective provisions therein.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and the Trustee hereby agree as follows:

1. Usage of Terms. Effective immediately following the effectiveness of the Conversion, on the date of this Supplemental Indenture, to cure an ambiguity resulting therefrom:

a. The definition of the term "Board of Trustees" in Section 101 of the Indenture shall be amended in its entirety to read as follows: "*Board of Trustees*" means the board of trustees of Federal Realty Investment Trust, a Maryland real estate investment trust, the executive committee thereof or any committee of that board duly authorized hereunder.

b. As used in (i) the defined terms "Company Request," "Company Order" and "Officers' Certificate" and (ii) Section 303 of the Indenture, the term "trustee" shall be understood to mean a member of the Board of Trustees of Federal Realty Investment Trust, a Maryland real estate investment trust.

2. Capitalized Terms. Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

3. Governing Law. This Supplemental Indenture shall be governed by and construed in accordance with the law of the State of New York.

4. Counterparts. The parties may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

5. The Trustee. The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Supplemental Indenture or for or in respect of the recitals contained herein, all of which recitals are made solely by the Company.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the parties hereto have caused this First Supplemental Indenture to be duly executed and attested, all as of the date first above written.

FEDERAL REALTY OP LP

By: /s/ Dawn M. Becker
Name: Dawn M. Becker
Title: Executive Vice President-Corporate

U.S. BANK NATIONAL ASSOCIATION, as Trustee

By: /s/ Paul Vaden
Name: Paul Vaden
Title: Vice President

Exhibit 4.6

FIRST SUPPLEMENTAL INDENTURE

This First Supplemental Indenture (this "***Supplemental Indenture***"), dated as of January 5, 2022, among Federal Realty OP LP, a Delaware limited partnership (the "***Company***"), and U.S. Bank National Association, as trustee under the Indenture referred to below (the "***Trustee***").

BACKGROUND

A. The Company, formerly known as Federal Realty Investment Trust, a Maryland real estate investment trust, has undertaken a reorganization (the "***Reorganization***") pursuant to which:

(1) The Company formed a wholly-owned subsidiary Maryland real estate investment trust ("***Holdco***").

(2) Holdco formed a wholly-owned subsidiary Maryland real estate investment trust ("***Merger Sub***").

(3) Effective as of 12:00 a.m. on January 1, 2022, Merger Sub merged with and into the Company, with the Company being the surviving entity (the "***Merger***"), and the Company changed its name to Federal Realty Interim Real Estate Investment Trust.

(4) Following the Merger, Holdco changed its name to "Federal Realty Investment Trust" (the former name of the Company), and the Company converted to a Delaware limited partnership named "Federal Realty OP LP" (the "***Conversion***").

(5) Holdco will be the sole initial limited partner of the Company following the Conversion. Federal Realty GP LLC, a Delaware limited liability company and wholly-owned subsidiary of Holdco, will be the initial general partner of the Company.

B. The Company and the Trustee are parties to that certain Indenture dated as of September 1, 1998 (the "***Indenture***").

C. The Reorganization is permitted by the Indenture, including Section 801 thereof, without the consent of the Holders, and the Company will deliver to the Trustee an Officers' Certificate and Opinion of Counsel to that effect.

D. In connection with the Reorganization, the Company and the Trustee desire to enter into this Supplemental Indenture pursuant to Section 901(9) of the Indenture, which provides that, without the consent of any Holders of Securities or coupons, the Company, when authorized by or pursuant to a Board Resolution, and the Trustee, at any time and from time to time, may enter into one or more indentures supplemental to the Indenture, in form satisfactory to the Trustee, to cure any ambiguity or to correct defective provisions therein.

AGREEMENT

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and the Trustee hereby agree as follows:

1. Usage of Terms. Effective immediately following the effectiveness of the Conversion, on the date of this Supplemental Indenture, to cure an ambiguity resulting therefrom:

a. The definition of the term "Board of Trustees" in Section 101 of the Indenture shall be amended in its entirety to read as follows: "*Board of Trustees*" means the board of trustees of Federal Realty Investment Trust, a Maryland real estate investment trust, the executive committee thereof or any committee of that board duly authorized hereunder.

b. As used in (i) the defined terms "Company Request," "Company Order" and "Officers' Certificate" and (ii) Section 303 of the Indenture, the term "trustee" shall be understood to mean a member of the Board of Trustees of Federal Realty Investment Trust, a Maryland real estate investment trust.

2. Capitalized Terms. Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

3. Governing Law. This Supplemental Indenture shall be governed by and construed in accordance with the law of the State of New York.

4. Counterparts. The parties may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

5. The Trustee. The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Supplemental Indenture or for or in respect of the recitals contained herein, all of which recitals are made solely by the Company.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the parties hereto have caused this First Supplemental Indenture to be duly executed and attested, all as of the date first above written.

FEDERAL REALTY OP LP

By: /s/ Dawn M. Becker
Name: Dawn M. Becker
Title: Executive Vice President-Corporate

U.S. BANK NATIONAL ASSOCIATION, as Trustee

By: /s/ Paul Vaden
Name: Paul Vaden
Title: Executive Vice President-Corporate

Exhibit 5.1

PILLSBURY WINTHROP SHAW PITTMAN LLP
1200 Seventeenth Street NW
Washington, DC 20036

January 5, 2022

Federal Realty Investment Trust
909 Rose Avenue, Suite 200
North Bethesda, Maryland 20852

Re: Registration Statement on Form S-3

Ladies and Gentlemen:

We are acting as counsel for Federal Realty Investment Trust, a Maryland real estate investment trust (the "Company"), and Federal Realty OP LP, a Delaware limited partnership (the "Partnership"), in connection with the Registration Statement on Form S-3 (the "Registration Statement") relating to the registration under the Securities Act of 1933 (the "Act") of an indeterminate initial offering amount of (i) the following securities of the Company: (a) common shares of beneficial interest, par value $0.01 per share ("Common Shares"), (b) preferred shares of beneficial interest, par value $0.01 per share ("Preferred Shares"), in one or more series, (c) depositary shares evidenced by depositary receipts ("Depositary Receipts"), each representing fractional interests in Preferred Shares ("Depositary Shares"), (d) warrants to purchase Common Shares or Preferred Shares ("Warrants"), (e) share purchase contracts to purchase Common Shares or Preferred Shares ("Share Purchase Contracts"), (f) guarantees of Debt Securities issued by the Partnership ("Guarantees"), and (g) units consisting of two or more of the securities described above ("Units"); and (ii) senior or subordinated debt securities of the Partnership ("Debt Securities"). The Common Shares, Preferred Shares, Depositary Shares, Warrants, Share Purchase Contracts, Guarantees, Units and Debt Securities are collectively referred to herein as the "Securities."

The Debt Securities will be issued pursuant to one or more indentures, including the Senior Indenture dated as of September 1, 1998 between the Partnership and U.S. Bank National Association (successor to Wachovia Bank National Association (formerly First Union National Bank)), as Trustee (the "Senior Debt Indenture"), filed as Exhibit 4.4 to the Registration Statement, and any additional indentures entered into from time to time (the "Indentures"). The Preferred Shares may be offered in any class or series and to the extent required will be offered and sold pursuant to articles supplementary and/or amendments to the Declaration of Trust (as defined below), which are to be filed with the Maryland State Department of Assessments and Taxation ("SDAT"). Any Depositary Shares will be issued under one or more deposit agreements (each, a "Deposit Agreement"), each between the Company and a financial institution identified therein as the depositary (each, a "Depositary"). Any Warrants will be issued under one or more warrant agreements (each, a "Warrant Agreement"), each between the Company and a financial institution identified therein as a warrant agent (each, a "Warrant Agent"). Any Share Purchase Contracts will be issued under one or more share purchase contract agreements (each, a "Share Purchase Contract Agreement"), each between the Company and a financial institution identified therein as a share purchase contract agent (each, a "Share Purchase Contract Agent"). Any Units will be issued under one or more unit agreements (each, a "Unit Agreement"), each between the Company and a financial institution identified therein as a unit agent (each, a "Unit Agent").

We have reviewed and are familiar with such corporate proceedings and other matters as we have deemed necessary for this opinion. In rendering this opinion, we have assumed that the Senior Debt Indenture has been and the Indentures, other than the Senior Debt Indenture, will be duly authorized, executed and delivered by the respective Trustee, where applicable, the Securities will be properly authenticated by the manual signature of an authorized representative of the applicable Trustee, Warrant Agent, Depositary, Share Purchase Contract Agent, Unit Agent or transfer agent, and the signatures on all documents examined by us are genuine, which assumptions we have not independently verified.

On the basis of the assumptions and subject to the qualifications and limitations set forth herein, we are of the opinion that:

1. With respect to the Common Shares, when the Board of Trustees of the Company or a duly authorized committee of such Board of Trustees (such Board of Trustees or committee being referred to herein as the "Board")

has taken all necessary corporate action to approve the issuance and establish the terms of the offering of Common Shares and related matters and when such Common Shares have been issued and sold by the Company in the manner contemplated by the Registration Statement and in accordance with such Board action, such Common Shares (including any Common Shares duly issued upon conversion, exchange or exercise of any other Security in accordance with the terms of such Security or the instrument governing such Security providing for such conversion, exchange or exercise as approved by the Board) will be duly authorized, legally issued, fully paid and nonassessable.

2. With respect to the Preferred Shares, when the Board has taken all necessary corporate action to approve the issuance and establish the terms of any particular series of Preferred Shares, the offering thereof and related matters, including the filing of articles supplementary with the SDAT conforming to the law of the State of Maryland regarding the Preferred Shares, and when such series of Preferred Shares have been issued and sold by the Company in the manner contemplated by the Registration Statement and in accordance with such Board action, such series of Preferred Shares (including any Preferred Shares duly issued upon conversion, exchange or exercise of any other Security in accordance with the terms of such Security or the instrument governing such Security providing for such conversion, exchange or exercise as approved by the Board) will be duly authorized, legally issued, fully paid and nonassessable.

3. With respect to the Depositary Shares, when (a) the Board has taken all necessary corporate action to approve the issuance and establish the terms of the series of Preferred Shares to be issued in connection therewith, the offering of such Depositary Shares in such series of Preferred Shares, and related matters, including the filing of articles supplementary with SDAT conforming to the law of the State of Maryland regarding the Preferred Shares, (b) a Deposit Agreement has been duly authorized, executed and delivered by the Company and a Depositary, which Deposit Agreement establishes the terms of the Depositary Shares and their issuance and sale, (c) such series of Preferred Shares have been deposited with such Depositary in accordance with the applicable Deposit Agreement, (d) such series of Preferred Shares have been issued and sold in the manner contemplated by the Registration Statement and in accordance with such Board action, and (e) Depositary Receipts evidencing Depositary Shares are duly issued against the deposit of such series of Preferred Shares in accordance with the Deposit Agreement, such Depositary Shares will be duly authorized, validly issued, fully paid and nonassessable and such Depositary Receipts will be duly authorized and validly issued and entitle the holders thereof to the rights specified in the Deposit Agreement.

4. With respect to any Debt Securities to be issued under the Indentures, other than the Senior Debt Indenture, when (a) any such Indenture has been duly qualified under the Trust Indenture Act of 1939, (b) the Board has taken all necessary corporate action to approve the issuance and establish the terms of such Debt Securities, the terms of the offering and related matters, (c) such Debt Securities have been duly executed and authenticated in accordance with the terms of the applicable Indenture, and (d) such Debt Securities have been issued and sold in the manner contemplated by the Registration Statement and in accordance with the applicable Indenture, such Debt Securities (including any Debt Securities duly issued upon conversion, exchange or exercise of any other Security in accordance with the terms of such Security or the instrument governing such Security providing for such conversion, exchange or exercise as approved by the Board) will constitute the valid and legally binding obligations of the Company, enforceable against the Company in accordance with their terms.

5. With respect to the Warrants, when (a) one or more Warrant Agreements incorporating the terms and other provisions thereof has been duly executed and delivered by the Company and a Warrant Agent, (b) the Board has taken all necessary corporate action to approve the issuance and establish the terms of the Warrants, the terms of the offering of such Warrants, and related matters, (c) the Warrant certificates have been duly executed and authenticated or countersigned in accordance with the terms of the appropriate Warrant Agreement, and (d) the Warrants have been issued and sold in the manner contemplated by the Registration Statement and in accordance with the applicable Warrant Agreement, the Warrants will constitute the valid and legally binding obligations of the Company, enforceable against the Company in accordance with their terms, except as may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer and similar laws affecting or relating to the rights of creditors generally, by general principles of equity (regardless of whether considered in a proceeding in equity or at law), and by requirements of reasonableness, good faith and fair dealing.

6. With respect to any of the Share Purchase Contracts, when (a) one or more Share Purchase Contract Agreements have been duly executed and delivered by the Company and a Share Purchase Contract Agent, (b) the

Board has taken all necessary corporate action to approve the issuance and establish the terms of such Share Purchase Contracts, the terms of the offering of such Share Purchase Contracts, and related matters, (c) such Share Purchase Contracts have been duly executed and authenticated in accordance with the terms of such Share Purchase Contract Agreement, and (d) such Share Purchase Contracts have been issued and sold in the manner contemplated by the Registration Statement and in accordance with such Share Purchase Contract Agreement, such Share Purchase Contracts will constitute the valid and legally binding obligations of the Company, enforceable against the Company in accordance with their terms.

7. With respect to any of the Guarantees, when (a) one or more agreements incorporating the terms and other provisions thereof has been duly executed and delivered by the Company and a Guarantee trustee (a "Guarantee Agreement"), (b) the Board has taken all necessary corporate action to approve the issuance and establish the terms of such Guarantees, the terms of the offering of such Guarantees, and related matters, (c) such Guarantees have been duly executed and authenticated in accordance with the terms of such Guarantee Agreement, and (d) such Guarantees have been issued and sold in the manner contemplated by the Registration Statement and in accordance with such Guarantee Agreement, such Guarantees will constitute the valid and legally binding obligations of the Company, enforceable against the Company in accordance with their terms.

8. With respect to any of the Units, when (a) one or more Unit Agreements has been duly executed and delivered by the Company and a Unit Agent, (b) the Board has taken all necessary corporate action to approve the issuance and establish the terms of such Units, the terms of the offering of such Units, and related matters, (c) such Units have been duly executed and authenticated in accordance with the terms of the appropriate Unit Agreement, and (d) such Units have been issued and sold in the manner contemplated by the Registration Statement and in accordance with such Unit Agreement, such Units will constitute the valid and legally binding obligations of the Company, enforceable against the Company in accordance with their terms.

9. With respect to the Debt Securities to be issued under the Senior Debt Indenture, when (a) the Senior Debt Indenture has been duly qualified under the Trust Indenture Act of 1939, (b) the Board and the general partner of the Partnership has taken all necessary corporate or other action to approve the issuance and establish the terms of such Debt Securities, the terms of the offering and related matters, (c) such Debt Securities have been duly executed and authenticated in accordance with the terms of the Senior Debt Indenture, and (d) such Debt Securities have been issued and sold in the manner contemplated by the Registration Statement and in accordance with the Senior Debt Indenture, such Debt Securities (including any Debt Securities duly issued upon conversion, exchange or exercise of any other Security in accordance with the terms of such Security or the instrument governing such Security providing for such conversion, exchange or exercise as approved by the Board and the general partner of the Partnership) will constitute the valid and legally binding obligations of the Partnership, enforceable against the Partnership in accordance with their terms.

Our opinions set forth above are subject to and limited by the effect of (a) applicable bankruptcy, insolvency, fraudulent conveyance, fraudulent transfer, receivership, conservatorship, arrangement, moratorium and other laws affecting and relating to the rights of creditors generally, (b) general equitable principles and (c) requirements of reasonableness, good faith, fair dealing and materiality.

In connection with the opinions expressed above, we have assumed that, at or prior to the time of the delivery of any such Security, the Registration Statement, and any amendments thereto (including post-effective amendments) will be effective under the Act, a Prospectus Supplement to the Prospectus forming a part of the Registration Statement will have been prepared and filed with the Securities and Exchange Commission (the "Commission") describing the Securities offered thereby, the authorization of such Security will not have been modified or rescinded by the Board, and there will not have occurred any change in law affecting the validity or enforceability of such Security. We have also assumed that none of the terms of any Security to be established subsequent to the date hereof nor the issuance and delivery of such Security, nor the compliance by the Company or the Partnership, as applicable, with the terms of such Security, will violate any applicable federal or state law or will result in a violation of any provision of any instrument or agreement then binding upon the Company or the Partnership, respectively, or any restriction imposed by any court or governmental body having jurisdiction over the Company or the Partnership, respectively.

The opinions set forth in this letter are limited to matters governed by the law of the States of New York, Maryland and Delaware, in each case as in effect on the date hereof.

We hereby consent to the filing of this opinion letter as Exhibit 5.1 to the Registration Statement and to the use of our name under the caption “Legal Matters” in the Registration Statement and in the Prospectus forming a part thereof and any supplement thereto. In giving this consent, we do not thereby admit that we are within the category of persons whose consent is required under Section 7 of the Act or the rules and regulations of the Commission promulgated thereunder.

Very truly yours,

/s/ PILLSBURY WINTHROP SHAW PITTMAN LLP

Exhibit 8.1

1200 Seventeenth Street NW
Washington, DC 20036-3006

Tel 202.663.8000
Fax 202.663.8007
www.pillsburylaw.com

January 5, 2022

Federal Realty Investment Trust
Federal Realty OP LP
909 Rose Avenue, Suite 200
North Bethesda, MD 20852

Ladies and Gentlemen:

We have acted as federal income tax counsel to (i) Federal Realty Investment Trust, a Maryland real estate investment trust (the "Company"), and (ii) Federal Realty OP LP, a Delaware limited partnership (the "Partnership"). Prior to the effectiveness on or about January 1, 2022 of a reorganization (the "Reorganization") under section 368(a)(1)(F) of the Internal Revenue Code of 1986, as amended (the "Code"), the Company was a Maryland real estate investment trust known as FRT Holdco REIT, and the Partnership was a Maryland real estate investment trust known as Federal Realty Investment Trust (the "Predecessor").

You have requested certain opinions regarding the application of U.S. federal income tax laws to the Company, the Partnership and the Predecessor, in connection with the filing of a registration statement on Form S-3 with respect to common shares and other securities of the Company and the Partnership (the "Registration Statement"), which term includes a prospectus (the "Base Prospectus") and all documents incorporated and deemed to be incorporated by reference therein, on January 5, 2022 with the Securities and Exchange Commission.

In rendering the following opinions, we have examined such statutes, regulations, records, certificates and other documents as we have considered necessary or appropriate as a basis for such opinions, including the following: (1) the Registration Statement, (2) the Declarations of Trust of the Company and the Predecessor and the Amended and Restated Bylaws of the Company and the Predecessor, the Certificate of Limited Partnership of the Partnership and the Agreement of Limited Partnership of the Partnership (the "Partnership Agreement"), each as amended, restated or supplemented, if applicable, (3) certain written representations of the Company contained in a letter to us dated the date hereof, a copy of which is attached as Schedule 1 hereto, (4) copies of the representative leases entered into by the Predecessor as of the date hereof, and (5) such other documents or information as we have deemed necessary to render the opinions set forth in this letter. In our review, we have assumed, with your consent, that all of the representations and statements set forth in such documents as to factual matters (but not legal conclusions) are true and correct, and all of the obligations imposed by any such

documents on the parties thereto, including obligations imposed under the Declarations of Trust of the Company and the Predecessor, as amended, restated or supplemented, and the Partnership Agreement, have been or will be performed or satisfied in accordance with their terms. We also have assumed the genuineness of all signatures, the proper execution of all documents, the authenticity of all documents submitted to us as originals, the conformity to originals of documents submitted to us as copies, and the authenticity of the originals from which any copies were made.

Unless facts material to the opinions expressed herein are specifically stated to have been independently established or verified by us, we have relied as to such facts solely upon the representations made by the Company. To the extent that the representations of the Company are with respect to matters set forth in the Code or the regulations promulgated thereunder (the "Treasury Regulations"), we have reviewed with the individuals making such representations the relevant provisions of the Code, the applicable Treasury Regulations and published administrative interpretations thereof. We assume that each representation made by the Company is and will be true, correct and complete, and that all representations that speak in the future, or to the intention, or to the best of belief and knowledge of any person(s) or party(ies) are and will be true, correct and complete as if made without such qualification. Nothing has come to our attention which would cause us to believe that any of such representations are untrue, incorrect or incomplete.

Based upon and subject to the foregoing and to the qualifications below, we are of the opinion that (i) the Predecessor qualified as a real estate investment trust, or REIT, under the Code for each of its taxable years ending after December 31, 1986 and before January 1, 2022; and the Predecessor qualified as a REIT under the Internal Revenue Code of 1954 for each of its taxable years ending before January 1, 1987, (ii) the Company is organized in conformity with the requirements for qualification as a REIT under the Code, and its current method of operation and ownership will enable it to meet the requirements for qualification as a REIT for the current (2022) taxable year and for future taxable years, and (iii) the discussions in (x) the Base Prospectus under the caption "Material Federal Income Tax Considerations," and (y) the Predecessor's Annual Report on Form 10-K for the year ended December 31, 2020 under the captions "Risk Factors–Failure to qualify as a REIT for federal income tax purposes would cause us to be taxed as a corporation, which would substantially reduce funds available for payment of distributions," "Risk Factors–We may be required to incur additional debt to qualify as a REIT," "Risk Factors–To maintain our status as a REIT, we limit the amount of shares any one shareholder can own," and "Risk Factors–Legislative, administrative, regulatory or other actions affecting REITs, including positions taken by the IRS, could have a material adverse effect on us and our investors," which are incorporated by reference into the Registration Statement, to the extent that they discuss matters of law or legal conclusions or purport to describe certain provisions of the federal tax laws, are correct summaries of the matters discussed therein.

The opinions set forth in this letter are based on existing law as contained in the Code, Treasury Regulations (including any Temporary and Proposed Regulations), and interpretations of the foregoing by the Internal Revenue Service and by the courts in effect (or, in case of certain Proposed Regulations, proposed) as of the date hereof, all of which are subject to change, both retroactively or prospectively, and to possibly different interpretations. Moreover, the Company's ability to achieve and maintain qualification as a REIT depends upon its ability to achieve and maintain certain diversity of stock ownership requirements and, through actual annual operating results, certain requirements under the Code regarding its income, assets and distribution levels. No assurance can be given as to whether, for any given taxable year, the actual ownership of the Company's stock and its actual operating results and distributions satisfy the tests necessary to achieve and maintain its status as a REIT.

The foregoing opinions are limited to the specific matters covered thereby and should not be interpreted to imply the undersigned has offered its opinion on any other matter. We assume no obligation to update the opinions set forth in this letter after the date hereof.

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement. The giving of this consent, however, does not constitute an admission that we are "experts" within the meaning of Section 11 of the Securities Act of 1933, as amended (the "Act"), or within the category of persons whose consent is required by Section 7 of the Act.

Very truly yours,

/s/ PILLSBURY WINTHROP SHAW PITTMAN LLP

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We have issued our reports dated February 11, 2021, with respect to the consolidated financial statements, schedules, and internal control over financial reporting of Federal Realty Investment Trust, included in the Annual Report on Form 10-K for the year ended December 31, 2020, which are incorporated by reference in this Registration Statement. We consent to the incorporation by reference of the aforementioned reports in this Registration Statement and to the use of our name as it appears under the caption “Experts.”

/s/ GRANT THORNTON LLP

New York, New York
January 5, 2022

Exhibit 24.1

POWER OF ATTORNEY

We, the undersigned trustees and officers of Federal Realty Investment Trust, a Maryland real estate investment trust, do hereby constitute and appoint Donald C. Wood, Daniel Guglielmone and Dawn M. Becker, and each and any of them, our true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, to do any and all acts and things in our names and on our behalf in our capacities as trustees and officers and to execute any and all instruments for us and in our name in the capacities indicated below, which said attorneys and agents may deem necessary or advisable to enable said trust to comply with the Securities Act of 1933 and any rules, regulations and requirements of the Securities and Exchange Commission, in connection with this registration statement, or any registration statement for this offering that is to be effective upon filing pursuant to Rule 462 under the Securities Act of 1933, including specifically, but without limitation, any and all amendments (including post-effective amendments) hereto and thereto; and we hereby ratify and confirm all that said attorneys and agents, or any of them, shall do or cause to be done by virtue thereof.

SIGNATURE	TITLE	DATE
/s/ Donald C. Wood Donald C. Wood	Chief Executive Officer and Trustee (principal executive officer)	January 5, 2022
/s/ Daniel Guglielmone Daniel Guglielmone	Executive Vice President and Chief Financial Officer and Treasurer (principal financial and accounting officer)	January 5, 2022
/s/ David W. Faeder David W. Faeder	Non-Executive Chairman	January 5, 2022
/s/ Elizabeth I. Holland Elizabeth I. Holland	Trustee	January 5, 2022
/s/ Nicole Y. Lamb-Hale Nicole Y. Lamb-Hale	Trustee	January 5, 2022
/s/ Anthony P. Nader, III Anthony P. Nader, III	Trustee	January 5, 2022
/s/ Mark S. Ordan Mark S. Ordan	Trustee	January 5, 2022
/s/ Gail P. Steinel Gail P. Steinel	Trustee	January 5, 2022

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM T-1

**STATEMENT OF ELIGIBILITY UNDER
THE TRUST INDENTURE ACT OF 1939 OF A
CORPORATION DESIGNATED TO ACT AS TRUSTEE**

☐ **Check if an Application to Determine Eligibility of a Trustee Pursuant to Section 305(b)(2)**

U.S. BANK NATIONAL ASSOCIATION
(Exact name of Trustee as specified in its charter)

31-0841368
I.R.S. Employer Identification No.

800 Nicollet Mall
Minneapolis, Minnesota **55402**
(Address of principal executive offices) **(Zip Code)**

Paul Vaden
U.S. Bank National Association
214 North Tryon Street, 27th Floor
Charlotte, NC 28202-1078
(704) 335-4654
(Name, address and telephone number of agent for service)

Federal Realty Investment Trust
(Issuer with respect to the Securities)

Delaware **52-0782497**
(State or other jurisdiction of incorporation or organization) **(I.R.S. Employer Identification No.)**

1626 East Jefferson Street
Rockville, Maryland **20852**
(Address of Principal Executive Offices) **(Zip Code)**

Shelf Registration
(Title of the Indenture Securities)

FORM T-1

Item 1. **GENERAL INFORMATION.** Furnish the following information as to the Trustee.

a) *Name and address of each examining or supervising authority to which it is subject.*
Comptroller of the Currency
Washington, D.C.

b) *Whether it is authorized to exercise corporate trust powers.*
Yes

Item 2. **AFFILIATIONS WITH THE OBLIGOR.** *If the obligor is an affiliate of the Trustee, describe each such affiliation.*

None

Items 3-15 *Items 3-15 are not applicable because to the best of the Trustee's knowledge, the obligor is not in default under any Indenture for which the Trustee acts as Trustee.*

Item 16. **LIST OF EXHIBITS:** *List below all exhibits filed as a part of this statement of eligibility and qualification.*

1. A copy of the Articles of Association of the Trustee.*
2. A copy of the certificate of authority of the Trustee to commence business, attached as Exhibit 2.
3. A copy of the certificate of authority of the Trustee to exercise corporate trust powers, attached as Exhibit 3.
4. A copy of the existing bylaws of the Trustee.**
5. A copy of each Indenture referred to in Item 4. Not applicable.
6. The consent of the Trustee required by Section 321(b) of the Trust Indenture Act of 1939, attached as Exhibit 6.
7. Report of Condition of the Trustee as of September 30, 2021 published pursuant to law or the requirements of its supervising or examining authority, attached as Exhibit 7.

* Incorporated by reference to Exhibit 25.1 to Amendment No. 2 to registration statement on S-4, Registration Number 333-128217 filed on November 15, 2005.

** Incorporated by reference to 305(b)(2), Registration Number 333-229783 filed on June 21, 2021.

SIGNATURE

Pursuant to the requirements of the Trust Indenture Act of 1939, as amended, the Trustee, U.S. BANK NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America, has duly caused this statement of eligibility and qualification to be signed on its behalf by the undersigned, thereunto duly authorized, all in the City of Charlotte, North Carolina on the 21st of December 2021.

By: /s/ Paul Vaden
Paul Vaden
Vice President

Office of the Comptroller of the Currency

Washington, DC 20219

CERTIFICATE OF CORPORATE EXISTENCE

I, Michael J. Hsu, Acting Comptroller of the Currency, do hereby certify that:

1. The Comptroller of the Currency, pursuant to Revised Statutes 324, et seq, as amended, and 12 USC 1, et seq, as amended, has possession, custody, and control of all records pertaining to the chartering, regulation, and supervision of all national banking associations.

2. "U.S. Bank National Association," Cincinnati, Ohio (Charter No. 24), is a national banking association formed under the laws of the United States and is authorized thereunder to transact the business of banking on the date of this certificate.

IN TESTIMONY WHEREOF, today, July 23, 2021, I have hereunto subscribed my name and caused my seal of office to be affixed to these presents at the U.S. Department of the Treasury, in the City of Washington, District of Columbia

Acting Comptroller of the Currency

CURRENCY BUREAU SEAL OF THE Comptroller OF THE CURRENCY TREASURY DEPARTMENT

2021-00903-C

Exhibit 3

Office of the Comptroller of the Currency

Washington, DC 20219

CERTIFICATE OF FIDUCIARY POWERS

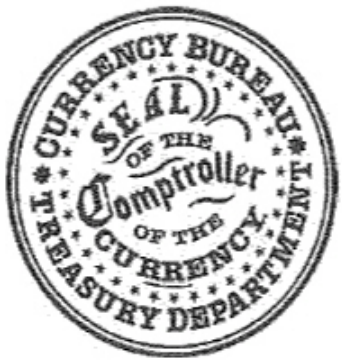
I, Michael J. Hsu, Acting Comptroller of the Currency, do hereby certify that:

1. The Office of the Comptroller of the Currency, pursuant to Revised Statutes 324, et seq, as amended, and 12 USC 1, et seq, as amended, has possession, custody, and control of all records pertaining to the chartering, regulation, and supervision of all national banking associations.

2. "U.S. Bank National Association," Cincinnati, Ohio (Charter No. 24), was granted, under the hand and seal of the Comptroller, the right to act in all fiduciary capacities authorized under the provisions of the Act of Congress approved September 28, 1962, 76 Stat. 668, 12 USC 92a, and that the authority so granted remains in full force and effect on the date of this certificate.

IN TESTIMONY WHEREOF, today, July 23, 2021, I have hereunto subscribed my name and caused my seal of office to be affixed to these presents at the U.S. Department of the Treasury, in the City of Washington, District of Columbia.

Acting Comptroller of the Currency



2021-00903-C

Exhibit 6

CONSENT

In accordance with Section 321(b) of the Trust Indenture Act of 1939, the undersigned, U.S. BANK NATIONAL ASSOCIATION hereby consents that reports of examination of the undersigned by Federal, State, Territorial or District authorities may be furnished by such authorities to the Securities and Exchange Commission upon its request therefor.

Dated: December 21, 2021

By: /s/ Paul Vaden
Paul Vaden
Vice President

Exhibit 7
U.S. Bank National Association
Statement of Financial Condition
As of 9/30/2021

($000's)

	9/30/2021
Assets	
Cash and Balances Due From Depository Institutions	$ 63,715,510
Securities	148,000,109
Federal Funds	22,403
Loans & Lease Financing Receivables	298,005,995
Fixed Assets	6,031,305
Intangible Assets	13,529,305
Other Assets	27,506,020
Total Assets	**$556,810,647**
Liabilities	
Deposits	$449,625,649
Fed Funds	2,016,875
Treasury Demand Notes	0
Trading Liabilities	1,136,642
Other Borrowed Money	33,001,952
Acceptances	0
Subordinated Notes and Debentures	3,600,000
Other Liabilities	14,733,477
Total Liabilities	**$504,114,595**
Equity	
Common and Preferred Stock	18,200
Surplus	14,266,915
Undivided Profits	37,606,027
Minority Interest in Subsidiaries	804,910
Total Equity Capital	**$ 52,696,052**
Total Liabilities and Equity Capital	**$556,810,647**