AGREEMENT OF LEASE

between

BATTERY PARK CITY AUTHORITY,
d/b/a HUGH L. CAREY BATTERY PARK CITY AUTHORITY,
Landlord

and

BPC GREEN, L.L.C.,
Tenant

Premises:

Parcel 19B, Battery Park City

Dated: As of December 18, 2003

TABLE OF CONTENTS

EXHIBITS AND SCHEDULE

AGREEMENT OF LEASE (this "Lease") dated as of the 18th day of December, 2003 between **BATTERY PARK CITY AUTHORITY, d/b/a HUGH L. CAREY BATTERY PARK CITY AUTHORITY** ("Landlord"), a body corporate and politic constituting a public benefit corporation of the State of New York having an office at One World Financial Center, New York, New York 10281, and **BPC GREEN, L.L.C. ("Tenant")**, a Delaware limited liability company, having an office at c/o The Related Companies, L.P., 625 Madison Avenue, New York, New York 10022.

W I T N E S S E T H:

It is hereby mutually covenanted and agreed by and between the parties hereto that this Lease is made upon the terms, covenants and conditions hereinafter set forth.

ARTICLE 1.

DEFINITIONS

1.01. The terms defined in this Article 1 shall, for all purposes of this Lease, have the following meanings or shall be otherwise defined in the Sections referenced below:

Affiliate	(i) (a) Any Person (hereinafter defined) that has, directly or indirectly, an ownership interest in Tenant or (b) any Person in which Tenant or an Affiliate of Tenant by virtue of clause (a) of this definition, has an ownership interest, and (ii) any individual who is a member of the immediate family (whether by birth or marriage) of an individual who is an Affiliate, which includes for purposes of this definition a spouse; a brother or sister of the whole or half blood of such individual or his spouse; a lineal descendant or ancestor (including an individual related by or through legal adoption) of any of the foregoing or a trust for the benefit of any of the foregoing.
Aggregate Rent	Defined in Schedule 1.
Alternative Method	Defined in Section 26.05(a).
Annual Percentage Rent Statement	Defined in Section 3.07(c).
Apartment Corporation	Defined in the Cooperative Plan (hereinafter defined).
Approved Remedies	Defined in Section 26.04(a).
Architect	The Design Architect and/or any other architect approved by Landlord, which approval shall not be unreasonably withheld. Any certification from the Architect to Landlord required hereunder may be executed by either of the two firms constituting the Design Architect.

Base Rent	Defined in Section 3.01(a).
Base Rent Floor	An amount per annum, determined as of the first day of each of the Second, Third and Fourth Periods, equal to the greater of (x) six percent (6%) of the fair market value of the Land, determined as provided in Sections 3.01(c) and 3.06, considered as unencumbered by this Lease and the Master Lease and as unimproved except for Landlord's Civic Facilities and other site improvements made by Landlord or (y) the Base Rent payable in the Lease Year immediately prior to the period for which such Base Rent Floor was determined.
Building	The building, including footings and foundations, Equipment (hereinafter defined) and other improvements and appurtenances of every kind and description now or hereafter erected, constructed, or placed upon the Land (hereinafter defined) including, without limitation, Capital Improvements (hereinafter defined), and any and all alterations and replacements thereof, additions thereto and substitutions therefor.
Business Days	Any day which is not a Saturday, Sunday or a day observed as a holiday by either the State of New York or the federal government.
Capital Improvement	Defined in Section 13.01.
Certificate of Occupancy	A certificate of occupancy issued by the Department of Buildings of New York City pursuant to Section 645 of the New York City Charter or other similar certificate issued by a department or agency of New York City.
Civic Facilities	Defined in Section 26.01(a).
Civic Facilities Budget	Defined in Section 26.05(b).
Civic Facilities Payment	Defined in Section 26.05(a).
Commencement Date	The date of this Lease.
Commencement of Construction	The date upon which on-site construction of the Building shall commence, including any excavation or pile driving but not including test borings, test pilings, surveys and similar pre-construction activities.
Completion of the Building	Completion of the Building shall be deemed to have occurred upon the satisfaction of all of the conditions to Substantial Completion of the

Building, the completion of all work necessary to complete all so-called "punchlist items" in accordance with the approved Construction Documents (subject to the qualifications set forth in Section 11.04 with respect to performance of punchlist items with respect to up to two (2) residential units then being used as a model apartment or model apartments and/or as a leasing/management office), the delivery by the Architect to Landlord of a certification, in form and substance acceptable to Landlord, certifying to Landlord that all punchlist items have been completed substantially in accordance with the approved Construction Documents, and (i) if Tenant's estate in the Premises shall have been submitted to a cooperative form of ownership (x) satisfaction by Tenant of the provisions of Section 10.01(d)(i), (y) the assignment by Tenant of its interest in this Lease to the Apartment Corporation and (z) consummation of the sale by Tenant (or any holder of unsold shares) of such number of the Cooperative Apartments (hereinafter defined) to bona fide purchasers pursuant to purchase or subscription agreements theretofore delivered to Landlord as shall be required to declare the Cooperative Plan effective pursuant to all applicable Requirements or (ii) if Tenant's estate in the Premises shall have been submitted to a condominium form of ownership, the declaration of the effectiveness of the Condominium Plan pursuant to all applicable Requirements. The performance and completion of any tenant improvements in the interior of the Building's retail space shall not be a condition to the occurrence of Completion of the Building (it being agreed that for this purpose "tenant improvement work" shall mean all interior work in excess of (i) constructing raw space consisting of the shell, floor, slabs, ceiling slabs and demising walls and (ii) any other work that may be necessary to comply with the Building Code of New York City or any other Requirements after taking into account that such retail space is then unoccupied).

Compliance Reports	Defined in Section 40.01(e).
Construction Agreements	Agreements for any Restoration (hereinafter defined), Capital Improvement, rehabilitation, alteration, repair or demolition performed pursuant to this Lease.
Construction Commencement Date	The earlier to occur of (i) the date upon which Commencement of Construction occurs and (ii) the date which is sixty (60) days after Landlord's approval of the Construction Documents (extended by the number of days necessary to obtain permits, consents, certificates and/or approvals of Governmental Authorities required under applicable law to commence construction, provided that (i) Tenant shall have applied for same as soon as reasonably practicable after Landlord's approval of the Construction Documents and shall have diligently and with continuity pursued obtaining same, and (ii) Tenant shall have

	notified Landlord not later than fourteen (14) days after Tenant knew or should have known of the occurrence of any event which would be likely to result in same not be issued prior to the expiration of said sixty (60) day period).
Construction Documents	Defined in Section 11.02(d).
Consumer Price Index	The Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics of the United States Department of Labor, New York-Northern New Jersey-Long Island-NY-NJ-CT area, All Items (1982-84=100), or any successor index thereto, appropriately adjusted. If the Consumer Price Index ceases to be published, and there is no successor thereto, such other index as Landlord and Tenant agree upon, as appropriately adjusted, shall be substituted for the Consumer Price Index.
Contractor	Defined in Section 40.02.
Cooperative Apartment	Each apartment in the Building offered pursuant to the Cooperative Plan.
Cooperative Plan	A plan to submit Tenant's leasehold estate in the Premises to cooperative ownership, together with all amendments, modifications and supplements thereto.
C.P.A.	Defined in Section 3.08(b).
Default	Any condition or event which constitutes or, after notice or lapse of time, or both, would constitute an Event of Default (hereinafter defined).
Deficiency	Defined in Section 24.04(c).
Department	Defined in Section 3.02(f).
Depository	A savings bank, a savings and loan association or a commercial bank or trust company which has executed and delivered a Depository Agreement and would qualify as an Institutional Lender (hereinafter defined), designated by Tenant, to serve as Depository pursuant to this Lease, provided all funds held by any Depository pursuant to this Lease shall be held in a segregated, non-commingled interest bearing account or instrument held in New York City. In the event Tenant shall have failed to designate a Depository within ten (10) days after request of

	Landlord, Depository shall be the Institutional Lender holding the Mortgage having the highest priority (or, if such Institutional Lender declines to act as Depository, the Institutional Lender holding a Mortgage with the next highest priority which desires to act as Depository), but if there shall be no such Institutional Lender, Landlord shall have the right to designate such Depository. No Person shall serve as Depository unless and until it shall have executed and delivered to Landlord and Tenant a Depository Agreement. The Depository shall not be an Affiliate of Tenant (or any Person who would be an Affiliate of Landlord if, for this purpose, in the definition of "Affiliate", "Landlord" were substituted for "Tenant" wherever "Tenant" appears in said definition).
Depository Agreement	An agreement, in form and substances reasonably acceptable to Landlord and Tenant, pursuant to which the Depository agrees to perform its obligations hereunder.
Design Architect	Robert A.M. Stern Architects, with respect to the exterior of the Building, and Ismael Leyva Architects, PC, with respect to the interior of the Building.
Design/Construction Period Letter of Credit	Defined in Section 11.12.
Design Development Plans	Defined in Section 11.02(c).
Design Guidelines	The Design Guidelines for the North Residential Neighborhood dated 1994, as modified to date, the Design Guidelines for Parcel 19B dated 2000, and the Environmental Guidelines as each may hereafter be amended, modified or supplemented in accordance with the provisions of Section 42.19.
Designated Proposal Requirements	The (i) requirement that the Building's residential units have an average size of not less than 990 net square feet, and (ii) information regarding the Project's implementation of the green guidelines/sustainable design features set forth in Section B-2 of the Proposal, including, without limitation, as same relate to energy efficiency, enhanced indoor environmental quality, conserving materials and resources, operations and maintenance and water conservation and site management.
DHCR	Defined in Section 44.01.
Due Date	With respect to an Imposition (hereinafter defined), the last date on which such Imposition can be paid without any fine, penalty, interest or

cost being added thereto or imposed by law for the non-payment thereof.

Environmental Consultant — Steven Winter Associates, Inc. and Green October LLC. Any certification from the Environmental Consultant to Landlord required hereunder may be executed by either of the two firms constituting the Environmental Consultant.

Environmental Guidelines — The Hugh L. Carey Battery Park City Authority Residential Environmental Guidelines dated January 26, 2000, revised as of April 7, 2000 and October 2, 2000, as the same may hereafter be further amended, modified or supplemented in accordance with Section 42.19.

Environmental Statutes — All federal, state and local laws, rules and regulations, whether now existing or hereafter enacted or promulgated, regulating, relating to or imposing liability or standards of conduct concerning any hazardous, toxic or dangerous waste, substance or material or the protection of the environment, including, without limitation: (1) Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. § 9601 et seq. (known as CERCLA or Superfund) as amended by the Superfund Amendments and Reauthorization Act of 1986 (known as SARA); (2) Solid Waste Disposal Act, 42 U.S.C. § 6901 et seq. (known as SWDA) as amended by Resource Conservation and Recovery Act (known as RCRA); (3) National Environmental Policy Act, 42 U.S.C. § 4321 et seq. (known as NEPA); (4) Toxic Substances Control Act, 15 U.S.C., § 2601 et seq. (known as TSCA); (5) Safe Drinking Water Act, 42 U.S.C. § 300(f) et seq. (known as Public Health Services Act, PHSA); (6) Refuse Act, 33 U.S.C. § 407 et seq.; (7) Clean Water Act, 33 U.S.C. § 1251 et seq. (known as Federal Water Pollution Control Act, FWPCA); (8) Clean Air Act, 42 U.S.C. § 7401 et seq. (known as CAA); (9) The Emergency Planning and Community Right-to-Know Act of 1986, 42 U.S.C. § 1101 et seq. (known as EPCRTKA); (10) the Occupational Safety and Health Act, 29 U.S.C. § 651 et seq. (known as OSHA); and (11) the New York Environmental Conservation Law, § 1-0101 et seq. (known as ECL).

Equipment — All fixtures incorporated in the Premises, including, without limitation (i) all machinery, dynamos, boilers, heating and lighting equipment, pumps, tanks, motors, air conditioning compressors, pipes, conduits, fittings, ventilating and communications apparatus, elevators, escalators, incinerators, garbage compactors, antennas, computers, sensors and (ii) laundry equipment and refrigerators, stoves, dishwashers and other major kitchen appliances, except in either case to the extent any of the foregoing shall be owned by Subtenants, Tenant-Stockholders (hereinafter defined), Unit Owners (hereinafter defined),

	concessionaires or contractors engaged in maintaining the same. "Equipment" shall not mean any fixture or utilities owned by any utility company.
ERS	Defined in Section 26.01(a).
Event of Default	Defined in Section 24.01.
Expiration Date	Defined in Article 2.
First Appraisal Date	January 1, 2029.
First Period	Defined in Section 3.01(a).
Fiscal Year	Tenant's fiscal year, commencing on January 1 and ending on December 31.
Fourth Period	Defined in Section 3.01(a).
Governmental Authority (Authorities)	The United States of America, the State of New York, New York City and any agency, department, commission, board, bureau, instrumentality or political subdivision of any of the foregoing, now existing or hereafter created, having jurisdiction over the Premises or any portion thereof. "Governmental Authority" shall not include any of the foregoing acting solely in its capacity as Landlord under this Lease.
Green Building Systems	Defined in Section 11.14(e).
Gross Non-Residential Revenue	For the applicable period, all revenues received by Tenant or an Affiliate of Tenant from, in connection with, or arising out of the use and occupancy of space in the Building which is being used for any non-residential purpose, including, without limitation, base rent, fixed rent, percentage rent, additional rent and all other income, sums and charges, whether payable to Tenant or any Affiliate of Tenant under a Sublease or otherwise. Notwithstanding the foregoing, Gross Non-Residential Revenue shall not include (i) any amounts included above but ultimately credited or refunded by Tenant or an Affiliate to any Person, (ii) any sums received by Tenant or an Affiliate in payment for construction work beyond the building standard then performed by Tenant for non-residential subtenants generally or services beyond the building standard then provided by Tenant for non-residential subtenants generally, up to the fair market value of such work or
	services, (iii) sums paid to Tenant or an Affiliate for movie and

	television filming rights or the right to provide the Building with garbage collection or cable television services, a fiber optic network, roof antennae, telephone services, utility services, and food and beverage cart services, (iv) transfers of funds between or among Tenant and Affiliates of Tenant, (v) refinancing proceeds, (vi) payments by residential tenants of the Building for laundry, valet, concierge or cleaning services, health club use or other services provided to residents of the Building, or any license fees and/or rent (including, without limitation, base rent, fixed rent, percentage rent, additional rent and all other income, sums and charges) paid to Tenant by any party in consideration of its renting or licensing, or otherwise paid to Tenant for the right to provide, laundry, valet, concierge or cleaning services, health club use and/or other services, in each case, exclusively to residential tenants of the Building, (vii) security deposits under leases (or occupancy, license or similar agreements) affecting non-residential space, until Tenant actually applies such deposits, and (viii) management fees.
Gross Sales Price	In respect of the sale of any Unit (as hereinafter defined) or Cooperative Apartment, as the case may be, all amounts received as consideration for the transfer of such Unit or Cooperative Apartment, including (a) all cash or cash equivalent proceeds, (b) the outstanding principal amount of any debt, and any interest accrued thereon, assumed by the purchaser in such sale or to which such sale is made subject, (c) the fair market value of any property received by or on behalf of Tenant as consideration, (d) the amount of any installments of the purchase price for such Unit or Cooperative Apartment payable subsequent to the closing of such sale, whether pursuant to a purchase money promissory note or otherwise and (e) any other amounts received as consideration.
Guaranty of Completion	The Guaranty of Completion in the form annexed hereto as Exhibit E hereto.
Impositions	Defined in Section 4.01.
Improvement Approvals	Defined in Section 13.01.
Indebtedness	Defined in the Master Lease.
Indemnitees	Defined in Section 19.01.
Initial Occupancy Date	Defined in Section 26.05(a).
Institutional Lender	A savings bank, a savings and loan association, a commercial bank or

trust company (whether acting individually or in a fiduciary capacity), an insurance or annuity company organized and existing under the laws of the United States or any state thereof, a real estate investment trust, a Fraternal Benefit Society, religious, educational or eleemosynary institution, a governmental agency, body or entity, an employee, benefit, pension or retirement plan, trust or fund, a commercial credit corporation, an investment bank, a commercial bank or trust company acting as trustee or fiduciary of various pension funds or other tax-exempt funds, an investment company or business development company (as defined in the Investment Company Act of 1940, as amended), a small business investment company licensed under the Small Business Investment Act of 1958, as amended, any broker or dealer registered under the Security Exchange Act of 1934, as amended, or any investment advisor registered under the Investment Advisor Act of 1940, as amended, any government agency, or a corporation or other entity which is owned wholly by any other Institutional Lender or a subtrustee of any such commercial bank or trust company acting as such trustee, or any combination of the foregoing; provided, that each of the above entities, or any combination of such entities, shall qualify as an Institutional Lender within the provisions of this Section only if each such entity shall (a) be subject to (i) the jurisdiction of the courts of the State of New York in any actions and (ii) the supervision of (A) the Comptroller of the Currency or the Department of Labor of the United States or the Federal Home Loan Bank Board or the Insurance Department or the Banking Department or the Comptroller of the State of New York, or the Board of Regents of the University of the State of New York, or the Comptroller of New York City or any successor to any of the foregoing agencies or officials, or (B) any agency or official exercising comparable functions on behalf of any other state within the United States, or (C) in the case of a commercial credit corporation, the laws and regulations of the state of its incorporation, or (D) any federal, state or municipal agency or public benefit corporation or public authority advancing or insuring mortgage loans or making payments which, in any manner, assist in the financing, development, operation and/or maintenance of improvements, and (b) each such entity, or combination of such entities, shall have individual or combined assets, as the case may be, of not less than Seven Billion and Five Hundred Million Dollars ($7,500,000,000).

Involuntary Rate — The Prime Rate (hereinafter defined) plus two percent (2%) per annum, but in no event, in excess of the maximum permissible interest rate then in effect in the State of New York.

Issuer — The issuer of a Letter of Credit (hereinafter defined).

Land — The land described in Exhibit A hereto.

Landlord	On the date as of which this Lease is made, Battery Park City Authority, but thereafter "Landlord" shall mean only the landlord at the time in question under this Lease.
Landlord's Civic Facilities	Defined in Section 26.01(c).
Landlord's Project Manager	Defined in Section 11.02(f).
Lease	This Agreement of Lease and all amendments, modifications and supplements thereof.
Lease Year	The twelve-month period beginning on the earlier of the January 1 or July 1 first following the Commencement Date and each succeeding twelve-month period or portion thereof during the Term to, but not including, the First Appraisal Date, and, following the First Appraisal Date, the twelve month period beginning on such date and each succeeding twelve-month period or portion thereof during the Term (hereinafter defined).
Letter of Credit	Defined in Section 43.01(a).
Licensed Subsurface Vault	Defined in Section 45.01.
Maintenance Obligations	Defined in Section 26.03.
Master Development Plan	The 1979 Master Plan for Battery Park City Authority, prepared by Alexander Cooper Associates, dated October, 1979, as amended by the Second Amendment to Restated Amended Lease dated June 15, 1983 and recorded on June 20, 1983 in the Office of the City Register, New York County in Reel 696 at Page 432, as the same may be hereafter amended, modified or supplemented in accordance with the provisions of Section 42.19.
Master Landlord	On the date as of which this Lease is made, Battery Park City Authority, but thereafter, "Master Landlord" shall mean only the lessor at the time in question under the Master Lease (hereinafter defined).
Master Lease	The Restated Amended Agreement of Lease, made as of June 10, 1980, between BPC Development Corporation, as landlord, and Battery Park City Authority, as tenant, a Memorandum of which was recorded on June 11, 1980 in the Office of the City Register, New York County in Reel 527 at page 163, as amended by First Amendment to Restated

	Amended Lease dated as of June 15, 1983 and recorded on June 20, 1983 in said Register's Office in Reel 696 at page 424, Second Amendment to Restated Amended Lease dated June 15, 1983 and recorded on June 20, 1983 in said Register's Office in Reel 696 at page 432, Third Amendment to Restated Amended Lease dated as of August 15, 1986 and recorded on October 22, 1986 in said Register's Office in Reel 1133 at page 569, and Fourth Lease Amendment to Restated Amended Lease dated as of May 25, 1990 and recorded on May 30, 1990 in said Register's Office in Reel 1697 at page 302, as the same may be hereafter amended, modified or supplemented.
Median Parks	Defined in Section 26.01(a).
Minimum Pilot	Defined in Schedule 1.
Mortgage	Any mortgage which constitutes a lien on Tenant's interest in this Lease and the leasehold estate created hereby, provided such mortgage is held, (i) prior to Substantial Completion of the Building, by an Institutional Lender, and from and after Substantial Completion of the Building, by any Institutional Lender or any Person to whom an Institutional Lender shall have assigned such mortgage, other than (a) an Affiliate (unless such Affiliate is an Institutional Lender), or (b) a Person described in Section 10.01(c) of this Lease, or (ii) by a Person formerly constituting Tenant, or such Person's assignee, if such mortgage is made to such Person in connection with an assignment by Tenant of its interest in this Lease (other than an assignment by Tenant of its interest in this Lease to an Affiliate). The term "Mortgage" shall not include a Unit Mortgage.
Mortgagee	The holder of a Mortgage. The term "Mortgagee" shall not include a Unit Mortgagee.
Murray Street Triangle	Defined in Section 26.01(a).
New York City	The City of New York, a municipal corporation of the State of New York.
Non-Disturbance and Attornment Agreement	Defined in Section 10.09.
North Neighborhood Esplanade	Defined in Section 26.01(a).
North Neighborhood Esplanade Budget	Defined in Section 26.05(b).

North Neighborhood Residential Parks	Defined in Section 26.01(a).
North Neighborhood Residential Parks Budget	Defined in Section 26.05(b).
North Residential Neighborhood	That portion of the Project Area (hereinafter defined) identified in the Design Guidelines as the North Residential Neighborhood.
Open Space	Defined in Section 26.01(a).
Operating Costs	Defined in Section 26.05(a).
Parks Budget	Defined in Section 26.05(b).
Payment Period	Defined in Section 26.05(b).
Payments in Lieu of Taxes and PILOT	Defined in Section 3.02.
Percentage Rent	Defined in Section 3.07(a).
Percentage Rent Commencement Date	Defined in Section 3.07(a).
Person	An individual, corporation, limited liability company, partnership, joint venture, estate, trust, unincorporated association, any Federal, State, County or municipal government or any bureau, department or agency thereof or any other entity.
Premises	The Land and Building.
Pre-Lease Escrow Agreement	Defined in Section 24.01(p).
Pre-Schematics	Defined in Section 11.02(a).
Prime Rate	The prime or base rate announced as such from time to time by Citibank, N.A., or its successors, at its principal office. Any interest payable under this Lease with reference to the Prime Rate shall be adjusted on a daily basis, based upon the Prime Rate in effect at the time in question, and shall be calculated on the basis of a 360-day year with twelve months of 30 days each.

Prior Tenants	Defined in Section 26.05(a).
Project Area	The premises demised pursuant to the Master Lease.
Proposal	Defined in Section 11.02(a).
Qualifying Sublease	Defined in Section 10.09.
Quarterly Percentage Rent Statement	Defined in Section 3.07(b).
Reappraisal Date	The first (1st) day of each of the Third Period and the Fourth Period (January 1, 2044 and January 1, 2059, respectively).
Recourse Claims	Any of the following: (i) liability for fraud, knowing misrepresentation, breach of obligation to act in trust or as trustee, or conversion, including without limitation Tenant's misapplication of security deposits, insurance proceeds or condemnation awards that may come into Tenant's control, (ii) claims for the payment of Rental accruing after an Event of Default and before any termination of this Lease by reason of actual use or occupancy of any portion of the Building by Tenant or its Affiliate (as distinguished from its Subtenants) prior to recovery of possession by Landlord (such liability being only for the Rental attributable on a per square foot basis to the space so used or occupied); and (iii) any liability of Tenant arising under Article 19 of this Lease with respect to claims made by third parties only, to the extent the same would have been insured against pursuant to Article 7 but for Tenant's default.
Regulatory Body	Defined in Section 44.02
Release Date	Defined in Section 44.02.
Rent Insurance	Defined in Section 7.01(a)(iv).
Rent Officer	Defined in Section 44.03.
Rent Program	Defined in Section 44.03.
Rent Regulations	Defined in Section 44.03.

Rental	Defined in Section 3.04.
Replacement Letter of Credit	Defined in Section 43.01(h).
Requirements	Defined in Section 14.01.
Residential Esplanade	Defined in Section 26.05(b).
Residential Esplanade Budget	Defined in Section 26.05(b).
Residential Parks	Defined in Section 26.05(b).
Residential TCO	A temporary Certificate of Occupancy duly issued by the New York City Department of Buildings for residential space in the Building.
Restoration	Defined in Section 8.01.
Restoration Funds	Defined in Section 8.02(a).
Restore	Defined in Section 8.01.
Rockefeller Park or Governor Nelson A. Rockefeller Park	Defined in Section 26.01(a).
Scheduled Completion Date	Defined in Section 11.04.
Schematics	Defined in Section 11.02(b).
Second Period	Defined in Section 3.01(a).
Self-Help	Defined in Section 26.04(b).
Settlement Agreement	The Settlement Agreement, dated as of June 6, 1980, between New York City and the Urban Development Corporation, as supplemented by Letter, dated June 9, 1980, from Richard A. Kahan to Edward I. Koch, and amended by Amendment to Settlement Agreement dated as of August 15, 1986 between New York City and Landlord, Agreement for Certain Payments dated as of June 28, 1989 between New York City and landlord, Agreement and Consent dated as of December 30, 1989 between New York City and Landlord, Amendment and Agreement and

	Consent Pursuant to Settlement Agreement dated as of May 18, 1990 between New York City and Landlord, Amendment and Agreement and Consent Pursuant to Settlement Agreement and Consent dated as of October 15, 1993 between New York City and Landlord, Amendment and Agreement and Consent Pursuant to Settlement Agreement dated as of April 10, 1995 between New York City and Landlord, 1996 Agreement and Consent Pursuant to Settlement Agreement dated as of October 1, 1996, 2003 Agreement and Consent Pursuant to Settlement Agreement dated as of September 9, 2003 and as the same may be hereafter amended, modified or supplemented in accordance with the provisions of Section 42.19.
Single Asset Mortgage	A Mortgage that secures indebtedness no part of which is secured by any interest in real property or in any other asset other than (i) Tenant's interest in this Lease and the leasehold estate created hereby, and other rights of ownership and interests related thereto, (ii) an assignment of Tenant's interest in rents and/or leases under Subleases and/or any licenses, occupancy or similar agreements affecting the Premises, (iii) a so-called "lockbox" or similar arrangement relating to Tenant's interest in the Premises, (iv) a security interest in personalty relating to Tenant's interest in the Premises, (v) a security interest in accounts containing funds derived from or related to Tenant's interest in the Premises, (vi) a security interest in the equity interests of any single asset entity that is Tenant or that owns a direct or indirect interest in Tenant, and (vii) guaranties of the performance of any of Tenant's obligations related to the Premises and other forms of credit enhancement.
Single Asset Unit Mortgage	A Unit Mortgage that secures indebtedness no part of which is secured by any interest in real property or in any other asset other than (i) the Unit Owner's interest in the Unit and other rights of ownership and interests related thereto, (ii) an assignment of the Unit Owner's interest in rents and/or leases under leases and/or any licenses, occupancy or similar agreements affecting the Unit, (iii) a so-called "lockbox" or similar arrangement relating to the Unit Owner's interest in the Unit, (iv) a security interest in personalty relating the Unit Owner's interest in the Unit, (v) a security interest in accounts containing funds derived from or related to the Unit Owner's interest in the Unit, (vi) a security interest in the equity interests of any single asset entity that is the Unit Owner or that owns a direct or indirect interest in the Unit Owner, and (vii) guaranties of the performance of any of the Unit Owner's obligations related to the Unit and other forms of credit enhancement.
Subleases	Defined in Section 10.04.

Substantial Completion of the Building or Substantially Complete(d)	Defined in Section 11.04.
Subtenants	Defined in Section 10.04.
Tax Year	Each tax fiscal year of New York City.
Taxes	The real property taxes assessed and levied against the Premises or any part thereof pursuant to the provisions of Title 11, Chapter 2 of the Administrative Code of The City of New York, as the same may now or hereafter be amended, or any statute or ordinance in lieu thereof in whole or in part and which either are payable, or would otherwise be payable if the Premises or any part thereof or the owner thereof were not exempt therefrom.
Tenant	BPC Green, L.L.C. or any successor to its interest hereunder in accordance with the terms of this Lease.
Tenant's Civic Facilities	Defined in Section 26.01(b).
Tenant-Stockholder	Any Person acquiring shares in the Apartment Corporation and the interest of lessee under the proprietary lease appurtenant to such shares.
Term	The term of this Lease as set forth in Article 2 hereof.
Third Period	Defined in Section 3.01(a).
Title Matters	Only those matters affecting title to the Land set forth in Exhibit B hereto.
Transaction Payments	Defined in Section 3.05
Transfer	Defined in Section 10.01(a).
Unapproved System	Defined in Section 11.14(b).
Unavoidable Delays	(i) With respect to Tenant or its obligations hereunder, delays incurred by Tenant due to strikes, lockouts, work stoppages due to labor jurisdictional disputes, acts of God, inability to obtain labor or materials due to governmental restrictions (other than any governmental restrictions which Tenant is bound to observe pursuant to the terms of this Lease), enemy action, civil commotion, fire, unavoidable casualty

	or other similar causes beyond the control of Tenant (but not including Tenant's insolvency or financial condition), construction activities of Landlord or Master Landlord, Landlord's failure to complete Landlord's Civic Facilities in accordance with Section 26.02, a work stoppage or slow-down requested by Landlord in order not to unreasonably interfere with the work of other developers within the Project Area, which for purposes hereof shall include the construction activities of Landlord under this Lease, and (ii) with respect to Landlord or its obligations hereunder, delays incurred by Landlord due to strikes, lockouts, work stoppages due to labor jurisdictional disputes, acts of God, inability to obtain labor or materials due to governmental restrictions (other than any governmental restrictions which Landlord is bound to observe pursuant to the terms of this Lease), enemy action, civil commotion, fire, unavoidable casualty or other similar causes beyond the control of Landlord (but not including Landlord's insolvency or financial condition); in each case provided such party shall have notified the other party not later than fourteen (14) days after such party knows or should have known of the occurrence of same and the occurrence shall be one of the effects of which a prudent Person in the position of the party asserting such delay could not have reasonably prevented.
Vesey Street Area	Defined in Section 26.01(a).
"Zoning Floor Area"	As defined in Section 11.02(i).

1.02. The following additional terms shall have the respective meanings ascribed to them on Exhibit F annexed hereto and made a part hereof: Administrative Fee, Bylaws, Common Charges, Common Elements, Condominium Act, Condominium Board, Condominium Conditions, Condominium Covenants, Condominium Date, Condominium Default, Condominium Depository, Condominium Documents, Condominium Management Agreement, Condominium Plan, Construction Completion Escrow Agreement, Declarant, Declaration, Default Costs, Default Notice, Defaulting Unit Owner, Deficiency Amounts, Department of Law, Indebtedness, Initial Unit Transfer, Landlord Default Costs, Landlord's Condominium Costs, Legal Proceedings, Managing Agent, Maximum Fund Requirement, Proportionate Rent, Purchase Option, Qualified Purchase Agreement, Qualified Unit Purchaser, Sale, Security Fund, Security Fund Amount, UCC, Unit, Unit Deed, Unit Mortgage, Unit Mortgagee, Unit Mortgagee Subordination and Recognition Agreement, Unit Owner, Unit Owner Action, Unit Obligations and Unit Owner Default.

ARTICLE 2.

PREMISES AND TERM OF LEASE

Landlord does hereby demise and sublease to Tenant, and Tenant does hereby hire and take from Landlord, the Premises, together with all easements, appurtenances and other rights

and privileges now or hereafter belonging or appertaining to the Premises, subject only to the Title Matters.

TO HAVE AND TO HOLD unto Tenant, its successors and assigns, for a term of years (the "Term") commencing on the Commencement Date and expiring on the 17th day of June, 2069 or on such earlier date upon which this Lease is terminated as hereinafter provided (the "Expiration Date").

ARTICLE 3.

RENT

3.01. Base Rent.

(a) For the period beginning on the Commencement Date and continuing thereafter throughout the Term, Tenant shall pay to Landlord, without notice or demand, the annual sums referred to below (collectively, the "Base Rent"):

(i) For each of the first twenty-five (25) Lease Years listed on Schedule 1 hereto (the "First Period"), an amount (not less than zero) equal to the amount which is the difference between (x) the Aggregate Rent listed on Schedule 1 for such Lease Year less (y) PILOT payable hereunder for such Lease Year, it being understood that, provided PILOT does not exceed the Aggregate Rent, the sum of Base Rent plus PILOT for the first twenty-five (25) Lease Years shall be the Aggregate Rent amount shown on said Schedule 1. Because Tax Years and Lease Years may not coincide, the parties acknowledge that Base Rent may be adjusted within any given Lease Year to reflect an adjustment in PILOT.

(ii) For each Lease Year commencing on the First Appraisal Date and continuing for a period of fifteen (15) Lease Years thereafter (the "Second Period"), an amount per annum equal to the Base Rent Floor determined as of the First Appraisal Date, as escalated in accordance with the next succeeding sentence. Base Rent for the Second Period shall escalate on January 1, 2034 and January 1, 2039 by the greater of (x) fifteen percent (15%) of the Base Rent set for the prior five (5) Lease Years or (y) the percentage of increase, if any, of the Consumer Price Index as determined for the month in which the applicable escalation date occurs over the Consumer Price Index for the last month of the prior five (5) Lease Year period (i.e., December, 2033 and December, 2038, respectively).

(iii) For each Lease Year commencing on January 1, 2044 and continuing for a period of fifteen (15) Lease Years thereafter (the "Third Period"), an amount per annum equal to the Base Rent Floor determined as of the first day of the Third Period, as escalated in accordance with the next succeeding sentence. Base Rent for the Third Period shall escalate on January 1, 2049 and January 1, 2054 by the greater of (x) fifteen percent (15%) of the Base Rent set for the prior five (5) Lease Years or (y) the percentage of increase, if any, of the Consumer Price Index as determined for the month in which the applicable escalation date occurs over the Consumer Price Index for the last month of the prior five (5) Lease Year period (i.e., December, 2048 and December, 2053 respectively).

(iv) For each Lease Year commencing on January 1, 2059 and continuing thereafter until the Expiration Date (the "Fourth Period"), an amount per annum equal to the Base Rent Floor determined as of the first day of the Fourth Period, as escalated in accordance with the next succeeding sentence. Base Rent for the Fourth Period shall escalate on January 1, 2064 and January 1, 2069 by the greater of (x) fifteen percent (15%) of the Base Rent set for the prior five (5) Lease Years or (y) the percentage of increase, if any, of the Consumer Price Index as determined for the month in which the applicable escalation date occurs over the Consumer Price Index for the last month of the prior five (5) Lease Year period (i.e., December, 2063 and December, 2068 respectively).

(b) The Base Rent shall be payable in equal monthly installments in advance commencing on the Commencement Date and on the first day of each month thereafter during the Term. The Base Rent shall be payable in currency which at the time of payment is legal tender for public and private debts in the United States of America, and shall be payable at the office of Landlord set forth above or at such other place as Landlord shall direct by notice to Tenant. The Base Rent for the period from the Commencement Date until the first day of the first Lease Year shall be computed in accordance with the Aggregate Rent and the PILOT payable for the first Lease Year as shown on Schedule 1, apportioned for such period, and the Base Rent for any Lease Year containing less than twelve (12) months, and any installment of the Base Rent due for any period of less than a full month, shall also be appropriately apportioned.

(c) For the purposes of calculating Base Rent for the Second Period, Third Period and Fourth Period, the fair market value of the Land shall be determined as of the First Appraisal Date and each successive Reappraisal Date, as the case may be. Such determination of fair market value shall be made by appraisal in the manner provided in Section 3.06 hereof, unless at least twelve months prior to the First Appraisal Date or any Reappraisal Date, Landlord and Tenant shall have agreed upon such fair market value.

(d) Landlord and Tenant acknowledge and agree that any statement as to the current or projected future value of the Land and any projection of future Base Rent for the Second Period, the Third Period and the Fourth Period set forth in any transfer tax return made in connection with entering into this Lease was made solely for purposes of such return and that, in any arbitration, litigation, mediation, appraisal mechanism or proceeding, or other mechanism or proceeding to determine the fair market value of the Premises and/or the Base Rent payable hereunder, such statements and projections shall (i) not be binding on Landlord or Tenant, (ii) shall not be introduced into evidence by either party or used for any purpose whatsoever in any such arbitration, litigation, mediation, appraisal mechanism or proceeding, or such other mechanism or proceeding, (iii) shall have no evidentiary value whatsoever, and (iv) shall not be furnished to any appraiser, arbitrator, mediator, court or other person involved in making the determination.

3.02. Payments in Lieu of Taxes.

(a) For each Tax Year or portion thereof within the Term, Tenant shall pay to Landlord, without notice or demand, an annual sum (each such sum being hereinafter referred to as a "Payment in Lieu of Taxes" or "PILOT") calculated as follows: (i) for each Tax Year or

portion thereof during the First Period, PILOT shall equal the greater of (x) actual Taxes for such Tax Year (irrespective of whether same shall exceed the Aggregate Rent set forth on Schedule 1 annexed hereto) or (y) the Minimum PILOT set forth on Schedule 1 annexed hereto, payable in equal semi-annual installments during such Tax Year, and (ii) for each Tax Year or portion thereof occurring after the First Period, PILOT shall equal actual Taxes for such Tax Year, in each case payable in advance on the first day of each January and July. Except as provided in Section 3.02(f), PILOT for any Lease Year shall not be reduced by any real property tax abatements and exemptions, if any, which would be applicable to the Premises if Tenant were the fee owner of the Premises and would otherwise be entitled to such abatements or exemptions if the Premises were not exempt from such taxes or which would be or are applicable to the Premises on account of Tenant's being the lessee thereof or would be applicable to the Premises for any other reason whatsoever. PILOT for the period from the Commencement Date until the first day of the first Lease Year shall be the greater of (x) Minimum PILOT payable for the first Lease Year as shown on Schedule 1, and (y) actual Taxes for the Tax Year during which such period occurs, apportioned for such period, and PILOT for any other period of less than six months shall be appropriately apportioned. PILOT for the semi-annual period in which the first day of the Second Period occurs shall be paid on the first day of the Second Period.

(b) Within ten (10) days after the date on which the City Council of New York City (or any successor governmental agency) shall fix the tax rate applicable to real property comparable to the Premises and situated in the Borough of Manhattan for any Tax Year from and after the commencement of the Term, Tenant shall advise Landlord of its calculation of the PILOT for the forthcoming Tax Year. In the event that the City Council (or any successor governmental agency) shall not have fixed the tax rate for any Tax Year on or before the fifteenth day of the final month of the immediately preceding Tax Year and, therefore, Tenant shall be unable to calculate the PILOT for such Tax Year prior to the commencement of such Tax Year, Tenant shall pay semi-annually, as estimated PILOT, an amount equal to (x) if such date shall occur during the First Period, the greater of (1) Minimum PILOT for such semi-annual period and (2) the amount required to be paid under this Article on account of PILOT for the second half of the preceding Tax Year, and (y) if such date shall occur after the First Period, the amount required to be paid under this Article on account of PILOT for the second half of the preceding Tax Year. Within ten (10) days after the date on which the City Council shall fix the tax rate, (x) Tenant shall pay to Landlord the amount, if any, by which PILOT properly payable for the portion of such Tax Year in respect of which Tenant previously paid estimated PILOT exceeds the amount of such estimated PILOT; and (y) if such date occurs during the First Period and PILOT properly payable for the portion of such Tax Year in respect of which Tenant previously paid estimated PILOT (i.e., the greater of Minimum PILOT and actual Taxes for such period) exceeds the amount of such estimated PILOT, Base Rent payable for the Lease Year or Lease Years in which such Tax Year shall occur shall be reduced by a total sum equal to the amount of such payment by Tenant, but not to an amount less than zero, and Tenant shall pay to Landlord the amount, if any, by which the remaining excess due to Landlord exceeds Aggregate Rent. In the event that the amount of such estimated PILOT shall exceed the amount of PILOT properly payable for the portion of the Tax Year in respect of which Tenant previously paid such estimated PILOT, (x) if such excess occurs during the Second, Third or Fourth Periods, Tenant may credit such excess against (and deduct such excess from) future semi-annual payments of PILOT during such Tax Year, and to the extent, if any, that the amount of Tenant's credit exceeds the next semi-annual installment of PILOT or if the next semi-annual payment of PILOT

shall have been fully paid, Tenant may credit and deduct the amount of the excess from the semi-annual payments of PILOT payable with respect to the next Tax Year(s); and (y) if such excess occurs during the First Period, there shall be no such credit, but the excess PILOT paid by Tenant shall, for all accounting purposes, be retroactively adjusted such that such excess PILOT shall be treated as additional Base Rent paid during the applicable Tax Year or Tax Years, and not as PILOT; provided however, if the actual PILOT payable for any Tax Year during the First Period exceeds the Aggregate Rent shown on Schedule 1 annexed hereto, then the amount of the excess of the estimated PILOT paid for such Tax Year over the actual PILOT payable for such Tax Year shall not be treated as additional Base Rent and the amount of such excess shall be credited against and deducted from the next semi-annual payments of PILOT. Within sixty (60) days after the date on which Tenant shall have advised Landlord of its calculation of PILOT for a given Tax Year, Landlord shall advise Tenant as to whether Landlord agrees with Tenant's calculation. If Landlord shall advise Tenant that Landlord agrees with Tenant's calculation or if Landlord shall fail to advise Tenant of its determination within such sixty (60) day period, Tenant's calculation shall be the basis for PILOT for that Tax Year provided that the tax rate and any other such calculation does not change. If Landlord shall advise Tenant that it disagrees with Tenant's calculation, Tenant shall revise its calculation in accordance with Landlord's calculation, and Landlord's calculation shall be the basis for PILOT for that Tax Year, unless within ten (10) days after Landlord's advice to Tenant, Tenant shall notify Landlord of its disagreement with Landlord's calculation in which event Tenant shall pay PILOT in accordance with Landlord's calculation pending resolution of the dispute.

(c) Tenant shall continue to pay the full amount of PILOT required under this Section 3.02, notwithstanding that Tenant may have instituted tax assessment reduction or other actions or proceedings pursuant to Section 4.06 hereof to reduce the assessed valuation of the Premises or any portion thereof. If any such tax reduction or other action or proceeding applicable to any Tax Year within the Second, Third or Fourth Periods shall result in a final determination in Tenant's favor, then, subject to the provisions of Section 3.02(d), (x) Tenant shall be entitled to a credit against future PILOT to the extent, if any, that the PILOT previously paid for the Tax Year for which such final determination was made exceeds the PILOT as so determined (provided, however, that with respect to any Tax Year occurring within the First Period, in no event shall PILOT be less than the applicable Minimum PILOT); and (y) if such final determination is made for the then current Tax Year, future payments of PILOT for said Tax Year shall be based on the PILOT as so determined. If any such tax reduction or other action or proceeding applicable to any Tax Year occurring within the First Period shall result in a determination in Tenant's favor, there shall be no such credit but the excess PILOT paid by Tenant for such Tax Year shall, for all accounting purposes, be retroactively adjusted such that such excess PILOT shall be treated as additional Base Rent paid during the applicable Tax Year or Tax Years, and not as PILOT; provided however, if the amount of PILOT as finally determined upon conclusion of the tax reduction action or proceeding exceeds the Aggregate Rent shown on Schedule 1 annexed hereto, then the amount of the excess of the PILOT paid for such Tax Year over the PILOT payable for such Tax Year as so finally determined, shall not be treated as additional Base Rent and the amount of such excess shall be credited against and deducted from the next semi-annual payments of PILOT.

(d) If Tenant shall obtain a reduction in the tax assessment for any Tax Year, Tenant shall not be entitled to any credit described in Section 3.02 (c) unless within one year of

the date of the final determination reducing said assessment Tenant shall have notified Landlord of such determination, with proof of the date of final determination accompanying any such notice. For the purposes of this Section 3.02(d), the "date of the final determination" shall mean: (x) in the case of an assessment reduction as a result of an accepted offer of reduction by the Tax Commission of the City of New York, the date the acceptance of the Tax Commission offer is filed, or (y) in the case of an assessment reduction pursuant to a final order of a court of competent jurisdiction after trial and/or appeal, the date of the entry of such order. The provisions of this Section 3.02 (d) shall apply notwithstanding that any other law, rule or regulation would permit a longer period of time within which Tenant may apply for a refund or credit resulting from the reduction of real property tax assessments.

(e) In no event shall the amount of Aggregate Rent payable for any Lease Year be reduced by any adjustment to PILOT or Base Rent made pursuant to Section 3.02(b) or Section 3.02(c) hereof. For avoidance of doubt, in the event that PILOT exceeds the Aggregate Rent amount shown on Schedule 1 annexed hereto for any Lease Year during the First Period, then the Aggregate Rent payable with respect to such Lease Year shall be increased to equal the full amount of PILOT for such Lease Year.

(f) Provided that Tenant shall have satisfied the requirements of Section 3.02(g), then PILOT shall be reduced by an amount equal to the abatement or exemption which would have applied to the Premises under Subsection 2.(a)(iv) of Section 421-a of the Real Property Tax Law of the State of New York with respect to the period for which such abatement or exemption would have applied to the Premises if Tenant were the fee owner thereof. Annexed hereto as Exhibit H is a copy of a letter from the Commissioner of the Department of Housing Preservation and Development of the City of New York (the "Department") confirming its general consent to the application of such partial tax exemption. For avoidance of doubt, notwithstanding the application of this Section 3.02(f), in no event shall PILOT for any Tax Year be less than the Minimum PILOT set forth on Schedule 1 hereto. Landlord and Tenant agree that notwithstanding anything to the contrary contained in this Lease until July 1, 2004, for purposes of computing any abatement or exemption under the above-referenced Subsection of the Real Property Tax Law, (i) the assessed value of the Land for the 2002-2003 Tax Year shall be deemed to be $3,300,000, and (ii) after such date, the assessed value of the Land for the 2002-2003 Tax Year shall be deemed to be the assessed value of the Land as a separate tax lot for the 2004-2005 Tax Year (subject to the provisions of Section 4.06 of this Lease).

(g) Tenant shall not be entitled to any reduction of PILOT pursuant to Section 3.02(f) unless Tenant shall establish to Landlord's reasonable satisfaction that Tenant has complied with and satisfied all conditions and requirements of all applicable Requirements that would be required in order to obtain for the Premises the benefits of the abatement or exemption referred to therein. Without limiting the generality of the foregoing, in the event that Tenant shall seek to take advantage of such exemption or abatement, Tenant shall (x) comply with the covenants in Article 44 and (y) establish to Landlord's reasonable satisfaction that it has satisfied all conditions and requirements thereof, including, without limitation, all applicable provisions of the Administrative Code of the City of New York and all applicable rules and regulations of the Department, or any successor governmental agency that has the authority to administer same and shall deliver to Landlord a letter addressed to the President and Chief Executive Officer of Landlord executed by the Commissioner of the Department or another authorized officer of the

Department, certifying to Landlord that Tenant has complied with all requirements relating to said abatement or exemption, so that the Premises would be entitled to such abatement or exemption but for the fact that same are exempt from taxation on account of Landlord's ownership thereof. Landlord shall cooperate with Tenant's reasonable requests to execute such documents as are required under applicable Requirements to be executed by the fee owner of the Premises in connection with any application for the abatement and/or exemption from Taxes described in Section 3.02(f); provided however, Landlord shall not be liable for the payment of any costs or expenses in connection with any such application and Tenant shall reimburse Landlord for any and all costs or expenses which Landlord may reasonably sustain or incur in connection with any such proceedings, including reasonable attorneys' fees and disbursements.

3.03. Civic Facilities Payment. Tenant shall pay to Landlord the Civic Facilities Payment in accordance with the provisions of Section 26.05.

3.04. Rental Generally. All amounts required to be paid by Tenant pursuant to this Lease, including, without limitation, Base Rent, Percentage Rent, PILOT, Transaction Payments, Impositions and Civic Facilities Payments (collectively, "Rental"), shall constitute rent under this Lease and shall be payable in the same manner as Base Rent; provided, however, that in the event Tenant shall submit its leasehold interest in the Premises to a condominium form of ownership, then, in accordance with Section 3.07(d) hereof, all of Tenant's obligations with respect to Percentage Rent shall be the direct obligations of the Unit Owners of the respective Commercial Units. Rental shall be absolutely net to Landlord without any abatement, deduction, counterclaim, set-off or offset whatsoever except as specifically set forth in this Lease, so that this Lease shall yield, net, to Landlord, Rental in each year during the Term and that Tenant shall pay all costs, expenses and charges of every kind and nature relating to the Premises (except Taxes, if any and the cost of constructing and maintaining Landlord's Civic Facilities) which may arise or become due or payable during or after (but attributable to a period falling within) the Term.

3.05. Transaction Payments.

(a) In the event Tenant shall have submitted Tenant's leasehold estate in the Premises to either a cooperative or condominium form of ownership, in accordance with this Lease, Tenant shall pay to Landlord, upon the transfer of each Cooperative Apartment or each Unit, as the case may be, to a bona fide purchaser, a payment (individually, a "Transaction Payment" and collectively, the "Transaction Payments"), in an amount equal to one percent (1%) of the Gross Sales Price of such Apartment or Unit. Concurrently with the transfer of a Cooperative Apartment or Unit, as the case may be, to a bona fide purchaser, Tenant shall notify Landlord of such fact and shall pay to Landlord the Transaction Payment due with respect to such Cooperative Apartment or Unit, as the case may be.

(b) Within three (3) days after a cooperative plan or a Condominium Plan has been declared effective in accordance with its terms, Tenant shall deliver to Landlord such security as shall be reasonably satisfactory to Landlord to secure Tenant's obligations for the payment of Transaction Payments. In addition to any other requirements set forth in Exhibit F hereto, a cooperative plan or a Condominium Plan shall condition the effectiveness of a transfer of a cooperative apartment or a Unit upon the making of a Transaction Payment and any such

transfer with respect to which no such Transaction Payment has been made shall be void and of no force or effect.

3.06. Fair Market Value and Assessed Value.

(a) Each determination of fair market value of the Land referred to in Section 3.01(a)(ii)-(iv) shall be made in accordance with the procedures set forth in Article XVII of the Master Lease (as in effect on the date hereof). Landlord shall and shall cause Master Landlord to permit Tenant and Tenant's representatives (including its Mortgagee or Mortgagees, if any) and witnesses, at Tenant's cost and expense, to participate in such procedures. Landlord, as tenant under the Master Lease, shall appoint as its appraiser under the Master Lease an appraiser designated by Tenant provided that the appraiser so designated is qualified to act as such pursuant to the terms of the Master Lease, and Tenant shall pay the fees and expenses payable by Landlord as such tenant in respect of the Premises pursuant to Section 17.02 of the Master Lease.

(b) In the event that New York City shall, for any reason, fail to determine the assessed value of the Premises for any Tax Year during the Term, such assessed value shall be determined in accordance with the procedures set forth in Article XVII of the Master Lease, provided that, in making such determination, the appraisers shall take into consideration the equalization rates then applicable to comparable properties situated in the Borough of Manhattan, as well as any limitations on increases in assessed value for such comparable properties prescribed by applicable law. Tenant shall have the same right to participate in such procedures, and to appoint an appraiser, as set forth in Section 3.06(a).

3.07. Percentage Rent.

(a) For the period commencing on the date Tenant shall first collect any Gross Non-Residential Revenue (such date being hereinafter called the "Percentage Rent Commencement Date") and ending on December 31 of the calendar year in which the Percentage Rent Commencement Date occurs, and for each calendar year or partial calendar year thereafter during the Term, Tenant shall pay to Landlord, in the manner set forth below, an amount equal to ten percent (10%) of the Gross Non-Residential Revenue during each such calendar year, or portion thereof ("Percentage Rent"). Percentage Rent shall be computed quarterly.

(b) Tenant shall deliver to Landlord as soon as practicable after the end of each calendar quarter, but in no event later than thirty (30) days thereafter, a statement (the "Quarterly Percentage Rent Statement"), showing in reasonable detail Gross Non-Residential Revenue from the prior quarter. Based upon the Quarterly Percentage Rent Statement submitted by Tenant to Landlord, Tenant shall pay to Landlord five percent (5%) of the Gross Non-Residential Revenue. Such partial payment of Percentage Rent shall be made by Tenant simultaneously with the submission to Landlord of the Quarterly Percentage Rent Statement.

(c) Tenant shall deliver to Landlord as soon as practicable after the end of each calendar year, but in no event later than one hundred twenty (120) days thereafter, a separate statement (the "Annual Percentage Rent Statement") for such year showing Gross Non-Residential Revenue, together with the Percentage Rent due for such year. If the Annual

Percentage Rent Statement shall show that the sums paid by Tenant as Percentage Rent for the calendar year for which such Annual Percentage Rent Statement is given were less than the Percentage Rent payable by Tenant for such year, then Tenant shall pay to Landlord, together with the delivery to Landlord of the Annual Percentage Rent Statement, the amount of such deficiency, and if the Annual Percentage Rent Statement shall show that the sums paid by Tenant as Percentage Rent for such calendar year exceeded the Percentage Rent payable by Tenant for such year, Landlord shall permit Tenant to offset the amount of such excess, without interest, against subsequent payments of Percentage Rent.

(d) In the event that Tenant's leasehold estate in the Premises shall be submitted to a condominium form of ownership, the references in this Section 3.07 (other than this subparagraph (d)) to "Tenant" shall be deemed to mean the unit owner of each commercial unit of such condominium; it being the agreement of Landlord and Tenant that each such unit owner shall pay Percentage Rent directly to Landlord and that Landlord may pursue any rights granted to Landlord hereunder directly against each such unit owner.

3.08. Records for Percentage Rent. In connection with the payment by Tenant of Percentage Rent, the following provisions shall apply:

(a) Tenant shall at all times keep and maintain at an office located in New York City books and records prepared on the basis required under Section 3.08(b), showing in reasonable detail the amount of Gross Non-Residential Revenue. Unless consented to by Landlord, such books and records relating to any calendar year shall not be destroyed or disposed of for a period of four (4) years after the end of such year. Landlord or its representatives shall have the right on reasonable notice during regular business hours to examine, audit and/or photocopy all such books and records. For the purposes of this Section 3.08(a), reasonable notice shall mean notice given not less than ten (10) Business Days prior to the examination date designated in Landlord's notice. If an audit by Landlord with respect to any year is not commenced within the aforesaid four (4) year period, the computation of the Percentage Rent paid by Tenant for such year shall not thereafter be subject to Landlord's audit and shall conclusively be deemed correct.

(b) Each Annual Percentage Rent Statement and Quarterly Percentage Rent Statement required under this Lease shall be (i) prepared on a cash basis consistently applied and (ii) verified by the chief financial officer or managing partner of Tenant or the Affiliate which is the managing agent for the Premises, or if the managing partner of Tenant or such Affiliate is not an individual, by the chief financial officer of such managing partner or such Affiliate, as being true and correct to the best of his knowledge. If the amount of space in the Building utilized for non-residential purposes exceeds 10,000 square feet, then each Annual Percentage Rent Statement shall be certified by an independent public accounting firm (the "C.P.A.") which is (x) an accounting firm having at least eight (8) partners, or (y) a firm approved by Landlord, which approval shall not be unreasonably withheld. Landlord hereby approves the firm of Rubin & Katz LLP (currently having an address at 477 Madison Avenue, New York, New York 10022) as the C.P.A. Such certification shall include, without limitation, a statement by the C.P.A. that an examination of Tenant's books and records has been conducted by the C.P.A. in accordance with generally accepted auditing standards consistently applied and that the Annual Percentage

Rent Statement has been prepared on a cash basis in accordance with accounting principles consistently applied.

(c) If Landlord shall elect to conduct an audit of Tenant's books and records and such audit discloses an underpayment of Percentage Rent subject to Section 3.08(e), Tenant shall pay to Landlord within thirty (30) days after demand the amount of such deficiency, plus interest thereon at the Involuntary Rate from the date upon which such sum was due to the date of actual payment. In addition, if such deficiency shall be in excess of three and one-half percent (3.5%) of the amount alleged by Tenant to be payable, Tenant shall pay to Landlord within thirty (30) days after demand all reasonable costs incurred by Landlord in connection with such audit.

(d) If Tenant or an Affiliate of Tenant shall themselves use or occupy any non-residential portion of the Building, there shall be imputed as income the fair market rental value of the portion of the Building so occupied by Tenant or such Affiliate, as the case may be, provided, however, that no income shall be imputed by reason of the use or occupancy by Tenant or an Affiliate of Tenant of any of the following: (i) a leasing and/or management office for the Building and/or other buildings owned or operated by Tenant within the Project Area, to the extent not in excess of 1,200 square feet; (ii) common storage areas for the exclusive use of residents of the Building; (iii) model apartments; (iv) building superintendent's apartment and office; (v) common areas; (vi) utility and machinery rooms and other spaces used by Tenant exclusively for the operation and maintenance of the Building; or (vii) space used for laundry, valet, concierge, cleaning or health club purposes for the exclusive use of residents of the Building or for other services provided exclusively to residents of the Building. Such income shall be deemed to be, and construed as, Gross Non-Residential Revenue for all purposes of this Lease. Fair market rental value as used in this Lease shall mean the rental which would be paid under a sublease (commencing at the same time as Tenant's or such Affiliate's use or occupancy) with a non-related Person leasing a similar amount of space in the same Building, for the same term, for a similar purpose and in a similar location in the Building, and shall include, inter alia, all fixed, percentage and escalation rents which prudent owners of like buildings in the Borough of Manhattan would have included under such sublease as of the date the rental under the sublease is deemed to have commenced in accordance with this Section 3.08(d).

(e) If at any time and for any reason there shall be a dispute as to the determination of Gross Non-Residential Revenue or fair market rental value, such dispute shall be determined by arbitration pursuant to Article 36 hereof. Pending resolution of the dispute, Tenant's determination of Gross Non-Residential Revenue shall prevail and Tenant shall pay Percentage Rent based upon such determination. Without limitation of the foregoing, any deficiency, interest and expenses which may be payable by Tenant to Landlord pursuant to Section 3.08(c) shall not be payable if disputed by Tenant unless and until determined by such arbitration. If such arbitration determines an underpayment by Tenant, Tenant shall pay the amount of such underpayment, plus interest thereon at the Involuntary Rate, within ten (10) days after demand.

ARTICLE 4.

IMPOSITIONS

4.01. Payment of Impositions. Tenant shall pay, as hereinafter provided, all of the following items (collectively, "Impositions") imposed by any Governmental Authority (other than a Governmental Authority acting solely in its capacity as a party in the chain of title (i.e., Master Landlord or Landlord) and not as a Governmental Authority) which at any time during the Term are, or, if the Premises or any part thereof or the owner thereof were not exempt therefrom, would have been (1) assessed, levied, confirmed, imposed upon or would have become due and payable out of or in respect of, or would have been charged with respect to, the Premises or any document to which Tenant is a party creating or transferring an interest or estate in the Premises, or the use and occupancy thereof by Tenant and (2) encumbrances or liens, except for liens and encumbrances arising in connection with any act or work performed by or on behalf of Landlord or created by any instrument to which Landlord is a party other than work performed by Tenant pursuant to Section 11.02(l) hereof, on (i) the Premises, or (ii) the sidewalks or streets in front of or adjoining the Premises, or (iii) any vault (other than a vault in respect of which a utility company is obligated to pay any charge specified above or which is exempt from any such charge by reason of use thereof by any such utility company), passageway or space in, over or under such sidewalk or street, or (iv) any other appurtenances of the Premises, or (v) any personal property (except personal property which is not owned by or leased to Tenant), Equipment or other facility used in the operation thereof, or (vi) the Rental (or any portion thereof) payable by Tenant hereunder: (a) real property assessments (not including Taxes), (b) personal property taxes, (c) occupancy and rent taxes, (d) water, water meter and sewer rents, rates and charges, (e) excises, (f) levies, (g) license and permit fees, (h) service charges with respect to police protection, fire protection, street and highway construction, maintenance and lighting, sanitation and water supply, if any, (i) fines, penalties and other similar or like governmental charges applicable to the foregoing and any interest or costs with respect thereto and (j) except for Taxes, any and all other governmental levies, fees, rents, assessments or taxes and charges, general and special, ordinary and extraordinary, foreseen and unforeseen, of any kind and nature whatsoever, including, without limitation, any tax (including transfer taxes) attributable to the execution, delivery or recording of this Lease, and any interest or costs with respect thereto, each such Imposition, or installment thereof, during the Term to be paid not later than the Due Date thereof. Tenant shall pay (A) directly to the applicable Governmental Authority, all Impositions that are actually imposed, and (B) to Landlord, all Impositions which would have been imposed if the Premises or any part thereof or the owner thereof were not exempt therefrom, which Impositions described in this clause (B) shall be paid not later than the date which would have been the Due Date thereof but for such exemption. However, if, by law, any Imposition may at the option of the taxpayer be paid in installments (whether or not interest shall accrue on the unpaid balance of such Imposition), Tenant may exercise the option to pay the same in such installments and shall be responsible for the payment of such installments only, together with applicable interest, if any, provided that all such installment payments together with applicable interest, if any, relating to periods prior to the date definitely fixed in Article 2 hereof for the expiration of the Term shall be made prior to the Expiration Date. Tenant shall promptly notify Landlord if Tenant shall have elected to pay any such Imposition in installments.

4.02. Receipts. Tenant, from time to time, within fifteen (15) days following the request of Landlord, shall furnish to Landlord official receipts of the appropriate imposing authority, or other evidence reasonably satisfactory to Landlord, evidencing the payment of Impositions.

4.03. Taxes. If the Premises shall at any time become subject to Taxes, Landlord shall pay the Taxes on or before the due date thereof. In no event shall Tenant be obligated to pay Taxes. Landlord shall have the right to contest the imposition of Taxes, and pending such contest, if permitted by applicable law, Landlord shall not be required to pay the Taxes being so contested, unless failure to pay same shall result in the imminent loss or forfeiture of the Premises or the termination of Tenant's interest under this Lease to Landlord or Tenant would by reason thereof be subject to any civil or criminal penalty or liability. If Landlord shall exercise its right to contest the imposition of Taxes, Landlord shall promptly notify Tenant of such contest, and, at Tenant's request, shall deliver to Tenant copies of all applications, protest and other documents submitted by Landlord to any Governmental Authority. Landlord shall not, without Tenant's consent, enter into a settlement of any such contest if such settlement would increase the amount of PILOT payable by Tenant under this Lease over the amount that would have been payable but for such settlement. If Landlord shall have failed to pay the Taxes as required hereunder and shall not have timely commenced a proceeding to contest same, or shall have timely commenced a proceeding to contest the Taxes but failure to pay the Taxes during the pendency of such proceeding will result in the imminent termination of Tenant's interest under this Lease or Tenant would by reason thereof be subject to any civil or criminal penalty or liability, then Tenant may pay such unpaid Taxes together with any interest or penalties thereon and deduct such payment from the next installment of PILOT (and, to the extent, if any, that such payment shall exceed the next installment of PILOT, from the next installment(s) of Base Rent) together with interest thereon at the Involuntary Rate for the period beginning on the date on which Tenant actually makes such payment and ending on the date on which Tenant either exercised, or had the right hereunder to exercise, its offset right as aforesaid.

Nothing herein contained shall require Tenant to pay municipal, state or federal income, gross receipts, inheritance, estate, succession, profit or capital gains taxes of Landlord, or any corporate franchise tax imposed upon Landlord or any transfer or gains tax imposed on Landlord or any other taxes of the same or similar import now or hereafter enacted or imposed upon Landlord.

4.04. Partial Periods. Any Imposition relating to a period a part of which is included within the period of time commencing on or after the Commencement Date and a part of which is included in a period of time before the Commencement Date or after the date definitely fixed in Article 2 hereof for the expiration of the Term (whether or not such Imposition shall be assessed, levied, confirmed, imposed upon or in respect of or become a lien upon the Premises, or shall become payable, during the Term) shall be apportioned between Landlord and Tenant as of the Commencement Date or such date definitely fixed for the expiration of the Term, as the case may be, so that Tenant shall pay only that portion of such Imposition that would have been payable on a per diem basis, based upon the fiscal year of the Imposition, for the period of time commencing on or after the Commencement Date or occurring before such date definitely fixed in Article 2 for the expiration of the Term, and Landlord shall pay the remainder thereof. Other than in respect of Impositions relating, in part, to a period of time before the Commencement

Date, no such apportionment of Impositions shall be made if this Lease is terminated prior to the Expiration Date as the result of an Event of Default.

4.05. Imposition Contests. Tenant shall have the right to contest the amount or validity, in whole or in part, of any Imposition by appropriate proceedings diligently conducted in good faith, in which event, notwithstanding the provisions of Section 4.01 hereof, payment of such Imposition shall be postponed if, and only as long as: (i) neither the Premises nor any part thereof, or interest therein or any income therefrom or any other assets of or funds appropriated to Landlord would by reason of such postponement or deferment, be, in the reasonable judgment of Landlord, in imminent danger of being forfeited or lost or subject to any lien, encumbrance or charge, and neither Landlord nor Tenant would by reason thereof be subject to any civil or criminal liability; and (ii) if the amount of the contested Imposition is at least $250,000 (such amount to be adjusted on the fifth anniversary of the Commencement Date and on each fifth (5th) anniversary of the date on which an adjustment is made by adding to $250,000 an amount equal to the product of (x) $250,000 and (y) the percent of increase, if any, in the Consumer Price Index for the month in which the applicable anniversary date occurs over the Consumer Price Index for the month in which the Commencement Date occurs), Tenant shall have deposited with Depository, cash or other security reasonably satisfactory to Landlord in the amount so contested and unpaid, together with all interest and penalties in connection therewith and all charges that may or might be assessed against or become a charge on the Premises or any part thereof in such proceedings.

Upon the termination of such proceedings, it shall be the obligation of Tenant to pay the amount of such Imposition or part thereof as finally determined in such proceedings, the payment of which may have been deferred during the prosecution of such proceedings, together with any costs, fees (including attorneys' fees and disbursements), interest, penalties or other liabilities in connection therewith, and upon such payment, Depository shall return, with interest, if any, any amount deposited with it as aforesaid, provided, however, that Depository at Tenant's request or upon Tenant's failure to do so in a timely manner, at Landlord's request, shall disburse said moneys on deposit with it directly to the Governmental Authority to whom such Imposition is payable and any remaining monies, with interest, if any, shall be returned promptly to Tenant. If, at any time during the continuance of such proceedings, Landlord shall, in its reasonable opinion, deem insufficient the amount deposited as aforesaid, Tenant, within fifteen (15) days after demand, shall make an additional deposit of such additional sums or other acceptable security as Landlord may reasonably request, and upon failure of Tenant to do so, the amount theretofore deposited may be applied at the request of Landlord to the payment, removal and discharge of such Imposition and the interest and penalties in connection therewith and any costs, fees (including attorneys' fees and disbursements) or other liability accruing in any such proceedings, and the balance, if any, with any interest earned thereon, shall be returned to Tenant or the deficiency, if any, shall be paid by Tenant to Landlord within ten (10) days after demand.

4.06. Assessment Reductions. Tenant shall have the right to seek a reduction in the valuation of the Premises assessed for Taxes and to prosecute any action or proceeding in connection therewith, provided that no such action or proceeding shall postpone Tenant's obligation to pay any Imposition except in accordance with the provisions of Section 4.05 hereof. Except to the extent provided in Sections 3.02 and 4.03 hereof, no such action or proceeding shall affect Tenant's obligation to pay any installment of PILOT.

4.07. Landlord Involvement. Landlord shall not be required to join in any proceedings referred to in Section 4.05 or 4.06 hereof unless the provisions of any law, rule or regulation at the time in effect shall require that such proceedings be brought by or in the name of Landlord, in which event, Landlord shall join and cooperate in such proceedings or permit the same to be brought in its name but shall not be liable for the payment of any costs or expenses in connection with any such proceedings and Tenant shall reimburse Landlord for any and all costs or expenses which Landlord may reasonably sustain or incur in connection with any such proceedings, including reasonable attorneys' fees and disbursements. If the provisions of such law, rule or regulation at the time in effect shall require that such proceedings be brought by or in the name of Master Landlord, Landlord shall cause Master Landlord to join and cooperate in such proceedings or permit the same to be brought in the name of Master Landlord, provided Master Landlord shall not be liable for the payment of any costs or expenses in connection with any such proceedings and if Landlord and Master Landlord shall be different Persons, Tenant shall reimburse Master Landlord for any and all costs and expenses which Master Landlord may reasonably sustain or incur in connection with any such proceedings, including reasonable attorneys' fees and disbursements. In the event Tenant shall institute a proceeding referred to in Section 4.05 or 4.06 hereof and no law, rule or regulation in effect at the time requires that such proceeding be brought by and/or in the name of Landlord, Landlord, nevertheless, shall, at Tenant's cost and subject to the reimbursement provisions hereinabove set forth, cooperate with Tenant in such proceeding and shall cause Master Landlord to so cooperate.

4.08. Evidence of Non-Payment. Any certificate, advice or bill of the appropriate official designated by law to make or issue the same or to receive payment of any Imposition, asserting non-payment of such Imposition, shall be prima facie evidence that such Imposition is due and unpaid at the time of the making or issuance of such certificate, advice or bill, at the time or date stated therein.

4.09. Landlord's Representation. Landlord represents to Tenant that, to the best of Landlord's knowledge without any investigation, there are no Impositions that are applicable to the Premises solely by virtue of the Premises being located within the Project Area (as opposed to other areas of the Borough of Manhattan).

ARTICLE 5.

DEPOSITS FOR IMPOSITIONS

5.01. Escrow of Impositions.

(a) In order to assure the payment of all Impositions, Tenant, upon the demand of Landlord at any time after the occurrence of an Event of Default hereunder that arises from Tenant's failure to pay any item of Rental, shall deposit with Depository on the first day of each month during the Term, an amount equal to one-twelfth (1/12th) of the annual Impositions then in effect.

(b) If at any time the monies so deposited by Tenant shall be insufficient to pay the next installment of Impositions then due, Tenant shall after demand therefor by Landlord

deposit the amount of the insufficiency with Depository to enable Depository to pay the next installment of Impositions at least thirty (30) days prior to the Due Date thereof.

(c) Depository shall hold the deposited monies in a segregated, non-commingled special account for the purpose of paying the charges for which such amounts have been deposited as they become due, and Depository shall apply the deposited monies for such purpose not later than the Due Date for such charges.

(d) If at any time the amount of any Imposition is increased or Landlord receives information from the entity or entities imposing such Imposition that an Imposition will be increased and the monthly deposits then being made by Tenant under this Section 5.01 would be insufficient to pay such Imposition thirty (30) days prior to the Due Date thereof, then upon notice from Landlord to Tenant of such fact, the monthly deposits shall thereupon be increased and Tenant shall deposit immediately with Depository sufficient monies for the payment of the increased Imposition. Thereafter, the monthly payments shall be adjusted so that Depository shall receive from Tenant sufficient monies to pay each Imposition at least thirty (30) days prior to the Due Date of such Imposition.

(e) For the purpose of determining whether Depository has on hand sufficient monies to pay any particular Imposition at least thirty (30) days prior to the Due Date thereof, deposits for each category of Imposition shall be treated separately. Depository shall not be obligated to use monies deposited for the payment of an Imposition not yet due and payable for the payment of an Imposition that is due and payable.

(f) Notwithstanding the foregoing, (i) monies deposited under this Lease may be held by Depository in a single bank account that satisfies the requirements of Section 5.01(c), and (ii) Depository shall, at Landlord's option and direction and if Tenant shall fail to make any payment or perform any obligation required under this Lease, use any monies deposited pursuant to Article 4 or 5 for the payment of any Rental.

(g) If this Lease shall be terminated by reason of any Event of Default or if dispossession occurs pursuant to Section 24.03(b), all deposited monies under this Article 5 then held by Depository shall be paid to and applied by Landlord in payment of any and all sums due under this Lease and Tenant shall promptly pay the resulting deficiency.

(h) Any interest paid on monies deposited pursuant to this Article 5 shall be applied pursuant to the foregoing provisions against amounts thereafter becoming due and payable by Tenant.

(i) Anything in this Article 5 to the contrary notwithstanding, if the Event of Default which gave rise to Landlord having demanded that Tenant make deposits under this Section 5.01 shall have been cured by Tenant and for a period of six (6) consecutive months following such cure no Event of Default shall have occurred that arises from Tenant's failure to comply with the provisions of Article 4 of this Lease, then, at any time after the expiration of such six (6) month period, upon the demand of Tenant, provided that no subsequent uncured Event of Default shall have occurred under Article 4 of this Lease and at such time Tenant is current in the payment of Rental, all monies deposited under this Article 5 then held by

Depository, with the interest, if any, accrued thereon, shall be returned to Tenant and Tenant shall not be required to make further deposits under this Article 5 unless and until there shall occur a subsequent Event of Default and Landlord shall make demand upon Tenant to make deposits for Impositions.

(j) In the event that a Mortgagee (provided such Mortgagee be an Institutional Lender) shall require Tenant to deposit funds to insure payment of Impositions, any amount so deposited by Tenant with such Mortgagee shall be credited against the amount, if any, which Tenant would otherwise be required to deposit under this Article 5, provided that such Mortgagee shall have agreed in writing, for the benefit of Landlord and pursuant to an instrument satisfactory to Landlord, to hold such funds in a segregated, non-commingled special account for the payment of Impositions and otherwise in accordance with Section 5.01(f) and all other applicable provisions of this Lease, and that the Mortgagee shall use such funds to pay Impositions as and when same are required to be paid hereunder and for no other purpose.

5.02. Transfer of Premises. If Landlord ceases to have any interest in the Premises, Landlord shall transfer to the Person who acquires such interest in the Premises, all of Landlord's rights with respect to the deposits made pursuant to Section 5.01. Upon such transfer and notice thereof to Tenant, the transferor shall be released from all liability with respect thereto, such transferee shall be deemed to have assumed from and after the date of such transfer all of Landlord's obligations with respect to such deposits and Tenant shall look solely to the transferee with respect thereto. The provisions hereof shall apply to each successive transfer of the deposits.

5.03. No Landlord Liability. Landlord shall have no liability to Tenant arising out of, or related to, any acts or omissions of Depository.

ARTICLE 6.

LATE CHARGES

In the event that any payment of Rental shall not be received on or before the tenth (10^{th}) day after the due date thereof (or if no such date is set forth in this Lease, then such due date for purposes of this Article 6 shall be deemed to be the date upon which demand therefor is made), then, in addition to any reasonable costs and expenses incurred by Landlord in connection therewith (including, without limitation, reasonable attorneys' fees and disbursements) interest on the sums so overdue equal to the Involuntary Rate, for the period from the due date to the date of actual payment, shall become due and payable to Landlord as Rental to be paid under this Lease. Said interest shall be payable by Tenant within ten (10) days after demand. No failure by Landlord to insist upon the strict performance by Tenant of its obligations to pay said interest shall constitute a waiver by Landlord of its right to enforce the provisions of this Article 6 in any instance thereafter occurring. The provisions of this Article 6 shall not be construed in any way to extend the grace periods or notice periods provided for in Article 24.

ARTICLE 7.

INSURANCE

7.01. Insurance Requirements.

(a) Tenant shall, at all times after Substantial Completion of the Building and thereafter throughout the Term:

(i) keep or cause to be kept the Building insured under an "All Risk of Physical Loss" form of policy, including, without limitation, coverage for loss or damage by water, flood, subsidence and earthquake (excluding, at Tenant's option, from such coverage normal settling only) and, when and to the extent obtainable from the United States government or any agency thereof, war risks; such insurance to be written on an "Agreed Amount" basis, with full replacement cost (having sublimits of $5,000,000 for flood coverage and $500,000 for earthquake coverage), with the replacement value of the Building to be determined from time to time, but not less frequently than required by the insurer and in any event at least once every three (3) years, provided, however, in the event Tenant's leasehold estate in the Premises shall be submitted to condominium ownership, such determination shall be made on an annual basis, it being agreed that no omission on the part of Landlord to request any such determination shall relieve Tenant of its obligation to determine the replacement value thereof (in the absence of such valuation, the FM (Factory Mutual) or IRI (Industrial Risk Insurers) Indices will be applied);

(ii) provide and keep in force commercial general liability insurance against liability for bodily injury, death and property damage, it being agreed that such insurance shall (A) be in an amount as may from time to time is reasonably required by Landlord upon not less than thirty (30) days' prior written notice, but not less then Twenty-Five Million Dollars ($25,000,000) combined single limit inclusive of primary, umbrella and following form excess policies for liability for bodily injury, death and property damage, (B) include the Premises and all streets, alleys and sidewalks adjoining or appurtenant to the Premises, (C) provide blanket automatic contractual insurance covering the indemnification provisions assumed by Tenant hereunder, including bodily injury to employees or others assumed by Tenant under contract, which insurance shall cover all costs, expenses and/or liability (including, without limitation, attorneys' fees and disbursements) arising out of or based upon any and all claims, accidents, injuries and damages mentioned in Article 19 and required to be insured against hereunder, and (D) include the following protections:

(1) Broad form liability endorsement, including (a) blanket contractual liability, (b) personal injury and advertising injury liability, (c) premises medical payments, (d) host liquor liability, (e) fire legal liability on real property, (f) broad form property damage liability, including completed operations, (g) incidental medical malpractice, (h) non-owned watercraft liability, (i) limited world-wide coverage, (j) additional interests insured,

(k) extended bodily injury coverage, and (l) automatic coverage on newly-acquired organizations;

(2) Products and completed operations;

(3) Independent contractors;

(4) Blanket automatic contractual liability to include bodily injury to employees of others assumed by Tenant; and

(5) Water damage legal liability shall not be excluded;

(iii) provide and keep in force workers' compensation insurance providing statutory New York State benefits for all persons employed by Tenant at or in connection with the Premises and employer's liability insurance in an amount not less than that required by New York State law;

(iv) provide and keep in force on an "Agreed Amount" basis rent insurance on an "All Risk of Physical Loss" basis in an amount equal to not less than one (1) year's current Base Rent, Percentage Rent, PILOT and Civic Facilities Payment ("Rent Insurance");

(v) if a sprinkler system shall be located in any portion of the Building, provide and keep in force sprinkler leakage insurance in amounts approved by Landlord, which approval shall not be unreasonably withheld (the foregoing to be required only if same is excluded from the insurance required to be provided and kept in force pursuant to Section 7.01(a)(i));

(vi) provide and keep in force boiler and machinery insurance in an amount as may from time to time be reasonably determined by Landlord but not less than Ten Million Dollars ($10,000,000) per accident on a combined basis covering direct property loss and loss of income and covering all steam, mechanical and electrical equipment, including without limitation, all boilers, unfired pressure vessels, air conditioning equipment, elevators, piping and wiring;

(vii) provide and keep in force automobile liability insurance for all owned, non-owned, leased, rented and/or hired vehicles insuring against liability for bodily injury and death and for property damage in an amount as may from time to time be reasonably determined by Landlord but not less than Five Million Dollars ($5,000,000) combined single limit; and

(viii) provide and keep in force such other insurance in such amounts as may from time to time be reasonably required by Landlord against such other insurable hazards as at the time are commonly insured against by prudent owners of like buildings and improvements in the Borough of Manhattan.

(b) All insurance provided by Tenant as required by Section 7.01(a) (except the insurance under Section 7.01(a)(iii)) shall name Tenant as named insured and Landlord and

Master Landlord as additional insureds to the extent, where applicable, of their respective insurable interests in the Premises and shall be primary with respect to any other coverage which Landlord and Master Landlord may obtain. (Landlord and Master Landlord's coverage shall be in excess of any coverage provided in favor of Landlord or Master Landlord by Tenant.) The coverage provided by Tenant as required by Sections 7.01(a)(i), (ii), (v), (vi) and (vii) also may name each Mortgagee as an additional insured (under a standard mortgagee endorsement, other than with respect to the liability insurance coverage referred to in Section 7.01(a)(ii), with respect to which a standard mortgagee endorsement is inapplicable), provided that such Mortgagee irrevocably agrees in writing for the benefit of Landlord that all proceeds of such insurance shall be applied in accordance with the terms of this Lease.

(c) Notwithstanding anything to the contrary set forth in this Section 7.01, whenever Tenant shall be required to carry insurance under this Section 7.01, Tenant shall not be required to carry insurance in any greater amounts or against any additional hazards than at the time are commonly carried by prudent owners of like buildings and improvements, in the Borough of Manhattan, provided that if Tenant shall seek to obtain types and amounts of coverage that are different from or less than the types or amounts specifically required hereunder, Tenant shall demonstrate that the required coverage is no longer commonly carried by prudent owners of like buildings and improvements in the Borough of Manhattan. Any dispute as to the amounts of additional insurance to be carried, or the additional kinds of hazards to be insured against, shall be resolved by arbitration pursuant to Article 36.

7.02. Payment of Insurance Proceeds.

(a) The loss under all policies required by any provision of this Lease insuring against damage to the Building by fire or other casualty shall be payable to Depository, except that amounts of One Million Dollars ($1,000,000) or less shall be payable in trust directly to Tenant for application to the cost of Restoration in accordance with Article 8 hereof. Such amount shall be adjusted on the fifth (5th) anniversary of the Commencement Date and on each fifth (5th) anniversary of the date on which an adjustment is made pursuant to this Section 7.02(a) by adding to $1,000,000 an amount equal to the product of (x) $1,000,000 and (y) the percent of increase, if any, in the Consumer Price Index for the month in which the applicable anniversary date occurs over the Consumer Price Index for the month in which the Commencement Date occurs. Any dispute as to the calculation of such adjustment shall be determined by arbitration pursuant to Article 36. Rent Insurance shall be carried in favor of Landlord and Tenant (as their respective interests may appear), but the proceeds thereof to the extent required by Landlord pursuant to Section 7.01(a)(iv) shall be paid to Depository and shall be applied to the Rental payable by Tenant under this Lease until completion of such Restoration by Tenant. All insurance required by any provision of this Lease shall be in such form and shall be issued by such responsible companies authorized to do business in the State of New York as are reasonably acceptable to Landlord. Any insurance company so authorized and rated by Best's Insurance Reports (or any successor publication) as AIX or better (or the then equivalent of such rating) shall be acceptable to Landlord. All policies referred to in this Lease shall be procured, or caused to be procured, by Tenant (or if Tenant's leasehold estate in the Premises shall have been subjected to a condominium form of ownership, by the Condominium Board on behalf of the Unit Owners in accordance with the Condominium Act), at no expense to Landlord, and for periods of not less than one (1) year. Subject to Section 7.04 hereof, certificates of insurance

with respect to such policies and, if requested by Landlord, copies of such policies shall be delivered to Landlord promptly upon receipt from the insurance company or companies, together with proof reasonably satisfactory to Landlord that the then current installment of the premiums thereon has been paid, provided, that Landlord shall not, by reason of custody of such policies, be deemed to have knowledge of the contents thereof. Certificates of insurance with respect to new or renewal policies replacing any policies expiring during the Term and, if requested by Landlord, copies of such policies, shall be delivered as aforesaid at least ten (10) days before the date of expiration, together with proof that the then current installment of the premiums thereon have been paid. Premiums on policies shall not be financed in any manner whereby the lender, on default or otherwise, shall have the right or privilege of surrendering or canceling the policies or reducing the amount of loss payable thereunder, provided, however, that premiums may be paid in installments.

(b) Tenant and Landlord shall cooperate in connection with the collection of any insurance moneys that may be due in the event of loss and Tenant and Landlord shall execute and deliver such proofs of loss and other instruments as may be required for the purpose of obtaining the recovery of any such insurance moneys. If Landlord shall reasonably determine that in order to protect its interests it requires the assistance of independent consultants then Tenant shall promptly reimburse Landlord solely out of the proceeds of the moneys collected for any and all reasonable costs or expenses which Landlord may sustain or incur in connection therewith, including, without limitation, reasonable attorneys' fees and disbursements.

(c) Tenant shall not carry separate insurance concurrent in form or contributing in the event of loss with that required by this Lease to be furnished by Tenant, unless Landlord and Master Landlord are included therein as additional insureds as their interests may appear and each Mortgagee as an additional insured with loss payable as provided in this Lease. Tenant promptly shall notify Landlord of the carrying of any such separate insurance and shall cause certificates of insurance with respect thereto, and, if requested by Landlord, copies of such policies to be delivered as required in this Lease.

(d) All property insurance policies as required by this Lease shall provide in substance that all adjustments for claims with the insurers in excess of One Million Dollars ($1,000,000) (as such amount shall be increased as provided in Section 7.02(a)) shall be made with Landlord, Tenant and any Mortgagee named as loss payees, as their interests may appear. Any adjustments for claims with the insurers involving sums of less than One Million Dollars ($1,000,000) (as such amount shall be increased as provided in Section 7.02(a)) shall be made with Tenant. Any dispute between Landlord and Tenant respecting any such adjustment shall be subject to arbitration in accordance with Article 36 of this Lease.

(e) All Rent Insurance shall provide in substance that all adjustments for claims with the insurers in excess of the amount of such insurance required by Landlord shall be made with Landlord and Tenant. Any dispute between Landlord and Tenant respecting any such adjustment shall be subject to arbitration in accordance with Article 36 of this Lease.

(f) Tenant shall not violate or permit to be violated any of the conditions or provisions of any insurance policy required hereunder, and Tenant shall so perform and satisfy or cause to be performed and satisfied the requirements of the companies writing such policies so

that at all times companies of good standing, reasonably acceptable to Landlord in accordance with the provisions of Section 7.01(a), shall be willing to write and continue such insurance.

(g) Each policy of insurance required to be obtained by Tenant as herein provided shall contain to the extent obtainable and whether or not an additional premium shall be payable in connection therewith (i) a provision that no act or omission or negligence of Tenant or any other named insured or violation of warranties, declarations or conditions by Tenant or any other named insured shall affect or limit the obligation of the insurance company to pay the amount of any loss sustained, (ii) an agreement by the insurer that such policy shall not be canceled or modified without at least thirty (30) days' prior written notice to Landlord and each Mortgagee, (iii) an agreement that the coverage afforded by the insurance policy shall not be affected by the performance of any work in or about the Building or the occupation or use of the Premises by Tenant or any Subtenant for purposes more hazardous than those permitted by the terms of such policy, (iv) a waiver by the insurer of any claim for insurance premiums against Landlord or any named insured other than Tenant, and (v) a waiver of subrogation by the insurers of any right to recover the amount of any loss resulting from the negligence of Tenant, Landlord, their agents, employees or licensees.

(h) All liability insurance required to be provided and kept in force by Tenant under this Lease shall be written on an "Occurrence" basis, provided, however, that if (i) a basis other than such "Occurrence" basis shall be generally adopted throughout the insurance industry and (ii) such other basis shall be accepted by most prudent owners of like buildings and improvements, then Tenant may provide and keep in force liability insurance written on such other basis.

7.03. Escrow of Insurance Premiums.

(a) Tenant, on the demand of Landlord after the occurrence of an Event of Default hereunder that arises from Tenant's failure to comply with the provisions of this Article 7, shall deposit with Depository on the first day of each month during the Term, an amount equal to one-twelfth ($1/12^{th}$) of the annual insurance premiums for the insurance required to be carried by Tenant hereunder, as estimated by Landlord, unless such insurance premiums are deposited with a Mortgagee (provided such Mortgagee be an Institutional Lender and shall have agreed in writing, for the benefit of Landlord and pursuant to an instrument reasonably satisfactory to Landlord, to hold such funds in a segregated, non-commingled special account and to use such amounts to pay insurance premiums in accordance with the applicable provisions of this Lease, and that the Mortgagee shall use such funds for no other purpose). If at any time the insurance premiums shall be increased or Landlord receives information that the insurance premiums will be increased, and the monthly deposits being paid by Tenant under this Section 7.03(a) would be insufficient to pay such insurance premiums thirty (30) days prior to the due date, the monthly deposits shall thereupon be increased and Tenant shall, within thirty (30) days prior to the due date thereof, deposit immediately with Depository sufficient monies for the payment of the increased insurance premiums. Thereafter, the monthly deposits shall be adjusted so that Depository shall receive from Tenant sufficient monies to pay the insurance premiums at least thirty (30) days before the insurance premiums become due and payable. Depository (or, if applicable, the Mortgagee holding same) shall apply the deposited monies to pay insurance premiums by not later than the dates on which same become due and payable.

(b) Anything in Section 7.03(a) to the contrary notwithstanding, if the Event of Default which gave rise to Landlord having demanded that Tenant make deposits under Section 7.03(a) shall have been cured by Tenant and for a period of six (6) consecutive months following such cure no Event of Default shall have occurred that arises from Tenant's failure to comply with the provisions of this Article 7 and at such time Tenant is current in the payment of Rental, then, at any time after the expiration of such six (6) month period, upon the demand of Tenant, provided that no Event of Default shall have occurred under this Article 7 subsequent to the expiration of such six (6) month period and at such time Tenant is current in the payment of Rental, all monies deposited under Section 7.03(a) then held by Depository, together with the interest, if any, accrued thereon, shall be returned to Tenant and Tenant shall not be required to make further deposits under Section 7.03(a) unless and until there shall occur a subsequent Event of Default that arises from Tenant's failure to comply with the provisions of this Article 7 and Landlord shall make demand upon Tenant to make deposits under Section 7.03(a).

7.04. Umbrella Insurance. Notwithstanding anything to the contrary herein set forth, the insurance required by this Lease, at the option of Tenant, may be effected by blanket or umbrella policies issued to Tenant covering the Premises and other properties owned or leased by Tenant and/or its Affiliates, provided that the policies otherwise comply with the provisions of this Lease and specifically allocate to the Premises the coverages required hereby, without possibility of reduction or coinsurance by reason of, or damage to, any other premises named therein, and if the insurance required by this Lease shall be effected by any such blanket or umbrella policies, Tenant shall furnish to Landlord and to each Mortgagee certificates of insurance with respect to such policies, with schedules thereto attached showing the amount of insurance afforded by such policies applicable to the Premises but not to other properties and, if requested by Landlord, copies of such policies and such schedules.

ARTICLE 8.

USE OF INSURANCE PROCEEDS

8.01. Use of Insurance Proceeds. If all or any part of the Building shall be destroyed or damaged in whole or in part by fire or other casualty (including any casualty for which insurance was not obtained or obtainable) of any kind or nature, ordinary or extraordinary, foreseen or unforeseen, Tenant shall give to Landlord notice thereof within seventy-two (72) hours after such casualty occurs, except that no notice shall be required if the estimated cost of repairs, alterations, restorations, replacements and rebuilding (collectively, "Restoration") shall be less than $150,000 (as such amount shall be increased as provided in Section 7.02(a)), and Tenant shall, whether or not such damage or destruction shall have been insured, and whether or not insurance proceeds, if any, shall be sufficient for the purpose of such Restoration, with reasonable diligence (subject to Unavoidable Delays) repair, alter, restore, replace and rebuild (collectively, "Restore") the same, at least to the extent of the value and as nearly as possible to the condition, quality and class of the Building existing immediately prior to such occurrence, with such changes or alterations as Tenant shall elect to make, subject to Landlord's review and approval solely for conformity with the Master Development Plan, the Design Guidelines, and, in the event such Restoration is commenced within ten (10) years after the date the Building has been Substantially Completed, the Construction Documents. Landlord in no event shall be obligated to Restore the Building or any portion thereof or to pay any of the costs or expenses

thereof. If Tenant shall fail or neglect to Restore with reasonable diligence (subject to Unavoidable Delays) the Building or the portion thereof so damaged or destroyed, or having so commenced such Restoration, shall fail to complete the same with reasonable diligence (subject to Unavoidable Delays) in accordance with the terms of this Lease, and in either case such failure or neglect continues for twenty (20) days after notice from Landlord or if prior to the completion of any such Restoration by Tenant, this Lease shall expire or be terminated for any reason, Landlord, upon notice to Tenant, may, but shall not be required to, complete such Restoration at Tenant's expense. Each such Restoration shall be done in accordance with the provisions of this Lease, including, without limitation, Section 11.15. In any case where this Lease shall expire or be terminated prior to the completion of Restoration, Tenant shall account to Landlord for all amounts spent in connection with any Restoration which was undertaken and shall pay over to Landlord, within ten (10) days after demand, the remainder, if any, of the Restoration Funds previously received by it in respect of work required, in Landlord's reasonable judgment, to complete the Restoration. Tenant's obligations under this Section 8.01 shall survive the expiration or termination of this Lease.

8.02. Payment of Insurance Proceeds.

(a) Subject to the provisions of Sections 8.03 and 8.04, Depository shall pay over to Tenant from time to time, upon the following terms, any monies which may be received by Depository from insurance provided by Tenant (other than Rent Insurance) or cash or the proceeds of any security deposited with Depository pursuant to Section 8.04(d) (collectively, the "Restoration Funds"); provided, however, that Depository, before paying such moneys over to Tenant, shall be entitled to reimburse itself and Landlord and any first Mortgagee therefrom to the extent, if any, of the necessary, reasonable and proper expenses (including, without limitation, reasonable attorneys' fees) paid or incurred by Depository, Landlord and any first Mortgagee in the collection of such monies. Depository shall pay to Tenant, as hereinafter provided, the Restoration Funds, for the purpose of the Restoration.

(b) Within thirty (30) days after the occurrence of any casualty, Tenant shall furnish Landlord with an estimate of the cost of such Restoration, prepared by a licensed professional engineer or registered architect selected by Tenant and approved by Landlord, which approval shall not be unreasonably withheld. Landlord, at Landlord's expense, may engage a licensed professional engineer or registered architect to prepare its own estimate of the cost of such Restoration. If there is any dispute as to the estimated cost of the Restoration, such dispute shall be resolved by arbitration in accordance with the provisions of Article 36.

(c) Subject to the provisions of Sections 8.03 and 8.04, the Restoration Funds shall be paid to Tenant in installments as the Restoration progresses, less retainage equal to ten percent (10%) of such installment until completion of fifty percent (50%) of the Restoration and five percent (5%) of each installment thereafter until completion of the Restoration, upon application to be submitted by Tenant to Depository and, for information only, to Landlord showing the cost of labor and materials purchased and delivered to the Premises for incorporation in the Restoration, or incorporated therein since the last previous application, and due and payable or paid by Tenant. If any vendor's, mechanic's, laborer's, or materialman's lien is filed against the Premises or any part thereof, or if any public improvement lien relating to the Restoration of the Premises is created or permitted to be created by Tenant and is filed against

Landlord, or any assets of, or funds appropriated to, Landlord, Tenant shall not be entitled to receive any further installment until such lien is satisfied or discharged (by bonding or otherwise). Notwithstanding the foregoing, the existence of any such lien shall not preclude Tenant from receiving any installment of Restoration Funds, provided (i) such lien will be discharged with funds from such installment or (ii) if Depository shall be holding funds for the Restoration, (x) Depository certifies that it is retaining, in addition to amounts required to be retained hereunder, an amount equal to the funds required to satisfy or discharge such lien and (y) failure to pay or discharge such lien will not result in the imminent loss or forfeiture of the Premises or the termination of Tenant's interest under this Lease and will not subject Tenant or Landlord to any civil or criminal penalty or liability.

(d) Upon completion of and payment for the Restoration by Tenant in accordance with the terms of this Lease, the balance of the Restoration Funds net of any Rental then due and owing shall be paid over to Tenant.

(e) Notwithstanding the foregoing, if Landlord makes the Restoration at Tenant's expense, as provided in Section 8.01, then Depository shall pay over the Restoration Funds to Landlord, upon request, to the extent not previously paid to Tenant pursuant to this Section 8.02, and Tenant shall pay to Landlord, within twenty (20) days after demand, any sums in excess of the portion of the Restoration Funds received by Landlord necessary to complete the Restoration. Upon completion of the Restoration, Landlord shall deliver to Tenant a certificate, in reasonable detail, setting forth the expenditures made by Landlord for such Restoration and shall pay to Tenant any sums in excess of expenses and costs paid by Landlord in connection with the Restoration net of any Rental then due and owing.

8.03. Conditions to Payment. The following shall be conditions precedent to each payment made to Tenant as provided in Section 8.02 above:

(a) There shall be submitted to Depository and Landlord the certificate of the aforesaid engineer or architect approved by Landlord pursuant to Section 8.02(b) or any other architect approved by Landlord, which approval shall not be unreasonably withheld, stating that (i) the sum then requested to be withdrawn either has been paid by Tenant or is due and payable to contractors, subcontractors, materialmen, engineers, architects or other Persons (whose names and addresses shall be stated) who have rendered or furnished services or materials for the work and giving a brief description of such services and materials and the principal subdivisions or categories thereof and the several amounts so paid or due to each of said Persons in respect thereof, and stating in reasonable detail the progress of the work up to the date of said certificate, (ii) no part of such expenditures has been or is being made the basis, in any previous or then pending requisition, for the withdrawal of the Restoration Funds or has been made out of the Restoration Funds previously received by Tenant, (iii) the sum then requested does not exceed the value of the services and materials described in the certificate, and (iv) the balance of the Restoration Funds held by Depository will be sufficient upon completion of the Restoration to pay for the same in full, and stating in reasonable detail an estimate of the cost of such completion; there shall be furnished to Landlord an official search, or a certificate of a title insurance company reasonably satisfactory to Landlord, or other evidence reasonably satisfactory to Landlord, showing that there has not been filed any vendor's, mechanic's, laborer's or materialman's statutory or other similar lien affecting the Premises or any part

thereof, or any public improvement lien with respect to the Premises or the Restoration created or permitted to be created by Tenant affecting Landlord, or the assets of, or funds appropriated to, Landlord, which had not been discharged of record (by bonding or otherwise) except such as will be (i) discharged upon payment of the requisite amount out of the sum then requested to be withdrawn or (ii) if Depository shall be holding funds for the Restoration, (x) Depository certifies that it is retaining, in addition to amounts required to be retained hereunder, an amount equal to the funds required to satisfy or discharge such lien and (y) failure to pay or discharge such lien will not result in the imminent loss or forfeiture of the Premises or the termination of Tenant's interest under this Lease and will not subject Tenant or Landlord to any civil or criminal penalty or liability; and

(b) at the time of making such payment, no Default in the payment of Rental, no Default as to which Landlord has actual knowledge and no other Default as to which notice has been given, shall have occurred and be continuing under this Lease.

8.04. Additional Restoration Requirements.

(a) If any loss, damage or destruction occurs, the cost of Restoration of which equals or exceeds One Million Dollars ($1,000,000) in the aggregate, determined as provided in Section 8.02(b) (as such amount shall be increased as provided in Section 7.02(a)), Tenant shall furnish to Landlord the following:

(i) at least five (5) Business Days prior to commencement of such Restoration, complete plans and specifications for the Restoration, prepared by a licensed professional engineer or registered architect selected by Tenant and approved by Landlord, which approval shall not be unreasonably withheld, together with the approval thereof and any required permits issued by any Governmental Authority with respect to the Restoration and such plans and specifications, and, at the request of Landlord, any other drawings, information or samples to which Landlord is entitled under Article 11, all of the foregoing to be subject to Landlord's review and approval solely for substantial conformity with the Master Development Plan, the Design Guidelines, the Designated Proposal Requirements, and, if such Restoration is commenced within ten (10) years from the date the Building shall have been Substantially Completed, the Construction Documents; all such plans and specifications and other materials for the Restoration shall become the sole and absolute property of Landlord if for any reason this Lease shall be terminated;

(ii) at least ten (10) Business Days prior to commencement of such Restoration, (x) a contract or construction management agreement reasonably satisfactory to Landlord in form assignable to Landlord (subject to any prior assignment to any Mortgagee), made with a reputable and responsible contractor or construction manager approved by Landlord, which approval shall not be unreasonably withheld, providing for the completion of the Restoration in accordance with said plans and specifications, free and clear of all liens, encumbrances, security agreements, interests and financing statements relating thereto, and (y) payment and performance bonds in forms and by sureties reasonably satisfactory to Landlord, naming the contractor (including any construction manager which holds the subcontracts for the Restoration) as obligor and

Landlord, Tenant and Mortgagee, if applicable, as co-obligees, each in a penal sum equal to the amount of the general construction contract (or construction management agreement under which the construction manager holds the subcontracts for the Restoration) for such Restoration (or, if there shall be no general contractor (or construction manager which holds the subcontracts for the Restoration), Landlord may require payment and performance bonds from such subcontractors, if any, as may be designated by Landlord, each in a penal sum equal to the amount of such subcontract) or, in lieu thereof, such other security as shall be reasonably satisfactory to Landlord;

(iii) at least ten (10) Business Days prior to commencement of such Restoration, an assignment to Landlord (subject to any prior assignment to any Mortgagee) of the contract so furnished and the bonds, if any, provided thereunder, such assignment to be duly executed and acknowledged by Tenant and by its terms to be effective only upon any termination of this Lease or upon Landlord's re-entry upon the Premises following an Event of Default prior to the complete performance of such contract, such assignment also to include the benefit of all payments made on account of said contract including payments made prior to the effective date of such assignment; and

(iv) At least ten (10) Business Days prior to commencement of such Restoration, insurance policies issued by responsible insurers, bearing notations evidencing the payment of premiums or accompanied by other evidence reasonably satisfactory to Landlord of such payments, for the insurance required by Section 11.03.

(b) Notwithstanding that the cost of Restoration is less than One Million Dollars ($1,000,000) (as such amount shall be increased as provided in Section 7.02(a)), such cost to be determined as provided in Section 8.02(b), to the extent that any portion of the Restoration involves work on the exterior of the Building or a change in the height, bulk or setback of the Building from the height, bulk or setback existing immediately prior to the damage or destruction, or in any other manner affects compliance with the Master Development Plan, the Design Guidelines or the Designated Proposal Requirements, then Tenant shall furnish to Landlord at least twenty (20) Business Days prior to commencement of the Restoration a complete set of plans and specifications for the Restoration, involving such work or such change, prepared by a licensed professional engineer or registered architect approved by Landlord, which approval shall not be unreasonably withheld, and, at Landlord's request, such other items designated in Section 8.04(a)(i), all of the foregoing to be subject to Landlord's review and approval solely as provided therein.

(c) In the event Tenant shall desire to modify the plans and specifications which Landlord theretofore has approved pursuant to Section 8.04(a)(i) or 8.04(b) with respect to, or which will in any way affect, any aspect of the exterior of the Building or the height, bulk or setback of the Building or which will affect compliance with the Master Development Plan, the Design Guidelines or the Designated Proposal Requirements, Tenant shall submit the proposed modifications to Landlord. Landlord shall review the proposed changes in accordance with the time limits set forth in the penultimate sentence of this Section 8.04(c) solely to determine whether or not they (i) conform to the Master Development Plan, the Design Guidelines and the Designated Proposal Requirements and (ii) provide for design, finishes and materials which are comparable in quality to those provided for in the approved plans and

specifications, and shall approve such proposed changes if they do so conform and so provide. If Landlord determines that the proposed changes are not satisfactory in light of the above criteria, it shall so advise Tenant, specifying in what respect the plans and specifications, as so modified, do not conform to the Master Development Plan, the Design Guidelines or the Designated Proposal Requirements or do not provide for design, finishes and materials which are comparable in quality to those provided for in the approved plans and specifications. Within twenty (20) Business Days, or such longer period as Landlord in its reasonable judgment shall approve, after Landlord shall have so notified Tenant, Tenant shall revise the plans and specifications so as to meet Landlord's objections and shall deliver same to Landlord for review. Each review by Landlord shall be carried out within fifteen (15) Business Days of the date of delivery of the plans and specifications, as so revised (or one or more portions thereof), by Tenant, and if Landlord shall not have notified Tenant of its determination within such fifteen (15) Business Day period, it shall be deemed to have determined that the proposed changes are satisfactory. Landlord shall not review portions of the approved plans and specifications which Landlord has previously determined to be satisfactory, provided same have not been changed by Tenant.

(d) If the cost of any Restoration, determined as provided in Section 8.02(b), exceeds both (i) One Million Dollars ($1,000,000) (as such amount shall be increased as provided in Section 7.02(a)) and (ii) the net insurance proceeds, then, prior to the commencement of such Restoration, Tenant shall deposit with Depository, as security for completion of the Restoration, a bond, cash or other security reasonably satisfactory to Landlord in the amount of such excess, to be held and applied by Depository in accordance with the provisions of Section 8.02.

8.05. No Termination or Abatement. This Lease shall not terminate or be forfeited or be affected in any manner, and there shall be no reduction or abatement of the Rental payable hereunder, by reason of damage to or total, substantial or partial destruction of any of the Building or any part thereof or by reason of the untenantability of the same or any part thereof, for or due to any reason or cause whatsoever, and Tenant, notwithstanding any law or statute present or future, waives any and all rights to quit or surrender the Premises or any part thereof. Tenant expressly agrees that its obligations hereunder, including, without limitation, the payment of Rental, shall continue as though the Building had not been damaged or destroyed and without abatement, suspension, diminution or reduction of any kind. It is the intention of Landlord and Tenant that the foregoing is an "express agreement to the contrary" as provided in Section 227 of the Real Property Law of the State of New York.

8.06. Delivery of Plans. If, for any completed Restoration, Tenant has not theretofore delivered same to Landlord, Tenant shall deliver to Landlord, within one hundred twenty (120) days after the completion of such Restoration, a complete set of "as built" plans thereof together with a statement in writing from a registered architect or licensed professional engineer that such plans are complete and correct.

8.07. Condominium Obligations. If Tenant's leasehold interest in the Premises is submitted to the condominium form of ownership, all of Tenant's obligations under this Article 8 shall be the obligation of the Condominium Board.

ARTICLE 9.

CONDEMNATION

9.01. Generally.

(a) If the whole or substantially all of the Premises shall be taken (excluding a taking of the fee interest in the Premises, or any leasehold interest superior to that of the Tenant's, if after such taking, Tenant's rights under this Lease are not affected) for any public or quasi-public purpose by any lawful power or authority by the exercise of the right of condemnation or eminent domain or by agreement among Landlord, Tenant and those authorized to exercise such right, this Lease and the Term shall terminate and expire on the date of such taking and the Rental payable by Tenant hereunder shall be equitably apportioned as of the date of such taking.

(b) The term "substantially all of the Premises" shall mean such portion of the Premises as when so taken would leave remaining a balance of the Premises which, due either to the area so taken or the location of the part so taken in relation to the part not so taken, would not under economic conditions, applicable zoning laws, building regulations then existing or prevailing or the Master Development Plan, and after performance by Tenant of all covenants, agreements, terms and provisions contained herein or by law required to be observed or performed by Tenant, (i) if the Premises shall then be used for rental purposes, permit the Restoration of the Building so as to constitute a complete, rentable building capable of producing a fair and reasonable net annual income proportional to the number of square feet not so taken or (ii) if Tenant's estate in the Premises shall have been previously submitted to either a cooperative or condominium form of ownership, permit the Restoration of the Building so as to constitute an economically viable cooperative or condominium, as the case may be. If the Premises shall be used for rental purposes, the average net annual income produced by the Building during (i) the period commencing on the date that is ninety (90) days after the date of Completion of the Building and ending on the last anniversary of that date which preceded the taking, or (ii) the five (5) year period immediately preceding such taking, whichever is shorter, shall be deemed to constitute a fair and reasonable net annual income for the purpose of determining what is a fair and reasonable net annual income. If there be any dispute as to whether or not "substantially all of the Premises" has been taken, such dispute shall be resolved by arbitration in accordance with the provisions of Article 36.

(c) If the whole or substantially all of the Premises shall be taken or condemned as provided in Section 9.01(a), the award, awards or damages in respect thereof shall be apportioned as follows: (i) there shall first be paid to Landlord so much of the award which is for or attributable to the value of (A) the Land so taken, considered as encumbered by this Lease and the Master Lease and as unimproved, and (B) Landlord's Civic Facilities and other site improvements made by Landlord taken in any proceeding with respect to such taking; (ii) there shall next be paid to the Mortgagee which holds a first lien on Tenant's interest in this Lease under a Single Asset Mortgage, or to Unit Mortgagees under Single Asset Unit Mortgages constituting first liens against the mortgaged Units, if applicable, so much of the balance of such award as shall equal the unpaid principal indebtedness secured by such Single Asset Mortgage or such Single Asset Unit Mortgages with interest thereon at the rate specified therein to the date of

payment; (iii) for a period of forty (40) years from the Scheduled Completion Date, there shall next be paid to each additional Mortgagee under a Single Asset Mortgage, so much of the balance of such award as shall equal the unpaid principal indebtedness secured by its Single Asset Mortgage with interest thereon at the rate specified thereon to the date of payment; (iv) there shall next be paid to Landlord so much of the award which is for or attributable to the value of Landlord's reversionary interest in that part of the Building taken in such proceeding (it being agreed between Landlord and Tenant that, notwithstanding anything herein contained to the contrary, for a period of forty (40) years from the Scheduled Completion Date, the value of Landlord's reversionary interest in the Building shall be deemed to be zero); and (v) subject to rights of any Mortgagees or Unit Mortgagees, if applicable, Tenant shall receive the balance, if any, of the award. If there be any dispute as to which portion of the award is attributable to the Land and Landlord's Civic Facilities and which portion is attributable to the Building, or as to the value of Landlord's reversionary interest in the Building, such dispute shall be resolved by arbitration in accordance with the provisions of Article 36.

(d) Each of the parties shall execute any and all documents that may be reasonably required in order to facilitate collection by them of such awards.

9.02. Date of Taking. For purposes of this Article 9, the "date of taking" shall be deemed to be the earlier of (i) the date on which actual possession of the whole or substantially all of the Premises, or a part thereof, as the case may be, is acquired by any lawful power or authority pursuant to the provisions of the applicable federal or New York State law or (ii) the date on which title to the Premises or the aforesaid portion thereof shall have vested in any lawful power or authority pursuant to the provisions of the applicable federal or New York State law.

9.03. Less than Substantial Taking. If less than substantially all of the Premises shall be so taken, this Lease and the Term shall continue as to the portion of the Premises remaining without abatement of the Base Rent or diminution of any of Tenant's obligations hereunder. Tenant, whether or not the award or awards, if any, shall be sufficient for the purpose shall (subject to Unavoidable Delays) proceed diligently to Restore any remaining part of the Building not so taken so that the latter shall be a complete, operable, self-contained architectural unit in good condition and repair in conformity with the Master Development Plan and the Design Guidelines and, to the extent reasonably practicable, in the event such Restoration is commenced within ten (10) years from the date the Building is Substantially Completed, the Construction Documents. In the event of any taking pursuant to this Section 9.03, the entire award for or attributable to the Premises taken, considered as unimproved and encumbered by this Lease and the Master Lease and the fair market value of Landlord's Civic Facilities in any proceeding with respect to such taking, shall be first paid to Landlord, and the balance of the award, if any, shall be paid to Depository, except that if such balance shall be less than One Million Dollars ($1,000,000) (as such amount shall be increased as provided in Section 7.02(a)), such balance shall be payable, in trust, to Tenant (provided that if the Master Lease requires payment in trust to Landlord or a Mortgagee, such balance shall be paid as provided therein) for application to the cost of Restoration of the part of the Building not so taken. Subject to the provisions and limitations in this Article 9, Depository shall make available to Tenant as much of that portion of the award actually received and held by Depository, if any, less all necessary and proper expenses paid or incurred by Depository, the Mortgagee most senior in lien and Landlord in the

condemnation proceedings, as may be necessary to pay the cost of Restoration of the part of the Building remaining. Such Restoration shall be done in accordance with and subject to the provisions of Article 8. Payments to Tenant as aforesaid shall be disbursed in the manner and subject to the conditions set forth in Article 8. Any balance of the award held by Depository and any cash and the proceeds of any security deposited with Depository pursuant to Section 9.04 remaining after completion of the Restoration shall be paid to Tenant. Each of the parties shall execute any and all documents that may be reasonably required in order to facilitate collection by them of such awards.

9.04. Deposits with Depository. With respect to any Restoration required by the terms of Section 9.03, the cost of which, as determined in the manner set forth in Section 8.02(b), exceeds both (i) One Million Dollars ($1,000,000) (as such amount shall be increased as provided in Section 7.02(a)) and (ii) the balance of the condemnation award after payment of the expenses set forth in Section 9.03, then, prior to the commencement of such Restoration, Tenant shall deposit with Depository a bond, cash or other security reasonably satisfactory to Landlord in the amount of such excess, to be held and applied by Depository in accordance with the provisions of Section 9.03, as security for the completion of the Restoration.

9.05. Temporary Takings. If the temporary use of the whole or any part of the Premises shall be taken for any public or quasi-public purpose by any lawful power or authority by the exercise of the right of condemnation or eminent domain or by agreement between Tenant and those authorized to exercise such right, Tenant shall give prompt notice thereof to Landlord and the Term shall not be reduced or affected in any way and Tenant shall continue to pay in full the Rental payable by Tenant hereunder without reduction or abatement, and Tenant shall be entitled to receive for itself any award or payments for such use, provided, however, that:

(i) If the taking is for a period not extending beyond the Term and if such award or payment is made less frequently than in monthly installments, the same shall be paid to and held by Depository as a fund which Depository shall apply from time to time to the payment of Rental, except that, if such taking results in changes or alterations in the Building which would necessitate an expenditure to Restore the Building to its former condition, then, a portion of such award or payment considered by Landlord, in its reasonable opinion, as appropriate to cover the expenses of the Restoration shall be retained by Depository, without application as aforesaid, and applied and paid over toward the Restoration of the Building to its former condition, substantially in the same manner and subject to the same conditions as provided in Section 9.03; and any portion of such award or payment which shall not be required pursuant to this Section 9.05 to be applied to the Restoration of the Building or to the payment of Rental until the end of the Term (or, if the taking is for a period terminating prior to the end of the Term, until the end of such period), shall be paid to Tenant; or

(ii) If the taking is for a period extending beyond the Term, such award or payment shall be equitably apportioned between Landlord and Tenant as of the Expiration Date, and Landlord's and Tenant's share thereof, if paid less frequently than in monthly installments, shall be paid to Depository and applied in accordance with the provisions of this Section 9.05, provided, however, that the amount of any award or payment allowed or retained for the Restoration of the Building and not previously

applied for such purpose shall remain the property of Landlord if this Lease shall expire prior to such Restoration.

9.06. Other Governmental Action. In case of any governmental action, not resulting in the taking or condemnation of any portion of the Premises but creating a right to compensation therefor, such as the changing of the grade of any street upon which the Premises abut, this Lease shall continue in full force and effect without reduction or abatement of Rental and the award shall be paid to Landlord to the extent of the amount, if any, necessary to restore any portion of Landlord's Civic Facilities to their former condition and any balance remaining shall be paid to Tenant.

9.07. Conveyance in Lieu of Condemnation. In the event of a negotiated sale of all or a portion of the Premises in lieu of condemnation, the proceeds shall be distributed as provided in cases of condemnation.

9.08. Participation. Landlord, Tenant and any Mortgagee shall be entitled to file a claim and otherwise participate in any condemnation or similar proceeding and all hearings, trials and appeals in respect thereof.

9.09. Separate Claims. Notwithstanding anything to the contrary contained in this Article 9, in the event of any permanent or temporary taking of all or any part of the Premises, Tenant and its Subtenants shall have the exclusive right to assert claims for any trade fixtures and personal property so taken which were the property of Tenant or its Subtenants (but not including any Equipment) and for relocation expenses of Tenant or its Subtenants provided that same shall not reduce the amount otherwise payable to Landlord hereunder, and all awards and damages in respect thereof shall belong to Tenant and its Subtenants, and Landlord hereby waives any and all claims to any part thereof; provided, however, that if there shall be no separate award or allocation for such trade fixtures or personal property, then such claims of Tenant and its Subtenants, or awards and damages, shall be subject and subordinate to Landlord's claims under this Article 9.

9.10. Landlord Condemnations. Landlord represents that under current law it has no power to condemn all or any part of the Premises.

9.11. Lease Controlling. Tenant, by entering into this Lease, and each Mortgagee and Unit Mortgagee, by accepting a Mortgage or Unit Mortgage, as applicable, each (i) acknowledges and agrees that its rights with respect to any award, awards or damages in respect of any condemnation of the Premises or any part thereof shall derive solely from, and shall be governed solely by, the terms of this Lease, and that it shall have no right or interest in any such award, awards or damages under or pursuant to any provision of the Master Lease, and (ii) assigns to Landlord any right or interest which it may have been assigned or otherwise granted pursuant to the Master Lease (with the intent that any amounts so assigned to Landlord pursuant to this clause (ii) shall be apportioned under this Article 9).

ARTICLE 10.

ASSIGNMENT, SUBLETTING, MORTGAGES, ETC

10.01. Transfers.

(a) Except as otherwise specifically provided in this Section 10.01, prior to Substantial Completion of the Building, or at any time after Substantial Completion of the Building that the conditions set forth in clause (i) or clause (ii) of Section 10.01(b) remain unsatisfied, neither this Lease nor any interest of Tenant in this Lease shall be sold, assigned, or otherwise transferred, whether by operation of law or otherwise, (including, without limitation, an assignment to the Apartment Corporation in connection with a Cooperative Plan and an assignment or partial assignment in connection with Tenant's submission of its leasehold estate in the Premises to a condominium form of ownership) nor shall (i) any of the issued or outstanding capital stock of any corporation, any membership interest in any limited liability company, any partnership interest in any partnership, or any equity interest in any Person, in each case, which is Tenant, or owns a direct or indirect interest in Tenant, be (voluntarily or involuntarily) sold, assigned, transferred, pledged or encumbered, whether by operation of law or otherwise, nor shall any voting trust or similar agreement be entered into with respect to such stock or other interest, nor any reclassification or modification of the terms of such stock or other interest take place, nor shall there be any merger or consolidation of such corporation or other entity into or with another corporation or other entity nor shall additional stock or other interests (or any warrants, options or debt securities convertible, directly or indirectly, into such stock or other interests) in any such corporation or other entity be issued if the issuance of such additional stock or other interests (or such other securities, when exercised or converted into stock or other interests) will result in a change of the equity ownership of such corporation or other entity as held as of September 26, 2003, or (ii) there be any change in the right to direct the management of any Person that is Tenant or owns a direct or indirect interest in Tenant (which shall include, without limitation, if Tenant or any such other Person is a limited liability company any change in the managers or managing members thereof) (each of the foregoing transactions described in clauses (i) and (ii) above being herein referred to as a "Transfer"), nor shall Tenant sublet the Premises as an entirety or substantially as an entirety, without the consent of Landlord in each case and the delivery to Landlord of the documents and information specified in Section 10.01(d) hereof. Notwithstanding the foregoing, prior to Substantial Completion of the Building, Landlord's consent shall not be required with respect to any Transfer that satisfies each of the following conditions: (i) following such Transfer, The Related Companies, L.P. shall continue to own, beneficially and of record, a direct or indirect equity interest in Tenant of not less than five percent (5%) and shall continue to have the right to direct the management of Tenant (including with respect to both ordinary and extraordinary decisions), (ii) following such Transfer, (x) Steven M. Ross, David J. Wine and/or Jeff T. Blau, and/or any of their respective heirs, shall collectively own, directly or indirectly, and beneficially and of record, not less than five percent (5%) of the ultimate beneficial equity interests in Tenant, and (y) Steven M. Ross, David J. Wine and/or Jeff T. Blau, and/or any of their respective heirs, shall have the right to direct the management of Tenant (including with respect to both ordinary and extraordinary decisions), and in the case of any such heirs, provided that The Related Companies, L.P. shall continue to operate its business in substantially the same manner as conducted on September 26, 2003 and provided that the Premises and the construction of the Building shall continue to be

professionally and competently managed by Persons having substantial experience in management of properties similar to the Premises and management of similar construction projects, (iii) the letter of credit provided for in Section 11.12 shall remain in full force and effect and shall in all respects be unaffected by such Transfer, (iv) no Default in the payment of Rental (whether or not notice of such Default has been delivered to Tenant) and no other Default as to which notice shall have been given shall have occurred and then be continuing under this Lease, unless such Default is cured simultaneously with such Transfer, and (v) Tenant shall have complied with the provisions of this Article 10 (including, without limitation, Sections 10.01(c) and 10.01(d)).

(b) From and after Substantial Completion of the Building, Landlord's consent shall not be required prior to any Transfer, assignment of Tenant's interest in this Lease or subletting of the Premises as an entirety or substantially as an entirety, provided (i) no Default in the payment of Rental (whether or not notice of such Default has been delivered to Tenant) and no other Default as to which notice shall have been given shall have occurred and then be continuing under this Lease, unless such Default is cured simultaneously with such Transfer, assignment or subletting, and (ii) Tenant shall have complied with the provisions of this Article 10. This Section 10.01(b), Section 10.01(c) (except as otherwise provided therein) and Section 10.01(d) shall not apply to an assignment or partial assignments in connection with a Cooperative Plan or Condominium Plan, which shall be governed by the provisions of Sections 10.01(f) and (g), respectively.

(c) Except as otherwise specifically provided herein, in no event, whether before or after Substantial Completion of the Building, shall Tenant make, suffer or permit, nor shall any other Person make, suffer, or permit (including, without limitation, pursuant to a foreclosure or similar sale), a Transfer, assign this Lease or any portion of its interest hereunder or sublet the Premises as an entirety or substantially as an entirety to any Person, in which, an ownership interest, in the aggregate, of five percent (5%) or greater is then held, directly or indirectly, by any individual (i) who has ever been convicted of a felony, (ii) against whom any action or proceeding is pending to enforce rights of the State of New York or any agency, department, public authority or public benefit corporation thereof arising out of a mortgage obligation to the State of New York or to any such agency, department, public authority or public benefit corporation, or (iii) with respect to whom any notice of substantial monetary default which remains uncured has been given by the State of New York or any agency, department, public authority or any public benefit corporation thereof arising out of a mortgage obligation to the State of New York or to any such agency, department, public authority or public benefit corporation. The provisions of this Section 10.01(c) shall apply to any Person (x) purchasing from Tenant or any other Person more than fifteen percent (15%) of the Cooperative Apartments or Units or (y) subletting from Tenant or any other Person more than fifteen percent (15%) of the residential apartments, but shall not otherwise apply to any Tenant-Stockholder or Unit Owner.

(d) In each instance of, and as a condition to the effectiveness thereof, an assignment, a sublease of the Premises as an entirety or substantially as an entirety, or a Transfer, Tenant shall, not less than fifteen (15) days prior to the effective date of such transaction, notify Landlord of the proposed transaction and submit to Landlord the documents and information set forth in Sections 10.01(d)(i)(C), Section 10.01(d)(ii)(B), and Section 10.01(d)(iii), as applicable. Not less than five (5) Business Days prior to the proposed transaction, Tenant shall submit to

Landlord the documents and information set forth in Section 10.01(d)(i)(A) and (B), and (ii)(A), as applicable, and, if applicable, Section 10.01(d)(iv) (which documents may be unexecuted but shall, in all other respects, be in substantially final form):

(i) in the case of an assignment, (A) a copy of the proposed instrument(s) of assignment, containing, inter alia, the name, address and telephone number of the assignee, (B) a copy of the proposed instrument(s) of assumption of Tenant's obligations under this Lease by said assignee, and (C) an affidavit of the assignee or an authorized officer or general partner, manager, managing member or similar person thereof, setting forth (w) in the case of a partnership, the names and addresses of all general partners thereof and all other partners of the assignee having directly or indirectly a five percent (5%) or greater ownership interest in the assignee, (x) in the case of a corporation (other than a corporation whose common stock is traded over the New York Stock Exchange or the American Stock Exchange or that is registered under, and files periodic reports under, the Securities Exchange Act of 1934) the names and addresses of all Persons having directly or indirectly five percent (5%) or greater record ownership of stock in, and all directors and officers of, the assignee, (y) in the case of a limited liability company, the names and addresses of all managers and managing members thereof and all other members of the assignee having directly or indirectly a five percent (5%) or greater ownership interest in the assignee, and (z) in the case of any other Person, the names and addresses of all officers thereof and/or of other Persons having directly or indirectly managerial authority and all other Persons having directly or indirectly a five percent (5%) or greater ownership interest in the assignee;

(ii) in the case of a subletting of the Premises as an entirety or substantially as an entirety, (A) a copy of the proposed sublease, containing, inter alia, the name, address, and telephone number of the subtenant, and (B) an affidavit of the subtenant or an authorized officer, general partner, manager, managing member or similar person thereof, setting forth the same information with respect to the partners, managers, managing members, members, shareholders, officers, directors and other Persons of the subtenant as is required with respect to assignees under Section 10.01(d)(i);

(iii) in the case of a Transfer, an affidavit of an authorized officer, general partner, manager, managing member or similar Person of Tenant, setting forth the name, address and telephone number of the transferor, a description of the interest being transferred (including, without limitation, the direct or indirect percentage ownership interest in Tenant which same represents), the name, address and telephone number of the transferee, and, in addition, the same information with respect to the partners, managers, managing members, members, shareholders, officers, directors and other Persons of Tenant as is required with respect to assignees under Section 10.01(d)(i); and

(iv) in all such cases in which Tenant proposes to effect the transaction prior to Substantial Completion of the Building, such other documents and information as Landlord may reasonably request to permit the evaluation of such assignment, sublease or Transfer.

(e) Landlord shall within fifteen (15) days after receipt of all requisite information and documentation set forth in Section 10.01(d)(i)(C), and within five (5) Business Days after receipt of all information and documentation required under Section 10.01(d)(i)(A) and (B), (ii), and (iii), as applicable, and, if applicable, Section 10.01(d)(iv), notify Tenant whether it grants its consent if such consent is required hereunder, and in those instances wherein the consent of Landlord is not so required or is granted, whether the form and substance of each such document and the information submitted establishes compliance with the provisions of Section 10.01(c) and Section 10.01(d) specifying, in the event that Landlord denies its consent to such transaction or determines that any such documentation or any such information does not establish such compliance, the reason for such denial or determination. If Landlord shall not have notified Tenant of such denial or determination within such period, it shall be deemed to have consented to the proposed transaction if such consent is required and to have determined that the documents and the information submitted establish compliance with the provisions of Section 10.01(c) and Section 10.01(d). Even if Landlord has consented to the proposed transaction if such consent is required and/or has determined that the documents and information establish compliance with the provisions of Section 10.01(c) and Section 10.01(d), such consent and/or determination shall be conditioned upon the delivery to Landlord of executed documents substantially the same as those previously delivered to Landlord for review.

(f) From and after Substantial Completion of the Building, Landlord's consent shall not be required prior to any assignment by Tenant of its interest in this Lease to the Apartment Corporation pursuant to a Cooperative Plan, provided no Default in the payment of Rental (whether or not notice of such Default has been delivered to Tenant) and no other Default as to which notice shall have been given shall have occurred and be continuing hereunder, and Tenant shall have delivered to Landlord (w) a true and correct copy of such Cooperative Plan and any amendments, modifications and supplements thereto, (x) a true and correct copy of the letter of acceptance of the Cooperative Plan issued by the New York State Department of Law, (y) a true and correct copy of the letter accepting the amendment declaring the Cooperative Plan effective issued by the New York State Department of Law and (z) such other documents in connection therewith as may be reasonably requested by Landlord.

(g) Tenant shall not assign, at any time during the Term, its interest in this Lease, in whole or in part, pursuant to any plan to submit Tenant's leasehold estate in the Premises to condominium ownership pursuant to Article 9-B of the Real Property Law of the State of New York or any statute in lieu thereof, except pursuant to the provisions of Article 41 and Exhibit F of this Lease.

(h) Subject to compliance by a Mortgagee with the provisions of Sections 10.10 and 10.11 hereof, the foregoing requirement of consent by Landlord shall not apply to the acquisition of the Premises by such Mortgagee, through the foreclosure of its Mortgage or through a deed or instrument of transfer delivered in lieu of such foreclosure, so long as such Mortgagee shall, in the instrument transferring to such Mortgagee the interest of Tenant hereunder, assume and agree to perform all of the terms, covenants and conditions of this Lease thereafter to be observed or performed by Tenant. Each reference in this Section 10.01(h) to "Mortgagee" shall be deemed to include a subsidiary (direct or indirect) of such Mortgagee or its parent, provided such Mortgagee has delivered to Landlord a written notice advising that such a subsidiary should be so deemed and certifying (i) prior to Substantial Completion that such

subsidiary is an Institutional Lender and is controlled (directly or indirectly) by such Mortgagee or its direct parent, (ii) that such subsidiary is not a Person described in Section 10.01(c), and (iii) that such subsidiary is authorized to act in the place and stead of such Mortgagee. The requirements of the immediately preceding sentence shall also apply with respect to any designation by a Mortgagee of such a subsidiary as the Tenant under a new lease pursuant to Section 10.11.

10.02. Compliance with this Article. No assignment of this Lease, subletting of the Premises as an entirety or substantially as an entirety or Transfer shall have any validity except upon compliance with the provisions of this Article 10.

10.03. Consents Limited. Any consent by Landlord under Section 10.01 above shall apply only to the specific transaction thereby authorized and shall not relieve Tenant from any requirement hereunder of obtaining the consent of Landlord to any further sale or assignment of this Lease or Transfer or subletting of the Premises as an entirety or substantially as an entirety.

10.04. Subleases. Tenant may, without Landlord's consent, but subject to the provisions of the last sentence of Section 10.01(c) and this Section 10.04, enter into agreements for the rental of residential and non-residential space in the Building, or the occupancy of such space pursuant to licenses or concessions for periods shorter than or equal to the remainder of the Term at the time of such agreements (all of such agreements being herein referred to collectively as "Subleases", and the occupants pursuant to Subleases as "Subtenants"). Each residential Sublease shall obligate the Subtenant pursuant thereto to occupy and use the premises included therein for residential purposes only. No Sublease shall permit the use or occupancy of the Premises included therein for purposes inconsistent with the Requirements, the Master Lease, the Certificate of Occupancy and the Master Development Plan.

10.05. Certain Breaches. The fact that a violation or breach of any of the terms, provisions or conditions of this Lease or of the Master Lease results from or is caused by an act or omission by any Subtenant, Tenant-Stockholder, Unit Owner or subtenant of a Subtenant, Tenant-Stockholder or Unit Owner or any other occupant of the Building shall not relieve Tenant of Tenant's obligation to cure the same. Tenant shall take any and all reasonable steps necessary to prevent any such violation or breach.

10.06. Collection of Sublease Rent. Landlord, after an Event of Default by Tenant, may, subject to the rights of any Mortgagee (provided such Mortgagee is an Institutional Lender), collect subrent and all other sums due under Subleases, and apply the net amount collected to Rental, but no such collection shall be, or be deemed to be, a waiver of any agreement, term, covenant or condition of this Lease or the acceptance by Landlord of any Subtenant as tenant hereunder, or a release of Tenant from performance by Tenant of its obligations under this Lease.

10.07. Assignment of Subleases. To secure the prompt and full payment by Tenant of the Rental and the faithful performance by Tenant of all the other terms and conditions herein contained on its part to be kept and performed, Tenant hereby assigns, transfers and sets over unto Landlord, subject to any assignment of Subleases and/or rents made in connection with any Mortgage (provided the Mortgagee thereunder is an Institutional Lender), all of Tenant's right, title and interest in and to all Subleases and hereby confers upon Landlord, its agents and

representatives, a right of entry in, and sufficient possession of, the Premises to permit and insure the collection by Landlord of the rentals and other sums payable under the Subleases. The exercise of the right of entry and qualified possession by Landlord shall not constitute an eviction of Tenant from the Premises or any portion thereof and should said right of entry and possession be denied Landlord, its agent or representative, Landlord, in the exercise of said right, may use all requisite force to gain and enjoy the same without responsibility or liability to Tenant, its servants, employees, guests or invitees, or any Person whomsoever; provided, however, that such assignment shall become operative and effective only if (a) and as long as an Event of Default shall occur and remain uncured, or (b) this Lease and the Term shall be canceled or terminated pursuant to the terms, covenants and conditions hereof, or (c) there occurs repossession under a dispossess warrant or other re-entry or repossession by Landlord under the provisions hereof or applicable law, and then only as to such of the Subleases that Landlord has agreed to take over and assume.

10.08. Sublease Schedule. At any time and from time to time, but not more than once in any six (6) month period within ten (10) days after Landlord's demand, Tenant promptly shall deliver to Landlord a schedule of all Subleases, setting forth with respect to each Sublease the names of all Subtenants, the apartment or other space demised, the term, the rent, the existence of any renewal, extension or expansion or similar options, any rent delinquencies, any other known material defaults and any other information requested by Landlord which is then customarily included in a rent roll of similar premises. Upon the reasonable request of Landlord, and at reasonable times, Tenant shall permit Landlord and its agents and representatives to inspect all Subleases and, at Landlord's expense, to make copies thereof. To the extent permitted by law, Landlord shall use its best efforts not to disclose to the public the information contained in any such schedule or sublease.

10.09. Sublease Subordination. All Subleases shall provide that (a) they are subject to this Lease and to the Master Lease, (b) the Subtenants will not pay rent or other sums under the Subleases for more than one (1) month in advance (excluding security and other deposits required under such Sublease), and (c) at Landlord's option, on the termination of this Lease pursuant to Article 24, the Subtenants will attorn to, or enter into a direct lease on identical terms with, Landlord. With respect to any non-residential Sublease (i) made to an unrelated third party at a rental not less than the prevailing market rental, (ii) which is in accordance with all of the requirements of this Lease and (iii) which confers no greater rights upon such Subtenant than are conferred upon Tenant under this Lease nor, except with respect to provision of basic services customarily provided to commercial tenants in such circumstances, imposes more onerous obligations upon Landlord, as successor landlord under the Sublease, than are imposed on Landlord in this Lease ("Qualifying Sublease"), at the request of Tenant, Landlord and such Subtenant shall execute an agreement (the "Non-disturbance and Attornment Agreement") wherein Landlord agrees to recognize such Subtenant as the direct tenant of Landlord under its Sublease upon the termination of this Lease pursuant to Article 24, provided that at the time of such termination no default exists under such Subtenant's Sublease which at such time would permit the landlord thereunder to terminate the Sublease or to exercise any remedy for dispossession provided for therein, and such Subtenant agrees to attorn to Landlord and to recognize Landlord as such Subtenant's landlord under its Sublease. The Non-disturbance and Attornment Agreement shall be in form reasonably acceptable to Landlord and shall provide that neither Landlord, nor anyone claiming by, through or under Landlord, shall be:

(1) liable for any act or omission of any prior landlord (including, without limitation, the then defaulting landlord), subject to any offsets or defenses that such Subtenant may have against any prior landlord (including, without limitation, the then defaulting landlord); provided, however that the foregoing shall not excuse a successor landlord from having to cure any non-monetary default in the maintenance, repair or operation of the Premises insofar as same continue after such successor landlord succeeds to the interest of Tenant as the landlord under the Sublease and as to which such successor landlord has received written notice; provided, further, however, that such successor landlord shall be entitled to a reasonable period of time to cure such non-monetary default notwithstanding any shorter time limitation set forth in the Sublease,

(2) except with respect to a semi-annual prepayment of real estate tax or PILOT, bound by any payment that such Subtenant might have paid to any prior landlord (including, without limitation, the then defaulting landlord), or any other Person of (x) rent, common area charges, or any other charge payable under such Subtenant's sublease for more than the current month or (y) any security deposit which shall not have been delivered to Landlord,

(3) bound by any covenant to undertake or complete any construction of the Building or any portion thereof demised by the Sublease,

(4) bound by any obligation to make any payment to such Subtenant, or

(5) bound by any amendment to any such Sublease or modification thereof which reduces the basic rent, additional rent, supplemental rent or other charges payable under the Sublease (except to the extent equitably reflecting a reduction in the space covered by the Sublease), or shortens or lengthens the term thereof, or otherwise increases the obligations of landlord thereunder, made without the written determination of Landlord that such Sublease, as amended or modified by any such amendment or modification, is a Qualifying Sublease.

Within fifteen (15) days after Tenant submits to Landlord a copy of a Sublease (which may be unexecuted but which shall, in all other respects be in final form), Landlord shall notify Tenant whether same is a Qualifying Sublease. If Landlord shall determine that such Sublease is a Qualifying Sublease, then, promptly after notice to Tenant of such determination, Landlord and such Subtenant each shall duly execute, acknowledge and deliver to one another one or more counterparts of the Non-disturbance and Attornment Agreement. If Landlord shall determine that same is not a Qualifying Sublease, Landlord shall together with its notice to Tenant specify the reason for such determination. If any Qualifying Sublease is amended or modified to reduce the basic rent, additional rent, supplemental rent or other charges payable under such Qualifying Sublease (except to the extent equitably reflecting a reduction in the space covered by such Qualifying Sublease), or shortens or lengthens the term thereof, or otherwise increases the obligations of Landlord or the rights of the Subtenant thereunder, such Qualifying Sublease,

together with such amendments or modifications thereof, shall be resubmitted to Landlord in accordance with the provisions of this paragraph and Landlord shall within twenty (20) days thereafter, notify Tenant whether such Qualifying Sublease, as so amended or modified, remains a Qualifying Sublease. If Landlord shall determine that such Qualifying Sublease, as so amended or modified, remains a Qualifying Sublease, then, promptly after notice to Tenant of such determination, Landlord and the Subtenant of such Sublease each shall duly execute, acknowledge and deliver to one another one or more counterparts of an amendment to the Non-Disturbance and Attornment Agreement entered into between them to incorporate therein such amendment or modification to the Qualifying Sublease. If Landlord shall determine that such Qualifying Sublease, as so amended or modified, does not remain a Qualifying Sublease, Landlord shall together with its notice to Tenant specify the reason for such determination. If there be any dispute as to whether any Sublease is a Qualifying Sublease or as to whether any Qualifying Sublease, as amended or modified, remains a Qualifying Sublease, such dispute shall be resolved by arbitration in accordance with the provisions of Article 36.

10.10. Certain Mortgagee Rights.

(a) If Tenant shall mortgage Tenant's interest in this Lease to a Mortgagee, Tenant or such Mortgagee shall give Landlord prompt notice of such Mortgage and furnish Landlord with a complete and correct copy of each such Mortgage, certified as such by Tenant or such Mortgagee, together with the name and address of such Mortgagee. After receipt of the foregoing, Landlord shall give to such Mortgagee, at the address of such Mortgagee set forth in such notice or to such other address as Mortgagee may from time to time designate by notice given to Landlord in accordance with Article 25 hereof, and otherwise in the manner provided by Article 25, a copy of each notice of Default (and a copy of any notice appointing an arbitrator as provided in Article 36) at the same time as, and whenever, any such notice of Default (or notice appointing an arbitrator) shall thereafter be given by Landlord to Tenant, and no such notice of Default (or notice appointing an arbitrator) by Landlord shall be deemed to have been duly given to Tenant unless and until a copy thereof shall have been so given to each Mortgagee. Each Mortgagee (i) shall thereupon have a period of ten (10) days more than is given to Tenant in each instance in the case of a Default in the payment of Rental and thirty (30) days (subject to Unavoidable Delays) more than is given to Tenant in each instance in the case of any other Default, for remedying the Default, or causing the same to be remedied, or causing action to remedy a Default mentioned in Section 24.01(b) or (c) to be commenced, and (ii) shall, within such periods and otherwise as herein provided, have the right to remedy such Default, cause the same to be remedied or cause action to remedy a Default mentioned in Section 24.01(b) or (c) to be commenced. Landlord shall accept performance by a Mortgagee of any covenant, condition or agreement on Tenant's part to be performed hereunder with the same force and effect as though performed by Tenant.

(b) Notwithstanding the provisions of Sections 10.10(a) and 24.01 hereof, Landlord shall not give notice to Tenant of the expiration and termination of this Lease as provided in Section 24.03(a) hereof if within five (5) Business Days after the expiration of the time given to Tenant pursuant to the provisions of this Lease to remedy the event or condition which would otherwise constitute a Default hereunder, a Mortgagee shall have delivered to Landlord its written agreement to take the action described in clause (i) or (ii) hereinbelow and thereafter, in good faith, shall have commenced promptly either (i) to cure the Default and to

prosecute the same to completion (subject to Unavoidable Delays), or (ii) if possession of the Premises is required in order to cure the Default, to institute foreclosure proceedings and obtain possession directly or through a receiver, and to prosecute such proceedings with diligence and continuity and, upon obtaining such possession, commence promptly to cure the Default and to prosecute the same to completion with diligence and continuity, provided that during the period in which such action is being taken (and any foreclosure proceedings are pending), all of the other obligations of Tenant under this Lease, to the extent they are reasonably susceptible to being performed by the Mortgagee, are being performed. However, at any time after the delivery of the aforementioned agreement, the Mortgagee may notify Landlord, in writing, that it has relinquished possession of the Premises or that it will not institute foreclosure proceedings or, if such proceedings have been commenced, that it has discontinued or will discontinue them, or that Mortgagee otherwise elects not to cure the Default, and in such event, the Mortgagee shall have no further liability under such agreement from and after the date it delivers such notice to Landlord (except for any Rental accruing prior to the date it delivers such notice and any damages suffered by Landlord arising in whole or in part from a failure by such Mortgagee to discontinue such proceedings or relinquish possession of the Premises), and, thereupon, Landlord shall have the unrestricted right to terminate this Lease and to take any other action it deems appropriate by reason of any Default, and upon any such termination the provisions of Section 10.11 shall apply. Notwithstanding anything herein contained to the contrary, provided such Mortgagee shall have otherwise complied with the provisions of this Section 10.10, such Mortgagee shall have no obligation to cure any Defaults which are not reasonably susceptible to being cured by such Mortgagee. At the request of such Mortgagee, Landlord shall stipulate to those Defaults which Landlord agrees are not reasonably susceptible of cure.

(c) Except as expressly provided in Section 10.10(b), no Mortgagee shall become liable under the provisions of this Lease unless and until such time as it becomes, and then only for as long as it remains, the owner of the leasehold estate created hereby. In the event that a Mortgagee shall become the owner of such leasehold estate, such Mortgagee shall not be bound by any modification or amendment of this Lease made subsequent to the date of the Mortgage and delivery to Landlord of the notice provided in Section 10.10(a) hereof and prior to its acquisition of such interest unless the Mortgagee shall have consented in writing to such modification or amendment at the time it was made or at the time of such acquisition.

(d) A copy of any notice of termination given by Landlord to Tenant (other than a termination by reason of an Event of Default) shall be given by Landlord at the same time and in the same manner to any Mortgagee then entitled to receive copies of notices of Default under Section 10.10(a).

10.11. Lease with Mortgagee.

(a) In the case of termination of this Lease by reason of any Event of Default or otherwise, Landlord shall give prompt notice thereof to each Mortgagee whose name and address Landlord has received pursuant to notice made in compliance with the provisions of Section 10.10(a), at the address of such Mortgagee set forth in such notice, and otherwise in the manner provided by Article 25. Subject to the provisions of Section 10.11(d), Landlord, on written request of a Mortgagee made any time within thirty (30) days after the giving of such notice by Landlord, shall promptly execute and deliver a new lease of the Premises to the

Mortgagee, or its designee or nominee, for the remainder of the Term upon all the covenants, conditions, limitations and agreements herein contained, provided that such Mortgagee or such designee or nominee (i) shall pay to Landlord, simultaneously with the delivery of such new lease, all unpaid Rental due under this Lease, and all amounts which would have been payable as Rental under this Lease had this Lease not so terminated, from the date of termination up to and including the date of the commencement of the term of such new lease and all expenses, including, without limitation, reasonable attorneys' fees and disbursements and court costs and the cost of the title search contemplated by Section 10.11(d), incurred by Landlord in connection with the Default by Tenant, the termination of this Lease, the preparation of the new lease and operating and maintaining the Premises during the period commencing upon such termination and ending upon the commencement of such new lease, less amounts collected by Landlord from Subtenants and (ii) shall cure all Defaults existing under this Lease which are then reasonably susceptible to being cured by such Mortgagee or such designee or nominee. At the request of such Mortgagee, Landlord agrees to stipulate as to Defaults known to be not susceptible to cure. Notwithstanding the foregoing, (i) in no event shall Landlord have the obligation to enter into a new lease with any Person who would not, at the time in question, have the right to succeed by assignment to Tenant's interest under this Lease, (ii) without limiting the generality of clause (i) above, in no event shall Landlord have the obligation to enter into a new lease with a Person described in Section 10.01(c), (iii) if the proposed tenant under the new lease is a subsidiary of the Mortgagee or its parent described in Section 10.01(h), then Landlord's obligation to enter into the new lease shall be conditioned upon the Mortgagee's delivering to Landlord the certification required under Section 10.01(h), and (iv) if the proposed tenant under the new lease is not a subsidiary described in clause (iii) above, then Landlord's obligation to enter into the new lease shall be conditioned upon such proposed tenant's delivering to Landlord the affidavit required under Section 10.01(d)(i).

(b) Any such new lease and the leasehold estate thereby created shall, subject to the same conditions as are contained in this Lease, continue to maintain the same priority as this Lease with regard to any mortgage, including any fee mortgage, on the Premises or any part thereof or any other lien, charge or encumbrance thereon. Concurrently with the execution and delivery of such new lease, Landlord shall assign to the tenant named therein all of its right, title and interest in and to moneys (including insurance and condemnation proceeds), if any, then held by or payable to Landlord or Depository which Tenant would have been entitled to receive but for termination of this Lease, and any sums then held by or payable to Depository shall be deemed to be held by or payable to it as Depository under the new lease.

(c) Upon the execution and delivery of a new lease under this Section 10.11, all Subleases which theretofore have been assigned to, or made by, Landlord shall be assigned and transferred, without recourse, by Landlord to the tenant named in such new lease. Between the date of termination of this Lease and the date of execution of the new lease, if a Mortgagee shall have requested such new lease as provided in Section 10.11(a), Landlord shall not cancel any Subleases or accept any cancellation, termination or surrender thereof (unless such termination shall be effected as a matter of law on the termination of this Lease) without the consent of the Mortgagee, except for a default as permitted in the Subleases or for the purpose of permitting Landlord to enter into Subleases with other subtenants who will occupy not less than the same amount of space demised by the canceled Subleases at a rental rate per square foot and

for a term not less than the rental rate per square foot and the unexpired term, respectively, of the canceled Subleases.

(d) If there is more than one Mortgage, and more than one Mortgagee has attempted to exercise any of the rights afforded by this Section 10.11 within the time periods set forth herein, only that Mortgagee, to the exclusion of all other Mortgagees, whose Mortgage is most senior in lien priority shall have, and shall be recognized by Landlord as having, the right to exercise such rights (unless the Mortgagee holding the Mortgage most senior in lien priority has, in a notice to Landlord, designated a junior Mortgagee as the Mortgagee which shall have the right to exercise the rights afforded by this Section 10.11 in lieu of such senior Mortgagee, in which event the junior Mortgagee so designated shall have, and shall be recognized by Landlord as having, such rights), for so long as such Mortgagee shall be exercising its rights under this Lease with respect thereto, and thereafter, successively, the Mortgagees whose Mortgages are next most senior in lien priority shall be recognized by Landlord, in order of seniority; provided, however, no such Mortgagee shall be entitled to any extension of the initial thirty (30) day period provided for in Section 10.11(a). If the parties shall not agree on which Mortgagee is prior in lien, such dispute shall be determined by a then current certificate of title obtained by Landlord at the sole expense of the tenant under the new lease, issued by a title insurance company licensed to do business in the State of New York chosen by Landlord, and such determination shall bind the parties (including for this purpose each Mortgagee). Notwithstanding the foregoing, a Mortgagee shall be entitled to the rights afforded by this Section 10.11 only if either Tenant or such Mortgagee shall have given Landlord notice of such Mortgage in compliance with the provisions of Section 10.10(a).

10.12. Condominium Application. The provisions of Sections 10.10 and 10.11 shall be of no further force and effect in the event Tenant shall have subjected Tenant's leasehold interest in the Premises to a condominium form of ownership.

ARTICLE 11.

CONSTRUCTION OF BUILDING

11.01. Generally. Tenant, using a reputable and responsible contractor or construction manager approved by Landlord, which approval shall not be unreasonably withheld, shall promptly commence (subject to Unavoidable Delays) on or before the Construction Commencement Date and (subject to Unavoidable Delays) diligently construct the Building in accordance with the Requirements, Master Development Plan, the Design Guidelines, the Construction Documents, the Designated Proposal Requirements and the applicable provisions of this Lease. Tenant shall as soon as practicable obtain from New York City and all other Governmental Authorities all permits, consents, certificates and approvals required to commence construction of the Building. At the request of Tenant, Landlord, at no cost or expense to it, shall within ten (10) days of Tenant's request, execute and deliver any documents or instruments reasonably required to obtain such permits, consents, certificates and approvals, provided such documents or instruments do not impose any liability or obligation on Landlord. Tenant shall not undertake Commencement of Construction unless and until (i) Tenant shall have obtained as aforesaid, and delivered to Landlord copies of all necessary permits, consents, certificates and approvals for such construction from all Governmental Authorities which are required to have

been obtained prior to Commencement of Construction, (ii) Landlord shall have reviewed the Construction Documents in the manner provided herein and shall have determined that they conform to the Master Development Plan, the Design Guidelines, the Schematics, the Design Development Plans, and the Designated Proposal Requirements and Landlord has given notice thereof to Tenant, (iii) Tenant shall have delivered to Landlord the original policies of insurance or duplicate originals thereof, in accordance with Section 11.03(a), and (iv) either (x) a building loan Mortgage in an amount sufficient, in Landlord's judgment, to assure completion of construction of the Building shall have been made for the financing of such construction or (y) Landlord shall have approved a plan submitted by Tenant for financing the construction of the Building. Tenant shall obtain such other permits, consents, certificates and approvals as may be required from time to time to continue and complete the construction of the Building. At the request of either Landlord or Tenant, made at any time after Commencement of Construction, Landlord and Tenant shall execute a certification setting forth the Construction Commencement Date. In the event the parties shall be unable to agree on such date, such dispute shall be resolved by arbitration pursuant to Article 36.

11.02. Approval Process; Landlord's Space; Certain Requirements.

(a) As soon as practicable, Tenant shall submit to Landlord preliminary scaled drawings (the "Pre-Schematics") prepared by the Architect, which Pre-schematics must be (i) consistent with the proposal submitted by The Related Companies, L.P., to Landlord dated December 8, 2000, as modified by the Schematics to the extent that same were approved by Landlord as of September 26, 2003, as reflected in Section 12 of the amendment to the Pre-Lease Escrow Agreement dated as of September 26, 2003 (collectively, the "Proposal") including, without limitation, elements of the Proposal which relate to the utilization of environmentally responsible building methods and systems and (ii) in accordance with Landlord's submission requirements for Pre-schematics, such requirements being more particularly described in the Design Guidelines. If Landlord determines that the Pre-Schematics conform to the Master Development Plan and the Design Guidelines, Landlord shall notify Tenant to that effect. If Landlord determines that the Pre-schematics do not conform to the Master Development Plan and the Design Guidelines, Landlord shall so notify Tenant, specifying in reasonable detail those respects in which the Pre-schematics do not so conform, and Tenant shall revise the Pre-schematics to so conform and shall resubmit the same to Landlord for review within fifteen (15) Business Days of the date of notice from Landlord to Tenant that the Pre-schematics do not so conform or such longer period as Landlord in its reasonable judgment may approve. Each review by Landlord shall be carried out within fifteen (15) Business Days of the date of submission of the Pre-schematics or revised Pre-schematics, as the case may be, by Tenant (and if Landlord shall not have notified Tenant of its determination within such fifteen (15) Business Day period, it shall be deemed to have determined that the Pre-schematics do conform to the Master Development Plan and the Design Guidelines).

(b) As soon as practicable, but in no event later than sixty (60) days after Landlord's written approval of the Pre-Schematics, Tenant shall submit to Landlord scaled schematic drawings (the "Schematics") prepared by the Architect, which Schematics must be (i) consistent with the Pre-Schematics and (ii) in accordance with Landlord's submission requirements for schematics, such requirements being more particularly described in the Design Guidelines. If Landlord determines that the Schematics conform to the Master Development

Plan and the Design Guidelines and are consistent with the Pre-Schematics, Landlord shall notify Tenant to that effect. If Landlord determines that the Schematics do not conform to the Master Development Plan and the Design Guidelines or are not consistent with the Pre-schematics, Landlord shall so notify Tenant, specifying in reasonable detail those respects in which the Schematics do not so conform, and Tenant shall revise the Schematics to so conform and shall resubmit the same to Landlord for review within fifteen (15) Business Days of the date of notice from Landlord to Tenant that the Schematics do not so conform or such longer period as Landlord in its reasonable judgment may approve. Each review by Landlord shall be carried out within fifteen (15) Business Days of the date of submission of the Schematics or revised Schematics, as the case may be, by Tenant (and if Landlord shall not have notified Tenant of its determination within such fifteen (15) Business Day period, it shall be deemed to have determined that the Schematics do conform to the Master Development Plan and the Design Guidelines and are consistent with the Pre-Schematics).

(c) As soon as practicable, but in no event later than the date that is sixty (60) days after Landlord's written approval of the Schematics, Tenant shall submit to Landlord for its review, design development plans and outline specifications for the Building (the "Design Development Plans"), prepared by the Architect and in accordance with Landlord's submission requirements for the design development phase, such requirements being more particularly described in the Design Guidelines. Any changes in the Design Development Plans from the Schematics shall be identified in reasonable detail. If Landlord determines that the Design Development Plans conform to the Master Development Plan, the Design Guidelines and the Schematics, Landlord shall notify Tenant to that effect. If Landlord determines that the Design Development Plans do not conform to the Master Development Plan, the Design Guidelines and the Schematics, Landlord shall so notify Tenant, specifying in reasonable detail those respects in which the Design Development Plans do not so conform, and Tenant shall revise the same to so conform and shall resubmit the Design Development Plans to Landlord for review within fifteen (15) Business Days of the date of notice from Landlord to Tenant that the Design Development Plans do not so conform or such longer period as Landlord in its reasonable judgment may approve. Each review by Landlord shall be carried out within fifteen (15) Business Days of the date of submission of the Design Development Plans or revised Design Development Plans, as the case may be, by Tenant (and if Landlord shall not have notified Tenant of its determination within such fifteen (15) Business Day period, it shall be deemed to have determined that the Design Development Plans do conform to the Master Development Plan, the Design Guidelines and the Schematics).

(d) As soon as practicable, but in no event later than one hundred fifty (150) days after Landlord's written approval of the Design Development Plans, Tenant shall submit to Landlord final contract plans and specifications for the Building prepared by the Architect and in accordance with Landlord's requirements for final contract plans and specifications, such requirements being more particularly described in the Design Guidelines. Any changes in such final contract plans and specifications from the Design Development Plans shall be identified in reasonable detail. The final contract plans and specifications shall be reviewed by Landlord to determine whether or not they conform to the Master Development Plan, the Design Guidelines and the Design Development Plans. If Landlord determines that they do so conform, Landlord shall notify Tenant to that effect. If Landlord determines that the final contract plans and specifications do not conform to the Master Development Plan, the Design Guidelines and the

Design Development Plans, Landlord shall so notify Tenant, specifying in reasonable detail those respects in which the final contract plans and specifications do not so conform, and Tenant shall revise the same to so conform and shall resubmit the final contract plans and specifications to Landlord for review within fifteen (15) Business Days of the date of notice from Landlord to Tenant that the final contract plans and specifications do not so conform or such longer period as Landlord in its reasonable judgment may approve. Each review by Landlord shall be carried out within fifteen (15) Business Days of the date of submission of the final contract plans and specifications or revised final contract plans and specifications, as the case may be, by Tenant (and if Landlord shall not have notified Tenant of its determination within such fifteen (15) Business Day period, it shall be deemed to have determined that the final contract plans and specifications do conform to the Master Development Plan, the Design Guidelines and the Design Development Plans). The contract plans and specifications that have been determined to conform to the Master Development Plan, the Design Guidelines and the Design Development Plans, as the same may be changed from time to time by Tenant, to the extent that changes required to be approved by Landlord are so approved by Landlord as hereinafter provided, are hereinafter referred to as the "Construction Documents".

(e) In the event that Tenant shall desire to modify the Construction Documents with respect to, or in a manner which will in any way affect, any aspect of the exterior of the Building or which will result in a change in the height, bulk or setback of the Building or which in any other manner affects compliance with the Master Development Plan or the Design Guidelines or the Proposal, Tenant shall submit the proposed modifications to Landlord for approval prior to making or implementing any such modification. All modifications shall be identified in reasonable detail. Landlord shall review the proposed changes to determine whether or not they (i) conform to the Master Development Plan, the Design Guidelines and the Proposal, and (ii) provide for design, finishes and materials with respect to the exterior of the Building which are comparable in quality to those provided for in the Construction Documents. If Landlord determines that they do so conform and provide, Landlord shall notify Tenant to that effect. If Landlord determines that the Construction Documents, as so revised, do not conform to the Master Development Plan, the Design Guidelines or the Proposal or provide for such design, finishes and materials, Landlord shall so notify Tenant, specifying in reasonable detail those respects in which they do not so conform or provide, and Tenant shall revise the same to meet Landlord's objections and shall resubmit them to Landlord for review within fifteen (15) Business Days of the date of notice from Landlord to Tenant that they do not so conform or provide or such longer period as Landlord in its reasonable judgment may approve. Each review by Landlord shall be carried out within fifteen (15) Business Days of the date of submission of the proposed changes or the Construction Documents, as so revised, by Tenant, as the case may be (and if Landlord shall not have notified Tenant of its determination within such fifteen (15) Business Day period, it shall be deemed to have determined that the proposed changes are satisfactory). Landlord shall not disapprove items in the Construction Documents that Landlord has previously specifically determined to be satisfactory, provided same have not been changed by Tenant.

(f) Notwithstanding the provisions of Section 11.02(e), if, after the Commencement of Construction, Tenant makes a good faith determination that any proposed modification which requires Landlord's approval under Section 11.02(e) is of a minor or insubstantial nature, Tenant may so advise the then existing Project Manager designated by

Landlord ("Landlord's Project Manager") (delivering to him or her a written statement setting forth the proposed modification and the basis for Tenant's determination and simultaneously delivering copies of said statement to Landlord's President and Chief Executive Officer and Director, Planning and Design). Landlord's Project Manager shall, in writing, before the expiration of the fifth full Business Day after the receipt of said advice, either (i) notify Tenant of approval of said proposed modification or (ii) notify Tenant that Tenant is required to submit the proposed modification to Landlord as provided in Section 11.02(e). In the event Landlord's Project Manager acts in accordance with (ii) above, Landlord, after receipt from Tenant of the proposed modification, shall endeavor to expedite its review thereof and notification to Tenant of its determination. Nothing set forth in this Section 11.02(f) shall require Landlord to notify Tenant of Landlord's determination earlier than the expiration of the fifteen (15) Business Day period set forth in Section 11.02(e) with respect to such modification, provided, however, that if Landlord's Project Manager shall not have notified Tenant of either (i) or (ii) above within the five (5) Business Day period set forth above, Landlord shall be deemed to have approved the proposed modification.

(g) The Construction Documents shall comply with the Requirements, including but not limited to the Building Code of New York City. The responsibility to assure such compliance shall be Tenant's; Landlord's determination that the Construction Documents conform to the Master Development Plan and the Design Guidelines shall not be, nor shall it be construed to be or relied upon as, a determination that the Construction Documents comply with the Requirements. In the event that there shall be a conflict between the Requirements and the Master Development Plan or the Design Guidelines, the Requirements shall prevail.

(h) In addition to the documents referred to in Section 11.01 and this Section 11.02, Tenant shall, at least thirty (30) Business Days prior to ordering the same for incorporation into the Building, submit to Landlord samples of all materials to be used on the exterior of the Building, including windows, and the same shall be subject to Landlord's approval for conformity to the Design Guidelines, the Master Development Plan and the Construction Documents; provided, however, that where Landlord has previously approved a sample, Tenant need not resubmit such item for approval unless the actual material varies from the sample (not including minor variations in natural conditions within the identified sample). If Landlord shall have failed to object to any of such materials within fifteen (15) Business Days after its receipt of such materials, it shall be deemed to have approved such materials. Landlord reserves the right at its sole cost and expense to maintain its field personnel at the Premises to observe Tenant's construction methods and techniques and Landlord shall be entitled at its sole cost and expense to have its field personnel or other designees attend Tenant's job and/or safety meetings. No such observation or attendance by Landlord's personnel or designees shall impose upon Landlord any responsibility for any failure by Tenant to observe applicable Requirements or safety practices in connection with such construction, or constitute an acceptance of any work which does not comply in all respects with the Requirements and the provisions of this Lease.

(i) Tenant acknowledges that the maximum permissible "floor area," as such term is defined in the Zoning Resolution of the City of New York ("Zoning Floor Area"), for the Land shall be 330,000 square feet as computed in accordance with Section 12-10 of the Zoning Resolution. Tenant may elect to utilize less than such maximum permissible Zoning Floor Area.

All development rights to Zoning Floor Area not utilized in the initial construction of the Building are retained by Landlord.

(j) Tenant shall not construct or permit to exist any Building on the Land unless the Building is in compliance with the Master Development Plan and the Design Guidelines.

(k) Landlord acknowledges and agrees that in order to meet Tenant's construction schedule, Tenant may be required to "fast track" certain aspects of the final detailed plans and specifications and of the excavation and foundation stage of the construction process. Landlord agrees, within the limitations of sound construction practice, to cooperate with Tenant, as reasonably requested from time to time by Tenant, in "fast tracking" the construction of the Building as aforesaid. Such cooperation may include, and may only include (i) shortening the review periods provided for herein, (ii) reviewing certain aspects of the Design Development Plans and Construction Documents prior to completion and submission to Landlord of every aspect thereof, and (iii) permitting Tenant to begin excavation and foundation work prior to completion and approval by Landlord of the Construction Documents.

(l) Tenant shall, at Tenant's expense, construct and make available throughout the Term to Landlord or, at Landlord's option, to Battery Park City Parks Conservancy, without rental or other charge, a minimum of two hundred and fifty (250) useable square feet of space (the "250 Square Foot Space") in the Building, at grade, located near the northwest corner of the Building, subdivided into two separate areas, each with minimum dimensions of ten (10) by twelve (12) feet, to house, operate and maintain system controls (including, without limitation, electrical and plumbing system controls) for the Open Space, and for storage, in accordance with all applicable Requirements, of supplies and equipment, and for such other uses as Landlord may from time to time determine (provided that such other uses do not (a) violate any applicable Requirement, (b) include admission of the public to such space, or (c) detract from the desirability or value of the Building as a residential building), having an entrance from the Open Space and in a specific location and of a configuration approved by Landlord, which approval shall not be unreasonably withheld. Tenant shall, at Tenant's sole cost and expense, construct the following utility core openings in the exterior walls of the 250 Square Foot Space, at locations designated by Landlord and approved by Tenant, which approval shall not be unreasonably withheld: two (2) openings, each having not less than a four inch (4") diameter, to accommodate Landlord's electrical facilities, and two (2) openings, each having not less than an eight inch (8") diameter to accommodate Landlord's plumbing facilities. Landlord shall submit its designation of such locations to Tenant within fifteen (15) Business Days after Tenant shall have given Landlord written notice requesting same, which notice requesting such designation shall be given after Landlord shall have approved (or shall be deemed to have approved) the Design Development Plans. Landlord shall, at all times during the Term, have the exclusive right to use and occupy the 250 Square Foot Space, and shall have exclusive possession of the 250 Square Foot Space, subject to Tenant's right of access set forth below. Tenant shall not run any ducts, pipes, wiring, conduits or other components of the Building's systems, or any structural components of the Building, through the 250 Square Foot Space except in a manner that will not interfere with Tenant's use thereof. Landlord shall not use the 250 Square Foot Space for any uses other than those permitted above. Tenant shall (i) at Tenant's expense, construct the electrical, plumbing, sewer, floor drainage, fire protection,

heating and ventilation systems that Tenant is required to construct in accordance with Schedule 2 annexed hereto and (ii) provide such services to the 250 Square Foot Space (to the applicable connection point) throughout the Term (the electrical and water use to be paid for by Landlord as provided below). Tenant shall perform the foregoing in a manner that shall minimize negative impacts on the Building's facades and on public areas outside the Building. Landlord shall make separate arrangements (including the installation of any necessary electric and water meters) with the applicable utility company to separately meter and pay for the electrical and water use by the occupant of the 250 Square Foot Space. Landlord shall not be charged for any ventilation, sewer, floor drainage or fire protection services provided to the 250 Square Foot Space by Tenant. The 250 Square Foot Space shall not be used in a manner that will unreasonably interfere with Tenant's use of the Premises for the purposes set forth in this Lease. Upon Landlord's request, Tenant agrees to construct or cause the construction of such tenant improvements as Landlord may request in the 250 Square Foot Space (based upon engineered drawings reasonably acceptable to Tenant prepared by a reputable and qualified professional or a qualified professional on Landlord's staff at Landlord's sole cost and expense), subject to Tenant and Landlord agreeing in writing to the actual out of pocket cost thereof, and to Landlord's agreement to reimburse Tenant for such actual out of pocket cost within thirty (30) days of receipt by Landlord of invoices from Tenant from time to time as the construction progresses, but not more often than monthly. Landlord, or its designee, shall be solely responsible for all costs and expenses incurred by Landlord in connection with the use, operation and maintenance of the 250 Square Foot Space and for the performance of all alterations, changes, improvements, repairs and replacements to the 250 Square Foot Space. Notwithstanding the foregoing, (i) in no event shall Landlord have any obligation to pay to Tenant on account of the 250 Square Foot Space any allocation or pass-through or other amounts representing any portion of Tenant's operating expenses, Impositions, PILOT, so-called "porters' wage escalation" or other expense adjustment or escalation, ground rent and/or other expenditures of Tenant in connection with its operation and maintenance of the Premises, and (ii) Tenant shall be solely responsible, at Tenant's sole cost and expense, for the maintenance and repair of any portion of the Building's systems serving the 250 Square Foot Space (but not for any of Landlord's distribution systems located within the 250 Square Foot Space). In the event that Landlord shall desire that Tenant perform any repair or maintenance of the 250 Square Foot Space, then Tenant shall do so at commercially reasonable and competitive rates, in accordance with an advance written estimate furnished by Tenant, and subject to Landlord's agreement to pay Tenant for such repair or maintenance at such rates within thirty (30) days of receipt by Landlord of invoices from Tenant from time to time, but not more often than monthly. If and to the extent that it shall be necessary for Tenant to enter the 250 Square Foot Space in order for Tenant to perform any maintenance, repairs, alterations or improvements to the Building and/or the Building's systems that it has the right or is required to perform under this Lease, then Landlord shall permit Tenant and Tenant's agents to enter the 250 Square Foot Space at reasonable times and upon reasonable prior notice (except in case of emergency, in which case Tenant shall give Landlord such notice, if any, as may be reasonably practicable under the circumstances), to perform such maintenance, repairs, alterations or improvements. Any work performed pursuant to this Section 11.02(l) shall be performed with reasonable diligence and in a manner which minimizes interference with Landlord's use of the 250 Square Foot Space. Tenant shall promptly repair any damage to the 250 Square Foot Space and Landlord's property caused by such work and to the extent necessary

replace any damaged items, or at Landlord's option reimburse Landlord for the cost of such repair and/or replacement.

(m) Whenever any Section of this Article 11 or any other provision of this Lease (i) requires that the Building, any plans or specifications, any Capital Improvement, repair or Restoration comply with the Master Development Plan and/or the Design Guidelines, such Section or provision shall be deemed to require that the Building, such plans or specifications, Capital Improvement, repair or Restoration, as applicable, also comply with the Designated Proposal Requirements; (ii) requires that Landlord review any plans or specifications for conformance to the Master Development Plan and/or the Design Guidelines, Landlord shall also review same for conformance to the Designated Proposal Requirements; or (iii) provides that under certain circumstances, Landlord shall be deemed to have determined that plans and specifications conform to the Master Development Plan and/or the Design Guidelines, then, under such circumstances Landlord shall be deemed to have determined that such plans and specifications also conform to the Designated Proposal Requirements, in each case, irrespective of whether or not the Designated Proposal Requirements are referred to in such Section or provision.

(n) The Building shall provide the maximum number of underground parking spaces feasible, after taking into account other required uses.

11.03. Insurance.

(a) Commencing on the Commencement Date, Tenant shall provide, or cause to be provided, and thereafter shall keep in full force and effect, or cause to be kept in full force and effect with respect to the Premises, until Commencement of Construction, insurance coverage of the types and in the minimum limits set forth in subsections (i) and (ii) of this Section 11.03(a). Not later than two (2) Business Days prior to the Commencement of Construction, Tenant shall provide, or cause to be provided, and thereafter shall keep or cause to be kept in full force and effect with respect to the Premises, until Substantial Completion of the Building, the following:

(i) general liability insurance, naming contractor or construction manager as named insured and, as additional insureds, Tenant, Landlord, Master Landlord and each Mortgagee, such insurance to insure against liability for bodily injury and death and for property damage in an amount not less than Twenty-Five Million Dollars ($25,000,000) combined single limit, such insurance to include operations-premises liability, contractor's protective liability on the operations of all subcontractors, completed operations (to be kept in force for not less than three (3) years after Substantial Completion of the Building), broad form contractual liability (designating the indemnity provisions of the Construction Agreements and this Lease), a broad form comprehensive general liability endorsement providing blanket automatic contractual coverage including bodily injury to employees or others assumed by the insured under contract and, if the contractor is undertaking foundation, excavation or demolition work, an endorsement that such operations are covered and that the "XCU Exclusions" have been deleted;

(ii) automobile liability insurance for all owned, non-owned, leased, rented and/or hired vehicles insuring against liability for bodily injury and death and for property damage in an amount not less than Five Million Dollars ($5,000,000) combined single limit, with such coverage to be listed in the underlying schedule of any umbrella or following form excess policy for a total limit of Twenty-Five Million Dollars ($25,000,000), such insurance to name Tenant (contractor if carried by contractor) as named insured and, as additional insureds, Landlord, Master Landlord, any general contractor or construction manager engaged by Tenant (Tenant if contractor carries such insurance) and each Mortgagee under a standard mortgage clause;

(iii) workers' compensation insurance providing statutory New York State benefits for all persons employed in connection with the construction at the Premises and employer's liability insurance in an amount not less than that required by New York State law, with coverage to be listed in the underlying schedule of any umbrella or following form excess policy; and

(iv) special form builder's risk insurance written on a one hundred percent (100%) of completed value (non-reporting) basis with limits as provided in Section 7.01(a)(i), naming, to the extent of their respective insurable interests in the Premises, Tenant as named insured, and, as additional insureds, Landlord, Master Landlord, any contractor or construction manager engaged by Tenant and each Mortgagee under a standard mortgagee clause. In addition, such insurance (A) shall contain an acknowledgment by the insurance company that its rights of subrogation have been waived with respect to Landlord and Master Landlord and an endorsement stating that "permission is granted to complete and occupy", (B) if any storage location situated off the Premises is used, shall include coverage for the full insurable value of all materials and equipment on or about any such storage location intended for use with respect to the Premises, and (C) if materials, equipment, machinery or supplies to be used in connection with construction are shipped to the job site from places in the contiguous United States, the District of Columbia or Canada, the all-risk builders risk insurance will provide transit coverage.

(b) In the event the proceeds received pursuant to the insurance coverage required under Section 11.03(a)(iv) hereof shall exceed One Million Dollars ($1,000,000) (as such amount shall be increased as provided in Section 7.02(a)), such proceeds shall be paid to Depository and disbursed in accordance with the provisions of Sections 8.02 and 8.03 hereof. In the event such proceeds shall be One Million Dollars ($1,000,000) (as such amount shall be increased as provided in Section 7.02(a)) or less, such proceeds shall be payable, in trust, to Tenant for application to the cost of completion of construction of the Building.

(c) No construction shall be commenced until Tenant shall have delivered to Landlord the certificates of the policies of insurance as required by this Section 11.03.

(d) To the extent applicable, Tenant shall comply with the provisions of Section 7.02 hereof with respect to the policies required by this Section 11.03.

(e) To the extent that the insurance coverages required pursuant to this Section 11.03 duplicate those required by Article 7 hereof, Tenant shall not be required to maintain such coverages in duplicate, but in each instance the more extensive coverage shall be maintained.

(f) Tenant shall, prior to Commencement of Construction, obtain or cause to be obtained, and furnish to Landlord with respect to each contractor and subcontractor having a contract (or multiple contracts) providing for payments of $1,000,000.00 or more in the aggregate, either:

(i) a payment and performance bond in a form and by a surety reasonably satisfactory to Landlord naming such contractor or subcontractor as obligor and Landlord, Tenant and each Mortgagee as co-obligees, each in a penal sum equal to the amount of such contractor's or subcontractor's contract; or

(ii) both (a) a Guaranty of Completion in the form of Exhibit E hereto executed by such surety or sureties as may be reasonably acceptable to Landlord and (b) a letter from a surety company reasonably acceptable to Landlord attesting to the "bondability" of such contractor and its contract (s) or subcontract(s), as the case may be, or other evidence of bondability as is reasonably satisfactory to Landlord, which letter shall be reasonably acceptable to Landlord in form and substance (and Landlord agrees that any such surety company or letter approved by Tenant's Mortgagee shall be deemed to be acceptable to Landlord). Landlord acknowledges that, in order for Tenant to comply with the Affirmative Action Program, a copy of which is annexed hereto as Exhibit C, Tenant may have to waive the requirement for a bond, guaranty or other security, in which event, Tenant shall be authorized to grant said waiver and evidence of bondability shall not be required. Such waiver shall not constitute a default hereunder.

11.04. Timing. Construction of the Building shall be (a) commenced on or prior to the Construction Commencement Date and prosecuted by Tenant with all reasonable diligence and without interruption, in each case however subject to Unavoidable Delays, and (b) Substantially Completed by Tenant in a good and workerlike manner in accordance with the approved Construction Documents, the Master Development Plan and the Design Guidelines, no later than thirty (30) months after the Construction Commencement Date as such date may be extended for Unavoidable Delays (the "Scheduled Completion Date"). Upon and as a condition to the occurrence of Substantial Completion of the Building, Tenant shall furnish Landlord with (i) true copies of the Residential TCO for all the residential space in the Building and a temporary Certificate of Occupancy for the garage, and (ii) a survey prepared and sealed by a registered surveyor showing the Building and all easements and other matters of record relating to the Premises, certified by such surveyor to Tenant, Landlord, each Mortgagee, and to any title company which shall have insured or committed to insure the Premises, and bearing the certification of such surveyor that the Building is within the property lines of the Land and do not encroach upon any easement or violate any restriction of record. "Substantial Completion of the Building" or "Substantially Completed" shall mean (i) substantial completion of all construction work on the residential space in the Building and the garage, and, substantial completion of all construction work on all exterior portions of the Building, including the exterior portions of the non-residential space in the Building, (ii) the delivery to Landlord of true

copies of the Residential TCO for all the residential space in the Building and of a temporary Certificate of Occupancy for the garage, and a certificate of the Architect to Landlord that Tenant has completed sufficient work on the exterior portions of the non-residential space in the Building such that Tenant would be entitled to obtain a temporary Certificate of Occupancy for the non-residential space in the Building if interior work had been completed to the same standards, and (iii) the delivery to Landlord of a statement in writing from the Architect that the construction has been performed substantially in accordance with the approved Construction Documents, the Master Development Plan, and the Design Guidelines and certifying the Zoning Floor Area of the Building as constructed. Notwithstanding anything herein contained to the contrary, if Tenant shall be diligently and in good faith attempting to obtain a Residential TCO and a temporary Certificate of Occupancy for the garage (which attempt shall include, but not be limited to, the reasonable expenditure of monies) but shall have failed to deliver the Residential TCO for all the residential space in the Building or a temporary Certificate of Occupancy for the garage on or before the Scheduled Completion Date as a result of the failure of the Department of Buildings of New York City, or successor body of similar function, to issue the same, such failure shall not constitute a Default or Event of Default hereunder provided the Architect certifies in writing to Landlord that Tenant has completed all work necessary to obtain such Residential TCO or temporary Certificate of Occupancy for the garage and provided that Tenant continues to diligently and in good faith pursue obtaining same (it being agreed, however, that in no event shall Tenant permit or suffer any occupancy of the residential or other portion of the Building unless and until Tenant shall have obtained and delivered to Landlord a Residential TCO or temporary Certificate of Occupancy covering the nonresidential portion of the Building in question, as applicable). Tenant has advised Landlord that it intends to use up to two (2) residential units of the Building as a model apartment or model apartments and/or as a leasing/management office for the Building. In the event that Tenant shall use up to two (2) residential units for such purposes, then notwithstanding the foregoing, and solely for the purposes of determining whether Substantial Completion of the Building has occurred, said units need not be covered by the Residential TCO, and solely for the purpose of determining whether Completion of the Building has occurred, the punchlist work relating to said units need not be completed. The foregoing shall not relieve Tenant of its obligation under this Lease to comply with all Requirements as same relate to said units, including, without limitation, to obtain such certificates of occupancy as may be required in order to use such units as model apartments and/or as a leasing/management office. In any event, Tenant shall deliver a true copy of such Residential TCO and temporary Certificate(s) of Occupancy for the non-residential space in the Building, to Landlord promptly upon their issuance. Within one hundred twenty (120) days after Substantial Completion, Tenant shall provide Landlord with a complete set of "as built" plans for the Building prepared by the Architect and accompanied by a written statement by the Architect that the "as built" plans are complete and correct. Within thirty-six (36) months after the date of Substantial Completion of the Building, Tenant shall furnish Landlord with permanent Certificate(s) of Occupancy for all space in the Building duly issued by the New York City Department of Buildings, provided, however, Tenant's failure to obtain such permanent Certificate(s) of Occupancy within such thirty-six (36) month period shall not be a Default or Event of Default hereunder if Tenant shall be diligently and in good faith attempting to obtain same (which attempt (i) shall include, but not be limited to, the reasonable expenditure of monies, but (ii) shall not obligate Tenant to complete construction of any interior portion of the non-residential space in the Building other than the garage until such portion has been made

subject to one or more Subleases). In any event, Tenant shall promptly furnish Landlord with such permanent Certificate(s) of Occupancy after same has been duly issued.

11.05. Job Materials.

(a) The materials to be incorporated in the Building at any time during the Term shall, upon purchase of same and at all times thereafter, constitute the property of Landlord, and upon construction of the Building or the incorporation of such materials therein, title thereto shall vest in Landlord, provided, however, that (i) Landlord shall not be liable in any manner for payment or otherwise to any contractor, subcontractor, laborer or supplier of materials or other Person in connection with the purchase of any such materials, (ii) Landlord shall have no obligation to pay any compensation to Tenant by reason of its acquisition of title to such materials and Building, (iii) Landlord shall have no obligation with respect to the storage or care of such materials or the Building, (iv) all materials to be incorporated in the Building shall, immediately upon the purchase of same, be deemed to be leased to Tenant pursuant to this Lease and (v) provided no Default in the payment of Rental (whether or not notice of such Default has been delivered to Tenant) and no other Default as to which notice shall have been given shall have occurred and be continuing, any refunds, credits or other proceeds that may be obtained in respect of such materials shall be paid to Tenant within fifteen (15) Business Days following Landlord's receipt thereof.

(b) All Construction Agreements shall include the following provision: "[contractor] [subcontractor] [materialman] hereby agrees that immediately upon the purchase by [contractor] [subcontractor] [materialman] of any building materials to be incorporated in the Building (as said term is defined in the lease pursuant to which the owner acquired a leasehold interest in the property), or of any building materials to be incorporated in improvements made thereto, such materials shall become the sole property of Battery Park City Authority, a public benefit corporation, notwithstanding that such materials have not been incorporated in, or made a part of, such Building at the time of such purchase; provided, however, that Battery Park City Authority shall not be liable in any manner for payment or otherwise to [contractor] [subcontractor] [materialman] in connection with the purchase of any such materials and Battery Park City Authority shall have no obligation to pay any compensation to [contractor] [subcontractor] [materialman] by reason of such materials becoming the sole property of Battery Park City Authority."

(c) By reason of the ownership of the Building by Landlord, certain sales and compensating use taxes will not be incurred in connection with the construction of the Building. Tenant shall pay to Landlord, as payments in lieu of such sales and compensating use taxes, an amount equal to the product obtained by multiplying Four Dollars and Fifty Cents ($4.50) by the gross floor area of the Building, as shown on the Construction Documents, payable in eight (8) equal quarterly payments, the first such payment to be made on the first day of the month following the date on which the Commencement of Construction shall occur (unless Commencement of Construction shall occur on the first day of a month in which case such payment shall be made on such date) and the succeeding payments to be made on the first day of each third month thereafter until paid in full. In the event that the Construction Documents shall be modified so as to increase the gross floor area of the Building, then Landlord and Tenant shall make such adjustments so that all previous and future installments of the amount payable under

this Section 11.05(c) shall be in the amount which would have been payable under this Section 11.05(c) had same been paid on the basis of the gross floor area of the Building as shown in such modified Construction Documents, and Tenant shall pay the amount of such adjustment attributable to past installments with fifteen (15) days after Landlord's approval of such modification. In the event that Landlord shall permit Tenant to begin excavation and foundation work prior to completion and approval by Landlord of the Construction Documents as contemplated by Section 11.02(k), then the amounts payable under this Section 11.05(c) shall be payable on the basis of the gross floor area of the Building as shown on the most recent plans approved by Landlord, and if the Construction Documents shall show a greater gross floor area, then previous and future installments of amounts payable under this Section 11.05(c) shall be adjusted as aforesaid upon Landlord's approval of the Construction Documents. If there shall be any dispute as to the gross floor area of the Building as shown on the Construction Documents or any such other plans, such dispute shall be resolved by arbitration in accordance with the provisions of Article 36. In the event Tenant is compelled by any Governmental Authority to pay any such sales or compensating use tax in respect of materials incorporated (or to be incorporated) in the Building in connection with Tenant's initial construction of the Building, then, provided that Tenant has paid all installments of the payments in lieu of such taxes referred to above which have theretofore become due and payable, Tenant shall receive a credit against the next installment(s) of Base Rent in an amount equal to the amount of such taxes (including interest and penalties) which Tenant has been compelled to pay, provided that (i) each Construction Agreement contains the provision set forth in Section 11.05(b), (ii) Tenant has notified Landlord prior to payment of such taxes and promptly upon receipt of notice of claim that a claim has been made therefor, and (iii) if permitted by applicable law, Landlord has the opportunity to contest the imposition of same provided that neither Tenant's interest in the Premises nor any income derived by Tenant therefrom would, by reason of such contest, be forfeited or lost, or subject to any lien, encumbrance or charge, and Tenant would not by reason thereof be subject to any civil or criminal liability. At Tenant's request, Landlord shall cooperate and assist Tenant's efforts to establish to any Governmental Authority that by reason of Landlord's ownership of the Building, no sales or compensating use tax is payable in connection with the materials incorporated or to be incorporated into the Building. If Tenant is required to institute any proceedings against any Governmental Authority to obtain a refund of any sales or compensating use tax paid by Tenant in connection with the materials incorporated into the Building, Landlord shall join in the proceedings provided that the provisions of any law, rule or regulation at the time in effect shall require that such proceedings be brought in the name of Landlord. Tenant shall reimburse Landlord for any and all costs and expenses that Landlord may reasonably incur in connection with providing such cooperation and assistance or in connection with such proceedings, including reasonable attorneys fees and disbursements.

(d) Neither this Section 11.05 nor Section 15.01 shall be construed to prevent Tenant from being treated as the owner of the property and materials described in such Sections for federal income tax purposes or to prevent Tenant from claiming depreciation deductions or other income tax benefits attributable to its investments in such materials and property.

11.06. Signage. Tenant may furnish and install, for so long as permitted by the Design Guidelines, project signage, designed, of a size and with such text as shall be reasonably satisfactory to, Landlord, located on the Premises in a manner reasonably satisfactory to Landlord and Tenant. In the event that Landlord shall, in its sole discretion, install signage in the

Project Area which is intended to list, and/or provide directions to, residential buildings in the Project Area, then Landlord shall include the Building in such signage or portion thereof as is appropriate in Landlord's reasonable judgment. Tenant also shall extend to Landlord and any of its designee(s) the privilege of being featured participants in ground-breaking and opening ceremonies to be held at such time and in such manner as Landlord and Tenant shall agree.

11.07. Fill. Tenant shall remove from the Project Area all fill excavated from the Land and shall dispose of such fill in accordance with all applicable Requirements.

11.08. Coordination. Tenant acknowledges that it is aware that construction activities of other developers and of Landlord are in progress or contemplated within the Project Area. Tenant shall coordinate its construction activities at the Premises with other construction activities taking place in the Project Area, and those incident to the construction of Landlord's Civic Facilities and civic facilities in other portions of the Project Area. The staging area for construction shall be limited to the sidewalks immediately adjacent to the Land and the ten (10) foot wide area of the roadbeds of Warren Street and North End Avenue immediately adjacent to the Land. In no event shall Landlord or Master Landlord be liable for any delays in Tenant's construction of the Building attributable to other construction activity in the Project Area; provided, however, that delay caused by construction activities of Landlord or Master Landlord shall be construed to be Unavoidable Delay. In addition, Tenant shall (i) cause any and all work which Tenant is required to or does perform on, under or adjacent to any portion of any street situated in whole or in part in the Project Area to be performed in accordance with all applicable Requirements and in a manner which does not wrongfully obstruct or hinder ingress to or egress from any portion of the Project Area, (ii) not cause, permit or suffer the storage of construction materials or the placement of vehicles not then being operated in connection with construction activities on any portion of any such street, except as may be permitted by applicable Requirements, (iii) undertake its construction activities in accordance with normal New York City construction rules and (iv) promptly repair or, if required by Landlord, replace any portion of Landlord's Civic Facilities damaged by the act or omission of Tenant or any agent, contractor or employee of Tenant, any such repair or replacement, as the case may be, to be performed by using materials identical to those used by Landlord, or, if Tenant, despite its best efforts, is unable to procure such materials, using materials in quality and appearance similar to those used by Landlord and approved by Landlord. In the event Tenant shall have failed to promptly repair or replace such portion of Landlord's Civic Facilities as hereinabove provided after notice by Landlord and subject to Unavoidable Delay, Landlord shall have the right to do so at Tenant's expense and Tenant shall, within ten (10) days after demand, reimburse Landlord for such costs and expenses incurred by Landlord. In the event Tenant shall fail to promptly comply with the provisions of subparagraph (ii) of this Section 11.08, Landlord shall have the right after notice to Tenant to remove such construction materials or vehicles at Tenant's expense and Tenant shall, within ten (10) days after demand, reimburse Landlord for such costs and expenses incurred by Landlord. Landlord shall have the right, but shall not be obligated, to erect a perimeter fence enclosing the Premises and any other of the parcels within the North Residential Neighborhood, provided such fence shall permit construction access to the Premises. In the event Landlord erects such a fence, Tenant shall not interfere with same and, if the fence shall be damaged by the act or omission of Tenant or any agent, contractor or employee of Tenant, Tenant shall promptly repair or, if required by Landlord, replace the damaged portion in the manner provided in the immediately preceding clause (iv). At the request of Landlord, Tenant shall promptly

enclose the Land with an 8-foot high chain-mesh or wooden fence so as to separate the Premises from the remainder of the Project Area. During construction, Tenant shall maintain Tenant's fence in good condition and shall have the right to temporarily remove and relocate the fence as may be required to permit construction access to the Premises provided the fence shall at all times remain within the boundaries of the Land. Upon Substantial Completion of the Building, Tenant shall remove Tenant's fence and, if constructed, Landlord shall remove its fence from around the Premises. Subject to applicable Requirements, Tenant shall have the right to remove Tenant's fence at an earlier date and, if such fence is constructed, Landlord, at the request of Tenant, shall remove its fence from around the Premises, if Tenant has commenced its program to lease space in the Building or sell Cooperative Apartments or Units.

11.09. Labor.

(a) Tenant shall cause its contractors and all other workers at the Premises connected with Tenant's construction to work harmoniously with each other, and with the other contractors and workers in the Project Area, and Tenant shall not engage in, permit or suffer, any conduct which may disrupt such harmonious relationship. Tenant shall use its best efforts to cause its contractors to minimize any interference with the use, occupancy and enjoyment of the Project Area by other occupants thereof.

(b) Tenant shall install fencing as required and as determined and directed by Landlord to protect existing trees.

11.10. Construction Activities. Tenant shall construct the Building in a manner which does not interfere with, delay or impede the activities of Landlord, its contractors, and other contractors and developers within the Project Area. If, in Landlord's reasonable judgment, Tenant shall fail to comply with its obligations under this Section 11.10, Landlord may, in addition to any other remedies it may have hereunder, order Tenant (and Tenant's contractors and other Persons connected with Tenant's construction within the Project Area) to cease those activities which Landlord believes interfere with, delay or impede Landlord or such other contractors or developers and Tenant shall promptly cease such activities. No delay or other loss or hindrance of Tenant arising from any such order by Landlord or from the actions or omissions of any other such contractor or developer shall form the basis for any claim by Tenant against Landlord or excuse Tenant from the full and timely performance of its obligations under this Lease except as otherwise expressly set forth in this Lease. Landlord shall construct or cause the Landlord's Civic Facilities to be constructed in a manner which does not unreasonably interfere with, delay or impede the activities of Tenant, its contractors or other contractors or subcontractors in connection with the construction of the Building and Landlord shall promptly cease or cause to cease, those activities which unreasonably interfere with, delay or impede Tenant, its contractors or other contractors or subcontractors in connection with the construction of the Building.

11.11. Wages. All persons employed by Tenant with respect to construction of the Building shall be paid, without subsequent deduction or rebate unless expressly authorized by law, not less than the minimum hourly rate required by law.

11.12. Design/Construction Period Letter of Credit.

(a) Tenant shall secure its obligations under this Lease, including, without limitation, Tenant's obligation for the payment of Rental, by depositing with Landlord by the date established in accordance with the Pre-Lease Escrow Agreement, a clean irrevocable letter of credit (the "Design/Construction Period Letter of Credit") drawn in favor of Landlord, in the form attached as Exhibit G hereto, and having a term of not less than one (1) year, payable in United States dollars upon presentation of one or more sight drafts, issued by and drawn on a recognized commercial bank or trust company which is a member of the New York Clearing House Association or which is satisfactory to Landlord. The initial amount of the Design/Construction Period Letter of Credit shall be Three Million Three Hundred Thousand Dollars ($3,300,000). Except as hereinafter provided, the Design/Construction Period Letter of Credit shall be renewed or replaced without decrease in amount each and every year as provided herein. Each Replacement Letter of Credit shall be delivered to Landlord not less than thirty (30) days prior to the expiration of the Design/Construction Period Letter of Credit or then current Replacement Letter of Credit. The failure of Tenant to renew the Design/Construction Period Letter of Credit or any Replacement Letter of Credit in accordance with this Section 11.12 and Article 43 hereof shall entitle Landlord to present the Design/Construction Period Letter of Credit or Replacement Letter of Credit for payment, in which event Landlord shall hold the payments in an interest bearing account and apply the proceeds thereof (together with any interest earned thereon) as provided in Section 11.12(b). If Landlord shall obtain the proceeds of the Letter of Credit, Tenant's failure to renew the Letter of Credit shall not constitute a Default under this Lease. Notwithstanding the foregoing, provided (i) Landlord shall not have presented the Design/Construction Period Letter of Credit or any Replacement Letter of Credit for payment, and (ii) no Default in the payment of Rental (whether or not notice of such Default has been delivered to Tenant) and no other Default as to which notice shall have been given shall have occurred and be continuing hereunder, then (a) at the expiration of one (1) year from the date of Commencement of Construction or at any time thereafter and prior to Substantial Completion, Tenant shall have the right to reduce the Design/Construction Period Letter of Credit to Two Million Two Hundred Thousand Dollars ($2,200,000); (b) at the expiration of two (2) years from the date of Commencement of Construction or at any time thereafter, and prior to Substantial Completion, Tenant shall have the right to reduce the Design/Construction Period Letter of Credit to One Million One Hundred Thousand Dollars ($1,100,000); and (c) at or at any time after Substantial Completion, Tenant shall have the right to reduce the Design/Construction Period Letter of Credit to an amount equal to twice the amount certified by the Architect as the amount required to effect final Completion of the Building in accordance with the Construction Documents, plus the amount of Fifty Thousand Dollars ($50,000) as security for Tenant's obligations to deliver to Landlord the survey and "as built" plans described in Section 11.04 hereof. In such event as referred to in clauses "a," "b" and "c" of this Section 11.12(a), Landlord shall provide Tenant with such authorization to so reduce the Design/Construction Period Letter of Credit as the issuer thereof may require.

(b) If prior to the final Completion of the Building in accordance with the Construction Documents, an Event of Default shall occur, whether or not this Lease is thereby terminated, Landlord is hereby authorized by Tenant to present the Design/Construction Period Letter of Credit or any Replacement Letter of Credit for payment. In the event this Lease is terminated in accordance with the provisions of Article 24 or Tenant is dispossessed by summary

proceedings or otherwise as provided in Section 24.03(b), Landlord is hereby authorized by Tenant, to retain all of the proceeds thereof as liquidated damages which shall, except with respect to Recourse Claims, be Landlord's sole monetary remedy against Tenant prior to completion of the Building, but same shall not in any way limit Landlord's right to terminate this Lease or to dispossess Tenant from the Premises or to seek any other nonmonetary relief or remedy (other than specific performance of Tenant's obligations hereunder that do not relate to its obligation to surrender possession of the Premises upon the termination of this Lease). In the event this Lease is not terminated or Tenant is not dispossessed, Landlord is hereby authorized by Tenant to apply all or a portion of said proceeds to the payment of any sums then due or thereafter becoming due under this Lease and to the payment of any damages or costs to Landlord resulting from such Event of Default without relieving Tenant of any liability to the extent said proceeds shall be insufficient for such purposes and to retain the balance thereof pending further application or payment to Tenant as hereinafter provided. Unless theretofore presented by Landlord, Landlord shall deliver to Tenant the Design Construction Period Letter of Credit or any Replacement Letter of Credit or if presented, any unapplied proceeds thereof on the date of final Completion of the Building in accordance with the Construction Documents, provided no Default in the payment of Rental (whether or not notice of such Default has been delivered to Tenant) and no other Default as to which notice shall have been given shall have occurred and be continuing hereunder.

11.13. Other Tenants. Landlord agrees that the leases to be entered into with other tenants of parcels within the North Residential Neighborhood shall require such tenants to comply with requirements substantially similar to those required of Tenant pursuant to Sections 11.02(j), 11.06, 11.07, 11.08, 11.09, 11.10 and 11.11. Landlord shall enforce compliance with such requirements on a non-discriminatory basis.

11.14. Environmental Guidelines. Tenant acknowledges that the incorporation of environmentally responsible building methods and systems into the Building pursuant to the Environmental Guidelines are important goals of Landlord, and are thus material obligations of Tenant under this Lease. Consequently, Tenant and Landlord hereby agree as follows with respect thereto:

(a) Except as expressly set forth in this clause (a), the Building shall be constructed and maintained in a manner consistent with the Proposal, including, without limitation, those elements of the Proposal addressing compliance with the Environmental Guidelines. Tenant shall have the right to deviate from those elements of the Proposal addressing compliance with the Environmental Guidelines provided the following conditions have been satisfied: (a) any such deviation shall be in compliance with the Environmental Guidelines, (b) Tenant shall submit to Landlord an explanation in reasonable detail explaining the reason for the proposed deviation from the Proposal, including the advantages and disadvantages of adopting the modification; and (c) Landlord shall have consented to such deviation from the Proposal, which consent may be withheld in Landlord's sole, but good faith, discretion.

(b) If any building system required to be constructed in accordance with the Environmental Guidelines (including without limitation the "gray water" recycling system), violates existing Requirements (an "Unapproved System"), then in such event:

(i) such Unapproved System shall, to the extent not expressly prohibited by the Requirements, be constructed in the building and appropriately capped or stubbed for future use, and such existing alternate building system which is then not in violation of the Requirements shall be constructed for present use;

(ii) Tenant shall promptly petition all appropriate Governmental Authorities and use best efforts to cause such Governmental Authorities to approve the Unapproved System for use in the Building or to otherwise seek an amendment of the Requirements in order to cause the Unapproved System to be approved for construction on a general basis; and

(iii) Within six (6) months after approval by the appropriate Governmental Authorities of the Unapproved System, Tenant shall perform any work required to be performed in order to cause the Unapproved System to be fully operational in the Building.

(c) Prior to the tenth (10^{th}) day of each calendar month prior to the Completion of the Building, and after Completion of the Building within thirty (30) days after Landlord's request from time to time, Tenant shall deliver to Landlord a progress report in form reasonably approved by Landlord, certified by the Environmental Consultant, which shall describe in reasonable detail what measures Tenant is taking (x) in order to comply with each of the Environmental Guidelines, including, without limitation, Article 3 thereof (Conserving Material and Resources) and (y) in furtherance of Section 11.14(b) above, if applicable.

(d) On a bi-weekly (i.e., once every two weeks) basis prior to the Completion of the Building, and after Completion of the Building upon Landlord's request from time to time, Tenant, Tenant's Architect, the Environmental Consultant, Tenant's general contractor and Landlord shall meet at the offices of Landlord in order to discuss Tenant's compliance with the Environmental Guidelines, construction relating thereto and the progress of any actions taken or required to be taken under Section 11.14(b) above, if applicable. If Tenant uses reasonable efforts to cause Tenant's Architect, the Environmental Consultant and Tenant's general contractor to attend the meetings referred to in this Section 11.14(d) (such reasonable efforts to include without limitation, keeping effective retention agreements in place with such parties) and one or more of said parties does not attend or refuses to attend for any reason other than Tenant's willful default under any agreement between Tenant and the non-attending party in connection with the Premises, then the failure of any one or more of said parties to attend any said meeting shall not constitute a Default under this Lease.

(e) Because the compliance with the Environmental Guidelines represents the employment of innovative building practices which are appreciably ahead of current standards and practice, Tenant acknowledges that the information learned from the design, construction, equipping, maintenance and operation of the components of the Building designed to comply with Environmental Guidelines ("Green Building Systems") will be of great benefit to the building industry and the general public. Consequently, Tenant agrees that:

(i) within 10 days after Landlord's request therefor it will provide Landlord with any and all information relating to the Green Building Systems (as distinct from the

general construction methods and procedures, and general real estate management, operation and maintenance systems and protocols that Tenant employs in connection with the Building) in a useable and understandable format, including, without limitation, the information required to be collected pursuant to Article 4 of the Environmental Guidelines;

(ii) any such information provided by Tenant or otherwise relating to the Green Building Systems (but not the general construction methods and procedures, and general real estate management, operation and maintenance systems and protocols that Tenant employs in connection with the Building), may be used and/or disseminated by Landlord in connection with promotional or educational materials, in connection with the development of present and future building sites and in any other manner reasonably intended to provide information concerning environmentally responsible and sustainable construction practices; and

(iii) at Landlord's request, made at least twenty (20) days prior to the date that Tenant's cooperation and/or participation is required, Tenant will cooperate and/or participate with Landlord in any demonstrations, promotional and/or educational materials, presentations or similar materials or events relating to the Green Building Systems.

(f) Tenant shall make all of its contractors and subcontractors aware of the Environmental Guidelines and the provisions of this Section 11.14 that are applicable to such contractors and subcontractors and shall be fully responsible for causing compliance therewith by all parties working on or in connection with the Building.

11.15. Application of this Article. All of the provisions of this Article 11 are intended to apply with respect to the initial construction of the Building. The provisions of this Article 11 shall also apply to all Capital Improvements and Restorations to the extent provided in Articles 8 or 13 or elsewhere in this Lease, and, in addition, the following provisions of this Article shall apply to all Capital Improvements and Restorations: Sections 11.02 (g), (h), (i) and (j), Section 11.03 (subject to any qualifications set forth in Article 13), Sections 11.05 (a) and (b) and the first sentence and the last three sentences of Section 11.05(c), Section 11.07, Section 11.08, Section 11.09, Section 11.10, Section 11.11 and Section 11.14.

ARTICLE 12.

REPAIRS

12.01. Repairs Generally. Except as otherwise specified in Article 26, Tenant or, if Tenant's leasehold estate in the Premises is submitted to the condominium form of ownership in accordance with this Lease, the Condominium Board, shall, at its sole cost and expense, put and keep in good condition and repair the Premises, including, without limitation, the Building, roofs, foundations and appurtenances thereto, all sidewalks, vaults (other than vaults which are under the control of, or are maintained or repaired by, a utility company), sidewalk hoists, water, sewer and gas connections, pipes and mains which are located on or service the Premises (unless the City of New York or a public utility company is obligated to maintain or repair same) and all

Equipment, and shall put, keep and maintain the Building in good and safe order and condition, and make all repairs therein and thereon, interior and exterior, structural and nonstructural, ordinary and extraordinary, foreseen and unforeseen, necessary or appropriate to keep the same in good and safe order and condition, and whether or not necessitated by wear, tear, obsolescence or defects, latent or otherwise, provided, however, that Tenant's or the Condominium Board's obligations with respect to Restoration resulting from a casualty or condemnation shall be as provided in Articles 8 and 9 hereof. Tenant or the Condominium Board shall, during the Term, comply with the maintenance and operational requirements set forth in the Environmental Guidelines. Tenant or the Condominium Board shall not commit or suffer, and shall use all reasonable precaution to prevent, waste, damage or injury to the Premises. When used in this Section 12.01, the term "repairs" shall include all necessary replacements, alterations and additions. All repairs made by Tenant or the Condominium Board shall be at least equal in quality and class to the original work and shall be made in compliance with (a) all Requirements of Governmental Authorities (including, but not limited to, Local Law No. 5, 1973, as amended, and Local Law 58, 1988, as amended), (b) the New York Board of Fire Underwriters or any successor thereto, (c) the Building Code of New York City, as then in force, (d) the Master Development Plan and (e) the Design Guidelines.

12.02. Sidewalks, Grounds, Etc. Except as otherwise specified in Article 26, Tenant or the Condominium Board, at its sole cost and expense, shall keep or cause to be kept clean and free from dirt, snow, ice, rubbish, obstructions and encumbrances, the sidewalks, grounds, chutes and sidewalk hoists comprising, in front of, or adjacent to, the Premises and any parking facilities and plazas on the Land.

12.03. No Landlord Services. Except as otherwise specifically provided in Section 11.02(1) and Article 26 hereof, Landlord shall not be required to furnish any services, utilities or facilities whatsoever to the Premises, nor shall Landlord have any duty or obligation to make any alteration, change, improvement, replacement, Restoration or repair to, nor to demolish, any Building. Tenant assumes the full and sole responsibility for the condition, operation, repair, alteration, improvement, replacement, maintenance and management of the Premises (except for the area referred to in Section 11.02(l)). Tenant shall not clean nor require, permit, suffer nor allow any window in the Building to be cleaned from the outside in violation of Section 202 of the Labor Law or of the rules of any state, county or municipal department board or body having jurisdiction.

ARTICLE 13.

CHANGES, ALTERATIONS AND ADDITIONS

13.01. Capital Improvements Generally. From and after Substantial Completion of the Building, Tenant shall not demolish, replace or materially alter the Building, or any part thereof (except as provided to the contrary with respect to Equipment in Article 15), or make any addition thereto, whether voluntarily or in connection with repairs required by this Lease (each, a "Capital Improvement" and, collectively, "Capital Improvements"), unless Tenant shall comply with the following requirements and, if applicable, with the additional requirements set forth in Section 13.02:

(i) No Capital Improvement shall be undertaken until Tenant shall have procured from all Governmental Authorities and paid for all permits, consents, certificates and approvals for the proposed Capital Improvement which are required to be obtained prior to the commencement of the proposed Capital Improvement (collectively, "Improvement Approvals"). At the request of Tenant, Landlord, at no cost or expense to it, shall within fifteen (15) days of Tenant's request, execute, acknowledge and deliver any documents or instruments reasonably required to obtain such Improvement Approvals, provided such documents or instruments do not impose any cost, expense, liability or obligation (contingent or otherwise) on Landlord. True copies of all such Improvement Approvals shall be delivered by Tenant to Landlord prior to commencement of the proposed Capital Improvement.

(ii) Each Capital Improvement, when completed, shall be of such a character as not to reduce the value of the Premises below its value immediately before construction of such Capital Improvement.

(iii) All Capital Improvements shall be made with reasonable diligence and continuity (subject to Unavoidable Delays) and in a good and workerlike manner and in compliance with (i) all Improvement Approvals, (ii) the Master Development Plan, the Design Guidelines, the Designated Proposal Requirements and, if required pursuant to Section 13.02(a) or (b), the plans and specifications for such Capital Improvement as approved by Landlord, (iii) the orders, rules, regulations and requirements of any Board of Fire Underwriters or any similar body having jurisdiction, and (iv) all other Requirements.

(iv) No construction of any Capital Improvements shall be commenced until Tenant shall have delivered to Landlord certificates of insurance with respect to insurance policies and, if Landlord requests, copies of such policies, issued by responsible insurers authorized to do business in the State of New York which meet the requirements set forth in Article 7 hereof, bearing notations evidencing the payment of premiums or installments thereof then due or accompanied by other evidence reasonably satisfactory to Landlord of such Payments, for the insurance required by Section 11.03, unless Landlord shall reasonably determine that the Capital Improvement does not warrant the insurance required by Section 11.03, in which case Landlord shall in its discretion specify such lesser types and levels of insurance appropriate to such Capital Improvement. If, under the provisions of any casualty, liability or other insurance policy or policies then covering the Premises or any part thereof, any consent to such Capital Improvement by the insurance company or companies issuing such policy or policies shall be required to continue and keep such policy or policies in full force and effect, Tenant, prior to the commencement of construction of such Capital Improvement, shall obtain such consents and pay any additional premiums or charges therefor that may be imposed by said insurance company or companies.

(v) Tenant shall not demolish the Building in whole or in part unless (x) Tenant shall have obtained the prior written consent of Landlord which, if requested after the twentieth (20^{th}) Lease Year or in connection with a demolition necessitated by a casualty, Landlord shall not unreasonably withhold, and (y) promptly replace or restore

the Building (or portion thereof demolished) in accordance with the requirements of this Lease.

13.02. Certain Capital Improvement Requirements.

(a) If the estimated cost of any proposed Capital Improvement shall exceed Five Hundred Thousand Dollars ($500,000) (as such amount shall be increased as provided in Section 7.02(a)), either individually or in the aggregate with other Capital Improvements which are a related portion of a program or project of Capital Improvements constructed in any twelve (12) month period during the Term, Tenant shall:

(i) if Landlord shall reasonably determine that the services of an architect or engineer are required in order for it to adequately review the plans and specification or inspect the work, pay to Landlord, within ten (10) days after demand, the reasonable fees and expenses of any architect or engineer selected by Landlord to review the plans and specifications describing the proposed Capital Improvement and inspect the work on behalf of Landlord; and

(ii) furnish to Landlord the following:

(x) at least twenty (20) Business Days prior to commencement of the proposed Capital Improvement, complete plans and specifications for the Capital Improvement, prepared by a licensed professional engineer or a registered architect approved by Landlord, which approval shall not be unreasonably withheld, and, at the request of Landlord, any other drawings, information or samples to which Landlord is entitled under Article 11, all of the foregoing to be subject to Landlord's review and approval solely for conformity with the Master Development Plan, the Design Guidelines, the Designated Proposal Requirements and, in the event such Capital Improvement is commenced within ten (10) years from the date the Building shall have been Substantially Completed, the Construction Documents;

(y) at least ten (10) Business Days prior to commencement of the proposed Capital Improvement, (1) a contract or construction management agreement reasonably satisfactory to Landlord in form assignable to Landlord, and, at Landlord's option, conditionally assigned to Landlord and giving Landlord the right, at its option, to enforce same for the benefit of Landlord and obligating the contractor or construction manager thereunder, at Landlord's option, to recognize Landlord as the party entitled to the benefits thereof, in each case during the continuance of an Event of Default, and pursuant to documentation reasonably satisfactory to Landlord and executed and delivered by such Persons as Landlord may reasonably require (subject to any prior assignment to any Mortgagee), made with a reputable and responsible contractor or construction manager approved by Landlord, which approval shall not be unreasonably withheld), providing for the completion of the Capital Improvement in accordance with the schedule included in the plans and specifications, subject to Unavoidable Delays, free and clear of all liens, encumbrances, security agreements, interests

and financing statements, and (2) payment and performance bonds or other security, in each case satisfying the requirements of Section 8.04(a)(ii) hereof; and

(z) at least ten (10) Business Days prior to commencement of the proposed Capital Improvement, an assignment to Landlord (subject to any prior assignment to any Mortgagee) of the contract so furnished and the bonds or other security provided thereunder, such assignment to be duly executed and acknowledged by Tenant and by its terms to be effective only upon any termination of this Lease or upon Landlord's re-entry upon the Premises or following any Event of Default prior to the complete performance of such contract, such assignment also to include the benefit of all payments made on account of such contract, including payments made prior to the effective date of such assignment.

(b) Notwithstanding that the cost of any Capital Improvement is less than Five Hundred Thousand Dollars ($500,000) (as such amount shall be increased as provided in Section 7.02(a)), such cost to be determined as provided in Section 8.02(b), to the extent that any portion of the Capital Improvement involves structural work or work involving the exterior of the Building or a change in the height, bulk or setback of the Building from the height, bulk or setback existing immediately prior to the Capital Improvement or in any other manner affects compliance with the Master Development Plan, the Design Guidelines or the Designated Proposal Requirements, then Tenant shall furnish to Landlord at least twenty (20) Business Days prior to commencement of the Capital Improvement, complete plans and specifications for the Capital Improvement, prepared by a licensed professional engineer or registered architect approved by Landlord, which approval shall not be unreasonably withheld, and, at Landlord's request, such other items designated in Section 13.02(a)(ii)(x) hereof, all of the foregoing to be subject to Landlord's review and approval as provided therein. In addition, if Landlord shall reasonably determine that the services of an independent architect or engineer are required in order for it to adequately review the plans and specifications describing the proposed Capital Improvement or inspect the work on behalf of Landlord, Tenant shall pay to Landlord the reasonable fees and expenses of such independent architect or engineer selected by Landlord.

(c) Landlord shall notify Tenant in writing of Landlord's determination with respect to any request for approval required under this Section 13.02 within fifteen (15) Business Days of the later of (i) Landlord's receipt of such request from Tenant or (ii) Landlord's receipt of the plans and specifications and the drawings, information or samples which Landlord shall have requested in accordance with Section 13.02(a)(ii)(x). Landlord shall specify in reasonable detail the reasons for any disapproval. Landlord's failure to so notify Tenant within said time period shall be deemed to constitute approval of the proposed Capital Improvement by Landlord. Tenant shall not commence any Capital Improvement with respect to which approval is required under this Section 13.02 until Landlord shall have given, or shall be deemed to have given, such approval required under this Section 13.02.

(d) In the event that Tenant shall desire to modify the plans and specifications which Landlord theretofore has approved pursuant to Section 13.02(a)(ii)(x) or 13.02(b) with respect to, or which will in any way affect, any aspect of the exterior of the Building or the

height, bulk or setback thereof or which will affect compliance with the Design Guidelines, the Master Development Plan or the Designated Proposal Requirements, Tenant shall submit the proposed modifications to Landlord. Landlord shall review the proposed changes to determine whether or not they (i) conform to the Master Development Plan, the Design Guidelines and the Designated Proposal Requirements and (ii) provide for design, finishes and materials which are comparable in quality to those provided for in the approved plans and specifications and shall approve such proposed changes if they do so conform and so provide. If Landlord determines that the proposed changes are not satisfactory in light of the above criteria, it shall so advise Tenant, specifying in reasonable detail in what respect the plans and specifications, as so modified, do not conform to the Master Development Plan, the Design Guidelines or the Designated Proposal Requirements or do not provide for design, finishes and materials which are comparable in quality to those provided for in the approved plans and specifications. Within twenty (20) Business Days after Landlord shall have so advised Tenant or such longer period as Landlord in its reasonable judgment may approve, Tenant shall revise the plans and specifications so as to meet Landlord's objections and shall deliver same to Landlord for review or shall notify Landlord of its decision not to proceed with the Capital Improvement. Each review by Landlord shall be carried out within fifteen (15) Business Days of the date of submission of the proposed changes or delivery of the plans and specifications, as so revised (or one or more portions thereof), as the case may be, by Tenant, and if Landlord shall not have notified Tenant of its determination within such period, it shall be deemed to have determined that the proposed changes are satisfactory. Landlord shall not review portions of the approved plans and specifications which Landlord has previously determined to be satisfactory, provided same have not been changed by Tenant.

13.03. Architect; Surveys, Etc. All Capital Improvements shall be carried out under the supervision of an architect selected by Tenant and approved by Landlord, which approval shall not be unreasonably withheld. Promptly following the completion of any Capital Improvement Tenant shall furnish to Landlord a complete set of "as built" plans for such Capital Improvement and, where applicable, a survey meeting the requirements of Section 11.04 hereof, together with a temporary Certificate of Occupancy therefor and within a reasonable time thereafter, and before the expiration thereof, a permanent Certificate of Occupancy, in each case issued by the New York City Department of Buildings, to the extent a modification thereof was required.

13.04. Title to Improvements. Title to all additions, alterations, improvements and replacements made to the Building, including, without limitation, the Capital Improvements, shall forthwith vest in Landlord as provided in Section 11.05, without any obligation by Landlord to pay any compensation therefor to Tenant.

ARTICLE 14.

REQUIREMENTS OF PUBLIC AUTHORITIES AND OF INSURANCE UNDERWRITERS AND POLICIES; COMPLIANCE WITH MASTER LEASE

14.01. Compliance with Requirements. Subject to the provisions of Section 26.03 Tenant promptly shall comply with any and all applicable present and future laws, rules, orders, ordinances, regulations, statutes, requirements, permits, consents, certificates, approvals, codes

and executive orders, including without limitation, Environmental Statutes, (collectively, "Requirements") without regard to the nature or cost of the work required to be done, extraordinary, as well as ordinary, of all Governmental Authorities now existing or hereafter created, and of any and all of their departments and bureaus, of any applicable Fire Rating Bureau or other body exercising similar functions, affecting the Premises or any street, avenue or sidewalk comprising a part or in front thereof or any vault in or under the same, or requiring the removal of any encroachment, or affecting the construction, maintenance, use, operation, management or occupancy of the Premises, whether or not the same involve or require any structural changes or additions in or to the Premises, without regard to whether or not such changes or additions are required on account of any particular use to which the Premises, or any part thereof, may be put, and without regard to the fact that Tenant is not the fee owner of the Premises. Notwithstanding the foregoing, Tenant shall not be required to comply with Requirements of Master Landlord or Landlord except (i) as otherwise expressly provided in this Lease or (ii) Requirements of New York City acting solely in its capacity as a Governmental Authority. Tenant also shall comply with any and all provisions and requirements of any casualty, liability or other insurance policy required to be carried by Tenant under the provisions of this Lease. If compliance with this Lease, the Master Development Plan and/or the Design Guidelines would violate the Requirements, and if such violation is (i) in the case of the matters described in clause (ii) of the definition of "Designated Proposal Requirements," the only means of achieving such compliance, and (ii) in all other cases, the only commercially reasonable means of achieving such compliance, then the Requirements shall control and if Tenant complies with the Requirements its actions shall not effect a Default hereunder.

14.02. Requirements Contests. Tenant shall have the right to contest the validity of any Requirements or the application thereof. During such contest, compliance with any such contested Requirements may be deferred by Tenant upon condition that, if Tenant is not an Institutional Lender, before instituting any such proceeding, Tenant shall furnish to Landlord or deposit with a Mortgagee that is an Institutional Lender a bond, cash or other security reasonably satisfactory to Landlord, securing compliance with the contested Requirements and payment of all interest, penalties, fines, fees and expenses in connection therewith. Any such proceeding instituted by Tenant shall be commenced as soon as is reasonably possible after the issuance of any such contested matters, or after notice (actual or constructive) to Tenant of the applicability of such matters to the Premises and shall be prosecuted to final adjudication with reasonable dispatch. Notwithstanding the foregoing, Tenant promptly shall comply with any such Requirements and compliance shall not be deferred if such non-compliance shall result in the imminent loss or forfeiture of the Premises, or any part thereof or if Landlord shall be in danger of being subject to civil or criminal liability or penalty by reason of non-compliance therewith. Subject to the proviso set forth below, Landlord shall cooperate with Tenant in any such proceeding and, if any law, rule or regulation at the time in effect shall require that such proceeding be brought by Landlord, then Landlord shall join in such proceeding, provided that (i) Tenant shall, at Landlord's option, pay in advance, or reimburse Landlord for, all costs and expenses incurred by Landlord in connection therewith, including, without limitation, attorneys' fees and disbursements; (ii) such cooperation and/or joining in such proceeding, would not, in Landlord's judgment, result in, or pose any material risk that same will result in, liability being imposed on Landlord; (iii) Landlord has no good faith objection to the contest on policy on other substantive grounds.

14.03. Compliance with Master Lease. Tenant shall not cause or create or permit to exist or occur any condition or event relating to the Premises which would, with or without notice or passage of time, result in an event of default under the Master Lease. Tenant shall perform all of Landlord's obligations as tenant under the Master Lease relating to the maintenance and operation of the Premises unless, in accordance with the terms of this Lease, Landlord is specifically obligated to perform any such obligation.

ARTICLE 15.

EQUIPMENT

15.01. Ownership of Equipment. All Equipment shall be and shall remain the property of Landlord. Tenant shall not have the right, power or authority to, and shall not, remove any Equipment from the Premises without the consent of Landlord, which consent shall not be unreasonably withheld, provided, however, such consent shall not be required in connection with repairs, cleaning, maintenance or other servicing, or if (subject to Unavoidable Delays) the same is promptly replaced by Equipment which is at least equal in utility and value to the Equipment being removed. Notwithstanding the foregoing, Tenant shall not be required to replace any Equipment which performed a function which has become obsolete or otherwise is no longer necessary or desirable in connection with the use or operation of the Premises, unless such failure to replace would reduce the value of the Premises or would result in a reduced level of maintenance of the Premises, in which case Tenant shall be required to install such Equipment as may be necessary to prevent such reduction in the value of the Premises or in the level of maintenance.

15.02. Maintenance of Equipment. Tenant shall keep all Equipment in good order and repair and shall replace the same when necessary with items at least equal in utility and value to the Equipment being replaced.

ARTICLE 16.

DISCHARGE OF LIENS; BONDS

16.01. No Encumbrances. Subject to the provisions of Section 16.02 hereof, except as otherwise expressly provided in this Lease, Tenant shall not create or (to the extent reasonably within Tenant's control) permit to be created any lien, encumbrance or charge upon the Premises or any part thereof, or the Project Area or any part thereof, the income therefrom or any assets of, or funds appropriated to, Landlord, and Tenant shall not suffer any other matter or thing whereby the estate, right and interest of Landlord in the Premises or any part thereof might be impaired.

16.02. Discharge of Encumbrances. If any mechanic's, laborer's or materialman's lien (other than a lien arising out of any work performed by Landlord or Master Landlord) at any time shall be filed against the Premises or any part thereof or the Project Area or any part thereof, or, if any public improvement lien created or permitted to be created by Tenant shall be filed against any assets of, or funds appropriated to, Landlord, Tenant, within forty-five (45) days after notice of the filing thereof shall cause the same to be discharged of record by payment, deposit, bond, order of a court of competent jurisdiction or otherwise. If Tenant shall fail to

cause such lien to be discharged of record within the period aforesaid, and if such lien shall continue for an additional twenty (20) days after notice by Landlord to Tenant, then, in addition to any other right or remedy, Landlord may, but shall not be obligated to, discharge the same either by paying the amount claimed to be due or by procuring the discharge of such lien by deposit or by bonding proceedings, and in any such event, Landlord shall be entitled, if Landlord so elects, to compel the prosecution of an action for the foreclosure of such lien by the lienor and to pay the amount of the judgment in favor of the lienor with interest, costs and allowances. Any amount so paid by Landlord, including all reasonable costs and expenses incurred by Landlord in connection therewith including, without limitation, reasonable attorneys' fees and disbursements, together with interest thereon at the Involuntary Rate, from the respective dates of Landlord's making the payment of any such amount or any such costs and expenses, shall constitute Rental and shall be paid by Tenant to Landlord within ten (10) days after demand. Notwithstanding the foregoing provisions of this Section 16.02, Tenant shall not be required to discharge any such lien if Tenant is in good faith contesting the same and has furnished a cash deposit or a security bond or other such security reasonably satisfactory to Landlord (under an agreement providing for the application thereof reasonably satisfactory to Landlord) or to any Mortgagee that is an Institutional Lender in an amount sufficient to pay such lien with interest and penalties, unless and until the lienor shall have commenced a proceeding to foreclose its lien or the failure to discharge such lien would constitute a default under any fee mortgage.

16.03. No Landlord Consent to Performance of Services. Nothing in this Lease contained shall be deemed or construed in any way as constituting the consent or request of Landlord, express or implied, by inference or otherwise, to any contractor, subcontractor, laborer or materialman for the performance of any labor or the furnishing of any materials for any specific improvement, alteration to or repair of the Premises or any part thereof, nor as giving Tenant any right, power or authority to contract for or permit the rendering of any services or the furnishing of materials that would give rise to the filing of any lien against Landlord's interest in the Premises or any part thereof, the Project Area or any part thereof, or any assets of, or funds appropriated to, Landlord. Notice is hereby given, and Tenant shall cause all Construction Agreements to provide, in substance that Landlord shall not be liable for any work performed or to be performed at the Premises for Tenant, any Subtenant and, if applicable, any Tenant-Stockholder or Unit Owner or for any materials furnished or to be furnished at the Premises for any of the foregoing, and that no mechanic's or other lien for such work or materials shall attach to or affect the estate or interest of Landlord in and to the Premises or any part thereof, the Project Area or any part thereof, or any assets of, or funds appropriated to, Landlord.

16.04. No Liens. Tenant shall have no power to do any act or make any contract which may create or be the foundation for any lien, mortgage or other encumbrance upon the estate or assets of, or funds appropriated to, Landlord or upon any interest of Landlord in the Premises.

ARTICLE 17.

REPRESENTATIONS; POSSESSION

17.01. Acceptance of Condition. Tenant acknowledges that Tenant is fully familiar with the Land, the Project Area, the physical condition thereof (including, without limitation, the fact that the Land includes substantial portions of landfill which may present special difficulties in

the design, construction and maintenance of the Building and Tenant's Civic Facilities), the Title Matters, the Master Lease, the Master Development Plan, the Settlement Agreement and the Design Guidelines. Tenant accepts the Land in its existing condition and state of repair, and, except as otherwise expressly set forth in this Lease, no representations, statements, or warranties, express or implied, have been made by or on behalf of Landlord in respect of the Land, the Project Area, the status of title thereof, the physical condition thereof, including, without limitation, the landfill portions thereof, the zoning or other laws, regulations, rules and orders applicable thereto, Taxes, or the use that may be made of the Land, that Tenant has relied on no such representations, statements or warranties not contained in this Lease, and that Landlord shall in no event whatsoever be liable for any latent or patent defects in the Land.

17.02. Certain Landlord Representations. Notwithstanding anything herein contained to the contrary, Landlord represents that (i) the Master Lease, the Design Guidelines, the Master Development Plan and the Settlement Agreement have not been amended, modified or supplemented, except as specifically set forth in the definitions contained in Article 1 and are in full force and effect and (ii) Landlord is the tenant under the Master Lease and, to Landlord's knowledge, there is no Event of Default under and as defined in the Master Lease.

17.03. Delivery of the Premises. Landlord shall deliver possession of the Land on the Commencement Date vacant and free of occupants and tenancies, subject only to the Title Matters.

17.04. Composition of Tenant. Tenant represents that, as of September 26, 2003, (A) the members of Tenant are (i) The Related Companies, L.P., which owns a 78% interest, and (ii) Oliver's Company, L.L.C., Yukon Holdings, L.L.C., Beachbox Holdings II, L.L.C., and Viking 32 Holdings L.L.C., which own in the aggregate the remaining 22% interest, and each of which is owned by certain employees of The Related Companies, L.P. and members of such employees' families, and (B) no interest in Tenant is held, directly or indirectly, by an individual described in clause (i), (ii) or (iii) of Section 10.01(c). Tenant covenants that as of the Commencement Date, no Transfer will have been made except in compliance with Article 10 (other than with respect to Transfers occurring prior to September 26, 2003, as expressly permitted under paragraph 7(F) of the Pre-Lease Escrow Agreement) and, without limiting the generality of the foregoing, the representation and warranty set forth in clause (B) of the immediately preceding sentence shall remain true.

ARTICLE 18.

LANDLORD NOT LIABLE FOR INJURY OR DAMAGE, ETC

18.01. No Liability Generally. Landlord shall not in any event whatsoever be liable for any injury or damage to Tenant or to any other Person happening on, in or about the Premises and its appurtenances, nor for any injury or damage to the Premises or to any property belonging to Tenant or to any other Person which may be caused by any fire or breakage, or by the use, misuse or abuse of any of the Building (including, but not limited to, any of the common areas within the Building, Equipment, elevators, hatches, openings, installations, stairways, hallways, or other common facilities), or the streets or sidewalk area within the Premises or which may arise from any other cause whatsoever except to the extent any of the foregoing shall have

resulted from the negligence or wrongful act of Landlord, its officers, agents, employees, contractors, servants or licensees; nor shall Landlord in any event be liable for the acts or failure to act of any other tenant of any premises within the Project Area other than the Premises, or of any agent, representative, employee, contractor or servant of such other tenant.

18.02. No Liability Regarding Utilities or Services. Landlord shall not be liable to Tenant or to any other Person for any failure of water supply, gas or electric current, nor for any injury or damage to any property of Tenant or of any other Person or to the Premises caused by or resulting from gasoline, oil, steam, gas, electricity, or hurricane, tornado, flood, wind or similar storms or disturbances, or water, rain or snow which may leak or flow from the street, sewer, gas mains or subsurface area or from any part of the Premises, or leakage of gasoline or oil from pipes, appliances, sewer or plumbing works therein, or from any other place, nor for interference with light or other incorporeal hereditament by anybody, or caused by any public or quasi-public work, except to the extent any of the foregoing shall have resulted from the negligence or wrongful act of Landlord, its officers, agents, employees, contractors, servants or licensees.

18.03. No Liability Regarding Soil Subsidence. In addition to the provisions of Sections 18.01 and 18.02, in no event shall Landlord be liable to Tenant or to any other Person for any injury or damage to any property of Tenant or of any other Person or to the Premises, arising out of any sinking, shifting, movement, subsidence, failure in load-bearing capacity of, or other matter or difficulty related to, the soil, or other surface or subsurface materials, on the Premises or in the Project Area, except to the extent any of the foregoing shall result from the negligence or wrongful act of Landlord or its agents, servants, contractors or employees, it being agreed that Tenant shall assume and bear all risk of loss with respect thereto.

ARTICLE 19.

INDEMNIFICATION OF LANDLORD AND OTHERS

19.01. Tenant Indemnity Generally. Tenant shall not do, or knowingly permit any Subtenant, Unit Owner, Tenant-Stockholder or sublessee of a Unit or Cooperative Apartment or any employee, agent or contractor of Tenant or of any Subtenant, Unit Owner, Tenant-Stockholder or sublessee of a Unit or Cooperative Apartment to do any act or thing upon the Premises or elsewhere in the Project Area which may reasonably be likely to subject Landlord to any liability or responsibility for injury or damage to persons or property, or to any liability by reason of any violation of any Requirement, and shall use its best efforts to exercise such control over the Premises so as to fully protect Landlord against any such liability. Tenant, to the fullest extent permitted by law, shall indemnify and save Landlord, any former Landlord and the State of New York and their agents, directors, officers and employees (collectively, the "Indemnitees"), harmless from and against any and all liabilities, suits, obligations, fines, damages, penalties, claims, costs, charges and expenses, including, without limitation, reasonable engineers', architects' and attorneys' fees and disbursements, which may be imposed upon or incurred by or asserted against any of the Indemnitees by reason of any of the following occurring during the Term, except to the extent that the same shall have been caused in whole or in part by the negligence or wrongful act of any of the Indemnitees:

(i) construction of the Building or any other work or thing done in or on the Premises or any part thereof;

(ii) any use, non-use, possession, occupation, alteration, repair, condition, operation, maintenance or management of the Premises or any part thereof, (except with respect to the space described in Section 11.02(1) hereof provided however the foregoing limitation shall not apply to any liability to the extent arising from Tenant's design or construction of said space or Tenant's failure to properly design or construct said space), or of any street, alley, sidewalk, curb, vault, passageway or space comprising a part of the Premises or adjacent thereto, provided such indemnity with regard to streets, alleys, sidewalks, curbs, vaults, passageways and other space is limited to an alteration, repair, condition, or maintenance of any street, alley, sidewalk, curb, vault, passageway or other space done or performed by Tenant or any agent, contractor, servant or employee of Tenant or which Tenant is obligated to do or perform;

(iii) any negligent tortious act or failure to act (or act which is alleged to be negligent or tortious) within the Project Area on the part of Tenant or any agent, contractor, servant or employee of Tenant;

(iv) any accident, injury (including death at any time resulting therefrom) or damage to any Person or property occurring in or on the Premises or any part thereof or in, or about any sidewalk or vault, unless such sidewalk or vault is solely within the control of a utility company;

(v) any failure on the part of Tenant to perform or comply with any of the covenants, agreements, terms or conditions contained in this Lease on its part to be performed or complied with;

(vi) any lien or claim which may have arisen out of any act of Tenant or any agent, contractor, servant or employee of Tenant against or on the Premises or any other portion of the Project Area, or any lien or claim created or permitted to be created by Tenant in respect of the Premises against any assets of, or funds appropriated to any of the Indemnitees under the laws of the State of New York or of any other Governmental Authority or any liability which may be asserted against any of the Indemnitees with respect thereto;

(vii) any failure on the part of Tenant to keep, observe and perform any of the terms, covenants, agreements, provisions, conditions or limitations contained in the Construction Agreements, Subleases, or other contracts and agreements affecting the Premises, on Tenant's part to be kept, observed or performed;

(viii) any tax attributable to the execution, delivery or recording of this Lease;

(ix) any contest by Tenant permitted pursuant to the provisions of this Lease, including, without limitation, Articles 4, 14 and 28 hereof; or

(x) any action taken by any Person (other than Landlord or Battery Park City Parks Conservancy Corporation) pursuant to any Environmental Statute or under

common law, pertaining to hazardous or toxic waste or other substances found in, on or under, affixed to or emanating from the Premises (except to the extent such waste or other substances are present as of the date hereof), or in any manner arising out of or related to the presence, use, generation, storage, disposal or transport of any hazardous materials or environmental contaminants found in, on or under, affixed to or emanating from the Premises (except to the extent such substances are present as of the date hereof).

19.02. The obligations of Tenant under this Article 19 shall not be affected in any way by the absence in any case of covering insurance or by the failure or refusal of any insurance carrier to perform any obligation on its part under insurance policies affecting the Premises.

19.03. Indemnification Procedure. If any claim, action or proceeding is made or brought against any of the Indemnitees by reason of any event for which Tenant has agreed to indemnify the Indemnitees in Section 19.01, then, upon demand by Landlord, Tenant shall resist or defend such claim, action or proceeding (in such Indemnitee's name, if necessary) by the attorneys for Tenant's insurance carrier (if such claim, action or proceeding is covered by insurance maintained by Tenant) or (in all other instances) by such attorneys as Tenant shall select and Landlord shall approve, which approval shall not be unreasonably withheld. In such event, Tenant shall control all decisions in respect of the litigation and settlement of such claims, provided that any such settlement shall not require the admission by an Indemnitee of any liability or wrongdoing and shall provide a complete release of the Indemnitees with respect to the claims in question. Notwithstanding the foregoing, Landlord may engage its own attorneys to defend it or to assist in its defense. Provided such claim, action or proceeding is not covered by insurance maintained by Tenant and the attorneys engaged by Landlord are experienced in matters of the type in question, Tenant shall pay the reasonable fees and disbursements of such attorneys. In the event such claim, action or proceeding is covered by insurance and Tenant's insurer refuses to pay all or any portion of the fees and disbursements of any attorneys separately retained by Landlord, Landlord shall pay such fees and disbursements or such portion as shall not be paid by Tenant's insurer. The indemnification obligations imposed upon Tenant under Section 19.01 shall not apply to any settlement separately agreed to by Landlord without Tenant's consent, nor if Landlord retains its own attorneys and such retention will impair or diminish Tenant's insurance coverage and Landlord has been so advised in writing by Tenant's insurer.

19.04. Survival. The provisions of this Article 19 shall survive the Expiration Date with respect to actions or the failure to take any actions or any other matter arising prior to the Expiration Date.

ARTICLE 20.

RIGHT OF INSPECTION, ETC

20.01. Landlord Inspections Generally. Tenant shall permit Landlord and its agents or representatives to enter the Premises at all reasonable times and upon reasonable notice (except in cases of emergency, in which case Landlord shall endeavor to give such notice, if any, as is reasonably feasible under the circumstances) for the purpose of (a) inspecting the same, (b) determining whether or not Tenant is in compliance with its obligations hereunder,

(c) constructing, maintaining and inspecting any Civic Facilities, and (d) making any necessary maintenance or repairs to the Premises and performing any work therein that may be necessary by reason of Tenant's failure to make any such repairs or perform any such maintenance or work, provided that, except in any emergency, Landlord shall have given Tenant notice specifying such repairs, maintenance or work and Tenant shall have failed to make such repairs or to perform such maintenance or work within thirty (30) days after the giving of such notice (subject to Unavoidable Delays), or if such repairs, maintenance or such work cannot reasonably be completed during such thirty (30) day period, to have commenced and be diligently pursuing the same (subject to Unavoidable Delays).

20.02. No Landlord Duty to Perform Work. Nothing in this Article 20 or elsewhere in this Lease shall imply any duty upon the part of Landlord to do any work required to be performed by Tenant hereunder and performance of any such work by Landlord shall not constitute a waiver of Tenant's default in failing to perform the same. Landlord, during the progress of any such work, may keep and store at the Premises all necessary materials, tools, supplies and equipment. Landlord shall not be liable for inconvenience, annoyance, disturbance, loss of business or other damage of Tenant, any Subtenant or other occupant of the Building by reason of making such repairs or the performance of any such work, or on account of bringing materials, tools, supplies and equipment into the Premises during the course thereof, provided Landlord shall use reasonable efforts to minimize damage, inconvenience, annoyance, disturbance and/or disruption to Tenant, any Subtenant or other occupant of the Building resulting from Landlord's exercise of its rights under this Article 20, and the obligations of Tenant under this Lease shall not be affected thereby. To the extent that Landlord undertakes such work or repairs, such work or repairs shall be commenced and completed in a good and workerlike manner, and with reasonable diligence, subject to Unavoidable Delays, and in such a manner as not to unreasonably interfere with the conduct of business in or use of such space.

ARTICLE 21.

LANDLORD'S RIGHT TO PERFORM TENANT'S COVENANTS

21.01. Landlord's Right to Perform. If Tenant at any time shall be in Default, after notice thereof and after applicable grace periods, if any, provided under this Lease for Tenant or a Mortgagee, respectively, to cure or commence to cure same, Landlord, without waiving or releasing Tenant from any obligation of Tenant contained in this Lease, may (but shall be under no obligation to) perform such obligation on Tenant's behalf.

21.02. Cost of Landlord's Performance. All reasonable sums paid by Landlord and all reasonable costs and expenses, including, without limitation, reasonable attorneys' fees and disbursements, incurred by Landlord in connection with its performance of any obligation pursuant to Section 21.01, together with interest thereon at the Involuntary Rate from the respective dates of Landlord's making of each such payment until the date of actual repayment to Landlord, shall be paid by Tenant to Landlord within ten (10) days after Landlord shall have submitted to Tenant a statement, in reasonable detail, substantiating the amount demanded by Landlord. Any payment or performance by Landlord pursuant to Section 21.01 shall not be nor be deemed to be a waiver or release of the breach or Default of Tenant with respect thereto or of the right of Landlord to terminate this Lease, institute summary proceedings or take such other

action as may be permissible hereunder or otherwise provided at law or in equity if an Event of Default by Tenant shall have occurred. Landlord shall not be limited in the proof of any damages which Landlord may claim against Tenant arising out of or by reason of Tenant's failure to provide and keep insurance in force as aforesaid to the amount of the insurance premium or premiums not paid, but Landlord also shall be entitled to recover, as damages for such breach, the uninsured amount of any loss and damage and the reasonable costs and expenses of suit, including, without limitation, reasonable attorneys' fees and disbursements, suffered or incurred by reason of damage to or destruction of the Premises.

ARTICLE 22.

NO ABATEMENT OF RENTAL

Except as may be otherwise expressly provided herein, there shall be no abatement, offset, diminution or reduction of Rental payable by Tenant hereunder or of the other obligations of Tenant hereunder under any circumstances.

ARTICLE 23.

PERMITTED USE; NO UNLAWFUL OCCUPANCY

23.01. Compliance. Subject to the provisions of law and this Lease, Tenant shall occupy the Premises in accordance with the Certificate or Certificates of Occupancy for the Premises, the Master Development Plan and the Design Guidelines, and for no other use or purposes.

23.02. Non-Permitted Uses. Tenant shall not use or occupy, nor permit or suffer the Premises or any part thereof to be used or occupied for any unlawful, illegal or extra hazardous business, use or purpose, or in such manner as to constitute a nuisance of any kind (public or private) or that Landlord, in its reasonable judgment, deems offensive by reason of odors, fumes, dust, smoke, noise or other pollution, or for any purpose or in any way in violation of the Certificate of Occupancy, the Design Guidelines, or of any Requirements, or which may be reasonably expected to make void or voidable any insurance then in force on the Premises or, without Landlord's consent, not to be unreasonably withheld, for any use which requires a variance, waiver or special permit under the Zoning Resolution of New York City as then in effect. Tenant shall take, immediately upon the discovery of any such unpermitted, unlawful, illegal or extra hazardous use, all necessary actions, legal and equitable, to compel the discontinuance of such use. If for any reason Tenant shall fail to take such actions, and such failure shall continue for thirty (30) days after notice from Landlord to Tenant specifying such failure, Landlord is hereby irrevocably authorized (but not obligated) to take all such actions in Tenant's name and on Tenant's behalf. All reasonable sums paid by Landlord and all reasonable costs and expenses incurred by Landlord acting pursuant to the immediately preceding sentence (including, but not limited to, reasonable attorneys' fees and disbursements), together with interest thereon at the Involuntary Rate from the respective dates of Landlord's making of each such payment until the date of receipt of repayment by Landlord, shall be paid by Tenant to Landlord within ten (10) days after demand and shall constitute Rental under this Lease.

23.03. No Impairment of Title; Adverse Possession. Tenant shall not knowingly suffer or permit the Premises or any portion thereof to be used by the public in such manner as might reasonably tend to impair title to the Premises or any portion thereof, or in such manner as might reasonably make possible a claim or claims of adverse usage or adverse possession by the public, as such, or of implied dedication of the Premises or any portion thereof.

23.04. Tenant's Performance. Tenant shall take all such actions as Landlord is required to take in connection with the use and occupancy of the Premises under the terms of the Master Lease, and Tenant shall not (to the extent reasonably within Tenant's control) permit any action or condition in respect of the Premises which constitutes or would, with notice or lapse of time or both, constitute an event of default under the Master Lease. Landlord shall perform all obligations of tenant under the Master Lease other than those which are the obligation of Tenant under this Lease.

ARTICLE 24.

EVENTS OF DEFAULT; CONDITIONAL LIMITATIONS, REMEDIES, ETC.

24.01. Events of Default Generally. Each of the following events shall be an "Event of Default" hereunder:

(a) if Tenant shall fail to pay any item of Rental, or any part thereof, when the same shall become due and payable and such failure shall continue for ten (10) days after notice from Landlord to Tenant;

(b) if (i) Commencement of Construction shall not have occurred on or before the Construction Commencement Date (subject to Unavoidable Delays) and such failure shall continue for thirty (30) days after notice from Landlord to Tenant (subject to Unavoidable Delays), or (ii) Substantial Completion of the Building shall not have occurred within thirty (30) months from the Construction Commencement Date (subject to Unavoidable Delays) and such failure shall continue for ten (10) days after notice from Landlord to Tenant (subject to Unavoidable Delays);

(c) if Tenant shall fail to observe or perform one or more of the other terms, conditions, covenants or agreements contained in this Lease, including, without limitation, any of Tenant's obligations under the provisions of Article 11 of this Lease (other than the obligations referred to in the preceding Section 24.01(b)), and such failure shall continue for a period of thirty (30) days after notice thereof by Landlord to Tenant specifying such failure (unless such failure requires work to be performed, acts to be done, or conditions to be removed which cannot by their nature or because of Unavoidable Delays reasonably be performed, done or removed, as the case may be, within such thirty (30) day period, in which case no Event of Default shall be deemed to exist as long as Tenant shall have commenced curing the same within such thirty (30) day period and shall, subject to Unavoidable Delays, diligently, continuously and in good faith prosecute the same to completion);

(d) to the extent permitted by law, if Tenant shall admit, in writing, that it is unable to pay its debts as such become due;

(e) to the extent permitted by law, if Tenant shall make an assignment for the benefit of creditors;

(f) to the extent permitted by law, if Tenant shall file a voluntary petition under Title 11 of the United States Code or if such petition is filed against it, and an order for relief is entered, or if Tenant shall file any petition or answer seeking, consenting to or acquiescing in any reorganization, arrangement, composition, other present or future applicable federal, state or other statute or law, or shall seek or consent to or acquiesce in or suffer the appointment of any trustee, receiver, custodian, assignee, sequestrator, liquidator or other similar official of Tenant, or of all or any substantial part of its properties or of the Premises or any interest therein of Tenant, or if Tenant shall take any corporate action in furtherance of any action described in Section 24.01(d), (e) or (f) hereof;

(g) to the extent permitted by law, if within ninety (90) days after the commencement of any proceeding against Tenant seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under the present or any future federal bankruptcy code or any other present or future applicable federal, state or other statute or law, such proceeding shall not have been dismissed, or if, within ninety (90) days after the appointment, without the consent or acquiescence of Tenant, of any trustee, receiver, custodian, assignee, sequestrator, liquidator or other similar official of Tenant or of all or any substantial part of its properties or of the Premises or any interest therein of Tenant if such appointment shall not have been vacated or stayed on appeal or otherwise, or if, within thirty (30) days after the expiration of any such stay, such appointment shall not have been vacated;

(h) if Tenant shall abandon the Premises;

(i) if this Lease or the estate of Tenant hereunder shall be assigned, subleased, transferred, mortgaged or encumbered, or there shall be a Transfer, without Landlord's approval to the extent required hereunder or without compliance with the provisions of this Lease applicable thereto and such transaction shall not be made to comply or voided ab initio within thirty (30) days after notice thereof from Landlord to Tenant;

(j) if a levy under execution or attachment shall be made against the Premises and such execution or attachment shall not be vacated or removed by court order, bonding or otherwise within a period of thirty (30) days;

(k) if Tenant is a corporation, limited partnership, limited liability company or other entity, if Tenant shall at any time fail to maintain its corporate, limited partnership, limited liability company or other entity existence in good standing, or to pay any corporate franchise or similar tax when and as the same shall become due and payable and such failure shall continue for thirty (30) days after notice thereof from Landlord or any governmental agency to Tenant;

(l) if Tenant shall breach one or more of the terms, conditions, covenants or agreements contained in Section 43.01;

(m) if Tenant shall fail to deliver any Letter of Credit in accordance with the applicable provisions of this Lease;

(n) if any guarantor under the Guaranty of Completion delivered pursuant to Section 11.03(f) shall default thereunder and such default shall continue for ten (10) days after notice from Landlord; or

(o) if Tenant shall fail to withdraw the Declaration (x) within sixty (60) days from the recording of the Declaration if the Initial Unit Transfer shall not have occurred within such sixty (60) day period and such failure shall continue for thirty (30) days after notice thereof from Landlord to Tenant or (y) (1) within thirty (30) days after notice from Landlord to Tenant that the Declaration is filed in violation of the provisions of Exhibit F with respect to any such violation which Landlord is actually aware (without investigation), or (2) with respect to all other violations (other than those in the foregoing clause (y)(1)), within 30 days of the filing of the Declaration if the Declaration is filed in violation of the provisions of Exhibit F; or

(p) If (i) Tenant shall default beyond any applicable notice and cure period under paragraph 4(iii) or any other surviving provision of that certain Pre-Lease Escrow Agreement, dated as of May 31, 2001 (as amended, the "Pre-Lease Escrow Agreement"), among Landlord, Tenant and Nixon Peabody LLP, as escrow agent, or (iii) Tenant shall fail to perform its obligations under that certain letter, of even date herewith, from Tenant to Landlord, concerning certain affirmative action requirements, and such failure to perform under said letter shall continue for a period of thirty (30) days after notice thereof by Landlord to Tenant.

24.02. Acceleration of Rental. If an Event of Default shall occur, Landlord may elect to declare due and payable a sum equal to the amount by which the Rental reserved in this Lease for the period which otherwise would have constituted the unexpired portion of the Term exceeds the fair and reasonable rental value of the Premises for the same period, both discounted to present worth at the rate of eight percent (8%) per annum, which sum shall be due and payable ten (10) days after notice by Landlord to Tenant of such election. However, the aforesaid remedy shall not be applicable to a Mortgagee which elects to cure the Default of Tenant pursuant to Section 10.10 or receives a new lease pursuant to Section 10.11. Landlord may also elect to proceed by appropriate judicial proceedings, either at law or in equity, to enforce performance or observance by Tenant of the applicable provisions of this Lease and/or to recover damages for breach thereof.

24.03. Termination and Surrender.

(a) If (i) any Event of Default described in Section 24.01(d), (e), (f) or (g) hereof shall occur, or (ii) any Event of Default described in Section 24.01 (a), (b), (c), (h), (i), (j), (k), (l), (m), (n), (o) or (p) shall occur and Landlord, at any time thereafter, at its option, gives notice to Tenant stating that this Lease and the Term shall expire and terminate on the date specified in such notice, which date shall be not less than ten (10) days after the giving of such notice, and if, on the date specified in such notice, Tenant shall have failed to cure the Default which was the basis for the Event of Default, then this Lease and the Term and all rights of Tenant under this Lease shall expire and terminate as of the date on which the Event of Default described in clause (i) above occurred or the date specified in the notice given pursuant to

clause (ii) above, as the case may be, were the date herein definitely fixed for the expiration of the Term and Tenant immediately shall quit and surrender the Premises; provided, however, that if Landlord shall have given Tenant three or more notices stating that this Lease shall expire and terminate and Tenant shall have cured the Defaults that gave rise to those notices, then for a period of three years from the date of the last notice given, Tenant shall not have a right to cure a Default of substantially the same nature as the prior three Defaults, after notice of such Default has been delivered, it being understood that the foregoing provisions are not intended to impair the Mortgagee cure rights set forth in Section 10.10(a) hereof. Anything contained herein to the contrary notwithstanding, if such termination shall be stayed by order of any court having jurisdiction over any proceeding described in Section 24.01(f) or (g) hereof, or by federal or state statute, then, following the expiration of any such stay, or if the trustee appointed in any such proceeding, Tenant or Tenant as debtor-in-possession shall fail to assume Tenant's obligations under this Lease within the period prescribed therefor by law or within one hundred twenty (120) days after entry of the order for relief or as may be allowed by the court, or if said trustee, Tenant or Tenant as debtor-in-possession shall fail to provide adequate protection of Landlord's right, title and interest in and to the Premises or adequate assurance of the complete and continuous future performance of Tenant's obligations under this Lease as provided in Section 24.15 hereof, Landlord, to the extent permitted by law or by leave of the court having jurisdiction over such proceeding, shall have the right, at its election, to terminate this Lease on ten (10) days notice to Tenant, Tenant as debtor-in-possession or said trustee and upon the expiration of said ten (10) day period this Lease shall cease and expire as aforesaid and Tenant, Tenant as debtor-in-possession and/or trustee shall immediately quit and surrender the Premises as aforesaid.

(b) If this Lease shall be terminated as provided in Section 24.03(a), Landlord, without notice, may re-enter and repossess the Premises using such force for that purpose as may be necessary without being liable to indictment, prosecution or damages therefor and may dispossess Tenant by summary proceedings or otherwise.

24.04. Damages. If this Lease shall be terminated as provided in Section 24.03(a) or Tenant shall be dispossessed by summary proceedings or otherwise as provided in Section 24.03(b) hereof:

(a) Tenant shall pay to Landlord all Rental payable by Tenant under this Lease to the date upon which this Lease and the Term shall have expired and come to an end or to the date of re-entry upon the Premises by Landlord, as the case may be;

(b) Landlord may complete all construction required to be performed by Tenant hereunder and may repair and alter the Premises in such manner as Landlord may deem necessary or advisable (and may apply to the foregoing all funds, if any, then held by Depository pursuant to Article 7, 8, or 9 or by Landlord under the letter of credit referred to in Section 11.12) without relieving Tenant of any liability under this Lease or otherwise affecting any such liability, and/or let or relet the Premises or any parts thereof for the whole or any part of the remainder of the Term or for a longer period, in Landlord's name or as agent of Tenant, and out of any rent and other sums collected or received as a result of such reletting Landlord shall: (i) first, pay to itself the reasonable cost and expense of terminating this Lease, re-entering, retaking, repossessing, completing construction and repairing or altering the Premises, or any part thereof, and the cost and expense of removing all persons and property therefrom, including

in such costs brokerage commissions, legal expenses and reasonable attorneys' fees and disbursements, (ii) second, pay to itself the reasonable cost and expense sustained in securing any new tenants and other occupants, including in such costs brokerage commissions, legal expenses and reasonable attorneys' fees and disbursements and other expenses of preparing the Premises for reletting, and, if Landlord shall maintain and operate the Premises, the reasonable cost and expense of operating and maintaining the Premises, and (iii) third, pay to itself any balance remaining on account of the liability of Tenant to Landlord. Landlord in no way shall be responsible or liable for any failure to relet the Premises or any part thereof, or for any failure to collect any rent due on any such reletting, and no such failure to relet or to collect rent shall operate to relieve Tenant of any liability under this Lease or to otherwise affect any such liability;

(c) if Landlord shall not have declared all Rental due and payable pursuant to Section 24.02 hereof, Tenant shall be liable for and shall pay to Landlord, as damages, any deficiency (referred to as "Deficiency") between the Rental reserved in this Lease for the period which otherwise would have constituted the unexpired portion of the Term and the net amount, if any, of rents collected under any reletting effected pursuant to the provisions of Section 24.04(b) for any part of such period (first deducting from the rents collected under any such reletting all of the payments to Landlord described in clauses (i) and (ii) of Section 24.04(b) hereof); any such Deficiency shall be paid in installments by Tenant on the days specified in this Lease for the payment of installments of Rental, and Landlord shall be entitled to recover from Tenant each Deficiency installment as the same shall arise, and no suit to collect the amount of the Deficiency for any installment period shall prejudice Landlord's right to collect the Deficiency for any subsequent installment period by a similar proceeding; and

(d) if Landlord shall not have declared all Rental due and payable pursuant to Section 24.02 hereof, and whether or not Landlord shall have collected any Deficiency installments as aforesaid, Landlord shall be entitled to recover from Tenant, and Tenant shall pay to Landlord, on demand, in lieu of any further Deficiencies, as and for liquidated and agreed final damages (it being agreed that it would be impracticable or extremely difficult to fix the actual damage), a sum equal to the amount by which the Rental reserved in this Lease for the period which otherwise would have constituted the unexpired portion of the Term exceeds the then fair and reasonable rental value of the Premises for the same period, both discounted to present worth at the rate of eight percent (8%) per annum less the aggregate amount of Deficiencies theretofore collected by Landlord pursuant to the provisions of Section 24.04(c) for the same period; it being agreed that before presentation of proof of such liquidated damages to any court, commission or tribunal, if the Premises, or any part thereof, shall have been relet by Landlord for the period which otherwise would have constituted the unexpired portion of the Term, or any part thereof, the amount of rent reserved upon such reletting shall be deemed, prima facie, to be the fair and reasonable rental value for the part or the whole of the Premises so relet during the term of the reletting.

24.05. Obligations Continue. No termination of this Lease pursuant to Section 24.03(a) or taking possession of or reletting the Premises, or any part thereof, pursuant to Sections 24.03(b) and 24.04(b), shall relieve Tenant of its liabilities and obligations hereunder, all of which shall survive such expiration, termination, repossession or reletting.

24.06. Waiver and Release. To the extent not prohibited by law, Tenant hereby waives and releases all rights now or hereafter conferred by statute or otherwise which would have the effect of limiting or modifying any of the provisions of this Article 24. Tenant shall execute, acknowledge and deliver any instruments which Landlord may reasonably request, whether before or after the occurrence of an Event of Default, evidencing such waiver or release.

24.07. Successive Suits. Suit or suits for the recovery of damages, or for a sum equal to any installment or installments of Rental payable hereunder or any Deficiencies or other sums payable by Tenant to Landlord pursuant to this Article 24, may be brought by Landlord from time to time at Landlord's election, and nothing herein contained shall be deemed to require Landlord to await the date whereon this Lease or the Term would have expired had there been no Event of Default by Tenant and termination of this Lease.

24.08. No Limitation on Damages. Nothing contained in this Article 24 shall limit or prejudice the right of Landlord to prove and obtain as liquidated damages in any bankruptcy, insolvency, receivership, reorganization or dissolution proceeding an amount equal to the maximum allowed by statute or rule of law governing such proceeding and in effect at the time when such damages are to be proved, whether or not such amount shall be greater than, equal to or less than the amount of the damages referred to in any of the preceding Sections of this Article 24.

24.09. No Reinstatement of Lease, Etc. No receipt of moneys by Landlord from Tenant after the termination of this Lease, or after the giving of any notice of the termination of this Lease, shall reinstate, continue or extend the Term or affect any notice theretofore given to Tenant, or operate as a waiver of the right of Landlord to enforce the payment of Rental payable by Tenant hereunder or thereafter falling due, or operate as a waiver of the right of Landlord to recover possession of the Premises by proper remedy, except as herein otherwise expressly provided, it being agreed that after the service of notice to terminate this Lease or the commencement of any suit or summary proceedings, or after a final order or judgment for the possession of the Premises, Landlord may demand, receive and collect any moneys due or thereafter falling due without in any manner affecting such notice, proceeding, order, suit or judgment, all such moneys collected being deemed payments on account of the use and occupancy of the Premises or, at the election of Landlord, on account of Tenant's liability hereunder.

24.10. Waiver of Certain Rights. Except as otherwise expressly provided herein or as prohibited by applicable law, Tenant hereby expressly waives the service of any notice of intention to re-enter provided for in any statute, or of the institution of legal proceedings to that end, and Tenant, for and on behalf of itself and all persons claiming through or under Tenant, also waives any and all right of redemption provided by any law or statute now in force or hereafter enacted or otherwise, or right of re-entry or repossession or right to restore the operation of this Lease in case Tenant shall be dispossessed by a judgment or by warrant of any court or judge or in case of re-entry or repossession by Landlord or in case of any expiration or termination of this Lease, and Landlord and Tenant waive and shall waive trial by jury in any action, proceeding or counterclaim brought by either of the parties hereto against the other on any matter whatsoever arising out of or in any way connected with this Lease, the relationship of Landlord and Tenant, Tenant's use or occupancy of the Premises, or any claim of injury or

damage. The terms "enter", "re-enter" "entry" or "re-entry" as used in this Lease are not restricted to their technical legal meaning.

24.11. No Waivers. No failure by Landlord or any prior landlord to insist upon the strict performance of any covenant, agreement, term or condition of this Lease or to exercise any right or remedy consequent upon a breach thereof, and no acceptance of full or partial Rental during the continuance of any such breach, shall constitute a waiver of any such breach or of such covenant, agreement, term or condition. No covenant, agreement, term or condition of this Lease to be performed or complied with by Tenant, and no breach thereof, shall be waived, altered or modified except by a written instrument executed by Landlord. No waiver of any breach shall affect or alter this Lease, but each and every covenant, agreement, term and condition of this Lease shall continue in full force and effect with respect to any other then existing or subsequent breach thereof.

24.12. Equitable Remedies. In the event of any breach or threatened breach by Tenant of any of the covenants, agreements, terms or conditions contained in this Lease, Landlord shall be entitled to enjoin such breach or threatened breach and shall have the right to invoke any rights and remedies allowed at law or in equity or by statute or otherwise as though re-entry, summary proceedings, and other remedies were not provided for in this Lease. To the extent permitted by law Tenant waives any requirement for the posting of bonds or other security in any such action.

24.13. Cumulative Remedies. Each right and remedy of Landlord provided for in this Lease, shall be cumulative and shall be in addition to every other right or remedy provided for in this Lease or now or hereafter existing at law or in equity or by statute or otherwise, and the exercise or beginning of the exercise by Landlord of any one or more of the rights or remedies provided for in this Lease or now or hereafter existing at law or in equity or by statute or otherwise shall not preclude the simultaneous or later exercise by Landlord of any or all other rights or remedies provided for in this Lease or now or hereafter existing at law or in equity or by statute or otherwise.

24.14. Fees and Expenses. Tenant shall pay to Landlord all costs and expenses, including, without limitation, reasonable attorneys' fees and disbursements, incurred by Landlord in any action or proceeding to which Landlord may be made a party by reason of any act or omission of Tenant. Tenant also shall pay to Landlord all costs and expenses, including, without limitation, reasonable attorneys' fees and disbursements, incurred by Landlord in enforcing any of the covenants and provisions of this Lease and incurred in any action brought by Landlord against Tenant on account of the provisions hereof, and all such costs, expenses, and reasonable attorneys' fees and disbursements may be included in and form a part of any judgment entered in any proceeding brought by Landlord against Tenant on or under this Lease. All of the sums paid by Landlord as aforesaid, with interest at the Involuntary Rate from the date of payment by Landlord to the date of payment by Tenant, shall be paid by Tenant to Landlord within fifteen (15) days after demand by Landlord.

24.15. Certain Bankruptcy Provisions. If an order for relief is entered or if a stay of proceeding or other acts becomes effective in favor of Tenant or Tenant's interest in this Lease in any proceeding which is commenced by or against Tenant under the present or any future federal Bankruptcy Code or any other present or future applicable federal, state or other statute or law,

Landlord shall be entitled to invoke any and all rights and remedies available to it under such bankruptcy code, statute, law or this Lease, including, without limitation, such rights and remedies as may be necessary to adequately assure the complete and continuous future performance of Tenant's obligations under this Lease. Adequate protection of Landlord's right, title and interest in and to the Premises, and adequate assurance of the complete and continuous future performance of Tenant's obligations under this Lease, shall include, without limitation, the following requirements:

(a) that Tenant shall comply with all of its obligations under this Lease;

(b) that Tenant shall pay to Landlord, on the first day of each month occurring subsequent to the entry of such order, or on the effective date of such stay, a sum equal to the amount by which the Premises diminished in value during the immediately preceding monthly period, but, in no event, an amount which is less than the aggregate Rental payable for such monthly period;

(c) that Tenant shall continue to use the Premises in the manner required by this Lease;

(d) that Tenant shall hire, at its sole cost and expense, such security personnel as may be necessary to insure the adequate protection and security of the Premises;

(e) that Tenant shall pay to Landlord within thirty (30) days after entry of such order or the effective date of such stay, as partial adequate protection against future diminution in value of the Premises and adequate assurance of the complete and continuous future performance of Tenant's obligations under this Lease, a security deposit as may be required by law or ordered by the court;

(f) that Tenant has and will continue to have unencumbered assets after the payment of all secured obligations and administrative expenses to assure Landlord that sufficient funds will be available to fulfill the obligations of Tenant under this Lease;

(g) that Landlord be granted a security interest acceptable to Landlord in property of Tenant, other than property of any of Tenant's officers, directors, shareholders, employees, members or partners, to secure the performance of Tenant's obligations under this Lease;

(h) that if Tenant's trustee, Tenant or Tenant as debtor-in-possession assumes this Lease and proposes to assign the same (pursuant to Title 11 U.S.C. Section 365, as the same may be amended) to any Person who shall have made a bona fide offer to accept an assignment of this Lease on terms acceptable to the trustee, Tenant or Tenant as debtor-in-possession, then notice of such proposed assignment, setting forth (i) the name and address of such Person, (ii) all of the terms and conditions of such offer, and (iii) the adequate assurance to be provided Landlord to assure such Person's future performance under the Lease, including, without limitation, the assurances referred to in Title 11 U.S.C. Section 365(b)(3) (as the same may be amended), shall be given to Landlord by the trustee, Tenant or Tenant as debtor-in-possession no later than twenty (20) days after receipt by the trustee, Tenant or Tenant as debtor-in-possession of such offer, but in any event no later than ten (10) days prior to the date that the trustee, Tenant

or Tenant as debtor-in-possession shall make application to a court of competent jurisdiction for authority and approval to enter into such assignment and assumption, and Landlord shall thereupon have the prior right and option, to be exercised by notice to the trustee, Tenant or Tenant as debtor-in-possession, given at any time prior to the effective date of such proposed assignment, to accept an assignment of this Lease upon the same terms and conditions and for the same consideration, if any, as the bona fide offer made by such Person, less any brokerage commissions which may be payable out of the consideration to be paid by such Person for the assignment of this Lease.

24.16. No Modifications. Nothing contained in this Article 24 shall be deemed to modify the provisions or Section 10.10, 10.11 or 10.12 hereof.

24.17. Certain Condominium Provisions. Notwithstanding anything to the contrary contained in this Article 24, from and after the Condominium Date, Landlord and Tenant agree that (i) Landlord shall not have the right to terminate this Lease pursuant to Section 24.03(a) or to repossess the Premises or dispossess Tenant pursuant to Section 24.03(b), except as expressly permitted pursuant to the terms of Exhibit F, (ii) Landlord shall not have the right to accelerate any Rental pursuant to Section 24.02, and (iii) Landlord shall not have the right to exercise any comparable right or remedy at law or in equity or otherwise that would result in the termination of this Lease or the dispossession of Unit Owners hereunder (except in the circumstances provided in Exhibit F) or the acceleration of any Rental payable.

24.18. Payments Under Protest. In the event that Tenant in good faith believes that any sum demanded by Landlord is not properly due and payable hereunder, then Tenant shall have the right to pay such sum under protest, and if Tenant shall contemporaneously with the making of such payment give Landlord written notice that such payment is made under protest, then such payment shall be without prejudice to Tenant's right to thereafter contest Tenant's obligation to pay such sum, provided that Tenant shall initiate such contest within one hundred twenty (120) days after such payment has been made.

ARTICLE 25.

NOTICES

25.01. Notices Generally. Whenever it is provided in this Lease that a notice, demand, request, consent, approval or other communication shall or may be given to or served upon either of the parties by the other, or by Landlord upon any Mortgagee, and whenever either of the parties shall desire to give or serve upon the other any notice, demand, request, consent, approval, or other communication with respect hereto or the Premises, each such notice, demand, request, consent, approval, or other communication shall be in writing and, any law or statute to the contrary notwithstanding, shall be effective for any purpose if given or served as follows:

(a) if by Landlord, by hand delivering, or sending by Federal Express or other reputable overnight national courier service, or by mailing the same to Tenant by registered or certified mail, postage prepaid, return receipt requested, addressed to Tenant at c/o The Related Companies, L.P., 625 Madison Avenue, New York, New York 10022, Attn: President, with a copy sent simultaneously and in the same manner to Tenant at c/o The Related Companies L.P.,

625 Madison Avenue, New York, New York 10022, Attn: General Counsel., or to such other address(es) and attorneys as Tenant may from time to time designate by notice given to Landlord as aforesaid and, in the case of any notice required to be given to any Mortgagee pursuant to this Lease, to each such Mortgagee at the address of such Mortgagee set forth in the notice mentioned in the first sentence of Section 10.10(a) hereof; and

(b) if by Tenant, by hand delivering or sending by Federal Express or other reputable overnight national courier service, or by mailing the same to Landlord by registered or certified mail, postage prepaid, return receipt requested, addressed to Landlord at One World Financial Center, New York, New York 10281, Attn: President, or to such other address as Landlord may from time to time designate by notice given to Tenant as aforesaid (with a copy, given in the manner provided above, addressed to the attention of Landlord's General Counsel, at the address set forth above or at such other address as Landlord may from time to time designate by notice to Tenant as aforesaid).

(c) if by Landlord to a Mortgagee, at the address of said Mortgagee set forth in the notice referred to in Section 10.10 hereof and in the manner described in Section 10.10 hereof.

Every notice, demand, request, consent, approval, or other communication hereunder shall be deemed to have been given or served when hand delivered or on refusal to accept delivery, or if sent by Federal Express or other reputable overnight national courier service, when received or when delivery is refused, or if mailed, three (3) Business Days after the date that the same shall have been deposited in the United States mails, postage prepaid, in the manner aforesaid (except that a notice designating the name or address of a person to whom any notice or other communication, or copy thereof, shall be sent shall be deemed to have been given when same is received).

25.02. Master Lease Notices. Within two (2) Business Days of Landlord's receipt thereof, Landlord shall deliver to Tenant a copy of any notice received from the Master Landlord under the Master Lease which affects Tenant's rights or obligations under this Lease.

ARTICLE 26.

CONSTRUCTION AND MAINTENANCE OF THE CIVIC FACILITIES

26.01. Civic Facilities Generally.

(a) The term "Civic Facilities" shall mean the following improvements located in the North Residential Neighborhood of the Project Area, all of which will be available to Tenant and subtenants of Tenant for their use and enjoyment in the same manner, and on the same terms and conditions, as are applicable to subtenants of other sites in the Project Area and to the general public:

(i) Electrical, gas and telephone mains;

(ii) Water mains;

(iii) Sanitary and storm sewers;

(iv) Fire hydrants and Emergency Response Service ("ERS") conduits and boxes;

(v) Street lighting (conduit, cable, poles, fixtures and connections);

(vi) Streets;

(vii) Curbs;

(viii) Temporary concrete sidewalks;

(ix) Permanent sidewalks, including planting strip, cobble strip and paving;

(x) Landscaped esplanade, including appurtenances located within the pierhead line of the Project Area ("North Neighborhood Esplanade");

(xi) Landscaped park ("Governor Nelson A. Rockefeller Park" or "Rockefeller Park");

(xii) Vesey Street turnaround area ("Vesey Street Area");

(xiii) Landscaped triangle on Murray Street ("Murray Street Triangle");

(xiv) Landscaped median strip on North End Avenue ("Median Parks");

(xv) A public open space between Sites 19A, 19B, 18A and 18B as described in the Design Guidelines (the "Open Space"); and

(xvi) Street trees.

Areas described in subparagraphs (xi)-(xv) above are referred to herein as "North Neighborhood Residential Parks".

(b) The term "Tenant's Civic Facilities" shall mean the following portions of the Civic Facilities as may be more particularly described, referenced or enumerated in such specifications (which shall be consistent with the Design Guidelines) as Landlord may supply or approve and as submitted by Tenant and approved by the City of New York as the Department of Transportation Buildings Pavement Plan:

(i) Permanent sidewalk on streets adjacent to the Premises, as described above and in the Design Guidelines, including replacement curbs as required and both permanent street lighting (conduit, boxes, cable, poles, fixtures and connections) and any construction period lighting which may be required;

(ii) Any temporary sidewalks required to provide access to the western entrance to the Building prior to Landlord's completion of the Open Space; and

(iii) street trees of species determined by Landlord, each with a four to four and one half inch caliper including cobble strip to be planted at the Premises pursuant to drawings and specifications as provided by Landlord.

(c) The term "Landlord's Civic Facilities" shall mean all of the Civic Facilities which are not included within the definition of Tenant's Civic Facilities. Tenant acknowledges that all of Landlord's Civic Facilities except those described in subparagraphs (vi), (ix) and (xv) of Section 26.01(a) above have been completed by Landlord. Landlord will complete paving of adjacent roadbeds upon completion by Tenant of curbs and other street work described in subparagraphs (i) and (ii) of Section 26.01(b) above. Tenant shall repair or reimburse Landlord within thirty (30) days after demand for the cost of any repair necessitated by any damage caused by Tenant to the streets or street lighting as such facilities existed as of the Commencement Date.

26.02. Construction of Civic Facilities. Subject to Unavoidable Delays, Tenant shall commence and diligently complete on or before the Scheduled Completion Date, in accordance with the Construction Documents and the specifications (which shall be consistent with the Design Guidelines) supplied by Landlord, the construction or installation of Tenant's Civic Facilities, in a good and workerlike manner and in compliance with normal New York City construction rules and all applicable Requirements.

26.03. Maintenance of Civic Facilities. Landlord and Tenant each shall take good care of Landlord's Civic Facilities or Tenant's Civic Facilities, respectively, and shall take good care of, and each party shall keep and maintain the respective Civic Facilities for which it is so responsible in good and safe order and condition and free of accumulations of dirt, rubbish, snow and ice, and shall make all repairs (including structural repairs, restorations and replacements necessary to maintain the same in first-class condition (collectively, "Maintenance Obligations"), except that (i) if Tenant installs temporary concrete sidewalks adjacent to the Premises, then Tenant shall perform Maintenance Obligations in respect of same and (ii) provided that Tenant previously has caused the street trees referred to in Section 26.01(b)(ii) to be installed in accordance with the requirements of this Article 26 and maintained and replaced until the first anniversary of the proper installation of such trees, then from and after such first anniversary, Landlord shall perform, without cost to Tenant, Maintenance Obligations with respect to said street trees. The obligation of Landlord to perform Maintenance Obligations is expressly conditioned upon Tenant's compliance with Tenant's obligations under Section 26.05. The parties contemplate that, after the completion of construction pursuant to Section 26.03, Maintenance Obligations for the portion of the Civic Facilities described in Section 26.01(a)(i) shall be performed by the appropriate utility companies and for those portions of the Civic Facilities described in Sections 26.01(a)(ii)-(vii) shall be performed by New York City. Notwithstanding the initial sentence of this Section 26.03, Maintenance Obligations on the part of Landlord in respect of any portion of the Civic Facilities described in Sections 26.01(a)(i)-(vii) shall terminate on the date that the appropriate utility company or New York City, as the case may be, shall commence performance of Maintenance Obligations in respect of same.

26.04. Tenant Self-Help.

(a) Tenant's sole remedies against Landlord for a failure by Landlord to perform its Maintenance Obligations in accordance with Section 26.03 shall be the right to engage in Self-Help and to receive the offset against Civic Facilities Payments provided for in Section 26.04(c) (collectively, the "Approved Remedies"), and no such failure shall entitle Tenant to any other right, remedy or damages against Landlord. Notwithstanding the provisions of Section 26.04(b), Tenant shall not be entitled to exercise any of the Approved Remedies at any time that a Default in the payment of money (or that any other Default beyond applicable notice and cure periods) exists under this Lease. No delay, non-performance or part performance by Landlord under Section 26.03 shall release Tenant from any of its obligations under this Lease. The election by Tenant of any remedy specified in this Section 26.04(a) shall not preclude Tenant from pursuing any other available remedy specifically set forth herein.

(b) If (subject to Unavoidable Delays) Landlord fails to perform any of Landlord's Maintenance Obligations, Tenant (in its own name and not as agent of Landlord) shall have the right (but shall not be obligated) to undertake Landlord's Maintenance Obligations, as the case may be ("Self-Help"), in accordance with the provisions of this Section 26.04(b). Prior to engaging in Self-Help, Tenant shall give Landlord notice specifying the nature of Landlord's failure and advising of Tenant's intention to engage in Self-Help. If Landlord shall not have remedied the failure complained of prior to the thirtieth (30th) day after such notice, Tenant shall be entitled to engage in Self-Help, provided that, if such failure shall be of a nature that the same cannot be completely remedied within said thirty (30) day period, Tenant shall not be entitled to engage in Self-Help if Landlord commences to remedy such failure within such period and thereafter diligently and continuously proceeds to remedy same. A copy of any notice given to Landlord pursuant to this Section 26.04(b) shall be sent to all other tenants of Landlord in the North Residential Neighborhood affected by Landlord's Civic Facilities of whose names and addresses Landlord shall have given Tenant notice, and, in the event Tenant engages in Self-Help, Tenant shall use its best efforts to cooperate with such other tenants and to coordinate any actions taken in furtherance thereof with the actions of any tenant(s) that may elect to engage in Self-Help under the applicable provision(s) of any other lease(s) entered into by Landlord with respect to the North Residential Neighborhood. In furtherance of Tenant's exercise of the right of Self-Help set forth in this Section 26.04(b), Landlord, upon reasonable notice, shall permit Tenant and its agents or representatives to inspect Landlord's Civic Facilities at all reasonable times for the purpose of determining whether or not Landlord is in compliance with Landlord's Maintenance Obligations. Landlord hereby grants Tenant a right to enter upon Landlord's Civic Facilities in order to perform Self-Help in accordance with this Section 26.04(b). Tenant shall not be liable for inconvenience, annoyance, disturbance, loss of business or other damage to Landlord by reason of Tenant's exercise of the right of Self-Help hereunder, provided Tenant shall use reasonable efforts to minimize such inconvenience, annoyance, disturbance, loss of business or other damage to Landlord caused by Tenant in the exercise of its right of Self-Help.

(c) In the event Tenant engages in Self-Help as provided in Section 26.04(b) with respect to Landlord's Maintenance Obligations, after submission to Landlord of a written statement of Tenant's expenses with supporting documentation, Tenant shall have the right to offset against the next installment(s) of Civic Facilities Payment an amount equal to the

reasonable expenses thereby incurred and/or theretofore paid by Tenant together with interest thereon at the Involuntary Rate computed with respect to each payment made by Tenant under this Section 26.04(c) from the date of payment by Tenant until the date(s) Tenant effectuates the offset(s).

(d) In the event Landlord shall fail to perform Landlord's Maintenance Obligations, Landlord shall incur no penalty or liability and Tenant shall have no remedies or rights other than as expressly provided herein, it being agreed by the parties that Landlord's failure to perform Landlord's Maintenance Obligations shall not be deemed a failure by Landlord to perform a substantial obligation on Landlord's part to be performed under this Lease.

26.05. Payment of Certain Costs.

(a) As its allocable share of the cost of operating, maintaining, repairing, restoring, replacing and upgrading the North Neighborhood Residential Parks, the North Neighborhood Esplanade, the Vesey Street Area, the Murray Street Triangle, the Median Parks, any other parks or open spaces within or adjacent to the North Residential Neighborhood, the curbs referred to in Section 26.01(a)(vii) and the street trees referred to in Section 26.01(a)(xvi) and (b)(iii), including, at Landlord's election, the costs of creating and maintaining a reasonable reserve fund and of insuring the Civic Facilities or any part thereof (such costs, less any net income received by Landlord from events held by Landlord in the Civic Facilities as determined by Landlord acting reasonably, being hereinafter referred to as "Operating Costs"), Tenant, for each Lease Year or portion thereof commencing on the date on which a temporary Certificate of Occupancy shall be issued for any dwelling unit in the Building (the "Initial Occupancy Date") and ending on the last day of the Term, shall pay to Landlord an annual sum (the "Civic Facilities Payment") determined as follows:

(i) for the period commencing on the Initial Occupancy Date and for each of the next two full Lease Years, an annual amount (apportioned for the period beginning on the Initial Occupancy Date and ending on the day prior to the commencement of the first full Lease Year occurring thereafter) equal to the sum of (1) the product obtained by multiplying the number of residential units in the Building by Three Hundred Dollars ($300.00) and (2) the product derived by multiplying $.30 by the gross square feet of non-residential floor area (other than lobbies, corridors and other space and areas used in common by, or for the common use of, the residential tenants or that serves exclusively the residential tenants or the residential units in the Building and other common areas and the space occupied by Landlord as contemplated by Section 11.02(l) and all space included in clauses (i) through (vii) of Section 3.08(d), but including any garage) in the Building;

(ii) for each of the next three Lease Years, an amount equal to the sum of (A) the product obtained by multiplying the number of residential units in the Building by Three Hundred and Fifty Dollars ($350.00) and (B) the product derived by multiplying $.35 by the gross square feet of non-residential floor area (other than lobbies, corridors and other space and areas used in common by, or for the common use of, the residential tenants or that serves exclusively the residential tenants or the residential units in the

Building and other common areas and the space occupied by Landlord as contemplated by Section 11.02(l) and all space included in clauses (i) through (vii) of Section 3.08(d), but including any garage) in the Building;

(iii) for the next succeeding Lease Year and for each Lease Year thereafter (as apportioned for partial Lease Years), with respect to the North Neighborhood Residential Parks, an amount equal to the product of (A) the North Neighborhood Residential Parks Budget (as defined below) less any portion thereof attributable to the Open Space, multiplied by (B) .09017 (said figure being computed by dividing the number of square feet of floor area in the Building, as permitted by the Design Guidelines, by the total number of square feet of floor area in all residential buildings, including the Building, in the North Residential Neighborhood permitted by the Zoning Resolution of the City of New York, as such number has heretofore been reduced by the Design Guidelines); and

(iv) for the period referred to in the preceding clause (iii), with respect to the North Neighborhood Esplanade, an amount (as apportioned for partial Lease Years) equal to the product of (A) the North Neighborhood Esplanade Budget multiplied by (B) .09017 (said figure being computed as set forth in the preceding clause (iii));

except that, in lieu of clauses (iii) and (iv) above, Landlord, at its sole option and at any time, may establish as an alternative method (the "Alternative Method") for determining such allocable share of the Operating Costs and the amount of the Civic Facilities Payment that Tenant would pay as its share an amount equal to the product of (x) the sum of the Parks Budget (as defined below) and the Residential Esplanade Budget (as defined below), less amounts payable toward such Budgets by other tenants of Landlord in the Project Area under leases which were originally entered into prior to January 1, 1988 ("Prior Tenants"), multiplied by (y)) .06339 (said figure being computed by dividing the number of square feet of floor area in the Building, as permitted by the Design Guidelines, by the total number of square feet of floor area in all residential buildings, including the Building, in the Project Area permitted by the Zoning Resolution of the City of New York, as such number has heretofore been reduced by the Design Guidelines pertaining to such residential buildings, less the number of square feet of floor area in the residential buildings of such Prior Tenants).

Notwithstanding the provisions of the foregoing clause (iii), the amount of Tenant's Civic Facilities Payment for any Lease Year referred to therein shall not be greater than one hundred twenty-five percent (125%) of Tenant's Civic Facilities Payment for the prior Lease Year and the amount of capital costs included in Operating Costs for any year shall not exceed ten percent (10%) of the Operating Costs for such year.

(b) For each Lease Year commencing with the Lease Year referred to in Section 26.05(a)(iii) (each such Lease Year or portion thereof being hereinafter referred to as a "Payment Period"), Landlord shall submit to Tenant (i) an estimate of the Operating Costs for the North Neighborhood Residential Parks, including all curbs and street trees and reasonable reserves and insurance, if any, for such Payment Period (the "North Neighborhood Residential Parks Budget") and (ii) an estimate of the Operating Costs for the North Neighborhood Esplanade for such Payment Period (collectively, the "Civic Facilities Budget") and (iii) an estimate of the Operating Costs for the Residential Esplanade (the "Residential Esplanade

Budget"). The North Neighborhood Residential Parks Budget shall be an amount computed by multiplying (A) the estimated Operating Costs of all parks (as such term is reasonably defined by Landlord) in or adjacent to the Project Area other than parks situated in the area described in the final sentence of this Section 26.05(b) ("Residential Parks") and all curbs and street trees installed in the Project Area except in the area described as aforesaid (the "Parks Budget") by (B) a fraction, the numerator of which shall be the number of square feet in the North Neighborhood Residential Parks and the denominator of which shall be the total number of square feet in all Residential Parks. The "North Neighborhood Esplanade Budget" shall be an amount computed by multiplying (A) the estimated Operating Costs of the entire Esplanade in the Project Area other than such portion of the Esplanade as extends along the North Cove from (i) the point where the northern line of Liberty Street as extended intersects the North Cove to (ii) the point where the extension of the western line of North End Avenue intersects the North Cove (the "Residential Esplanade") by (B) a fraction, the numerator of which is the number of linear feet of the North Neighborhood Esplanade and the denominator of which is the total number of linear feet of the Residential Esplanade. Tenant shall pay to Landlord the Civic Facilities Payment due in respect of each such Payment Period in equal monthly installments payable in advance on the first day of each month that occurs within such Payment Period. As soon as shall be practicable after the end of such Payment Period, Landlord shall submit to Tenant a statement setting forth the Operating Costs incurred by Landlord during such Payment Period, together with supporting documentation. Within ten (10) days of the date any such statement and documentation are submitted to Tenant, Tenant shall pay the amount, if any, by which Tenant's allocable share of Operating Costs for the applicable Payment Period exceeds the Civic Facilities Payment made by Tenant during such Payment Period. In the event the Civic Facilities Payment made by Tenant during any Payment Period exceeds Tenant's allocable share of Operating Costs, Tenant shall have the right to offset against the next monthly installments of Civic Facilities Payment the amount of such excess. The area referred to in the second sentence of this Section 26.05(b) is bounded on the south by the northern line of Liberty Street extended west to the North Cove, on the west by proceeding from said line as extended along North Cove to the extension of the western line of North End Avenue and then along said western line as extended to the southern line of Vesey Street, on the north by proceeding along said southern line to the western line of Marginal Street, Wharf or Place, and on the east by the western line of Marginal Street, Wharf or Place between the southern line of Vesey Street and the northern line of Liberty Street, all as shown on survey L.B.-45-BZ by Benjamin D. Goldberg (Earl B. Lovell-S.P. Belcher, Inc.), prepared February 23, 1983, last amended May 27, 1983.

(c) Notwithstanding any other provision of this Article 26, in the event the Landlord's Civic Facilities or any portion thereof shall be destroyed or damaged by fire or other casualty or shall have been taken by the exercise of the right of condemnation or eminent domain, if the reasonable cost of restoring or replacing any portion of Landlord's Civic Facilities (including, without limitation, construction costs, bidding costs, attorneys', architects', engineers' and other professional fees and disbursements, and supervisory fees and disbursements) shall exceed the aggregate of the monies available to Landlord therefor from the reserve fund created pursuant to Section 26.05(a) and the net proceeds, if any, of insurance or condemnation available to Landlord for such purpose, Tenant shall pay to Landlord an amount equal to the product obtained by multiplying. 09017 (said figure being computed as set forth in Section 26.05(a)(iii)) by such excess. Landlord shall submit to Tenant a statement setting forth (i) the cost of such restoration or replacement (together with supporting documentation) and (ii)

on an itemized basis, the monies available to pay such cost. Within thirty (30) days of the date any such statement and documentation are submitted to Tenant, Tenant shall make the payment provided for above. Notwithstanding the foregoing, in the event Tenant's estate in the Premises shall be submitted to either a cooperative or condominium form of ownership, such payment shall be made within forty-five (45) days of the date any such statement and documentation are submitted to Tenant. All monies payable to Landlord under this Section 26.05(c) shall constitute Rental under this Lease.

(d) Landlord shall have the right to transfer to a trust or other entity the responsibility of performing Landlord's Maintenance Obligations and the right to receive installments of the Civic Facilities payment directly from Tenant, and if Landlord shall effect such a transfer, Tenant shall have the right to require such trust or other entity to perform the responsibilities and exercise the rights so transferred notwithstanding any transfer of Landlord's interest in the parcels, or in the leases of the parcels, within the North Residential Neighborhood. Upon such a transfer by Landlord and provided such trust or other entity, in writing, assumes and agrees to perform Landlord's Maintenance Obligations for the benefit of all tenants of parcels within the North Residential Neighborhood, from and after the date of such assumption, Landlord shall have no further liability with respect hereto. Prior to effecting such transfer, Landlord shall consult with Tenant with respect to the composition of such trust or other entity. Landlord shall give Tenant notice of the consummation of any such transfer. Notwithstanding such transfer, the Civic Facilities Payment shall, at all times, constitute Rental hereunder. Thereafter, for each Lease Year, such trust or other entity shall submit to Tenant the Parks-Esplanade Budget and other information required by Section 26.05(b) and shall give notice thereof to Tenant in the same manner as would otherwise be required of Landlord. Notwithstanding any transfer of Landlord's Maintenance Obligations, Tenant shall retain the rights provided in this Article 26 with respect to Self-Help and offsets against Civic Facilities Payments.

(e) Notwithstanding the provisions of this Section 26.05, to the extent that the costs included in Civic Facilities Payments charged to any other tenant under a lease for a residential parcel in the North Neighborhood are calculated in a manner more favorable to the Tenant under such lease than the costs included in Civic Facilities Payments hereunder, Landlord shall calculate the costs included in the Civic Facilities Payments hereunder in such more favorable manner. In no event shall the percentages of any costs which Tenant is required to pay under this Section 26.05 be subject to revision irrespective of whether any other tenant of the Project Area shall be paying portions of such costs calculated in a different manner (and regardless of whether such different manner is less or more favorable to the tenant), and irrespective of whether same were accurately calculated in accordance with the explanations of the calculation thereof herein set forth, such explanations being intended for informational purposes only.

ARTICLE 27.

STREETS

Landlord represents and warrants that within the Project Area, Chambers Street, River Terrace, North End Avenue, Vesey Street, Warren Street and Murray Street have been mapped

as New York City public streets and that all streets within the Project Area are open (other than Park Place West, which has been or will be incorporated into the Open Space and other portions of certain of streets within the Project Area to which access has been restricted for security reasons), subject to temporary street closings as Landlord may deem necessary for construction and related activities and subject to temporary or permanent street closings as Landlord may deem necessary for security reasons.

ARTICLE 28.

STREET WIDENING

If at any time during the Term any proceedings are instituted or orders made by any Governmental Authority (other than Master Landlord or Landlord acting solely in its capacity as such and not as a Governmental Authority) for the widening or other enlargement of any street contiguous to the Premises requiring removal of any projection or encroachment on, under or above any such street, or any changes or alterations upon the Premises, or in the sidewalks, vaults (other than vaults which are under the control of, or are maintained or repaired by, a utility company), gutters, curbs or appurtenances, Tenant, with reasonable diligence (subject to unavoidable Delays) shall comply with such requirements, and on Tenant's failure to do so, Landlord may comply with the same in accordance with the provisions of Article 21. Tenant shall be permitted to contest in good faith any proceeding or order for street widening instituted or made by any Governmental Authority, provided that during the pendency of such contest Tenant deposits with Landlord or a Mortgagee that is an Institutional Lender security in amount and form reasonably satisfactory to Landlord for the performance of the work required in the event that Tenant's contest should fail. In no event shall Tenant permit Landlord to become liable for any civil or criminal liability or penalty as a result of Tenant's failure to comply with reasonable diligence (subject to Unavoidable Delays) with any of the foregoing orders. Any widening or other enlargement of any such street and the award or damages in respect thereto shall be deemed a partial condemnation and be subject to the provisions of Article 9.

ARTICLE 29.

SUBORDINATION; ATTORNMENT

29.01. No Subordination of Landlord's Interest. Landlord's interest in this Lease, as this Lease may be modified, amended or supplemented, shall not be subject or subordinate to (a) any mortgage now or hereafter placed upon Tenant's interest in this Lease (including, without limitation, any Unit Mortgage) or (b) any other liens or encumbrances hereafter affecting Tenant's interest in this Lease (including, without limitation, a lien filed pursuant to Section 339-z and Section 339-aa of the Real Property Law).

29.02. Attornment. If by reason of (a) a default under the Master Lease, or (b) a termination of the Master Lease pursuant to the terms of the Settlement Agreement, such Master Lease and the leasehold estate of Landlord in the Premises demised hereby are terminated, Tenant will attorn to the then holder of the reversionary interest in the Premises and will recognize such holder as Tenant's Landlord under this Lease. Tenant shall execute and deliver, at any time and from time to time, upon the request of the Landlord or of the Master Landlord

any further instrument which may be reasonably necessary or appropriate to evidence such attornment. Tenant waives the provision of any statute or rule of law now or hereafter in effect which may give or purport to give Tenant any right of election to terminate this Lease or to surrender possession of the Premises in the event any proceeding is brought by the Master Landlord to terminate the Master Lease, and agrees that this Lease shall not be affected in any way whatsoever by any such proceeding.

ARTICLE 30.

EXCAVATIONS AND SHORING

If any excavation shall be made or contemplated to be made for construction or other purposes upon property adjacent to the Premises, Tenant, at Landlord's option, either:

(a) shall afford to Landlord or, at Landlord's option, to the person or persons causing or authorized to cause such excavation the right to enter upon the Premises in a reasonable manner for the purpose of doing such work as may be necessary, without cost or expense to Tenant, to preserve any of the walls or structures of the Building from injury or damage and to support the same by proper foundations, provided that (i) such work shall be done promptly, in a good and workerlike manner and subject to all applicable Requirements, (ii) Tenant shall have an opportunity to have its representatives present during all such work and (iii) Tenant shall be indemnified by Landlord in the event Landlord performs such excavation, or such other person performing such excavation, or if such other person does not, in Tenant's reasonable judgment, have adequate financial capacity to assure Tenant of such person's ability to comply with its indemnity obligations to Tenant, then Tenant shall be in indemnified by another Person reasonably satisfactory to Tenant, as the case may be, against any injury or damage to the Building or persons or property therein which may result from any such work, but shall not have any claim against Landlord for suspension, diminution, abatement, offset or reduction of Rental payable by Tenant hereunder; or

(b) shall do or cause to be done all such work, at Landlord's or such other person's expense, as may be necessary to preserve any of the walls or structures of the Building from injury or damage and to support the same by proper foundations, provided that Tenant shall not, by reason of any such excavation or work, have any claim against Landlord for damages or for indemnity or for suspension, diminution, abatement, offset or reduction of Rental payable by Tenant hereunder.

ARTICLE 31.

CERTIFICATES BY LANDLORD AND TENANT

31.01. Tenant Certificate. At any time and from time to time upon not less than ten (10) days' notice by Landlord, Tenant shall execute, acknowledge and deliver to Landlord or any other party specified by Landlord a statement certifying that this Lease is unmodified and in full force and effect (or if there have been modifications, that the same, as modified, is in full force and effect and stating the modifications) and the date to which each obligation constituting Rental has been paid, and stating whether or not to the best knowledge of Tenant, Landlord is in

default in performance of any covenant, agreement or condition contained in this Lease, and, if so, specifying each such default of which Tenant may have knowledge.

31.02. Landlord Certificate. At any time and from time to time upon not less than ten (10) days' notice by Tenant, Landlord shall execute, acknowledge and deliver to Tenant or any other party specified by Tenant a statement (a) certifying that this Lease is unmodified and in full force and effect (or if there have been modifications, that the same, as modified, is in full force and effect and stating the modifications) and the date to which each obligation constituting Rental has been paid, and stating whether or not to the best knowledge of Landlord, Tenant is in Default in the performance of any covenant, agreement or condition contained in this Lease, and, if so, specifying each such Default of which Landlord may have knowledge and/or (b) stating whether or not Landlord shall recognize a proposed lender (i) as an Institutional Lender and (ii) as a Mortgagee holding a lien first in priority. If Tenant's leasehold interest in the Premises shall be subjected to a condominium form of ownership, Landlord shall not be required to furnish such a certificate with respect to any Unit unless all rent then payable hereunder by the owner of such Unit has been paid and such Unit Owner is not otherwise in default of its obligations under this Lease or the agreement by which such Unit Owner's Unit was acquired.

31.03. Master Landlord Certificate. At the request of Tenant, Landlord shall request a certificate in respect of the Master Lease from Master Landlord, in accordance with Section 20.01 of the Master Lease. If Master Landlord shall fail to deliver such a certificate, then, in lieu thereof, Landlord shall execute, acknowledge and deliver to Tenant a statement certifying that Landlord has not executed and delivered to Master Landlord any instrument modifying the Master Lease (or if Landlord has executed such an instrument, stating the modifications) and that, to the best of Landlord's knowledge, the Master Lease is in full force and effect.

ARTICLE 32.

CONSENTS AND APPROVALS

32.01. Consents in Writing; Future Consents. Except as otherwise expressly set forth in this Lease, all consents and approvals which may be given under this Lease shall, as a condition of their effectiveness, be in writing. The granting of any consent or approval by a party to perform any act requiring consent or approval under the terms of this Lease or the failure on the part of a party to object to any such action taken without the required consent or approval, shall not be deemed a waiver by the party whose consent was required of its right to require such consent or approval for any further similar act.

32.02. Certain Deemed Approvals. If, pursuant to the terms of this Lease, any consent or approval by Landlord or Tenant is required, then unless expressly provided otherwise in this Lease, if the party who is to give its consent or approval shall not have notified the other party within fifteen (15) Business Days or such other period as is expressly specified in this Lease after receiving such other party's request for a consent or approval that such consent or approval is granted or denied, and if denied, the reasons therefor in reasonable detail, such consent or approval shall be deemed granted. If, pursuant to the terms of this Lease, any consent or approval by Landlord or Tenant is not to be unreasonably withheld or is subject to a specified

standard, then in the event there shall be a final determination that the consent or approval was unreasonably withheld or that such specified standard has been met so that the consent or approval should have been granted, the consent or approval shall be deemed granted and such granting of the consent or approval shall be the only remedy to the party requesting or requiring the consent or approval.

32.03. Unreasonable Delays. If, pursuant to the terms of this Lease, any consent or approval by Landlord or Tenant is not to be unreasonably withheld, such consent or approval shall, in addition, not be unreasonably delayed.

32.04. No Fees. Except as specifically provided herein, no fees or charges of any kind or amount shall be required by either party hereto as a condition of the grant of any consent or approval which may be required under this Lease.

ARTICLE 33.

SURRENDER AT END OF TERM

33.01. Surrender Generally. On the last day of the Term or upon any earlier termination of this Lease, or upon a re-entry by Landlord upon the Premises pursuant to Article 24 hereof, Tenant shall, subject to Articles 8 and 9 hereof, well and truly surrender and deliver up to Landlord the Premises in good order, condition and repair, reasonable wear and tear excepted, free and clear of all lettings, occupancies, liens and encumbrances including, without limitation, Unit Owners' rights under any Condominium Plan or otherwise with respect to their Units, other than those, if any, existing at the date hereof, or created by or consented to by Landlord or which lettings and occupancies by their express terms and conditions extend beyond the Expiration Date and which Landlord shall have consented and agreed, in writing, may extend beyond the Expiration Date, without any payment or allowance whatever by Landlord. Tenant hereby waives any notice now or hereafter required by law with respect to vacating the Premises on any such termination date.

33.02. Deliveries Upon Termination. On the last day of the Term or upon any earlier termination of the Lease, or upon a re-entry by Landlord upon the Premises pursuant to Article 24 hereof, Tenant shall deliver to Landlord Tenant's executed counterparts of all Subleases and any service and maintenance contracts then affecting the Premises, true and complete maintenance records for the Premises, all original licenses and permits then pertaining to the Premises, permanent or temporary Certificates of Occupancy then in effect for the Building, and all warranties and guarantees then in effect which Tenant has received in connection with any work or services performed or Equipment installed in the Building, together with a duly executed assignment, without recourse except as to Recourse Claims, thereof to Landlord, all financial reports, books and records required by Article 38 hereof and any and all other documents of every kind and nature whatsoever relating to the Premises.

33.03. Abandonment of Personal Property. Any personal property of Tenant or of any Subtenant, Tenant-Stockholder, Unit Owner or subtenant of a Tenant-Stockholder or Unit Owner which shall remain on the Premises for ten (10) days after the termination of this Lease and after the removal of Tenant or such Subtenant, Tenant Stockholder, Unit Owner or subtenant of a

Tenant-Stockholder or Unit Owner from the Premises, may, at the option of Landlord, be deemed to have been abandoned by Tenant or such Subtenant, Tenant-Stockholder, Unit Owner or subtenant of a Tenant Stockholder or Unit Owner and either may be retained by Landlord as its property or be disposed of, without accountability, in such manner as Landlord may see fit. Landlord shall not be responsible for any loss or damage occurring to any such property owned by Tenant or any Subtenant, Tenant-Stockholder, Unit Owner or subtenant of a Tenant-Stockholder or Unit Owner.

33.04. Survival. The provisions of this Article 33 shall survive any termination of this Lease.

ARTICLE 34.

ENTIRE AGREEMENT

This Lease, together with the Exhibits hereto, contains all the promises, agreements, conditions, inducements and understandings between Landlord and Tenant relative to the Premises and there are no promises, agreements, conditions, understandings, inducements, warranties, or representations, oral or written, expressed or implied, between them other than as herein or therein set forth and other than as may be expressly contained in any written agreement between the parties executed simultaneously herewith.

ARTICLE 35.

QUIET ENJOYMENT

Landlord covenants that Tenant shall and may (subject, however, only to the exceptions, reservations, terms and conditions of this Lease) peaceably and quietly have, hold and enjoy the Premises for the term hereby granted without molestation or disturbance by or from Landlord or any Person claiming through Landlord and free of any encumbrance created or suffered by Landlord, except only those encumbrances, liens or defects of title, created or suffered by Tenant and the Title Matters.

ARTICLE 36.

ARBITRATION

In such cases where this Lease expressly provides for the settlement of a dispute or question by arbitration, and only in such cases, the party desiring arbitration shall appoint a disinterested person as arbitrator on its behalf and give notice thereof to the other party (and, if the party giving such notice is Landlord, a copy of such notice shall be given at the same time and in the same manner to any Mortgagee who is then entitled to receive copies of Notices of Default under Section 10.10(a)) who shall, within fifteen (15) days thereafter, appoint a second disinterested person as arbitrator on its behalf and give notice thereof to the first party. The two (2) arbitrators thus appointed shall together appoint a third disinterested person within fifteen (15) days after the appointment of the second arbitrator, and said three (3) arbitrators shall, as promptly as possible, determine the matter which is the subject of the arbitration and the decision

of the majority of them shall be conclusive and binding on all parties and judgment upon the award may be entered in any court having jurisdiction. If a party who shall have the right pursuant to the foregoing to appoint an arbitrator fails or neglects to do so, then and in such event, the other party (or if the two (2) arbitrators appointed by the parties shall fail to appoint a third arbitrator when required hereunder, then either party) may apply to the American Arbitration Association (or any organization successor thereto), or in its absence, refusal, failure or inability to act, may apply for a court appointment of such arbitrator. The arbitration shall be conducted in the City and County of New York and, to the extent applicable and consistent with this Article 36, shall be in accordance with the Commercial Arbitration Rules then obtaining of the American Arbitration Association or any successor body of similar function. The expenses of arbitration shall be shared equally by Landlord and Tenant but each party shall be responsible for the fees and disbursements of its own attorneys and the expenses of its own proof. Landlord and Tenant shall sign all documents and to do all other things necessary to submit any such matter to arbitration and further shall, and hereby do, waive any and all rights they or either of them may at any time have to revoke their agreement hereunder to submit to arbitration and to abide by the decision rendered thereunder. The arbitrators shall have no power to vary or modify any of the provisions of this Lease and their jurisdiction is limited accordingly. If the arbitration takes place pursuant to Article 11 hereof or concerns any Capital Improvement or Restoration, then each of the arbitrators shall be a licensed professional engineer or registered architect having at least ten (10) years' experience in the design of residential buildings, and, to the extent applicable and consistent with this Article 36, such arbitration shall be conducted in accordance with the Construction Arbitration Rules then obtaining of the American Arbitration Association or any successor body of similar function. Any first Mortgagee shall have the right to participate in any arbitration hereunder, provided that such Mortgagee's participation shall be with and on the side of Tenant, and not of a third party.

ARTICLE 37.

INVALIDITY OF CERTAIN PROVISIONS

If any term or provision of this Lease or the application thereof to any Person or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Lease shall be valid and be enforced to the fullest extent permitted by law.

ARTICLE 38.

FINANCIAL REPORTS

38.01. Reporting Generally. Tenant, from and after the date upon which any portion of the Premises is subleased or occupied or rents or other charges are received by Tenant for the use or occupancy thereof, shall furnish to Landlord the following:

(a) if the Premises shall be used for rental purposes, as soon as practicable after the end of each fiscal year of Tenant, and in any event within one hundred and fifty (150) days thereafter, Tenant shall furnish to Landlord financial statements of operations of the

Premises, for such year, setting forth in each case, in comparative form, the corresponding figures for the previous fiscal year, all in reasonable detail and accompanied by a report and opinion thereon of a Certified Public Accountant approved by Landlord, which approval shall not be unreasonably withheld, which report and opinion shall be prepared in accordance with generally accepted accounting principles consistently applied; and

(b) if Tenant's leasehold estate in the Premises shall have been submitted to either a cooperative or condominium form of ownership, as soon as practicable after the end of each fiscal year of such cooperative or condominium and, in any event, within one hundred and fifty (150) days after the end of such fiscal year, the annual financial report of the Apartment Corporation or condominium which is submitted by the Apartment Corporation or Condominium Board to Tenant-Stockholders or Unit Owners, as the case may be.

38.02. Copies to Landlord. Upon Landlord's request, if at any time Tenant shall furnish to any Mortgagee operating statements or financial reports in addition to those required to be furnished by Tenant to Landlord pursuant to Section 38.01, Tenant promptly shall furnish to Landlord copies of all such additional operating statements and financial reports. Except to the extent necessary in Landlord's reasonable judgment for Landlord to obtain, extend or modify any financing relating to the Project, Landlord shall use its best efforts to avoid disclosure of any information set forth therein (but shall incur no liability to Tenant if Landlord reasonably believes it is complying with any provision of applicable law requiring such disclosure).

38.03. Records. Tenant shall keep and maintain at all times full and correct records and books of account of the operations of the Premises in accordance with such generally accepted accounting standards and otherwise in accordance with any applicable provisions of each Mortgage and accurately shall record and preserve for a period of six (6) years the record of its operations upon the Premises. Within twenty (20) days after request by Landlord, Tenant shall make said records and books of account available from time to time for inspection by Landlord and Landlord's designee during reasonable business hours at a location designated by Tenant in New York City. At any time at which Tenant shall make said records and books of account available for inspection, it may inform Landlord of its belief that the public disclosure of the information contained therein or any part thereof would cause substantial injury to the competitive position of Tenant's enterprise and request that to the extent permitted by law Landlord attempt to avoid such disclosure. In the event Tenant makes such request, Landlord shall use its best efforts to avoid such disclosure (but shall incur no liability to Tenant if Landlord reasonably believes it is complying with any provision of applicable law requiring such disclosure).

ARTICLE 39.

RECORDING OF MEMORANDUM

Either Landlord or Tenant may record a memorandum of this Lease or a memorandum of any amendment or modification of this Lease, provided the memorandum shall not include the financial terms of this Lease or any amendment or modification. Each shall, upon the request of the other, join in the execution of a memorandum of this Lease or a memorandum of any

amendment or modification of this Lease in proper form for recordation together with any transfer tax returns or forms necessary for such recordation.

ARTICLE 40.

NO DISCRIMINATION

40.01. No Discrimination Generally.

(a) Tenant, in the sale, transfer or assignment of its interest under this Lease, or in its use, operation or occupancy of the Premises and employment and conditions of employment in connection therewith, or in the subletting of the Premises or any part thereof, or in connection with the erection, maintenance, repair, Restoration, alteration or replacement of, or addition to, the Building or Tenant's Civic Facilities (a) shall not discriminate, shall prohibit discrimination, and (to the extent reasonably under Tenant's control) shall not permit discrimination against any person by reason of race, creed, color, religion, national origin, ancestry, sex, age, disability or marital status, (b) shall comply with all applicable Federal, State and local laws, ordinances, rules and regulations from time to time in effect and the provisions of the Master Lease prohibiting such discrimination or pertaining to equal employment opportunities and (c) shall take affirmative action to ensure that employees and applicants for employment are Treated without regard to their race, creed, color, religion, national origin, ancestry, sex, age, disability or marital status. As used herein, the term "Treated" shall mean and include, without limitation, the following: recruited, whether by advertising or other means; compensated, whether in the form of rates of pay or other forms of compensation; selected for training, including apprenticeship; promoted; upgraded; downgraded; demoted; transferred; laid off; and terminated. Tenant will post in conspicuous places in the Building, available to employees of Tenant and applicants for employment, notices provided by Landlord setting forth the language of this non-discrimination provision.

(b) Tenant will, in all solicitations or advertisements for employees placed by or on behalf of Tenant, state that all qualified applicants will be considered for employment without regard to race, color, creed or national origin.

(c) Tenant will send each labor union or other representative of workers with which it has a collective bargaining agreement or other contract or understanding a notice advising such labor union or workers' representative of Tenant's agreement as contained in this Section and a copy thereof shall be sent to Landlord within three (3) days of notification to such union or representative.

(d) within twenty (20) days after request by Landlord, Tenant will furnish to Landlord all information required by Landlord pursuant to this Section and will permit access by Landlord to its books, records, and accounts for the purposes of investigation to ascertain compliance with this Section.

(e) Within twenty (20) days after request by Landlord, Tenant shall furnish such compliance reports ("Compliance Reports") as may from time to time be reasonably required by Landlord, such reports to contain information as to Tenants' practices, policies,

programs, employment policies and employment statistics. Such Compliance Reports shall, if Landlord so requests, contain the following additional information:

(i) information as to the practices, policies, programs, employment policies and employment statistics of Tenant; and

(ii) if Tenant has a collective bargaining agreement or other contract or understanding with a labor union or an agency referring workers or providing or supervising apprenticeship or training for such workers, such information as to such labor union's or agency's practices and policies affecting compliance as Landlord may reasonably require, provided that to the extent such information is within the exclusive possession of a labor union or an agency referring workers or providing or supervising apprenticeship or training, and such labor union or agency shall refuse to furnish such information to Tenant, Tenant shall so certify to Landlord as part of its Compliance Report and shall set forth what efforts it has made to obtain such information.

(f) With respect to any construction of the Building or any Capital Improvement, all persons employed by Tenant will be paid, without subsequent deduction or rebate unless expressly authorized by law, not less than the minimum hourly rate required by law.

40.02. Construction Agreement Provisions. Tenant shall be bound by and shall include the following subparagraphs (a) through (e) of this Section 40.02 (or provisions substantially the same) in any written Construction Agreement, service or management agreement or agreement for the purchase of goods or services or any other agreements relating to the operation of the Premises, in each case only where the aggregate payments under such agreement exceed $15,000 (as such amount shall be increased as provided in Section 7.02(a)), in such manner that these provisions shall be binding upon the parties with whom such agreements are entered into (any party being bound by such provisions shall be referred to in this Section as "Contractor"):

(a) Contractor shall not discriminate against employees or applicants for employment because of race, creed, color, religion, national origin, ancestry, sex, age, disability or marital status, shall comply with all applicable Federal, State and local laws, ordinances, rules and regulations from time to time in effect and the provisions of the Master Lease prohibiting such discrimination or pertaining to equal employment opportunities and shall undertake programs of affirmative action to ensure that employees and applicants for employment are afforded equal employment opportunities without discrimination. Such action shall be taken with reference to, but not limited to, recruitment, employment, job assignment, promotion, upgrading, demotion, transfer, layoff or termination, rates of pay or other forms of compensation, and selection for training or retraining, including apprenticeship and on-the-job training.

(b) Contractor shall request each employment agency, labor union and authorized representative of workers with which it has a collective bargaining or other agreement or understanding, to furnish it with a written statement that such employment agency, labor union or representative will not discriminate because of race, creed, color, religion, national origin, ancestry, sex, age, disability or marital status and that such agency, union or representative will cooperate in the implementation of Contractor's obligations hereunder.

(c) Contractor shall state in all solicitations or advertisements for employees placed by or on behalf of Contractor that all qualified applicants shall be afforded equal employment opportunities without discrimination because of race, creed, color, religion, national origin, ancestry, sex, age, disability or marital status.

(d) Contractor shall comply with all of the provisions of the Civil Rights Law of the State of New York and Sections 291-299 of the Executive Law of the State of New York (or any successor statutes), shall upon reasonable notice furnish all information and reports deemed reasonably necessary by Landlord and shall permit access to its relevant books, records and accounts for the purpose of monitoring compliance with the Civil Rights Law and such sections of the Executive Law (or any successor statutes).

(e) Contractor shall include in any written agreement with subcontractor providing for aggregate payments to such subcontractor in excess of $15,000 (as such amount shall be increased in accordance with Section 7.02(a)) the foregoing provisions of subparagraphs (a) through (d) (or provisions substantially the same) in such a manner that said provisions shall be binding upon the subcontractor and enforceable by Contractor, Tenant and Landlord. Contractor shall take such action as may be necessary to enforce the foregoing provisions. Contractor shall promptly notify Tenant and Landlord of any litigation commenced by or against it arising out of the application or enforcement of these provisions, and Tenant and Landlord may intervene in any such litigation.

40.03. Tenant has reviewed the Affirmative Action Program, a copy of which is annexed hereto as Exhibit C. Tenant shall, and shall use its commercially reasonable best efforts to cause each of its agents, contractors and subcontractors to, promptly and diligently carry out its obligations under such Program in accordance with the terms thereof. Notwithstanding anything to the contrary contained in this Lease (including Article 24), if Tenant fails to comply with its obligations under this Section 40.03 or under Exhibit C, Landlord's sole remedies shall be as provided in Exhibit C, provided that any amounts payable by Tenant to Landlord under Section 11 of Exhibit C shall constitute Rental hereunder.

40.04. Tenant has reviewed the Affirmative Fair Marketing Program, a copy of which is annexed hereto as Exhibit D, and Tenant shall, and shall use its commercially reasonable best efforts to cause each of its agents to, comply with all of the terms and provisions of such Program. Notwithstanding anything to the contrary contained in this Lease (including Article 24), if Tenant fails to comply with its obligations under this Section 40.04 or under Exhibit D, Landlord's sole remedies shall be as provided in Exhibit D.

ARTICLE 41.

CONVERSION TO CONDOMINIUM FORM OF OWNERSHIP

41.01. Generally.

(a) Upon or after Substantial Completion of the Building, Tenant's leasehold estate in the Premises under this Lease may be submitted to the condominium form of ownership

pursuant to the Condominium Act and the terms and provisions of Exhibit F annexed hereto and made a part hereof.

(b) This Lease shall, after the Condominium Date, remain in full force and effect, provided that to the extent that after the Condominium Date any of the provisions of Exhibit F conflict with the other provisions of this Lease, the terms and provisions of Exhibit F shall prevail.

ARTICLE 42.

MISCELLANEOUS

42.01. Captions. The captions of this Lease are for convenience of reference only and in no way define, limit or describe the scope or intent of this Lease or in any way affect this Lease.

42.02. Table of Contents. The Table of Contents is for the purpose of convenience of reference only and is not to be deemed or construed in any way as part of this Lease or as supplemental thereto or amendatory thereof.

42.03. Certain References. The use herein of the neuter pronoun in any reference to Landlord or Tenant shall be deemed to include any individual Landlord or Tenant, and the use herein of the words "successors and assigns" or "successors or assigns" of Landlord or Tenant shall be deemed to include the heirs, legal representatives and assigns of any individual Landlord or Tenant.

42.04. Depository's Fees. Depository may pay to itself in accordance with the Depository Agreement out of the monies held by Depository pursuant to this Lease its reasonable charges for services rendered hereunder. Tenant shall pay Depository any additional charges for such services.

42.05. Tenant Signatures; Joint and Several Liability. If more than one entity is named as or becomes Tenant hereunder, Landlord may require the signatures of all such entities in connection with any notice to be given or action to be taken by Tenant hereunder except to the extent that any such entity shall designate another such entity as its attorney-in-fact to act on its behalf, which designation shall be effective until receipt by Landlord of notice of its revocation. Each entity named as Tenant shall be fully, and jointly and severally, liable for all of Tenant's obligations hereunder. Any notice by Landlord to any entity named as Tenant shall be sufficient and shall have the same force and effect as though given to all parties named as Tenant. If all such parties designate in writing one entity to receive copies of all notices, Landlord agrees to send copies of all notices to that entity.

42.06. Landlord's Limit of Liability. The liability of Landlord or of any Person who has at any time acted as Landlord hereunder for damages or otherwise shall be limited to Landlord's interest in the Premises, including, without limitation, the rents and profits therefrom, the proceeds of any insurance policies covering or relating to the Premises, any awards payable in connection with any condemnation of the Premises or any part thereof, and any other rights, privileges, licenses, franchises, claims, causes of action or other interests, sums or receivables appurtenant to the Premises. Neither Landlord nor any such Person nor any of the members,

directors, officers, employees, agents or servants of either shall have any liability (personal or otherwise) hereunder beyond Landlord's interest in the Premises, including, without limitation, the rents and profits therefrom, the proceeds of any insurance policies covering or relating to the Premises, any awards payable in connection with any condemnation of the Premises or any part thereof, and any other rights, privileges, licenses, franchises, claims, causes of action or other interests, sums or receivables appurtenant to the Premises, and no other property or assets of Landlord or any such Person or any of the members, directors, officers, employees, agents or servants of either shall be subject to levy, execution or other enforcement procedure for the satisfaction of Tenant's remedies hereunder.

42.07. Tenant's Limit of Liability. (a) Except as to Recourse Claims, the liability of Tenant (including for this purpose any predecessor Tenant) hereunder for damages or otherwise shall be limited to Tenant's (or, if applicable, such predecessor Tenant's) interest in the Premises, including without limitation, the rents and profits from the Premises, the proceeds of any insurance policies covering or relating to the Premises, any awards payable in connection with any condemnation of the Premises or any part thereof, any security provided hereunder and amounts deposited hereunder with Landlord, Depository or a Mortgagee, and any other rights, privileges, licenses, franchises, claims, causes of action or other interests, sums or receivables appurtenant to the Premises. Except as to Recourse Claims, Tenant (including for this purpose any predecessor Tenant) shall have no liability (personal or otherwise) hereunder beyond Tenant's (or, if applicable, such predecessor Tenant's) interest in the Premises, including, without limitation, items described in the immediately preceding sentence, and no other property or assets of Tenant (or, if applicable, of such predecessor Tenant's) shall be subject to levy, execution or other enforcement procedure for the satisfaction of Landlord's remedies hereunder. With respect to Recourse Claims, Tenant (including for this purpose any predecessor Tenant) shall be personally liable to Landlord (x) for the full range of damages of whatever nature suffered by Landlord and arising out of or related to the act, omission or matter in question as described in the definition of "Recourse Claims", plus, in the case of clause (i) of said definition, any amounts of money (or the value of any property) converted or misapplied as contemplated thereby, in the case of clause (ii) of said definition, an amount equal to all Rental described therein, and in the case of clause (iii) of said definition, an amount equal to all liability of Tenant described in said clause (iii), and (y) the personal liability of Tenant (including for this purpose any predecessor Tenant) shall be limited to the amounts described in clause (x) above, as opposed to rendering Tenant (including for this purpose any predecessor Tenant) personally liable for all of the obligations of Tenant hereunder.

(b) Anything contained in this Lease to the contrary notwithstanding, neither any member, manager, director, officer, employee, principal, shareholder, partner, agent or servant of Tenant (nor of any predecessor Tenant), nor any of their respective direct or indirect, disclosed or undisclosed, members, managers, directors, officers, employees, principals, shareholders, partners, agents or servants, shall have any liability (personal or otherwise) under this Lease, or any obligation, covenant, representation or warranty of Tenant under this Lease, except for liability described in clause (i) of the definition of "Recourse Claims" arising out of the acts of such person.

(c) Nothing in this Section 42.07 shall limit any right of Landlord under any guaranty of all or any portion of Tenant's obligations under this Lease.

42.08. No Merger. Except as otherwise expressly provided in this Lease, no merger of this Lease or the leasehold estate created hereby with the fee estate in the Premises or any part thereof shall be deemed to have occurred by reason of the same Person acquiring or holding, directly or indirectly, this Lease or the leasehold estate created hereby or any interest in this Lease or in such leasehold estate as well as the fee estate in the Premises, unless such merger shall have been effectuated by an affirmative act of such Person which shall have been memorialized in writing and placed of public record.

42.09. Sanitation. Tenant shall store all refuse from the Premises off the streets in an enclosed area on the Premises, and in a manner reasonably satisfactory to Landlord and in accordance with the requirements of municipal and/or private sanitation services serving the Premises.

42.10. Brokers. Each of the parties represents to the other that it has not dealt with any broker, finder or like entity in connection with this lease transaction. If any claim is made by any other Person who shall claim to have acted or dealt with Tenant or Landlord in connection with this transaction, Tenant or Landlord as the case may be, will pay the brokerage commission, fee or other compensation to which such Person is entitled, shall indemnify and hold harmless the other party hereto against any claim asserted by such Person for any such brokerage commission, fee or other compensation and shall reimburse such other party for any costs or expenses including, without limitation, reasonable attorneys' fees and disbursements, incurred by such other party in defending itself against claims made against it for any such brokerage commission, fee or other compensation.

42.11. Written Instruments. This Lease may not be changed, modified, or terminated orally, but only by a written instrument of change, modification or termination executed by the party against whom enforcement of any change, modification, or termination is sought.

42.12. Choice of Law. This Lease shall be governed by and construed in accordance with the laws of the State of New York.

42.13. Binding Effect. The agreements, terms, covenants and conditions herein shall be binding upon, and shall inure to the benefit of, Landlord and Tenant and their respective successors and (except as otherwise provided herein) assigns.

42.14. Section References. All references in this Lease to "Articles", "Sections", "subsections", "paragraphs" or "subparagraphs" shall refer to the designated Article(s), Section(s), subsection(s), paragraph(s) or subparagraph(s), as the case may be, of this Lease.

42.15. Rights to Plans. All of Tenant's right, title and interest in all plans and drawings required to be furnished by Tenant to Landlord under this Lease, including, without limitation, the Schematics, the Design Development Plans and the Construction Documents, and in any and all other plans, drawings, specifications or models prepared in connection with construction at the Premises, any Restoration or Capital Improvement, shall become the sole and absolute property of Landlord upon the Expiration Date or any earlier termination of this Lease (subject to any rights in the foregoing of any Mortgagee who becomes the tenant under a new lease entered into pursuant to Section 10.11). Tenant shall deliver all such documents and models to Landlord

promptly upon the Expiration Date or any earlier termination of this Lease. Tenant's obligation under this Section 42.15 shall survive the Expiration Date.

42.16. Licensed Professionals. All references in this Lease to "licensed professional engineer", "licensed surveyor" or "registered architect" shall mean a professional engineer, surveyor or architect who is licensed or registered, as the case may be, by the State of New York.

42.17. Transfers of Landlord's Interest. If Battery Park City Authority or any successor to its interest hereunder ceases to have any interest in the Premises as lessee under the Master Lease or there is at any time or from time to time any sale or sales or disposition or dispositions or transfer or transfers of Landlord's interest in the Premises as lessee under the Master Lease, or if the Master Lease shall have terminated, as fee owner of the Premises, the seller or transferor shall be and hereby is entirely freed and relieved of all agreements, covenants and obligations of Landlord hereunder to be performed on or after the date of such sale or transfer relative to the interest sold or transferred, and it shall be deemed and construed without further agreement between the parties or their successors in interest or between the parties and the Person who acquires or owns the lessee's interest in the Premises under the Master Lease, including, without limitation, the purchaser or transferee in any such sale, disposition or transfer, and any fee owner of the Premises upon termination of the Master Lease, that, subject to the provisions of Section 42.06, such Person has assumed and agreed to carry out any and all agreements, covenants and obligations of Landlord hereunder accruing from and after the date of such acquisition, sale or transfer.

42.18. Transfer of Tenant's Interest. If the Tenant named herein or any successor to its interest hereunder ceases to have any interest in the Premises under this Lease or there is at any time or from time to time any valid sale or sales or disposition or dispositions or transfer or transfers of the Tenant's or any successor's entire interest in the Premises in accordance with the provisions of Article 10, the Tenant named herein or any such successor, as the case may be, shall be and hereby is entirely freed and relieved of all agreements, covenants and obligations of Tenant hereunder to be performed on or after the date of such sale or transfer, and it shall be deemed and construed without further agreement between the parties or their successors in interest or between the parties and the Person who acquires or owns the Tenant's interest in the Premises under this Lease, including, without limitation, the purchaser or transferee in any such sale, disposition or transfer, that, such Person has assumed and agreed to carry out any and all agreements, covenants and obligations of Tenant hereunder.

42.19. Certain Amendments. Notwithstanding anything contained in this Lease to the contrary, Tenant shall not be bound by any amendment, modification or supplement to the Master Lease, Master Development Plan, Settlement Agreement or Design Guidelines (including the Environmental Guidelines) entered into by Landlord or caused to be entered into by Landlord after September 26, 2003 with respect to the Settlement Agreement and after May 31, 2001 with respect to the balance of said documents which (a) increases or materially adversely alters Tenant's obligations under this Lease, (b) decreases or materially adversely alters Tenant's rights under this Lease or Tenant's rights to construct, operate, maintain or restore the Building under this Lease, (c) limits the permitted uses of the Premises hereunder or the Civic Facilities, (d) limits Tenant's rights under this Lease to dispose of or assign its interest in the Premises hereunder or (e) decreases or alters the rights of a Mortgagee under this Lease, unless in any such

event the same is consented to in writing by Tenant (or, in the case of (e), by the Mortgagee most senior in lien or such Mortgagee) or is made subject and subordinate to this Lease and such rights of such Mortgagee. Landlord represents that the Master Lease, the Master Development Plan, the Design Guidelines and the Settlement Agreement are unmodified and in full force and effect as of September 26, 2003 except that certain modifications have been made to the Design Guidelines which are not applicable to this Lease.

42.20. No Partnership. Nothing herein is intended nor shall be deemed to create a joint venture or partnership between Landlord and Tenant, nor to make Landlord in any way responsible for the debts or losses of Tenant.

42.21. Tenant's Tax Benefits. To the extent permitted by law, Tenant shall have the right to all depreciation deductions, investment tax credits and other similar tax benefits attributable to any construction, demolition and Restoration performed by Tenant or attributable to the ownership of the Building, and in this regard it is agreed that during the Term, Tenant shall enjoy all the benefits and bear all the burdens of ownership of the Building, notwithstanding that Landlord shall hold legal title to the Building. Landlord, from time to time, shall execute and deliver such instruments as Tenant shall reasonably request in order to effect the provisions of this Section 42.21, and Tenant shall pay Landlord's reasonable costs and expenses thereof. Landlord makes no representations as to the availability of any such deductions, credits or tax benefits.

42.22. Battery Park City. Tenant shall have the right to use the name Battery Park City in any advertising and promotional materials in connection with the leasing of rental units or the sale of Cooperative Apartments or Units in the Building.

42.23. Tenant Financing. Prior to the execution of any Mortgage which is a first lien on Tenant's leasehold estate, Landlord agrees to make such reasonable changes as may be requested by a prospective Mortgagee with respect to such Mortgagee's rights under this Lease (a) to perform Tenant's obligations and/or exercise Tenant's rights under this Lease, (b) to receive notice of and cure Defaults under this Lease, (c) to obtain a new lease of the Premises in the event this Lease is terminated by Landlord, or (d) to participate in any arbitration, insurance adjustment and condemnation proceeding, provided that same do not detract from Landlord's rights hereunder or increase Landlord's obligations hereunder or diminish the value of Landlord's interest in the Premises, in each case, other than to a de minimis extent.

42.24. BPCA Cornerstone. Tenant agrees that the cornerstone of the Building shall be in the size stipulated and etched in accordance with the specifications required by Landlord. Tenant further agrees, upon receipt of such Landlord specifications, to incorporate such cornerstone into the schematics or the Design Development Plans, as appropriate.

42.25. Approval of Consultants. Whenever Landlord shall have the right to approve the architect, engineer or lawyer to be employed by Tenant, any architect, engineer or lawyer so approved by Landlord at any time during the Term shall be deemed to be acceptable to Landlord for employment by Tenant in connection with a matter of similar nature and magnitude as that for which such consultant was initially approved at any time thereafter, unless Landlord shall have reasonable cause for refusing to allow the continued employment of such consultant.

Whenever Tenant is required under this Lease to obtain Landlord's approval of an architect, engineer or lawyer, Tenant shall notify Landlord if it intends to employ an architect, engineer or lawyer previously approved. In the event that Landlord shall refuse to approve the continued employment of such consultant, it shall so notify Tenant, specifying the reason therefor, specifying the matter with respect to which such consultant is intended to be employed.

ARTICLE 43.

LETTERS OF CREDIT

43.01. Letters of Credit.

(a) Letter of Credit. In accordance with the provisions of Section 11.12 hereof, Tenant has delivered to Landlord the Design/Construction Period Letter of Credit (the Design/Construction Period Letter of Credit and any other letter of credit now or hereafter required to be delivered by Tenant pursuant to the terms of this Lease being hereinafter called the "Letter of Credit", which term shall also refer to any Replacement Letter of Credit, as hereinafter defined).

(b) Presentment of Sight Draft(s) Under Letter of Credit. If Tenant (i) fails to perform any of Tenant's obligations under this Section 43.01 in strict compliance with the requirements of this Section 43.01 or (ii) violates any prohibition contained in this Section 43.01, then Landlord shall have the right (in addition to all other rights and remedies provided in this Lease and without Landlord's exercise of such right being deemed a waiver or a cure of Tenant's failure to perform), without notice to Tenant, to present for immediate payment sight draft(s) in any amount Landlord elects up to the full amount then available under such Letter of Credit and to apply the proceeds thereof in the manner provided in this Lease for the application of the proceeds of such Letter of Credit. Any proceeds not so applied shall be held by Landlord or invested and reinvested in United States government securities maturing in no more than ninety (90) days or in federally insured money market accounts. Any interest earned thereon shall constitute proceeds of such Letter of Credit and shall be applied in the same manner as the proceeds of such Letter of Credit are applied. Landlord's obligations with respect to the presentment of any Letter of Credit, the return of any Letter of Credit or any proceeds thereof shall be governed by the applicable provisions of this Lease.

(c) Purpose of Letter of Credit. Tenant acknowledges that the purpose of each Letter of Credit is to provide sure and certain security for Landlord and that Landlord has accepted each Letter of Credit for that purpose, in place of a cash deposit in the same amount, with the understanding that each Letter of Credit is to be the functional equivalent of a cash deposit. To further assure that each Letter of Credit achieves its intended purpose, the parties agree as set forth below. Tenant acknowledges that the waivers in this Section 43.01(c) constitute a material portion of the inducement to Landlord to accept each Letter of Credit under the terms and conditions of this Section 43.01, and that Landlord has agreed to accept each Letter of Credit in reliance on Tenant's waivers in this Section 43.01. Any breach by Tenant of the provisions of this Section 43.01(c) shall constitute an Event of Default hereunder.

(d) Waiver of Certain Relief. Tenant unconditionally and irrevocably waives (and as an independent covenant hereunder, covenants not to assert) any right to claim or obtain any of the following relief in connection with each Letter of Credit:

(i) A temporary restraining order, temporary injunction, permanent injunction, or other order that would prevent, restrain or restrict the presentment of sight drafts drawn under any Letter of Credit or the Issuer's honoring or payment of sight draft(s); or

(ii) Any attachment, garnishment, or levy in any manner upon either the proceeds of any Letter of Credit or the obligations of the Issuer (either before or after the presentment to the Issuer of sight drafts drawn under such Letter of Credit) based on any theory whatever.

(e) Remedy for Improper Drafts. Tenant's sole remedy in connection with the improper presentment or payment of sight drafts drawn under any Letter of Credit shall be the right to obtain from Landlord a refund of the amount of any sight draft(s) that were improperly presented or the proceeds of which were misapplied, together with interest at the Involuntary Rate and reasonable attorneys' fees, provided that at the time of such refund, Tenant reinstates such Letter of Credit or provides a replacement Letter of Credit if and as then required under the applicable provisions of this Lease. Tenant acknowledges that the presentment of sight drafts drawn under any Letter of Credit, or the Issuer's payment of sight drafts drawn under such Letter of Credit, could not under any circumstances cause Tenant injury that could not be remedied by an award of money damages, and that the recovery of money damages would be an adequate remedy therefor. In the event Tenant shall be entitled to a refund as aforesaid and Landlord shall fail to make such payment within ten (10) days after demand, Tenant shall have the right to deduct the amount thereof together with interest thereon at the Involuntary Rate from the next installment(s) of Base Rent, Percentage Rent and Civic Facilities Payment.

(f) Notices to Issuer. Tenant shall not request or instruct the Issuer of any Letter of Credit to refrain from paying sight draft(s) drawn under such Letter of Credit.

(g) Assignment. If either Landlord or Tenant desires to assign its rights and obligations under this Lease in compliance with the provisions of this Lease, then the parties to this Lease shall, at the assignor's request, cooperate so that concurrently with the effectiveness of such assignment, Tenant shall deliver to Landlord a Replacement Letter of Credit as described in Section 43.01(h) or an appropriate amendment to such Letter of Credit, in either case identifying as Applicant and Beneficiary the appropriate parties after the assignment becomes effective. The assignor shall pay the Issuer's fees for issuing such Replacement Letter of Credit or amendment.

(h) Replacement of Letter of Credit. Tenant shall replace any Letter of Credit with a replacement letter of credit (the "Replacement Letter of Credit") (i) at least thirty (30) days prior to the expiry date of a Letter of Credit which is expiring or (ii) within ten (10) days after the date on which the Issuer delivers any notice purporting to terminate or to decline to renew such Letter of Credit, or expressing any intention to do either of the foregoing. Simultaneously with the delivery by Tenant to Landlord of a Replacement Letter of Credit complying with the provisions of this Lease, Landlord shall deliver in accordance with Tenant's

reasonable instructions such Letter of Credit being replaced with consent to cancellation, provided that at such time no sight draft(s) under such Letter of Credit are outstanding and unpaid. Except as otherwise specifically provided in this Lease, any Replacement Letter of Credit shall be upon the same terms and conditions as the Letter of Credit replaced, but in any event:

(i) Amount. The amount of each Replacement Letter of Credit shall equal or exceed the amount of such Letter of Credit at the time of replacement, except if a lesser amount is permitted under this Lease at the time of replacement.

(j) Dates. The date of the Replacement Letter of Credit shall be its date of issuance. The expiry date of the Replacement Letter of Credit, as referred to in such Replacement Letter of Credit, shall be not less than one year later than the expiry date of the Letter of Credit being replaced except in the case of the last Lease Year in which case the expiry date shall be the date of expiration of this Lease.

(k) Issuer. Each Replacement Letter of Credit shall be issued or confirmed, within the meaning of New York Uniform Commercial Code Section 5-103(1)(f), in its entire amount, by a bank reasonably satisfactory to Landlord or that is a member of the New York Clearing House Association and has assets in excess of $7,500,000,000 and a net worth in excess of $300,000,000. The office for presentment of sight drafts specified in the Replacement Letter of Credit shall be located at a specified street address within the Borough of Manhattan, City of New York.

ARTICLE 44.

RENT REGULATIONS

44.01. Until the Release Date, as defined in Section 44.02 hereof, Tenant, on a voluntary basis and solely as a condition precedent to receiving benefits (as set forth in Section 3.02(e) hereof) equivalent to benefits available under Section 421-a, shall enjoy such rights and observe such requirements pertaining to the rental of dwelling units in the Building, as would be available or applicable to the owner of the Building pursuant to Chapter 4 of Title 26 of the Administrative Code of New York City, and the Rent Stabilization Code promulgated by the New York State Division of Housing and Community Renewal ("DHCR"), as well as regulations promulgated pursuant thereto, and all other applicable laws and regulations now in effect or hereafter enacted, all as heretofore and hereafter amended (collectively, the "Rent Regulations"), had construction of the Building commenced thirty (30) days after the Commencement Date and had the Building received partial tax exemption under Section 421-a and consequently been subject to rent stabilization under applicable law and regulation.

44.02. Tenant shall submit itself to the jurisdiction of the DHCR, or any successor agency administered by the State of New York or New York City having jurisdiction over rent stabilized buildings (the "Regulatory Body") solely as a condition precedent to receiving benefits (as set forth in Section 3.02(e) hereof) equivalent to benefits currently available under Section 421-a. Upon submitting to the jurisdiction of the Regulatory Body, Tenant shall comply with all of the requirements thereof and shall remain subject to the jurisdiction thereof, or of any

successor association or agency, for as long as the owner of the Building would be required to so comply and to remain subject to such jurisdiction, had construction of the Building commenced thirty (30) days after the Commencement Date and had the Building received partial tax exemption under Section 421-a and consequently had been subject to rent stabilization under applicable law and regulation. The date as of which the owner of the Building would no longer be required to remain subject to jurisdiction of the Regulatory Body and comply with all of the requirements thereof, had construction of the Building commenced thirty (30) days after the Commencement Date and had the Building received partial tax exemption under Section 421-a and consequently had been subject to rent stabilization under applicable law and regulation is herein referred to as the "Release Date".

44.03. In the event that Tenant fails to subject the Building to the jurisdiction of the Regulatory Body in accordance with the provisions of the preceding Section 44.02 by the date of issuance of a temporary or permanent Certificate of Occupancy for any dwelling unit in the Building or by any later date established in accordance with the requirements of the Regulatory Body, then, without limiting Landlord's rights and remedies hereunder on account thereof, Tenant shall nevertheless comply with all of the requirements of the Rent Regulations as if Tenant had submitted to the jurisdiction of such Regulatory Body (but only to the extent that and for so long as Tenant would be subject to such Rent Regulations had Tenant been subject to the jurisdiction of such Regulatory Body) solely as a condition of the Building receiving partial tax exemption under Section 421-a, and in such case Tenant shall be subject to the jurisdiction of an impartial rent officer ("Rent Officer") (who shall not be a tenant in the Project Area), appointed by Landlord, who shall administer a program of rent regulations which shall be the same as the Rent Regulations administered by the Regulatory Body (the "Rent Program"). The authority of the Rent Officer shall be limited to implementing and administering the Rent Program. In such event, Tenant shall pay to Landlord administration fees, as reasonably determined by Landlord, to cover the costs and expenses of the implementation and administration of the Rent Program by the Rent Officer, and such fees shall constitute Rental hereunder. Tenant in no manner waives, limits or otherwise compromises its right to resort to any and all applicable administrative or judicial actions, proceedings and/or remedies now or hereafter in effect for the resolution of disputes pertaining to the Rent Program or the administration thereof.

44.04. Noncompliance by Tenant with the Rent Regulations or with the Rent Program, as the case may be, shall cause Tenant to be subjected to such sanctions and penalties as would be imposed by the Regulatory Body, had the Building received partial tax exemption under Section 421-a and had the owner failed to comply with the Rent Regulations, regardless of whether Tenant is actually subject to the jurisdiction of the Regulatory Body or whether the Rent Program is being implemented and administered by the Rent Officer. In the event Tenant fails to remain subject to the jurisdiction of the Regulatory Body, or fails to participate in the Rent Program, as the case may be, prior to the Release Date, Tenant shall become subject to such sanctions and penalties as are then applicable to owners of buildings receiving partial tax exemption under Section 421-a upon such termination or revocation.

44.05. Solely as a condition precedent to receiving benefits (as set forth in Section 3.02(e) hereof) equivalent to benefits available under Section 421-a, Tenant shall comply with all of the requirements of Section 421-a that would be applicable to a project receiving equivalent benefits and the rules and regulations promulgated thereunder. In the event that Tenant shall

either commit an act or fail to commit an act, which act or failure would result in revocation, discontinuance or diminution of tax benefits under Section 421-a had the Building received partial tax exemption under such Section, then the PILOT payable under Section 3.02 hereof shall be increased to an amount equal to the real estate taxes which would be payable by the owner of the Premises in the case of such revocation, discontinuance or diminution, were Tenant the fee owner thereof and had the Building received partial tax exemption under Section 421-a. Prior to payment of any such increase, Tenant shall have the right to contest or challenge the same in the same manner as is provided for contest or challenge of the revocation, discontinuance or diminution of partial tax exemption benefits under Section 421-a and the rules and regulations promulgated thereunder.

44.06. Whether subject to the Rent Regulations or the Rent Program, the initial monthly rents permitted to be charged by Tenant to Subtenants of dwelling units in the Building shall not exceed the aggregate maximum allowable monthly rent roll for the entire Building as determined by the New York City Department of Housing Preservation and Development or any successor agency having such authority, as if the Building had received partial tax exemption under Section 421-a and consequently been subject to rent stabilization under applicable law and regulation, provided that, in addition to such allowable monthly rents, Tenant shall be entitled to charge amounts equal to Civic Facilities Payments as set forth in Section 44.07.

44.07. Notwithstanding anything to the contrary contained in Sections 44.01 through Section 44.06 hereof, Tenant, in addition to any rents permitted to be charged and collected pursuant to the Rent Regulations, the Rent Program or the Requirements of Governmental Authorities, shall be permitted to charge and collect from all Subtenants in the aggregate an amount equal to the Civic Facilities Payment by Tenant pursuant to Section 26.05(a). Such charge shall be based on each Subtenant's pro rata share of the Civic Facilities Payment, apportioned according to the size of the unit.

44.08. Tenant's obligations under this Article 44 shall cease upon the Release Date.

44.09. Each Sublease for a dwelling unit in the Building shall contain a provision, in such form as may be required by the Rent Regulations or by any applicable Requirement advising the Subtenant that rents for the unit are regulated, pursuant to the terms of this Lease, under the Rent Regulations or the Rent Program, as the case may be. Tenant shall make available to such Subtenant a copy of all information regarding the Rent Regulations or Rent Program which is required to be delivered to such Subtenant pursuant thereto.

ARTICLE 45.

LICENSED SUBSURFACE VAULT

45.01. Licensed Subsurface Vault. Reference is made to the subsurface area described on Exhibit I hereto (the "Licensed Subsurface Vault"). The Licensed Subsurface Vault is not demised hereunder and Tenant shall have no right, estate or interest in or with respect thereto (other than the license granted pursuant to this Section 45.01). Tenant's rights with respect to the Licensed Subsurface Vault shall be limited to the privilege to use and occupy same for the term granted hereunder and pursuant to the terms and conditions hereof, revocable on the terms set

forth herein. Tenant acknowledges and agrees that the licensing of the Licensed Subsurface Vault is expressly limited to the area described on Exhibit I and such privilege does not extend to any portion of any property owned by Landlord and not expressly included therein, including, without limitation, any portion of the area (both subsurface and at and above grade) above the upper limiting plane of the Licensed Subsurface Vault or the area below the lower limiting plane of the Licensed Subsurface Vault. Tenant acknowledges that the Licensed Subsurface Vault is located in land (as used in this Article 45, the "Street") that has been mapped as a street pursuant to the Mapping Agreement described in item 10 of Exhibit B hereto (which Mapping Agreement Landlord and New York City shall have the right to amend and modify in their respective sole discretion) and that Landlord shall have the right, in its sole discretion, to convey, dedicate or otherwise transfer the Street to New York City pursuant to said Mapping Agreement or otherwise. Landlord hereby grants Tenant a revocable license to use and occupy the Licensed Subsurface Vault on the following terms and conditions:

(a) The license granted under this Section 45.01 shall commence on the Commencement Date and shall terminate upon the earliest to occur of: (i) the expiration or sooner termination of this Lease; (ii) the transfer by way of dedication, conveyance or otherwise of the Street to New York City (which term as used in this Article 44 shall include, if applicable, instrumentalities and agencies thereof, including its Department of Transportation), unless New York City shall permit the Subsurface Vault to continue to be used and occupied as contemplated by Section 45.01(b); (iii) if following the transfer by way of dedication, conveyance or otherwise of the Street to New York City, New York City shall permit the Licensed Subsurface Vault to continue to be used and occupied as contemplated by Section 45.01(b), upon the subsequent termination by New York City of the right to use and occupy the Licensed Subsurface Vault; or (iv) the termination of the license pursuant to Section 45.01(j).

(b) In the event that Landlord shall transfer by way of dedication, conveyance or otherwise the Street to New York City, then, unless Tenant shall have theretofor terminated the license pursuant to Section 45.01(j). Landlord shall notify Tenant thereof and shall request that New York City allow the Licensed Subsurface Vault to continue to be used and occupied as such, it being agreed that (i) Landlord shall have no liability to Tenant on account of any failure or refusal of New York City to grant such request; (ii) Landlord shall have no obligation to enter into any agreement with New York City in order to obtain such consent that is not acceptable to Landlord in its sole discretion or to make any payment to New York City or to grant New York City any right or accommodation or take any other action; and (iii) Landlord shall have the right to transfer by way of dedication, conveyance or otherwise the Street to New York City notwithstanding any failure or refusal of New York City to grant such request. Landlord shall have the right, at its election, to request that New York City grant the right to continue to use and occupy the Licensed Subsurface Vault to Landlord (in which case Landlord shall in turn continue to afford to Tenant the privilege of using and occupying the Licensed Subsurface Vault on the terms and conditions hereof, subject to any restrictions, qualifications or more restrictive terms imposed by New York City) or directly to Tenant.

(c) In the event that New York City shall grant such a request of Landlord that it grant the right to continue to use and occupy the Licensed Subsurface Vault to Landlord, then, subject to Tenant's right to terminate the license under Section 45.01(j), Tenant shall pay and perform all obligations of Landlord to New York City on account thereof, under any license or

other agreement (which Tenant acknowledges may be more restrictive and onerous than the terms hereof and may include, without limitation, a right of New York City to revoke the license at will and a right of New York City to break through, remove or fill in all or any portion of the Licensed Subsurface Vault at Tenant's cost and expense) or otherwise or, at Landlord's option, reimburse Landlord within fifteen (15) days after demand for any and all costs incurred by Landlord in connection with paying and/or performing same, and Tenant shall, at the request of Landlord, enter into an agreement reasonably acceptable to Landlord and Tenant confirming the foregoing obligations of Tenant; it being agreed, however, that the failure or refusal of either party to enter such an agreement shall not relieve Tenant of its obligations under this Section 45.01(c).

(d) Tenant shall, at Landlord's or New York City's request, enter into such documentation as New York City may require in connection with its granting a license or other rights relating to the Licensed Subsurface Vault.

(e) All fees, charges, costs and expenses of whatever nature imposed by New York City in connection with the Licensed Subsurface Vault shall be the sole responsibility of Tenant, and Tenant shall indemnify Landlord against same.

(f) Notwithstanding that the Licensed Subsurface Vault is not included in the demise hereunder but rather has been made available to Tenant by way of a revocable license to use and occupy same, all obligations of Tenant and rights of Landlord hereunder, including, without limitation, those relating to indemnification, maintaining insurance, construction, alteration, repair, maintenance, compliance with Requirements (including, without limitation, Environmental Statutes) and restoration, shall apply with respect to the Licensed Subsurface Vault as if same were included in the Building and the Premises. The foregoing shall apply with respect to the period prior to any transfer by way of dedication, conveyance or otherwise of the Street to New York City (including, without limitation, if New York City shall have granted the right to continue to use and occupy the Licensed Subsurface Vault directly to Tenant as contemplated by the last sentence of Section 45.01(b)), and shall continue to apply for the benefit of Landlord and the Indemnitees with respect to the period subsequent to any such transfer; provided, however, with respect to the period subsequent to any such transfer Tenant shall also comply with the matters described in Section 45.01(g). In addition, (i) during the period prior to any transfer by way of dedication, conveyance or otherwise of the Street to New York City, and (ii) during the period subsequent to any such transfer if Landlord shall have requested and New York City shall have granted Landlord the right to continue to use and occupy the Licensed Subsurface Vault as contemplated by the last sentence of Section 45.01(b), subject to any restrictions imposed by New York City, all rights of Tenant and obligations of Landlord hereunder shall apply with respect to the Licensed Subsurface Vault as if same were included in the Building and the Premises but only to the extent that same are consistent with and not in derogation of this Article 45 and are consistent with the nature of Tenant's interest in the Licensed Subsurface Vault.

(g) Subsequent to and in connection with the transfer by way of dedication, conveyance or otherwise of the Street to the New York City, Tenant shall comply with all laws, rules, regulations as may be imposed by New York City relating to the Licensed Subsurface

Vault and all of the terms and conditions of any agreements with New York City entered into by Tenant or Landlord with respect to the Licensed Subsurface Vault.

(h) In the event that for any reason the license granted under this Section 45.01 shall be terminated or revoked, Tenant shall, at Tenant's sole cost and expense, within sixty (60) days (subject to Unavoidable Delays) after such termination or revocation or, if such termination or revocation shall occur subsequent to or in connection with any transfer by Landlord by way of dedication, conveyance or otherwise of the Street to New York City, then within such shorter period as may be required by New York City, demolish and fill in the Licensed Subsurface Vault and restore same and, if necessary, the Street and any other earth, pavement, improvements and landscaping in the vicinity thereof, to their respective prior conditions, construct an underground wall to seal off the remaining portion of the underground parking garage (i.e., the portion not located in the Licensed Subsurface Vault) and take such measures as may be reasonably necessary to secure and support the Building and the Street and any other earth, pavement, improvements and landscaping in the vicinity thereof, all in a manner reasonably satisfactory to Landlord, in accordance with the requirements of this Lease applicable to Capital Improvements, and, if applicable, subject to any requirements (including applicable time frames) imposed by New York City.

In the event of such termination or revocation, Tenant shall remain liable for the payment and performance of all of its obligations hereunder with respect to the Licensed Subsurface Vault to be performed with respect to the period prior to Tenant's completion of the performance of all of its obligations under this Section 45.01(h), and all such obligations of Tenant shall survive the termination or revocation of the license and Tenant's performance of its obligations under this Section 45.01(h).

(i) No termination or revocation of the license granted under this Section 45.01 shall in any way affect this Lease or the amount of Rental payable hereunder. All obligations of Tenant hereunder relating to the Licensed Subsurface Vault with respect to the period prior to such termination or revocation or arising out of acts or omissions occurring, or conditions existing, during such period shall survive such termination or revocation.

(j) Tenant shall have the right, exercisable on thirty (30) days prior notice to Landlord, to terminate the license granted under this Section 45.01, in which event (i) the provisions of Section 45.01(h) shall apply, and (ii) same shall not relieve Tenant of its obligation to operate, or cause there to be operated, an underground parking garage at the Premises.

45.02. Permitted Use. Tenant shall not use, or suffer or permit the use of, more than an insignificant portion of the Licensed Subsurface Vault for any purpose other than an underground parking garage (and the construction thereof in accordance with the applicable provisions of this Lease) and Tenant's use of the Licensed Subsurface Vault shall be subject to all of the restrictions set forth in Article 23 and elsewhere in this Lease.

45.03. Assumption of Risk. Tenant hereby assumes all risk of damage to person and property (including, without limitation, to the Building and to the portions thereof located within the Licensed Subsurface Vault) which may result from or relate to the location of the Licensed

Subsurface Vault beneath and above property that may be used by Landlord and/or other persons.

45.04. Repair and Restoration. Tenant shall have the right to enter upon the area located above or below or in the vicinity of the Licensed Subsurface Vault in connection with Tenant's construction, improvement, alteration, inspection, repair or maintenance of the Licensed Subsurface Vault. In the event that Tenant shall disturb any earth, pavement, improvements and/or landscaping located above or below or in the vicinity of the Licensed Subsurface Vault in connection with Tenant's constructing, improving, altering or repairing the Licensed Subsurface Vault, or in the event that uneven settlement of the surface of any land, pavement, improvements and/or landscaping shall occur as a result of the existence of the Licensed Subsurface Vault or any construction work or any activity related thereto or any use thereof, or any damage or injury to any earth, pavement, landscaping or improvements shall result from any of the foregoing being located above or in the vicinity of the Licensed Subsurface Vault, then Tenant shall, at Landlord's election, either (i) reimburse Landlord for all actual out of pocket costs incurred by Landlord in repairing and restoring same, within fifteen (15) days after written demand (accompanied by reasonable supporting documentation) from time to time, or (ii) repair and restore same using qualified and licensed architects, engineers and contractors reasonably acceptable to Landlord and pursuant to plans and specifications approved by Landlord (such approval not be unreasonably withheld or delayed) and otherwise in accordance with the requirements of this Lease applicable to Capital Improvements.

45.05. No Limitation on Landlord's Surface or Subsurface Uses. Anything to the contrary contained in this Article 45 notwithstanding, Tenant acknowledges and agrees that the existence of the Subsurface Vaults and the license granted to Tenant under this Article 45 shall not in any way limit or impose restrictions on the uses or activities to which those areas above, below or adjacent to the Subsurface Vaults may be put by Landlord or anyone deriving any interest therein by, through or under Landlord or otherwise.

45.06. Inspection. Within ninety (90) days before the fifth (5^{th}) anniversary of the Commencement Date and within ninety (90) days before every successive fifth (5^{th}) anniversary of the Commencement Date thereafter, Tenant shall submit to Landlord an inspection report obtained by Tenant at Tenant's sole cost and expense, bearing the seal of a Professional Engineer or Registered Architect, which report shall state the structural condition of the Licensed Subsurface Vault. If such report indicates the need for any structural repairs, Tenant shall cause such work to be performed at its sole cost and expense not more than one hundred twenty (120) days (subject to Unavoidable Delay) after the date of such report, or if such report indicates any unsafe condition, Tenant shall as soon as is feasible under the circumstances take such measures as may be necessary to avoid injury to persons and property (including, without limitation, with respect to the areas above the Licensed Subsurface Vault) and shall thereafter as soon as is feasible under the circumstances make such repairs in accordance with the applicable provisions of this Lease, and shall submit to Landlord a certificate bearing the seal of a Professional Engineer or Registered Architect, indicating the completion of such work.

45.07. Minimum Distance Below Finished Grade. Notwithstanding anything to the contrary contained herein, the upper limiting plane of the Licensed Subsurface Vault shall be at least 19.5 inches below the finished floor elevation of the Building's lobby, and all portions of

the roof thereof shall be at least 19.5 inches below the finished floor elevation of the Building's lobby.

45.08 Reservation of Rights. Landlord reserves, and shall have throughout the Term, the right to "Operate" (as hereinafter defined) and/or to designate other Persons to Operate, "Utility Lines" (as hereinafter defined) in and through the Licensed Subsurface Vault (including, without limitation, to penetrate the walls of the Licensed Subsurface Vault in connection therewith). As used in this Section 45.08, "Utility Lines" shall mean storm sewer lines, sanitary sewer pipes, water mains, gas mains, steam lines, condensate return lines, electric power lines, telephone lines, sprinkler/fire protection and other security systems, cable television lines, fiber optic lines, and other utility lines or other installations of a similar nature whether utility or non-utility and related facilities. As used in this Section 45.08, "to Operate" or "Operation of" a Utility Line shall mean installation, operation, maintenance, repair, replacement, removal and relocation of such Utility Line and flow and passage of water, waste, gas, steam or electric power or other service, as appropriate, through such Utility Line. In connection with the Operation of Utility Lines, Landlord and its contractors shall have, upon one Business Days' notice to Tenant (except in an emergency, in which case no notice shall be required) the right to enter the Licensed Subsurface Vault to Operate Utility Lines, and Tenant shall move any objects located in the Licensed Subsurface Vault, including parked vehicles, to the extent reasonably necessary to accommodate same. In Operating Utility Lines in the Licensed Subsurface Vault, Landlord shall use commercially reasonably efforts to minimize interference with the operation of a parking garage in the Licensed Subsurface Vault. In furtherance thereof, Landlord shall consult with Tenant with respect to any aspects of Landlord's Operation of Utility Lines in the Licensed Subsurface Vault that is reasonably likely to interfere with Tenant's operation of a parking garage in the Licensed Subsurface Vault and shall give consideration to reasonable proposals by Tenant to mitigate such interference, provided that Tenant shall be willing to pay the incremental cost thereof. Tenant shall not be entitled to any

[No Further Text on this Page]

reduction or abatement of Rental or any other compensation on account of the Operation of Utility Lines in and through the Licensed Subsurface Vault.

[No Further Text on this Page]

IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease as of the day and year first above written.

BATTERY PARK CITY AUTHORITY
d/b/a HUGH L. CAREY BATTERY PARK CITY AUTHORITY

By: R M Supico
[redacted] Robert M. Serpico
Senior Vice President and CFO

BPC GREEN, L.L.C.

By: The Related Companies, L.P.,
managing member

By: The Related Realty Group, Inc.,
general partner

By: JTBlau
Jeff T. Blau
President

SCHEDULE 1

Base Rents; Minimum Pilot; Aggregate Rent

Lease Year	Base Rent Per Annum	Minimum PILOT Per Annum	Aggregate Rent
1	$ 450,000	$ 400,544	$ 850,544
2	$ 459,000	$ 400,544	$ 859,544
3	$ 468,180	$ 400,544	$ 868,724
4	$ 477,544	$ 400,544	$ 878,088
5	$ 487,094	$ 400,544	$ 887,638
6	$ 496,836	$ 400,544	$ 897,380
7	$ 506,773	$ 400,544	$ 907,317
8	$ 516,909	$ 400,544	$ 917,453
9	$ 527,247	$ 400,544	$ 927,791
10	$ 537,792	$ 400,544	$ 938,336
11	$ 548,547	$ 400,544	$ 949,091
12	$ 559,518	$ 400,544	$ 960,062
13	$ 570,709	$ 400,544	$ 971,253
14	$ 582,123	$ 400,544	$ 982,667
15	$ 593,765	$ 400,544	$ 994,309
16	$ 605,641	$1,483,257	$ 2,088,898
17	$ 617,754	$1,506,513	$ 2,124,267
18	$ 630,109	$2,659,925	$ 3,290,034
19	$ 642,711	$2,708,317	$ 3,351,028
20	$ 655,565	$3,936,243	$ 4,591,808
21	$ 668,676	$4,011,764	$ 4,680,440
22	$ 682,050	$5,318,212	$ 6,000,262
23	$ 695,691	$5,422,974	$ 6,118,665
24	$ 709,605	$6,812,153	$ 7,521,758
25	$ 723,797	$6,948,396	$ 7,672,193

SCHEDULE 2

System Specifications for Landlord's Space

1. Electrical: A 200amp 120/208V 3-phase service will be made available to Landlord by Tenant. Tenant will bring service from Tenant's main electrical switchgear room to Landlord's space to a disconnect switch. Landlord to provide distribution panel and all associated wiring throughout space. Landlord to arrange with the utility for direct metering.

2. Plumbing: 1-1/2" cold water connection to space will be provided by Tenant. A 4" sanitary waste sewer connection will be provided by Tenant at the garage level in the general vicinity of the space for final connection by Landlord (and Landlord shall have the right, throughout the term, to run through portions of the Building outside of Landlord's space such piping as may be reasonably necessary to tie into said sanitary waste sewer connection). Two 4" floor drains (one in each room) will be provided by Tenant.

3. Fire Protection: A 2" sprinkler connection to the space will be provided by Tenant.

4. Heating: Ceiling mounted electric heaters (one in each room) will be provided by Tenant. These heaters will be connected by Landlord to Landlord's electrical service.

5. Ventilation: Ventilation will be provided by outside air by means of louvers installed by Tenant within Landlord's space.

EXHIBIT A

DESCRIPTION OF THE LAND

All that certain plot, piece or parcel of land, situate, lying and being in the Borough of Manhattan, City, County and State of New York, bounded and described as follows:

BEGINNING (P.O.B.) at the intersection of the westerly line of North End Avenue with the southerly line of Warren Street; thence (1) southerly along the westerly line of North End Avenue, S01°52'50"W 196.00 feet to the intersection of the westerly line of North End Avenue with the northerly line of Park Place West; thence (2) westerly along the northerly line of Park Place West, N88°07'10"W 70.00 feet; thence (3) northerly and parallel with the westerly line of North End Avenue, N01°52'50"E 126.00 feet; thence (4) westerly and parallel with the southerly line of Warren Street, N88°07'10"W 65.00 feet; thence (5) northerly and parallel with the westerly line of North End Avenue, N01°52'50"E 70.00 feet to the southerly line of Warren Street; thence (6) easterly along the southerly line of Warren Street, S88°07'10"E 135.00 feet to the point of BEGINNING.

EXHIBIT B

TITLE MATTERS

1. The Settlement Agreement as in effect on the date hereof.

2. The Master Lease as in effect on the date hereof.

3. Memorandum of Understanding, dated as of November 8, 1979, among the Governor of the State of New York, the Mayor of the City of New York and the President and Chief Executive Officer of New York State Urban Development Corporation and Battery Park City Authority, as supplemented by letter dated November 8, 1979, from the President and Chief Executive Officer of New York State Urban Development Corporation and Battery Park City Authority to the Mayor of the City of New York and as supplemented by 1986 Supplemental Memorandum of Understanding dated as of August 15, 1986 among the Governor of the State of New York, the Mayor the City of New York and Battery Park City Authority, and as amended by the Amendment to Memorandum of Understanding dated as of January 9, 1995 among the Governor of the State of New York, the Mayor of the City of New York and Battery Park City Authority.

4. The Purchase Option granted by New York State Urban Development Corporation, Battery Park City Authority, the BPC Development Corporation to the City of New York, dated June 6, 1980 and recorded June 11, 1980 in Reel 527 at page 153 in the Office of the City Register, New York County, as amended by Amendment to Option to Purchase dated August 15, 1986 and recorded October 22, 1986 in Reel 1133 at page 582 and Second Amendment to Option to Purchase dated May 18, 1990 between BPCA and the City of New York and recorded on May 30, 1990 in Reel 1697, page 294 in said Register's Office.

5. Declaration of Zoning Lot and Ownership Statement with respect to the Land made or to be made by Landlord and recorded in the Office of the Register of the City of New York, New York County.

6. Such state of facts as an accurate survey of the Premises would disclose as long as such facts do not render title unmarketable.

7. Declaration of Covenants and Restrictions made by Battery Park City Authority dated March 15, 1984, and recorded March 21, 1984, in Reel 776 at page 360, in the Office of the City Register, New York County.

8. Rights of the Federal Government to enter upon and take possession of lands, now or formerly lying below the high water mark of the Hudson River.

9. The City Map of the City of New York as modified by a Map Showing a Change in the City Map, dated January 15, 1987, corrected September 10, 1993 and certified by the Secretary to the City Planning Commission on November 5, 1995 and as the City Map may be otherwise modified.

10. Mapping Agreement between the City of New York and BPCA made as of October 3, 1991.

11. Zoning and other laws, ordinances, governmental regulations, orders and requirements pertaining to the Premises.

EXHIBIT C

BATTERY PARK CITY
AFFIRMATIVE ACTION PROGRAM

This Affirmative Action Program has been adopted by Battery Park City Authority ("BPCA"), pursuant to the provisions of Section 1974-d of the Public Authorities Law as modified by Section 317 of the Executive Law, in order to assist Tenant, its contractors, subcontractors and suppliers (collectively, "Contractors") and all other persons participating in the development, construction, operation and maintenance of that portion of the Battery Park City North Residential Neighborhood Development identified in the Lease to which this program is attached (the "Project") in complying with their respective obligations to give minority and women-owned business enterprises and minority group members and women opportunity for meaningful participation on contracts entered into in connection with the Project, and to permit BPCA to carry out its statutory obligations in connection with the construction, management and operation of real estate development projects at Battery Park City.

1. Definitions. As used in this Program, the following terms shall have the following respective meanings:

Approved MBE Contract: each Contract between Tenant or its Contractors and a Certified MBE which has been entered into in accordance with this Program.

Approved WBE Contract: each Contract between Tenant or its Contractors and a Certified WBE which has been entered into in accordance with this Program.

Certified Business: A business certified as a minority or women-owned business enterprise by the Division, or such other New York State agency or department authorized to make such certification.

Construction of the Project: All work occurring on the Battery Park City site in connection with the development, design, construction and initial occupancy of the Project.

Contract: as defined in Section 2.

Contract Value: The sum of the MBE Contract Value and the WBE Contract Value.

Director: The Director or the Executive Director of the Division.

Directory: The directory of certified businesses prepared by the Director, for use in the implementation of this Program

Division: The Division of Minority and Women's Business Development of the New York State Department of Economic Development.

Executive Law: The New York State Executive Law.

Lease: The Agreement of Lease, of even date herewith, between BPCA and Tenant, as amended and supplemented from time to time.

MBE or WBE Contract Value: The total contract price of all work let to MBEs or WBEs by Tenant or its Contractors pursuant to Approved MBE or Approved WBE Contracts, less the total contract price of all work let to MBEs or WBEs by other MBEs and/or WBEs, provided that (a) where an MBE or WBE subcontracts (other than through supply contracts) more than 50 percent (50%) of its work, the contract price of the work let to such MBE or WBE shall be deemed to equal the excess, if any, of the work let to such MBE or WBE over the contract price of the work subcontracted by such MBE or WBE, (b) where materials are purchased from an MBE or WBE which acts merely as a conduit for a supplier or distributor of goods manufactured or produced by a non-MBE or non-WBE, the price paid by the MBE or WBE to the supplier, distributor, manufacturer or producer shall be deducted from such total contract price and (c) where a contractor or subcontractor is a joint venture including one or more MBEs or WBEs as joint venture partners, such joint venture shall be treated as an MBE or WBE only to the extent of the percentage of the MBEs or WBEs interest in the joint venture. In any event, MBE/WBE Contract Value shall include only monies actually paid to MBEs or WBEs by Tenant or its Contractors.

Minority or Women's Workforce Participation: The percentage of person-hours of training (subject to the provisions of Section 3(c) below) and employment of Minority Group Members or women workers (including supervisory personnel) in the total workforce used by Tenant and its Contractors in the Construction of the Project.

Minority Group Member: A United States citizen or permanent resident alien who is and can demonstrate membership in one of the following groups:

(1) Black persons having origins in any of the Black African racial groups;

(2) Hispanic persons of Mexican, Puerto Rican, Dominican, Cuban, Central or South American descent of either Indian or Hispanic origin, regardless of race;

(3) Native American or Alaskan native persons having origins in any of the original peoples of North America; or

(4) Asian and Pacific Islander persons having origins in any of the Far East countries, South East Asia, the Indian subcontinent or the Pacific Islands.

Minority-Owned Business Enterprise or MBE: A business enterprise, including a sole proprietorship, partnership, limited liability company, or corporation that is:

(1) at least 51 percent owned by one or more Minority Group Members;

(2) an enterprise in which such minority ownership is real, substantial and continuing;

(3) an enterprise in which such minority ownership has and exercises the authority to control and operate, independently, the day-to-day business decisions of the enterprise; and

(4) an enterprise authorized to do business in this State and is independently owned and operated.

Public Authorities Law: The New York State Public Authorities Law.

Subcontract: an agreement providing for a total expenditure in excess of $25,000 for the construction, demolition, replacement, major repair, renovation, planning or design of real property and improvements thereon between a contractor and any individual or business enterprise, including a sole proprietorship, partnership, limited liability company, corporation, or not-for-profit corporation, in which a portion of a contractor's obligation is undertaken or assumed, but shall not include any construction, demolition, replacement, major repair, renovation, planning or design or real property or improvements thereon for the beneficial use of the contractor.

Total Development Costs: all monies expended by, or on behalf of, Tenant in connection with the development, design, construction and initial occupancy of the Project, including the total contract price of all Contracts awarded by Tenant (a) for the furnishing of labor, materials and services for inclusion in the Project, plus the cost of all general conditions work applicable to the Project and not included in such Contracts, and (b) for non-construction services, including architectural, engineering, accounting, legal and technical consultant services, rendered in connection with the development, design, construction and initial occupancy of the Project. Total Development Costs shall include but not be limited to costs for: demolition and excavation, general contractor's or construction management fees (except for such fees payable to Tenant or an affiliate of Tenant), interim management, site work and landscaping, installation and hook-ups to utilities and infrastructure, leasehold improvements in preparation for initial occupancy of the Project by tenants, leasing commissions and other lease-up expenses, pre-opening and marketing expenses and public and other civic improvements to be completed by Tenant pursuant to the Lease, except costs pursuant to contracts let to contractors with less than three employees. Total Development Costs shall not include monies expended by, or on behalf of, Tenant for the following: letter of credit fees, title insurance fees and charges, appraisal costs, developer's overhead and fees, fees paid to Tenant or an affiliate of Tenant, mortgage interest, debt service, mortgage brokerage commissions, commitment and other mortgage fees and charges, mortgage recording taxes and other government fees and taxes, costs of administering this Program, insurance premiums and Rental and all other sums and charges paid to or on behalf of BPCA pursuant to the Lease or otherwise with respect to the Project.

Women-owned Business Enterprise or WBE: A business enterprise, including a sole proprietorship, partnership, limited liability company or corporation that is:

(1) at least 51 percent owned by one or more United States citizens or permanent resident aliens who are women;

(2) an enterprise in which the ownership interest of such women is real, substantial and continuing;

(3) an enterprise in which such women ownership has and exercises the authority to control and operate, independently, the day-to-day business decisions of the enterprise; and

(4) an enterprise authorized to do business in this State and which is independently owned and operated.

2. Compliance with Lease and Contract Obligations.

(a) Tenant shall (i) comply with all of its non-discrimination and affirmative action obligations as set forth in the Lease, and (ii) use its commercially reasonable best efforts to cause each of its Contractors to comply with all of such Contractor's non-discrimination and affirmative action obligations as set forth in the Lease and construction contract or other instrument (collectively, "Contract") pursuant to which such Contractor furnishes materials or services for the Project.

(b) Compliance by Contractor, or by Tenant when it enters into a contract, with the affirmative action and non-discrimination obligations relating to opportunities for participation on contracts by MBEs and WBEs, as set forth in this Exhibit D, or in the Lease, or Contract, shall, as required by Section 317 of the Executive Law, be determined in accordance with the provisions of Section 313, subsections 5,6,7, & 8 and Section 316 of the Executive Law, as same may be amended from time to time and rules or regulations promulgated therefor with the same force and effect as if the Contract were a "State Contract" as defined in Section 310 of the Executive Law.

(c) In its Contracts with Contractors (except those for which exemptions or waivers apply pursuant to the terms of this Agreement or with three or fewer employees), Tenant agrees that it will require (i) that each Contractor, as a condition of the Contract, be bound by the above referenced Executive Law provisions, and (ii) that Contractor's compliance or non-compliance with its MBE and WBE affirmative action and non-discrimination obligations as set forth in the Contract will be determined by BPCA, and that solely for the purpose of compliance with the said provisions of the Executive Law, BPCA shall be deemed to be the "Contracting Agency" as that term is used in such provisions of the Executive Law.

3. Minority and Women Workforce Participation.

(a) Tenant shall, and shall use its commercially reasonable best efforts to cause its Contractors (except those for which exemptions or waivers apply pursuant to the terms of this Program or with three or fewer employees), to promote the employment of Minority Group Members and women as workers in the Construction of the Project, provided that such obligation shall be deemed to have been fulfilled when (i) the Minority Workforce Participation equals 30% of the total person-hours of training and employment used in the construction of the Project, and (ii) the Women Workforce Participation equals five percent (5%) of the total person-hours of training and employment used in the Construction of the Project. Tenant and BPCA have, after reviewing the work to be included in the Project and the qualifications and

availability of Minority and women workers for participation in such work, determined that the percentages set forth above are reasonable and attainable. In further fulfillment of its obligations hereunder, Tenant shall also comply with the procedures set forth in Section 4 hereof.

(b) In order to assist Tenant in carrying out the provisions of Section 3(a) above, Tenant shall, and shall use its commercially reasonable best efforts to cause its Contractors to, participate in on-the-job training program or programs approved by the NYS Department of Labor, or such other or successor programs as shall be approved by the New York State Labor Law, as amended.

(c) In order for the non-working training hours of apprentices and trainees to be counted in meeting the percentages set forth in Section 3(a) above, such apprentices and trainees must be employed by the Tenant or Contractor during the training period, and the Tenant or Contractor must have made a commitment to employ the apprentices and trainees at the completion of their training, subject to the availability of employment opportunities.

(d) Tenant shall, and shall use its commercially reasonable best efforts to cause its Contractors employing more than three employees to, submit to BPCA daily reports on the composition of the workforce on the Project, monthly payroll reports, a monthly summary payroll report on a form approved by BPCA, broken down by person-hours and by ethnic and gender makeup and such other or more frequent reports regarding workforce composition as BPCA shall require. Monthly payroll and summary reports are to be submitted by the 10th day of the month following the period covered by such report.

(e) Tenant shall, and shall use its commercially reasonable best efforts to cause its Contractors to, review at least semiannually, Tenant's non-discrimination obligations and obligations hereunder with all employees having any responsibility for hiring, assignment, layoff, termination or other employment decisions.

4. Minority and Women Workforce Procedures. Tenant shall, and shall use its commercially reasonable best efforts to cause its Contractors to, provide and maintain a working environment free of harassment, intimidation and coercion. Tenant shall ensure that all foremen, superintendents and other on-site supervisory personnel are aware of and carry out Tenant's non-discrimination obligations and its obligation to maintain such a working environment. In addition, Tenant shall, and shall cause its Contractors to, observe the following procedures throughout the Construction Period:

(a) Tenant shall, and shall use its commercially reasonable best efforts to cause its Contractors to, make a search for Minorities and women for employment in the Construction of the Project.

(b) Tenant shall, and shall use its commercially reasonable best efforts to cause its Contractors to, encourage Minority and women employees to recruit other Minorities and women for employment on the Project.

(c) Tenant shall, and shall use its commercially reasonable best efforts to cause its Contractors to, fulfill its/their Minority and women workforce participation obligations under Section 3(a) above in a substantially uniform manner throughout the Construction Period.

(d) Tenant shall not, and shall use its commercially reasonable best efforts to cause its Contractors not to, transfer Minority and women employees from employer to employer or project to project for the purpose of meeting Tenant's and Contractors' obligations hereunder.

(e) Tenant shall meet with BPCA and such other persons as BPCA may invite, on a periodic basis as required by BPCA, to discuss issues relating to Minority and Women Workforce Participation. At such meetings Tenant shall report on the names of its Contractors then engaged in construction on the Project or which within 60 days are scheduled to be engaged in construction on the Project, on the nature of the work and anticipated construction schedule of such Contractors, on the anticipated hiring needs of such Contractors, on the names of the responsible foremen for each of the construction trades directly employed by such Contractors, and such other information reasonably requested by BPCA that will promote the employment of Minorities and women. Tenant shall use its commercially reasonable best efforts to obtain the above information from its Contractors and shall, upon BPCA's request, use its commercially reasonable best efforts to cause its Contractors to attend said meetings and provide the above information.

(f) Tenant shall monitor all of its Contractors to ensure that the foregoing obligations are complied with by each Contractor.

(g) Tenant shall, and shall use its commercially reasonable best efforts to cause its Contractors to, consult with BPCA regarding fulfillment of its obligations hereunder prior to solicitation for any contractors, subcontractors, or consultant.

(h) In fulfillment of the obligations set forth in this Section 4, Tenant shall furnish BPCA, at its request, documentary evidence of its efforts.

5. Determination of MBE and WBE Eligibility. A business enterprise which is a Certified MBE or a Certified WBE is an eligible MBE or WBE and shall remain an eligible MBE or WBE for so long as such business continues to be a Certified MBE or Certified WBE. Certification as an MBE or WBE shall be the sole and conclusive determination of eligibility for the purposes of this Program. BPCA will rely on a determination with respect to MBE or WBE certification of, or failure to certify, a business enterprise as an eligible MBE or WBE made by the Division or its successor or other designated New York State certifying agency, office or authority pursuant Article 15A of the New York State Executive Law, or any guidelines or regulations issued thereunder, or any other or successor applicable law, or regulations or executive order.

6. MBE and WBE Participation. Tenant shall, and when contemplated by the applicable Contract bid package, shall use its commercially reasonable best efforts to cause its Contractors to, provide meaningful participation in Contracts for the Project to MBEs and WBEs, provided that such obligation shall be deemed to have been fulfilled when the aggregate Contract Value of Approved MBE Contracts and Approved WBE Contracts shall equal thirty percent (30%) of Total Development Costs. In determining the aggregate Contract Value of Approved MBE and WBE Contracts, an amount equal to the Contract Value of all contracts for which BPCA has issued waivers to Tenant or its Contractors pursuant to Section 313, subsections 5,6,7 & 8, and Section 316 of the Executive Law, shall be included as part of the

aggregate Contract Value for the purpose of fulfillment of Tenant's and Contractors' obligation under this Program, including obligations under Section 6(a), below and all other provisions relating to Tenant's and Contractors' MBE and WBE obligations as may be set forth herein.

In order to fulfill its obligations hereunder:

(a) Tenant shall, during the Construction Period (which shall mean the period commencing at the Commencement Date of the Lease and terminating at Substantial Completion of the Building, as such terms are defined in the Lease), enter into, or cause its Contractors to enter into, Approved MBE Contracts and Approved WBE Contracts having an aggregate Contract Value of at least twenty-five percent (25%) of Total Development Costs; such aggregate Contract Value shall consist of an aggregate MBE Contract Value of at least twenty percent (20%) of Total Development Costs and an aggregate WBE Contract Value of at least five percent (5%) of Total Development Costs. After reviewing the work to be included in the Project, Tenant and BPCA have identified portions of such work for which, in their judgment, qualified MBEs and WBEs are expected to be available and have agreed upon such portions of the work and the estimated value thereof. During the Construction Period, in partial fulfillment of its obligations hereunder, Tenant presently expects to enter into, or cause its Contractors to enter into, Approved MBE Contracts and Approved WBE Contracts in accordance with the procedures set forth in Section 7 below.

(b) In further fulfillment of its obligations under this Section 6, Tenant shall, throughout the Construction Period, (i) conduct a thorough and diligent search for qualified MBEs and WBEs to carry out additional portions of the Project, (ii) review the qualifications of each MBE and WBE suggested to Tenant by BPCA, and (iii) enter into, or cause its Contractors to enter into, Approved MBE Contracts and Approved WBE Contracts with all qualified and available MBEs and WBEs, respectively, in accordance with and subject to the procedures set forth in Section 7 below.

7. MBE/WBE Participation Procedures. Tenant shall observe the following procedures throughout the Construction Period and until such time as Tenant has fulfilled its obligations under Section 6 above:

(a) Tenant shall advise BPCA promptly of Tenant's proposed design and construction schedule for the Project and afford BPCA's Affirmative Action Officer a reasonable opportunity to become familiar with the proposed scope, nature and scheduling of Tenant's major Contracts. As promptly as practicable, but in any event at least ten (10) but not more than ninety (90) days prior to issuing requests for proposals or invitations to bid for any Contracts, Tenant shall furnish BPCA with a projected schedule which shall include a detailed description (the "Contract Schedule") of such Contracts, broken down by trade. Tenant will update or amend the Contract Schedule as required to reflect any changes in Tenant's proposed Contracts and will promptly notify BPCA thereof. The Contract Schedule will set forth the anticipated times at which invitations to bid or requests for proposals are to be issued for work in each trade, the scope of such work, and the estimated contract value or range of values of such work or purchases. In formulating the Contract Schedule, Tenant will confer with BPCA to identify those portions of the work or purchases which can be divided into separate contract packages or which can be subcontracted, so as to maximize opportunities for participation in the work by

MBEs and WBEs. To the extent practicable, Tenant shall prepare separate contract packages for such work which shall be bid and let separately by Tenant or which shall be subcontracted separately by Tenant's Contractors, and shall not be bid or let as part of any other work. Tenant shall, at least ten (10) but not more than ninety (90) days prior to the issuance of an invitation or request to bid for each individual contract, furnish BPCA with written notice thereof.

(b) BPCA will review the Contract Schedule as promptly as practicable, and will provide to Tenant a list of eligible MBEs and WBEs for all or portions of the work. Tenant shall then promptly notify BPCA in writing that all MBEs and WBEs on such list have been contacted and of any business enterprise not on such list which claims to be an MBE or WBE and has expressed an interest in bidding on the work. As promptly as practicable after receipt of Tenant's notice, BPCA will advise Tenant in writing whether the business enterprises which have expressed an interest in the work, but were not included on the list of MBEs and WBEs furnished to Tenant by BPCA, are eligible MBEs or WBEs, provided that BPCA shall have no obligation to advise Tenant whether any business enterprise is an eligible MBE or WBE until a State Certification Determination has been made with respect to such business enterprise.

(c) Concurrently, BPCA and Tenant will review the eligible MBEs and WBEs to determine the extent to which such MBEs and WBEs are qualified and available to perform all or portions of the work identified in the contract packages. In general, an MBE or WBE will be deemed to be qualified to perform work if its personnel have successfully performed work of a similar nature in the past and demonstrate the present ability, after giving effect to the assistance which Tenant will provide under Section 7(e) below, to organize, supervise and perform work of the kind and quality contemplated for the Project. In determining whether an MBE or WBE meets these standards, BPCA and Tenant shall consider, experience in the trade, technical competence, organizational and supervisory ability and general management capacity. An MBE or WBE shall not be considered unqualified to perform work on the Project (i) because such MBE or WBE (A) cannot obtain bonding or (B) cannot obtain commercial credit or cannot obtain such credit on normal terms or (ii) solely because such MBE or WBE (A) does not have the capacity to perform work of the nature and scope required without the assistance to be made available by Tenant under Section 7(e) below or (B) has not previously performed work equal in scope or magnitude to such work. In the event that BPCA and Tenant cannot agree on whether an eligible MBE or WBE is qualified and available hereunder, BPCA's determination on those issues shall be final and conclusive for the purposes of this Program, unless Tenant shall, within ten (10) days after written notice of such determination is given by BPCA, request that the matter be determined by arbitration pursuant to Section 7(f) below.

(d) Tenant shall invite all MBEs and WBEs found qualified and available hereunder (including those MBEs and WBEs on the list provided by BPCA pursuant to Section 7(b) above) to submit proposals for work required to be performed under Tenant's contract packages (including both contracts and Subcontracts). At least three (3) days prior to any award of any Contract by Tenant, Tenant shall notify BPCA in writing of all responses or bids in connection with Tenant's requests for proposals or invitations to bid.

(e) Tenant will provide financial assistance to an MBE or WBE to which a contract or Subcontract is to be awarded and which is unable to obtain credit or financing on normal terms by (i) guaranteeing payment to suppliers, subject to obtaining an appropriate

security interest in the materials paid for, (ii) making progress payments for work performed more frequently than the normal one-month cycle (but no more often than bi-weekly), and (iii) paying for reasonable mobilization costs in advance of the commencement of construction, subject to obtaining an appropriate security interest in any materials or equipment paid for with such advances and mobilization costs. Tenant shall also waive bonds where MBEs and WBEs are unable to obtain the same, shall make available to MBEs and WBEs technical assistance to conform to the method of construction of the Project, shall (except for trades whose work is subject to controlled inspections or safety laws or regulations) provide supervision consistent with the MBE's and WBE's experience and capacity and shall conduct periodic job meetings with each MBE and WBE at reasonable intervals to review the progress of such MBE's and WBE's job performance and suggest appropriate action to remedy any deficiency in such performance. Tenant shall offer to provide the foregoing assistance to MBEs and WBEs prior to their submission of bid proposals and, wherever practicable, at the time of Tenant's request for such proposals.

(f) Except as shall be otherwise provided for in Section 316 of the Executive Law, as to Contractors, in the event that Tenant shall demand arbitration as to the question of the qualifications or availability of any MBE or WBE pursuant to Section 7(c) above, the matter shall be determined in the County of New York by three arbitrators, one of whom shall be appointed by BPCA, one by Tenant and the third by agreement of the two arbitrators appointed by the parties (or failing such agreement, the third arbitrator shall be appointed by the American Arbitration Association), in accordance with the Commercial Arbitration Rules of the American Arbitration Association, provided that, anything to the contrary contained in such rules notwithstanding, (i) Tenant shall, together with such demand for arbitration, submit in writing to such arbitrators (when selected) and BPCA its reasons for its disagreement with BPCA's determination on such question, (ii) BPCA shall, within five (5) days after its receipt of such written statement from Tenant, submit to such arbitrators and Tenant the reasons for such challenged determination, and (iii) such arbitrators shall, after such hearing, if any, as they may deem appropriate, render their decision within ten (10) days after receipt of such written statement from BPCA. Such decision shall be conclusive and final for all purposes of this Program, provided that, anything to the contrary contained herein notwithstanding, any decision that an eligible MBE or WBE is or is not available or qualified to perform work on a particular Contract shall not preclude a later determination by Tenant, BPCA or the arbitrators to the contrary in light of changed or different circumstances. Tenant and BPCA shall each bear its own costs and attorneys' fees in connection with such arbitration and shall share equally the costs of such arbitration (including the arbitrator's fees).

(g) Tenant shall maintain complete and accurate written records of (i) its efforts to identify and contract with MBEs and WBEs, (ii) the reasons, if applicable, for any determination by Tenant that an MBE or WBE is not qualified or available to perform work on the Project, (iii) the assistance offered or provided to MBEs and WBEs in accordance with Section 7(e) above, and (iv) the reasons, if applicable, why contracts or Subcontracts were not awarded to MBEs and WBEs found qualified hereunder. Tenant shall also maintain complete and accurate written records of all Contracts, including Approved MBE Contracts and Approved WBE Contracts, awarded on the Project, which records shall contain, without limitation, the dollar value of such awards and a description of the scope of the work awarded. Such records shall be furnished to BPCA at such times as BPCA may reasonably request.

(h) Prior to the issuance by Tenant of any letter of intent to a Contractor, Tenant shall provide to BPCA a written list of specific affirmative action measures which the Contractor has agreed to undertake in performing work on the Project, including a list of MBEs and WBEs to which Subcontracts are to be let.

(i) Tenant shall not enter into any Contract, nor permit its Contractors to enter into any Contract, unless Tenant has certified to BPCA in writing that such Contract has been awarded in accordance with the requirements of this Program and BPCA has approved, in writing, the award of such Contract. BPCA shall advise Tenant within five (5) business days of receipt of any such proposed Contract and Tenant's written certification whether or not BPCA has approved such Contract and shall, if such Contract has not been approved, advise Tenant of BPCA's reasons for disapproval. In the event that BPCA shall fail to advise Tenant within such five (5) business day period that a proposed Contract has been approved or disapproved hereunder, BPCA shall be deemed to have approved such Contract for purposes of this Section 7(i). After award of a Contract, Tenant shall not enter into, or permit its Contractors to enter into, any modification or amendment of such Contract which will materially reduce the scope of work to be performed by an MBE or WBE or materially diminish the Contract Price of any Contract (including Subcontracts) awarded to an MBE or WBE without the prior written consent of BPCA, which will not be unreasonably withheld, conditioned or delayed. Each Contract entered into by Tenant shall (i) contain such non-discrimination provisions as are required by the Lease, (ii) require the Contractor thereunder to comply with the applicable Minority and Women Workforce Requirements of Section 3, and the procedures set forth in Section 4, of this Program and (iii) require such Contractor to comply with the applicable provisions of Sections 6 and 7 of this Program with respect to any Contracts awarded by such Contractor. Tenant shall promptly furnish BPCA with the name of each party to whom Tenant (or its Contractors) awards a Contract, together with, in the case of each Approved MBE Contract or Approved WBE Contract, a summary of the scope of services to be performed under such Contract and the Contract price thereof, as the same may be amended from time to time.

(j) Tenant shall, and shall cause its Contractors to, submit to BPCA within five (5) days after execution of any Approved MBE Contract or Approved WBE Contract or amendment thereto between Tenant or its Contractor and an MBE or WBE, a copy of such contract or amendment. Within thirty (30) days after substantial completion of work done pursuant to any such contract as amended, Tenant shall submit to BPCA sworn affidavits as described hereafter, for the purpose of determining Tenant's fulfillment of its obligations under Section 6 above. The affidavits required by this subsection shall consist of one affidavit of a duly authorized officer of Tenant or its Contractor, as the case may be, and one affidavit of a duly authorized officer of the MBE or WBE, as the case may be, attesting to the following information: (i) identifying the contract and describing the scope of services required Tenant shall, and shall cause its Contractors to, submit to BPCA within five (5) days after execution of any Approved MBE Contract or Approved WBE Contract or amendment thereto between Tenant or its Contractor and an MBE or WBE, a copy of such contract or amendment. Within thirty (30) days after substantial completion of work done pursuant to any such contract as amended, Tenant shall submit to BPCA sworn affidavits as described hereafter, for the purpose of determining Tenant's fulfillment of its obligations under Section 6 above. The affidavits required by this subsection shall consist of one affidavit of a duly authorized officer of Tenant or its Contractor, as the case may be, and one affidavit of a duly authorized officer of the MBE or

WBE, as the case may be, attesting to the following information: (i) identifying the contract and describing the scope of services required thereunder; (ii) that the MBE or WBE is, or is believed to be by Tenant or its Contractor, a bona fide MBE or WBE as defined by the State of New York pursuant to Article 15A of the New York State Executive Law and any guidelines or regulations issued thereunder; (iii) that the MBE or WBE actually performed the services described pursuant to clause 7(j)(i) above; (iv) the total compensation paid or received for the performance of the services described pursuant to clause 7(j)(i) above and whether such amount represents all sums due and owing and if not, the reason for any unpaid sums due and owing; (v) that such officer's statements pursuant to clauses 7(j)(i), (ii), (iii), and (iv) above are made with full knowledge that they will be used and relied upon by one or more public servants in the performance of their official duties; and (vi) that such officer is familiar with the provisions of Article 210 of the Penal Law relating to false sworn statements made to public officials in their official capacity. In the event Tenant is unable to obtain an affidavit from a duly authorized officer of the MBE or WBE, then BPCA may in its reasonable discretion accept canceled checks, and/or other documentation in lieu of such affidavit.

(k) Tenant shall at the execution of this Agreement and from time to time thereafter designate an affirmative action officer, satisfactory to BPCA, to represent Tenant in all matters relating to this Program and advise BPCA in writing of such designee. BPCA hereby approves Susan McGuire as Tenant's affirmative action officer.

(l) Tenant shall, within ninety (90) days after Substantial Completion of the Building, provide a statement to BPCA of Tenant's Total Development Costs, certified by Tenant and a Certified Public Accountant, listing in reasonable detail the components thereof. Within ninety (90) days after receipt of such statement, BPCA may cause a firm of independent Certified Public Accountants selected by BPCA to examine and audit the records, account books and other data of Tenant used as the basis for such certified statement, and be informed as to the same by a representative of Tenant, all of which Tenant shall make available to BPCA. If such audit shall establish that the Total Development Costs were understated, then the Total Development Costs shall be increased accordingly. The audit, if any, shall be conducted at the expense of BPCA unless it shall be established that Tenant understated the Total Development Costs by more than three and one-half percent (3 and ½%), in which case Tenant shall pay the reasonable cost of BPCA's audit. If any items of Total Development Costs are not yet determined at the time of Substantial Completion of the Buildings (for example, costs of tenant improvements not yet completed or paid for), Tenant may make one or more supplemental submissions of such additional Total Development Cost items, and such items shall be subject to audit by BPCA as provided in this Section 7(l).

8. Subsequent Construction and Project Management.

(a) After the Construction Period, in connection with all subsequent construction work on the Project, including interior improvements, alterations, capital improvements, structural repairs, Restoration (as defined in the Lease) and replacement of, or additions to, the Project undertaken by Tenant (including its successors and permitted assigns), whether on its own behalf or on behalf of its subtenants or other occupants (collectively, "Subsequent Work"), Tenant shall, and shall use its commercially reasonable best efforts to cause its Contractors to, provide meaningful participation to qualified and available MBEs and

WBEs which submit competitive proposals for such work. Additionally, Tenant shall provide meaningful participation in all service and management agreements, agreements for the purchase of goods and services and other agreements relating to the operation of the Project (collectively, "Operating Agreements") to MBEs and WBEs. Tenant and BPCA hereby agree that the annual goal for MBE and WBE participation in Subsequent Work and Operating Agreements is fifteen percent (15%) of the total contract prices thereof, inclusive of the contract value of any contract for which a waiver has been obtained, in compliance with applicable provision of the Executive Law. In order to achieve the goal established under this Section 8(a), Tenant shall, and shall use its commercially reasonable best efforts to cause its Contractors to, (i) conduct a thorough and diligent search for qualified MBEs and WBEs, (ii) review the qualifications of each MBE and WBE suggested to Tenant by BPCA and (iii) afford an opportunity to submit proposals for all Subsequent Work and Operating Agreements to those MBEs and WBEs found qualified. Prior to the end of the Construction Period, Tenant shall meet with BPCA as reasonably required by BPCA to review the operation and status of this Program and develop a plan for meeting the MBE and WBE participation goals set forth above. Thereafter, Tenant shall meet with BPCA on a periodic basis as reasonably required by BPCA to review the operation and status of this Program and such plan and identify measures to be taken by Tenant to ensure that the MBE and WBE participation goals are met. In addition, BPCA may require Tenant to comply with procedures similar to those set forth in Section 7 above in the event that Tenant fails to meet the MBE and WBE participation goals. Tenant shall submit quarterly reports to BPCA setting forth the nature and scope of Subsequent Work carried out and Operating Agreements in effect during the preceding quarter, all efforts made by Tenant and its Contractors to employ qualified MBEs and WBEs to perform the Subsequent Work and participate in the Operating Agreements and all contracts let to MBEs and WBEs. The obligations under this Section 8(a) shall continue until BPCA finds that this Program is no longer necessary to give minority and women-owned business enterprises opportunity for meaningful participation on contracts in connection with the construction, operation and maintenance of the Project.

(b) In connection with Subsequent Work and the management and operation of the Project, Tenant (including its successors and permitted assigns) shall, and shall require such persons as it may employ or contract with to manage and operate the Project (collectively, the "Operator"), to:

(i) make good faith efforts to include Minority group members and women in such work in at least the proportion that Minorities and women are available for such work in the New York City workforce;

(ii) in the event of lay-offs, make good faith efforts to maintain the same proportion of Minority and women employees in Tenant's (or Operator's, as the case may be) workforce as existed immediately prior to commencement of such lay-offs; and

(iii) meet with BPCA on a periodic basis as reasonably required by BPCA to review Tenant's and Operator's compliance with this Section 8(b) and to determine specific opportunities where Minority and women workforce participation in Subsequent Work and management and operation of the Project might be encouraged.

9. On-the-Job Training. Tenant shall cause its construction manager for the Project to conduct an on-the-job training program for individuals seeking career opportunities in the construction business. The program shall seek to recruit qualifiable minority, women and local community residents for entry level management positions in the construction business. The program will have a duration of at least eighteen months, during which interns shall receive on-the-job training in the following disciplines: (1) monitoring trade contractors' mobilization and performance; (2) coordinating the Project field force; (3) scheduling contractors' daily workforces; and (4) coordinating materials and equipment.

10. Minority and Women Business Enterprise Workshops. Tenant shall cause its Construction manager for the Project, in cooperation with BPCA, to schedule a series of workshops in an attempt to maximize MBE and WBE participation in the construction of the Project. The primary objective of such workshops is to schedule pre-bid meetings and provide assistance to MBEs and WBEs interested in bidding in their respective trades and to stimulate potential joint ventures, subcontracts and supply and vendor opportunities. The workshops shall include the use of private and public sector business resources to provide construction-related and office assistance to MBEs and WBEs in the following categories: (1) contract procurement; (2) technical matters; (3)estimating; (4) payment requisition preparation; (5) personnel evaluation; (6) computer technology; and (6) new business opportunities.

11. Non-Compliance.

(a) Tenant recognizes and acknowledges that the purpose of this Program and of Tenant's and BPCA's undertakings hereunder is to fulfill BPCA's and Tenant's statutory obligations in connection with the construction, management and operation of the Project by affording Minority and women workers and MBEs and WBEs an opportunity to participate in the Construction of, and Contracts for, the Project, to the end that such Minority and women workers and MBEs and WBEs can share in economic benefits and also can gain necessary training, experience and other benefits, including increased financial resources, which will facilitate their full participation in the construction industry and management and operation of projects hereafter. Tenant recognizes and acknowledges that its failure to achieve the goals set forth in Sections 3 and 6 above, or comply with the procedures set forth in Sections 4 and 7 above, with respect to the utilization of Minority and women workers and MBEs and WBEs in the Construction of, and Contracts for, the Project may result in damage to BPCA's affirmative action programs and policies, as well as to Minority and women workers and MBEs and WBEs who would be denied an opportunity to share in the economic benefits provided by the construction work and would be denied the training, experience and other benefits which participation in the Project would provide. Tenant further recognizes and acknowledges that such damage cannot be readily quantified, but that the amounts set forth below are reasonable in light of the magnitude of the harm which would result from non-compliance by it hereunder, other than to a de minimis extent, and that payments made for the purposes of the Minority Workers Training Fund and Women Workers Training Fund and the MBE Assistance Fund and WBE Assistance Fund, referred to in Section 11(e) below, are a reasonable means of compensating for that harm.

(b) In the case of Tenant's material default in achieving the goals set forth in Section 3 or 6 above, or in meeting the requirements set forth in Section 4 or 7 above, with

respect to the utilization of Minority and women workers and MBEs and WBEs in the Construction of, and Contracts for, the Project during the Construction Period (other than defaults resulting directly from any order of judicial authorities having jurisdiction over the Project or this Program), Tenant shall pay to BPCA compensatory damages, in addition to any other remedies available to BPCA under this Program, in the following liquidated amounts:

(i) in the event that Tenant fails to employ, or use its commercially reasonable best efforts to cause its Contractors to employ, Minority and women workers equal to the percentage set forth in Section 3(a) above, the product of (A) the aggregate number of person-hours of training and employment of Minority and women workers which would have resulted from achievement of such percentage less the sum of the actual Minority Workforce Participation and Women Workforce Participation achieved in the construction of the Project by Tenant or its Contractors, multiplied by (B) twenty-five percent (25%) of the average hourly wage (including fringe benefits) paid to journey-level workers employed in the Construction of the Project;

(ii) in the event that, at any time during the Construction Period, Tenant fails to enter into, or use its commercially reasonable best efforts to cause its Contractors to enter into, an Approved MBE Contract or Approved WBE Contract for work on the Project with any eligible MBE or WBE found to be qualified and available to perform such work for at the lowest price bid by other qualified and available contractors, in accordance with and subject to the provisions of Sections 5, 6 and 7 above, twenty-five percent (25%) of the Contract price at which such MBE or WBE was willing to perform such work, but in no event less than $12,500 for each such Contract, provided that if such failure is either willful or a result of a pattern of continuing violation of Tenant's obligations hereunder after notice by BPCA to Tenant that BPCA believes such a pattern exists, then such damages shall equal fifty percent (50%) of such Contract price, but in no event less than $25,000 for each such Contract;

(iii) in the event that Tenant fails to enter into, or use its commercially reasonable best efforts to its Contractors to enter into, Approved MBE Contracts and Approved WBE Contracts having an aggregate Contract Value at least equal to twenty-five percent (25%) of Total Development Costs as provided in Section 6(a) above ("Specified Amount"), twenty-five percent (25%) of the amount by which the Specified Amount exceeds the aggregate Contract Value of Approved MBE Contracts and Approved WBE Contracts actually entered into by Tenant and its Contractors, including the value of contracts for which waivers have been obtained in accordance with applicable Executive Law provisions, during the Construction Period, provided that if such failure is either willful or a result of a pattern of continuing violation of Tenant's obligations hereunder after notice by BPCA to Tenant that BPCA believes such a pattern exists, then such damages shall equal fifty percent (50%) of the amount by which the Specified Amount exceeds the aggregate Contract Value;

(iv) in the event that Tenant fails to enter into, or use its commercially reasonable best efforts to cause its Contractors to enter into, Approved MBE Contracts having an aggregate MBE Contract Value at least equal to twenty percent (20%) of Total Development Costs as provided in Section 6(a) above ("MBE Specified Amount"),

twenty-five percent (25%) of the amount by which the MBE Specified Amount exceeds the aggregate MBE Contract Value of Approved MBE Contracts actually entered into by Tenant and its Contractors during the Construction Period, provided that if such failure is either willful or a result of a pattern of continuing violation of Tenant's obligations hereunder after notice by BPCA to Tenant that BPCA believes such a pattern exists, then such damages shall equal fifty percent (50%) of the amount by which the MBE Specified Amount exceeds the aggregate MBE Contract Value; and

(v) in the event that Tenant fails to enter into, or use its commercially reasonable best efforts to cause its Contractors to enter into, Approved WBE Contracts having an aggregate WBE Contract Value at least equal to five percent (5%) of Total Development Costs as provided in Section 6(a) above ("WBE Specified Amount"), twenty-five percent (25%) of the amount by which the WBE Specified Amount exceeds the aggregate WBE Contract Value of Approved WBE Contracts actually entered into by Tenant and its Contractors during the Construction Period, provided that if such failure is either willful or a result of a pattern of continuing violation of Tenant's obligations after notice by BPCA to Tenant that BPCA believes such a pattern exists, then such damages shall equal fifty percent (50%) of the amount by which the WBE Specified Amount exceeds the aggregate WBE Contract Value.

(c) Anything to the contrary contained herein notwithstanding, Tenant shall not be liable for damages under paragraph (b)(i) or (b)(ii) of this Section 11 if and to the extent that Tenant can demonstrate (i) that it has used diligent efforts to comply with each and every provision hereof including Section 4(h) above and (ii) that, notwithstanding such efforts, it was unable to employ qualified Minorities or women, as the case may be, in accordance with and subject to the requirements set forth in Sections 3 and 4 of this Program. In addition, Tenant shall not be liable for damages under paragraph (b)(ii), (b)(iii), (b)(iv) or (b)(v) of this Section 11 if and to the extent that Tenant can demonstrate (i) that, subject to de minimis exceptions, it has fully and diligently performed all of its obligations under this Program and used diligent efforts to comply with each and every provision hereof and (ii) that, notwithstanding such efforts, it was unable to contract with additional, qualified MBEs or WBEs, as the case may be, in accordance with and subject to the requirements set forth in Sections 5, 6 and 7 of this Program.

(d) Anything to the contrary contained herein notwithstanding, (i) the aggregate damages payable by Tenant pursuant to paragraph (b)(i) of this Section 11 shall in no event exceed five percent (5%) of Total Development Costs and (ii) the aggregate damages payable by Tenant pursuant to paragraphs (b)(ii) through (b)(v) of this Section 11 shall in no event exceed seven and one-half percent (7 and ½%) of Total Development Costs. Tenant shall, in any event, be entitled to credit against any sums payable under paragraphs (b)(iii), (b)(iv) and (b)(v) of this Section 11 all payments made by Tenant pursuant to paragraph (b)(ii) of this Section 11.

(e) Payments made by Tenant under paragraph (b)(i) of this Section 11 shall be deposited in a Minority Workers Training Fund and/or a Women Workers Training Fund. The monies in such Funds shall be used by BPCA to provide job training and other assistance to Minority and women workers, respectively, as BPCA shall determine to be useful in enabling such workers to overcome the effects of past discrimination and to participate more fully in the

construction industry. Payments made by Tenant under paragraphs (b)(ii) through (b)(v) of this Section 11 shall be deposited in either an MBE Assistance Fund or WBE Assistance Fund, depending upon whether such payments resulted from a failure to meet requirements regarding MBEs or WBEs. The monies in such Funds shall be used by BPCA to provide such financial, technical and other assistance to MBEs and WBEs, respectively, as BPCA shall determine to be useful in enabling MBEs and WBEs to overcome the effects of past discrimination and to participate more fully in the construction industry.

(f) In the event Tenant fails to fulfill any of its obligations hereunder, BPCA may, in addition to assessing damages as provided in Section 11(b) above, (i) advise Tenant that, except for completion of the Project, Tenant shall be ineligible to participate in any work at Battery Park City and (ii) apply to any court of competent jurisdiction for such declaratory and equitable relief as may be available to BPCA to secure the performance by Tenant of its obligations hereunder.

12. Confidentiality. BPCA acknowledges that the information to be furnished by Tenant hereunder concerning Tenant's Contracts and bidding procedures constitutes information which, if disclosed, could impair present or imminent Contract awards, is maintained for the regulation of Tenant's commercial enterprise and could, if disclosed, cause substantial injury to the competitive position of that enterprise. Accordingly, BPCA will, in accordance with and subject to applicable law, treat such information as confidential and use its best efforts to prevent the unauthorized disclosure thereof, except to the extent that (a) BPCA and Tenant shall agree is necessary in connection with the recruitment of qualified MBEs and WBEs to perform work on the Project, (b) BPCA may determine to use such information, without identifying such individual Contracts, as part of BPCA's overall assessment of the effectiveness of this Program in overcoming the effects of discrimination in the construction industry or (c) is otherwise necessary in connection with the enforcement of this Program in accordance with the provisions hereof.

13. No BPCA Liability. No act of, nor failure to act by, BPCA hereunder shall create or result in any liability on the part of BPCA or any of its members, officers, employees or agents to Tenant or to any other party, or give rise to any claim by Tenant or any other party against BPCA or any of its members, officers, employees or agents, whether for delay, for damages or for any other reason, unless BPCA is found by a court of competent jurisdiction to have acted arbitrarily or in bad faith in acting or failing to act hereunder.

14. Performance under Lease. No requirement of this Program, nor the assumption or performance by Tenant of any obligation hereunder, shall excuse Tenant from the performance of any of its obligations under the Lease, nor constitute a defense to any claim by BPCA under the Lease, whether for default, rental, damages or otherwise.

15. Persons Bound. Except as may be required elsewhere in this Program, this Program and the Schedules hereto, including any amendments thereto, shall be binding upon and inure to the benefit of Tenant and its respective legal representatives, successors and permitted assigns, including without limitation, any cooperative corporation, condominium association or

similar entity for the Buildings. Tenant shall require its immediate successors or assigns to confirm and agree in writing to all terms and conditions of this Program.

16. Additional Requirements. In the event that legislation is enacted or an executive order is issued which authorizes or directs BPCA to carry out additional affirmative action requirements or programs with respect to Minority or women workers or business enterprises owned and operated by Minorities or women, BPCA reserves the right to take such measures as may be necessary or appropriate to implement such requirements or programs.

17. Notices and Addresses.

(a) Any notice or other communication given by BPCA or Tenant to the other relating to this program shall be in writing and sent by postage prepaid, registered or certified mail, return receipt requested, addressed to the other at the address first set forth in the Lease to which this Exhibit is attached, or delivered personally to the other at such address, and such notice or other communication shall be deemed given three (3) days after the date of mailing or when so delivered:

If to BPCA, such notices shall be sent to the attention of Vice President, Community Relations/Affirmative Action, with a copy to the General Counsel, and if to Tenant, such notices shall be sent to Tenant at c/o The Related Companies L.P., 625 Madison Avenue, New York, New York 10022 to the attention of Robert A. Silpe, with a copy sent simultaneously and in like manner to Tenant at c/o The Related Companies L.P., 625 Madison Avenue, New York, New York 10022 to the Attention of General Counsel or to such other address(es) or attorneys as Tenant may from time to time designate by notice to Landlord given as provided herein and, in the case of any notice required to be given to any Mortgagee pursuant to the Lease, to each such Mortgagee at the address of such Mortgagee set forth in the notice mentioned in the first sentence of Section 10.10(a) of the Lease.

(b) Either BPCA or Tenant may at any time advise the other of a change in its address or designate a different person to whom notice shall be mailed by giving written notice to the other of such change or designation in the manner provided in this Section 15.

18. Separability and Invalidity. If any provision of this Program shall for any reason be held unenforceable or invalid, neither the enforceability nor the validity of any other provision of this Program shall be affected thereby. In the event that the Program is, in whole or in part, held to be unenforceable or invalid, then Tenant agrees to undertake a program of affirmative action, as directed by BPCA, which program shall not impose obligations on Tenant which are more onerous than those contained herein.

19. Approvals. All approvals and consents to be given by BPCA pursuant to this Program shall be in writing, and Tenant shall not be entitled to rely on any approval or consent which is not in writing.

20. Governing Law. This Program shall be construed and enforced in accordance with the laws of the State of New York.

EXHIBIT D

BATTERY PARK CITY
AFFIRMATIVE FAIR MARKETING PROGRAM FOR SITE 19B

This Affirmative Fair Marketing program has been adopted by Hugh L. Carey Battery Park City Authority ("BPCA") in order to assure that Tenant, its agents, successors and assigns, complies with its obligations to prevent discrimination on account of race, color, creed, sex or national origin in the rental, sale or other disposition of Tenant's residential and commercial units and related facilities (collectively, "Units") located within Battery Park City and to permit BPCA to promote open, integrated housing and to afford individuals a range of housing or commercial facility choices regardless of race, color, creed, sex or national origin.

This Program is designed to implement BPCA's corporate policy of ensuring that all housing and commercial facilities at Battery Park City afford equal access to, and equal opportunity for, minority persons and families and single women and single parent households headed by women, and that occupancy reflects, to the maximum extent possible, the minority and gender demographic characteristics of the City of New York's population.

1. Definitions. As used in this Program, the following terms shall have the following respective meanings:

Building: As defined in the Lease.

Lease: The Agreement of Lease, to which this Exhibit is annexed, between BPCA and Tenant, as amended and supplemented from time to time.

Minority or Minorities:

(a) Black persons having origins in any of the Black African racial groups not of Hispanic origin;

(b) Hispanic persons of Mexican, Puerto Rican, Dominican, Cuban, Central or South American descent, of either Indian or Hispanic culture or origin, regardless of race;

(c) Asian or Pacific Island persons having origins in any of the original peoples of the Far East, Southeast Asia, the Indian subcontinent or the Pacific Islands, and

(d) American Indian or Alaskan native persons having origins in any of the original peoples of North America and maintaining identifiable tribal affiliations through memberships and participation in tribal associations or community identification.

2. Submission of Affirmative Fair Marketing Plan. Tenant shall submit to BPCA an affirmative fair marketing plan (the "Plan") at least one hundred twenty (120) days prior to undertaking any marketing activity. For the purposes of this Program "marketing activity" shall include any advertising and/or the solicitation of applications for the apartment

units in the Building ("Units"). No marketing activity shall take place until BPCA shall have approved in writing the Plan. The Plan shall specify all actions which Tenant proposes to take to attract Minorities and women who might not otherwise apply for the Units in the Building. The Plan shall include, intra alia, provisions for: (a) publicizing the availability of the Units to Minorities in Minority media and other Minority outlets; (b) publicizing the availability of the Units to women in women-oriented media and other outlets; (c) maintaining a non-discriminatory hiring policy for marketing staff; (d) instructing all marketing staff and agents in writing and orally in the policies of non-discrimination for fair marketing; (e) displaying fair marketing posters approved by BPCA; (f) including in any printed materials used in the marketing of the Units an equal opportunity logo, slogan, or statement approved by BPCA; (g) prominently posting signs displaying the logo, slogans and statements referred to in (e) and (f) above at each of Tenant's sales or rental offices; and (h) listing all community groups and organizations and Minority and women's groups and organizations to be contacted by Tenant.

The Plan shall also include: (a) a description of the training to be given to Tenant's rental and/or sales staff; (b) evidence of non-discriminatory hiring and recruiting policies for staff engaged in the rental or sale of the Units; (c) a description of Tenant's selection and screening procedures for prospective renters or buyers; and (d) copies of Tenant's lease or sale agreements for the Units for prospective renters or buyers; and (d) copies of Tenant's lease or sale agreements for the Units.

In addition, the Plan shall include information concerning the number of Units available, a description of the commercial units and related facilities available, the type of commercial and other uses sought for such units and facilities, the rental or sale range of the Units, the financial eligibility and other selection criteria to be employed by Tenant in the rental or sale of the Units, the anticipated occupancy results for Minorities and for single women and single parent households headed by women, and Tenant's commitment to make such changes to the Plan as may be reasonably required by BPCA to achieve the purposes thereof. In the event BPCA requires Tenant to make changes to the Plan, such changes shall not cause Tenant to incur more than ten thousand dollars ($10,000) in additional expenditures in excess of the amount set forth in the Plan.

Tenant shall submit with the Plan an advertising and promotional budget for its outreach effort to Minorities and women, which budget shall also be subject to BPCA's prior written approval.

3. Pre-Marketing Conference. At lease ninety (90) days prior to undertaking any marketing activity, Tenant and BPCA shall meet to review the Plan and determine what modifications, if any, of the Plan should be made to achieve the purposes thereof.

4. Marketing of Commercial Units. Prior to undertaking any marketing activity with respect to any commercial units and related facilities, Tenant shall request BPCA to submit the names of minority and women-owned business enterprises which may be interested in renting or purchasing such units and facilities, if any. Upon receipt of such submission, Tenant shall contact the minority and women-owned business enterprises set forth in such submission regarding the rental or sale of the commercial units and related facilities.

5. Reporting Requirements. Following the commencement of marketing activities and until eighty percent (80%) of the Units are rented or sold, Tenant shall submit, on a monthly basis, to BPCA: (a) one copy or script of all advertising regarding the Units, including newspaper, radio and television advertising and a photograph or copy of all rental or sale signs at the Building and each rental or sale office of Tenant; (b) one copy of all brochures and other printed material used in connection with the rental or sale of the Units; (c) evidence of outreach efforts to community groups and organizations; (d) evidence of affirmative action outreach to Minorities and women with respect to the Units; (e) evidence of instructions to employees with respect to Tenant's rental or sales staff; (f) one copy of each application list and waiting list of prospective renters or buyers; (h) one copy of each sign-in list maintained at the Building and each rental or sales office of Tenant for prospective renters or buyers who are shown the Units; (i) any other information which documents Tenant's efforts to comply with the Plan; (j) a list of any Minority or women applicants who have been rejected and the basis for their rejection; and (k) any other documents, records and information relating to the marketing of the Units which BPCA may reasonably request (except that Tenant need not provide proprietary marketing studies and information utilized solely by Tenant in setting sale prices or rent levels for the Units).

Thereafter, whenever Tenant revises, amends, changes or corrects any document, record or information previously provided to BPCA, Tenant shall provide a copy of such revised, amended, changed or corrected version to BPCA.

6. Recordkeeping. Tenant shall maintain records which show the Minority group and gender characteristics of all applicants for, occupants of, the Units. The date of each application shall be recorded and applications shall be retained for a period of two years. On or before the fifteenth day of each month beginning with the commencement of marketing activities and until ninety-five percent (95%) of the Units are rented or sold, Tenant shall submit to BPCA a report, on the form annexed hereto as Schedule 1, summarizing the Minority group and gender characteristics of applicants and occupants, and an occupancy report on the Units. After eighty percent (80%) of the Units have been rented or sold, Tenant may, if it so chooses, provide such information with respect to new occupants only. The classification of applicants and occupants by the required characteristics shall be made in accordance with estimates of Tenant's staff, which will make such estimates on the basis of their observations of the personal appearance, surname, speech pattern and other identifying characteristics of the applicants and occupants. Such observations shall be subject to and shall respect the applicants' and occupants right of privacy. Tenant and its staff shall not be required to ask any applicant or occupant to identify his or her race, ethnicity or gender.

If the number of Minorities or women applying for the Units does not meet the expectations of BPCA and Tenant, they will consider jointly the implementation of other measures designed to attract Minority and women applicants and occupants.

7. Monitoring. At BPCA's request and expense, Tenant shall allow BPCA to place a representative at Tenant's rental or sales office of offices to monitor compliance with the Plan, provided that such BPCA representatives shall not interfere with Tenant's sales and marketing activities. BPCA shall determine, in its discretion, when and whether it wishes to commence, discontinue or renew monitoring Tenant's activities under the Plan.

8. Non-Compliance. In the event that Tenant fails to comply with the Plan or with any of its other obligations hereunder, BPCA be shall entitled to take the following remedial action or actions, as BPCA shall deem appropriate, as its exclusive remedies hereunder: (a) applying to any court of competent jurisdiction for such declaratory and equitable relief as may be available to BPCA to secure the specific performance by Tenant ineligible to participate in any other aspect of, or work on, Battery Park City or any other BPCA project (except for completion of the Building and the exercise of its rights under the Lease); (c) requiring Tenant to take remedial action such as holding some or all of the units off the market until Tenant is in compliance; (d) hiring a consultant to assist with outreach efforts to Minorities and women whose services shall be paid for by Tenant; and (e) pursuing any other remedies available to BPCA under the Lease (except for declaring Tenant in default thereunder).

9. Rent Levels and/or Sale Prices. Nothing herein contained is intended to restrict or limit Tenant in setting rent levels and/or sale prices for the Units.

10. No BPCA Liability. No act of, or failure to act by, BPCA hereunder shall create or result in any liability on the part of BPCA or any of its members, officers, employees or agents to Tenant or to any other party, or give rise to any claim by Tenant or any other party against BPCA or any of its members, officers, employees or agents, whether for delay, for damages or for any other reason. The provisions of this Program shall be enforceable by BPCA and Tenant only, and are not intended to confer any right of enforcement of cause of action upon any other person, entity or association.

11. Performance under Lease. No requirement of this Program, or the assumption or performance by Tenant of any obligation hereunder, shall excuse Tenant from the performance of any of its obligations under the Lease, or constitute a defense to any claim by BPCA under the Lease, whether for default, rental, damages or otherwise.

12. Notices and Addresses.

(a) Any notice or other Communication given by BPCA or Tenant to the other relating to this Program shall be in writing and sent by postage prepaid, registered or certified mail, return receipt requested, addressed to the other at its address set forth in the Lease, or delivered personally to the other at such address, and such notice or other communication shall be deemed given three (3) days after the date of mailing or when so delivered.

(b) BPCA or Tenant may at any time advise the other of a change in its address or designate a different person to whom notice shall be mailed by giving written notice to the other party of such change or designation in the manner provided in this Section.

13. Separability. If any provision of this Program shall for any reasons be held unenforceable or invalid, neither the enforceability nor the validity of any other provision of this Program shall affected thereby.

14. Governing Law. This Program shall be construed and enforced in accordance with the laws of the State of New York.

Schedule 1 to Exhibit D

BATTERY PARK CITY AUTHORITY
MONTHLY RENTAL OR SALES REPORT

PERIOD ENDING: REPORT NO ___.

CHECK, IF APPLICABLE
[ ] Initial Report
[ ] Final Report

1. INTRODUCTION

Pursuant to each approved Plan for the rental or sale of housing or commercial units, this report shall be filed with BPCA on or before the fifteenth day of each month until 95% of the units covered by the Plan are rented or sold.

2. PROJECT IDENTIFICATION

A. SITE: 19B

B. NUMBER OF UNITS: _____.

C. RENTAL OR SALE RANGE OF HOUSING UNITS

From: $ _____ To: $ _____

D. RENTAL/MANAGEMENT AGENCY

NAME:

ADDRESS:

3. ANTICIPATED HOUSING OCCUPANCY RESULTS FOR MINORITIES
(State in number of units the racial/ethnic mix anticipated as a result of the Plan):

[ ] White [ ] Black [ ] American Indian or Alaskan Native

[ ] Hispanic [ ] Asian or Pacific Islander

4. ANTICIPATED HOUSING OCCUPANCY RESULTS FOR WOMEN [State in number of units the mix of single women and single percent households headed by women anticipated as a result of the Plan)

[ ] Single Women [ ] Single Percent Household Headed by Women

5. HOUSING RENTAL OR SALES ACTIVITIES (Entries must be made for all items and columns Use "O" when necessary.) The approximations required throughout this report should be judged from personal appearance, surname, speech pattern and/or other identifying characteristics or information.

A. RENTAL OR SALES FOR REPORTING PERIOD

	RENTALS	SALES
WHITE.....		
BLACK.....		
AMERICAN INDIAN OR ALASKAN NATIVE.....		
HISPANIC.....		
ASIAN OR PACIFIC ISLANDERS.....		
TOTAL.....		
SINGLE WOMEN.....		
SINGLE PARENT HOUSEHOLDS HEADED BY WOMEN.....		
OTHER.....		
TOTAL.....		

B. TOTAL NUMBER OF HOUSING UNITS CURRENTLY OCCUPIED INCLUSIVE OF TOTALS INDICATED IN ITEM 5.A. ABOVE.

	RENTALS	SALES
WHITE.....		
BLACK.....		
AMERICAN INDIAN OR ALASKAN NATIVE.....		
HISPANIC.....		
ASIAN OR PACIFIC ISLANDERS.....		
TOTAL.....		

SINGLE WOMEN.....
SINGLE PARENT HOUSEHOLDS
HEADED BY WOMEN.....
OTHER.....
TOTAL.....

C. ESTIMATED PERCENTAGE RACIAL/ETHNIC MIX OF VISITORS TO RENTAL OR SALES OFFICE FOR REPORTING PERIOD.

	RENTALS	SALES
WHITE.....		
BLACK.....		
AMERICAN INDIAN OR ALASKAN NATIVE.....		
HISPANIC.....		
ASIAN OR PACIFIC ISLANDERS.....		
TOTAL.....		

SINGLE WOMEN.....
SINGLE PARENT HOUSEHOLDS
HEADED BY WOMEN.....
OTHER.....
TOTAL.....

D. ESTIMATED PERCENTAGE GENDER MIX OF VISITORS TO RENTAL OR SALES OFFICE FOR REPORTING PERIOD.

	RENTALS	SALES
WOMEN.....		
MEN.....		
WOMEN AND MEN TOGETHER....		
TOTAL..... 100%		

6. INDEMNIFICATION OF NEW HOUSING TENANTS OR OWNERS WHO ARE MINORITIES DURING REPORTING PERIOD (continue on a separate page if necessary).

NAMES APARTMENT NUMBERS

7. IDENTIFICATION OF NEW HOUSING TENANTS OR OWNERS WHO ARE SINGLE WOMEN OR SINGLE PARENT HEADS OF HOUSEHOLDS DURING REPORTING PERIOD (continue on a separate page if necessary).

NAMES APARTMENT NUMBERS

8. COMMERCIAL UNITS (if any)

A. NUMBER OF UNITS:

B. RENTAL OR SALE RANGE OF UNITS

From: $ To: $

C. RENTAL OR SALE ACTIVITIES (Entries must be made for all items and columns. Use "O" when necessary).

1. RENTALS OR SALES FOR REPORTING PERIOD

	RENTALS	SALES
WHITE.....		
BLACK.....		
AMERICAN INDIAN OR ALASKAN NATIVE.....		
HISPANIC.....		
ASIAN OR PACIFIC ISLANDERS.....		
TOTAL.....		

2. TOTAL NUMBER OF UNITS CURRENTLY OCCUPIED INCLUSIVE OF TOTALS INDICATED IN ITEM C.1. ABOVE.

	RENTALS	SALES
WHITE.....		
BLACK.....		
AMERICAN INDIAN OR ALASKAN NATIVE.....		
HISPANIC.....		
ASIAN OR PACIFIC ISLANDERS.....		
TOTAL.....		

RENTALS SALES

SINGLE WOMEN.....
SINGLE PARENT HOUSEHOLDS
HEADED BY WOMEN.....
OTHER.....
TOTAL.....

3. IDENTIFICATION OF NEW MINORITY TENANTS OR OWNERS DURING REPORTING PERIOD (continue on a separate page if necessary).

NAMES UNIT NUMBERS

SIGNATURE OF PERSON SUBMITTING REPORT NAME (Type or Print)

_____ _____

TITLE AND COMPANY: _____ DATE:_____

ADDRESS: _____
_____
_____

EXHIBIT E

FORM OF GUARANTY OF COMPLETION

This GUARANTY OF COMPLETION made as of _____, 200__ by _____, _____, and _____ (collectively, the "Guarantors" and each, a "Guarantor"), each having an office at _____, for the benefit of BATTERY PARK CITY AUTHORITY, d/b/a HUGH L. CAREY BATTERY PARK CITY AUTHORITY ("Landlord"), a body corporate and politic constituting a public benefit corporation of the State of New York, having an office at One World Financial Center, New York, New York 10281.

WITNESSETH:

WHEREAS, each of the Guarantors owns, directly or indirectly, a beneficial ownership interest in _____, a _____ ("Tenant") and the Guarantors collectively own, directly or indirectly, _____% of the beneficial ownership interests in Tenant;

WHEREAS, Landlord and Tenant have executed a certain Agreement of Lease (the "Lease") dated the date hereof between Landlord, as landlord, and Tenant, as tenant, of certain premises known as Site 19B, North Residential Neighborhood, Battery Park City, and as more particularly described in the Lease; and

WHEREAS, pursuant to Section 11.03(f) of the Lease, Guarantors are obligated to deliver this Guaranty.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and to induce Landlord to enter into the Lease, the Guarantors hereby agree as follows:

1. The Guarantors hereby jointly and severally guaranty to Landlord the complete and punctual payment and performance by Tenant of all of Tenant's obligations under Article 11 of the Lease, including, without limitation, Tenant's obligation to commence construction of the Building, to prosecute construction of the Building and to cause the Building to be Substantially Completed and fully paid for, in each case, as, when, in accordance with, and subject to the terms and conditions of, Article 11 of the Lease (hereinafter, collectively, the "Guarantied Obligations").

2. This Guaranty is an absolute, present, primary, continuing, irrevocable, unlimited and unconditional guaranty by each of the Guarantors of the Guarantied Obligations. Neither this Guaranty nor the obligations of the Guarantors hereunder are conditioned or contingent upon any effort or attempt to seek performance or payment from Tenant, any Mortgagee, or any other Guarantor, or upon any other condition or contingency. Landlord is not and shall not be required, before exercising any right or remedy against any Guarantor, to first attempt to exercise any right or remedy against or seek any redress from Tenant, any Mortgagee,

any other Guarantor, or any other person, firm or corporation, or to first take any action whatsoever under or with respect to the Lease or the Premises or any collateral for the Guaranteed Obligations.

3. If at any time a Default occurs and is continuing which Default, upon the giving of notice or passage of time, or both, would become an Event of Default under Section 24.01(b) of the Lease or under Section 24.01(c) of the Lease (but in the latter case, only to the extent such Default pertains to an obligation arising under Article 11 of the Lease), Landlord may at its option, without waiver of such Default, and without release of Tenant, exercise one or more of the following rights: (a) by written notice to one or more of the Guarantors, which notice shall describe the Default(s) of Tenant giving rise to issuance of the notice, require such Guarantor(s) to cure such Default within same grace period as is applicable to Tenant under Section 24.01 the Lease; and (b) if such Guarantor(s) shall fail to perform as required in (a) above, take action to commence or prosecute construction and/or Substantially Complete the Building and/or pay any costs thereof, and require any one or more of the Guarantors to reimburse Landlord for all costs and expenses incurred in so doing, including, without limitation, construction costs, bidding costs, reasonable attorneys', architects', engineers' and other professional fees and disbursements, and supervisory and inspection costs. In the event Landlord takes action to commence or prosecute construction and/or Substantially Complete the Building and/or pay any costs thereof as aforesaid, and requires the Guarantors to reimburse Landlord for the cost thereof, Landlord may, from time to time but not more frequently than monthly, present written statements to the Guarantors, setting forth in reasonable detail the costs incurred by Landlord since the submission of the previous statement, which statement shall be accompanied by documentation supporting the same. The Guarantors shall reimburse such costs within fifteen (15) days after receipt of each such statement; and if the Guarantors shall fail so to reimburse Landlord within such fifteen (15) day period, they shall also pay interest to Landlord on any unpaid amount at the Involuntary Rate from the date of receipt of such statement. Such interest shall be payable upon demand.

4. The obligations and liabilities of each Guarantor hereunder shall not be impaired, abated, deferred, diminished, modified or otherwise affected by: (a) any amendment or modification of or addition or supplement to the Lease; (b) any modification, compromise, settlement, adjustment, waiver or extension of the obligations or liabilities of Tenant under the Lease or of any other Guarantor under this Guaranty; (c) any waiver, consent, indulgence, forbearance, lack of diligence, action or inaction on the part of Landlord in enforcing the obligations of Tenant or any of the Guarantors or other parties in connection with the Lease or this Guaranty or in realizing on any collateral for any obligation of Tenant under the Lease; (d) any default by Tenant under the Lease or of any other Guarantor hereunder; (e) any bankruptcy, insolvency, reorganization, arrangement, readjustment, composition, liquidation, rehabilitation or other proceeding for the relief, liquidation or rehabilitation of debtors (each of which is referred to herein as an "Insolvency Proceeding" regardless-of whether the insolvency of the subject of such proceeding is a prerequisite to the commencement thereof) involving or affecting Tenant or any other Guarantor; (f) any limitation on or release, impairment, abatement, deferral, diminution, modification or discharge of the obligations or liabilities of Tenant or any other Guarantor in or as a result of an Insolvency Proceeding; (g) any stay or other provision of law or court order in an Insolvency Proceeding delaying, limiting or prohibiting performance or enforcement of any obligation of Tenant or any other Guarantor; (h) any claim, counterclaim,

cause of action, offset, recoupment or other right or remedy which Tenant or any other Guarantor may at any time have against Landlord; (i) any assignment, conveyance, extinguishment, merger or other transfer, voluntary or involuntary (whether by operation of law or otherwise) of all or any part of the interest of Tenant in the Lease or the Premises, or any Transfer; (j) any amendment, modification or waiver of or with respect to the Construction Documents; and any action taken or omitted to be taken by or on behalf of Landlord in accordance with the Lease and in respect of the Premises, whether or not the Guarantors shall have notice or knowledge thereof. Anything to the contrary set forth in clauses (a) or (b) of the foregoing sentence notwithstanding, the Guarantied Obligations shall be modified, waived or extended to the extent, if any, that Tenant's obligations under Article 11 of the Lease have been so modified, waived or extended, provided that such modification, waiver or extension was voluntarily assented to by Landlord and was not imposed upon Landlord in connection with an Insolvency Proceeding or otherwise.

5. The obligations and liabilities of each Guarantor hereunder are independent of the obligations and liabilities of Tenant and all other Guarantors. Each Guarantor may be joined in any action, suit or proceeding in respect of the Guarantied Obligations or otherwise to enforce Landlord's rights hereunder commenced by Landlord against Tenant or another Guarantor, or may be sued in a separate action, suit or proceeding. Recovery may be had against the Guarantors or any of them in such an action, suit or proceeding without any requirement that Landlord previously or simultaneously assert, prosecute or exhaust any right, power or remedy against Tenant or any other Guarantor or any other party or with respect to the Lease or the Premises or any collateral for the Guaranteed Obligations. In any action, suit or proceeding commenced by Landlord against Tenant or one or more of the Guarantors, dismissal from such action, suit or proceeding with respect to, or judgment on any ground in favor of, any Guarantor, or any finding of unenforceability or invalidity of the Guarantied Obligations as against Tenant shall not impair, abate, defer, diminish, modify or otherwise affect the obligations and liabilities of any Guarantor, as set forth in this Guaranty, with respect to whom there has been no such dismissal, discontinuance, judgment or finding.

6. The Guarantors shall reimburse Landlord, from time to time within 15 days after written demand by Landlord, for all costs and expenses (including reasonable attorneys' fees) incurred by or on behalf of Landlord in enforcing the obligations and liabilities of the Guarantors or any of them hereunder. Any sums not paid when due under this Paragraph 6 shall bear interest at the Involuntary Rate from the date of demand by Landlord until paid.

7. Each Guarantor absolutely and unconditionally waives all notices and consents, except to the extent such notices and consents may be expressly required herein, which may otherwise be necessary, whether by statute, rule of law or other wise, to charge such Guarantor or to preserve Landlord's rights and remedies against such Guarantor hereunder, including but not limited to: (a) notice of any of the matters referred to in Paragraph 4 hereof; (b) presentment or demand for payment or performance by Tenant or Guarantors; and (c) protest for nonpayment or nonperformance.

(a) No waiver by Landlord of any Default under Article 11 of the Lease or any Event of Default described in Section 24.01(b) or 24.01(c) of the Lease or of any default, breach or violation of any of the obligations of any Guarantor shall be considered a waiver of any other or subsequent Default or Event of Default under the Lease or any default

hereunder, and no delay or omission by Landlord in enforcing the rights, exercising the powers, or pursuing the remedies granted in the Lease or herein shall be construed as a waiver of such rights, powers or remedies; no enforcement of any right, exercise of any power, or pursuit of any remedy by Landlord shall be held to exhaust such right, power or remedy, and every such right may be enforced, every such power may be exercised, and every such remedy may be pursued from time to time.

(b) None of the rights, powers and remedies of or for the benefit of Landlord provided in this Guaranty is exclusive of, and all are in addition to, any and all other rights, powers and remedies now or hereafter existing under this Guaranty and the Lease, at law or in equity. Landlord, in addition to the rights, powers and remedies expressly provided herein, shall be entitled to exercise all other such rights and powers and resort to all other such remedies as may now or hereafter exist under the Lease, at law or in equity for the enforcement of the obligations and liabilities of Tenant and the Guarantors. The resort by Landlord to any right, power or remedy provided in this Guaranty or the Lease at law or in equity, shall not prevent the concurrent or subsequent employment of any right, power or remedy provided in this Guaranty or the Lease, at law or in equity.

8. By accepting this Guaranty, Landlord agrees that if the Guarantors or any Guarantor shall fully and punctually perform the Guarantied Obligations in accordance with clause (a) of paragraph 3 hereof, then any Default of Tenant in respect of the Guarantied Obligations shall be deemed cured and Landlord shall not terminate the Lease by reason of such Default.

9. In any action or proceeding brought by Landlord against any Guarantor on this Guaranty, **EACH GUARANTOR SHALL AND DOES HEREBY WAIVE TRIAL BY JURY**, and each Guarantor agrees that the Supreme Court of the State of New York for the County of New York, or, if a basis for federal jurisdiction exists, the United States District Court for the Southern District of New York shall have jurisdiction of any such action or proceeding.

10. In the event Landlord takes action to complete construction of the Building and requires the Guarantors to reimburse Landlord for the costs thereof, as provided in clause (b) of paragraph 3 hereof, Landlord may, prior to Substantial Completion, commence one or more actions to recover its costs to the date of such recovery and may, subsequent to Substantial Completion, commence additional actions to recover the balance of its costs.

11. So long as this Guaranty is in effect, Guarantors shall comply with the following covenants:

(a) Guarantors shall maintain an aggregate minimum net worth of $10,000,000 and aggregate liquid assets having a market value in excess of $3,000,000. "Liquid assets" shall mean cash, U.S. government securities and/or other freely and readily marketable securities of companies listed on a nationally recognized stock exchange.

(b) On January 1st and July 1st of each year, the Guarantors shall, individually or collectively, submit to Landlord a certificate stating that Guarantors are in

compliance with the covenants set forth in paragraph 12(a), together with proof of such compliance reasonably satisfactory to Landlord.

(c) Within 180 days after the end of each calendar year, each Guarantor shall submit to Landlord a certified financial statement and contingent liability statement, in form and substance reasonably satisfactory to Landlord.

12. In the event any provision of this Guaranty shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof, but this Guaranty shall be construed as if such invalid, illegal or unenforceable provision had not been contained herein.

13. This Guaranty is effective upon the date hereof. Subject to the provisions of Paragraph 14 below, this Guaranty, and all of the Guarantors' obligations hereunder, shall terminate upon (a) the Substantial Completion of the Building (lien free and in accordance with all of the other requirements of Article 11 of the Lease) and the payment in full therefor, by Tenant, the Guarantors or any Guarantor, or any Mortgagee, and (b) if any construction is undertaken or paid for by Landlord, the full reimbursement of Landlord by the Guarantors or any Guarantor, as provided in clause (b) of paragraph 3 hereof; provided, however, that this Guaranty shall not terminate so long as any sums payable under Paragraph 6 hereof remain unpaid. By accepting this Guaranty, Landlord agrees that after the termination of this Guaranty, Landlord shall, within ten (10) Business Days of the request of any Guarantor, confirm once in writing to such Guarantor that this Guaranty, and all of the Guarantors' obligations hereunder have terminated, subject to the provisions of Paragraph 14 hereof.

14. The Guarantors agree that this Guaranty shall continue to be effective or shall be reinstated, as the case may be, if at any time any payment is made by Tenant or any Guarantor to Landlord and such payment is rescinded or must otherwise be returned by Landlord upon insolvency, bankruptcy, liquidation, reorganization, readjustment, composition, dissolution, receivership, conservatorship, winding up or other similar proceeding involving or affecting Tenant or any Guarantor, all as though such payment had not been made.

15. Unless otherwise specifically defined in this Guaranty, all initially capitalized terms used in this Guaranty shall have the respective meanings ascribed to them in the Lease.

16. All notices, demands and other communications which any party desires to give hereunder shall be given in the manner set forth in the Lease for the giving of notices, to the parties hereunder at their respective addresses set forth above, or to such other addresses as the parties may specify by like notice.

17. This Guaranty shall inure to the benefit of Landlord and its successors and assigns and shall be binding upon the successors, assigns, heirs, executors, administrators and personal representatives of the Guarantors.

18. This Guaranty is made in the State of New York and shall be governed, construed and interpreted as to validity, enforcement and in all other respects, in accordance with the internal laws of said State.

19. The Guarantors shall be jointly and severally liable for all obligations and liabilities of the Guarantors arising under this Guaranty.

20. The Guarantors hereby acknowledge and agree that if an Event of Default shall occur under the Lease, regardless of whether the act or omission giving rise thereto is guarantied hereunder, then Landlord shall have the right to exercise all of its rights and remedies against Tenant under the Lease or otherwise on account of said Event of Default, including, without limitation, the termination of the Lease, irrespective of whether the Guarantors shall be performing hereunder.

IN WITNESS WHEREOF, the Guarantors have executed this Guaranty as of this __ day of _____, 200__.

[GUARANTORS:]

_____

_____

_____

Acknowledgments

STATE OF)
) ss.
COUNTY OF)

On the ___ day of _______________ in the year 200__ before me, the undersigned, a Notary Public in and for said state, personally appeared _________________________, proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

____
Signature of Notary Public

STATE OF)
) ss.
COUNTY OF)

On the ___ day of _______________ in the year 200__ before me, the undersigned, a Notary Public in and for said state, personally appeared _________________________, proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

____
Signature of Notary Public

STATE OF)
) ss.
COUNTY OF)

On the ___ day of _______________ in the year 200__ before me, the undersigned, a Notary Public in and for said state, personally appeared _________________________, proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

____
Signature of Notary Public

EXHIBIT F

PROVISIONS REGARDING THE CONVERSION TO CONDOMINIUM FORM OF OWNERSHIP

1. Definitions. As used in this Exhibit F and the Lease, each of the following terms has the meaning set forth below:

"Administrative Fee" has the meaning provided in Section 5(b).

"Bylaws" means the bylaws and rules and regulations annexed to or otherwise made part of the Declaration together with all amendments, modifications and supplements thereto that are permitted under the terms hereof.

"Common Charges" means the aggregate of amounts required under this Lease and the Bylaws to be paid by Unit Owners to the Condominium Board, or the Condominium Board and Landlord, including Proportionate Rent payable with respect to all Units. Common Charges may also include other amounts needed to pay the expenses of operating the Condominium but not required to be paid under this Lease, as determined by the Condominium Board or as provided in the Condominium Documents.

"Common Elements" has the meaning provided in the Declaration.

"Common Interest" has the meaning provided in the Declaration.

"Condominium Act" means Article 9-B of the Real Property Law of the State of New York, as amended from time to time, or any statute in lieu thereof.

"Condominium Board" means the board of managers of the Condominium. If there shall be more than one Condominium Board, each representing a different class of Unit Owners (for example, residential and commercial Unit Owners), the term Condominium Board shall mean, collectively, all of such Condominium Boards.

"Condominium Conditions" has the meaning provided in Section 3(b).

"Condominium Covenants" means the terms, covenants and conditions that are required to be performed by Tenant under this Lease (except as provided in Section 4(b)) from and after the Condominium Date, including any covenants to be performed by the Condominium Board. Condominium Covenants include the obligation of the Condominium Board to pay to Landlord amounts payable to Landlord under this Lease, including Rent.

"Condominium Date" means the date of the Initial Unit Transfer.

"Condominium Default" means, at any time after the Condominium Date, the failure of the Condominium Board, as Tenant hereunder, to comply with or observe or perform any of Condominium Covenants or any Event of Default described in Section 24.01(d), (e), (f), (g), (h), (i), (j), (k) and (l) of the Lease.

"Condominium Depository" has the meaning provided in Section 9(c).

"Condominium Documents" means the Condominium Plan, the Declaration, the Bylaws, the Unit Deed and the Unit Mortgagee Subordination and Recognition Agreement, as amended from time to time, in accordance with the terms hereof.

"Condominium Management Agreement" means an agreement between the Condominium Board and the Managing Agent, including any sub-management agreement between the Managing Agent and a sub-manager, in form and substance reasonably acceptable to Landlord, which provides, inter alia: (i) for the management and operation of the Units and the Condominium collectively, including the maintenance and repair of the Common Elements of the Condominium collectively, (ii) for the collection from the Unit Owners and custody (x) in trust on behalf of Landlord, of all Proportionate Rent, and (y) in trust on behalf of the Condominium Board, of all Common Charges payable by Unit Owners in respect of the operation, maintenance and repair of the Common Elements, and any other charges payable by Unit Owners under the Declaration and Bylaws, not including Proportionate Rent, (iii) for the payment by the Condominium Board of all fees and charges of the Managing Agent (including any thereof which may be payable in respect of Proportionate Rent), and (iv) for such other matters as the Condominium Board or Landlord reasonably requires consistent with the preceding portions of this definition of "Condominium Management Agreement."

"Condominium Plan" means the plan of Declarant to submit Declarant's leasehold estate in the Premises to condominium ownership, together with all amendments, modifications and supplements thereto made in accordance with the terms hereof.

"Construction Completion Escrow Agreement" has the meaning provided in Section 3(b)(ix).

"Declarant" means the named Tenant under this Lease or its permitted successors in interest and the declarant under the Declaration and the initial owner of the Condominium Units.

"Declaration" means the instrument by which Declarant submits Declarant's leasehold estate in the Premises to the Condominium Act, together with all amendments, modifications and supplements thereto that do not conflict with the terms hereof.

"Default Costs" means, with respect to any Unit, any costs and expenses incurred by the Condominium Board or by Landlord as the result of a Unit Owner Default by the Unit Owner of such Unit, including, without limitation, any tax obligations and any costs or expenses incurred in connection with any Legal Proceeding or in a subsequent disposition of a Unit acquired by the Condominium Board or Landlord or incurred otherwise in connection with the collection of Proportionate Rent (including, without limitation, reasonable attorneys' fees and disbursements) together with interest thereon at the Involuntary Rate.

"Default Notice" has the meaning provided in Section 8(b).

"Defaulting Unit Owner" has the meaning provided in Section 8(a).

"Deficiency Amounts" has the meaning provided in Section 10(a).

"Department of Law" has the meaning provided in Section 2(b).

"Indebtedness" has the meaning provided in the Master Lease.

"Initial Unit Transfer" means the execution and delivery of the first Unit Deed by Declarant to a Qualified Unit Purchaser.

"Landlord Default Costs" means Default Costs incurred by Landlord.

"Landlord's Condominium Costs" has the meaning provided in Section 7(e).

"Legal Proceedings" means any suit to recover a money judgment for unpaid Common Charges (including Proportionate Rent), including without limitation, any foreclosure of a lien provided under the Condominium Act; if being understood that Legal Proceedings may be maintained without foreclosing or waiving such lien.

"Managing Agent" means the Person, engaged by the Condominium Board from time to time, with Landlord's prior approval, for the management, operation and maintenance of the Premises (and any sub-manager appointed by such Person) and the performance of such other duties as are described in the Condominium Management Agreement.

"Maximum Fund Requirement" means an amount equal to the product of twelve (12) multiplied by the aggregate amount of Base Rent, PILOT and the Civic Facilities Payment payable under this Lease in the month of July that follows the first taxable status date under the Tax Law after the later of (i) the date on which each of the Units is separately assessed for purposes of the Tax Law, and (ii) the date of issuance of the Certificate of Occupancy for all portions of the Building.

"Proportionate Rent" means, with respect to any Unit, the sum of (i) such Unit's Common Interest multiplied by the Base Rent, (ii) such Unit's Common Interest multiplied by the Civic Facilities Payment payable with respect to the Premises, (iii) the PILOT under this Lease attributable to such Unit, which is payable with respect to such Unit, (iv) Landlord Default Costs with respect to such Unit, and (v) Landlord's Condominium Costs to the extent required to be included in Proportionate Rent under Section 10.

"Purchase Option" means the Purchase Option granted by New York State Urban Development Corporation, Landlord, the BPC Development Corporation to the City of New York, dated June 6, 1980 and recorded June 11, 1980 in Reel 527 at page 153 in the Office of the City Register, New York County, as amended by Amendment to Option to Purchase dated August 15, 1986 and recorded October 12, 1986 in Reel 1133 at page 582 and Second Amendment to Option to Purchase dated May 18, 1990 between Landlord and the City of New York and recorded on May 30, 1990 in Reel 1697, page 294 in said Register's Office.

"Qualified Purchase Agreement" means an agreement for the purchase of a Unit Owner's interest under a Unit Deed, signed by and binding on, any Person as purchaser thereunder substantially in the form set forth in the Condominium Plan providing for a purchase price determined in accordance with the terms of the Condominium Plan and under which agreement such Person made all down payments required thereunder.

"Qualified Unit Purchaser" means the purchaser under a Qualified Purchase Agreement.

"Rent" shall have the same meaning as "Rental", as defined in the Lease.

"Sale" has the meaning provided in Section 5(a).

"Security Fund" has the meaning provided in Section 9(b).

"Security Fund Amount" means an amount equal to the product of twelve (12) multiplied by the aggregate amount of Base Rent, PILOT and the Civic Facilities Payment payable in the month in which the Condominium Date occurs.

"UCC" means the Uniform Commercial Code as the same may be in effect in the State of New York from time to time.

"Unit" means a portion of the Premises, together with a proportionate undivided interest in the Common Elements appurtenant to such portion of the Premises, all as described in the Condominium Documents.

"Unit Deed" means an instrument, in the form set forth in the Condominium Plan (or in such other form as may be approved by Landlord), pursuant to which the Unit Owner's leasehold condominium interest in a Unit (as described in the Condominium Documents) is granted and transferred by Declarant, or a Unit Owner of such Unit after Declarant's transfer thereof, to a purchaser thereof, such transfer being subject to the rights of Landlord under this Lease, including, without limitation such rights as exist in the event of a Unit Owner Default.

"Unit Mortgage" has the meaning provided in Section 6(a).

"Unit Mortgagee" has the meaning provided in Section 6(a).

"Unit Mortgagee Representative" has the meaning provided in Section 6(c).

"Unit Mortgage Subordination and Recognition Agreement" has the meaning provided in Section 6(a).

"Unit Obligations" has the meaning provided in Section 8(j)(i).

"Unit Owner" means the owner or owners at any one time of the Unit Owner's interest in a Unit, as described in the Condominium Documents.

"Unit Owner Action" has the meaning provided in Section 7(b).

"Unit Owner Default" has the meaning provided in Section 8(a).

2. Submission of Tenant's Leasehold Estate to Condominium Act.

(a) Subject to the satisfaction of the Condominium Conditions, Tenant shall have the right, upon or after Substantial Completion of the Building, at Tenant's election, to submit Tenant's leasehold estate in the Premises hereunder to the provisions of the

Condominium Act, and otherwise in accordance with the Condominium Documents and the terms of this Lease. After such submission, no withdrawal of Tenant's leasehold interest from the provisions of the Condominium Act shall be permitted at any time for any reason without Landlord's prior consent, which consent Landlord may withhold in its sole discretion.

(i) If Tenant desires to amend, modify or supplement, from time to time, the Condominium Documents, Tenant shall submit such proposed amendment, modification or supplement to Landlord for Landlord's review and determination in advance, that in Landlord's reasonable opinion, such amendment, modification or supplement conforms to the provisions of this Lease and does not differ from the Condominium Documents in any manner that is materially adverse to any rights, interests or obligations of Landlord under this Lease. If Landlord determines in its reasonable opinion that such proposed amendment, modification or supplement so conforms with no such material adverse difference, Landlord shall notify Tenant to that effect within thirty (30) days after Landlord's receipt of such proposed amendment, modification or supplement. If Landlord determines in its reasonable opinion that such proposed amendment, modification or supplement does not so conform or does differ in any manner that is materially adverse to any rights, interests or obligations of Landlord under this Lease, Landlord is required to so notify Tenant within such thirty (30) day period, specifying, in reasonable detail, those respects in which such proposed amendment, modification or supplement does not so conform or does differ in any manner that is materially adverse to any rights, interests or obligations of Landlord under this Lease and Tenant is required to revise such proposed amendment, modification or supplement and resubmit the same to Landlord for Landlord's review and determination in advance as described in this subsection (a). Each review by Landlord of any such revisions to such proposed amendment, modification or supplement must be carried out within fifteen (15) days after Landlord's receipt of such revised proposed amendment, modification or supplement. If Landlord fails to notify Tenant of Landlord's determination within the periods set forth herein, Landlord shall be deemed to have determined that such proposed amendment, modification or supplement or such revised proposed amendment, modification or supplement, as the case may be, does so conform and does not differ in any manner that is materially adverse to any rights, interests or obligations of Landlord under this Lease.

(ii) Notwithstanding anything to the contrary set forth above, any amendment to the Condominium Plan which solely involves (w) a change in the sales price of a Unit, or (x) a change in the financial terms offered to prospective purchasers, other than a change in, or a change that affects, any payment required to be made to Landlord or the priority of any payment to be made under this Lease or (y) an additional disclosure required by the New York State Department of Law (the "Department of Law") and not concerning any provision of or obligation under this Lease, or (z) Tenant making changes, alterations or additions to the interior of any Units or combining two or more Units (provided that such changes or combinations are otherwise performed in accordance with this Lease) shall not be required to be submitted to Landlord in advance but within a reasonable time after such amendment is made, a copy thereof is required to be provided to Landlord for Landlord's information and records.

(b) Tenant, and not Landlord, is responsible for assuring that the Condominium Documents (and any amendments, modifications or supplements thereto) conform to the provisions of this Lease and comply with all applicable Requirements of Governmental Authorities, including, without limitation, the rules and regulations of the Department of Law. Neither Landlord's review of the Condominium Documents, nor Landlord's determination under this Lease at any time concerning the Condominium Documents (or any amendments, modifications or supplements thereto), shall relieve Tenant of Tenant's responsibility for assuring conformity thereof with the provisions of this Lease and is not, and is not to be construed to be or relied upon by Tenant, the Condominium Board, any Unit Owner, any Mortgagee, any Unit Mortgagee or any other Person as a determination that the Condominium Documents (or any amendments, modifications or supplements thereto) comply with any of the Requirements of Governmental Authorities, including without limitation, the rules and regulations of the Department of Law.

(c) Neither Landlord's review of the Condominium Documents, nor Landlord's determination under this Lease at any time concerning the Condominium Documents (or any amendments, modifications or supplements thereto) is, or is to be construed to be or relied upon by Tenant, the Condominium Board, any Unit Owner, any Mortgagee, any Unit Mortgagee or any other Person, as a determination that Landlord has approved the offering of Units pursuant to the Condominium Plan or has participated in such offering.

(d) Neither the recording by Tenant of the Declaration, nor Landlord's execution of the Declaration or any other actions, as provided in Section 3(a), is, or is to be construed to be, a consent by Landlord to, or an approval by Landlord of, the contents of the Declaration or other Condominium Documents and shall not in any way cause Landlord to be deemed a "sponsor" of the Condominium Plan or the Declaration. The parties hereto acknowledge and agree that the terms, provisions and conditions of the Condominium Documents shall at all time be subject and subordinate to the terms, provisions and conditions of this Lease, and no approval (or deemed approval) or review of Landlord of the Condominium Documents (including the Initial Condominium Documents or any amendment, modification or supplement thereto) shall be considered as subordinating any provision of this Lease to the Condominium Documents or any amendment, modification or supplement thereto. In no event shall Landlord be required to perform any act under Section 3(a) or otherwise that has the effect of subordinating this Lease, or any provision hereof, to the rights of the Condominium Board or any other Board, any Unit Owner, any Mortgagee, any Unit Mortgagee or any other Person, and no recording of the Declaration nor any determination, review or other act by Landlord under or concerning this Lease will cause or be construed as any such subordination.

(e) The Condominium Documents shall, in addition to the other requirements of this Lease, at all times during the Term be required at a minimum to include provisions to the effect that unless otherwise approved by Landlord in writing: (i) the Condominium Board shall be the Tenant under this Lease from and after the Condominium Date, (ii) the Condominium Board and each of the other Boards and all Unit Owners are required to comply with all applicable provisions of this Lease, (iii) each Unit Owner is required to pay to the Condominium Board as part of Common Charges all applicable Rent which is payable on a monthly or other periodic basis throughout the Term of this Lease (including, for example, Base Rent, PILOT, and/or Civic Facilities Payments), which, when so paid, if requested by Landlord, is required to

be segregated from other amounts payable to the Condominium Board and held in trust for the benefit of and paid to Landlord in accordance with this Lease; (iv) the first monies paid by a Unit Owner to the Condominium Board as or on account of Common Charges at any time shall be treated as and applied to the payment of Proportionate Rent that is due and payable at such time by such Unit Owner; (v) the Condominium Board shall assess as Common Charges any Rent due under this Lease which is not referred to in clause (iii) above, and which has not been paid for 30 days, unless the payment thereof is provided for from other sources, and the lien of the Condominium Board for Common Charges shall extend to such Rent, including any Landlord Default Costs and any Landlord's Condominium Costs so assessed; (vi) the only units permitted under the Condominium Documents shall be the Units unless otherwise consented to by Landlord, which consent is permitted to be withheld by Landlord in its sole discretion; (vii) in the event of a Condominium Default, Landlord is permitted to replace the members of the Condominium Board that has failed to remedy same, and each member of the Condominium Board must sign, as a condition of serving on such Condominium Board, a resignation in the form of Annex 1 that will be assigned and delivered to Landlord for purposes of Landlord's exercise of its right to replace any Condominium Board member; and (viii) the Condominium Board shall be liable to Landlord for any failure to comply with the Condominium Covenants; provided, however, that no member of the Condominium Board shall have any personal liability as the result of a default by the Condominium Board in the performance of any Condominium Covenants, (ix) the method for allocation of Common Charges among the Unit Owners shall be as set forth in the Condominium Documents, (x) any right of first refusal set forth in the Condominium Documents does not apply to any transfer of any Unit to or from Landlord or in connection with foreclosure by the Landlord of the lien for Common Charges, and (xi) the Condominium Board's lien for Common Charges is assigned to Landlord as security for the payment of Proportionate Rent.

3. Conditions to Recording Declaration and Closing of the Initial Unit Transfer.

(a) Upon the satisfaction of the Condominium Conditions, as set forth in Section 3(b), and not otherwise, Tenant may submit Tenant's leasehold estate in the Premises under this Lease to the provisions of the Condominium Act by recording, in accordance with the requirements of the Condominium Act, the Declaration included as part of the Initial Condominium Documents. Provided that the Condominium Conditions hereinafter set forth have been satisfied by Tenant, Landlord shall execute the Declaration or take such other actions as may be required by applicable Requirements in order for Tenant to record the Declaration.

(b) Tenant shall not be permitted to record the Declaration and effect the Initial Unit Transfer unless and until all of the following conditions have been satisfied at the time of the filing of the Declaration and at the time of the First Unit Transfer (the "Condominium Conditions"), provided that the conditions described in clauses (iii), (vi), (vii), (viii), (x) and (xi) of this Section 3(b) shall be required to be satisfied as a condition to the Initial Unit Transfer but not before the recording of the Declaration:

(i) The Condominium Plan has been accepted for filing by the Department of Law and a correct and complete copy of the letter issued by the Department of Law evidencing such acceptance has been delivered to Landlord;

(ii) The Condominium Documents have been approved by Landlord and conform to the requirements of this Exhibit F;

(iii) The Condominium Board and a Managing Agent have entered into a Condominium Management Agreement, a correct and complete copy thereof has been delivered to Landlord, the same is in full force and effect, and Landlord is a named third party beneficiary thereunder and the Condominium Board, the Managing Agent and Landlord shall have executed and delivered a Management Agreement Subordination Recognition and Attornment Agreement in the form of Annex 2 annexed hereto (the "Management Subordination and Attornment Agreement");

(iv) The Condominium Plan has been declared effective in accordance with its terms and a correct and complete copy of the letter issued by the Department of Law evidencing acceptance of an amendment declaring the Condominium Plan effective has been delivered to Landlord;

(v) No Default or Event of Default has occurred that has not been cured upon the date the Declaration shall be recorded;

(vi) Tenant shall have delivered to Landlord a certificate from the Architect in the form attached to the Construction Completion Escrow Agreement, certifying that (x) all construction performed to date has been completed in accordance with the Construction Documents, the Master Development Plan, the Design Guidelines and the Designated Proposal Requirements and (y) that the remaining cost to effect the Completion of the Building does not exceed Ten Million Dollars ($10,000,000);

(vii) a Certificate of Occupancy for not less than 33% of the Units (including the Unit that is the subject of the Initial Unit Transfer) has been issued and has not been suspended or revoked and a correct and complete copy of such Certificate of Occupancy has been delivered to Landlord;

(viii) Declarant has complied with its obligations under Section 9 concerning delivery to Landlord of cash in the amount required under Section 9;

(ix) Landlord, Declarant and _____[21] shall have executed and delivered that certain escrow agreement (the "Construction Completion Escrow Agreement") in substantially the form of Annex 4 annexed hereto and the amount required to be funded thereunder has been fully funded;

(x) Declarant has delivered to Landlord its certification that the conditions contained in this Section 3(b) are satisfied;

(xi) All conditions and requirements under Section 5 with respect to the Unit affected by the Initial Unit Transfer have been (or will, at the closing of the Initial Unit Transfer, be) satisfied; and

---

[21] Declarant's counsel or another party designated by Landlord

(xii) No Default or Event of Default has occurred that has not been cured upon the date of the Initial Unit Transfer.

(c) (i) In the event that, at any time subsequent to Tenant's submission to Landlord for approval of Condominium Documents and prior to the earlier to occur of the recording of the Declaration or Tenant's decision to terminate its efforts to convert the Premises to condominium ownership (i) Landlord makes payment of the Indebtedness, (ii) New York City exercises its right under the Purchase Option to repay the Indebtedness, or (iii) Landlord agrees to convey the Premises or assign its right, title and interest as tenant under the Master Lease or as Landlord under this Lease to New York City or any other Person, Landlord shall give Tenant notice thereof within ten (10) Business Days after the occurrence of such event. In such event, the provisions of clause (i) of Section 2(a) (as to amendments, modifications or supplements to the Condominium Documents) shall be waived by Landlord as conditions to recording the Declaration, without any waiver of any other provisions of or rights under this Lease. At Tenant's request, Landlord shall (x) execute the Declaration, or take such other actions as are required by applicable Requirements, as provided in Section 3(a) and (y) cooperate with Tenant and, if requested by Tenant, cause Master Landlord to cooperate with Tenant, in causing the Declaration to be duly recorded prior to the acquisition of the Project Area by New York City or the consummation of any such conveyance or assignment.

(ii) In no event shall Landlord, at any time subsequent to Tenant's submission to Landlord for approval of Condominium Documents and prior to the earlier to occur of the recording of the Declaration or Tenant's decision to terminate its efforts to convert the Premises to condominium ownership, convey its interest in the Premises or assign its right, title and interest as tenant under the Master Lease or as Landlord under this Lease to New York City or any other Person prior to the recording of the Declaration, unless Landlord has given Tenant at least sixty (60) days' prior notice of such proposed conveyance or assignment.

(d) As of the Condominium Date, provided Tenant has given seven (7) Business Days' prior written notice to Landlord, Landlord shall execute, acknowledge and deliver to Tenant, a statement in writing certifying that the Condominium Conditions have been satisfied (or if any such Condominium Condition has not been satisfied, specifying those Condominium Conditions not so satisfied).

(i) The notice from Tenant to Landlord delivered as aforesaid shall contain the following legend typed in bold, capital letters at the top:

"IF LANDLORD FAILS TO NOTIFY TENANT THAT THE CONDOMINIUM CONDITIONS (AS DEFINED IN SECTION 3(b) OF EXHIBIT F TO THE GROUND LEASE) HAVE OR HAVE NOT BEEN SATISFIED WITHIN SEVEN (7) BUSINESS DAYS FOLLOWING DELIVERY OF THIS NOTICE TO LANDLORD, SUCH FAILURE MAY RESULT IN LANDLORD BEING DEEMED TO HAVE DETERMINED THAT SAID CONDOMINIUM CONDITIONS HAVE

BEEN SATISFIED IN ACCORDANCE WITH THE PROVISIONS OF SECTION 3(b) OF EXHIBIT F TO THE GROUND LEASE."

(ii) If Landlord fails to notify Tenant that all of the Condominium Conditions have or have not been satisfied within such seven (7) Business Day period specified in the aforesaid notice, Tenant shall deliver to Landlord a second written notice which shall bear the following legend typed in bold, capital letters at the top:

"IF LANDLORD FAILS TO NOTIFY TENANT THAT THE CONDOMINIUM CONDITIONS IN SECTION 3(b) OF EXHIBIT F TO THE GROUND LEASE HAVE OR HAVE NOT BEEN SATISFIED WITHIN THREE (3) BUSINESS DAYS AFTER TENANT'S DELIVERY TO LANDLORD OF THIS WRITTEN NOTICE, LANDLORD SHALL BE DEEMED BY SUCH FAILURE TO HAVE NOTIFIED TENANT THAT THE CONDITIONS IN SECTION 3(b) OF EXHIBIT F TO THE GROUND LEASE HAVE BEEN SATISFIED."

(iii) If Landlord does not notify Tenant that the Condominium Conditions have or have not been satisfied, as the case may be, within three (3) Business Days after delivery to Landlord of such second notice pursuant to clause (ii) above, Landlord shall be deemed to have notified Tenant that the Condominium Conditions have been satisfied.

(iv) In no event shall Landlord be required to deliver any certificate pursuant to this Section 3(d), unless at least seven (7) Business Days prior thereto Tenant has delivered to Landlord evidence reasonably satisfactory to Landlord to document the satisfaction of such Condominium Conditions, including, a certification by Declarant that all of the Condominium Conditions contained in Section 3(b) are satisfied or shall be satisfied on the date of the Initial Unit Transfer. In addition (x) no such certificate shall release Tenant or any other Person of any of their obligations to Landlord hereunder or waive any of Tenant's obligations or Landlord rights hereunder, and (y) the certification or deemed certification as to matters referred to in Section 3(b) shall be to the best knowledge of Landlord, without independent investigation.

(v) Tenant and Landlord hereby agree that the only effect of the delivery by Landlord or the deemed delivery by Landlord of the certificate referred to in this Section 3(d) shall be to waive Landlord's ability to challenge the validity of the filing of the Declaration, and such certificate may, at the Landlord's option, contain such statement.

4. The Condominium Board.

(a) The Condominium Documents shall establish the Condominium Board. If there shall be separate residential and commercial Condominium Boards, the residential Board shall be designated by the residential Unit Owners, the commercial Board shall be designated by the commercial Unit Owners, and the Condominium Board (including the residential and commercial Condominium Boards collectively) shall be comprised of one (1) member of the

commercial Condominium Board and four (4) members of the residential Condominium Board. The By-laws of the Condominium shall provide that each member of the Condominium Board shall have one vote, and that not more than a majority of the members of any Condominium Board shall be required for a quorum of such Condominium Board, and all actions of any Board shall be taken by a majority of its members.

(b) From and after the Condominium Date, the Condominium Board shall be deemed the Tenant under this Lease for all purposes hereof and shall be responsible and liable for all obligations of the Tenant hereunder, except that the Condominium Board shall not have any liability or responsibility for Tenant's obligations under the following provisions of this Lease:

(i) The initial obligations of Tenant to effect Completion of the Building in accordance with Article 11 of the Lease;

(ii) The provisions of Section 26.01 of the Lease related to the construction of the Tenant Civic Facilities; and

(iii) Section 19.01(i) of the Lease (concerning indemnification in respect of construction obligations regarding the initial construction of the Building).

(c) Each Unit Deed shall require that the Unit Owner named therein constitute and appoint the Condominium Board as said Unit Owner's true and lawful attorney-in-fact coupled with an interest for the purposes of performing and observing the Condominium Covenants applicable to such Unit, including paying Proportionate Rent, applicable to such Unit Owner's Unit.

(d) At the request of Landlord at any reasonable time or times, the Condominium Board shall prepare and deliver to Landlord, within twenty (20) days after any such request, a true and correct listing of the names of all Unit Owners and the Units owned by such Unit Owners and copies of any other documents reasonably requested by Landlord. The Condominium Board shall permit Landlord and Landlord's designee to examine the records and books of account maintained, during reasonable business hours and on a date to be agreed upon, by the Condominium Board and any Managing Agent at a location designated by the Condominium Board in New York City provided that Landlord gives not less than fifteen (15) days prior written notice of the examination to the Condominium Board and the Managing Agent.

(e) The Condominium Board shall enforce, at the sole cost and expense of the Unit Owners, the duties and obligations of the Managing Agent under the Condominium Management Agreement, whether or not such duties and obligations are for the primary benefit of the Condominium Board or Landlord. The Managing Agent's failure to perform its duties under the Condominium Management Agreement shall not excuse the Condominium Board from any of its obligations under this Lease.

5. Transfers of Units.

(a) No interest in any Unit may be sold, assigned, leased, otherwise transferred, mortgaged, or otherwise encumbered at any time by Declarant or any Unit Owner (each such

transaction is referred to herein as a "Sale") unless the provisions of this Section 5, have been complied with by the Unit Owner thereof (including without limitation, Declarant, with respect to Units not previously transferred by Declarant):

(i) Landlord has received all Proportionate Rent pertaining to such Unit that is due and payable as of the date of such Sale and any unpaid Common Charges allocable to such Unit have been or will be paid to the Condominium Board at the date of such Sale;

(ii) such Sale (other than mortgaging or leasing of such Unit) is effectuated pursuant to a Unit Deed, a correct and complete copy of which has been delivered to Landlord or an agent on Landlord's behalf;

(iii) in the case of the mortgaging of such Unit, the provisions of Section 6 have been complied with and a correct and complete copy of each of the Unit Mortgage granted by the Unit Owner as mortgagor and of the Unit Mortgage Subordination and Recognition Agreement, which is binding on and benefits the Unit Mortgagee holding such Unit Mortgage, as executed and delivered by such Unit Mortgagee, has been delivered to Landlord, or an agent on Landlord's behalf; and

(iv) in the case of the leasing of such Unit, such leasing is effectuated pursuant to a written lease that conforms to all applicable provisions of this Lease and the Condominium Documents, a correct and complete copy of which has been delivered to Landlord.

(b) In addition, as a condition precedent to any Sale, Landlord shall be paid a reasonable fee to compensate it for its administrative expenses in connection with such Sale, as Landlord may determine from time to time (the "Administrative Fee"). During the period ending on the fifth anniversary of the Initial Unit Transfer, the Administrative Fee per any Sale of a Unit will not exceed $250 during the first twelve (12) months of such period, $260 during the second twelve (12) months of such period, $270 during the third twelve (12) months of such period, $280 during the fourth twelve (12) months of such period, and $290 during the fifth twelve (12) months of such period. Notwithstanding the foregoing, to the extent that a law firm or title agent, licensed to do business in the State of New York, receives immediately available funds or a certified check drawn on a bank licensed to do business in the State of New York, in the amount of the Administrative Fee or any Proportionate Rent then due with respect to the Unit, such law firm or title agent shall hold such funds in trust for Landlord for delivery promptly after the Sale and the conditions set forth in Section 5(a) and this Section 5(b) shall be deemed satisfied.

(c) Any purported Sale not made in compliance with the provisions of Section 5: is not effective to sell, assign, lease, otherwise transfer, mortgage or otherwise encumber any interest in a Unit; will not be recognized by Landlord; and is not permitted to be recognized by the Condominium Board, it being agreed and acknowledged that the foregoing with respect to any mortgage affecting a Unit shall not affect the right of the holder of any note or other evidence of indebtedness payable to such holder in connection with any such mortgage to enforce payment of such obligation personally against any obligor thereunder to the extent the

enforceability or enforcement thereof does not involve or require, or the holder elects not to pursue, foreclosing any lien in respect of such indebtedness (including any judgment lien) against any such Unit. Whenever a Unit Owner (other than Declarant) assigns such Unit Owner's interest in a Unit and effects such assignment as provided in Section 5 (other than to a Unit Mortgagee or pursuant to a lease), and the assignee is bound by an instrument in writing, satisfactory to Landlord in form and substance, assuming all of the obligations under the Condominium Documents of the Unit Owner of such Unit, the assignor will have no further liability for any of the obligations of the Unit Owner of such Unit under this Lease to be thereafter performed.

(d) No Sale of a Unit by a Unit Owner is permitted unless a Certificate of Occupancy has been issued and has not been suspended or revoked for the applicable Unit and a correct and complete copy of such Certificate of Occupancy has been delivered to Landlord.

(e) No debt may be incurred by the Condominium Board pursuant to Section 339jj of the Condominium Act or otherwise except with Landlord's prior consent, which consent Landlord is permitted to withhold in its sole discretion, and in no event is any such debt permitted to be secured by any lien on or any interest in the Premises or on any Unit or any other interest under the Condominium Documents.

6. Unit Mortgages.

(a) No Unit Owner shall be permitted to mortgage or encumber such Unit Owner's Unit except in strict compliance with the terms of this Section 6. A Unit Owner may mortgage its interest in a Unit to any Person (such mortgage which satisfies the conditions set forth below is herein referred to as a "Unit Mortgage" and the holder of such Unit Mortgage is herein referred to as a "Unit Mortgagee"), provided that such Unit Owner has complied with the provisions of this Section 6, and provided, further, that such Unit Mortgage is subject and subordinate to the terms, provisions and conditions of this Lease and the applicable Unit Deed as provided in Subsection (d) of this Section 6. The holder of any Unit Mortgage is required to acknowledge and agree in such Unit Mortgage and in a recognition agreement in the form of Annex 3 annexed hereto or such other form as may be approved by Landlord (such agreement is herein referred to as a "Unit Mortgagee Subordination and Recognition Agreement"), executed and delivered to Landlord by such Unit Mortgagee, that the lien of such Unit Mortgage is in all cases subordinate to the lien of the Condominium Board for that portion of Common Charges that constitutes Proportionate Rent payable at any time by the Unit Owner granting such Unit Mortgage, and that in the case of the lien of any mortgage other than a first mortgage, such lien is subordinate to the lien of the Condominium Board for all Common Charges. No Unit Mortgage shall be valid or enforceable against any Person unless and until the holder thereof shall have executed and delivered a Unit Mortgagee Subordination and Recognition Agreement in accordance with the terms of this Section 6. The foregoing shall not affect the right of the holder of any note or other evidence of indebtedness payable to such holder to enforce payment of such obligation personally against any obligor thereunder to the extent the enforceability or enforcement thereof does not involve or require, or the holder elects not to pursue, foreclosing any lien in respect of such indebtedness (including any judgment lien) against any Unit.

(b) The lien of any Unit Mortgage against the interest of a Unit Owner in a Unit is unenforceable and without force or effect unless the Unit Mortgagee, such Unit Mortgage and such Unit Owner each complies with all of the provisions of Sections 5 and 6. Notwithstanding any other provision of this Lease, Landlord shall have no obligation hereunder to a Unit Mortgagee and no Unit Mortgagee has any rights hereunder unless such Unit Mortgagee has complied with all of the provisions of Sections 5 and 6.

(c) If a representative (the "Unit Mortgagee Representative") is designated by the Condominium Board or any Unit Mortgagee or Mortgagees and Landlord is notified of such fact, the Unit Mortgagee Representative will be permitted to attend, to the same extent as a Unit Mortgagee, any arbitration or other proceedings, including condemnation proceedings and insurance adjustment proceedings, provided for in the applicable Condominium Documents and will be permitted to exercise any rights afforded under Article 10 or other provisions of this Lease to Mortgagee in such arbitration or other proceedings.

(d) Each Unit Mortgage must be subject and subordinate to this Lease and to all of the terms, covenants and conditions hereof, without limiting, however, any rights of a Unit Mortgagee as set forth in Section 8(b) and (c). By accepting a Unit Mortgage, a Unit Mortgagee is deemed to be bound by all the terms, covenants, and conditions of this Lease and the Condominium Documents.

(e) By acceptance of a Unit Mortgage, a Unit Mortgagee expressly waives any rights the Unit Mortgagee may have under and pursuant to Section 339(z) of the Condominium Act to the extent any provision of said Section 339(z) may otherwise apply with respect to Proportionate Rent due from any Unit Owner, including any Defaulting Unit Owner.

(f) The lien of the Condominium Board for that portion of Common Charges attributable to the Units which does not constitute Proportionate Rent due from a Unit Owner, including a Defaulting Unit Owner, shall be subordinate to the lien of a Unit Mortgage having first priority ahead of any other mortgage lien.

7. Landlord's Remedies for a Condominium Default. In the event of a Condominium Default, the following provisions apply:

(a) In the case of any default which would entitle Landlord to terminate this Lease in accordance with Subsection (g) below, Landlord shall give written notice to the Condominium Board and to each Mortgagee, Unit Mortgagee and to all Unit Owners. In the case of any other Condominium Default, Landlord shall give written notice to the Condominium Board, and the Condominium Board shall be required to give a copy of any such default notice to each Unit Owner, Mortgagee and Unit Mortgagee (it being agreed that such default notice shall be effective notwithstanding any failure or refusal by the Board to so give copies thereof).

(b) The Condominium Board or any Unit Mortgagee(s) may, no later than forty-five (45) days after Landlord has given to it such notice, remedy or cause such Condominium Default to be remedied; provided that if curing of such Condominium Default requires the imposition of an assessment or special meeting of any Unit Owners for such purpose and/or special meeting of any Unit Owners in order to replace the members of the Condominium Board, or work to be

performed, acts to be done or conditions to be removed (collectively, "Unit Owner Action"), which cannot by their nature reasonably be imposed, conducted, performed, done, removed or completed, as the case may be, within such forty-five (45) day period, the Condominium Board, any Unit Owner(s) or any Unit Mortgagee(s) shall cause such Unit Owner Action to be commenced within such forty-five (45) day period and shall thereafter cause such Unit Owner Action to be prosecuted diligently, continuously and in good faith to completion and cause the Condominium Default promptly thereafter to be remedied; provided further that, in all events, such Condominium Default is required to be remedied within one hundred and eighty (180) days after the date on which Landlord has given notice as provided in Section 7(a) (or within such longer period to which Landlord may in its sole discretion consent in writing). If Unit Owner Action is required to remedy a Condominium Default, the Condominium Board, the Unit Owners, or any Unit Mortgagee(s) on behalf of the Unit Owners, shall notify Landlord thereof and shall keep Landlord fully and currently informed of the status of such Unit Owner Action, the nature and timing of such Unit Owner Action and each step, act or thing done in connection therewith, together with the anticipated completion date of such Unit Owner Action.

(c) If a Condominium Default is not remedied in accordance with Section 7(b), Landlord shall have the right to replace the members of the Condominium Board responsible for failing to remedy such Condominium Default by exercising its right under the resignation signed by each member of the Condominium Board as a condition to such member serving on the Condominium Board, Landlord shall have the right, but not the obligation, to designate new members to replace the members of the Condominium Board removed as aforesaid and to perform or cause compliance with the Condominium Covenant that gave rise to such Condominium Default. Any members appointed by Landlord shall have the right to resign at any time in accordance with the provisions of the Condominium Documents, and at Landlord's election, shall have terms of at least twelve (12) months from the curing of the Condominium Default which caused the removal of the Condominium Board Members.

(d) The Condominium Board shall pay to Landlord, within twenty (20) days after demand therefor is delivered to the Condominium Board: any amounts payable to Landlord under this Lease that the Condominium Board has collected from any Unit Owner or otherwise, including Proportionate Rent; all reasonable costs and expenses incurred by Landlord, including without limitation, reasonable attorneys' fees and disbursements, in connection with any replacement of the members of the Condominium Board pursuant to the provisions of Section 7(c); and interest on the above amounts at the Involuntary Rate from the date of required payment to Landlord (in the case of amounts collected by the Condominium Board and payable to Landlord and from the date of Landlord's payment of each such cost or expense until the date of actual repayment to Landlord).

(e) If a Condominium Default is not remedied in accordance with Section 7(b) and Landlord performs or causes to be performed the Condominium Covenant or cures the condition that gave rise to such Condominium Default in accordance with the provisions of Article 20 of this Lease or as otherwise permitted by law or hereunder, the Condominium Board shall pay to Landlord, within twenty (20) days after demand therefor is delivered to the Condominium Board: all reasonable costs and expenses incurred by Landlord, including without limitation, reasonable attorneys' fees and disbursements, in connection with such performance of such Condominium Covenant or cure of the Condominium Default, and if the Condominium Default is the failure of

the Condominium Board to provide insurance or to keep the same in force as required under this Lease, the amount of the insurance premium or premiums not paid, the uninsured amount of any loss, damage and liability and the reasonable costs and expenses of suit, including, without limitation, reasonable attorneys' fees and disbursements, suffered or incurred by reason of such failure to provide insurance; and interest on the above amounts at the Involuntary Rate from the respective dates of Landlord's making of each such payment or incurring of each such cost or expense or loss or damage until the date of actual repayment to Landlord. The costs and any expenses and any loss or damage, together with interest at the Involuntary Rate, as described in Section 7(d) and this Section 7(e), are referred to herein collectively as "Landlord's Condominium Costs".

(f) In the event of any breach or threatened breach of a Condominium Covenant, Landlord shall have the right to obtain specific performance of such Covenant and/or to enjoin such breach or threatened breach, without showing any actual damages or that money damages would not afford an adequate remedy and without the need for any bond or other security, and in the event of a Condominium Default that is not remedied in accordance with Section 7(b) and that does not consist of a failure of the Condominium Board to pay to Landlord Proportionate Rent, Landlord shall have the right to invoke any other rights and remedies allowed at law or in equity or by statute or otherwise, but not including any right to terminate this Lease. To the extent permitted by applicable Requirements, Tenant waives, and the Bylaws shall require that each of the Condominium Board, each Unit Owner, and each Unit Mortgagee, respectively, waive the posting of bonds or other security in any action to enjoin such breach or threatened breach.

(g) In the event of a Condominium Default caused by failure of the Condominium Board to pay to Landlord the Rental, provided (i) same is not the result of a Unit Owner Default, (ii) the amount of cash in the Security Fund is less than one-half of the amount of the Maximum Fund Requirement or the Security Fund Amount (whichever is applicable) plus an amount of interest calculated at the rate of 3% per annum from the Condominium Date, and (iii) Landlord has given any notices required to be given hereunder and any grace and cure periods have expired, including the periods under Section 7(b) for the commencement or prosecution of Unit Owner Action or for remedying a Condominium Default, then Landlord is entitled to invoke all rights and remedies allowed at law or equity, including the right to terminate this Lease in accordance with the terms hereof and all other remedies available to Landlord under this Lease upon the occurrence of an Event of Default.

8. Remedies with Respect to Unit Owner Defaults.

(a) In the event of a failure of any Unit Owner (a "Defaulting Unit Owner") to pay Proportionate Rent including any Condominium Default Costs as required under this Lease (hereinafter a "Unit Owner Default"), Landlord and the Condominium Board may exercise any of the remedies provided under this Section 8.

(b) Each Unit Owner is required to pay the Proportionate Rent attributable to such Unit Owner's Unit in the manner set forth in this Lease. The Unit Owners shall pay their respective Proportionate Rent to the Condominium Board as part of Common Charges. The obligation of a Unit Owner to pay Proportionate Rent runs to the Condominium Board and

Landlord. The obligation of a Unit Owner to pay Default Costs runs to the Condominium Board. Within ten (10) Business Days after a Unit Owner Default, the Condominium Board shall serve a written notice upon the Defaulting Unit Owner specifying the amount of the Proportionate Rent including the amount of any Condominium Default Costs then due and unpaid (the "Default Notice"). Simultaneously with the giving of the Default Notice to the Defaulting Unit Owner, the Condominium Board shall deliver a copy of the Default Notice to Landlord. If the Condominium Board fails to send the Default Notice within the time period set forth above, the Default Notice may be sent by Landlord and such failure by the Condominium Board shall be deemed to be a Condominium Default.

(c) Each such Unit Mortgagee shall be entitled to the benefit of the notice and cure provisions set forth in the Unit Mortgagee Subordination and Recognition Agreement executed by such Unit Mortgagee with respect to such Unit; and each such Unit Mortgagee shall be entitled to pay to the Condominium Board any portion of Proportionate Rent and Default Costs then due and owing by any Defaulting Unit Owner. Provided such Unit Owner Default shall be so remedied within twenty (20) days after service of the applicable Default Notice, Landlord shall not take any action against the Defaulting Unit Owner and each such Unit Mortgagee shall have the right to institute and thereafter prosecute foreclosure proceedings and such other proceedings as may be provided pursuant to the terms of the applicable Unit Mortgage. If such Unit Owner Default is not remedied within twenty (20) days after service of the applicable Default Notice, the Condominium Board or Landlord as provided below may commence against such Defaulting Unit Owner any action or proceeding at law or in equity as permitted under this Lease without any further notice to such Unit Mortgagee or Defaulting Unit Owner.

(d) Landlord shall accept performance by a Unit Mortgagee of any covenant, condition or agreement on a Unit Owner's part to be performed with the same force and effect as though performed by such Unit Owner. If, with respect to any Unit there is more than one Unit Mortgagee, Landlord shall recognize the Unit Mortgagee whose Unit Mortgage is senior in lien as the Unit Mortgagee entitled to the rights afforded by this Exhibit F.

(e) No earlier than twenty (20) Business Days and no later than ninety (90) calendar days after a Default Notice is given as provided for in Section 8(b), and provided that neither the Defaulting Unit Owner nor any Unit Mortgagee has cured said Unit Owner Default, the Condominium Board shall institute appropriate proceedings to foreclose the lien on such Unit arising from said Unit Owner Default as provided in Section 339-z of the Condominium Act, in the manner provided in Section 339-aa thereof or in any other manner permitted by Law. At any time not earlier than twenty (20) days after a Default Notice is given, Legal Proceedings may be maintained to recover a money judgment for unpaid Common Charges required to be paid for the benefit of Landlord or the Condominium Board. If the proceeds received in any Legal Proceedings brought in connection with a Unit Owner Default are less than the sum of the obligations described in Section 8(j)(i) through (vi) relating to the such Unit Owner Default, the Defaulting Unit Owner shall remain liable for such difference or shortfall.

(f) In the case of a Unit Owner Default, Landlord shall be entitled to draw on the Security Fund as provided in Section 10(a) hereof, regardless of whether it has initiated any Legal Proceedings to collect any amounts due it.

(g) If the Condominium Board fails to institute foreclosure proceedings within ninety (90) calendar days as described in Section 8(e), or after instituting such proceedings, fails diligently to prosecute the same to final judgment, then Landlord shall have the right to prosecute any Legal Proceeding in its own name or in the name of the Condominium Board, and the right of the Condominium Board to bring any Legal Proceeding is hereby collaterally assigned to Landlord to permit Landlord to bring, and confirm its right to bring, any Legal Proceeding. In furtherance of the foregoing, the Condominium Board, as Tenant hereunder, hereby assigns to Landlord all of its right, title and interest in, to and under the lien for Common Charges granted to the Condominium Board under the Condominium Act or other applicable law for the purpose of bringing any Legal Proceedings to enforce any such lien or otherwise enforcing or collecting on such lien. Such assignment shall be self-operative and shall not require any further act or the execution of any further document to confer upon Landlord the direct right to institute and maintain such Legal Proceeding (including foreclosure proceedings) as set forth above. At the request of Landlord, the Condominium Board shall execute and deliver to Landlord such further documents and instruments to confirm and perfect such assignment, as shall reasonably be requested by Landlord. Such failure by the Condominium Board to institute foreclosure proceeding within ninety (90) calendar days, or the failure to diligently prosecute the same to final judgment shall be deemed to be a Condominium Default hereunder.

(h) The Condominium Board shall cooperate with Landlord in any actions or proceedings brought or rights or remedies exercised by Landlord, including, without limitation, the Legal Proceedings, against any Defaulting Unit Owner (and such other Persons as Landlord may deem necessary or desirable) and, upon Landlord's request, and at no cost or expense to Landlord, shall promptly furnish to Landlord such information and documentation as may reasonably be requested by Landlord.

(i) If, during the pendency of any such action or proceeding by Landlord, the Condominium Board or the Defaulting Unit Owner's Unit Mortgagee remedies such Unit Owner Default, Landlord shall take reasonable action to permit the party so acting to continue such action or proceeding.

(j) Any funds received by the Condominium Board, by any Unit Mortgagee or by Landlord in respect of a Unit Owner Default shall be applied according to the following priority:

(i) first, to pay such Defaulting Unit Owner's Proportionate Rent obligations to Landlord, together with interest thereon at the Involuntary Rate commencing on the date on which such Proportionate Rent was due, to the extent such sums were not previously withdrawn from the Security Fund (the obligations described in this clause (i) are herein referred to as the "Unit Obligations");

(ii) second, to reimburse the Security Fund for any amounts withdrawn therefrom by Landlord in accordance with the terms of this Lease in respect of such Unit Owner Default or any Condominium Costs attributable to the Units.

(iii) third, to satisfy any tax liens and other liens, if any, with respect to the Unit or the Defaulting Unit Owner as to which such Unit Default has occurred, which

have priority over the lien of the Condominium Board for Common Charges or the lien of any Unit Mortgagee;

(iv) fourth, to pay such Defaulting Unit Owner's monetary obligations to the Unit Mortgagee, if any, under a Unit Mortgage the lien of which has first priority ahead of any other mortgage lien;

(v) fifth, to pay to Landlord the balance of any Rent including any Landlord's Condominium Costs with respect to the Unit not otherwise reimbursed, together with the interest on the unpaid amount at the Involuntary Rate;

(vi) sixth, to pay to the Condominium Board the balance of any Common Charges due and unpaid by such Defaulting Unit Owner, including all Condominium Default Costs and all late fees and interest;

(vii) seventh, to pay such Defaulting Unit Owner's monetary obligations to any Unit Mortgagee under a Unit Mortgage the lien of which does not have first priority ahead of all other mortgage liens; and

(viii) eighth, any excess to such Defaulting Unit Owner or as may otherwise be required by law.

9. Security Fund.

(a) Declarant shall deliver or cause to be delivered to Landlord, immediately prior to the Condominium Date, cash in an aggregate amount of not less than the Security Fund Amount.

(b) The Security Fund Amount, as adjusted pursuant to Section 9(d), and any interest or income earned thereon are herein referred to as the "Security Fund". Landlord or the Condominium Depository, as the case may be, shall retain the Security Fund and shall disburse or cause disbursement of amounts therefrom only in accordance with the provisions of this Exhibit F.

(c) Landlord shall promptly deposit the Security Fund Amount delivered to it as cash with a commercial bank or trust company designated by Landlord that is a member of the New York Clearing House Association (the "Condominium Depository"). Landlord shall cause all monies so deposited with the Condominium Depository to be held in one or more insured interest bearing accounts or invested by the Condominium Depository in bank certificates of deposit or United States treasury obligations. Landlord shall promptly notify the Condominium Board of the identity and address of the Condominium Depository and shall cause the Condominium Depository to furnish the Condominium Board with any information reasonably requested by the Condominium Board with respect to the Security Fund on deposit with the Condominium Depository. The Condominium Depository fees, if any, shall be paid from the Security Fund.

(d) Within thirty (30) days after Landlord obtains information from which it is reasonably possible to calculate the Maximum Fund Requirement, Landlord shall calculate the same and notify the Condominium Board of such calculation. If the Maximum Fund Requirement as so calculated exceeds the Security Fund Amount, the Condominium Board shall,

within one hundred twenty (120) days after notice of such calculation is given by Landlord to the Condominium Board, cause an amount in cash equal to such excess to be paid to the Condominium Depository to be held as part of the Security Fund.

(e) If not previously applied by Landlord in accordance with this Exhibit F, Landlord shall cause the Condominium Depository to disburse the Security Fund to the Condominium Board on the Expiration Date.

10. Application of Security Fund.

(a) Landlord shall be permitted to draw upon the Security Fund in whole or in part in payment of the following amounts (such amounts are herein called the "Deficiency Amounts"): (i) Landlord's Condominium Costs which remain unpaid by the Condominium Board for a period of twenty (20) days following Landlord's demand therefor as provided in Section 7(d) or (e), and (ii) any Unit Obligation which remains unpaid for a period of one hundred twenty (120) days. Landlord shall, within ten (10) days after any such draw on the Security Fund, notify the Condominium Board thereof, which notice is required to set forth the amount so drawn by Landlord pursuant to the foregoing provisions of this Section 10 and the basis under this Lease for the withdrawal of such amounts.

(b) If Landlord draws on the Security Fund pursuant to Section 10(a) in payment of any Unit Obligation, the resulting Deficiency Amount is required to be reimbursed as provided in Section 8(j). If Landlord draws on the Security Fund pursuant to Section 10(a) in payment of any Landlord's Condominium Costs, then the amount thereof shall be required to be assessed against all Units Owners and included in Proportionate Rent as part of Common Charges required to be paid to the Condominium Board and Landlord by the appropriate Unit Owner(s), or, if appropriate under the Condominium Documents, by all Residential Unit Owners. The portion of Proportionate Rent that is paid by Unit Owners pursuant to the preceding sentence is required to be paid to Landlord and deposited in the Security Fund as provided in Section 10(c).

(c) If after such time that Landlord has drawn on the Security Fund pursuant to Section 4(a), the Condominium Board or any other Person reimburses Landlord for all or any portion of the applicable Deficiency Amount, Landlord shall promptly deposit the amount of such reimbursement with the Condominium Depository for deposit in the Security Fund.

11. Effect of Unit Owner Default on other Unit Owners. From and after the Condominium Date, failure of any Unit Owner to pay Rent as required under this Lease or perform any other obligation required hereunder does not constitute a default of any other Unit Owner, or otherwise entitle Landlord to terminate this Lease or repossess the Premises or any portion thereof hereunder or otherwise. Nothing contained in the preceding sentence shall prevent Landlord from exercising any of its rights against a Defaulting Unit Owner, subject to the provisions of this Lease, including Landlord's rights to commence and prosecute an action or proceeding against a Defaulting Unit Owner. Notwithstanding any other provision of this Exhibit F, if Tenant or any successor of Tenant, whether as Declarant or as Unit Owner or otherwise, fails to make any payment to Landlord required to be made under this Lease, or otherwise fails to perform any obligation required to be performed by Tenant under this Lease, and such failure occurs before the Condominium Date, then Landlord may exercise all of its rights and remedies

under this Lease against any Tenant, Declarant and any other Person (whether or not the Declaration has been recorded), including the termination of this Lease.

12. Remedies Cumulative. The rights and remedies of Landlord set forth in this Exhibit F shall be cumulative and the exercise or beginning of the exercise by Landlord of any one or more of the rights or remedies provided for in this Exhibit F does not preclude the simultaneous or later exercise by Landlord of any or all other rights or remedies provided for in this Exhibit F. Landlord shall not by any act, delay, omission or otherwise be deemed to have waived any of its rights or remedies hereunder, and no waiver shall be valid unless in writing, signed by Landlord, and then only to the extent therein set forth. A waiver by Landlord of any right or remedy hereunder on any one occasion shall not be construed as a bar to any right or remedy which Landlord would otherwise have had on any future occasion. No failure to exercise nor any delay in exercising on the part of Landlord any right, power or privilege hereunder shall operate as waiver thereof, nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or future exercise thereof or the exercise of any other right, power or privilege. The rights and remedies hereunder provided are cumulative and may be exercised singly or concurrently, and shall be construed as affording Landlord rights additional to and not exclusive of any rights and remedies conferred under the laws of the State of New York or any other laws.

13. Miscellaneous.

(a) If Taxes are assessed and levied by New York City against any Unit, Landlord shall credit payment of such Taxes to New York City by each Unit Owner against Proportionate Rent payable by such Unit Owner.

(b) Subject to the rights of Landlord under this Lease and any Unit Deed, the Condominium Board is entitled to maintain its lien for unpaid Common Charges as provided in the Condominium Act.

(c) Except as otherwise specifically provided in this Lease, any notice, demand, request, consent, approval or other communication provided in this Lease or in any Unit Deed to be given by Landlord to Tenant or to a Unit Owner is effective if addressed to the Condominium Board on behalf of all Unit Owners and given or served as provided in Article 25 of the Lease, except any such notice, demand, request, consent, approval or other communication relating solely to a Unit Owner or such Unit Owner's Unit is effective only if addressed to the affected Unit Owner and given or served as provided in Article 25 of the Lease.

(d) At such time as the Units are separately assessed by the New York City Department of Finance, PILOT payments with respect to each Unit under Section 3.02 of the Lease will be calculated based on the tax assessment for such Unit. Until such time as the Units are separately assessed by the New York City Department of Finance, PILOT payments with respect to each Unit under Section 3.02 of the Lease will be calculated in accordance with the terms of the Condominium Documents.

(e) Subject to compliance with the provisions of Article 13 of the Lease, any Unit Owner, except a Defaulting Unit Owner, may make any changes, alterations or additions to the

interior of its Unit and may combine two or more of its Units and may subdivide and otherwise reconfigure a Unit without Landlord's consent.

(f) The Introduction section of the Condominium Plan is required to contain the following provisions:

(i) "DETERMINATION BY BATTERY PARK CITY AUTHORITY THAT THIS PLAN AND THE DECLARATION AND BYLAWS OF THE CONDOMINIUM CONFORM TO THE PROVISIONS OF THE LEASE DOES NOT MEAN THAT BATTERY PARK CITY AUTHORITY HAS APPROVED THIS OFFERING."

(ii) "EACH UNIT OWNER IS REQUIRED TO PAY, AS PART OF SUCH UNIT OWNER'S COMMON CHARGES, PROPORTIONATE RENT WHICH IS DUE AND PAYABLE TO BATTERY PARK CITY AUTHORITY AS LANDLORD UNDER THE LEASE. SUBMISSION OF THE SPONSOR'S LEASEHOLD ESTATE IN THE LAND AND THE BUILDING TO THE CONDOMINIUM FORM OF OWNERSHIP DOES NOT DIMINISH OR IMPAIR ANY OF LANDLORD'S RIGHTS AGAINST A UNIT OWNER WHO FAILS TO PAY SUCH UNIT OWNER'S PROPORTIONATE RENT OR OTHERWISE DEFAULTS UNDER ANY OF THE TERMS OR CONDITIONS OF THE LEASE OR THE CONDOMINIUM DOCUMENTS."

Annex 1 to Exhibit F

RESIGNATION

To: Condominium Board of _____

_____

_____

_____

Battery Park City Authority,
d/b/a Hugh L. Carey Battery
Park City Authority
One World Financial Center
New York, New York 10281
Attention: President

Ladies and Gentlemen:

The undersigned hereby tenders [his] [her] resignation as a member of the Condominium Board and the Board of the Condominium known as _____, such resignation to be effective upon (x) the occurrence of Condominium Default, as such term is defined in that certain Ground Lease, dated as of _____, 200__, as it may be amended from time to time (the "Lease"), between Battery Park City Authority, d/b/a Hugh L. Carey Battery Park City Authority, as landlord ("BPCA"), and the Condominium Board of _____, as successor to _____, as tenant, which has not been timely cured by the Condominium Board and/or the Condominium Board as provided in Section of the Lease, and (y) acceptance of such resignation by BPCA in writing.

Very truly yours,

_____

Name: _____

Address: _____

_____

Phone No.: _____

Fax No.: _____

Date: _____

[THIS FORM TO BE COMPLETED AS APPROPRIATE]

Annex 2 to Exhibit F

MANAGEMENT AGREEMENT SUBORDINATION
RECOGNITION AND ATTORNMENT AGREEMENT

THIS MANAGEMENT AGREEMENT SUBORDINATION RECOGNITION AND ATTORNMENT AGREEMENT (this "Agreement"), made as of this ____ day of ____, 20____, among BATTERY PARK CITY AUTHORITY, d/b/a HUGH L. CAREY BATTERY PARK CITY AUTHORITY, a body corporate and politic constituting a public benefit corporation of the State of New York having an office at One World Financial Center, New York, New York 10281 ("Landlord"); [Tenant under the Ground Lease] having an office at [_____] ("Tenant"); and [Name of Manager], a _____ having an office at _____ ("Manager").

WITNESSETH:

WHEREAS, pursuant to that certain Ground Lease dated as of _____, 200__ between Landlord and Tenant, as successor to _____(such lease, as the same may be assigned, amended or restated from time to time, the "Ground Lease"), Tenant is the tenant of a leasehold estate of certain real property known as Site 19B located in Battery Park City, New York, New York, more particularly described on Schedule A attached hereto and made a part hereof (the "Land"), upon which is constructed a building and related improvements (the "Development"), containing residential apartments (the "Tenant's leasehold interest in the Land and the Development are collectively referred to herein as the "Premises");

WHEREAS, a Memorandum of the Ground Lease was recorded on _____ in Reel _____, page ____, in the office of the City Register of the City of New York for the County of New York;

WHEREAS, Tenant [intends to convert] [has converted] the Development to condominium ownership pursuant to the terms of the Ground Lease and desires to retain its affiliate, the Manager, to manage the components of the Development pursuant to the [describe Management Agreement], as from time to time amended, modified or supplemented (the "Management Agreement");

WHEREAS, it is a requirement of the Landlord under the Ground Lease that Tenant and Manager execute and deliver this Agreement to Landlord.

NOW, THEREFORE, in consideration of the foregoing premises and of the mutual covenants and agreements set forth herein and for ten dollars ($10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby conclusively acknowledged, the parties hereto agree as follows:

1. Effectiveness. The terms and provisions of this Agreement shall be effective from and after the date hereof, and shall apply to the Management Agreement and any and all

amendments and modifications thereof entered into from time to time by Tenant or its successors and assigns with the Manager or its successors and assigns.

2. Subordination.

(a) Each of Tenant and Manager hereby covenants and agrees that the Management Agreement and Manager's rights thereunder (including, without limitation, Manager's right to receive any fees or compensation thereunder) are, and shall at all times continue to be, subject and subordinate in each and every respect to the Ground Lease, the Master Lease, the Title Matters, all mortgages and any other instruments senior to the Ground Lease and, upon the Condominium Date, to the Condominium Documents. Manager, upon written request from Landlord, shall execute and deliver any further certificate or other instrument which Landlord may reasonably request to confirm said subordination by Manager.

(b) The parties hereto hereby agree that upon the Condominium Date, the Tenant's rights and obligations under the Management Agreement shall automatically, and without the need of any action on the part of any party thereto, be transferred to and assumed by the Condominium Board, as the successor Tenant under the Ground Lease, provided that the rights of Manager thereunder shall at all time be subject and subordinate to the rights of Landlord and its successors and assigns as set forth in subsection (a) above.

3. Estoppel. Manager hereby represents and warrants to Landlord as follows, with the understanding that Landlord is relying on the truth and accuracy of the representations and warranties set forth in this Section 3:

(a) The Management Agreement is unmodified as of the date hereof and is in full force and effect and there are no other agreements between Tenant and Manager that would be binding upon any successor in interest to Tenant other than the Management Agreement.

(b) Manager has received payment in full of all fees due and currently payable to Manager under the Management Agreement.

(c) Manager is not aware of any default by either party under the Management Agreement. As of the date of this Agreement, to Manager's knowledge, Manager has no accrued cause of action, claim or right of offset under the Management Agreement or any defenses to its obligation to perform under the Management Agreement.

4. Rights of Landlord upon Default.

(a) Upon receipt by Manager of written notice from Landlord that an Event of Default has occurred and is continuing under the Ground Lease, Landlord shall have the right to exercise all rights as Tenant under the Management Agreement for so long as such Event of Default is outstanding.

(b) Notwithstanding anything to the contrary contained herein or in the Management Agreement, Landlord shall have the right at any time upon the occurrence of the Termination

Event (as defined below) to terminate the Management Agreement, without cause and without liability and immediately upon receipt of notice, by giving written notice to Manager of its election to do so.

(c) For purposes hereof, the term "Termination Event" shall mean either to occur of the vote at the request of Landlord of a majority of the then Residential Unit Owners (excluding any votes held by Affiliates of the Manager) to terminate the Management Agreement after the occurrence of an Event of Default under the Ground Lease.

5. Attornment. Upon the termination of the Ground Lease, Landlord shall have the right, exercisable at any time within thirty (30) days after such termination, to require Manager to attorn to and to recognize Landlord as successor to Tenant under the Management Agreement, in which case the following provisions shall apply:

(a) Manager shall be bound to Landlord under all of the terms, covenants and conditions of the Management Agreement, or subject to the terms thereof, for the remainder of the term of the Management Agreement, with the same force and effect as if Landlord were the "Owner", under the Management Agreement. Manager shall attorn to and recognize Landlord as "Owner", as applicable, under the Management Agreement, with such attornment being effective and self-operative without the execution of any further instruments. Manager, upon written request from Landlord, shall execute and deliver any certificate or other instrument which Landlord may reasonably request to confirm such attornment by Manager. Landlord and Manager hereby waive the provisions of any statute or rule of law now or hereafter in effect that may give or purport to give Landlord and/or Tenant any right or election to terminate or otherwise adversely affect the Management Agreement or the obligations of Tenant and Landlord thereunder by reason of any termination of the Ground Lease.

(b) Landlord shall succeed to the position, rights and obligations of "Owner", under the Management Agreement; provided however that Landlord shall not be:

(i) liable for any previous act or omission of Tenant under the Management Agreement;

(ii) responsible for any monies then owing by Tenant to the credit of Manager;

(iii) subject to any offsets, claims, counterclaims, demands or defenses which Manager may have against Tenant under the Management Agreement;

(iv) bound by any covenant in the Management Agreement to either (i) undertake or complete any construction of, in or about the Premises (or any part thereof), or in the event of a casualty or condemnation, to restore the Premises (or any part thereof); or (ii) provide any money or credit or concession, by way of an allowance to Manager or otherwise, to or for any such construction or restoration in the case of a casualty or condemnation;

(v) bound by any amendment, or modification or surrender of the Management Agreement, made after the date hereof, to which Landlord shall not have

given its consent in writing which consent shall not be unreasonably withheld or delayed with respect to immaterial amendments and/or modifications; and

(vi) personally liable for the obligations of Tenant under the Management Agreement, it being agreed that Manager shall look solely to the interest of Landlord in the Premises for satisfaction of such obligations.

(c) If Landlord succeeds to the position, rights and obligations of Tenant under the Management Agreement, Landlord shall have the right to assign its interest under the Management Agreement to a third party or parties and, effective on any such assignment, Landlord shall be released from any further liability thereunder.

In the event that Landlord shall, in its sole discretion, elect not to require Manager to attorn to and to recognize Landlord as successor to Tenant under the Management Agreement, then Landlord shall have no obligations whatsoever to Manager, under the Management Agreement or otherwise.

6. Payments to Landlord. Manager and Tenant hereby agree that, following an Event of Default (as defined in the Ground Lease) by Tenant under the Ground Lease of which Landlord has notified Manager in writing, in the event of a demand on Manager by Landlord for the payment to it of any sums due to Tenant under the Management Agreement, Manager shall, and is hereby authorized and directed by Tenant to, pay said sums directly to Landlord for so long as any such Event of Default is continuing; payment of said sums by Manager to Landlord pursuant to such demand shall constitute performance of Manager's obligations under the Management Agreement for the payment of the same to Tenant, to the extent of the payments so made. Manager shall have no obligation to investigate the validity of any such default notices.

7. Leases and Submanagement Agreements Subordinate.

(a) Any lease or sublease entered into by Manager on behalf of Tenant with respect to the Development, or any portion thereof, shall be made expressly subject and subordinate to the Ground Lease, the Title Matters, the Master Lease, all mortgages and any other instruments senior to the Ground Lease, and upon the Condominium Date, to the Condominium Documents.

(b) Any and all submanagement or other agreements entered into by Manager in connection with the Development, or any portion thereof, shall be made expressly subject and subordinate to the Management Agreement, this Agreement, the Ground Lease, the Title Matters, the Master Lease, all mortgages and any other instruments senior to the Ground Lease, and upon the Condominium Date, to the Condominium Documents. Upon termination of the Management Agreement, any parties to any such submanagement agreement shall expressly agree for the benefit of the Landlord that any such submanagement agreement shall be terminated or, at the option of the Landlord, any such submanager or agent shall attorn to the Landlord on substantially the same terms as are set forth in Section 5.

8. Conflict. In the event of any inconsistency between the terms of this Agreement and the terms of the Management Agreement, the terms of this Agreement shall control.

9. Modification. This Agreement may not be modified except by an agreement in writing signed by the parties or their respective successors in interest.

10. Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the parties hereto, and their respective successors and assigns.

11. Notices. All notices, demands or requests made pursuant to, under, or by virtue of this Agreement must be in writing and delivered to the party to whom the notice, demand or request is being made by personal delivery with receipt acknowledged or by mailing the same by registered or certified mail, postage prepaid, return receipt requested or by Fed Ex or other similar reputable national overnight courier service: (a) if to Landlord, at One World Financial Center, New York, New York 10281, Attention: President, with a copy to General Counsel, and an additional copy to _____; (b) if to Tenant, _____, with an additional copy to _____; (c) if to Manager, _____, with an additional copy to _____; or to such other address as any party may from time to time designate by notice given to the other parties in the manner herein provided at least fifteen (15) days prior to such address becoming effective. Every notice is deemed to have been given and served when addressed as provided in the preceding sentence, and when delivered (if delivered by hand), or three business days after the date when deposited with the United States mail, postage prepaid, in the manner aforesaid (if mailed), or one business day after the date when deposited with the courier service (except that a notice designating the name or address of a person to whom any notice, or copy thereof, must be sent is deemed to have been given when same is received).

12. Miscellaneous.

(a) This Agreement and the rights and obligations of the parties hereunder shall be governed by, construed and enforced in accordance with the laws of the State of New York applicable to agreements to be performed entirely within such state (without regard to the principles of conflicts of laws).

(b) Should any term or provision of this Agreement or the application thereof to any Person or circumstances to any extent, be invalid or unenforceable, the parties hereby agree to modify such term or provision so that the remainder of this Agreement shall not be affected and that the balance of which shall continue to be binding upon the parties hereto with any such modification to become a part hereof and treated as though originally set forth in this Agreement. The parties further agree to modify any such unenforceable provision of this Agreement in lieu of severing such unenforceable provision from this Agreement in its entirety, whether by rewriting the offending provision, deleting any or all of the offending provision, adding additional language to this Agreement, or by making such other modifications as are appropriate to carry out the intent of the parties as embodied herein to the maximum extent permitted by law. The parties expressly agree that this Agreement as so modified shall be binding upon and enforceable against each of them. In any event, should one or more of the provisions of this Agreement be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions hereof, and if such provision or provisions are not modified as

provided above, this Agreement shall be construed as if such invalid, illegal or unenforceable provisions had never been set forth herein.

13. Signature Counterparts. This Agreement may be executed in counterparts, each of which shall deemed an original but all of which taken together shall constitute one and the same Agreement.

14. Capitalized Terms. All capitalized terms used herein which are not otherwise defined shall have the respective meanings ascribed to such terms in the Ground Lease.

15. Further Assurances. Landlord, Tenant and Manager shall execute such documents as may be necessary or reasonably requested by any party hereto to carry out and consummate the transactions contemplated by this Agreement.

IN WITNESS WHEREOF, the parties hereto have hereunto caused this Agreement to be duly executed as of the day and year first above written.

Landlord:

BATTERY PARK CITY AUTHORITY, d/b/a HUGH L. CAREY BATTERY PARK CITY AUTHORITY

By:_____
Name:
Title:

Tenant:

[_____]

By: _____
Name:
Title:

Manager:

[_____]
By:
Name:
Title:

Attachments:
Acknowledgments
Schedule A (Legal Description)

Annex 3 to Exhibit F

UNIT MORTGAGE SUBORDINATION AND RECOGNITION AGREEMENT
(Mortgagees)

AGREEMENT, dated as of _____, 20__, (this "Agreement") between THE BOARD OF MANAGERS OF _____, an unincorporated association having an address at _____ (the "Board"), BATTERY PARK CITY AUTHORITY, d/b/a HUGH L. CAREY Battery Park City Authority, a body corporate and politic constituting a public benefit corporation of the State of New York having an office at One World Financial Center, New York, New York 10281, (together with its successors, assigns and mortgagees, "BPCA"), [UNIT OWNER], having an address at _____ ("Unit Owner") and [UNIT MORTGAGEE], having an address at _____ (together with its successors and assigns, "Mortgagee").

W I T N E S S E T H:

WHEREAS, BPCA, as ground lessor, and _____ ("Developer"), have entered into that certain Ground Lease dated as of _____, 200__, a memorandum of which dated as of _____, 200__ was recorded on _____, 200__, in Reel , Page ____ in the office of the City Register of the City of New York for the County of New York (such lease, as the same may be assigned, amended or restated from time to time, the "Ground Lease") pursuant to which BPCA leased to Developer that certain land described on Exhibit A hereto (the "Land"), together with the improvements to be constructed thereon;

WHEREAS, the leasehold condominium known as _____, having the street address _____ (the "Condominium") was created by that certain declaration dated _____ recorded on _____ in the office of the City Register of the City of New York for the County of New York at Reel ____, Page ____ (the "Declaration") subjecting the ground lessee's interest in the Land and the building and other improvements thereon (collectively, the "Property") to the provisions of Article 9-B of the Real Property Law of the State of New York;

WHEREAS, the Condominium is subject and subordinate to the Ground Lease in all respects;

WHEREAS, the Unit Owner is the Owner of Unit ___ (the "Unit") in the Condominium, Block ____, Lot ____;

WHEREAS, Mortgagee is making [has made] a loan to the Unit Owner secured by a [first] [subordinate] mortgage lien (the "Unit Mortgage") against the Unit Owner's interest in the Unit which is being recorded simultaneously herewith in the sum of $_____;

WHEREAS, each Unit Owner is obligated to pay as part of such Unit Owner's Common Charges "Proportionate Rent" as such term is defined under the Ground Lease and the Declaration; and

WHEREAS, under the terms of the Ground Lease, the Unit Owner may not mortgage the Unit unless the Mortgagee making such loan enters into this Agreement.

NOW, THEREFORE, in consideration of the premises and agreements set forth herein and for Ten and 00/100 Dollars ($10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

1. Subordination. Unit Owner and Mortgagee hereby agree and acknowledge that their respective interests in the Unit and the Unit Mortgage are subject to the terms of this Agreement and subject and subordinate to the Ground Lease.

2. Common Charges. The Board hereby represents that Common Charges for the Unit have been paid through _____. BPCA hereby represents that, to the best of its knowledge, as of the date of this Agreement there is no default in the payment of Proportionate Rent due with respect to the Unit.

3. Priority of Lien.

(a) The parties hereto expressly agree that the interest of the Unit Owner is subject and subordinate to the interest of BPCA, its successors, assigns and mortgagees, under the Ground Lease, and that the interest and rights of Mortgagee in respect of the Unit Mortgage, including the right of Mortgagee to be paid any amount due on account of the Unit Mortgage are subject and subordinate to BPCA's right to be paid Proportionate Rent, together with interest and collection and other costs set forth in the Ground Lease. To the extent that Section 339(z) of the Real Property Law has any application to Proportionate Rent to be paid by the Unit Owner, Mortgagee and the Unit Owner hereby expressly and irrevocably waive for the benefit of BPCA and the Board any rights they may have under or pursuant to said Section 339(z). Mortgagee further agrees and acknowledges that to the extent that the Unit Mortgage is not a first mortgage lien on the Unit, the lien of the Unit Mortgage is subject and subordinate to the Board's right to be paid Common Charges and to BPCA's right to receive all Rental payable under the Ground Lease allocable to the Unit.

(b) Mortgagee hereby agrees that in the event that it shall at any time receive any funds or proceeds resulting from the foreclosure or enforcement of its lien against the Unit in violation of the priorities of right to payment set forth in Section 3(a) and Section 10 of this Agreement, Mortgagee shall hold such funds in trust for and on behalf of BPCA and shall turn such funds over to BPCA on demand.

4. Default Notices. If a default by the Unit Owner in the payment of Common Charges (a "Unit Owner Default") shall occur and the Board issues a notice of such Unit Owner Default to the Unit Owner, then the Board shall issue a copy of such notice simultaneously to Mortgagee and to BPCA. The Board agrees for the sole benefit of BPCA that in the event of a Unit Owner Default, then the Board shall give such notice within ten (10) business days after the occurrence thereof and if the Board fails to give such notice, BPCA is permitted, but not obligated, to give such notice to the Unit Owner and the Mortgagee. In the event of a default by the Board with respect to its obligations under the Ground Lease (hereinafter a "Condominium

Default") BPCA will give notice thereof to the Board, and the Board shall deliver a copy of such notice to the Mortgagee and to the Unit Owner (it being agreed that such notice shall be effective notwithstanding any failure by the Board to so deliver copies thereof), provided that if the Condominium Default is a monetary default, BPCA shall also deliver a copy of such default notice to Mortgagee and to the Unit Owner.

5. Unit Owner Default. Mortgagee shall have the right to cure a Unit Owner Default, and BPCA shall accept payments from the Mortgagee on behalf of the Unit Owner within thirty (30) days after receipt of the notice of default from the Board or BPCA. If Mortgagee fails to timely cure the Unit Owner Default and if the Board or the Board fails to institute foreclosure proceedings within ninety (90) days after the issuance of the notice of default described in Paragraph 4 of this Agreement, the Board, the Mortgagee and Unit Owner acknowledge and agree that BPCA shall have the right to institute such proceedings. If, during the pendency of any Legal Proceeding (as hereinafter defined) by BPCA, the Mortgagee remedies the Unit Owner Default, BPCA shall, at the reasonable request of such Mortgagee, discontinue such proceeding.

6. Condominium Default. In the event of a Condominium Default, the Mortgagee shall have a period of forty-five (45) days from the issuance of notice by BPCA as provided in Paragraph 4 of this Agreement, or such longer period as may be granted by BPCA in writing, in its sole discretion, to remedy or cause to be remedied such Condominium Default. In the event of a Condominium Default which cannot by its nature reasonably be cured within such forty-five (45) day period, the Board, the Unit Owners or the Mortgagee may take such actions (the "Unit Owner Action") to be commenced within such forty-five (45) day period and shall thereafter cause such Unit Owner Action, to be prosecuted diligently, continuously and in good faith to completion to cause the Condominium Default promptly thereafter to be remedied. Notwithstanding anything to the contrary set forth above, any Condominium Default will be required to be remedied within one hundred eighty (180) days after the date on which BPCA has given notice as provided in Paragraph 4 of this Agreement (or within such longer period to which BPCA may in its sole discretion consent in writing). If Unit Owner Action is required to remedy a Condominium Default, the Board, the Unit Owner or the Unit Mortgagee, as the case may be, shall notify BPCA thereof and shall keep BPCA fully and currently informed of the status of such Unit Owner Action, the nature and timing of such Unit Owner Action and each step, act or thing done in connection therewith, together with the anticipated completion date of such Unit Owner Action. BPCA acknowledges that Mortgagee is permitted but not required to cure a Condominium Default. No payment by Mortgagee or performance of any terms, conditions, covenants and agreements that are required to be performed by the Board under this Ground Lease by Mortgagee as permitted under this Agreement is intended to limit Mortgagee's rights against the Unit Owner.

7. Notices. All notices, demands or requests made pursuant to, under, or by virtue of this Agreement must be in writing and delivered to the party to whom the notice, demand or request is being made by personal delivery with receipt acknowledged or by mailing the same by registered or certified mail, postage prepaid, return receipt requested, or by FedEx or other similar reputable national overnight courier service, (a) if to BPCA, at One World Financial Center, New York, New York 10281, Attention: President, with a copy to General Counsel, and with an additional copy to _____; (b) if to the Board, _____, with an additional copy to _____; (c) if to Unit

Owner, at _____; and (d) if to Mortgagee, at , with an additional copy to _____; or to such other address as any party may from time to time designate by notice given to the other parties in the manner herein provided at least fifteen (15) days prior to such address becoming effective. Every notice is deemed to have been given and served when addressed as provided in the preceding sentence, and when delivered (if delivered by hand), or three business days after the date when deposited with the United States mail, postage prepaid, in the manner aforesaid (if mailed), or one business day after the date when deposited with the courier service (except that a notice designating the name or address of a person to whom any notice, or copy thereof, must be sent is deemed to have been given when same is received).

8. Legal Proceedings. After BPCA's giving of notice as described in Paragraph 4 hereof and the expiration of the time for cure or the time for action by the Board as provided in Paragraphs 5 and 6 hereof (it being agreed that any failure by the Board to deliver to any Unit Owner any copy of a default notice shall not affect BPCA's right to exercise its rights and remedies), BPCA may exercise its rights under the Ground Lease for any Unit Owner Default or any Condominium Default that remains uncured, including, without limitation, the right to prosecute a foreclosure of any statutory lien provided under the Condominium Act, including, without limitation, the lien for Common Charges provided therein (which lien is hereby assigned by the Board to BPCA) or a suit to recover a money judgment (such proceedings are hereinafter referred to as the "Legal Proceedings") against the Unit Owner and the Unit Owner's interest in the Unit. If Mortgagee does not cure a Unit Owner Default as permitted under the Ground Lease and this Agreement, BPCA will have no obligation to Mortgagee with respect to such Unit Owner Default, except that in the event of a transfer or letting of the Unit by BPCA as a result of such Unit Owner Default, whether or not as the result of Legal Proceedings, BPCA shall recognize Mortgagee's rights as lienor as more fully described in Paragraph 10 of this Agreement.

9. Mortgagee Rights to Enforce Lien. BPCA hereby recognizes the rights of Mortgagee as a lienor against the Unit, including Mortgagee's right (a) to foreclose or otherwise enforce its lien against the Unit Owner's interest in the Unit, or to acquire such interest by assignment in lieu of foreclosure, and (b) to transfer its interest therein as provided for in the agreements between Mortgagee and the Unit Owner, subject to BPCA's rights under the Ground Lease and this Agreement, and (c) in any of such events, to have the Unit Owner's interest in the Unit transferred on the books and records of BPCA to Mortgagee's name or the name of its designee.

10. Rights to Proceeds. If BPCA prosecutes Legal Proceedings against the Unit Owner or Mortgagee succeeds to the interest of the Unit Owner in the Unit, BPCA will recognize the rights of the Mortgagee against the proceeds realized by BPCA or by Mortgagee as a result thereof, subject, however, to the priorities as described herein and in Exhibit F of the Ground Lease. Mortgagee shall indemnify BPCA against any loss, damage, claim and expense (including reasonable attorneys' fees and disbursements) which BPCA may incur or suffer by reason of any claim by the Unit Owner regarding Mortgagee's acts and BPCA's acts undertaken upon Mortgagee's request relating to this Agreement. The foregoing indemnity shall continue to apply to the acts of Mortgagee or its designee from and after any transfer of the Unit to Mortgagee or its designee. BPCA will give Mortgagee prompt notice of any such claim and Mortgagee may contest any such claim in the name and on behalf of BPCA, but at the expense of Mortgagee.

BPCA will cooperate with the Mortgagee in such defense and execute all documents and take all acts reasonably required therefor.

11. BPCA's Rights. The terms and provisions hereof are subject to all of the terms and provisions of the Ground Lease, including, without limitation, the terms and provisions of Exhibit F thereof. Except for the express accommodations to the Mortgagee as set forth herein, nothing herein shall be deemed to limit the rights and remedies of BPCA under the Ground Lease in respect of any Condominium Default or Unit Owner Default or any other default thereunder. In the event of any conflict between the terms of the Ground Lease and the terms hereof or of the Condominium Documents, the terms of the Ground Lease shall control.

12. Binding Effect. This Agreement shall inure to the benefit of and be binding upon the parties hereto, their respective heirs, representatives, successors and assigns, including, without limitation, any party to which Mortgagee may transfer, sell or assign its interest in the Unit Mortgage and its rights thereunder and hereunder. The failure of the Board or of the Unit Owner to execute and deliver this Agreement shall not affect the validity or enforceability of this Agreement against any party that has executed and delivered this Agreement.

13. Further Assurances. BPCA, the Board, Unit Owner and Mortgagee shall execute and deliver such other further documents and instruments as may be necessary or reasonably requested by any party hereto to carry out and consummate the transactions contemplated by this Agreement.

14. Capitalized Terms. Capitalized terms not defined herein are used as defined in the Ground Lease, and to the extent not defined therein, in the Declaration.

15. Governing Law.

(a) This Agreement and the rights and obligations of the parties hereunder shall be governed by, construed and enforced in accordance with the laws of the State of New York applicable to agreements to be performed entirely within such state (without regard to principles of conflicts of laws). This Agreement may not be modified orally or in any manner other than by an agreement in writing signed by the parties hereto or their respective successors in interest.

(b) Should any term or provision of this Agreement or the application thereof to any Person or circumstances, to any extent, be invalid or unenforceable, the parties hereby agree to modify such term or provision so that the remainder of this Agreement shall not be affected and that the balance of which shall continue to be binding upon the parties hereto with any such modification to become a part hereof and treated as though originally set forth in this Agreement. The parties further agree to modify any such unenforceable provision of this Agreement in lieu of severing such unenforceable provision from this Agreement in its entirety, whether by rewriting the offending provision, deleting any or all of the offending provision, adding additional language to this Agreement, or by making such other modifications as are appropriate to carry out the intent of the parties as embodied herein to the maximum extent permitted by law. The parties expressly agree that this Agreement as so modified shall be binding upon and enforceable against each of them. In any event, should one or more of the provisions of this Agreement be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not

affect any other provisions hereof, and if such provision or provisions are not modified as provided above, this Agreement shall be construed as if such invalid, illegal or unenforceable provisions had never been set forth herein.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

[CONDOMINIUM BOARD]

By: _____
Name: _____
Title: _____

BATTERY PARK CITY AUTHORITY d/b/a HUGH L. CAREY BATTERY PARK CITY AUTHORITY

By: _____
Name: _____
Title: _____

[MORTGAGEE]

By: _____
Name: _____
Title: _____

[UNIT OWNER]

By: _____
Name: _____
Title: _____

Attachments:
Acknowledgments
Exhibit A - Legal Description

Annex 4 to Exhibit F

CONSTRUCTION COMPLETION ESCROW AGREEMENT

THIS ESCROW AGREEMENT (this "Agreement"), dated as of the ____ day of _____ by and between _____ ("Escrow Agent"), _____ ("Sponsor") and Battery Park City Authority d/b/a Hugh L. Carey Battery Park City Authority ("BPCA"),

WITNESSETH

WHEREAS, Sponsor is the tenant under that certain lease with the Battery Park City Authority ("BPCA") dated as of _____, as same may be amended from time to time (the "Lease") for the premises known as Site 19B at Battery Park City, also known as _____, _____, New York, New York (the "Premises");

WHEREAS, Sponsor is the sponsor under that certain offering plan dated _____, as amended (the "Plan"), to submit the Sponsor's leasehold interest in the Premises to a leasehold condominium regime;

WHEREAS, Sponsor has agreed, pursuant to the Plan and the Lease, to deposit into escrow (the "Certificate of Occupancy Escrow") an amount equal to 125% of such amount as the Sponsor's Architect shall certify will be required to secure the completion of construction activities to effect the Completion of the Building (as defined in the Lease) and to obtain the permanent certificate of occupancy for the Building (the "Certificate of Occupancy"), as more particularly described herein;

WHEREAS, pursuant to the Lease, Sponsor has undertaken various obligations, including, without limitation, the obligation to effect the Completion of the Building and to comply with its obligations under the Plan with respect to the Certificate of Occupancy Escrow, subject to and upon the terms and conditions set forth herein, including, without limitation, the condition that the Escrowed Funds (as hereinafter defined) shall not be paid to Sponsor so long as any obligations of Sponsor to complete construction under the Lease remain undischarged;

NOW, THEREFORE, the parties hereto agree as follows:

1. Appointment of Agent.

(a) Sponsor hereby appoints Escrow Agent to act as its escrow agent on the terms and conditions hereinafter set forth, and Escrow Agent accepts such appointment.

(b) Simultaneously with the execution of this Agreement, Sponsor has delivered to Escrow Agent, and Escrow Agent hereby acknowledges receipt of, the sum of $_____ (such aggregate sum, together with any interest earned thereon, as reduced by disbursements from time to time in accordance with the terms hereof, is hereinafter referred to as the "Escrowed Funds"), representing the sum of the estimated cost to complete work to be performed at the

Premises necessary to effect Completion of the Building as provided in the Lease and obtain a permanent Certificate of Occupancy for the entire Building (such work is defined as the "Work").

(c) Escrow Agent agrees to hold for, and on behalf of, Sponsor or, as applicable, BPCA, the Escrowed Funds and to take such actions with respect to the Escrowed Funds as are provided in Section 2 hereof.

2. Disposition of the Escrowed Funds.

(a) At any time, and from time to time, after the date hereof, subject to the provisions hereof, Escrow Agent shall release to Sponsor the Escrowed Funds or such portion of the Escrowed Funds authorized hereunder, upon not less than five (5) business days' written demand therefor made by Sponsor, and subject to the satisfaction of the following conditions:

(i) Sponsor shall deliver to Escrow Agent and BPCA (A) a written request for the Escrowed Funds or the portion thereof to be disbursed, and (B) a certificate from the Architect therefor (the "Architect's Certificate") in the form annexed hereto as Exhibit A (i) confirming that all Work completed through the date of such Architect's Certificate was performed in accordance with the applicable plans and specifications, and the requirements set forth in the Lease (to the extent there are plans, specifications and/or requirements for same); and (ii) certifying the estimated cost to complete that portion of the Work not yet completed as of the date of such Architect's Certificate.

(ii) The Escrowed Funds held hereunder after any disbursement shall at all times be an amount equal to or greater than 125% of the cost of the Work remaining to be performed at the Premises, as certified by the Architect in the Architect's Certificate delivered to Escrow Agent and BPCA pursuant to clause (i) (the "Minimum Escrow Amount") and no disbursement shall be made that would cause the Escrowed Funds to be less than the Minimum Escrow Amount.

(b) Not earlier than five (5) business days after receipt by Escrow Agent and BPCA of each such demand for the Escrowed Funds or any portion thereof including the certificates required under Section 2(a)(i) hereof, Escrow Agent shall deliver to Sponsor that portion of the Escrowed Funds then being requested by Sponsor, subject to compliance with the terms of this Section 2 of this Agreement including Section 2(c).

(c) In the event BPCA shall dispute the initial amount of the Escrowed Funds or any amount sought to be released by Sponsor pursuant to the terms of any Architect's Certificate submitted to Escrow Agent pursuant to Section 2(a)(i) of this Agreement, BPCA, within twenty (20) business days of the date hereof or the date of receipt of the disputed Architect's Certificate, may submit the matter for resolution to the architectural firm of _____ or such other reputable architectural or engineering firm designated by BPCA and subject to Sponsor's approval, which approval shall not be unreasonably withheld or delayed (the "BPCA Architect"). Except as provided below, nothing contained herein shall restrict the right of the Escrow Agent to disburse the Escrowed Funds requested in accordance with Section 2(a)(1) hereof. In the event that the BPCA Architect determines that the Escrowed Funds held by Escrow

Agent are less than the Minimum Escrow Amount, Sponsor, within five (5) business days after notification of such determination, shall deposit the shortfall into the Escrow Account, and, following such notification, until such deposit is made no further disbursement from the Escrow Funds shall be made pursuant to Section 2(a) and 2(b).

(d) In the event that the Sponsor shall fail timely to effect Completion of the Building as provided in the Lease, any remaining Escrowed Funds shall be disbursed by the Escrow Agent to BPCA or to any third parties as directed by BPCA, to cover the costs and expenses incurred by BPCA, as reasonably documented, to effect Completion of the Building in accordance with the terms and provisions of the Lease (including, without limitation, any of BPCA's legal, architectural and other costs and expenses) and upon receipt of a certificate by an engineer or architect designated by BPCA, in the form annexed hereto as Exhibit A, (i) certifying the estimated cost to complete the remaining Work and (ii) confirming that the Escrowed Funds remaining in the escrow hereunder after such disbursement are at least equal to 125% of the estimated cost to complete the Work. Notwithstanding the foregoing, the Escrowed Funds shall at all times be an amount equal to or greater than 125% of the cost of the Work remaining to be performed at the Premises, as certified by the Architect in the most recent Architect's Certificate delivered to Escrow Agent.

(e) Notwithstanding anything to the contrary set forth herein, upon completion of the Work, as certified by the Architect, any remaining Escrowed Funds shall be released from escrow by Escrow Agent to Sponsor; provided, however, that if BPCA has drawn down upon the Design/Construction Period Letter of Credit or Replacement Letter of Credit as provided under the Lease, the first portion of any then remaining Escrowed Funds equal to the amounts so drawn shall be released to BPCA and no further amount shall be disbursed to Sponsor for so long as a Default or an Event of Default exists under the Lease.

(f) Sponsor and Escrow Agent hereby expressly acknowledge and agree:

(i) that BPCA has had no role whatsoever in the calculation or other determination of the Escrowed Amount, and does not have, and shall never have, any obligations to any person or entity whatsoever relating to the adequacy of the Escrowed Amount or the performance of the acts secured by the Escrowed Amount, the provisions of this Escrow Agreement pertaining to BPCA being intended by all parties to relate only to BPCA's interest pursuant to the Lease in the availability of funds to complete the Work;

(ii) that the establishment of the Certificate of Occupancy Escrow is a material condition of BPCA consenting to the first conveyance of a condominium unit at the Premises; and

(iii) that the acknowledgments and agreement contained in this subsection (f) shall not in any way expand the obligations or limit the rights of BPCA under the Lease or otherwise modify the Lease.

(g) Nothing in this Section 2 shall have any effect whatsoever upon Escrow Agent's rights, duties and obligations under Section 3.

(h) Sponsor and Escrow Agent hereby expressly agree that this Agreement shall not be modified, amended or terminated without BPCA's express written consent except as expressly provided herein.

3. Concerning Escrow Agent.

(a) It is expressly understood that Escrow Agent acts hereunder as an accommodation to Sponsor and as a depository only and is not responsible or liable in any manner whatever for the sufficiency, correctness, genuineness or validity of any instrument deposited with it, or for the form of execution of such instruments or for the identity, authority or right of any person executing or depositing the same or for the terms and conditions of any instrument pursuant to which Escrow Agent or the parties may act.

(b) Escrow Agent shall not have any duties or responsibilities except those set forth herein and shall not incur any liability in acting in accordance with the provisions hereof in reliance upon any signature, notice, request, waiver, consent, receipt or other paper or document believed by Escrow Agent to be genuine, and Escrow Agent may assume that any person purporting to give it any notice on behalf of any party in accordance with the provisions hereof has been duly authorized to do so.

(c) The duties of Escrow Agent hereunder shall be purely ministerial in nature. Escrow Agent shall not be liable to the other parties hereto, for any action taken or omitted by it or any action suffered by it to be taken or omitted, in good faith and in the exercise of reasonable judgment, except for its own gross negligence or willful misconduct and, except with respect to claims based upon such gross negligence or willful misconduct that are successfully asserted against Escrow Agent. Sponsor hereby agrees to indemnify, save and hold Escrow Agent harmless of, from and against any and all loss, damage, claims, liabilities, judgments, and other cost and expense of every kind and nature which may be incurred by Escrow Agent by reason of its acceptance of and its performance under this Agreement (including, without limitation, either attorneys' fees paid to retained attorneys or amounts representing the fair value of legal services rendered to itself). Escrow Agent may act or refrain from acting in respect of any matter referred to herein in reliance upon and with the advice of counsel which may be selected by it, including a member of its firm, and shall be fully protected in so acting or refraining from action upon the advice of such counsel.

(d) Escrow Agent shall be automatically released from all responsibility and liability under this Agreement upon Escrow Agent's delivery, disbursement or deposit of the Escrowed Funds in accordance with the provisions of this Agreement, except for matters arising hereunder prior to such delivery or deposit.

(e) Escrow Agent shall be entitled to rely upon any order, judgment, certification, demand, notice, instrument or other writing delivered to it hereunder without being required to determine the authenticity or the correctness of any fact stated therein or the propriety or validity or the service thereof. Escrow Agent may act in reliance upon any instrument or signature reasonably believed by it to be genuine and may assume that any person purporting to give notice or receipt or advice or make any statement or execute any document in connection with the provisions hereof has been duly authorized to do so. If for any reason there shall be any dispute

or uncertainty concerning any action to be taken hereunder, Escrow Agent in the case of dispute, shall take no action, and in the case of uncertainty, shall have the right to take no action until it shall have received written instructions concurred to by BPCA and Sponsor or until directed by a court of competent jurisdiction in the State of New York or by a Federal Court in the State of New York, whereupon Escrow Agent shall take such action in accordance with such instructions or such order.

(f) Escrow Agent (and any successor escrow agent) may at any time resign as such by delivering the Escrowed Funds not yet delivered to Sponsor to any successor escrow agent jointly designated by the parties hereto in writing, or by depositing such Escrowed Funds, in accordance with appropriate procedures, with any appropriate court of competent jurisdiction in the State of New York, whereupon Escrow Agent shall be discharged of and from any and all further obligations arising in connection with this Agreement. The resignation of Escrow Agent will take effect on the earlier of (i) the appointment of a successor or (ii) the day which is 30 days after the date of delivery of its written notice of resignation to the other parties hereto. If at that time Escrow Agent has not received a designation of a successor escrow agent, Escrow Agent's sole responsibility after that time shall be to safekeep the Escrowed Funds not yet disbursed to Sponsor until receipt of a designation of successor escrow agent or a joint written disposition instruction by the other parties hereto or a final and nonappealable order of an appropriate court of competent jurisdiction in the State of New York.

(g) Escrow Agent shall hold the Escrowed Funds in such commercial paper investments or in such other standard passbook savings accounts, U.S. Government securities, or certificates of deposit, as Escrow Agent may choose. Escrow Agent shall not have any duty to maximize the rate of interest.

(h) Nothing contained in this Agreement shall prevent Escrow Agent from complying with (i) any federal, state or local law, (ii) any order of a court of competent jurisdiction or (iii) the terms of any stay imposed in a bankruptcy or insolvency proceeding or otherwise.

(i) Escrow Agent or any member of its firm, shall be permitted to act as counsel for Sponsor in any dispute between Sponsor and BPCA whether or not Escrow Agent is in possession of the Escrowed Funds and continues to act as Escrow Agent under this Agreement.

4. Termination.

This Agreement shall automatically terminate upon the delivery or disbursement by Escrow Agent of the Escrowed Funds in accordance with the terms hereof.

5. Notices.

(a) Whenever it is provided in this Agreement that a notice, demand, request, consent, approval or other communication shall or may be given to or served upon any party hereto, and whenever such party shall desire to give or serve upon another any notice, demand, request, consent, approval or other communication with respect hereto or the Premises, each such notice, demand, requests, consent, approval or other communication shall be in writing and, any law or statute to the contrary notwithstanding, shall be effective for any purpose if given or served as follows:

(i) If to Sponsor, by personal delivery with receipt acknowledged or by mailing the same to Sponsor by registered or certified mail, postage prepaid, return receipt requested by FedEx or other similar reputable national overnight courier service, addressed to Sponsor c/o _____, _____, Attn: _____, with an additional copy to _____, _____, Attn: _____, or to such other address(es) and attorneys as Sponsor may from time to time designate by notice given to BPCA and/or Escrow Agent as provided herein,

(ii) if to BPCA, by personal delivery with receipt acknowledged or by mailing the same to BPCA by registered or certified mail, postage prepaid, return receipt requested, or by FedEx or other similar reputable national overnight courier service addressed to BPCA at One World Financial Center, New York, New York 10281, Attn: President (with a copy, given in the manner provided above, addressed to the attention of Landlord's General Counsel, at the address set forth above or at such other address as Landlord may from time to time designate by notice to Tenant as aforesaid) with an additional copy to _____, Attn: _____, or to such other address(es) and attorneys as BPCA may from time to time designate by notice given to Sponsor and/or Escrow Agent as provided herein, and

(iii) if to Escrow Agent, by personal delivery with receipt acknowledged or by mailing the same to Escrow Agent by registered or certified mail, postage prepaid, return receipt requested, or by FedEx or other similar reputable national overnight courier service, addressed to _____, _____, Attn: _____, or to such other address(es) and attorneys as Escrow Agent may from time to time designate by notice given to BPCA and/or Sponsor as provided herein.

(b) Every notice, demand, request, consent, approval or other communication hereunder shall be deemed to have been given, or served when delivered, or if mailed, three (3) Business Days after the date that the same shall have been deposited in the United States mails, postage prepaid, in the manner aforesaid (except that a notice designating the name or address of a person to whom any notice or other communication, or copy thereof, shall be sent shall be deemed to have been given when same is received). Any notice sent by Sponsor to BPCA may be sent by Sponsor's agent or attorneys. Notwithstanding the foregoing, any notice given to Escrow Agent shall be effective only upon actual receipt thereof.

6. Capitalized Terms.

Capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to them in the Plan or the Lease; notwithstanding the foregoing, it is expressly understood and agreed by the parties hereto that all references to the Plan or the Lease are for the convenience of Sponsor, and that Escrow Agent shall have no obligation or duties with respect thereto.

7. GOVERNING LAW.

THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF NEW YORK APPLICABLE TO AGREEMENTS MADE AND TO BE PERFORMED ENTIRELY WITHIN SUCH STATE, WITHOUT REGARD TO THE CONFLICTS OF LAW PRINCIPLES OF SUCH STATE.

8. Successors.

This Agreement shall be binding upon and inure to the benefit of the respective successors and assigns of the parties hereto, provided, however, that this Agreement may not be assigned by any party without the prior consent of the other party, which consent shall not be unreasonably withheld.

9. Entire Agreement.

This Agreement contains the entire agreement and understanding between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings relating to such subject matter.

10. Amendments.

Except as expressly provided in this Agreement, no amendment, modification, termination, cancellation or rescission to this Agreement shall be effective unless it shall be in writing and signed by each of the parties hereto.

11. Counterparts.

This Agreement may be executed in one or more counterparts, each of which shall constitute an original, but all of which, taken together, shall be considered one and the same agreement.

12. Severability.

If any provision of this Agreement or the application of any such provision to any person or circumstance shall be held invalid, illegal or unenforceable in any respect by a court of competent jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision hereof.

IN WITNESS WHEREOF, the parties have executed and delivered this Escrow Agreement as of the date and year first above written.

ESCROW AGENT:

_____

By: _____
Name:
Title:

SPONSOR:

_____

By: _____
Name:
Title:

BATTERY PARK CITY AUTHORITY d/b/a
Hugh L. Carey Battery Park City Authority

By: _____
Name:
Title:

EXHIBIT A

LETTERHEAD OF SPONSOR'S ARCHITECT

Date: _____

_____
_____
_____

Battery Park City Authority
d/b/a Hugh L. Carey Battery Park City Authority
One World Financial Center
New York, New York 10281-1097

Re: _____
_____
New York, New York (the "Premises")

Ladies and Gentlemen:

We are the architects of record for the referenced Condominium. We are familiar with the Condominium and the Construction Completion Escrow Agreement dated as of _____ (the "Escrow Agreement").

In order to obtain a permanent Certificate of Occupancy for the Condominium, certain Work must be completed. As of the date hereof, the cost to complete the Work is $_____. We hereby confirm that all Work completed through the date of this letter, was performed in accordance with the applicable plans and specifications, and the requirements set forth in the Lease (to the extent there are plans, specifications and/or requirements for same).

Any terms not defined herein shall have the meaning ascribed thereto in the Escrow Agreement.

Very truly yours,

EXHIBIT G

FORM OF DESIGN/CONSTRUCTION PERIOD LETTER OF CREDIT

Dated:_____

Battery Park City Authority,
d/b/a Hugh L. Carey Battery Park
City Authority
One World Financial Center
New York, New York 10281

Re: Irrevocable Clean Letter of Credit

Gentlemen:

By order of our client, , we hereby open our clean Irrevocable Letter of Credit No. _____ in your favor for an amount not to exceed in the aggregate $_____ U.S. Dollars effective immediately.

Funds under this credit are available to you against your site draft drawn on us mentioning thereon our Credit No. _____.

This Letter of Credit shall expire sixteen months from the date hereof, provided, however, that it is a condition of this Letter of Credit that it shall be deemed automatically extended, from time to time, without amendment, for one year from the expiry date hereof and from each and every future expiry date, unless at least thirty (30) days prior to any expiry date we shall notify you by certified mail that we elect not to consider this Letter of Credit renewed for any such additional period.

This Letter of Credit is transferable and may be transferred one or more times. However, no transfer shall be effective unless advice of such transfer is received by us in the form attached signed by you.

We hereby agree with you that all drafts drawn or negotiated in compliance with the terms of this Letter of Credit will be duly and promptly honored upon presentment and delivery of your draft to our office at _____ if negotiated on or prior to the expiry date as the same may from time to time be extended.

Except as otherwise specified herein, this Letter of Credit is subject to the Uniform Customs and Practice for Documentary Credits (1993 Revision), International Chamber of Commerce Publication No. 500.

Very truly yours,

(Name of Bank)

By:_____

Re: Credit _____

Issued By: _____

Gentlemen:

For value received, the undersigned beneficiary irrevocably transfers to:

_____
(Name of Second Beneficiary)

_____
(Address)

all rights of the undersigned beneficiary to draw under the above Letter of Credit in its entirety.

By this transfer, all rights of the undersigned beneficiary in such Letter of Credit are transferred to the second beneficiary and the second beneficiary shall have the sole rights of beneficiary thereof, including the sole rights relating to any amendments whether increases or extensions or other amendments and whether now existing or hereafter made. All amendments are to be advised directly to the second beneficiary without necessity of any consent of or notice of the undersigned beneficiary.

The advice of such Letter of Credit is returned herewith, and we ask you to endorse the assignment on the reverse thereof and forward it directly to the second beneficiary with your customary notice of transfer.

Enclosed is remittance of $100.00 in payment of your transfer commission and in addition thereto we agree to pay you on demand any expenses which may be incurred by you in connection with this transfer.

Very truly yours,

Signature of Beneficiary

SIGNATURE AUTHENTICATED

(Bank)

(Authorized Signature)

EXHIBIT H

LETTER FROM DEPARTMENT OF HOUSING PRESERVATION AND DEVELOPMENT

[Follows this page]

City of New York
DEPARTMENT OF
HOUSING PRESERVATION AND DEVELOPMENT
100 GOLD STREET, NEW YORK, N.Y. 10038

JERILYN PERINE
Commissioner

July 25, 2002

Steven Spinola
President
The Real Estate Board of New York, Inc.
570 Lexington Avenue
New York, New York 10022

Dear Mr. Spinola:

I am writing in response to your letter dated July 10, 2002 regarding the eligibility of Liberty Bond projects for benefits under §421-a of the Real Property Tax Law ("RPTL"). Your letter requests confirmation that new residential construction projects financed through Liberty Bonds will receive a twenty-year partial tax exemption under the §421-a program.

You indicate that developers of these projects will comply with the State requirement that five percent (5%) of the residential units be reserved for tenants earning up to 150% of area median income, if financing is obtained through the State's Housing Finance Agency or with the City requirement of an additional financing fee to fund off-site affordable housing, if financing is obtained through the City's Housing Development Corporation.

Pursuant to RPTL §421-a(2)(a)(iv), a twenty-year post-construction exemption is available to tax lots in Manhattan south of or adjacent to either side of 110th Street if "the construction is carried out with substantial governmental assistance of grants, loans or subsidies from any federal, state of local agency or instrumentality[.]" See also, 28 RCNY §6-02(d)(4)(i). The rules governing the §421-a program define "substantial governmental assistance, (with certain exceptions not pertinent here), as "grants, loans or subsidies from any federal, state or local agency or instrumentality[.]" 28 RCNY §6-01(c).[1] Based on these provisions, tax-exempt bond financing, such as Liberty Bonds,

[1] The definition set forth in the rules provides in full: "'Substantial governmental assistance' shall mean grants, loans or subsidies from any federal, state or local agency or instrumentality, but shall not include: taxable bonds issued by any federal, state, or local agency or instrumentality, purchase money mortgages

HPD
nyc.gov/hpd
(212) 863-6100
FAX (212) 863-6302
TTY (212) 863-7934

constitutes substantial governmental assistance, and projects receiving financing through Liberty Bonds, if otherwise eligible, are entitled to the twenty-year exemption under the statute.

We have also been advised that a number of existing and prospective new residential construction projects in Battery Park City will be applying for Liberty Bond financing. Pursuant to a 1989 agreement between the State and the City, projects in Battery Park City, which are subject to the jurisdiction of the Battery Park City Authority, make "payments in lieu of taxes for residential developments in accordance with Section 421-a of the Real Property Tax Law upon satisfaction of the requirements set forth in Section 11-245(b) of the New York City Administrative Code and any regulations promulgated there under." The cited Administrative Code section sets forth the §421-a eligibility requirements for projects in the Manhattan geographic exclusion area. Thus, although Battery Park City is outside the confines of the Manhattan geographic exclusion area, Battery Park City projects are treated like projects in the geographic exclusion area pursuant to the 1989 agreement.

Pursuant to Administrative Code §11-245(b) and the §421-a rules, projects in the Manhattan geographic exclusion area that receive substantial governmental assistance, like other such projects in Manhattan south of or adjacent to either side of 110th Street, are eligible to receive a twenty-year post-construction partial tax exemption. 28 RCNY §6-02(d)(4)(i). Consequently, under the terms of the 1989 agreement, Liberty Bond projects in Battery Park City will also receive a twenty-year partial tax exemption.

We recognize the significant contribution Liberty Bonds will make in the redevelopment and revitalization of Lower Manhattan following the tragic events of 9/11. We are pleased that the City will be able to contribute to these efforts by facilitating new residential development through its tax incentive programs.

Sincerely,

Jerilyn Perine

---

from any federal, state or local agency or instrumentality entered into after the date of promulgation of these rules, mortgage insurance provided through any federal, state or local agency or instrumentality, or financing provided through the State of New York Mortgage Agency." 28 RCNY §6-01(c).

EXHIBIT I

DESCRIPTION OF LICENSED SUBSURFACE VAULT

[Follows this page]