

AMENDMENT OF SEVERANCE LEASE, made as of the 14th day
of July, 1988, between BATTERY PARK CITY AUTHORITY
("Landlord"), a public benefit corporation under the laws of
the State of New York, having an office at One World Financial
Center, New York, New York 10281, and OLYMPIA & YORK TOWER B
COMPANY ("Tenant"), a partnership organized under the laws of
the State of New York, having an office at 237 Park Avenue, New
York, New York 10167.

RECITALS

A. Landlord and Tenant's predecessor in interest, Olympia & York Battery Park Company ("O&Y"), entered into an Agreement of Severance Lease (the "Severance Lease") dated as of June 15, 1983, whereby Landlord leased to O&Y and O&Y hired from Landlord, upon the terms, covenants and conditions contained in the Severance Lease, (a) all those certain plots, pieces and parcels of land known as Parcel B in the Battery Park City Commercial Center (also known as the World Financial Center) located in the City, County and State of New York, more particularly described in Exhibit "A" annexed hereto and made a part hereof, together with those certain easements described in Exhibit "A", and (b) all Buildings now or hereafter erected thereon.

B. O&Y assigned its interest as tenant in, to and under the Severance Lease to Tenant by that certain Assignment and Assumption of Severance Lease dated as of October 7, 1983 between O&Y as assignor and Tenant as assignee.

C. The Severance Lease was amended by (a) an Agreement, made as of August 24, 1984, among Landlord, Tenant and Merrill Lynch & Co., Inc. (the "Triparty Agreement"), (b) an Amendment of Severance Lease, dated as of December 5, 1984, between Landlord and Tenant, (c) an Agreement, dated July 12, 1985, among Landlord, Tenant and Bankers Trust Company, as Collateral Agent (the "July 12, 1985 Agreememt"), (d) an Amendment of Severance Lease, dated as of August 15, 1985, between Landlord and Tenant, (e) an Agreement, dated as of January 30, 1987, between Landlord, Tenant and Bankers Trust Company, as Collateral Agent, (f) an Agreement, dated as of September 23, 1987, between Landlord, Tenant, Bankers Trust Company, as Collateral Agent, Merrill Lynch & Co., Inc. and Merrill Lynch/WFC/L, Inc. (the "September 1987 Agreement"), (g) an Agreement dated December, 1987 between Landlord and Tenant and (h) an Agreement dated June 30, 1988 between Landlord and Tenant (the Severance Lease as amended by such Agreements and such Amendments being referred to hereinafter as the "Lease").

D. Landlord and Tenant now desire to amend the Lease in the respects and upon the terms and conditions set forth in this Agreement.

ACCORDINGLY, it is hereby mutually covenanted and agreed by and between the parties hereto as follows:

1. Section 1.14 of the Lease is amended by adding on the tenth line thereof after the words "substitutions therefor," the following language, "and all fixtures, personal property and materials to be incorporated therein at any time during the Term (from and after the purchase of the same)" and by adding at the end thereof after the words "Port Authority Easement Agreement," the language "and (iii) fixtures and personal property owned by occupants of the Premises who are not also Tenant or an Affiliate of Tenant, or contractors engaged in maintaining the same."

2. The definition of "Certificate of Occupancy" contained in Section 1.21 of the Lease is amended by replacing the words "Section 18.04 of the New York City Charter" therein with the words "Section 645 of the New York City Charter."

3. Section 1.42 of the Lease is amended by adding on the third line after the words "operation of the Premises" the following language, "at any time during the Term (from and after the purchase of the same)."

4. Section 1.49 of the Lease is amended and restated in its entirety as follows:

1.49 "Fiscal Year" shall mean each twelve (12) month period commencing August 1 and ending July 31, any portion of which occurs during the Term, or such other (12) month period from time to time selected by

Tenant as its fiscal year. Tenant agrees to notify Landlord of any change of fiscal year within a reasonable period of time thereafter. The provisions of Sections 3.04(g), 3.05(f) and any other Sections of the Lease relating to a change in fiscal year in connection with an assignment of Tenant's interest in the Lease to an assignee whose books are maintained on a different fiscal year from that of Tenant shall be applicable as well to a change in fiscal year of Tenant even though there is no such assignment, and for purposes of such Sections, Tenant shall be treated as if it were both assignor and assignee and the last day of the fiscal year prior to the change shall be deemed the 'effective date of the assignment'."

5. Section 1.58 of the Lease is amended in its entirety to read as follows:

1.58 "Institutional Lender" shall mean any one or more of the following whether acting for their own account, or, in a fiduciary or representative capacity (including, without limitation, as trustee or agent under a mortgage, indenture, loan agreement or other loan document) for one or more Persons which need not be Institutional Lenders: (i) a savings bank, savings and loan association, a commercial bank or trust company, an insurance company, real estate investment trust, a religious, education or eleemosynary institution, a union, federal, state, municipal, or other governmental or secular employee's welfare, benefit, pension or retirement fund, an investment banking, merchant banking or brokerage firm, a Person engaged in the business of financing leases or any Person (not an individual) regularly engaged in any aspect of the financial services business and, in each case, having a combined capital and surplus or net worth of \$250 million, (ii) any department, agency or Affiliate of any of the foregoing; provided, however, (x) none of the foregoing shall be deemed an Institutional Lender

unless it is subject to, or submits itself, to the jurisdiction of the courts of the State of New York in any actions arising out of this Lease, and (y) a Person described in this clause (ii) shall not be deemed an "Institutional Lender" for purposes of the definition of the term "Depository" unless it shall agree to hold any security deposited with it as Depository in a segregated account at any one of the entities described in clause (i) above with an office in the City of New York, or (iii) any other Person approved by Landlord which approval shall not be unreasonably withheld or delayed if such Person's combined capital and surplus or net worth is at least \$250 million.

6. As used in the Lease, as amended hereby, (a) "Collateral Assignment" shall mean an assignment of a mortgage or other collateral loan documents which is given by the holder thereof as security for a loan to, or for other obligations of, such holder provided that such assignment provides in substance that so long as such assignment is in effect the assignee thereunder shall have the right to exercise the rights and remedies of the holder of such mortgage or collateral loan documents; and (b) "Collateral Assignee" shall mean the assignee under a Collateral Assignment.

7. Section 1.72 of the Lease is amended by adding on the last line thereof after the word "Tenant" the following:

or (iii) any Person, provided that promptly after such mortgage is made, it is assigned either absolutely or pursuant to a Collateral Assignment to an Institutional Lender and thereafter either (x) the

assignee is such Institutional Lender (whether or not it continues to qualify as an Institutional Lender) or its assignee or (y) if the Collateral Assignment is terminated, such mortgage is held by such Person or its assignee (whether absolutely or pursuant to a subsequent Collateral Assignment).

8. Section 1.73 of the Lease is amended and restated in its entirety as follows:

1.73 "Mortgagee" shall mean the holder of a Mortgage; provided, however, that if, and for so long as, the interest of the holder of such Mortgage in the Mortgage shall be assigned pursuant to a Collateral Assignment, then the Collateral Assignee shall be deemed a "Mortgagee" (in lieu of such holder) and entitled to all of the rights and benefits of a Mortgagee hereunder. If the Collateral Assignee of a Mortgage is an Institutional Lender, then such Institutional Lender shall also be entitled to all of the rights and benefits of a Mortgagee which is an Institutional Lender.

9. Section 1.105 of the Lease is amended by deleting the words "intended to be" on the sixth and seventh lines thereof and by adding on the last line thereof after the parenthetical "(New York County)", the words "on June 20, 1983 in Reel 696, Page 597, as the same may be amended from time to time."

10. Section 1.142 of the Lease is amended by amending and restating clause "(xii)" thereof in its entirety as follows:

(xii) a delay in the issuance of a permanent (but not a temporary) Certificate of Occupancy for the Buildings resulting from

(A) the construction of the initial tenant improvements or any Capital Improvement, or
(B) the failure of the Department of Buildings of the City of New York or successor body of similar function to issue such permanent Certificate of Occupancy, provided that, in either case, a registered architect reasonably satisfactory to Landlord either certifies or delivers its opinion in writing to Landlord that Tenant has substantially completed all work in accordance with the Final Plans necessary to obtain such permanent Certificate of Occupancy other than any work required in connection with any initial tenant improvement work or any Capital Improvement. Any such certificate or opinion may state that it is limited to the knowledge and belief of the person executing the same and is based upon periodic site inspections, and may contain such other limitations and exclusions as are then customary for opinions or certificates of like nature.

11. (a) Section 7.01(a) of the Lease is amended by adding at the beginning thereof before the words "Upon Substantial Completion" the words "Subject to the provisions of Section 7.01(c) hereof," and paragraph (ii) thereof is amended by changing all references to "general comprehensive public liability insurance" in such paragraph to "comprehensive general liability insurance."

(b) Notwithstanding anything to the contrary contained in Section 7.01(a)(ii) of the Lease, Landlord may only require Tenant to increase the amount of comprehensive general liability insurance which Tenant is then required to provide and keep (or cause to be provided and kept) pursuant to

Section 7.02(a)(ii) of the Lease, as amended hereby, on an Adjustment Date (as hereinafter defined) and only by delivering to Tenant written notice requesting such increase at least sixty (60) days prior to such Adjustment Date. As used herein, the term "Adjustment Date" shall mean (i) each anniversary of the commencement date of any existing comprehensive general liability insurance policy which occurs during the term of such policy and (ii) the expiration date of any such policy.

12. Section 7.01(b) of the Lease is hereby amended by deleting the words "(vi) and (vii)" on the ninth line thereof and substituting for the same the words "and (vi) and any property insurance required to be maintained pursuant to Section 7.01(a)(vii)." Any liability insurance provided or caused to be provided by Tenant as required by Section 7.01(a) or Section 11.04(a) may, at Tenant's option, also name any Mortgagee as an additional insured.

13. Section 7.01(c) is amended by substituting the following for the last three sentences thereof:

If Landlord is unable to arrange for Tenant to obtain the insurance required hereunder, Tenant shall, subject to the remaining provisions of this Section 7.01(c), obtain or cause to be obtained the maximum insurance obtainable, and the failure of Tenant to carry the insurance which is unobtainable shall not be a Default hereunder for as long as such insurance remains unobtainable, or in the case of comprehensive general liability insurance until the next Adjustment Date, if later. For purposes of this Section 7.01(c), any amount or type of insurance required under

this Lease shall be deemed unobtainable (even if arranged for by Landlord) if the same is not commercially obtainable. If Tenant shall in good faith be disputing with Landlord whether the type or amount of insurance required hereunder is obtainable, then such dispute shall be determined by arbitration pursuant to Article 36 hereof. While such dispute is being submitted to and determined by arbitration in accordance with the provisions of this Article 7 and Article 36 of this Lease and for a period of thirty (30) days after a final decision under such arbitration, notwithstanding that such decision may be adverse to Tenant, Tenant shall not be in Default hereunder for the failure to obtain such insurance or a higher amount of insurance, provided Tenant shall obtain or cause to be obtained the type and/or maximum amount (as applicable) of such insurance which Tenant in good faith believes obtainable.

14. Section 7.02(c) of the Lease is amended and restated in its entirety as follows:

(c) All insurance required by any provision of this Lease shall be in such form as is reasonably acceptable to Landlord and shall be issued by any insurance company licensed and authorized to do business in the State of New York and having a Bests Insurance Reports (or any successor publication of comparable standing) rating of A VIII (or the then equivalent of such rating) or better or by any other insurance company consented to by Landlord, such consent not to be unreasonably delayed nor withheld if such an insurance company would be reasonably acceptable as the issuer of such insurance to a prudent owner of a major first-class office building in Manhattan. All policies referred to in this Lease shall be procured, or caused to be procured, by Tenant, at no expense to Landlord and for periods of not less than one (1) year (or for a lesser term upon the consent of Landlord, which consent shall not be

unreasonably withheld or delayed). A photocopy of each such policy, certified by the insurer to be a true copy thereof, shall be delivered to Landlord within a reasonable period of time after the commencement of the term of each such policy, except that if any insurance carried by Tenant is effected by one or more blanket policies, then with respect to such insurance, certified abstracted policies relating to the Premises shall be so delivered to Landlord. A certificate or other evidence reasonably satisfactory to Landlord of the existence of any new or renewal policy that replaces any policy expiring during the Term shall be delivered to Landlord at least ten (10) days (or, with respect to insurance required under Section 7.01(a)(ii) and any liability insurance required to be maintained pursuant to Section 7.01(a)(vii), six Business Days) prior to the date of expiration, together with proof reasonably satisfactory to Landlord that all premiums due have been paid for at least the first year of the term of such policies. 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 cancelling or requesting the surrender or cancellation of the policies, on less than ten (10) days' notice to Landlord. Tenant shall cause the lender to give Landlord a copy of each default notice given by the lender to Tenant and/or to the insurer.

15. Section 10.01(c) of the Lease is amended by (1) substituting in clause (iii) thereof for the words "Persons having interests in," the words "shareholders who own greater than ten percent (10%) of the stock of" and (2) substituting in clause (iv) thereof for the words "having interests in," the words "who are general partners of, or limited partners who have a greater than ten percent (10%) interest in, the income

and profits of." Landlord acknowledges that for purposes of Section 10.01(c), the form of the Assignment and Assumption of Severance Lease from Olympia & York Battery Park Company to Olympia & York Tower B Company dated 10/7/83 and recorded in Reel 724, Page 1258 (not including the last two substantive paragraphs thereof) is a satisfactory form of assignment and assumption agreement.

16. Section 10.01 of the Lease is amended by adding at the end thereof the following paragraph (e):

(e) Notwithstanding any other provision of this Lease to the contrary, this Lease may be assigned to any purchaser at a foreclosure sale or to a Mortgagee (or its nominee or designee) by an assignment in lieu thereof without the consent of Landlord and the provisions of Section 10.01(b) and (c) shall be inapplicable to such an assignment. Notwithstanding the foregoing, no such assignment shall be effective unless the provisions required by Section 10.12(b)(1) to be contained in such Mortgage shall have been complied with. Promptly after any such assignment, the assignee shall deliver to Landlord the affidavit described in clause (iii) or clause (iv) of Section 10.01(c) unless the assignee is a corporation whose shares are registered on any trading exchange.

17. Section 10.06 of the Lease is amended by adding at the beginning thereof, the words "Subject to the rights of Mortgagee".

18. Section 10.13(a) is amended by:

(1) adding on page 113 on the eighth line after the word "commenced," the following:

and (iii) shall have a right of written notice of Default and a period of fifteen (15) days after notice thereof to cure or cause to be cured any Default described in Section 24.01(e), (f), (g), (h) or (i) or a Default described in Section 24.01(k) which occurs by reason of a levy under execution or attachment being made against Tenant, and, subject to paragraph (b) below and the provisions of this Lease that limit the terms under which such Defaults can become Events of Default, no such Default shall lead to an Event of Default until the cure period has expired without a cure having been made.

(2) deleting the word "and" before "(ii)" at line 4, p. 113.

19. Section 10.13(b) is amended by:

(1) inserting on the twelfth line of page 114 after the parenthetical "(subject to Unavoidable Delays)" the following:

"or (iii) if the Mortgagee is a Collateral Assignee and the foreclosure of its Collateral Assignment is required in order to act under (i) or (ii) above, such Mortgagee shall have notified Landlord of its intention to institute proceedings to foreclose such Collateral Assignment and within fourteen (14) days of the giving of such notice commences such foreclosure proceedings, and thereafter (1) prosecutes such proceedings with reasonable diligence and continuity (subject to Unavoidable Delays) or (2) receives a direct and absolute assignment from the assignor under the Collateral Assignment of its interest in the Mortgage, in lieu of foreclosure, and upon the completion of such foreclosure or the obtaining of such assignment commences promptly to act under (i) or (ii) above; or (iv) shall have proceeded pursuant to clause (ii) or (iii) above and during the period Mortgagee is proceeding pursuant to clause (ii) or (iii) above, such Default is cured;"

(2) inserting on line 14 of page 114 after "(ii)" the words "or (iii);

(3) inserting on page 115 on the fourth line thereof after the words: "and, thereupon," the words "unless such Default has been cured or the time period to cure of Tenant under Article 24 has not expired"; and

(4) inserting on page 115 on the fifth line thereof after the words "unrestricted right" the words, "subject to and in accordance with all of the terms and provisions of this Lease."

20. For all purposes of the Lease, as amended hereby, the terms "foreclosure proceedings" shall include in addition to proceedings to foreclose a Mortgage, where applicable, any foreclosure or similar proceedings commenced by the Collateral Assignee with respect to its Collateral Assignment.

21. Anything in Section 10.13(b) or elsewhere in the Lease to the contrary notwithstanding, any Default of Tenant occurring pursuant to Section 24.01(e), (f), (g), (h), (i) or (j) of the Lease, as amended hereby, or occurring pursuant to Section 24.01(k) of the Lease by reason of a levy under execution or attachment being made against Tenant, or any other Default by the Tenant under any provision of the Lease, as amended hereby, which is not susceptible of being cured by the Mortgagee prior to or following (i) completion of foreclosure proceedings by the Mortgagee in accordance with the provisions

of Section 10.13 of the Lease, as amended hereby, or (ii) the Mortgagee, or its nominee or designee, acquiring title to Tenant's interest in the Lease by an assignment in lieu of foreclosure, shall be (x) treated in accordance with Section 10.13(b) of the Lease (y) treated as if it were a Default for which "possession of the Premises is required in order to cure" for purposes of Section 10.13(b)(ii) of the Lease, and (z) automatically waived by the Landlord upon the occurrence of the events described in (i) or (ii) above. Anything in Section 10.13(b) of the Lease to the contrary notwithstanding, Mortgagee shall have no obligation to cure any such Default described above nor shall Mortgagee be required to agree in writing to cure such Default in order to proceed under Section 10.13(b)(ii) or (iii) of the Lease.

22. Section 10.13(e) of the Lease is deleted in its entirety. Landlord confirms that there are no Defaults under the Lease, as amended hereby, which a Mortgagee is prohibited from curing and all references in the Lease thereto are hereby deleted.

23. Section 10.14(a) of the Lease is amended by adding the phrase "or its nominee or designee" following the word "Mortgagee" on lines 15 and 24 of Page 117 and line 4 of Page 118.

24. The second sentence of Section 10.14(c) is amended in its entirety as follows:

Between the date of termination of this Lease and the earlier of (i) the date of execution and delivery of the new lease and (ii) the date Mortgagee's option to request a new lease pursuant to this section 10.14 expires if Mortgagee does not exercise such option, Landlord shall not enter into any new Subleases, cancel or modify any then existing 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 written consent of the Mortgagee.

25. Section 10.14(d) is amended in its entirety to read as follows:

(d) Anything contained in this Section 10.14 to the contrary notwithstanding, a Mortgagee shall have no obligation to cure (i) any Default of Tenant under this Lease occurring pursuant to Section 24.01(e), (f), (g), (h), (i) or (j) of this Lease or occurring pursuant to Section 24.01(k) of this Lease by reason of a levy under execution or attachment being made against Tenant or (ii) any other Default by Tenant under any provision of the Lease, as amended hereby, which is not susceptible of being cured.

26. Any assignment of Subleases and/or the rents thereunder, (i.e. an assignment of rents and leases) given to a Mortgagee and/or any security interest in Equipment given to a Mortgagee shall, for all purposes of the Lease (including, without limitation, Sections 10.01(d), 10.07 and 16.01), as amended hereby, be deemed to be "collateral to" a Mortgage and made "in connection with" a Mortgage notwithstanding that such

assignment or security interest secures an obligation to the Mortgagee which is different from, or in addition to, that secured by the Mortgage held by such Mortgagee.

27. Section 11.04(a) of the Lease is amended by adding after the words "at no cost or expense to Landlord" on the fifth line thereof, the words, ", subject to Section 7.01(c) (as if the following insurance were required under Section 7.01)."

28. Section 11.05(a) of the Lease is amended by substituting for the first complete sentence on page 136 of the Lease (i.e. the sentence which begins on the fourth line of such page) the following:

From and after Substantial Completion of the Buildings, Tenant shall, subject to Unavoidable Delays, use due diligence to obtain a permanent Certificate of Occupancy for the whole of the Buildings, and when obtained, shall deliver a copy thereof to Landlord. From and after Substantial Completion of the Buildings until a permanent Certificate of Occupancy has been obtained for the whole of the Buildings, Tenant shall at all times keep in force the temporary Certificate(s) of Occupancy for the whole of the Buildings then required by law, as the same may be extended from time to time.

A failure by Tenant to comply with the above provisions of Section 11.05(a) of the Lease shall not in and of itself constitute an Event of Default under the Lease, as amended hereby, but shall constitute a Default which with the notice

and the passage of the grace period provided for in Section 24.01(c) of the Lease shall constitute an Event of Default under the Lease.

29. Section 13.01(d) of the Lease is amended by adding on the third line thereof after the word "insurers" the words "or if such policy or abstracts are not then available to Tenant, a certificate or other evidence reasonably satisfactory to Landlord of the existence of any such policies to be followed by delivery of such policies or abstracts promptly after they are available, in any case."

30. Section 21.01 of the Lease is amended by adding at the end thereof the following:

In addition to the foregoing, if Tenant shall have failed to deliver to Landlord a certificate or other evidence reasonably satisfactory to Landlord of the existence of any new or renewal insurance policy required under Section 7.01 of this Lease on or prior to the date the same is required to be delivered to Landlord pursuant to Section 7.02(c) of this Lease, and if thereafter Tenant shall have failed to deliver such certificate or other evidence within three (3) Business Days after notice from Landlord of such failure, then Landlord, without waiving or releasing Tenant from any obligation of Tenant contained in this Lease, may (but shall be under no obligation to) obtain the insurance for which such certificate or other evidence has not been delivered to Landlord as aforesaid. If Tenant is disputing with Landlord in accordance with Articles 7 and 36 of the Lease whether any amount or type of insurance required under the Lease should be deemed unobtainable, then pending the resolution of the dispute by arbitration or agreement of the parties Landlord may

exercise its rights under the preceding sentence with respect to such disputed insurance, but Landlord shall not be entitled to any payment under Section 21.02 hereof with respect thereto, until and then only to the extent that it is resolved that such disputed insurance should be deemed "obtainable".

31. Sections 24.01(e), (f), (g) and (h) of the Lease are amended to delete therefrom all references to the "Guarantor" or the "Guaranty."

32. Sections 24.01(l) and (m) of the Lease are deleted in their entirety.

33. As used in Sections 24.01(g) and (h) of the Lease, as amended hereby, the words "liquidation" and "dissolution" shall refer only to a liquidation or dissolution which occurs as a result of or in connection with the bankruptcy or insolvency of Tenant.

34. The addresses set forth in Section 25.01 of the Lease to which notices to Tenant and Landlord are to be delivered are modified as follows: all notices to be sent to Tenant shall be addressed to Tenant c/o Olympia & York Companies (U.S.A.) at 237 Park Avenue, New York, New York 10017, Attn: Executive Vice President, O&Y (U.S.) Development General Partner Corp. with copies as provided in Section 25.01(a) of the Lease and with an additional copy to Olympia & York Companies (U.S.A.), 237 Park Avenue, New York, New York 10017, Attn: Managing Attorney; all notices to be sent to

Landlord shall be addressed to Landlord at One World Financial Center, New York, New York 10281, Attn: President, with a copy thereof to Spengler Carlson Gubar Brodsky & Frischling, 280 Park Avenue, New York, New York 10017 Attn: Fredric L. Altschuler, Esq. and with an additional copy to Battery Park City Authority, One World Financial Center, New York, New York 10281 Attn: General Counsel.

35. Section 27.02 of the Lease is amended by deleting the words "the Civic Facilities Construction Agreement, the Civic Facilities Maintenance Agreement" in clause (ii) on the fifth, sixth and seventh lines of page 238, by deleting the word "either" on the sixteenth line of page 239 and by replacing the word "or" on the seventeenth line of page 239 with the word "and."

36. Section 29.02 of the Lease is amended by adding on the 25th line on page 248 after the word "Buildings" the words "and (c) it will not amend or permit to be amended any of the agreements or documents referred to in this Section 29.02 (notwithstanding anything to the contrary contained in Section 27.03) to permit Landlord to mortgage all or part of its interest in the Premises."

37. Article 36 shall be amended to add the following sentence after the words "such arbitrator" at line 14, p.258:

If Tenant shall be the party who fails and neglects to appoint an arbitrator as is his right, then Landlord shall promptly thereafter notify any

Mortgagee who has given Landlord a notice as provided in Section 10.12(a) of such failure, and the Mortgagee entitled to the rights afforded under Section 10.14(e), upon such notice from Landlord, shall have the right within five (5) days thereafter to appoint an arbitrator in Tenant's place pursuant to this Article 36 and Landlord shall have no right to apply to any court of competent jurisdiction to appoint any such arbitrator for Tenant unless such five (5) day period shall expire and Mortgagee shall not have appointed such arbitrator.

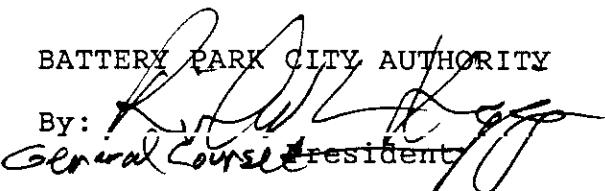
38. All capitalized terms used in this Amendment which are not otherwise defined herein shall have the meanings ascribed to them in the Lease.

39. The Lease, as amended by this Amendment (a) is hereby ratified and confirmed, and (b) shall remain in full force and effect in accordance with and subject to the terms, covenants and provisions thereof. All provisions of this Amendment or any prior amendment to the Severance Lease which refer to the "Lease, as amended hereby" shall be deemed to refer to the Lease, as amended by this Amendment and as hereafter amended from time to time. Without limiting the foregoing, nothing herein shall be deemed to limit any of the rights granted to the "Collateral Agent" under the July 12, 1985 Agreement.

40. A memorandum of this Amendment in form for recording shall be executed and filed at the request of any party hereto at Tenant's expense.

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

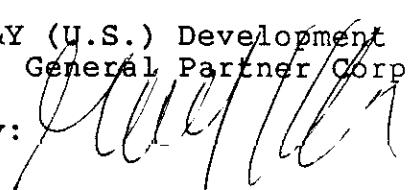
BATTERY PARK CITY AUTHORITY

By: 
General Counsel President

OLYMPIA & YORK TOWER B COMPANY

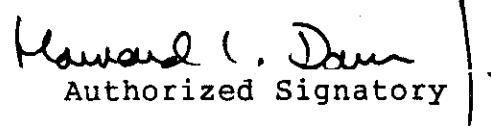
By: O&Y Tower B Holding
Company I

By: O&Y (U.S.) Development
General Partner Corp.

By: 

The undersigned hereby consents to
the execution of the within instrument:

Merrill Lynch/WFC/L, Inc.

By: 
Howard L. Dunn |
Authorized Signatory |

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

On this 14th day of July 1988, before me came RICHARD L. HIGGINS to me known, who, being by me duly sworn, did depose and say that he has an address at 250 10103 Broadway, that he is the General Counsel of BATTERY PARK CITY AUTHORITY, the public benefit corporation described in and which executed the foregoing instrument; and that he signed his name thereto by order of the members of said corporation.

Cecilia Madden
Cecilia Madden
Notary Public

CECILIA MADDEN
Notary Public, State of New York
No. 30469837
Qualified in Nassau County
Cert. Filed in New York County
Commission Expires March 30, 1989
11/30/89

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

On this 8th day of August 1988, before me personally came Gerald Kifer to me known, who, being by me duly sworn, did depose and say that he has an address at 82 Hilltop Dr., Chappaqua, NY 10514 that he is the Exe. Vice President of O&Y (U.S.) Development General Partner Corp., the corporation described in the foregoing instrument and which executed the same as general partner of O&Y Tower B Holding Company I, a New York partnership, in its capacity as partner of OLYMPIA & YORK TOWER B COMPANY, a New York partnership; and that he signed his name thereto by order of the board of directors of said corporation.

Ann Rieck
Ann Rieck
Notary Public

ANN RIECK
Notary Public, State of New York
No. 31-4790201
Qualified in New York County
Term expires March 30, 1989

EXHIBIT A

Street lines noted in the descriptions of Parcel B, Easement no. 3 and Easement no. 9 are in accordance with Map. No. ACC. 30071 adopted by the New York City Board of Estimate on November 13, 1981. Street lines noted in the descriptions of Easement no. 16, part of Vesey Street and part of North End Avenue are in accordance with map being prepared by New York City, said map has not been adopted by the Board of Estimate as yet.

Elevations refer to datum used by the Topographical Bureau, Borough of Manhattan which is 2.75 feet above datum used by the United States Coast and Geodetic survey, mean sea level, Sandy Hook, New Jersey.

Bearings noted herein are in the system used on the Borough Survey, President's office, Manhattan.

The following terms shall have the following meanings. "Easement and Restrictive Covenant Agreement" shall mean the Easement and Restrictive Covenant Agreement, dated as of June 15, 1983, and recorded in the Office of the Register of the City of New York, County of New York, on June 20, 1983, in Reel 696, at Page 521. "Easement Plan" shall mean the survey labelled LB-45-BXI, prepared by Benjamin D. Goldberg, Licensed Land Surveyor, State of New York, Earl B. Lovell - S. P. Belcher, Inc., dated December 13, 1982 and last amended June 13, 1983, which survey has been initialled by Landlord and Tenant. "Parcel Lines Easement Plan" shall mean the survey labelled LB-45-BZ, prepared by Benjamin D. Goldberg, Licensed Land Surveyor, State of New York, Earl B. Lovell - S. P. Belcher, Inc., dated February 23, 1983 and last amended June 13, 1983, which survey has been initialled by Landlord and Tenant.

The following two descriptions are based upon the information shown on the Easement Plan.

Parcel B

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

BEGINNING at the intersection of the northerly line of Liberty Street with the westerly line of Marginal Street, Wharf or Place and The United States Bulkhead Line approved by The Secretary of War, July 31, 1941;

1. Running thence due west, along the northerly line of Liberty Street, 216.96 feet;
2. thence north $12^{\circ}28'31''$ west, 132.47 feet;
3. thence south $73^{\circ}04'45''$ west, 86.27 feet;
4. thence north $16^{\circ}55'15''$ west, 38.01 feet;
5. thence south $77^{\circ}31'29''$ west, 86.50 feet;
6. thence north $12^{\circ}28'31''$ west, 108.28 feet;
7. thence due west, 72.58 feet;
8. thence due north, 343.47 feet;
9. thence north $46^{\circ}25'25''$ east, 17.88 feet;
10. thence due south, 32.33 feet;
11. thence due east, 20.92 feet;
12. thence due north, 22.00 feet;
13. thence due east, 81.16 feet;
14. thence due south, 10.00 feet;
15. thence due east, 45.00 feet;
16. thence due south, 10.00 feet;
17. thence due east, 21.42 feet to a point of curvature;
18. thence southeasterly, curving to the right, on the arc of a circle having a radius of 56.08 feet and a central angle of $77^{\circ}08'34''$, 75.51 feet;
19. thence north $77^{\circ}08'34''$ east, 22.36 feet;
20. thence north $12^{\circ}28'31''$ west, 51.54 feet;
21. thence north $77^{\circ}31'29''$ east, 92.15 feet;

The following 7 courses run along the aforesaid westerly line of Marginal Street, Wharf or Place and The United States Bulkhead Line approved by The Secretary of War, July 31, 1941:

22. thence south $18^{\circ}59'34''$ east, 17.94 feet;
23. thence south $19^{\circ}12'20''$ east, 63.63 feet;

24. thence south $18^{\circ}36'20''$ east, 75.17 feet;
25. thence south $16^{\circ}42'43''$ east, 86.89 feet;
26. thence south $16^{\circ}49'40''$ east, 196.84 feet;
27. thence south $16^{\circ}52'39''$ east, 93.66 feet;
28. thence south $16^{\circ}57'30''$ east, 78.55 feet to the point or place of BEGINNING.

Together with the following exclusive easement, on the terms and subject to the conditions set forth with respect thereto in the Easement and Restrictive Covenant Agreement.

EASEMENT NO. 3
LIBERTY STREET BRIDGE

All that portion of the parcel below described lying between a lower horizontal plane drawn at elevation 26.6 feet and an upper horizontal plane drawn at elevation 61.6 feet bounded and described as follows:

BEGINNING at a point in the northerly line of Liberty Street, distant 87.11 feet westerly from the intersection of the northerly line of Liberty Street with the westerly line of Marginal Street, Wharf or Place and The United States Bulkhead Line approved by The Secretary of War, July 31, 1941:

1. Running thence south $3^{\circ}59'16''$ east, 100.24 feet;
2. thence due west, along the southerly line of Liberty Street, 40.10 feet;
3. thence north $3^{\circ}59'16''$ west, 100.24 feet;
4. thence due east, along the northerly line of Liberty Street, 40.10 feet to the point or place of BEGINNING.

The following description is based upon the information shown on the Parcel Lines Easement Plan.

Together with the following exclusive easement, on the terms and subject to the conditions set forth with respect thereto in Section 41.07 of the Severance Lease.

EASEMENT NO. 16
WINTER GARDEN MECHANICAL PENTHOUSE AREA - BUILDING "C"

All that portion of the parcel below described lying between a lower horizontal plane drawn at elevation 66.75 feet and an upper horizontal plane drawn at elevation 83.75 feet bounded and described as follows:

BEGINNING at a point 133.09 feet, as measured along the southerly line of Vesey Street, west of the intersection of the westerly line of Marginal Street, Wharf or Place and The United States Bulkhead Line approved by The Secretary of War, July 31, 1941, with the southerly line of Vesey Street and 276.45 feet, as measured along a line bearing due south, south of the southerly line of Vesey Street;

1. Running thence due west, 80.58 feet;
2. thence due north, 9.92 feet;
3. thence due east, 85.50 feet;
4. thence due south, 10.00 feet;
5. thence due east, 45.00 feet;
6. thence due south, 10.00 feet;
7. thence due east, 45.00 feet;
8. thence due south, 13.20 feet;
9. thence southeasterly, curving to the right on the arc of a circle whose radial line bears south 28°-21'-34" west, having a radius of 60.00 feet and a central angle of 48°-47'-00", 51.09 feet;
10. thence south 77°-08'-34" west, 3.92 feet;
11. thence northwesterly, curving to the left, on the arc of a circle whose radial line bears south 77°-08'-34" west, having a radius of 56.08 feet and a central angle of 77°-08'-34", 75.51 feet to a point of tangency;
12. thence due west, 21.42 feet;
13. thence due north, 10.00 feet;
14. thence due west, 45.00 feet;

15. thence due north, 10.00 feet to the point or place of BEGINNING.

The following seven descriptions are based upon the information shown on the Easement Plan.

Together with the following nonexclusive easements, on the terms and subject to the conditions set forth with respect thereto in Section 41.07 of the Severance Lease.

EASEMENT NO. 9
VEHICULAR ACCESS

All that portion of the parcel below described lying between a lower horizontal plane drawn at elevation -50.0 feet and an upper horizontal plane drawn at elevation 29.5 feet bounded and described as follows:

BEGINNING at a point in the northerly line of Liberty Street, distant 216.96 feet westerly from the intersection of the northerly line of Liberty Street with the westerly line of Marginal Street, Wharf or Place and The United States Bulkhead Line approved by The Secretary of War, July 31, 1941;

1. Running thence due west, along the northerly line of Liberty Street, 92.18 feet;
2. thence north 12°-28'-31" west, 105.56 feet;
3. thence north 73°-04'-45" east, 90.27 feet;
4. thence south 12°-28'-31" east, 132.47 feet to the point or place of BEGINNING.

EASEMENT NO. 11
TURNING CIRCLE AREA

All that portion of the parcel below described lying between a lower horizontal plane drawn at elevation -50.0 feet and an upper horizontal plane drawn at elevation 29.5 feet bounded and described as follows:

BEGINNING at a coordinate north 4370.933, west 10580.253;

1. Running thence north 12°-28'-31" west, 55.48 feet;
2. thence southeasterly, curving to the right on the arc of a circle whose radial line bears south 51°-43'-54" west, having a radius of 63.75 feet and a central angle of 51°-35'-11", 57.40 feet to the point or place of BEGINNING.

PART OF VESEY STREET

BEGINNING at the intersection of the southerly line of Vesey Street and the westerly line of Marginal Street, Wharf or Place and The United States Bulkhead Line approved by The Secretary of War, July 31, 1941:

1. Running thence north $88^{\circ}07'10''$ west, along the southerly line of Vesey Street, 693.61 feet;
2. thence north $1^{\circ}52'50''$ east, 100.00 feet, to the northerly line of Vesey Street;
3. thence south $88^{\circ}07'10''$ east, along the northerly line of Vesey Street, 655.68 feet, to the westerly line of Marginal Street, Wharf or Place and The United States Bulkhead Line approved by The Secretary of War, July 31, 1941;
4. thence south $18^{\circ}56'00''$ east, along the westerly line of Marginal Street, Wharf or Place and The United States Bulkhead Line approved by The Secretary of War, July 31, 1941, 94.24 feet to an angle point therein;
5. thence south $18^{\circ}34'07''$ east, still along the westerly line of Marginal Street, Wharf or Place and The United States Bulkhead Line approved by The Secretary of War, July 31, 1941, 12.71 feet to the point or place of BEGINNING.

PART OF NORTH END AVENUE

BEGINNING at the intersection of the southerly line of Vesey Street and the easterly line of North End Avenue:

1. Running thence south $1^{\circ}52'50''$ west, along the easterly line of North End Avenue, 355.00 feet, to the southerly line of North End Avenue;
2. thence north $88^{\circ}07'10''$ west, along the southerly line of North End Avenue, 100.00 feet, to the westerly line of North End Avenue;
3. thence north $1^{\circ}52'50''$ east, along the westerly line of North End Avenue, 355.00 feet, to the northerly line of North End Avenue which is coincident with a portion of the southerly line of Vesey Street;
4. thence south $88^{\circ}07'10''$ east, along the northerly line of North End Avenue which is coincident with a

portion of the southerly line of Vesey Street, 100.00 feet, to the point or place of BEGINNING.

PLAZA

Line of Liberty Street is in accordance with Map No. ACC. 30071 adopted by the New York City Board of Estimate, November 13, 1981.

Line of North End Avenue is in accordance with map being prepared by New York City, said map has not been adopted by the Board of Estimate as yet.

BEGINNING at a point in the northerly line of Liberty Street distant 216.96 feet westerly from the intersection of the northerly line of Liberty Street with the westerly line of Marginal Street, Wharf or Place and The United States Bulkhead Line approved by The Secretary of War, July 31, 1941:

1. Running thence due west, along the northerly line of Liberty Street, 412.64 feet;
2. thence north $73^{\circ}04'45''$ east, 78.82 feet;
3. thence north $18^{\circ}36'20''$ west, 463.95 feet;
4. thence south $71^{\circ}07'33''$ west, 194.68 feet to a point of curvature;
5. thence westerly, on a curve to the right having a radius of 1880.08 feet, a central angle of $3^{\circ}01'26''$ and a distance of 99.23 feet;
6. thence north $1^{\circ}52'50''$ east, 143.14 feet;
7. thence south $88^{\circ}07'10''$ east, along the southerly line of North End Avenue, 100.00 feet;
8. thence north $1^{\circ}52'50''$ east, along the easterly line of North End Avenue, 61.29 feet;
9. thence due east, 354.87 feet;
10. thence due south, 343.47 feet;
11. thence due east, 72.58 feet;
12. thence south $12^{\circ}28'31''$ east, 108.28 feet;
13. thence north $77^{\circ}31'29''$ east, 86.50 feet;
14. thence south $16^{\circ}55'15''$ east, 38.01 feet;

15. thence north $73^{\circ} - 04' - 45''$ east, 86.27 feet;
16. thence south $12^{\circ} - 28' - 31''$ east, 132.47 feet to the point or place of BEGINNING.

NORTHERN PEDESTRIAN BRIDGE

As shown on Map No. ACC. 30079 adopted by the New York City Board of Estimate, December 16, 1982.

SOUTHERN PEDESTRIAN BRIDGE

As shown on Map No. ACC. 30071 adopted by the New York City Board of Estimate, November 13, 1981.