

AMENDMENT OF LEASE

AGREEMENT, made as of this 20<sup>th</sup> day of November, 1987 between BATTERY PARK CITY AUTHORITY, a public benefit corporation of the State of New York, having an office at One World Financial Center, New York, NY 10281 ("Landlord") and HUDSON TOWERS HOUSING CO., INC., a New York corporation organized under Article 2 of the Private Housing Finance Law of the State of New York having an office c/o Stroock & Stroock & Lavan, Seven Hanover Square, New York, NY 10004 ("Tenant")

W I T N E S S E T H:

WHEREAS, by Agreement of Lease dated as of June 3, 1980, a Memorandum of which, being of even date therewith, was recorded in the Office of the City Register, New York County on June 5, 1980 in Reel 526 at Page 769, as modified by Amendment to Lease dated as of June 10, 1982 between Landlord and Tenant, a memorandum of which was recorded in the Office of the City Register, New York County, on June 14, 1982 in Reel 626 at Page 587, Landlord did demise and let to Tenant and Tenant did hire and take from Landlord the real property situate, lying and

being in the Borough of Manhattan, City, County and State of New York, as more particularly described in "Exhibit A" hereto; and

WHEREAS, the parties desire to amend the Lease;

NOW, THEREFORE, for good and valuable consideration, the parties hereto hereby agree that the Lease is amended in the following respects:

1. Section 1.1.A. of the Lease as amended is hereby further amended by adding thereto: "Commencing with the calendar year which begins January 1, 1987, the annual Land Rent to be paid by Tenant hereunder shall be \$215,440 in lieu of \$205,440, and commencing with the calendar year 1988 the annual Land Rent shall be increased by \$10,000 per year until the Land Rent shall equal \$305,440."

2. Article 1 (Land Rent-Other Rent) of the Lease is hereby amended by adding the following Section 1.6 thereto:

"Section 1.6.A. As its allocable share of the cost of operating, maintaining, repairing, restoring, replacing and upgrading the landscaped park in Phase III of the project area, as hereinafter defined ("South Park"), the esplanade, the curbs,

and street trees which are not on the Demised Premises, all in the Project area, and maintaining, repairing, and restoring the public art in the Project area (collectively, "Landlord's Civic Facilities") and, in the event Landlord shall have elected to do so, insuring Landlord's Civic Facilities or any part thereof (including, at Landlord's election, the creation of a reasonable reserve fund) (such costs being hereinafter referred to as "Operating Costs"), Tenant, for each Lease Year or portion thereof commencing on January 1, 1987 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 January 1, 1987 and ending on June 30, 1989, an amount equal to the sum of (A) the product obtained by multiplying the number of residential units in the Demised Premises by One Hundred Fifty Dollars (\$150) and (B) the product derived by multiplying \$.20 by the gross square feet of convenience shopping areas and swimming pool and pavilion (i.e. 40,948 square feet) in the Demised Premises;

(ii) for each of the next three years (each year to run from July 1 to June 30, which is hereinafter referred to as the "Payment Year"), an amount equal to the sum of (A) the product obtained by multiplying the number of

residential units in the Demised Premises by Two Hundred Dollars (\$200) and (B) the product derived by multiplying \$.25 by the gross square feet of convenience shopping areas and swimming pool and pavilion (i.e. 40,948 square feet) in the Demised Premises;

(iii) for the next succeeding Payment Year and for each Payment Year thereafter, with respect to South Park, curbs, street trees and public works of art, an amount equal to the product of (A) the South Park Budget multiplied by (B) .4037 (said figure being computed by dividing the number of square feet of floor area in the Demised Premises (the "Demised Premises Floor Area") by the sum of (x) the total number of square feet of floor area in all buildings in Phase III at Battery Park City and (y) the Demised Premises Floor Area); and

(iv) for the period referred to in the preceding clause (iii), with respect to the esplanade, an amount equal to the Esplanade Budget.

Notwithstanding the provisions of the foregoing clauses (iii) and (iv), the amount of Tenant's Civic Facilities Payment for any Payment Year referred to therein shall not be

greater than one hundred twenty-five percent (125%) of Tenant's Civic Facilities Payment for the prior Payment Year.

B. For each Payment Year commencing with the year referred to in (A)(iii) and (iv), Landlord shall submit to Tenant (i) an estimate of the Operating Costs for South Park, curbs, trees and public art for such Payment Year (the "South Park Budget") and (ii) an estimate of the Operating Costs for the esplanade for such Payment Year (the "Esplanade Budget", collectively, the "Civic Facilities Budget"). The South Park Budget shall be an amount computed by multiplying (A) the estimated Operating Costs of all parks (as such term is reasonably defined by Landlord), all curbs, street trees and public works of art located in the Battery Park City project area other than parks, curbs, trees or public art situated in the area described in the final sentence of this section ("Residential Parks") by (B) a fraction the numerator of which shall be the number of square feet in South Park and the denominator of which shall be the total number of square feet in all Residential Parks. The Esplanade Budget shall be an amount computed by multiplying (A) the estimated Operating Costs of the entire esplanade in the premises demised to Landlord pursuant to lease from the city (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 (proposed) 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 Esplanade for POD III (measured from the south side of Albany Street on the south to the point indicated in (i) above) 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 Year, in equal monthly installments payable in advance on the first day of each month that occurs within the Payment Year. As soon as shall be practicable after the end of such Payment Year, Landlord shall submit to Tenant a statement setting forth the Operating Costs incurred by Landlord during such Payment Year 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 Year exceeds the Civic Facilities Payment made by Tenant during such Payment Year. In the event the Civic Facilities Payment made by Tenant during any Payment Year 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 excluded park

area referred to in the second sentence of this section 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 (proposed) North End Avenue and then along said western line as extended to the southern line of (proposed) Vesey Street, on the north 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 (proposed) Vesey Street and the north 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 Section 1.6, in the event 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 subsection (A) above and the net proceeds, if any, of insurance or condemnation available to Landlord for such purpose, Tenant shall pay to Landlord forty and thirty-seven hundredths percent (40.37%) of 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 1.6.C shall constitute Rental under the Lease.

D. Landlord shall take good care of Landlord's Civic Facilities, and shall keep and maintain the same 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, Landlord's Maintenance Obligations). If Landlords 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, ("Self-Help"), in accordance with the provisions of this section 1.6.D. 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.1.6.D shall be sent to all tenants of Landlord in Phase III 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 Phase III. In furtherance of Tenant's exercise of the right of Self-Help set forth in this section 1.6.D, 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 1.6.D. 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 damage caused by Tenant in the exercise of its right of Self-Help.

E. In the event Tenant engages in Self-Help as provided in section 1.6.D 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.

F. 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.

G. Subject to the applicable covenants of Landlord's General Bond Resolution and Series Resolution, both adopted May 5, 1972, Landlord shall have the right to transfer to a trust, not-for-profit corporation, or other entity the responsibility for operating, maintaining, repairing, restoring, replacing and upgrading Landlord's Civic Facilities 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, not-for-profit corporation, 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 Phase III. Upon such a transfer by Landlord and provided such trust, not-for-profit corporation, or other entity, in writing, assumes

and agrees to perform Landlord's Maintenance Obligations for the benefit of tenant and all tenants of parcels within Phase III, from and after the date of such assumption Landlord shall have no further liability with respect hereto. Prior to effecting such transfer, Landlord shall (i) furnish Tenant with reasonable assurances of the transferee's ability to perform Landlord's Maintenance Obligations and to recover the cost of same and of Tenant's right to enforce the obligations of other tenants within Phase III to make payments in respect of Landlord's Maintenance Obligations in accordance with the provisions of their respective leases, and (ii) consult with Tenant with respect to the composition of such trust, not-for-profit corporation, or other entity. Landlord shall give Tenant notice of 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, not-for-profit corporation, or other entity shall submit to Tenant the Civic Facilities Budget and other information required by section 1.6.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 sections 1.6.D and 1.6.E with respect to Self-Help and offsets against Civic Facilities Payments.

H. The leases of all parcels within Phase III at Battery Park City shall require the tenants thereunder to pay their allocable share of the costs of the South Park, which shall be computed in the same manner as Tenant's share.

I. The obligation to construct Landlord's Civic Facilities is solely Landlord's and Tenant assumes no obligation in connection therewith.

J. Tenant under this Lease, assumes no obligation in connection with any improvements designated as "Tenant's Civic Facilities" under any other lease. No maintenance obligation in connection with any such "Tenant's Civic Facility" shall be included in the South Park or Esplanade Budget, Landlord's Civic Facilities, Landlord's Maintenance Obligations or Operating Costs in connection with this Lease.

3. As modified and amended by this Agreement, all of the terms, covenants and conditions of the Lease are hereby ratified and confirmed and shall continue to be and remain in full force and effect throughout the remainder of the term thereof.


IN WITNESS WHEREOF, the parties hereto have caused  
this Agreement to be executed as of the day and year first  
written above.

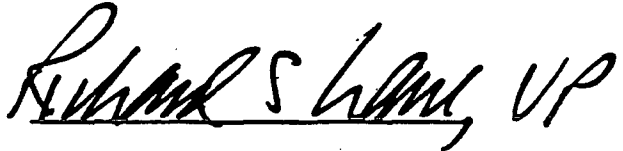
BATTERY PARK CITY AUTHORITY

By: \_\_\_\_\_

Attest:

HUDSON TOWERS HOUSING CO., INC.

  
Vice President

By:  VP

STATE OF NEW YORK )  
 )  
COUNTY OF NEW YORK ) ss.:

On the \_\_\_\_\_ day of \_\_\_\_\_, 1987 before me personally came \_\_\_\_\_, to me known, who, being by me duly sworn, did depose and say that he resides at \_\_\_\_\_; that he is the \_\_\_\_\_ of Battery Park City Authority, the corporation described in and which executed the foregoing instrument; and that he signed his name thereto by order of the members of said corporation.

\_\_\_\_\_  
Notary Public

STATE OF NEW YORK )  
 )  
COUNTY OF NEW YORK ) ss:

On the 20 day of November, 1987, before me personally came *Richard S. Lane* to me known, who, being by me duly sworn, did depose and say that he resides at *733 Park Avenue, New York, New York*; that he is the *Vice President* of Hudson Towers Housing Co., Inc., the corporation described in and which executed the foregoing instrument; and that he signed his name thereto by order of the board of directors of said corporation.

*Stanley B. Blumberg*  
\_\_\_\_\_  
Notary Public

STANLEY B. BLUMBERG  
Notary Public, State of New York  
No. 31-5357665  
Qualified in New York County  
Commission Expires April 30, 1988